UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period ended September 30, 2002

Commission file number 0-24710

SIRIUS SATELLITE RADIO INC.

(Exact name of registrant as specified in its charter)

Delaware	52-1700207
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1221 Avenue of the Americas, 36th Floor
New York, New York 10020

(Address of principal executive offices)
(Zip code)

212-584-5100

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, $.001 par value	77,255,156 shares
(Class)	(Outstanding as of November 8, 2002)

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Part I - Financial Information

<TABLE>
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SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2002	2001	2002	2001
Revenue:				
Subscriber revenue, net of rebates	$ (51)	$ -	$ 3	$ -
Advertising revenue, net of agency fees	62	-	111	-
Other revenue	6	-	6	-
Total revenue	17	-	120	-
Operating expenses:				
Cost of services (excludes depreciation expense shown separately below):				
Satellite and transmission	8,140	8,294	25,347	22,717
Programming and content	4,199	2,377	12,107	6,297
Customer service and billing	1,855	1,614	5,579	4,746
Sales and marketing	33,314	5,494	79,874	15,172
General and administrative	8,121	7,605	24,249	19,458
Research and development	2,561	12,145	23,699	38,223
Depreciation expense	23,011	2,336	59,591	6,631
Non-cash stock compensation expense/(benefit) (1)	538	(9,215)	(7,995)	3,374
Total operating expenses	81,739	30,650	222,451	

116,618

Loss from operations	(81,722)	(30,650)	(222,331)	(116,618)
Other income (expense):				
Expense associated with restructuring	(1,905)	-	(1,905)	-
Interest and investment income	1,013	5,010	4,530	14,386
Interest expense, net of amounts capitalized	(25,603)	(21,260)	(80,689)	(60,825)
Total other expense	(26,495)	(16,250)	(78,064)	(46,439)
Net loss	(108,217)	(46,900)	(300,395)	(163,057)
Preferred stock dividends	(11,287)	(10,336)	(33,494)	(30,724)
Preferred stock deemed dividends	(171)	(170)	(513)	(509)
Net loss applicable to common stockholders	$(119,675)	$(57,406)	$(334,402)	$(194,290)
Net loss per share applicable to common stockholders (basic and diluted)	$ (1.56)	$ (1.06)	$ (4.41)	$ (3.77)
Weighted average common shares outstanding (basic and diluted)	76,852	54,063	75,820	51,575

- --------------

(1) Allocation of non-cash stock compensation expense/(benefit) to other operating expenses:				
Satellite and transmission	$ 66	$ (1,519)	$ (1,446)	$ 166
Programming and content	88	(1,888)	(1,774)	97
Customer service and billing	4	(181)	(178)	30
Sales and marketing	222	(1,789)	(948)	311
General and administrative	99	(1,699)	(1,672)	1,336
Research and development	59	(2,139)	(1,977)	1,434
Total non-cash stock compensation expense/(benefit)	$ 538	$ (9,215)	$ (7,995)	$ 3,374

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

<TABLE>

<CAPTION>

	September 30, 2002	December 31, 2001
<S>	<C>	<C>
ASSETS	(Unaudited)	
Current assets:		
Cash and cash equivalents	$ 63,966	$ 4,726
Marketable securities	184,732	304,218
Restricted investments, short-term	-	14,798
Prepaid expenses	20,813	12,161
Other current assets	1,985	142
Total current assets	271,496	336,045
Property and equipment, net	1,056,932	1,082,915
FCC license	83,654	83,654
Restricted investments, long-term	7,200	7,200
Other long-term assets	14,263	17,791
Total assets	$1,433,545	$1,527,605
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 44,435	$ 39,836
Accrued interest	12,250	5,477
Satellite construction payable	1,400	-
Current portion of long-term debt	41,500	15,000
Total current liabilities	99,585	60,313
Long-term debt	569,768	589,990
Deferred satellite payments and accrued interest	72,354	67,201
Other long-term liabilities	2,259	2,284
Total liabilities	743,966	719,788
Commitments and contingencies		
9.2% Series A Junior Cumulative Convertible Preferred Stock, $.001 par value: 4,300,000 shares authorized, 1,742,512 shares issued and outstanding at September 30, 2002 and December 31, 2001 (liquidation preference of $174,251), at net carrying value including accrued dividends	189,030	177,120
9.2% Series B Junior Cumulative Convertible Preferred Stock, $.001 par value: 2,100,000 shares authorized, 781,548 shares issued and outstanding at September 30, 2002 and December 31, 2001 (liquidation preference of $78,155), at net carrying value including accrued dividends	82,843	77,338
9.2% Series D Junior Cumulative Convertible Preferred Stock, $.001 par		

value: 10,700,000 shares authorized, 2,343,091 shares issued and outstanding at September 30, 2002 and December 31, 2001 (liquidation preference of $234,309), at net carrying value including accrued dividends	247,302	230,710
Stockholders' equity:		
Common stock, $.001 par value: 500,000,000 shares authorized, 76,992,865 and 57,455,931 shares issued and outstanding at September 30, 2002 and December 31, 2001, respectively	77	57
Additional paid-in capital	975,057	827,590
Accumulated other comprehensive income	663	-
Accumulated deficit	(805,393)	(504,998)
Total stockholders' equity	170,404	322,649
Total liabilities and stockholders' equity	$1,433,545	$1,527,605

The accompanying notes are an integral part of these consolidated financial statements.

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except share and per share amounts)
(Unaudited)

	Common Stock		Additional	Accumulated Other Comprehensive	Accumulated	
	Shares	Amount	Paid-In Capital	Income	Deficit	Total
Balance, December 31, 2001	57,455,931	$57	$827,590	$ -	$(504,998)	$ 322,649
Net loss	-	-	-	-	(300,395)	(300,395)
Unrealized gain on available-for-sale securities	-	-	-	663	-	663
Sale of $.001 par value common stock, $9.85 per share, net of expenses	16,000,000	16	147,484	-	-	147,500
Conversion of 8 3/4% Convertible Subordinated Notes due 2009, including accrued interest	2,913,483	3	39,298	-	-	39,301
Compensation in connection with the issuance of common stock options	-	-	(9,406)	-	-	(9,406)
Issuance of common stock to employees and employee benefit plans	598,872	1	3,130	-	-	3,131
Exercise of stock options, $7.50 per share	3,000	-	22	-	-	22

Warrant expense associated with acquisition of programming.....	-	-	20	-	-	20
Reduction of warrant exercise price in connection with the amendment to our Term Loan Facility.....	-	-	926	-	-	926
Issuance of common stock in connection with conversion of 10 1/2% Series C Convertible Preferred Stock in prior period.....	21,579	-	-	-	-	-
Preferred stock dividends.....	-	-	(33,494)	-	-	(33,494)
Preferred stock deemed dividends.....	-	-	(513)	-	-	(513)
Balance, September 30, 2002.....	76,992,865	$77	$975,057	$663	$(805,393)	$ 170,404

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

<TABLE>
<CAPTION>

	For the Nine Months Ended September 30,	
	2002	2001
<S>	<C>	<C>
Cash flows from operating activities:		
Net loss	$(300,395)	$(163,057)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	59,591	6,631
Accretion of debt	36,679	32,162
Expense incurred in connection with the conversion of debt	9,650	-
Non-cash stock compensation (benefit)/charge	(7,995)	3,374
Loss on impairment of fixed assets	3,666	-
Amortization of in-orbit satellite insurance	8,796	8,269
Amortization of debt issuance costs	2,703	2,402
Expense associated with restructuring	1,905	-
Change in unrealized gain on marketable securities	2,408	(739)
Other	21	-
Increase (decrease) in cash and cash equivalents resulting from changes in assets and liabilities:		
Marketable securities	(76,280)	(205,468)
Restricted investments	(202)	(909)
Prepaid expenses and other current assets	(17,696)	(1,927)
Other long-term assets	(117)	2,077
Accounts payable and accrued expenses	13,043	14,433
Accrued interest	6,319	(9,685)
Satellite construction payable	1,400	(9,310)
Net cash used in operating activities	(256,504)	(321,747)
Cash flows from investing activities:		
Additions to property and equipment	(37,274)	(53,864)
Maturities of restricted investments, net of purchases	14,500	14,050
Proceeds from the sale of assets	-	13
Sales of marketable securities, net of purchases	194,521	-

Net cash provided by (used in) investing activities	171,747	(39,801)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt, net	-	145,000
Proceeds from issuance of common stock, net	147,500	229,593
Payments associated with restructuring	(3,500)	-
Other	(3)	348
Net cash provided by financing activities	143,997	374,941
Net increase in cash and cash equivalents	59,240	13,393
Cash and cash equivalents at the beginning of period	4,726	14,397
Cash and cash equivalents at the end of period	$ 63,966	$ 27,790
Supplemental disclosure of cash flows from operating activities:		
Cash paid during the period for interest	$ 24,039	$ 25,825
Common stock issued in satisfaction of accrued compensation	1,720	2,649
Supplemental disclosure of non-cash investing and financing activities:		
Common stock issued in connection with the conversion of 8 3/4% Convertible Subordinated Notes due 2009, including accrued interest	$ 30,592	$ -
Capitalized interest	5,426	14,055

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts in thousands, unless otherwise stated)
(Unaudited)

1. Business

Sirius Satellite Radio Inc. broadcasts digital-quality radio programming from three orbiting satellites to motorists throughout the continental United States for a monthly subscription fee of $12.95. We deliver 60 channels of 100% commercial-free music in virtually every genre, and 40 channels of news, sports and entertainment programming.

Since inception, we have used substantial resources to develop our satellite radio system. Our satellite radio system currently consists of our FCC license, three in-orbit satellites, one ground spare satellite, national broadcast studios, terrestrial repeater network and other assets used in our operations.

We derive revenue from subscription fees, a one-time activation fee per subscriber and selling advertising on our non-music channels. As of September 30, 2002, we had 11,821 subscribers.

2. Restructuring of our Debt and Equity; the Lock-Up Agreement

On October 17, 2002, we entered into a lockup agreement with affiliates of Apollo Management, L.P. ("Apollo"), The Blackstone Group L.P. ("Blackstone") and OppenheimerFunds, Inc. ("Oppenheimer"), and members of an informal noteholders committee, which includes Lehman Commercial Paper Inc. ("Lehman") and Space Systems/Loral, Inc. ("Loral"), pursuant to which each agreed to use commercially reasonable best efforts to restructure our debt and equity capital. Pursuant to the lockup agreement:

- We agreed to commence a public exchange offer for all of our outstanding debt. Lehman, Loral and the holders of a majority in aggregate principal amount of our 15% Senior Secured Discount Notes due 2007, our 14 1/2% Senior Secured Notes due 2009 and our 8 3/4% Convertible Subordinated Notes due 2009 agreed to tender their debt securities in such exchange offer for common stock and deliver consents to amend the indentures under which the notes were issued and waive any existing defaults or defaults caused as a result of the restructuring. Assuming that all of our debt is tendered in this exchange offer, holders of our debt will own approximately 62% of our outstanding common stock after giving effect to the restructuring;

- Apollo and Blackstone agreed to tender for cancellation all of our outstanding preferred stock in exchange for approximately 8% of our common stock after giving effect to the restructuring, and warrants to purchase 9.1% of our common stock after giving effect to the restructuring;

- Apollo, Blackstone and Oppenheimer agreed to purchase newly issued shares of our common stock for an aggregate purchase price of $200,000 cash. These shares of common stock will represent approximately 22% of our common stock after giving effect to the restructuring; and

- Existing holders of our common stock will retain 8% of our common stock after giving effect to the restructuring.

All ownership percentages are shown on a primary basis and do not give effect to any issuances of our common stock as the result of the exercise of outstanding options or warrants to purchase common stock.

The completion of the debt exchange offer will be conditioned upon, among other conditions, our receipt of valid tenders from not less than 97% in aggregate principal amount of our outstanding debt and 90% in aggregate principal amount of our 8 3/4% Convertible Subordinated Notes due 2009; provided that the holders of a majority in aggregate principal amount and accrued interest on our debt may reduce this minimum tender condition to not less than

90% in aggregate principal amount of our debt and may lower or eliminate the minimum condition applicable to our 8 3/4% Convertible Subordinated Notes due 2009. We reserve the right to waive the minimum tender condition, which we will be able to do only with the prior written consent of our board of directors, the holders of a majority in aggregate principal amount and accrued interest on our debt, Apollo and Blackstone.

Consummation of the restructuring is subject to a number of significant conditions, including completion of the debt exchange offer, approval of existing stockholders, regulatory approval and other customary conditions. We expect to file a registration statement and a proxy statement relating to the restructuring with the Securities and Exchange Commission in November.

Pursuant to the lockup agreement, we are also preparing a prepackaged plan of reorganization to file with the bankruptcy court as an alternative for effecting the restructuring if the conditions to completion of the exchange offer, including the minimum tender condition, are not met or waived but we do receive the required acceptances to seek confirmation of the prepackaged plan. We plan to solicit the vote of each holder of our debt and our stockholders in favor of this prepackaged plan.

The prepackaged plan consists of a plan of reorganization that would effect the same transactions contemplated by the restructuring, including the issuance of common stock in exchange for our debt and our preferred stock and the new equity investment by Apollo, Blackstone and Oppenheimer. However, in the event that we determine to file the prepackaged plan with the bankruptcy court, Apollo, Blackstone and Oppenheimer may elect to terminate their obligations to purchase common stock. In that event, and provided no suitable alternative new equity investment is located, we will not seek confirmation of the prepackaged plan.

We do not expect to pay the interest that comes due on our outstanding debt after October 17, 2002, the date of the lockup agreement, and prior to the consummation of the restructuring. Following the closing of the restructuring, we expect to cure any payment defaults with respect to any of our debt that remains outstanding.

3. Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements, including the accounts of Sirius Satellite Radio Inc. and Satellite CD Radio, Inc., our wholly owned subsidiary, have been prepared in accordance with accounting principles generally accepted in the United States and the instructions to Form 10-Q and Article 10 of Regulation S-X for interim financial reporting.

Accordingly, these statements do not include all of the information and footnotes disclosures required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments (consisting only of normal, recurring adjustments) considered necessary for fair presentation have been included. All intercompany transactions have been eliminated in consolidation. Our consolidated financial statements should be read together with our consolidated financial statements and the notes thereto contained in our Annual Report on Form 10-K for the year ended December 31, 2001.

We emerged from development stage and entered commercial operations on February 14, 2002; as such, we revised our Consolidated Statements of Operations to reflect our operational status. Operating results for the nine months ended September 30, 2002 are not necessarily indicative of the results that may be expected for the year ending December 31, 2002.

Risks and Uncertainties

Our future operations are subject to the risks and uncertainties frequently encountered by companies in new and

rapidly evolving markets. Among the key factors that have a direct bearing on our results of operations are: our need for substantial additional financing by early 2003, although we have sufficient cash to cover our estimated funding needs through the second quarter of 2003; our dependence upon third parties to manufacture, distribute, market and sell our radios and components for those radios; the unproven market for our service; our competitive position; and the useful life of our satellites.

Revenue Recognition

Revenue from subscribers consists of our monthly subscription fee, recognized as service is provided, and a non-refundable activation fee. Our non-refundable activation fee is recognized on a pro rata basis over the term of the subscriber relationship, assumed to be 3.5 years for amortization purposes. The assumed term of a subscriber relationship is based on market research and management's judgment and, if necessary, will be refined in the future as historical data becomes available.

During the three months ended September 30, 2002, we offered a mail-in rebate program to new subscribers. As required by Emerging Issues Task Force No. 01-09, "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)," we reported the cost of this program as a reduction of subscription revenue, as we pay mail-in rebates directly to subscribers. We have accrued for 100% of all potential rebates that were available to new subscribers, as historical data on our rebate program is not currently available. We will adjust the related accrual at the end of the mail-in rebate program to reflect the actual amounts paid to subscribers.

We recognize advertising revenue from the sale of spot announcements to advertisers as the announcements are broadcast. Agency fees are calculated based on a stated percentage applied to gross billing revenue for our advertising inventory and are reported as a reduction of advertising revenue on our Consolidated Statements of Operations.

Net Loss Per Share

Basic net loss per share is based on the weighted average number of outstanding shares of our common stock during each reporting period. Diluted net loss per share adjusts the weighted average for the potential dilution that could occur if common stock equivalents (convertible preferred stock, convertible debt, warrants and stock options) were exercised or converted into common stock. Approximately 16,038,000 and 17,044,000 common stock equivalents were outstanding as of September 30, 2002 and 2001, respectively, and were excluded from the calculation of diluted net loss per share, as they were anti-dilutive.

Property and Equipment

All costs incurred to prepare our satellite radio system for use were capitalized. Such costs consist of satellite and launch vehicle construction,

(Dollar amounts in thousands, unless otherwise stated)

broadcast studio equipment, terrestrial repeater equipment and interest. The estimated useful lives of our property and equipment are as follows:

<TABLE>
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Leasehold improvements	15 years
Satellite system	15 years
Broadcast studio equipment	3-8 years
Terrestrial repeater equipment	5-15 years
Satellite telemetry, tracking and control	3-15 years
Customer care, billing and conditional access	3-7 years
Furniture, fixtures, equipment and other	3-7 years

</TABLE>

The estimated useful lives of our satellites are fifteen years from the date that they were placed into orbit. We depreciate our satellite system on a straight-line basis over the respective remaining useful lives of our satellites from the date we launched our service in February 2002 or, in the case of our spare satellite, from the date it was delivered to ground storage in April 2002. All other property and equipment is depreciated over the estimated useful lives stated above.

We review our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset is not recoverable. At such time as an impairment in value of a long-lived asset is identified, except for our FCC license discussed below, the impairment will be measured in accordance with Statement of Financial Accounting Standard ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," as the amount by which the carrying amount of a long-lived asset exceeds its fair value. To determine fair value we employ an expected present value technique, which utilizes multiple cash flow scenarios that reflect the range of possible outcomes and a risk-free rate.

FCC License

In June 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 requires, for all fiscal years beginning after December 15, 2001, that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead be tested for impairment at least annually. In accordance with SFAS No. 142, we determined that our FCC license has an indefinite life and we will evaluate it for impairment on an annual basis. We completed an impairment analysis of our FCC license as of January 1, 2002 and concluded that there were no indicators of impairment. To date, we have not recorded any amortization expense related to our FCC license, and therefore are not required to include the transitional disclosures contained in SFAS No. 142.

Recent Accounting Pronouncements

In April 2002, the FASB issued SFAS No. 145, "Rescission of SFAS Nos. 4, 44 and 64, Amendment of FASB Statement No. 13 and Technical Corrections," which requires gains and losses from extinguishments of debt to be classified as extraordinary items only if they meet the criteria in Accounting Principles Board ("APB") Opinion No. 30, "Reporting the Results of Operations, Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." Applying the provisions of APB Opinion No. 30 will distinguish transactions that are part of an entity's recurring operations from those that are unusual and infrequent or that meet the criteria for classification as an extraordinary item. SFAS No. 145 is effective for all fiscal years beginning after May 15, 2002, with early adoption encouraged. Our adoption of SFAS No. 145, effective May 15, 2002, required us to reclassify the extraordinary gain we recognized on the extinguishment of $16,500 in principal amount at maturity of our 15% Senior Secured Discount Notes due 2007 in December 2001.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities," which requires that a liability associated with an exit or disposal activity be measured at fair value and recognized when the liability is incurred. The provisions of this statement are effective for exit or disposal activities that are initiated after December 31, 2002, with early application encouraged. Our adoption of SFAS No. 146, effective

(Dollar amounts in thousands, unless otherwise stated)

June 30, 2002, had no impact on our financial position or results of operations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the

reported period. These estimates involve judgments with respect to, among other things, various future factors which are difficult to predict and are beyond our control. Actual amounts could differ from these estimates.

Reclassifications

Certain amounts in the prior year's financial statements have been reclassified to conform to the current presentation.

4. Subscriber Revenue

Subscriber revenue, which consists of subscription and activation fees, was offset by amounts accrued in connection with our mail-in rebate program. Mail-in rebates are paid by us directly to subscribers and are recorded as a reduction to subscription revenue in the period the subscriber activates our service. Historical data related to our mail-in rebate program is not currently available, therefore we are required to accrue 100% of all potential rebates that were available to new subscribers. We will adjust the related accrual at the end of the mail-in rebate program to reflect the actual amounts paid to subscribers. The mail-in rebate program has resulted in negative subscriber revenue for the three months ended September 30, 2002 and reduced subscriber revenue for the nine months ended September 30, 2002.

The following table details the components of subscriber revenue:

<TABLE>
<CAPTION>

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
Subscriber Revenue:				
Subscription revenue	$ 259	$ -	$ 310	$ -
Activation revenue	9	-	12	-
Subscriber rebates	(319)	-	(319)	-
Total Subscriber Revenue	$ (51)	$ -	$ 3	$ -

</TABLE>

5. Interest Expense

Interest expense, net of amounts capitalized, for the nine months ended September 30, 2002 and 2001 was $80,689 and $60,825, respectively. Included in the nine months ended September 30, 2002 was a non-cash expense associated with the induced conversion of our 8 3/4% Convertible Subordinated Notes due 2009 of $9,650. There were no induced conversions of our 8 3/4% Convertible Subordinated Notes due 2009 during the nine months ended September 30, 2001.

6. Non-cash Stock Compensation

In connection with the grant of certain stock options, the issuance of common stock to employees and the issuance of common stock to an employee benefit plan, we record non-cash stock compensation benefits or expenses. In accordance with FASB Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation," we recognized a non-cash stock compensation benefit of $9,717 for the nine month period ended September 30, 2002 related to certain repriced stock options. We may record future non-cash stock compensation benefits or expenses associated with these repriced stock options based on the

market value of our common stock at the end of each reporting period.

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts in thousands, unless otherwise stated)
(Unaudited)

7. Investments

Marketable Securities

Marketable securities consist of U.S. government agency obligations. Effective April 1, 2002, we began classifying marketable securities as available-for-sale securities rather than trading securities because management no longer intends to buy and sell marketable securities with the objective of generating profits. Available-for-sale securities are carried at fair market value and unrealized gains and losses are included as a component of stockholders' equity. In prior periods, marketable securities were classified as trading securities and unrealized holding gains and losses were recognized in earnings. We had an unrealized holding gain on marketable securities of $608 and $3,387 at September 30, 2002 and December 31, 2001, respectively.

Restricted Investments

Restricted investments consist of fixed income securities, which are stated at amortized cost plus accrued interest. Included in restricted investments are short-term and long-term certificates of deposit of $7,200 and $7,789 as of September 30, 2002 and December 31, 2001, respectively, which are pledged to secure our reimbursement obligations under letters of credit issued primarily for the benefit of the lessor of our headquarters. Also included in restricted investments as of December 31, 2001 were U.S. Treasury Notes of $14,209, which were used to pay interest on our 14 1/2% Senior Secured Notes due 2009 on May 15, 2002. These U.S. Treasury Notes were classified as held-to-maturity securities and unrealized holding gains and losses were not reflected in earnings. As of December 31, 2001, we had an unrealized holding gain of $196 related to these held-to-maturity securities.

8. Deferred Satellite Payments

Loral has deferred $50,000 due under our amended and restated satellite contract. The amount deferred, which approximates fair value, bears interest at 10% per year and was originally due in quarterly installments beginning in June 2002. Our fourth, spare, satellite was delivered to ground storage on April 19, 2002 and was originally expected to be delivered to ground storage in October 2000. Loral's delay in delivering this satellite resulted in a revision to the deferred payment schedule as follows: $8,333 due in 2003, $25,001 due in 2004 and $16,666 due in 2005. We have the right to prepay any deferred payments together with accrued interest, without penalty. As collateral security for this deferred amount, we have granted Loral a security interest in our terrestrial repeater network.

Pursuant to the lockup agreement, Loral has agreed to tender its debt in exchange for shares of our common stock (See Note 2, "Restructuring of our Debt and Equity; the Lock-Up Agreement"). Upon consummation of the restructuring, the agreement relating to this debt and the security interest in our terrestrial repeater network will be cancelled.

9. Long-term Debt

Our long-term debt consists of the following:

<TABLE>
<CAPTION>

	Maturity Date	September 30, 2002	December 31, 2001
<C>	<C>	<C>	<C>
15% Senior Secured Discount Notes due 2007	12/01/07	$273,073	$242,286
14 1/2% Senior Secured Notes due 2009	5/15/09	178,618	176,346
8 3/4% Convertible Subordinated Notes due 2009	9/29/09	16,461	45,936
Term Loan Facility (current interest rate of 6.8%)	Various	143,116	140,422
Total debt		$611,268	$604,990
Less: current portion		(41,500)	(15,000)
Total long-term debt		$569,768	$589,990

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts in thousands, unless otherwise stated)
(Unaudited)

Our obligations under the 15% Senior Secured Discount Notes due 2007, 14 1/2% Senior Secured Notes due 2009 and term loan facility are secured by liens on the stock of Satellite CD Radio, Inc., our subsidiary that holds our FCC license, and our fourth, spare satellite.

Acquisitions of 8 3/4% Convertible Subordinated Notes due 2009

During the nine months ended September 30, 2002, we acquired $29,475 in aggregate principal amount of our 8 3/4% Convertible Subordinated Notes due 2009 in exchange for 2,913,483 shares of our common stock.

Default on 8 3/4% Convertible Subordinated Notes due 2009

On September 29, 2002, we elected not to pay the interest due on our 8 3/4% Convertible Subordinated Notes due 2009. This failure to pay interest matured into an event of default under the indenture relating to our 8 3/4% Convertible Subordinated Notes due 2009 on October 30, 2002. If the holders of, or the trustee for, our 8 3/4% Convertible Subordinated Notes due 2009 accelerate the maturity of these notes, then this acceleration may result in an event of default under the indentures relating to our 15% Senior Secured Discount Notes due 2007 and our 14 1/2% Senior Secured Notes due 2009. Pursuant to the lockup agreement, Lehman and Loral have agreed not to pursue their rights to accelerate the maturity of their debt so long as the lockup agreement has not been terminated.

Amendment of Term Loan Facility

On March 26, 2002, we entered into an amendment to our term loan agreement with Lehman, which adjusted the financial covenants, accelerated the payment schedule of the term loan and reduced the exercise price of the warrants that had been issued in connection with the term loan from $29.00 to $15.00 per share. In connection with this exercise price reduction, we adjusted the book value of our term loan and future amortization schedule.

As amended, the term loan matures in installments as set forth below:

<TABLE>
<CAPTION>

Installment	Amount
<S>	<C>
June 30, 2002	$ 7,500
September 30, 2002	7,500
December 31, 2002	7,500
March 31, 2003	7,500
June 30, 2003	11,500
March 31, 2004	3,375
June 30, 2004	3,375
September 30, 2004	3,375
December 31, 2004	3,375
March 31, 2005	23,750
June 30, 2005	23,750
September 30, 2005	23,750
December 31, 2005	23,750

</TABLE>

At our option, we may defer the payments due on June 30, 2002, September 30, 2002, December 31, 2002, March 31, 2003 and June 30, 2003 for a period of ninety days. We elected to defer the June 30, 2002 and September 30, 2002 installments for ninety days.

Pursuant to the lockup agreement, Lehman has agreed to tender its term loan in exchange for shares of our common stock (See Note 2, "Restructuring of our Debt and Equity; the Lock-Up Agreement"). Further, pursuant to the lockup agreement, Lehman has agreed not to pursue its right to payment of principal, including the

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts in thousands, unless otherwise stated)
(Unaudited)

principal payments originally due on June 30, 2002 and September 30, 2002, and interest due under the term loan agreement so long as the lock-up agreement has not been terminated. We have paid interest on the term loan through September 10, 2002.

10. Commitments and Contingencies

We have entered into agreements with providers of non-music programming and, in certain instances, are obligated to pay license fees, to share advertising revenues from this programming or to purchase advertising on properties owned or controlled by these providers. These obligations aggregate $942, $15,189, $28,075, $22,627 and $674 for the remainder of 2002 and for the years ending December 31, 2003, 2004, 2005 and 2006, respectively.

We have entered into various marketing agreements to promote our brand. Our obligations under these agreements aggregate $10,534, $37,595, $16,343, $10,129 and $6,000 for the remainder of 2002 and for the years ending December 31, 2003, 2004, 2005 and 2006, respectively.

We have also entered into agreements with automakers, radio manufacturers and others that include per-radio and per-subscriber required payments and revenue sharing arrangements. These future costs are dependent upon many factors and are difficult to anticipate; however, these costs may be substantial. We may enter into additional programming, marketing and other agreements that contain provisions similar to our current agreements.

11. Common Stock Issuance

In January 2002, we sold 16,000,000 shares of our common stock in an underwritten public offering, resulting in net proceeds of approximately $147,500.

12. Subsequent Events

On October 7, 2002, we cancelled the warrant previously issued to Ford Motor Company and issued a new warrant to Ford which entitles Ford to purchase up to 4,000,000 shares of our common stock at a purchase price of $3.00 per share. On October 25, 2002, we cancelled the warrant previously issued to DaimlerChrysler Corporation and issued a new warrant to Daimler which entitles Daimler to purchase up to 4,000,000 shares of our common stock at a purchase price of $3.00 per share.

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(Dollar amounts in thousands, unless otherwise stated)

Special Note Regarding Forward-looking Statements

The following cautionary statements identify important factors that could cause our actual results to differ materially from those projected in forward-looking statements made in this Quarterly Report on Form 10-Q and in other reports and documents published by us from time to time. Any statements about our beliefs, plans, objectives, expectations, assumptions, future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "intends," "plans," "projection" and "outlook." Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout our Annual Report on Form 10-K for the year ended December 31, 2001 (the "Form 10-K") and in other reports and documents published by us from time to time, particularly the risk factors described under "Business--Risk Factors" in Part I of the Form 10-K. Among the significant

factors that could cause our actual results to differ materially from those expressed in the forward-looking statements are:

- our need for substantial additional financing by early 2003, although we have sufficient cash to cover our estimated funding needs through the second quarter of 2003;

- our dependence upon third parties to manufacture, distribute, market and sell our radios and components for those radios;

- the unproven market for our service;

- our competitive position; XM Satellite Radio, the other satellite radio provider in the United States, began offering its service before us, has a substantial number of subscribers and may have certain competitive advantages; and

- the useful life of our satellites, which have experienced circuit failures on their solar arrays. At this time, the circuit failures our satellites have experienced are not expected to limit the power of our broadcast signal, reduce the expected useful life of our satellites or otherwise affect our operations.

Because the risk factors referred to above could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us or on our behalf, you should not place undue reliance on any such forward-looking statements. In addition, any forward-looking statements speak only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events or otherwise. New factors emerge from time to time, and it is not possible for us to predict which will arise or to assess with any precision the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements.

Overview

From our three orbiting satellites, we directly broadcast digital-quality radio to motorists throughout the continental United States for a monthly subscription fee of $12.95. We deliver 60 channels of 100% commercial-free music in virtually every genre, and 40 channels of news, sports, and entertainment programming. We hold one of only two licenses issued by the FCC to operate a national satellite radio system.

We emerged from the development stage in the first quarter of 2002 following the launch of our service on February 14, 2002 in Denver, Colorado; Houston, Texas; Phoenix, Arizona; and Jackson, Mississippi. We continued to expand our commercial service throughout the United States during the first and second quarters of

2002 and completed our national roll out on July 1, 2002. We had 11,821 subscribers as of September 30, 2002, and 16,136 subscribers as of October 31, 2002.

We derive revenue from subscription fees, a one-time activation fee per subscriber and selling advertising on our non-music channels.

Our operating expenses consist primarily of:

- marketing costs, including marketing and sales personnel, advertising, promotions, equipment subsidies, and payments to retailers, dealers, distributors and automakers;

- programming costs, including royalties to copyright holders, license fees to programming providers, and advertising revenue sharing arrangements;

- costs of operating and maintaining our broadcast system, including the costs of tracking, controlling and insuring our satellites, operating our terrestrial repeater network, and maintaining our national broadcast studio;

- costs associated with the continuing development of our radio technology, including the costs of designing and developing future integrated circuits ("chip sets");

- general and administrative costs, including salary and employment related expenses, rent and occupancy costs, corporate insurance expenses and other miscellaneous costs, such as legal and consulting fees; and

- depreciation associated with our satellite system, broadcast studio equipment, terrestrial repeater network and other systems and facilities.

Results of Operations

Three Months Ended September 30, 2002 Compared with Three Months Ended September 30, 2001

We had negative subscriber revenue of $51 for the three months ended September 30, 2002. Revenue from subscribers consists of our monthly subscription fee, recognized as service is provided, and a non-refundable activation fee, recognized on a pro rata basis over the term of the subscriber relationship, currently assumed to be 3.5 years. Subscription and activation revenue totaling $268 was offset by a $319 reduction in revenue related to our mail-in rebate program. Mail-in rebates are paid by us directly to subscribers and are recorded as a reduction to subscription revenue in the period the subscriber activates our service. Historical data related to our mail-in rebate program is not currently available, therefore we are required to accrue 100% of all potential rebates that were available to new subscribers, which resulted in negative subscriber revenue for the three months ended September 30, 2002. We will adjust the related accrual at the end of the mail-in rebate program to reflect the actual amounts paid to subscribers.

Average monthly revenue per subscriber was approximately $12.38 for the three months ended September 30, 2002. Average monthly revenue per subscriber, which is not a measure of financial performance under accounting principles generally accepted in the United States, is derived from total earned subscription revenue (excluding amounts accrued in connection with the mail-in rebate program) and activation revenue over the daily weighted average number of subscribers for the quarter. We expect average revenue per subscriber to remain relatively stable during the remainder of 2002. Average revenue per subscriber in future periods will be dependent upon the amount of subscriber discounts and the identification of additional revenue streams from subscribers.

Advertising revenue, net of agency fees of $11, was $62 for the three months ended September 30, 2002. We recognize advertising revenue from sales of spot announcements to advertisers as the announcements are broadcast.

We had net losses of $108,217 and $46,900 for the three months ended September 30, 2002 and 2001, respectively. Operating expenses increased to $81,739 for the three months ended September 30, 2002 from $30,650 for the three months ended September 30, 2001. The increase in operating expenses was attributable to the continued implementation of our sales and marketing campaign following the launch of our service, depreciation of our satellite system and terrestrial repeater network, amounts paid to radio manufacturers to subsidize a portion of the costs of our radios and the increase in our workforce. We expect operating expenses to continue to increase as we build our subscriber base and expand our operations.

Satellite and transmission expenses decreased to $8,140 for the three months ended September 30, 2002 from $8,294 for the three months ended September 30, 2001. Satellite and transmission expenses consist primarily of personnel costs, in-orbit satellite insurance expense and costs associated with the operation and maintenance of our satellite tracking, telemetry and control system, terrestrial repeater network and national broadcast studio. We expect that a significant portion of our satellite and transmission costs will remain relatively constant, and that increases or decreases in satellite and transmission costs will be due, in large part, to increased or decreased costs of insuring our in-orbit satellites. Our indentures currently require us to maintain insurance covering our in-orbit satellites. We intend to evaluate the benefits of continuing to purchase in-orbit satellite insurance in light of the increased costs and the probability of an insurable failure occurring, and may decline to purchase such insurance.

Programming and content expenses increased to $4,199 for the three months ended September 30, 2002 from $2,377 for the three months ended September 30, 2001. Programming and content expenses include license fees to third parties that provide non-music content, costs associated with the production of our music and non-music programming, costs of our on-air talent, royalties for music

broadcast on our service and programming personnel costs. The increase in costs during the 2002 period was primarily attributable to costs of on-air talent and amounts paid to acquire programming. We anticipate that our programming costs will increase over time as we continue to develop our channel line-up, share additional advertising revenue from the increased price of spot advertisements sold to advertisers and incur additional royalties as a result of increased subscriber revenue.

Customer service and billing costs increased to $1,855 for the three months ended September 30, 2002 from $1,614 for the three months ended September 30, 2001. Customer service center and billing costs include costs associated with the full time operation of our customer service center and subscriber management system. The increase in costs during the 2002 period was primarily attributable to additional customer representatives at our customer service center. We expect that our customer service center and billing costs will increase as we acquire subscribers. Customer service and billing costs on a per subscriber basis will be significantly reduced as our fixed operating costs are spread over a larger subscriber base. We have identified defects in our subscriber management system which, if not corrected in a timely manner, could negatively impact our business, including our ability to bill subscribers and accurately report financial information. We have notified the provider of this system that these defects must be resolved promptly.

Sales and marketing expenses increased to $33,314 for the three months ended September 30, 2002 from $5,494 for the three months ended September 30, 2001. Sales and marketing expenses include costs related to sales and marketing personnel, advertising, sponsorships, consumer promotions, brand building activities, subsidies paid to radio manufacturers, commission payments to distributors and retailers and other payments to distributors and retailers to reimburse them for marketing and promotional activities. Sales and marketing expenses increased during the 2002 period due to the national launch of our service, marketing activities by distributors and retailers, our marketing and promotional efforts and the costs associated with subsidies paid to radio and chip set manufacturers in advance of acquiring subscribers. Sales and marketing expenses may increase in the future as we build brand awareness through national advertising, offer additional hardware subsidies paid to manufacturers of our radios and other incentives to acquire subscribers including commissions to retailers and other distributors.

General and administrative expenses increased to $8,121 for the three months ended September 30, 2002 from $7,605 for the three months ended September 30, 2001. General and administrative expenses include rent and occupancy costs, corporate overhead and general and administrative personnel. The increase in the 2002 period is associated with the expansion of our workforce and a loss of $924

on the disposal of assets associated with terminating a lease on non-essential office space, which was offset by a decrease in rent due to this termination.

Research and development costs decreased to $2,561 for the three months ended September 30, 2002 from $12,145 for the three months ended September 30, 2001. Research and development includes costs associated with our agreements with Agere Systems, Inc. to develop and manufacture chip sets for use in our radios. In addition, we have agreements with Alpine Electronics Inc., Audiovox Corporation, Clarion Co., Ltd., Delphi Corporation, Kenwood Corporation, Matsushita Communications Industrial Corporation USA, Visteon Automotive Systems and others to design, develop and produce our radios and have agreed to pay certain costs associated with these radios. We record expenses under these agreements as work is performed. The decrease in the 2002 period related to a reduction in expenses as we completed our first generation of chip sets and Sirius radios. The amount of our future research and development costs is dependent upon modifications to our existing technology and enhancements to our radios, and we expect this amount to decrease on an annual basis for 2003.

Depreciation expense increased to $23,011 for the three months ended September 30, 2002 from $2,336 for the three months ended September 30, 2001. The increase principally relates to our satellite system and terrestrial repeater network, which we began depreciating during 2002, our first year of commercial operations.

We recognized non-cash stock compensation expense of $538 and non-cash stock compensation benefit of $9,215 for the three months ended September 30, 2002 and 2001, respectively. Non-cash stock compensation includes charges and benefits associated with the grant of certain stock options, the issuance of common stock to employees and the issuance of common stock to an employee benefit plan. The non-cash stock compensation benefit for the 2001 period was

principally due to the repricing of certain employee stock options. We may record future non-cash stock compensation benefits or expense related to the repriced stock options based on the market value of our common stock at the end of each reporting period.

Expenses associated with the restructuring of our debt and equity, consisting primarily of legal and advisory fees, totaled $1,905 for the three months ended September 30, 2002. We expect to incur significant additional expenses related to the restructuring of our debt and equity until the time the restructuring is consummated.

Interest and investment income decreased to $1,013 for the three months ended September 30, 2002 from $5,010 for the three months ended September 30, 2001. This decrease was attributable to lower returns on our investments in U.S. government securities and lower average balances of cash, cash equivalents and marketable securities during the 2002 period.

Interest expense was $25,603 for the three months ended September 30, 2002 and $21,260 for the three months ended September 30, 2001, net of amounts capitalized of $0 and $4,982, respectively.

Nine Months Ended September 30, 2002 Compared with Nine Months Ended September 30, 2001

Revenue from subscribers was $3 for the nine months ended September 30, 2002. Subscription and activation revenue totaling $322 was offset by $319 accrued for our mail-in rebate program. Mail-in rebates are paid by us directly to subscribers and are recorded as a reduction to subscription revenue in the period the subscriber activates our service. Historical data related to our mail-in rebate program is not currently available, therefore we are required to accrue 100% of all potential rebates that were available to new subscribers, which significantly reduced our subscriber revenue for the three months ended September 30, 2002. We will adjust the related accrual at the end of the mail-in rebate program to reflect the actual amounts paid to subscribers.

Average monthly revenue per subscriber was approximately $12.41 for the nine months ended September 30, 2002. Average monthly revenue per subscriber, which is not a measure of financial performance under accounting principles generally accepted in the United States, is derived from total earned subscription revenue (excluding amounts accrued in connection with the mail-in rebate program) and activation revenue over the daily weighted average number of subscribers for the quarter.

Advertising revenue, net of agency fees of $19, was $111 for the nine months ended September 30, 2002.

We had net losses of $300,395 and $163,057 for the nine months ended September 30, 2002 and 2001, respectively. Operating expenses increased to $222,451 for the nine months ended September 30, 2002 from $116,618 for the nine months ended September 30, 2001. The increase in operating expenses was primarily attributable to the continued implementation of our sales and marketing campaign for the launch of our service, depreciation of our satellite system and terrestrial repeater network, amounts paid to radio manufacturers to subsidize a portion of the costs of these radios and the increase in our workforce.

Satellite and transmission costs increased to $25,347 for the nine months ended September 30, 2002 from $22,717 for the nine months ended September 30, 2001. The increase in costs related primarily to the expanded operation of our terrestrial repeater network as we prepared for our national launch and an increase in the cost of in-orbit satellite insurance.

Programming and content expenses increased to $12,107 for the nine months ended September 30, 2002 from $6,297 for the nine months ended September 30, 2001. The increase in costs during the 2002 period was primarily attributable to costs of on-air talent, license fees paid to acquire programming and advertising revenue share.

Customer service and billing costs increased to $5,579 for the nine months ended September 30, 2002 from $4,746 for the nine months ended September 30, 2001. The increase in costs during the 2002 period was primarily attributable to costs of additional customer representatives at our customer service center.

Sales and marketing expenses increased to $79,874 for the nine months ended September 30, 2002 from $15,172 for the nine months ended September 30,

2001. Sales and marketing expenses increased during the 2002 period due to the launch of our service, marketing activities by distributors and retailers, our marketing and promotional efforts, costs associated with subsidies paid to radio and chip set manufacturers in advance of acquiring subscribers and costs of providing live feeds of our service to retailers and other distributors. In addition, during the 2002 period we incurred a one-time charge of $2,742 related to the disposal of certain elements of our website.

General and administrative expenses increased to $24,249 for the nine months ended September 30, 2002 from $19,458 for the nine months ended September 30, 2001. The increase in the 2002 period is associated with the expansion of our workforce and a loss of $924 on the disposal of assets associated with terminating a lease on non-essential office space, which was offset by a decrease in rent due to this termination.

Research and development costs decreased to $23,699 for the nine months ended September 30, 2002 from $38,223 for the nine months ended September 30, 2001. Research and development costs decreased during the 2002 period as we completed our first generation chip set and our radio manufacturers substantially completed development of our first generation radios. The overall decrease was partially offset by a payment of $8,134 to Panasonic to release us from our purchase commitment and reduce the factory price of our radios.

Depreciation expense increased to $59,591 for the nine months ended September 30, 2002 from $6,631 for the nine months ended September 30, 2001. The increase principally relates to the depreciation of our satellite system and terrestrial repeater network.

We recognized a non-cash stock compensation benefit of $7,995 and non-cash stock compensation expense of $3,374 for the nine months ended September 30, 2002 and 2001, respectively. The non-cash stock compensation benefit for the 2002 period was principally due to the repricing of certain employee stock options. We may record future non-cash stock compensation benefits or expenses related to the repriced stock options based on the market value of our common stock at the end of each reporting period.

Expenses associated with the restructuring of our debt and equity, consisting primarily of legal and advisory fees, totaled $1,905 for the nine months ended September 30, 2002. We expect to incur significant additional expenses related to the restructuring of our debt and equity.

Interest and investment income decreased to $4,530 for the nine months ended September 30, 2002, from $14,386 for the nine months ended September 30, 2001. This decrease was attributable to lower returns on our investments in U.S. government securities and lower average balances of cash, cash equivalents and marketable securities during the 2002 period.

Interest expense was $80,689 for the nine months ended September 30, 2002 and $60,825 for the nine months ended September 30, 2001, net of amounts capitalized of $5,426 and $14,055, respectively. Included in interest expense for the nine months ended September 30, 2002 was $9,650 of non-cash expense related to the induced conversion of $29,475 in aggregate principal amount of our 8 3/4% Convertible Subordinated Notes due 2009.

Liquidity and Capital Resources

At September 30, 2002, we had cash, cash equivalents and marketable securities totaling $248,698 and working capital of $171,911 compared with cash, cash equivalents, marketable securities and short-term restricted investments totaling $323,742 and working capital of $275,732 at December 31, 2001.

Cash Flows

Net cash used in operating activities was $256,504 for the nine months ended September 30, 2002, as compared to $321,747 for the nine months ended September 30, 2001. The decrease in cash used in operations was primarily attributable to a reduction in cash used to purchase marketable securities during the 2002 period. This decrease was offset by an increase in sales and marketing costs, an increase in programming and content costs, and prepayments related to advertising.

Net cash provided by investing activities for the nine months ended September 30, 2002 was $171,747 as compared to net cash used in investing activities of $39,801 for the nine months ended September 30, 2001. The change from the prior period was principally due to a change in the classification of our marketable securities from trading to available-for-sale securities during the second quarter of 2002, offset by a decrease in capital expenditures.

Transactions relating to trading securities are considered operating activities; transactions relating to available-for-sale securities are classified as investing activities. During the second and third quarter of 2002, we received cash from the maturity of marketable securities of $194,521.

Net cash provided by financing activities for the nine months ended September 30, 2002 was $143,997 as compared to $374,941 for the nine months ended September 30, 2001. During 2002, we issued 16,000,000 shares of common stock resulting in net proceeds of $147,500 and paid fees associated with the restructuring of $3,500. During 2001, we completed an equity offering resulting in net proceeds of $229,300 and had net borrowings under our term loan facility of $145,000.

Funds Raised to Date

Since inception, we have funded the development of our system and the introduction of our service through the issuance of debt and equity securities. As of September 30, 2002, we had raised approximately $1,250,800 in equity capital from the sale of our common stock and convertible preferred stock. In addition, we have received approximately $638,000 in net proceeds from public debt offerings and private credit arrangements.

Additional Funding Requirements

We have sufficient cash and cash equivalents to cover our estimated funding needs through the second quarter of 2003, without giving effect to the net proceeds from the sale of our common stock we expect to receive upon the closing of the restructuring discussed below. If the restructuring is not completed, we anticipate that our additional funding needs will total approximately $600,000 until our operations become self-sustaining, which we currently anticipate will not occur for several years, when we have approximately three million subscribers. However, if the growth rate of the number of subscribers is slower than expected or the cost of obtaining these subscribers is higher than forecast, our operations may become self-sustaining at a later date or may never become self-sustaining. The

amount and timing of our cash requirements also depends upon other factors, including the rate of growth of our business, subscriber acquisition costs and costs of financing.

On October 17, 2002, we entered into a lockup agreement with affiliates of Apollo Management, L.P. ("Apollo"), The Blackstone Group L.P. ("Blackstone") and OppenheimerFunds, Inc. ("Oppenheimer"), and members of an informal noteholders committee, which includes Lehman Commercial Paper Inc. ("Lehman"), Space Systems/Loral, Inc. ("Loral"), pursuant to which each agreed to use commercially reasonable best efforts to restructure our debt and equity capital. Pursuant to the lockup agreement:

- We agreed to commence a public exchange offer for all of our outstanding debt. Lehman, Loral and the holders of a majority in aggregate principal amount of our 15% Senior Secured Discount Notes due 2007, our 14 1/2% Senior Secured Notes due 2009 and our 8 3/4% Convertible Subordinated Notes due 2009 agreed to tender their debt securities in such exchange offer for our common stock and deliver consents to amend the indentures under which the notes were issued and waive any existing defaults or defaults caused as a result of the restructuring. Assuming that all of our debt is tendered in this exchange offer, holders of our debt will own approximately 62% of our outstanding common stock after giving effect to the restructuring;

- Apollo and Blackstone agreed to tender for cancellation all of our outstanding preferred stock in exchange for approximately 8% of our common stock after giving effect to the restructuring, and warrants to purchase 9.1% of our common stock after giving effect to the restructuring;

- Apollo, Blackstone and Oppenheimer agreed to purchase newly issued shares of our common stock for an aggregate purchase price of $200,000 cash. These shares of common stock will represent approximately 22% of our common stock after giving effect to the restructuring; and

- Existing holders of our common stock will retain 8% of our common stock after giving effect to the restructuring.

All ownership percentages are shown on a primary basis and do not give effect to any issuances of our common stock as the result of the exercise of outstanding

options or warrants to purchase common stock.

The completion of the debt exchange offer will be conditioned upon, among other conditions, our receipt of valid tenders from not less than 97% in aggregate principal amount of our outstanding debt and 90% in aggregate principal amount of our 8 3/4% Convertible Subordinated Notes due 2009; provided that the holders of a majority in aggregate principal amount and accrued interest on our debt may reduce this minimum tender condition to not less than 90% in aggregate principal amount of our debt and may lower or eliminate the minimum condition applicable to our 8 3/4% Convertible Subordinated Notes due 2009. We reserve the right to waive the minimum tender condition, which we will be able to do only with the prior written consent of our board of directors, the holders of a majority in aggregate principal amount and accrued interest on our debt securities, Apollo and Blackstone.

Consummation of the restructuring is subject to a number of significant conditions, including completion of the debt exchange offer, approval of existing stockholders, regulatory approval and other customary conditions. We expect to file a registration statement and a proxy statement relating to the restructuring with the Securities and Exchange Commission in November.

Pursuant to the lockup agreement, we are also preparing a prepackaged plan of reorganization to file with the bankruptcy court as an alternative for effecting the restructuring if the conditions to completion of the exchange offer, including the minimum tender condition, are not met or waived but we do receive the required acceptances to seek confirmation of the prepackaged plan. We plan to solicit the vote of each holder of our debt and our stockholders in favor of this prepackaged plan.

The prepackaged plan consists of a plan of reorganization that would effect the same transactions contemplated by the restructuring, including the issuance of common stock in exchange for our debt and our preferred stock and the new equity investment by Apollo, Blackstone and Oppenheimer. However, in the event

that we determine to file the prepackaged plan with the bankruptcy court, Apollo, Blackstone and Oppenheimer may elect to terminate their obligations to purchase common stock. In that event, and provided no suitable alternative new equity investment is located, we will not seek confirmation of the prepackaged plan.

We do not expect to pay the interest that comes due on our outstanding debt after October 17, 2002, the date of the lockup agreement, and prior to the consummation of the restructuring. Following the closing of the restructuring, we expect to cure any payment defaults with respect to any of our debt that remains outstanding.

Following consummation of the restructuring, we expect to have sufficient cash to cover our funding needs into the second quarter of 2004. After giving effect to the restructuring, we anticipate that we can achieve cash flow breakeven with further additional funding of approximately $75,000. We are continuing to evaluate initiatives that could enable us to achieve cash flow breakeven without raising additional funds. However, if the number of actual subscribers, or the costs to acquire new subscribers, differs substantially from our expectations, we may need substantial additional financing. These amounts are estimates and may change, and we may need additional funding in excess of these estimates. We may have to raise more funds than expected to remain in business and continue to develop and market our satellite radio service.

Default on our 8 3/4% Convertible Subordinated Notes due 2009

On September 29, 2002, we elected not to pay the interest due on our 8 3/4% Convertible Subordinated Notes due 2009. As of September 30, 2002, there was $16,461 in principal amount of our 8 3/4% Convertible Subordinated Notes due 2009 outstanding, and the aggregate amount of interest due with respect to these notes was $720. This failure to pay interest matured into an event of default under the indenture relating to our 8 3/4% Convertible Subordinated Notes due 2009 on October 30, 2002.

If the holders of, or the trustees for, our 8 3/4% Convertible Subordinated Notes due 2009 accelerates the maturity of these notes, then this acceleration may result in an event of default under the indentures relating to our 15% Senior Secured Discount Notes due 2007 and our 14 1/2% Senior Secured Notes due 2009. Pursuant to the lockup agreement, Lehman and Loral have agreed not to pursue their rights to accelerate the maturity of their debt so long as

the lockup agreement has not been terminated.

We expect to file a registration statement with the Securities and Exchange Commission relating to an offer to exchange these notes for shares of our common stock in November.

Contractual Commitments

We have entered into agreements with providers of non-music programming and, in certain instances, are obligated to pay license fees, to share advertising revenues from this programming or to purchase advertising on properties owned or controlled by these providers. These obligations aggregate $942, $15,189, $28,075, $22,627 and $674 for the remainder of 2002, and for the years ending December 31, 2003, 2004, 2005 and 2006, respectively.

We have entered into marketing agreements to promote our brand. Our obligations under these agreements aggregate $10,534, $37,595, $16,343, $10,129 and $6,000 for the remainder of 2002, and for the years ending December 31, 2003 and 2004, 2005 and 2006, respectively.

We have also entered into agreements with automakers, radio manufacturers and others that include per-radio and per-subscriber required payments and revenue sharing arrangements. These future costs are dependent upon many factors and are difficult to anticipate; however, these costs may be substantial. We may enter into additional programming, marketing and other agreements that contain provisions similar to our current agreements.

Critical Accounting Policies

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods. Our significant accounting policies are described in Note 2 to our consolidated financial statements in Item 14 of our Annual Report on Form 10-K for the year ended December 31, 2001. We have identified the following policies as critical to our business and understanding of our results of operations.

Subscription Revenue Recognition. Revenue from subscribers consists of our monthly subscription fee, recognized as the service is provided, and a non-refundable activation fee, recognized on a pro rata basis over the term of the subscriber relationship, currently estimated to be 3.5 years. The estimated term of a subscriber relationship is based on market research and management's judgment and, if necessary, will be refined in the future as historical data becomes available. Mail-in rebates are paid by us directly to subscribers and are recorded as a reduction to subscription revenue in the period the subscriber activates our service. Historical data related to our mail-in rebate program is not currently available, therefore we are required to accrue 100% of all potential rebates that were available to new subscribers.

Average Monthly Revenue per Subscriber. Average monthly revenue per subscriber, which is not a measure of financial performance under accounting principles generally accepted in the United States, is derived from total earned subscription revenue (excluding amounts accrued for the mail-in rebate program) and activation revenue over the daily weighted average number of subscribers for the quarter.

Useful Lives of Satellites. We consider our satellite system to include the cost of satellite construction, launch vehicles, launch insurance and capitalized interest, including the cost of our spare satellite. The expected useful lives of our in-orbit satellites are fifteen years from the date they were placed into orbit. We are depreciating our three in-orbit satellites over their respective remaining useful lives beginning February 14, 2002 or, in the case of our spare satellite, from the date it was delivered to ground storage on April 19, 2002. If placed into orbit, our spare satellite is expected to operate effectively for fifteen years; however, the spare satellite may be replaced at the time we launch a new satellite system.

Marketable Securities. Marketable securities consist of U.S. government agency obligations. Effective April 1, 2002, marketable securities are classified as available-for-sale securities because management no longer intends to buy and sell marketable securities with the objective of generating profits. Available-for-sale securities are carried at fair market value and unrealized gains and losses are included as a component of stockholders' equity. In prior periods, marketable securities were classified as trading securities and

unrealized holding gains and losses were recognized in earnings.

Controls and Procedures

As of September 30, 2002, an evaluation was performed under the supervision and with the participation of our management, including Joseph P. Clayton, our President and Chief Executive Officer, and John J. Scelfo, our Executive Vice President and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure and control procedures. Based on that evaluation, our management, including our chief executive officer and chief financial officer, concluded that our disclosure controls and procedures were effective as of September 30, 2002. There have been no significant changes in our internal controls or in other factors that could significantly affect internal controls subsequent to September 30, 2002.

PART II - OTHER INFORMATION
(Dollar amounts in thousands)

ITEM 3. Default on Senior Securities

On September 29, 2002, we elected not to pay the interest due on our 8 3/4% Convertible Subordinated Notes due 2009. As of September 30, 2002, there was $16,461 in principal amount of our 8 3/4% Convertible Subordinated Notes due 2009 outstanding, and the aggregate amount of interest due with respect to these notes was $720. The failure to pay this interest matured into an event of default under the indenture relating to our 8 3/4% Convertible Subordinated Notes due 2009 on October 30, 2002.

If the holders of, or the trustee for, our 8 3/4% Convertible Subordinated Notes due 2009 accelerates the maturity of these notes, then this acceleration may result in an event of default under the indentures relating to our 15% Senior Secured Discount Notes due 2007 and our 14 1/2% Senior Secured Notes due 2009. Pursuant to the lockup agreement, Lehman and Loral have agreed not to pursue their rights to accelerate the maturity of their debt so long as the lockup agreement has not been terminated.

We expect to file a registration statement with the Securities and Exchange Commission relating to an offer to exchange these notes for shares of our common stock in November.

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

See Exhibit Index attached hereto.

(b) Reports on Form 8-K.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SIRIUS SATELLITE RADIO INC.

By: /s/ John J. Scelfo

John J. Scelfo
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

November 14, 2002

Certifications

I, Joseph P. Clayton, the Chief Executive Officer of Sirius Satellite Radio Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sirius Satellite Radio Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have

identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

By: /s/ Joseph P. Clayton

Joseph P. Clayton
President and Chief Executive Officer
(Principal Executive Officer)

November 14, 2002

I, John J. Scelfo, the Chief Financial Officer of Sirius Satellite Radio Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sirius Satellite Radio Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal

controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

By: /s/ John J. Scelfo

John J. Scelfo
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

November 14, 2002

Exhibit Index

Exhibit	Description
3.1.1	Certificate of Amendment, dated June 16, 1997, to the Company's Certificate of Incorporation and the Company's Amended and Restated Certificate of Incorporation, dated January 31, 1994 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
3.1.2	Certificate of Ownership and Merger merging Sirius Satellite Radio Inc. into CD Radio Inc. dated November 18, 1999 (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-8 (File No. 333-31362)).
3.2	Amended and Restated By-Laws (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).
3.3	Certificate of Designations of 5% Delayed Convertible Preferred Stock (incorporated by reference to Exhibit 10.24 to the Company's Annual Report on Form 10-K/A for the year ended December 31, 1996 (the "1996 Form 10-K")).
3.4	Form of Certificate of Designations of Series B Preferred Stock (incorporated by reference to Exhibit A to Exhibit 1 to the Company's Registration Statement on Form 8-A filed on October 30, 1997 (the "Form 8-A")).
3.5.1	Form of Certificate of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of 10 1/2% Series C Convertible Preferred Stock (the "Series C Certificate of Designations") (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-4 (File No. 333-34761)).
3.5.2	Certificate of Correction to Series C Certificate of Designations (incorporated by reference to Exhibit 3.5.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997 (the "1997 Form 10-K")).
3.5.3	Certificate of Increase of 10 1/2% Series C Convertible Preferred Stock (incorporated by reference to Exhibit 3.5.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).
3.6	Certificate of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of the Company's 9.2% Series A Junior Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 3.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).
3.7	Certificate of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of the Company's 9.2% Series B Junior Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 3.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).

Exhibit Description

3.8	Certificate of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of the Company's 9.2% Series D Junior Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K dated December 29, 1999).
4.1	Form of certificate for shares of Common Stock (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-1 (File No. 33-74782) (the "S-1 Registration Statement")).
4.2	Form of certificate for shares of 10 1/2% Series C Convertible Preferred Stock (incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-4 (File No. 333-34761)).
4.3	Form of certificate for shares of 9.2% Series A Junior Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 4.10.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998 (the "1998 Form 10-K")).
4.4	Form of certificate for shares of 9.2% Series B Junior Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 4.10.2 to the 1998 Form 10-K).
4.5	Form of certificate for shares of 9.2% Series D Junior Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 4.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (the "1999 Form 10-K")).
4.6.1	Rights Agreement, dated as of October 22, 1997 (the "Rights Agreement"), between the Company and Continental Stock Transfer & Trust Company, as rights agent (incorporated by reference to Exhibit 1 to the Form 8-A).
4.6.2	Form of Right Certificate (incorporated by reference to Exhibit B to Exhibit 1 to the Form 8-A).
4.6.3	Amendment to the Rights Agreement dated as of October 13, 1998 (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K dated October 13, 1998).
4.6.4	Amendment to the Rights Agreement dated as of November 13, 1998 (incorporated by reference to Exhibit 99.7 to the Company's Current Report on Form 8-K dated November 17, 1998).
4.6.5	Amended and Restated Amendment to the Rights Agreement dated as of December 22, 1998 (incorporated by reference to Exhibit 6 to Amendment No. 1 to the Form 8-A filed on January 6, 1999).
4.6.6	Amendment to the Rights Agreement dated as of June 11, 1999 (incorporated by reference to Exhibit 4.1.8 to the Company's Registration Statement on Form S-4 (File No. 333-82303) (the "1999 Units Registration Statement")).

Exhibit	Description
4.6.7	Amendment to the Rights Agreement dated as of September 29, 1999 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on October 13, 1999).
4.6.8	Amendment to the Rights Agreement dated as of December 23, 1999 (incorporated by reference to Exhibit 99.4 to the Company's Current Report on Form 8-K filed on December 29, 1999).
4.6.9	Amendment to the Rights Agreement dated as of January 28, 2000 (incorporated by reference to Exhibit 4.6.9 to the 1999 Form 10-K).
4.6.10	Amendment to the Rights Agreement dated as of August 7, 2000 (incorporated by reference to Exhibit 4.6.10 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000).
4.6.11	Amendment to the Rights Agreement dated as of January 8, 2002 (incorporated by reference to Exhibit 4.6.11 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (the "2001 Form 10-K")).

4.6.12	Amendment to the Rights Agreement dated as of October 22, 2002 (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed on October 24, 2002).
4.7	Indenture, dated as of November 26, 1997, between the Company and IBJ Schroder Bank & Trust Company, as trustee, relating to the Company's 15% Senior Secured Discount Notes due 2007 (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-3 (File No. 333-34769) (the "1997 Units Registration Statement")).
4.8	Form of 15% Senior Secured Discount Note due 2007 (incorporated by reference to Exhibit 4.2 to the 1997 Units Registration Statement).
4.9	Warrant Agreement, dated as of November 26, 1997, between the Company and IBJ Schroder Bank & Trust Company, as warrant agent (incorporated by reference to Exhibit 4.3 to the 1997 Units Registration Statement).
4.10	Form of Warrant (incorporated by reference to Exhibit 4.4 to the 1997 Units Registration Statement).
4.11	Form of Preferred Stock Warrant Agreement, dated as of April 9, 1997, between the Company and each warrantholder thereof (incorporated by reference to Exhibit 4.12 to the 1997 Form 10-K).
4.12	Form of Common Stock Purchase Warrant granted by the Company to Everest Capital Master Fund, L.P. and to The Ravich Revocable Trust of 1989 (incorporated by reference to Exhibit 4.11 to the 1997 Form 10-K).
4.13	Indenture, dated as of May 15, 1999, between the Company and United States Trust Company of New York, as trustee, relating to the Company's 14 1/2% Senior Secured Notes due 2009 (incorporated by reference to Exhibit 4.4.2 to the 1999 Units Registration Statement).

Exhibit	Description
4.14	Form of 14 1/2% Senior Secured Note due 2009 (incorporated by reference to Exhibit 4.4.3 to the 1999 Units Registration Statement).
4.15	Warrant Agreement, dated as of May 15, 1999, between the Company and United States Trust Company of New York, as warrant agent (incorporated by reference to Exhibit 4.4.4 to the 1999 Units Registration Statement).
4.16	Common Stock Purchase Warrant granted by the Company to Ford Motor Company, dated October 7, 2002 (filed herewith).
4.17	Indenture, dated as of September 29, 1999, between the Company and United States Trust Company of Texas, N.A., as trustee, relating to the Company's 8 3/4% Convertible Subordinated Notes due 2009 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on October 13, 1999).
4.18	First Supplemental Indenture, dated as of September 29, 1999, between the Company and United States Trust Company of Texas, N.A., as trustee, relating to the Company's 8 3/4% Convertible Subordinated Notes due 2009 (incorporated by reference to Exhibit 4.01 to the Company's Current Report on Form 8-K filed on October 1, 1999).
4.19	Form of 8 3/4% Convertible Subordinated Note due 2009 (incorporated by reference to Article VII of Exhibit 4.01 to the Company's Current Report on Form 8-K filed on October 1, 1999).
4.20	Common Stock Purchase Warrant granted by the Company to DaimlerChrysler Corporation dated October 25, 2002 (filed herewith).
4.21	Term Loan Agreement, dated as of June 1, 2000 (the "Term Loan Agreement"), among the Company, Lehman Brothers Inc., as arranger, and Lehman Commercial Paper Inc., as syndication and administrative agent (incorporated by reference to Exhibit 4.22 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000).
4.22	First Amendment, dated as of October 20, 2000, to the Term Loan Agreement (incorporated by reference to Exhibit 4.22 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).

4.23	Second Amendment, dated as of December 27, 2000, to the Term Loan Agreement (incorporated by reference to Exhibit 4.23 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).
4.24	Third Amendment, dated as of March 26, 2002, to the Term Loan Agreement (incorporated by reference to Exhibit 4.24 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002).

Exhibit	Description
4.25	Amended and Restated Warrant Agreement, dated as of December 27, 2000, between the Company and United States Trust Company of New York, as warrant agent and escrow agent (incorporated by reference to Exhibit 4.27 to the Company's Registration Statement on Form S-3 (File No. 333-65602)).
4.26	Second Amended and Restated Pledge Agreement, dated as of March 7, 2001, among the Company, as pledgor, The Bank of New York, as trustee and collateral agent, United States Trust Company of New York, as trustee, and Lehman Commercial Paper Inc., as administrative agent (incorporated by reference to Exhibit 4.25 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).
4.27	Collateral Agreement, dated as of March 7, 2001, between the Company, as borrower, and The Bank of New York, as collateral agent (incorporated by reference to Exhibit 4.26 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).
4.28	Amended and Restated Intercreditor Agreement, dated as of March 7, 2001, by and between The Bank of New York, as trustee and collateral agent, United States Trust Company of New York, as trustee, and Lehman Commercial Paper, as administrative agent (incorporated by reference to Exhibit 4.27 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).
9.1	Voting Trust Agreement, dated as of August 26, 1997, by and among Darlene Friedland, as Grantor, David Margolese, as Trustee, and the Company (incorporated by reference to Exhibit (c) to the Company's Issuer Tender Offer Statement on Form 13E-4 filed on October 16, 1997).
10.1.1	Lease Agreement, dated as of March 31, 1998, between Rock-McGraw, Inc. and the Company (incorporated by reference to Exhibit 10.1.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998).
10.1.2	Supplemental Indenture, dated as of March 22, 2000, between Rock-McGraw, Inc. and the Company (incorporated by reference to Exhibit 10.1.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000).
10.1.3	Supplemental Indenture, dated as of November 30, 2001, between Rock-McGraw, Inc. and the Company (incorporated by reference to Exhibit 10.1.3 to the 2001 Form 10-K).
*10.2	Employment Agreement, dated as of March 28, 2000, between the Company and Patrick L. Donnelly (incorporated by reference to Exhibit 10.6 to the 1999 Form 10-K).
*10.3	Employment Agreement, dated as of March 7, 2001, between the Company and John J. Scelfo (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001).
*10.4	Employment Agreement, dated as of August 29, 2001, between the Company and Michael S. Ledford (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).

Exhibit	Description
*10.5	Employment Agreement, dated as of November 26, 2002, between the Company and Joseph P. Clayton (incorporated by reference to Exhibit 10.6 to the 2001 Form 10-K).
*10.6	Employment Agreement, dated as of January 7, 2002, between the Company and Guy Johnson (incorporated by reference to Exhibit 10.7 to the 2001 Form 10-K).
*10.7	Employment Agreement, dated as of May 3, 2002, between the Company and Mary Patricia Ryan (filed herewith).
*10.8	Agreement, dated as of October 16, 2001, between the Company and David Margolese (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).
*10.9	1994 Stock Option Plan (incorporated by reference to Exhibit 10.21 to the S-1 Registration Statement).
*10.10	Amended and Restated 1994 Directors' Nonqualified Stock Option Plan (incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995).
*10.11	CD Radio Inc. 401(k) Savings Plan (incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-8 (File No. 333-65473)).
*10.12	Sirius Satellite Radio 1999 Long-Term Stock Incentive Plan (incorporated by reference to Exhibit 4.4 of the Company's Registration Statement on Form S-8 (File No. 333-31362)).
10.13	Lock-Up Agreement, dated as of October 17, 2002, among the Company and affiliates of Apollo Management, L.P., affiliates of The Blackstone Group L.P., OppenheimerFunds, Inc., as investment advisers for its affiliates, Lehman Commercial Paper Inc., Space Systems/Loral, Inc. and certain holders of the Company's 15% Senior Secured Discount Notes due 2007 and 14 1/2% Senior Secured Notes due 2009 (filed herewith).
10.14	Form of Option Agreement, dated as of December 29, 1997, between the Company and each Optionee (incorporated by reference to Exhibit 10.16.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998).
10.15.1	Stock Purchase Agreement, dated as of November 13, 1998 (the "Apollo Stock Purchase Agreement"), by and among the Company, Apollo Investment Fund IV, L.P. and Apollo Overseas Partners IV, L.P. (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated November 17, 1998).
10.15.2	First Amendment, dated as of December 23, 1998, to the Apollo Stock Purchase Agreement (incorporated by reference to Exhibit 10.28.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).
10.15.3	Second Amendment, dated as of December 23, 1999, to the Apollo Stock Purchase Agreement (incorporated by reference to Exhibit 99.3 to the Company's Current Report on Form 8-K filed on December 29, 1999).

Exhibit	Description
10.16	Stock Purchase Agreement, dated as of December 23, 1999, by and between the Company and Blackstone Capital Partners III Merchant Banking Fund L.P. (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed on December 29, 1999).
10.17	Stock Purchase Agreement, dated as of January 28, 2000, among the Company, Mercedes-Benz USA, Inc., Freightliner Corporation and DaimlerChrysler Corporation (incorporated by reference to Exhibit 10.24 to the 1999 Form 10-K).
10.18	Tag-Along Agreement, dated as of November 13, 1998, by and among Apollo Investment Fund IV, L.P., Apollo Overseas Partners IV, L.P., the Company and David Margolese (incorporated by reference to Exhibit 99.6 to the Company's Current Report on Form 8-K dated November 17,

1998).

'D'10.19 Joint Development Agreement, dated as of February 16, 2000, between the Company and XM Satellite Radio Inc. (incorporated by reference to Exhibit 10.28 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000).

99.1 Certificate of Joseph P. Clayton, President and Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).

99.2 Certificate of John J. Scelfo, Executive Vice President and Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).

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* This document has been identified as a management contract or compensatory plan or arrangement.

'D' Portions of these exhibits have been omitted pursuant to Applications for Confidential treatment filed by the Company with the Securities and Exchange Commission.

STATEMENT OF DIFFERENCES

The section symbol shall be expressed as..... 'SS'
The dagger symbol shall be expressed as..... 'D'

THIS WARRANT AND ANY SECURITIES ACQUIRED UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND NEITHER THIS WARRANT NOR SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR SUCH LAWS OR AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SUCH LAWS.

SIRIUS SATELLITE RADIO INC.

COMMON STOCK PURCHASE WARRANT

This certifies that, for good and valuable consideration, Sirius Satellite Radio Inc., a Delaware corporation (the "Company"), grants to Ford Motor Company, a Delaware corporation ("Ford"), or its registered, assigns (including Ford, the "Warrantholder"), the right to subscribe for and purchase from the Company an aggregate of 4,000,000 validly issued, fully paid and nonassessable shares (the "Warrant Shares") of the Company's common stock, par value $0.001 per share (the "Common Stock"), at the purchase price per share of $3.00 (the "Exercise Price"), at any time and from time to time, during the period from the date hereof until the earlier of (a) 4:00 p.m., New York City time, on October 6, 2012 and (b) the date of the termination or expiration of the Amended and Restated Agreement, dated as of October 7, 2002, (the "Agreement") between the Company and Ford (the "Expiration Date"), all subject to the terms, conditions and adjustments herein set forth.

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in Section 10.

Certificate No. F-2

Number of Shares: 4,000,000

Name of Warrantholder: Ford Motor Company, a Delaware corporation

1. Duration and Exercise of Warrant; Limitations on Exercise; Payment of Taxes.

1.1 Excercisability of Warrant. Subject to the terms and conditions set forth herein, the right to exercise this Warrant shall vest, and this Warrant shall become exercisable, as follows:

(a) 200,000 shares of Common Stock shall vest and become exercisable on the date the first Ford Enabled Vehicle is activated by the Company for a bona fide customer;

(b) 200,000 shares of Common Stock shall vest and become exercisable on the date the first Ford Enabled Vehicle that has a factory-installed Sirius Receiver is activated by the Company for a bona fide customer;

(c) 200,000 shares of Common Stock shall vest and become exercisable on the date that a National Advertising Campaign has been jointly launched by Ford and the Company;

(d) 100,000 shares of Common Stock shall vest and become exercisable each date that a Sirius Receiver is first available to be ordered by a bona fide customer as an original equipment option on a Vehicle Line; provided that in no event shall more than 1,400,000 shares of Common Stock in the aggregate become vested and exercisable pursuant to the terms of this Section 1.1(d);

(e) one share of Common Stock shall vest and become exercisable upon the manufacture by Ford of each of the first 375,000 Ford Enabled Vehicles;

(f) 625,000 shares of Common Stock shall vest and become exercisable on the date that Ford has manufactured an aggregate of 375,000 Ford Enabled Vehicles;

(g) 500,000 shares of Common Stock shall vest and become exercisable

on the date that Ford has manufactured an aggregate of 750,000 Ford Enabled Vehicles; and

(h) 500,000 shares of Common Stock shall vest and become exercisable on the date that Ford has manufactured an aggregate of 1,500,000 Ford Enabled Vehicles.

Notwithstanding the foregoing, if the Company so elects by written notice to the Warrantholder in the event the Warrantholder terminates the exclusivity period contained in Section 2.01 of the Agreement, the total number of shares of Common Stock granted under this Warrant, and the number of shares of Common Stock that vest and become exercisable as provided in each of Sections 1.1(a) through 1.1(h), shall be reduced by an amount equal to one half of any shares of Common Stock which are unvested on the date of such notice. In the event that the Company becomes and Affiliate of a Designated Person or any group of related Persons for purposes of Section 13(d) of the Exchange Act which includes a Designated Person, in any one transaction or a series of related transactions, all rights to purchase shares of Common Stock included in this Warrant that immediately prior to such event were not vested or exercisesable shall become immediately vested and exercisable, notwithstanding the provisions of this Section 1.1 or Section 6.4(a) to the contrary. In addition, the Warrantholder shall have no right to exercise this Warrant with respect to shares of Common Stock which are not vested and exercisable as described in this Section 1.1.

1.2 Duration and Exercise of Warrant. Subject to the terms and conditions set forth herein, including Section 1.1, the Warrant may be exercised, in whole or in part, by the Warrantholder by:

(a) the surrender of this Warrant to the Company, with a duly executed Exercise Form specifying the number of Warrant Shares to be purchased, during normal business hours on any Business Day prior to the Expiration Date; and

(b) the delivery of payment to the Company, for the account of the Company, by cash, by certified or bank cashier's check or by wire transfer of immediately available funds in accordance with wire instructions that shall be provided by the Company upon request, of the Exercise Price for the number of Warrant Shares specified in the Exercise Form in lawful money of the United States of America.

The Company agrees that such Warrant Shares shall be deemed to be issued to the Warrantholder as the record holder of such Warrant Shares as of the close of business on the date on which this Warrant shall have been surrendered and payment made for the Warrant Shares as aforesaid.

1.3 Limitations on Exercise. Notwithstanding anything to the contrary herein, this Warrant may be exercised only upon (i) the delivery to the Company of any certificates, legal opinions, and other documents reasonably requested by the Company to satisfy the Company that the proposed exercise of this Warrant may be effected without registration under the Securities Act, (ii) receipt by the Company of FCC approval of the proposed exercise, if such approval is required (as determined by a written opinion of the Company's special FCC counsel, delivered to the Warrantholder) to maintain any license granted to the Company by the FCC, or to maintain the Company's eligibility for any license for which it has applied, or reasonably expects to apply, (iii) in the event that the acquisition of the Warrant Shares is subject to the provisions of the HSR Act, any person or entity required to file a notification and report in compliance with the HSR Act shall have filed such form and the applicable waiting period with respect to such form (including any extension thereof by reason of a request for additional information) shall have expired or been terminated, and (iv) receipt by the Company of approval of any other applicable Governmental Authority of the proposed exercise. The Warrantholder shall not be entitled to exercise this Warrant, or any part thereof, unless and until such approvals, certificates, legal opinions or other documents are reasonably acceptable to the Company. The cost of such approvals, certificates, legal opinions and other documents shall be borne by the Warrantholder.

1.4 Warrant Shares Certificate. A stock certificate or certificates for the Warrant Shares specified in the Exercise Form shall be delivered to the Warrantholder within five Business Days after receipt of the Exercise Form and receipt of payment of the purchase price. If this Warrant shall have been exercised only in part, the Company shall, at the time of delivery of the stock certificate or certificates, deliver to the Warrantholder a new Warrant evidencing the rights to purchase the remaining Warrant Shares, which new Warrant shall in all other respects be identical with this Warrant.

1.5 Payment of Taxes. The issuance of certificates for Warrant Shares shall be made without charge to the Warrantholder for any stock transfer or other

issuance tax in respect thereto; provided that the Warrantholder shall be required to pay any and all taxes which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the then Warrantholder as reflected upon the books of the Company.

1.6 Divisibility of Warrant; Transfer of Warrant. (a) This Warrant may only be transferred by the Warrantholder with the prior written consent of the Company. Any transfer of this Warrant without the prior written consent of the Company shall be void and of no force and effect.

(b) Subject to the provisions of this Section 1.6, this Warrant may be divided into warrants of one thousand shares or multiples thereof, upon surrender at the office of the Company located at 1221 Avenue of the Americas, 36th Floor, New York, New York 10020, without charge to any Warrantholder. Subject to the provisions of this Section, upon such division, the Warrants may be transferred of record as the then Warrantholder may specify without charge to such Warrantholder (other than any applicable transfer taxes).

(c) Subject to the provisions of this Section 1.6, upon surrender of this Warrant to the Company with a duly executed Assignment Form and funds sufficient to pay any transfer tax, the Company shall, without charge, execute and deliver a new Warrant or Warrants of like tenor in the name of the assignee named in such Assignment Form, and this Warrant shall promptly be canceled. Prior to any proposed transfer (whether as the result of a division or otherwise) of this Warrant, the Warrantholder shall give written notice to the Company of the Warrantholder's intention to effect such transfer. Each such notice shall describe the manner and circumstances of the proposed transfer in sufficient detail, and, if requested by the Company, shall be accompanied by a written opinion of legal counsel, which opinion shall be addressed to the Company and be reasonably satisfactory in form and substance to the Company, to the effect that the proposed transfer of this Warrant may be effected without registration under the Securities Act. In addition to the restrictions contained in this Section, the Warrantholder shall not be entitled to transfer this Warrant, or any part thereof, if such legal opinion is not reasonably acceptable to the Company. The term "Warrant" as used in this Agreement shall be deemed to include any Warrants issued in substitution or exchange for this Warrant.

2. Restrictions on Transfer; Restrictive Legends.

Except as otherwise permitted by this Section 2, each Warrant shall (and each Warrant issued upon direct or indirect transfer or in substitution for any Warrant pursuant to Section 1.6 or Section 4 shall) be stamped or otherwise imprinted with a legend in substantially the following form:

> THIS WARRANT AND ANY SECURITIES ACQUIRED UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND NEITHER THIS WARRANT NOR SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR SUCH LAWS OR AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SUCH LAWS.

Except as otherwise permitted by this Section 2, each stock certificate for Warrant Shares issued upon the exercise of any Warrant and each stock certificate issued upon the direct or indirect transfer of any such Warrant Shares shall be stamped or otherwise imprinted with a legend in substantially the following form:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND NEITHER THE SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION

> STATEMENT UNDER SUCH ACT OR SUCH LAWS OR AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SUCH LAWS.

Notwithstanding the foregoing, the Warrantholder may require the Company to issue a Warrant or a stock certificate for Warrant Shares, in each case without a legend, if either (i) such Warrant or such Warrant Shares, as the case may be, have been registered for resale under the Securities Act or (ii) the

Warrantholder has delivered to the Company an opinion of legal counsel, which opinion shall be addressed to the Company and reasonably satisfactory in form and substance to the Company, to the effect that such registration is not required with respect to such Warrant or such Warrant Shares, as the case may be.

By acceptance of this Warrant, the Warrantholder expressly agrees that it will at all times comply with the restrictions contained in Rule 144(e) under the Securities Act (as in effect on the date hereof) when selling, transferring or otherwise disposing Warrant Shares, even if such restrictions would not then be applicable to the Warrantholder.

3. Reservation and Registration of Shares, Etc. The Company covenants and agrees as follows:

(a) all Warrant Shares issued upon the exercise of this Warrant will, upon issuance, be validly issued, fully paid, and nonassessable, not subject to any preemptive rights, and free from all taxes, liens, security interests, charges, and other encumbrances with respect to the issue thereof, other than taxes with respect to any transfer occurring contemporaneously with such issue;

(b) during the period within which this Warrant may be exercised, the Company will at all times have authorized and reserved, and keep available free from preemptive rights and any liens and encumbrances, a sufficient number of shares of Common Stock to provide for the exercise of the rights represented by this Warrant; and

(c) the Company will, from time to time, take all such action as may be required to assure that the par value per share of the Warrant Shares is at all times equal to or less than the then effective Exercise Price.

4. Loss or Destruction of Warrant. Subject to the terms and conditions hereof, upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, of such bond or indemnification as the Company may reasonably require, and, in the case of such mutilation, upon surrender and cancellation of this Warrant, the Company will execute and deliver a new Warrant of like tenor.

5. Ownership of Warrant. The Company may deem and treat the Person in whose name this Warrant is registered as the holder and owner hereof (notwithstanding any notations of ownership or writing hereon made by anyone other than the Company) for all purposes and shall not be affected by any notice to the contrary, until presentation of this Warrant for registration of transfer.

6. Certain Adjustments.

6.1. Changes in Common Stock. In the event that at any time and from time to time the Company shall (i) pay a dividend or make a distribution on Common Stock in shares of Common Stock or other shares of Capital Stock, (ii) subdivide its outstanding shares of Common Stock into a larger number of shares of Common Stock, (iii) combine its outstanding shares of Common Stock into a smaller number of shares of Common Stock or (iv) increase or

decrease the number of shares of Common Stock outstanding by reclassification of its Common Stock, then the number of shares of Common Stock issuable upon exercise of this Warrant immediately after the happening of such event shall be adjusted so that, after giving effect to such adjustment, the Holder shall be entitled to receive the number of shares of Common Stock upon exercise of this Warrant that the Holder would have owned or have been entitled to receive had this Warrant been exercised immediately prior to the happening of the events described above (or, in the case of a dividend or distribution of Common Stock, immediately prior to the record date therefor). An adjustment made pursuant to this Section 6.1 shall become effective immediately after the distribution date, retroactive to the record date therefor in the case of a dividend or distribution in shares of Common Stock or other shares of Capital Stock, and shall become effective immediately after the effective date in the case of a sub division, combination or reclassification.

6.2. Cash Dividends and Other Distributions. In the event that at any time and from time to time the Company shall distribute to all holders of Common Stock (i) any dividend or other distribution (including any dividend or distribution made in connection with a consolidation or merger in which the Company is the continuing corporation) of cash, evidences of its indebtedness, shares of its Capital Stock or any other properties or securities or (ii) any options, warrants or other rights to subscribe for or purchase any of the foregoing (other than, in the case of clause (i) and (ii) above, (A) any dividend or distribution described in Section 6.1, (B) any rights, options, warrants or securities described in Section 6.3 or Section 6.4 and (C) any cash

dividends or other cash distributions from current or retained earnings), then the number of shares of Common Stock issuable upon the exercise of this Warrant immediately prior to such record date for any such dividend or distribution shall be increased to a number determined by multiplying the number of shares of Common Stock issuable upon the exercise of this Warrant immediately prior to such record date for any such dividend or distribution by a fraction, the numerator of which shall be the Current Market Value per share of Common Stock on the record date for such dividend or distribution, and the denominator of which shall be such Current Market Value per share of Common Stock less the sum of (x) the amount of cash, if any, distributed per share of Common Stock and (y) the then market fair value (as determined in good faith by the Board, whose determination shall be evidenced by a board resolution, a copy of which will be sent to the Holder upon request) of the portion, if any, of the distribution applicable to one share of Common Stock consisting of evidences of indebtedness, shares of stock, securities, other property, warrants, options or subscription or purchase rights; and subject to Section 6.8, the Exercise Price shall be adjusted to a number determined by dividing the Exercise Price immediately prior to such record date by the above fraction. Such adjustments shall be made, and shall only become effective, whenever any dividend or distribution is made; provided that the Company is not required to make an adjustment pursuant to this Section 6.2 if at the time of such distribution the Company makes the same distribution to the Holder as it makes to holders of Common Stock pro rata based on the number of shares of Common Stock for which this Warrant is exercisable (whether or not currently exercisable). No adjustment shall be made pursuant to this Section 6.2 which shall have the effect of decreasing the number of shares of Common Stock issuable upon exercise of this Warrant or increasing the Exercise Price.

6.3. Issuance of Common Stock or Rights or Options. In the event that at any time or from time to time the Company shall issue shares of Common Stock or rights, options or warrants or securities convertible or exchangeable into Common Stock for a consideration per share (which consideration, in the case of property, shall be valued at the greater of (a) the fair market value (as determined in good faith by the Board, whose determination shall be evidenced by a board resolution, a copy of which will be sent to the Holder upon request) of such property and (b) the book value of such property as carried on the books and records of the Company) that is less than the Current Market Value per share of Common Stock as of the issuance date of such shares, or entitling the holders of such rights, options, warrants or

securities to subscribe for or purchase shares of Common Stock at a price that is less than the Current Market Value per share of Common Stock as of the issuance date of such rights, options, warrants or securities, the number of shares of Common Stock issuable upon the exercise of each Warrant immediately after such issuance date shall be determined by multiplying the number of shares of Common Stock issuable upon exercise of this Warrant immediately prior to such issuance date by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately preceding the issuance of such shares or rights, options, warrants or securities plus the number of additional shares of Common Stock to be issued in such transaction or offered for subscription or purchase or into which such securities are convertible or exchangeable, and the denominator of which shall be the number of shares of Common Stock outstanding immediately preceding the date for the issuance of such shares or rights, options, warrants or securities plus the total number of shares of Common Stock which the aggregate consideration expected to be received by the Company upon the issuance of such shares or the exercise, conversion or exchange of such rights, options, warrants or securities (as determined in good faith by the Board, whose determination shall be evidenced by a board resolution, a copy of which will be sent to the Holder upon request) would purchase at the Current Market Value per share of Common Stock as of the date of such issuance; and, subject to Section 6.8, in the event of any such adjustment, the Exercise Price shall be adjusted to a number determined by dividing the Exercise Price immediately prior to such date of issuance by the aforementioned fraction; provided that no adjustment to the number of Warrant Shares issuable upon the exercise of this Warrant or to the Exercise Price shall be made as a result of (i) the exercise of the Warrants, (ii) the exercise, conversion or exchange of any right, option, warrant or security, the issuance of which has previously required an adjustment to the number of Warrant Shares issuable upon the exercise of the Warrants or to the Exercise Price pursuant to this Section 6.3, (iii) the exercise, conversion or exchange of any right, option, warrant or security outstanding on the date hereof (to the extent such exercise, conversion or exchange is made in accordance with the terms of such right, option, warrant or security as in effect on the date hereof) or (iv) the issuance, exercise, conversion or exchange of options to acquire Common Stock by officers, directors or employees of the Company. Such adjustment shall be made, and shall only become effective, whenever such shares or such rights, options, warrants or securities are issued. No adjustment shall be made pursuant to this Section 6.3 which shall have the effect of decreasing the number of shares of

Common Stock issuable upon exercise of this Warrant or increasing the Exercise Price.

6.4. Fundamental Transaction; Liquidation. (a) Except as provided in Section 6.4(b), in the event of a Fundamental Transaction, the Holder shall have the right to receive upon exercise of this Warrant the kind and amount of shares of Capital Stock or other securities or property which the Holder would have been entitled to receive upon completion of or as a result of such Fundamental Transaction had this Warrant been exercised immediately prior to such event or to the relevant record date for any such entitlement (to the extent this Warrant is then exercisable), assuming (to the extent applicable) that the Holder (i) was not a constituent Person or an affiliate to a constituent Person to such Fundamental Transaction, (ii) made no election with respect thereto, and (iii) was treated alike with the Holder. Unless Section 6.4(b) is applicable to a Fundamental Transaction, the Company shall provide that the surviving or acquiring Person (the "Successor Company") in such Fundamental Transaction will enter into an agreement (a "Supplemental Warrant Agreement") with the Holder confirming the Holder's rights pursuant to this Section 6.4(a) and providing for adjustments, which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 6. Any such Supplemental Warrant Agreement shall further provide that such Successor Company will succeed to and be substituted for every right and obligation of the Company in respect of this Warrant. The provisions of this Section 6.4(a) shall similarly apply to successive Fundamental Transactions involving any Successor Company.

(b) In the event of (i) a Fundamental Transaction with another Person (other than a subsidiary of the Company) where consideration to the holders of Common Stock in exchange for their shares is payable solely in cash or (ii) the dissolution, liquidation or winding-up of the Company, the Holder shall be entitled to receive, upon surrender of this Warrant, such cash distributions on an equal basis with the holders of Common Stock or other securities issuable upon exercise of this Warrant, as if this Warrant had been exercised immediately prior to such event, less the Exercise Price. In the event of any Fundamental Transaction described in this Section 6.4(b), the Successor Company and, in the event of any dissolution, liquidation or winding-up of the Company, the Company, shall, promptly following surrender of this Warrant, pay the Holder the amount described above by delivering a check in such amount as is appropriate (or, in the case of consideration other than cash, such other consideration as is appropriate) to such Person or Persons as it may be directed in writing by the Holder.

6.5. Other Events. If any event occurs as to which the foregoing provisions of this Section 6 are not strictly applicable or, if strictly applicable, would not, in the good faith judgment of the Board, fairly and adequately protect the purchase rights of this Warrant in accordance with the essential intent and principles of such provisions, then the Board shall make such adjustments in the application of such provisions, solely in accordance with such essential intent and principles, as shall be reasonably necessary, in the good faith opinion of the Board, to protect such purchase rights, but in no event shall any such adjustment have the effect of increasing the Exercise Price or decreasing the number of shares of Common Stock issuable upon exercise of this Warrant.

6.6. Superseding Adjustment. Upon the expiration of any rights, options, warrants or conversion or exchange privileges which resulted in adjustments pursuant to this Section 6, if any thereof shall not have been exercised, the number of Warrant Shares issuable upon the exercise of this Warrant shall be readjusted pursuant this Section 6 as if (i) the only shares of Common Stock issuable upon exercise of such rights, options, warrants, conversion or exchange privileges were the shares of Common Stock, if any, actually issued upon the exercise of such rights, options, warrants or conversion or exchange privileges and (ii) shares of Common Stock actually issued, if any, were issuable for the consideration actually received by the Company upon such exercise plus the aggregate consideration, if any, actually received by the Company for the issuance, sale or grant of all such rights, options, warrants or conversion or exchange privileges whether or not exercised and the Exercise Price shall be readjusted inversely; provided that no such readjustment (except by reason of an intervening adjustment under Section 6.1) shall have the effect of decreasing the number of Warrant Shares issuable upon the exercise of this Warrant, or increasing the Exercise Price, by an amount in excess of the amount of the adjustment initially made in respect of the issuance, sale or grant of such rights, options, warrants or conversion or exchange privileges.

6.7. Minimum Adjustment. The adjustments required by this Section 6 shall be made whenever and as often as any specified event requiring an adjustment shall occur, except that no adjustment of the Exercise Price or the number of shares of Common Stock issuable upon exercise of this Warrant that would otherwise be required shall be made unless and until such adjustment either by

itself or with other adjustments not previously made increases or decreases by at least 1% of the Exercise Price or the number of shares of Common Stock issuable upon exercise of this Warrant immediately prior to the making of such adjustment. Any adjustment representing a change of less than such minimum amount shall be carried forward and made as soon as such adjustment, together with other adjustments required by this Section 6 and not previously made, would result in a minimum adjustment. For the purpose of any adjustment, any specified event shall be deemed to have occurred at the close of business on the date of its occurrence. In computing adjustments under this Section 6, fractional interests in Common Stock shall be taken into account to the nearest one-tenth of a share.

6.8. Notice of Adjustment. Whenever the Exercise Price or the number of shares of Common Stock and other property, if any, issuable upon exercise of this Warrant is adjusted as herein provided, the Company shall deliver to the Holder a certificate specifying the Exercise Price and the number of shares of Common Stock issuable upon exercise of the Warrants after giving effect to such adjustment and setting forth, in reasonable detail, the event requiring the adjustment and the method by which such adjustment was calculated, which calculation shall be confirmed in writing by a firm of independent accountants selected by the Board (who may be the regular accountants employed by the Company).

6.9. Notice of Certain Transactions. In the event that the Company shall propose to (a) pay any dividend payable in securities of any class to the holders of its Common Stock or to make any other non-cash dividend or distribution to the holders of its Common Stock, (b) offer the holders of its Common Stock rights to subscribe for or to purchase any securities convertible into shares of Common Stock or shares of stock of any class or any other securities, rights or options, (c) issue any (i) shares of Common Stock, (ii) rights, options or warrants entitling the holders thereof to subscribe for shares of Common Stock or (iii) securities convertible into or exchangeable or exercisable for Common Stock (in the case of (i), (ii) and (iii), if such issuance or adjustment would result in an adjustment hereunder), (d) effect any capital reorganization, reclassification, consolidation or merger, (e) effect the voluntary or involuntary dissolution, liquidation or winding-up of the Company or (f) make a tender offer or exchange offer with respect to the Common Stock, the Company shall within five days after deciding to take any such action or make any such offer send the Holder a notice of such proposed action or offer. Such notice shall specify the record date for the purposes of such dividend, distribution or rights, or the date such issuance or event is to take place and the date of participation therein by the holders of Common Stock, if any such date is to be fixed, and shall briefly indicate the effect, if any, of such action on the Common Stock and on the number and kind of any other shares of stock and on other property, if any, and the number of shares of Common Stock and other property, if any, issuable upon exercise of this Warrant and the Exercise Price after giving effect to any adjustment pursuant to this Section 6 which will be required as a result of such action. Such notice shall be given as promptly as possible and (x) in the case of any action covered by clause (a) or (b) above, at least fourteen days prior to the record date for determining holders of the Common Stock for purposes of such action or (y) in the case of any other such action, at least twenty one days prior to the date of the taking of such proposed action or the date of participation therein by the holders of Common Stock, whichever shall be the earlier.

6.10. Adjustment to Warrant. This Warrant need not be changed because of any adjustment made pursuant to this Section 6, and any replacement Warrant issued after such adjustment may state the same Exercise Price and the same number of shares of Common Stock issuable upon exercise of this Warrant as are stated in this Warrant. The Company, however, may at any time in its sole discretion make any change in the form of Warrant that it may deem appropriate to give effect to such adjustments and that does not affect the substance of this Warrant, and any Warrant thereafter issued or countersigned, whether in exchange or substitution for an outstanding Warrant or otherwise, may be in the form as so changed.

7. Reports Under Securities Exchange Act of 1934. With a view to making available to the Holders the benefits of Rule 144 promulgated under the Securities Act or any other similar rule or regulation of the SEC that may at any time permit the Holders to sell securities of the Company to the public without registration ("Rule 144"), the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, at all times;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(c) furnish to each Holder so long as such Holder owns Warrants, promptly upon request, (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144 the Securities Act and the Exchange Act, (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested to permit the Holders to sell such securities without registration.

8. Amendments. Any provision of this Warrant may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent or approval of the Company and the Holders who hold a majority in interest of the Warrants; provided that it is not necessary that the exact form of the amendment be approved by the holders of a majority in interest of the Warrants if such holders have approved the substance of such amendment. Any amendment or waiver effected in accordance with this Section 8 shall be binding upon each Holder and the Company.

9. Expiration of the Warrant. The obligations of the Company pursuant to this Warrant shall terminate on the Expiration Date.

10. Definitions. As used herein, unless the context otherwise requires, the following terms have the following respective meanings:

Affiliate: any Person that, directly or indirectly, is in control of, is controlled by, or is under common control with such Person. For the purposes of this definition, control of a Person shall mean, either (i) such controlling Person would have been required to file a Form 13D with the SEC regarding its ownership interest in the Company (assuming that the Company's Common Stock falls within the definition of the term "equity security" included in Rule 13d-1(i) of the Exchange Act), but substituting "ten percent" instead of the "five percent" threshold included in Rule 13d-1(a) or (ii) the power, whether direct or indirect, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

Antenna: an antenna, approved by the Company, capable of receiving the Company's satellite radio service

Assignment Form: an instrument of transfer of a warrant in the form annexed hereto as Exhibit B.

Board: the Board of Directors of the Company or any duly authorized Committee thereof.

Business Day: any day other than a Saturday, Sunday or a day on which banks are required or authorized by law to close in The City of New York, State of New York.

Bylaws: the Amended and Restated Bylaws of the Company, as the same may be amended and in effect from time to time.

Capital Stock: of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any preferred stock, but excluding any debt securities convertible into such equity.

Certificate of Incorporation: the Certificate of Incorporation of the Company, as the same may be amended and in effect from time to time.

Common Stock: the meaning specified on the cover of this Warrant.

Company: the meaning specified on the cover of this Warrant.

Contractual Obligation: as to any Person, any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument to which

such Person is a party or by which it or any of its property is bound.

Current Market Value: per share of Common Stock of the Company or any other security at any date means (1) if the security is not registered under the Exchange Act, (a) the value of the security, determined in good faith by the Board and certified in a board resolution, based on the most recently completed arms-length transaction between the Company and a Person other than an Affiliate of the Company and the closing of which occurs on such date or shall have occurred within the six-month period preceding such date, or (b) if no such transaction shall have occurred on such date or within such six-month period, the fair market value of the security as determined by a nationally or regionally recognized independent financial expert; provided, that such independent financial expert and its affiliates shall have no other contractual or investment relationships with the Company or its affiliates that is material to either party at the time of engagement or for a period of six months after the completion of such engagement (provided that, in the case of the calculation of Current Market Value for determining the cash value of fractional shares, any such determination within six months that is, in the good faith judgment of the Board, a reasonable determination of value, may be utilized) or (2) if the security is registered under the Exchange Act,(a) the average of the daily closing sales prices of the securities for the 20 consecutive trading days immediately preceding such date, or (b) if the securities have been registered under the Exchange Act for less than 20 consecutive trading days before such date, then the average of the daily closing sales prices for all of trading days before such date for which closing sales prices are available, in the case of each of (2)(a) and (2)(b), as certified to the Holder by the President, any Vice President or the Chief Financial Officer of the Company. The closing sales price for each such trading day shall be: (A) in the case of a security listed or admitted to trading on any United States national securities exchange or quotation system, the closing sales price, regular way, on such day, or if no sale takes place on such day, the average of the closing bid and asked prices on such day; (B) in the case of a security not then listed or admitted to trading on any national securities exchange or quotation system, the last reported sale price on such day, or if no sale takes place on such day, the average of the closing bid and asked prices on such day, as reported by a reputable quotation source designated by the Company; (C) in the case of a security not then listed or admitted to trading on any national securities exchange or quotation system and as to which no such reported sale price or bid and asked prices are available, the average of the reported high bid and low asked prices on such day, as reported by a reputable quotation service, or a newspaper of general circulation in the Borough of Manhattan, City and State of New York, customarily published on each business day, designated by the Company, or if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than 30 days prior to the date in question) for which prices have been so reported; and (D) if there are not bid and asked prices reported during the 30 days prior to the date in question, the Current Market Value shall be determined as if the securities were not registered under the Exchange Act.

Designated Person: any Person that is or becomes (i) an OEM engaged in the manufacture or sale of vehicles in the United States, (ii) engaged in the business of directly supplying to OEMs factory-installed components for vehicles, other than Sony, Matsushita and their respective Affiliates or (iii) engaged in the business of directly manufacturing and selling after-market components for vehicles, other than Sony, Matsushita and their respective Affiliates.

Ford: the meaning specified on the cover of this Warrant.

Exchange Act: the Securities Exchange Act of 1934 or any similar Federal statute, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time. Reference to a particular section of the Exchange Act shall include a reference to a comparable section, if any, of any such similar Federal statute.

Exercise Form: a request to exercise a warrant in the form annexed hereto as Exhibit A.

Exercise Price: the meaning specified on the cover of this Warrant.

Expiration Date: the meaning specified on the cover of this Warrant.

FCC: the Federal Communications Commission.

Ford Enabled Vehicle: any Ford Group Vehicle which contains a Sirius Receiver that was installed in a factory owned or operated by Ford, a "mass customization center which" is owned or operated by Ford or any present or future majority owned subsidiary of Ford (other than Hertz), or any other service facility designated in writing by Ford, which may include dealerships as long as such installation principally results from a program authorized by Ford; provided that, from and after the date of any notice contemplated by the second to last paragraph of Section 1.1, no Ford Group Vehicle branded under the brand that is the subject of such notice shall be considered a Ford Enabled Vehicle.

Ford Group Vehicle: an vehicle offered for sale under any existing or future Ford brand, including Ford, Lincoln, Mercury, Volvo, Jaguar, Mazda, Land Rover and Aston Martin.

Fundamental Transaction: means any transaction or series of related transactions by which the Company consolidates with or merges with or into any other Person or sells, assigns, transfers, leases, conveys or otherwise disposes of all or substantially all of its properties and assets to another Person or group of affiliated Persons or is a party to a merger or binding share exchange which reclassifies or changes its outstanding Common Stock.

Governmental Authority: the government of any nation, state, city, locality or other political subdivision of any thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or any International regulatory body having or asserting jurisdiction over a Person, its business or its properties.

Head Unit: a device, which is integrated in the dashboard of a vehicle, which provides the user interface for the reception of radio signals and, in some cases, the playback of recorded media, such as cassette tapes, compact discs, minidiscs and DVDs.

Holder(s): holder(s) of Warrants.

Lien: any mortgage, deed of trust, pledge, hypothecation, assignment, encumbrance, lien (statutory or other), restriction or other security interest of any kind or nature whatsoever.

National Advertising Campaign: a multimedia advertising campaign, produced either solely by Ford or jointly by the Company and Ford, that appears in ten or more cities and shows the Company and Ford in the same advertisement.

Nasdaq: the National Association of Securities Dealers Automated Quotations System.

OEM: any original equipment manufacturer of vehicles, such as DaimlerChrysler AG, General Motors Corporation and BMW AG.

Person: any individual, firm, corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, Governmental Authority or other entity of any kind.

Sirius Receiver: (i) a Head Unit which is capable of receiving and outputting the Sirius signal, either as a result of circuitry included in the unit itself or as a result of another device, and (ii) Antenna.

Requirement of Law: as to any Person, the Certificate of Incorporation and Bylaws, or other organizational or governing documents, of such Person, and any law, treaty, rule, regulation, qualification, license or franchise or determination of an arbitrator or a court or other Governmental Authority, in each case applicable or binding upon such Person or any of its property or to which such Person or any of its property is subject or pertaining to any or all of the transactions contemplated hereby.

Rule 144: the meaning specified in Section 7.

SEC: the Securities and Exchange Commission or any other Federal agency at the time administering the Securities Act or the Exchange Act, whichever is the relevant statute for the particular purpose.

Securities Act: the meaning specified on the cover of this Warrant, or any similar Federal statute, and the rules and regulations of the SEC

thereunder, all as the same shall be in effect at the time. Reference to a particular section of the Securities Act, shall include a reference to the comparable section, if any, of any such similar Federal statute.

Subsidiary: in respect of any Person, any other Person of which, at the time as of which any determination is made, such Person or one or more of its subsidiaries has, directly or indirectly, voting control.

Vehicle Line: collectively, all vehicles offered under the same nameplate designation (e.g., Mustang, Mustang GT, Mustang SVT Cobra and Mustang Mach 1) ; provided that, from and after the date of any notice contemplated by the second to last paragraph of Section 1.1, no line of vehicles offered under any nameplate designation by any brand that is the subject of such notice shall be considered a Vehicle Line.

Warrantholder: the meaning specified on the cover of this Warrant.

Warrant Shares: the meaning specified on the cover of this Warrant.

11. No Impairment. The Company shall not by any action, including, without limitation, amending the Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but shall at all time in good faith assist in the carrying out of all such terms and in the taking of all such reasonable actions as may be necessary or appropriate to protect the rights of the Warrantholder against impairment. Without limiting the generality of the foregoing, the Company shall (a) take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassesable shares of Common Stock upon the exercise of this Warrant, and (b) provide reasonable assistance to the Warrantholder in obtaining all authorizations, exemptions or consents from any Governmental Authority which may be necessary in connection with the exercise of this Warrant.

12. Miscellaneous.

12.1 Entire Agreement. This Warrant constitutes the entire agreement between the Company and the Warrantholder with respect to the Warrants.

12.2 Binding Effects; Benefits. This Warrant shall inure to the benefit of and shall be binding upon the Company and the Warrantholders and their respective heirs, legal representatives, successors and assigns. Nothing in this Warrant, expressed or implied, is intended to or shall confer on any Person other than the Company and the Warrantholders, or their respective heirs, legal representatives, successors or assigns, any rights, remedies, obligations or liabilities under or by reason of this Warrant.

12.3 Section and Other Headings. The section and other headings contained in this Warrant are for reference purposes only and shall not be deemed to be a part of this Warrant or to affect the meaning or interpretation of this Warrant.

12.4 Pronouns. All pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural, as the context may require.

12.5 Further Assurances. Each of the Company and the Warrantholder shall do and perform all such further acts and things and execute and deliver all such other certificates, instruments and documents as the Company or the Warrantholder may, at any time and from time to time, reasonably request in connection with the performance of any of the provisions of this Warrant.

12.6 Notices. All notices and other communications required or permitted to be given under this Warrant shall be in writing and shall be deemed to have been duly given if (i) delivered personally or (ii) sent by facsimile or recognized overnight courier or by United States first class certified mail, postage prepaid, to the parties hereto at the following addresses or to such other address as any party hereto shall hereafter specify by notice to the other party hereto:

if to the Company, addressed to:

Sirius Satellite Radio Inc.
1221 Avenue of the Americas
36th Floor

New York, New York 10020
Attention: Chief Financial Officer

if to the Warrantholder, addressed to:

Ford Motor Company
The American Road
Dearborn, Michigan
Attention: Chief Financial Officer

Except as otherwise provided herein, all such notices and communications shall be deemed to have been received (a) on the date of delivery thereof, if delivered personally or sent by facsimile, (b) on the second Business Day following delivery into the custody of an overnight courier service, if sent by overnight courier, provided that such delivery is made before such courier's deadline for next-day delivery, or (c) on the third Business Day after the mailing thereof.

12.7 Separability. Any term or provision of this Warrant which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the terms and provisions of this Warrant or affecting the validity or enforceability of any of the terms or provisions of this Warrant in any other jurisdiction.

12.8 Governing Law. This Warrant shall be deemed to be a contract made under the laws of New York and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to such agreements made and to be performed entirely within such State.

12.9 No Rights or Liabilities as Stockholder. Nothing contained in this Warrant shall be deemed to confer upon the Warrantholder any rights as a stockholder of the Company or as imposing any liabilities on the Warrantholder to purchase any securities whether such liabilities are asserted by the Company or by creditors or stockholders of the Company or otherwise.

12.10 Representations of the Company. The Company hereby represents and warrants, as of the date hereof, to the Warrantholder as follows:

(a) Corporate Existence and Power. The Company (i) is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware; (ii) has all requisite corporate power and authority to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is engaged; and (iii) has the corporate power and authority to execute, deliver and perform its obligations under this Warrant. The Company is duly qualified to do business as a foreign corporation in, and is in good standing under the laws of, each jurisdiction in which the conduct of its business or the nature of the property owned requires such qualification.

(b) Corporate Authorization; No Contravention. The execution, delivery and performance by the Company of this Warrant and the transactions contemplated hereby, including, without limitation, the sale, issuance and delivery of the Warrant Shares, (i) have been duly authorized by all necessary corporate action of the Company; (ii) do not contravene the terms of the Certificate of Incorporation or Bylaws; and (iii) do not violate, conflict with or result in any breach or contravention of, or the creation of any Lien under, any Contractual Obligation of the Company or any

Requirement of Law applicable to the Company. No event has occurred and no condition exists which, upon notice or the passage of time (or both), would constitute a default under any indenture, mortgage, deed of trust, credit agreement, note or other evidence of indebtedness or other material agreement of the Company or the Certificate of Incorporation or Bylaws.

(c) Issuance of Warrant Shares. The Warrant Shares have been duly authorized and reserved for issuance. When issued, such shares will be validly issued, fully paid and non-assessable, and free and clear of all Liens and preemptive rights, and the holders thereof shall be entitled to all rights and preferences accorded to a holder of Common Stock.

(d) Binding Effect. This Warrant has been duly executed and delivered by the Company and constitutes the legal, valid and binding

obligation of the Company enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance or transfer, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed by its duly authorized officer.

SIRIUS SATELLITE RADIO INC.

By: /s/ Patrick L. Donnelly

Patrick L. Donnelly
Executive Vice President,
General Counsel and Secretary

Dated: October 7, 2002

Attest:

By: /s/ Douglas A. Kaplan

Douglas A. Kaplan
Assistant Secretary

Exhibit A

EXERCISE FORM

(To be executed upon exercise of this Warrant)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant, to purchase _____ shares of Common Stock and herewith tenders payment for such Common Stock to the order of Sirius Satellite Radio Inc. in the amount of $_____, which amount includes payment of the par value for _____ of the Common Stock, in accordance with the terms of this Warrant. The undersigned requests that a certificate for such shares of Common Stock be registered in the name of _____ and that such certificates be delivered to _____ whose address is _____.

Dated:

Signature

(Print Name)

(Street Address)

(City) (State) (Zip Code)

Signed in the Presence of:

- ---

Exhibit B

FORM OF ASSIGNMENT

(To be executed only upon transfer of this Warrant)

For value received, the undersigned registered holder of the within Warrant hereby sells, assigns and transfers unto _____ the right represented by such Warrant to purchase _____ shares of Common Stock of Sirius Satellite Radio Inc. to which such Warrant relates and all other rights of the Warrantholder under the within Warrant, and appoints _____ Attorney to make such transfer on the books of Sirius Satellite Radio Inc. maintained for such purpose, with full power of substitution in the premises. This sale, assignment and transfer has been previously approved in writing by Sirius Satellite Radio Inc.

Dated:

Signature

(Print Name)

(Street Address)

(City) (State) (Zip Code)

Signed in the presence of:

- ---

THIS WARRANT AND ANY SECURITIES ACQUIRED UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND NEITHER THIS WARRANT NOR SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR SUCH LAWS OR AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SUCH LAWS.

SIRIUS SATELLITE RADIO INC.

COMMON STOCK PURCHASE WARRANT

This certifies that, for good and valuable consideration, Sirius Satellite Radio Inc., a Delaware corporation (the "Company"), grants to DaimlerChrysler AG, a German corporation ("DCAG"), or registered assigns (together with DCAG, the "Warrantholder"), the right to subscribe for and purchase from the Company an aggregate of 4,000,000 validly issued, fully paid and nonassessable shares (the "Warrant Shares") of the Company's common stock, par value $0.001 per share (the "Common Stock"), at the purchase price per share of $3.00 (the "Exercise Price"), at any time and from time to time, during the period from and including 9:00 AM, New York City time, on the date hereof until 5:00 PM, New York City time, on the date of the termination or expiration (the "Expiration Date") of the Amended and Restated Agreement among the Company, DaimlerChrysler Corporation ("DCC"), Freightliner LLC ("Freightliner") and Mercedes-Benz USA, LLC ("Mercedes" and, together with DCC, Freightliner and their respective subsidiaries and designated affiliates, "DaimlerChrysler"), all subject to the terms, conditions and adjustments herein set forth.

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in Section 10.

Certificate No. DCX-4

Number of Shares: 4,000,000

Name of Warrantholder: DaimlerChrysler AG, a German corporation

1. Duration and Exercise of Warrant; Limitations on Exercise; Payment of Taxes.

1.1 Excercisability of Warrant. Subject to the terms and conditions set forth herein, the right to exercise this Warrant shall vest, and this Warrant shall become exercisable, as follows:

(a) with respect to 1,000,000 shares of Common Stock, on the date that there are 250,000 Eligible Vehicles;

(b) with respect to an additional 500,000 shares of Common Stock, on the date there are 800,000 Eligible Vehicles;

(c) with respect to an additional 500,000 shares of Common Stock, on the date there are 1,600,000 Eligible Vehicles;

(d) with respect to an additional 1,000,000 shares of Common Stock, on the date there are 2,400,000 Eligible Vehicles; and

(e) with respect to an additional 1,000,000 shares of Common Stock, on the date there are 3,200,000 Eligible Vehicles.

The Warrantholder shall have no right to exercise this Warrant with respect to shares of Common Stock which are not vested and exercisable as described in this Section 1.1.

1.2 Duration and Exercise of Warrant. Subject to the terms and conditions set forth herein, including Section 1.1, the Warrant may be exercised, in whole or in part, by the Warrantholder by:

(a) the surrender of this Warrant to the Company, with a duly executed Exercise Form specifying the number of Warrant Shares to be purchased, during normal business hours on any Business Day prior to the Expiration

Date; and

(b) the delivery of payment to the Company, for the account of the Company, by cash, by certified or bank cashier's check or by wire transfer of immediately available funds in accordance with wire instructions that shall be provided by the Company upon request, of the Exercise Price for the number of Warrant Shares specified in the Exercise Form in lawful money of the United States of America.

The Company agrees that such Warrant Shares shall be deemed to be issued to the Warrantholder as the record holder of such Warrant Shares as of the close of business on the date on which this Warrant shall have been surrendered and payment made for the Warrant Shares as aforesaid.

1.3 Limitations on Exercise. Notwithstanding anything to the contrary herein, this Warrant may be exercised only upon (i) the delivery to the Company of any certificates, legal opinions, and other documents reasonably requested by the Company to satisfy the Company that the proposed exercise of this Warrant may be effected without registration under the Securities Act, (ii) receipt by the Company of FCC approval of the proposed exercise, if such approval is required (as determined by a written opinion of the Company's special FCC counsel,

delivered to the Warrantholder) to maintain any license granted to the Company by the FCC, or to maintain the Company's eligibility for any FCC license for which it has applied, or reasonably expects to apply, for, (iii) in the event that the acquisition of the Warrant Shares is subject to the provisions of the HSR Act, any person or entity required to file a notification and report in compliance with the HSR Act shall have filed such form and the applicable waiting period with respect to such form (including any extension thereof by reason of a request for additional information) shall have expired or been terminated, and (iv) receipt by the Company of approval of any other applicable Governmental Authority of the proposed exercise. The Warrantholder shall not be entitled to exercise this Warrant, or any part thereof, unless and until such approvals, certificates, legal opinions or other documents are reasonably acceptable to the Company. The cost of such approvals, certificates, legal opinions and other documents, if required, shall be borne by the Warrantholder.

1.4 Warrant Shares Certificate. A stock certificate or certificates for the Warrant Shares specified in the Exercise Form shall be delivered to the Warrantholder within five Business Days after receipt of the Exercise Form and receipt of payment of the purchase price. If this Warrant shall have been exercised only in part, the Company shall, at the time of delivery of the stock certificate or certificates, deliver to the Warrantholder a new Warrant evidencing the rights to purchase the remaining Warrant Shares, which new Warrant shall in all other respects be identical with this Warrant.

1.5 Payment of Taxes. The issuance of certificates for Warrant Shares shall be made without charge to the Warrantholder for any documentary, stamp or similar stock transfer or other issuance tax in respect thereto; provided that the Warrantholder shall be required to pay any and all taxes which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the then Warrantholder as reflected upon the books of the Company.

1.6 Divisibility of Warrant; Transfer of Warrant. (a) This Warrant may only be transferred by the Warrantholder with the prior written consent of the Company; provided that the Warrantholder shall have the right to transfer this Warrant to any wholly-owned subsidiary of the original Warrantholder. Except as set forth above, any transfer of this Warrant without the prior written consent of the Company shall be void and of no force and effect. Except as set forth above, the Warrantholder expressly agrees not to sell, transfer, assign or otherwise dispose of any of the Warrant Shares until the first anniversary of the acquisition of such Warrant Shares pursuant to this Warrant without the prior written consent of the Company.

(b) Subject to the provisions of this Section, this Warrant may be divided into warrants of one thousand shares or multiples thereof, upon surrender at the office of the Company located at 1221 Avenue of the Americas, 36th Floor, New York, New York 10020, without charge to any Warrantholder. Subject to the provisions of this Section, upon such division, the Warrants may be transferred of record as the then Warrantholder may specify without charge to such Warrantholder (other than any applicable transfer taxes).

(c) Subject to the provisions of this Section 1.6, upon surrender of this Warrant to the Company with a duly executed Assignment Form and funds sufficient

to pay any transfer tax, the Company shall, without charge, execute and deliver a new Warrant or Warrants of like tenor in the name of the assignee named in such Assignment Form, and this Warrant shall promptly be

canceled. Prior to any proposed transfer (whether as the result of a division or otherwise) of this Warrant, the Warrantholder shall give written notice to the Company of the Warrantholder's intention to effect such transfer. Each such notice shall describe the manner and circumstances of the proposed transfer in sufficient detail, and, if requested by the Company, shall be accompanied by a written opinion of legal counsel, which opinion shall be addressed to the Company and be reasonably satisfactory in form and substance to the Company, to the effect that the proposed transfer of this Warrant may be effected without registration under the Securities Act. In addition to the restrictions contained in this Section, the Warrantholder shall not be entitled to transfer this Warrant, or any part thereof, if such legal opinion is not reasonably acceptable to the Company. The term "Warrant" as used in this Agreement shall be deemed to include any Warrants issued in substitution or exchange for this Warrant.

2. Restrictions on Transfer; Restrictive Legends.

Except as otherwise permitted by this Section 2, each Warrant shall (and each Warrant issued upon direct or indirect transfer or in substitution for any Warrant pursuant to Section 1.6 or Section 4 shall) be stamped or otherwise imprinted with a legend in substantially the following form:

> THIS WARRANT AND ANY SECURITIES ACQUIRED UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND NEITHER THIS WARRANT NOR SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR SUCH LAWS OR AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SUCH LAWS.

Except as otherwise permitted by this Section 2, each stock certificate for Warrant Shares issued upon the exercise of any Warrant and each stock certificate issued upon the direct or indirect transfer of any such Warrant Shares shall be stamped or otherwise imprinted with a legend in substantially the following form:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND NEITHER THE SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR SUCH LAWS OR AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SUCH LAWS.

Notwithstanding the foregoing, the Warrantholder may require the Company to issue a Warrant or a stock certificate for Warrant Shares, in each case without a legend, if either (i) such Warrant or such Warrant Shares, as the case may be, have been registered for resale under the Securities Act or (ii) the Warrantholder has delivered to the Company an opinion of legal counsel, which opinion shall be addressed to the Company and be reasonably satisfactory in form and substance to the Company, to the effect that such registration is not required with respect to such Warrant or such Warrant Shares, as the case may be.

By acceptance of this Warrant, the Warrantholder expressly agrees that it will at all times comply with the restrictions contained in Rule 144(e) under the Securities Act (as in effect on the date hereof) when selling, transferring or otherwise disposing Warrant Shares, even if such restrictions would not then be applicable to the Warrantholder.

3. Reservation and Registration of Shares, Etc. The Company covenants and agrees as follows:

(a) all Warrant Shares which are issued upon the exercise of this Warrant will, upon issuance, be validly issued, fully paid, and nonassessable, not subject to any preemptive rights, and free from all taxes, liens, security interests, charges, and other encumbrances with respect to the issue thereof, other than taxes with respect to any transfer occurring contemporaneously with such issue;

(b) during the period within which this Warrant may be exercised, the Company will at all times have authorized and reserved, and keep available free from preemptive rights and any liens and encumbrances, a sufficient number of shares of Common Stock to provide for the exercise of the rights represented by this Warrant; and

(c) the Company will, from time to time, take all such action as may be required to assure that the par value per share of the Warrant Shares is at all times equal to or less than the then effective Exercise Price.

4. Loss or Destruction of Warrant. Subject to the terms and conditions hereof, upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, of such bond or indemnification as the Company may reasonably require, and, in the case of such mutilation, upon surrender and cancellation of this Warrant, the Company will execute and deliver a new Warrant of like tenor.

5. Ownership of Warrant. The Company may deem and treat the Person in whose name this Warrant is registered as the holder and owner hereof (notwithstanding any notations of ownership or writing hereon made by anyone other than the Company) for all purposes and shall not be affected by any notice to the contrary, until presentation of this Warrant for registration of transfer.

6. Certain Adjustments.

6.1 The number of Warrant Shares purchasable upon the exercise of this Warrant and the Exercise Price shall be subject to adjustment as follows:

(a) Stock Dividends. If at any time after the date of the issuance of this Warrant (i) the Company shall fix a record date for the issuance of any stock dividend payable in shares of Common Stock; or (ii) the number of shares of Common Stock shall have been increased by a subdivision or split-up of shares of Common Stock, then, on the record date fixed for the determination of holders of Common Stock entitled to receive such dividend or immediately after the effective date of such subdivision or split-up, as the

case may be, the number of shares to be delivered upon exercise of this Warrant shall be increased so that the Warrantholder shall be entitled to receive the number of shares of Common Stock that such Warrantholder would have owned immediately following such action had this Warrant been exercised immediately prior thereto, and the Exercise Price shall be adjusted as provided below in paragraph (g).

(b) Combination of Stock. If the number of shares of Common Stock outstanding at any time after the date of the issuance of this Warrant shall have been decreased by a combination of the outstanding shares of Common Stock, then, immediately after the effective date of such combination, the number of shares of Common Stock to be delivered upon exercise of this Warrant shall be decreased so that the Warrantholder thereafter shall be entitled to receive the number of shares of Common Stock that such Warrantholder would have owned immediately following such action had this Warrant been exercised immediately prior thereto, and the Exercise Price shall be adjusted as provided below in paragraph (g).

(c) Reorganization, etc. If any capital reorganization of the Company, any reclassification of the Common Stock, any consolidation of the Company with or merger of the Company with or into any other Person, or any sale or lease or other transfer of all or substantially all of the assets of the Company to any other Person, shall be effected in such a way that the holders of Common Stock shall be entitled to receive stock, other securities or assets (whether such stock, other securities or assets are issued or distributed by the Company or another Person) with respect to or in exchange for Common Stock, then, upon exercise of this Warrant, the Warrantholder shall have the right to receive the kind and amount of stock, other securities or assets receivable upon such reorganization, reclassification, consolidation, merger or sale, lease or other transfer by a holder of the number of shares of Common Stock that such Warrantholder

would have been entitled to receive upon exercise of this Warrant had this Warrant been exercised immediately before such reorganization, reclassification, consolidation, merger or sale, lease or other transfer, subject to adjustments that shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 6. The Company shall not effect any such consolidation, merger or sale, lease or other transfer, unless prior to, or simultaneously with, the consummation thereof, the successor Person (if other than the Company) resulting from such consolidation or merger, or such Person purchasing, leasing or otherwise acquiring such assets, shall assume, by written instrument, the obligation to deliver to the Warrantholder the shares of stock, securities or assets to which, in accordance with the foregoing provisions, the Warrantholder may be entitled and all other obligations of the Company under this Warrant. The provisions of this paragraph (c) shall apply to successive reorganizations, reclassifications, consolidations, mergers, sales, leasing transactions and other transfers.

(d) Distributions to all Holders of Common Stock. If the Company shall, at any time after the date of issuance of this Warrant, fix a record date to distribute to all holders of its Common Stock any shares of capital stock of the Company (other than Common Stock) or evidences of its indebtedness or assets (not including regular quarterly cash dividends and distributions paid from retained earnings of the Company) or rights or warrants to subscribe for or purchase any of its securities, then the Warrantholder shall be entitled to receive, upon exercise of this Warrant, that portion of such distribution to

which it would have been entitled had the Warrantholder exercised its Warrant immediately prior to the date of such distribution. At the time it fixes the record date for such distribution, the Company shall allocate sufficient reserves to ensure the timely and full performance of the provisions of this Subsection. The Company shall promptly (but in any case no later than five Business Days prior to the record date of such distribution) give notice to the Warrantholder that such distribution will take place.

(e) Fractional Shares. No fractional shares of Common Stock or scrip shall be issued to any Warrantholder in connection with the exercise of this Warrant. Instead of any fractional shares of Common Stock that would otherwise be issuable to such Warrantholder, the Company shall pay to such Warrantholder a cash adjustment in respect of such fractional interest in an amount equal to that fractional interest of the then current Fair Market Value per share of Common Stock.

(f) Carryover. Notwithstanding any other provision of this Section 6, no adjustment shall be made to the number of shares of Common Stock to be delivered to the Warrantholder (or to the Exercise Price) if such adjustment represents less than 1% of the number of shares to be so delivered, but any lesser adjustment shall be carried forward and shall be made at the time and together with the next subsequent adjustment which together with any adjustments so carried forward shall amount to 1% or more of the number of shares to be so delivered.

(g) Exercise Price Adjustment. Whenever the number of Warrant Shares purchasable upon the exercise of this Warrant is adjusted, as herein provided, the Exercise Price payable upon the exercise of this Warrant shall be adjusted by multiplying such Exercise Price immediately prior to such adjustment by a fraction, of which the numerator shall be the number of Warrant Shares purchasable upon the exercise of the Warrant immediately prior to such adjustment, and of which the denominator shall be the number of Warrant Shares purchasable immediately thereafter.

6.2 Rights Offering. In the event the Company shall effect an offering of Common Stock or preferred stock among its stockholders, the Warrantholder shall be entitled to elect to participate in each and every such offering as if this Warrant had been exercised immediately prior to each such offering. The Company shall promptly (but in any case no later than five Business Days prior to such rights offering) give notice to the Warrantholder that such rights offering will take place. The Company shall not be required to make any adjustment pursuant to Section 6.1 with respect to the issuance of shares of Common Stock or preferred stock pursuant to a rights offering in which the holder hereof is offered the right to participate under the provisions of this Section 6.2, assuming this Warrant was fully exercisable in accordance with Section 1.1.

6.3 Notice of Adjustments. Whenever the number of Warrant Shares or the Exercise Price of such Warrant Shares is adjusted, as herein provided, the

Company shall promptly give to the Warrantholder notice of such adjustment or adjustments and a certificate of a firm of independent public accountants of recognized national standing (which shall be appointed at the Company's expense and may be the independent public accountants regularly employed by the Company) setting forth the number of Warrant Shares and the Exercise Price of such Warrant

Shares after such adjustment, a brief statement of the facts requiring such adjustment, and the computation by which such adjustment was made.

6.4 Notice of Extraordinary Corporate Events. In case the Company after the date hereof shall propose to (i) distribute any dividend (whether stock or cash or otherwise) to the holders of shares of Common Stock or to make any other distribution to the holders of shares of Common Stock, (ii) offer to the holders of shares of Common Stock rights to subscribe for or purchase any additional shares of any class of stock or any other rights or options, or (iii) effect any reclassification of the Common Stock (other than a reclassification involving merely the subdivision or combination of outstanding shares of Common Stock), any capital reorganization, any consolidation or merger (other than a merger in which no distribution of securities or other property is to be made to holders of shares of Common Stock), any sale or lease or transfer or other disposition of all or substantially all of its property, assets and business, or the liquidation, dissolution or winding up of the Company, then, in each such case, the Company shall give to the Warrantholder notice of such proposed action, which notice shall specify the date on which (a) the books of the Company shall close, or (b) a record shall be taken for determining the holders of Common Stock entitled to receive such stock dividends or other distribution or such rights or options, or (c) such reclassification, reorganization, consolidation, merger, sale, transfer, other disposition, liquidation, dissolution or winding up shall take place or commence, as the case may be, and the date, if any, as of which it is expected that holders of record of Common Stock shall be entitled to receive securities or other property deliverable upon such action. Such notice shall be given in the case of any action covered by clause (i) or (ii) above at least ten days prior to the record date for determining holders of Common Stock for purposes of receiving such payment or offer, or in the case of any action covered by clause (iii) above at least 30 days prior to the date upon which such action takes place and 20 days prior to any record date to determine holders of Common Stock entitled to receive such securities or other property.

6.5 Effect of Failure to Notify. Failure to file any certificate or notice or to give any notice, or any defect in any certificate or notice, pursuant to Sections 6.3 and 6.4 shall not affect the legality or validity of the adjustment to the Exercise Price, the number of shares purchasable upon exercise of this Warrant, or any transaction giving rise thereto.

7. Reports Under Securities Exchange Act of 1934. With a view to making available to the Holders the benefits of Rule 144 promulgated under the Securities Act or any other similar rule or regulation of the SEC that may at any time permit the Holders to sell securities of the Company to the public without registration ("Rule 144"), the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, at all times;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(c) furnish to each Holder so long as such Holder owns Warrants, promptly upon request, (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144, the Securities Act and the Exchange Act, (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and

documents so filed by the Company, and (iii) such other information as may be reasonably requested to permit the Holders to sell such securities without registration.

8. Amendments. Any provision of this Warrant may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent or approval of the Company and the Holders who hold a majority in interest of the Warrants; provided that it is not necessary that the exact form of the amendment be approved by the holders of a majority in interest of the Warrants if such holders have approved the substance of such amendment. Any amendment or waiver effected in accordance with this Section 8 shall be binding upon each Holder and the Company.

9. Expiration of the Warrant. The obligations of the Company pursuant to this Warrant shall terminate on the Expiration Date.

10. Definitions. As used herein, unless the context otherwise requires, the following terms have the following respective meanings:

"Aftermarket Freightliner Receiver" shall mean each Sirius Receiver equipped to receive the Sirius Service, and not any Competing Service, which is sold by a Freightliner dealer, Travel Center of America location or other heavy truck dealer or service center owned, controlled by or affiliated with Freightliner from time to time.

"Assignment Form" shall mean an instrument of transfer of a warrant in the form annexed hereto as Exhibit B.

"Board" shall mean the Board of Directors of the Company or any duly authorized committee thereof.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which banks are required or authorized by law to close in The City of New York, State of New York.

"By-laws" shall mean the Amended and Restated By-laws of the Company, as the same may be amended and in effect from time to time.

"Certificate of Incorporation" shall mean the Amended and Restated Certificate of Incorporation of the Company, as the same may be amended and in effect from time to time.

"Common Stock" shall have the meaning specified on the cover of this Warrant.

"Company" shall have the meaning specified on the cover of this Warrant.

"Competing Service" shall mean any satellite digital audio radio service offered in the continental United States within the frequency range from 2310 to 2360 megahertz.

"Contractual Obligation" shall mean as to any Person, any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument to which such Person is a party or by which it or any of its property is bound.

"DaimlerChrysler" shall have the meaning specified on the cover of this Warrant.

"DaimlerChrysler Enabled Vehicle" shall mean any vehicle which contains a Sirius Receiver capable of receiving the Sirius Service, and not any Competing Service, that was installed in (a) a factory owned or operated by DaimlerChrysler, any present or future subsidiary of DaimlerChrysler, or (b) the factory from which DaimlerChrysler or any present or future subsidiary of DaimlerChrysler acquired such vehicle for distribution in the United States, or (c) any other service facility designated in writing by DaimlerChrysler (which may include dealerships as long as such installation principally results from a program authorized by DaimlerChrysler).

"DCAG" shall have the meaning specified on the cover of this Warrant.

"DCC" shall have the meaning specified on the cover of this Warrant.

"Eligible Vehicle" means a DaimlerChrysler Enabled Vehicle or any vehicle containing an Aftermarket Freightliner Receiver.

"Exchange Act" shall mean the Securities Exchange Act of 1934 or any similar Federal statute, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time. Reference to a particular section of the Exchange Act shall include a reference to a comparable section, if any, of any such similar Federal statute.

"Exercise Form" shall mean a request to exercise this Warrant in the form annexed hereto as Exhibit A.

"Exercise Price" shall have the meaning specified on the cover of this Warrant.

"Expiration Date" shall have the meaning specified on the cover of this Warrant.

"Fair Market Value" shall mean, with respect to a share of Common Stock as of a particular date (the "Determination Date"):

(i) if the Common Stock is registered under the Exchange Act, (a) the average of the daily closing sales prices of the Common Stock for the 20 consecutive trading days immediately preceding such date, or (b) if the securities have been registered under the Exchange Act for less than 20 consecutive trading days before such date, then the average of the daily closing sales prices for all of trading days before such date for which closing sales prices are available, in the case of each of (a) and (b), as certified by any Vice President or the Chief Financial Officer of the Company; or

(ii) if the Common Stock is not registered under the Exchange Act, then the Fair Market Value shall be as reasonably determined in good faith by the Board or a duly

appointed committee of the Board (which determination shall be reasonably described in the written notice given to the Warrantholder).

For the purposes of clause (i) of this definition, the closing sales price for each such trading day shall be: (1) in the case of a security listed or admitted to trading on any United States national securities exchange or quotation system, the closing sales price, regular way, on such day, or if no sale takes place on such day, the average of the closing bid and asked prices on such day; (2) in the case of a security not then listed or admitted to trading on any national securities exchange or quotation system, the last reported sale price on such day, or if no sale takes place on such day, the average of the closing bid and asked prices on such day, as reported by a reputable quotation source designated by the Company; (3) in the case of a security not then listed or admitted to trading on any national securities exchange or quotation system and as to which no such reported sale price or bid and asked prices are available, the average of the reported high bid and low asked prices on such day, as reported by a reputable quotation service, or a newspaper of general circulation in the Borough of Manhattan, City and State of New York, customarily published on each Business Day, designated by the Company, or if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than 30 days prior to the date in question) for which prices have been so reported; and (4) if there are no bid and asked prices reported during the 30 days prior to the date in question, the Fair Market Value shall be determined as if the securities were not registered under the Exchange Act

"FCC" shall mean the Federal Communications Commission.

"Freightliner" shall have the meaning specified on the cover of this Warrant.

"Governmental Authority" shall mean the government of any nation, state, city, locality or other political subdivision of any thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or any international regulatory body having or asserting jurisdiction over a Person, its business or its properties.

"Head Unit" shall mean a device, which is integrated in the dashboard of a vehicle, which provides the user interface for the reception of radio signals and, in some cases, the playback of recorded media, such as cassette tapes, compact discs, minidiscs and DVDs.

"Holder(s)" shall mean holder(s) of Warrants.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations of the Federal Trade Commission thereunder.

"Lien" shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, encumbrance, lien (statutory or other), restriction or other security interest of any kind or nature whatsoever.

"Mercedes" shall have the meaning specified on the cover of this Warrant.

"Nasdaq" shall mean the National Association of Securities Dealers Automated Quotations System.

"Person" shall mean any individual, firm, corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, Governmental Authority or other entity of any kind.

"Requirement of Law" shall mean, as to any Person, the Certificate of Incorporation and Bylaws, or other organizational or governing documents, of such Person, and any law, treaty, rule, regulation, qualification, license or franchise or determination of an arbitrator or a court or other Governmental Authority, in each case applicable or binding upon such Person or any of its property or to which such Person or any of its property is subject or pertaining to any or all of the transactions contemplated hereby.

"Rule 144" shall have the meaning specified in Section 7.

"SEC" shall mean the Securities and Exchange Commission or any other Federal agency at the time administering the Securities Act or the Exchange Act, whichever is the relevant statute for the particular purpose.

"Securities Act" shall have the meaning specified on the cover of this Warrant, or any similar Federal statute, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time. Reference to a particular section of the Securities Act, shall include a reference to the comparable section, if any, of any such similar Federal statute.

"Sirius Receiver" shall mean (a) a Head Unit which is capable of receiving and outputting the Sirius signal, either as a result of circuitry included in the Head Unit itself or as a result of another device and (b) an antenna capable of receiving the Sirius signal.

"Sirius Service" shall mean the digital audio radio service that the Company will offer to Sirius Subscribers which will permit such Sirius Subscribers to receive a multichannel audio service broadcast from satellites and, in certain instances, terrestrial repeaters.

"Sirius Subscriber" shall mean any person or entity that has agreed to pay the Company for the right to receive the Sirius Service.

"Subsidiary" shall mean, in respect of any Person, any other Person of which, at the time as of which any determination is made, such Person or one or more of its subsidiaries has, directly or indirectly, voting control.

"Warrantholder" shall have the meaning specified on the cover of this Warrant.

"Warrant Shares" shall have the meaning specified on the cover of this Warrant.

11. No Impairment. The Company shall not by any action, including, without limitation, amending the Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but shall at all times in good faith assist in the carrying out of all such terms and in the taking of all such reasonable actions as may be necessary or appropriate to protect the rights of the Warrantholder against impairment. Without limiting the generality of the foregoing, the Company shall (a) take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassesable shares of Common Stock upon the exercise of this Warrant, and (b) provide reasonable assistance to the Warrantholder in obtaining all authorizations, exemptions or consents from any Governmental Authority which may be necessary in connection with the exercise of this Warrant.

12. Miscellaneous.

12.1 Entire Agreement. This Warrant constitutes the entire agreement between the Company and the Warrantholder with respect to the Warrants.

12.2 Binding Effects; Benefits. This Warrant shall inure to the benefit of and shall be binding upon the Company and the Warrantholders and their respective heirs, legal representatives, successors and assigns. Nothing in this Warrant, expressed or implied, is intended to or shall confer on any Person other than the Company and the Warrantholders, or their respective heirs, legal representatives, successors or assigns, any rights, remedies, obligations or liabilities under or by reason of this Warrant.

12.3 Section and Other Headings. The section and other headings contained in this Warrant are for reference purposes only and shall not be deemed to be a part of this Warrant or to affect the meaning or interpretation of this Warrant.

12.4 Pronouns. All pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural, as the context may require.

12.5 Further Assurances. Each of the Company and the Warrantholder shall do and perform all such further acts and things and execute and deliver all such other certificates, instruments and documents as the Company or the Warrantholder may, at any time and from time to time, reasonably request in connection with the performance of any of the provisions of this Warrant.

12.6 Notices. All notices and other communications required or permitted to be given under this Warrant shall be in writing and shall be deemed to have been duly given if (i) delivered personally or (ii) sent by facsimile or recognized overnight courier or by United States first class certified mail, postage prepaid, to the parties hereto at the following addresses or to such other address as any party hereto shall hereafter specify by notice to the other party hereto:

if to the Company, addressed to:

Sirius Satellite Radio Inc.
1221 Avenue of the Americas
36th Floor
New York, New York 10020
Attention: Chief Financial Officer
Telecopy: (212) 584-5353

if to the Warrantholder, addressed to:

DaimlerChrysler AG
c/o DaimlerChrysler Corporation
1000 Chrysler Drive
CIMS 485-14-78
Auburn Hills, Michigan 48326-2766
Attention: Assistant Secretary
Telecopy: (248) 512-1771

Except as otherwise provided herein, all such notices and communications shall be deemed to have been received (a) on the date of delivery thereof, if delivered personally or sent by facsimile, (b) on the second Business Day following delivery into the custody of an overnight courier service, if sent by overnight courier, provided that such delivery is made before such courier's

deadline for next-day delivery, or (c) on the third Business Day after the mailing thereof.

12.7 Separability. Any term or provision of this Warrant which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the terms and provisions of this Warrant or affecting the validity or enforceability of any of the terms or provisions of this Warrant in any other jurisdiction.

12.8 Governing Law. This Warrant shall be deemed to be a contract made under the laws of New York and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to such agreements made and to be performed entirely within such State.

12.9 No Rights or Liabilities as Stockholder. Nothing contained in this Warrant shall be deemed to confer upon the Warrantholder any rights as a stockholder of the Company or as imposing any liabilities on the Warrantholder to purchase any securities whether such liabilities are asserted by the Company or by creditors or stockholders of the Company or otherwise.

12.10 Representations of the Company. The Company hereby represents and warrants, as of the date hereof, to the Warrantholder as follows:

(a) Corporate Existence and Power. The Company (i) is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware; (ii) has all requisite corporate power and authority to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is engaged; and (iii) has the corporate power and authority to execute, deliver and perform its obligations under this Warrant. The Company is duly qualified to do business as a foreign corporation in, and is in good standing under the laws of, each jurisdiction in which the conduct of its business or the nature of the property owned requires such qualification.

(b) Corporate Authorization; No Contravention. The execution, delivery and performance by the Company of this Warrant and the transactions contemplated hereby, including, without limitation, the sale, issuance and delivery of the Warrant Shares, (i) have been duly authorized by all necessary corporate action of the Company; (ii) do not contravene the terms of the Certificate of Incorporation or Bylaws; and (iii) do not violate, conflict with or result in any breach or contravention of, or the creation of any Lien under, any Contractual Obligation of the Company or any Requirement of Law applicable to the Company. No event has occurred and no condition exists which, upon notice or the passage of time (or both), would constitute a default under any indenture, mortgage, deed of trust, credit agreement, note or other evidence of indebtedness or other material agreement of the Company or the Certificate of Incorporation or Bylaws.

(c) Issuance of Warrant Shares. The Warrant Shares have been duly authorized and reserved for issuance. When issued, such shares will be validly issued, fully paid and non-assessable, and free and clear of all Liens and preemptive rights, and the holders thereof shall be entitled to all rights and preferences accorded to a holder of Common Stock.

(d) Binding Effect. This Warrant has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance or transfer, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed by its duly authorized officer.

SIRIUS SATELLITE RADIO INC.

By: /s/ Patrick L. Donnelly

Patrick L. Donnelly
Executive Vice President and
General Counsel

Dated: October 25, 2002

Attest:

By: /s/ Douglas Kaplan

Douglas Kaplan
Assistant Secretary

Exhibit A

EXERCISE FORM

(To be executed upon exercise of this Warrant)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant, to purchase _____ shares of Common Stock and herewith tenders payment for such Common Stock to the order of Sirius Satellite Radio Inc. in the amount of $_____, which amount includes payment of the par value for _____ of the Common Stock, in accordance with the terms of this Warrant. The undersigned requests that a certificate for such shares of Common Stock be registered in the name of _____ and that such certificates be delivered to _____ whose address is _____.

Dated:

Signature

(Print Name)

(Street Address)

(City) (State) (Zip Code)

Signed in the Presence of:

- ---

Exhibit B

FORM OF ASSIGNMENT

(To be executed only upon transfer of this Warrant)

For value received, the undersigned registered holder of the within Warrant hereby sells, assigns and transfers unto _____ the right

represented by such Warrant to purchase _____ shares of Common Stock of Sirius Satellite Radio Inc. to which such Warrant relates and all other rights of the Warrantholder under the within Warrant, and appoints _____ Attorney to make such transfer on the books of Sirius Satellite Radio Inc. maintained for such purpose, with full power of substitution in the premises. This sale, assignment and transfer has been previously approved in writing by Sirius Satellite Radio Inc.

Dated:

Signature

(Print Name)

(Street Address)

(City) (State) (Zip Code)

Signed in the Presence of:

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Exhibit 10.13

LOCK-UP AGREEMENT

LOCK-UP AGREEMENT, dated as of October 17, 2002, by and among Sirius Satellite Radio Inc., a Delaware corporation (the "Company"), Apollo Investment Fund IV, L.P., a Delaware limited partnership ("AIF"), Apollo Overseas Partners IV, L.P., a Cayman Islands limited partnership ("AOP", and together with AIF, "Apollo"), Blackstone CCC Capital Partners L.P., a Delaware limited partnership ("BCC"), Blackstone CCC Offshore Capital Partners L.P., a Cayman Islands limited partnership ("BCO"), Blackstone Family Investment Partnership III L.P., a Delaware limited partnership ("BF"), LJH Partners, LP, a Delaware limited partnership ("LJH"), Robert C. Fanch Revocable Trust ("Fanch"), BCI Investments II, LLC, a Delaware limited liability company ("BCI", and together with BCC, BCO, BF, LJH and Fanch, "Blackstone"), Space Systems/Loral, Inc., a Delaware corporation ("SS/L"), Lehman Commercial Paper Inc., a Delaware corporation ("LCPI") and the undersigned beneficial owners (or investment managers or advisors for the beneficial owners) of the Notes (as defined below) identified on Schedule A to this Agreement on the date of this Agreement and each other beneficial owner (or investment managers or advisors for the beneficial owners) of Notes that executes a counterpart signature page to this Agreement after the date of this Agreement as provided in Section 27 (collectively, the "Noteholders," and each, individually, a "Noteholder").

For purposes hereof, all references in this Agreement to Noteholders or parties that are "signatories to this Agreement" shall mean, as of any date of determination, those Noteholders or parties, as the case may be, who executed and delivered this Agreement as an original signatory on or before the date of this Agreement, together with those additional Noteholders or parties, as the case may be, who after the date of this Agreement but, on or before such date of determination, become party to this Agreement by executing and delivering counterpart signature pages as provided in Section 27. After the date of this Agreement, when Noteholders become signatories to this Agreement, Schedule A shall be updated to include the Notes held by such Noteholder. To the extent Apollo, Blackstone, SS/L and Oppenheimer and/or their affiliates and LCPI are also the beneficial holders of Notes, references to "Noteholders" shall also include such parties in their capacity as such.

WHEREAS, the Company, Apollo, Blackstone, LCPI, SS/L and the Noteholders have engaged in good faith negotiations with the objective of restructuring the debt and equity capital structures of the Company (the "Restructuring"), substantially as reflected in the Restructuring Term Sheet (as defined below) which sets forth the terms and conditions of (i) the Exchange Offer, (ii) the Consent Solicitation, (iii) the Preferred Stock Exchange, (iv) the Common Stock Purchase, (v) the Proxy Solicitation and (vi) the Prepackaged Plan (each as defined in the Restructuring Term Sheet); and

WHEREAS, the Company, Apollo, Blackstone, LCPI, SS/L and the Noteholders desire that the Company conduct the Exchange Offer, the Consent Solicitation and the Proxy Solicitation as soon as practicable on the terms described in the Restructuring Term Sheet to accomplish the Restructuring, or, if necessary under the terms of the Restructuring Term Sheet, that the Company commence a case under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York to accomplish the Restructuring through the confirmation of the Prepackaged Plan (the "Prepackaged Proceeding").

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the parties signatory to this Agreement hereby agrees as follows:

1. Definitions. Capitalized terms used and not defined in this Agreement have the meaning ascribed to them in the Restructuring Term Sheet, and the following terms shall have the following meanings:

"A/B Purchasers" means Apollo and Blackstone.

"Agreement" means this Lock-Up Agreement, including the Schedules, Annexes and Exhibits hereto (including any agreements incorporated herein or therein), all of which are incorporated by reference herein.

"Common Stock" means the common stock, par value $0.001 per share, of the Company.

"Convertible Subordinated Notes" means the 8 3/4% Convertible Subordinated

Notes due 2009, in a currently outstanding aggregate principal amount of $16,461,000, issued by the Company pursuant to the Convertible Subordinated Notes Indenture.

"Convertible Subordinated Notes Indenture" means the Indenture and the First Supplemental Indenture (as amended, modified or supplemented from time to time), each dated as of September 29, 1999, between the Company and U.S. Trust Company of Texas, as trustee.

"Creditors" means each of the Noteholders, LCPI and SS/L.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations of the Federal Trade Commission promulgated thereunder.

"Indenture Amendments" means an amendment to each of the Indentures, which, among other things, deletes substantially all of the restrictive covenants contained in each of the Indentures.

"Indentures" means the Senior Secured Discount Notes Indenture, the Senior Secured Notes Indenture and the Convertible Subordinated Notes Indenture.

"Informal Creditors' Committee" means the informal committee of creditors that has negotiated the terms of the Restructuring with the Company, consisting of LCPI, SS/L and the following Noteholders: Continental Casualty Company, Stonehill Capital Management LLC, Redwood Asset Management, Farallon Capital Management, LLC, Dreyfus, The Huff Alternative Fund, L.P.

"Lehman Credit Facility" means that certain existing $150,000,000 senior secured credit facility evidenced by the Term Loan Agreement (as amended, modified or supplemented from time to time), dated as of June 1, 2000, among the Company, as borrower, the several lenders from time to time parties thereto, Lehman Brothers Inc., as arranger, and LCPI, as syndication agent and administrative agent.

"Material Adverse Change" means (i) any change, event or effect that is materially adverse to the operations or financial condition of the Company and its subsidiaries (taken as a whole); (ii) any material degradation in the performance of the Company's satellite radio system following the date hereof; or (iii) the Company receives a written notice from any of DaimlerChrysler AG, Ford Motor Company, BMW of North America LLC or Kenwood Corporation or any of their respective affiliates indicating that the Company has failed to satisfy the requirements, if any, contained in agreements with such car or radio manufacturer and, as a result of such failure, such car or radio manufacturer will not introduce, or will materially delay the introduction of, the Company's product or will materially reduce the planned availability of the Company's product; provided that the filing of the Prepackaged Proceeding shall not constitute a Material Adverse Change; and provided further that a change shall not be considered to be a Material Adverse Change if (x) its effect is not likely to last beyond the term of this Agreement; or (y) it arises from actions required to be taken by the Company pursuant to this Agreement; and provided further that if the Common Stock Purchase is consummated, no Material Adverse Change shall be deemed to have occurred.

"Minimum Tender Condition" means the condition to the consummation of the Exchange Offer that there be validly tendered and not withdrawn not less than (i) 97% in aggregate principal amount of the Outstanding Indebtedness and (ii) 90% in aggregate principal amount of the Convertible Subordinated Notes; provided however, that, upon the written instruction of the Required Creditors, the Minimum Tender Condition shall be reduced to not less than 90% in aggregate principal amount of the Outstanding Indebtedness (which instruction may lower or eliminate any minimum requirement with respect to the Convertible Subordinated Notes).

"Notes" means the Senior Secured Discount Notes, the Senior Secured Notes and the Convertible Subordinated Notes.

"Outstanding Indebtedness" means all indebtedness outstanding under the Notes, the SS/L Credit Agreement and the Lehman Credit Facility.

"Person" means any individual, partnership, corporation, limited liability company, association, trust, joint venture, unincorporated organization, governmental unit or other entity.

"Preferred Holders" means, collectively, Apollo and Blackstone.

"Preferred Stock" means the Company's 9.2% Series A Junior Cumulative

Convertible Preferred Stock, 9.2% Series B Junior Cumulative Convertible Preferred Stock and 9.2% Series D Junior Cumulative Convertible Preferred Stock.

"Required Creditors" means holders of a majority in aggregate principal amount of, and accrued interest on, the Outstanding Indebtedness.

"Restructuring Term Sheet" means that certain Restructuring Term Sheet attached hereto as Annex A which sets forth the material terms and conditions of the Restructuring.

"Securities Act" means the Securities Act of 1933, as amended.

"Senior Secured Discount Notes" means the 15% Senior Secured Discount Notes due 2007 in the aggregate principal amount at maturity of $280,430,000 issued by the Company pursuant to the Senior Secured Discount Notes Indenture.

"Senior Secured Discount Notes Indenture" means the Indenture (as amended, modified or supplemented from time to time), dated as of November 26, 1997, between the Company (formerly known as CD Radio Inc.), as issuer, and The Bank of New York (as successor to IBJ Schroder Bank & Trust Company), as trustee.

"Senior Secured Notes" means the 14 1/2% Senior Secured Notes due 2009 in the aggregate principal amount of $200,000,000 issued by the Company pursuant to the Senior Secured Notes Indenture.

"Senior Secured Notes Indenture" means the Indenture (as amended, modified or supplemented from time to time), dated as of May 15, 1999, between the Company, as issuer, and United States Trust Company of New York, as trustee.

"SS/L Credit Agreement" means the Deferral Credit Agreement (as amended, modified or supplemented from time to time), dated as of April 15, 1999, by and between the Company (formerly known as CD Radio Inc.) and SS/L, as lender.

"Special Committee of the Board of Directors" means the special committee of the Board of Directors of the Company formed to evaluate certain aspects of the Restructuring and consisting of Lawrence F. Gilberti, James P. Holden and Joseph V. Vittoria.

"Transfer" means to directly or indirectly (i) sell, pledge, assign, encumber, grant an option with respect to, transfer or dispose of any participation or interest (voting or otherwise) in or (ii) enter into an agreement, commitment or other arrangement to sell, pledge, assign, encumber, grant an option with respect to, transfer or dispose of any participation or interest (voting or otherwise) in, or the act thereof.

2. Agreement to Complete the Restructuring. Subject to the terms and conditions of this Agreement, the parties to this Agreement agree to use commercially reasonable best efforts to complete the Restructuring through the Exchange Offer, the Consent Solicitation, the Preferred Stock Exchange, the Common Stock Purchase and the Proxy Solicitation, as each is described in the Restructuring Term Sheet; or, alternatively, if the Minimum Tender Condition is not satisfied or waived or the Company is otherwise not able to consummate the Exchange Offer but the required consents of holders of the Outstanding Indebtedness and the Preferred Holders are received to confirm the Prepackaged Plan, then through the Prepackaged Plan in accordance with the terms of the Restructuring Term Sheet. The obligations of the parties hereunder are several and not joint nor joint and several and no party hereto shall be responsible for the failure of any other party hereto to perform its obligations hereunder.

3. The Company's Obligations to Support the Restructuring. (a) The Company agrees to use its commercially reasonable best efforts to commence the Exchange Offer, the Consent Solicitation and the Proxy Solicitation as promptly as practicable, to do all things reasonably necessary and appropriate in furtherance thereof, including filing any related documents with the Securities and Exchange Commission, and to use its commercially reasonable best efforts to complete the same within 45 business days of the date of commencement of the Exchange Offer.

(b) The Company agrees that it will not waive the Minimum Tender

Condition without the prior written consent of the Board of Directors, the Required Creditors and the A/B Purchasers.

(c) If all of the conditions to the Exchange Offer are not satisfied or waived by March 15, 2003, but the required consents of holders of the Outstanding Indebtedness and the Preferred Holders are received to confirm the Prepackaged Plan, then on such date (or such earlier or later date as the Required Creditors may agree), the Company shall file the Prepackaged Proceeding and seek confirmation of the Prepackaged Plan.

(d) The Company shall not, without the prior written consent of the Required Creditors and the A/B Purchasers: (i) initiate any exchange offer for the Notes and/or the term loans under the Lehman Credit Facility and the SS/L Credit Agreement, except the Exchange Offer described in the Restructuring Term Sheet; (ii) otherwise seek to restructure or recapitalize the Company except through the Restructuring in accordance with the Restructuring Term Sheet; or (iii) dispose of assets outside the ordinary course of business or engage in any business combination or similar extraordinary transaction; provided that, without the prior written consent of each Noteholder and each of LCPI, SS/L and each of the Preferred Holders, there shall be no alteration that adversely affects such party in a manner inconsistent with the other Creditors.

(e) Subject to the terms and conditions of this Agreement, the Company shall consummate the Common Stock Purchase concurrently and in connection with and conditioned upon the consummation of the Restructuring on the terms set forth in the Restructuring Term Sheet and will agree to register for resale the shares of Common Stock purchased in the Common Stock Purchase with a view toward liquidity of such Common Stock on the closing date thereof.

(f) Subject to the terms and conditions of this Agreement and in consideration of the Preferred Holders' participation in the Preferred Stock Exchange and the Common Stock Purchase, the Company shall issue to the Preferred Holders warrants (the "Apollo/Blackstone Warrants") to purchase additional shares of Common Stock concurrently and in connection with and conditioned upon the consummation of the Restructuring on the terms set forth in the Restructuring Term Sheet.

(g) Subject to the terms and conditions of this Agreement, the Company shall use its best efforts to take all necessary action to effect a restructuring of its board of directors concurrently and in connection with and conditioned upon the consummation of the Restructuring on the terms set forth in the Restructuring Term Sheet.

(h) The Company further agrees that it will not object to, or otherwise commence any proceeding to oppose, the Restructuring and shall not take any action that is inconsistent with, or that would unreasonably delay the consummation of, the Restructuring.

(i) Nothing in this Agreement shall be deemed to prevent the Company from taking, or failing to take, any action that it is obligated to take (or fail to take) in the performance of any fiduciary or similar duty which the Company owes to any other Person; it being understood and agreed that if any such action (or failure to act) results in (i) an alteration of the terms of the Restructuring not permitted by Section 10 or (ii) the Company giving written notice of its intent to terminate this Agreement pursuant to Section 11(vii), this Agreement and all of the obligations and undertakings of the parties set forth in this Agreement, other than the obligations of the Company contained in Sections 13 and 30, shall terminate and expire.

4. LCPI's and SS/L's Obligations to Support the Restructuring. Subject to the terms and conditions of this Agreement:

(a) LCPI agrees with each of the other parties to this Agreement, in connection with and conditioned upon the consummation of the Restructuring upon the terms set forth in the Restructuring Term Sheet, to: (i) tender for cancellation and termination all of the outstanding term loans under the Lehman Credit Facility pursuant to and in accordance with the Exchange Offer within ten business days following the commencement of the Exchange Offer; (ii) vote to accept the Prepackaged Plan within ten business days following the commencement of the Exchange Offer; (iii) vote to reject any plan of reorganization for the Company that does not contain the terms of the Restructuring substantially as set forth in the Restructuring Term Sheet; and (iv) subject to the terms of the Restructuring Term Sheet, not to withdraw or revoke any of the foregoing unless and until this Agreement is terminated in accordance with its terms.

(b) SS/L agrees with each of the other parties to this Agreement, in connection with and conditioned upon the consummation of the Restructuring upon

the terms set forth in the Restructuring Term Sheet, to: (i) tender for cancellation and termination all of the outstanding term loans under the SS/L Credit Agreement pursuant to and in accordance with the Exchange Offer within ten business days following the commencement of the Exchange Offer; (ii) vote to accept the Prepackaged Plan within ten business days following the commencement of the Exchange Offer; (iii) vote to reject any plan of reorganization for the Company that does not contain the terms of the Restructuring substantially as set forth in the Restructuring Term Sheet; and (iv) subject to the terms of the Restructuring Term Sheet, not to withdraw or revoke any of the foregoing unless and until this Agreement is terminated in accordance with its terms.

(c) Each of LCPI and SS/L agrees, so long as this Agreement remains in effect, not to Transfer any of the term loans under the Lehman Credit Facility or the SS/L Credit Agreement, in whole or in part, or any participation or other interest therein, unless the beneficial owner(s) to whom the term loans are being Transferred (the "Transferee") agrees in writing to be bound by the terms of this Agreement. In the event that LCPI or SS/L Transfer any of such term loans, as a condition precedent to such Transfer, each of LCPI and SS/L agrees to cause the Transferee to execute and deliver a joinder agreement in customary form confirming the agreement of such Transferee to be bound by the terms of this Agreement for so long as this Agreement shall remain in effect. In the event that the Company's consent is required for any

Transfer of the term loans under the Lehman Credit Facility or the SS/L Credit Agreement, the Company hereby agrees to grant such consent promptly in accordance with the requirements of this Agreement. Any Transfer of the term loans in violation of the foregoing shall be deemed ineffective to Transfer any right to accept or reject the Exchange Offer or to accept or reject the Prepackaged Plan, which right shall remain with and be exercised only by the purported transferor.

(d) Each of LCPI and SS/L agrees that it will (i) not vote for, consent to, provide any support for, participate in the formulation of, or solicit or encourage others to formulate any other tender offer, settlement offer, or exchange offer for the outstanding term loans under the Lehman Credit Facility or the SS/L Credit Agreement other than the Exchange Offer; and (ii) permit public disclosure, including in a press release, of the contents of this Agreement, including, but not limited to, the commitments given in this Section 4 and the Restructuring Term Sheet.

(e) Each of LCPI and SS/L further agrees that it will not object to, or otherwise commence any proceeding to oppose, the Restructuring and shall not take any action that is materially inconsistent with, or that would unreasonably delay the consummation of, the Restructuring in accordance with the terms of the Restructuring Term Sheet. Accordingly, so long as this Agreement is in effect, LCPI and SS/L agree that each shall not (i) object to confirmation of the Prepackaged Plan or otherwise commence any action or proceeding to alter, oppose or add any other provision to the Prepackaged Plan or any other documents or agreements consistent with the Prepackaged Plan; (ii) object to the approval of any disclosure statement that describes the Prepackaged Plan; (iii) vote for, consent to, support, intentionally induce or participate directly or indirectly in the formation of any other plan of reorganization or liquidation proposed or filed, or to be proposed or filed, in any Chapter 11 case for the Company; (iv) commence or support any action or proceeding to shorten or terminate the period during which only the Company may propose and/or seek confirmation of a plan of reorganization for the Company; (v) directly or indirectly seek, solicit, support or encourage any other plan, sale, proposal or offer of winding up, liquidation, reorganization, merger, consolidation, dissolution or restructuring of the Company; or (vi) commence or support any action filed by the Company or any other party in interest to appoint a trustee, conservator, receiver or examiner for the Company, or to dismiss any Chapter 11 case, or to convert such Chapter 11 case to one under Chapter 7.

(f) Nothing in this Agreement shall be deemed to prevent LCPI or SS/L from taking, or failing to take, any action that it is obligated to take (or fail to take) in the performance of any fiduciary or similar duty which LCPI or SS/L owes to any other Person, including any duties that may arise as a result of LCPI's or SS/L's appointment to any committee in the Prepackaged Proceeding or any other bankruptcy or insolvency proceeding.

(g) Each of LCPI and SS/L further agrees that any Notes acquired by either of them following the date of this Agreement shall be subject to the terms and conditions of this Agreement relating to the Notes held by the Noteholders and shall be subject to the same treatment in the Restructuring as the Notes held by the Noteholders as of the date hereof.

5. Noteholders' Obligations to Support the Restructuring. Subject to the terms and conditions of this Agreement:

(a) Each Noteholder agrees with each of the other parties to this Agreement, in connection with and conditioned upon consummation of the Restructuring upon the terms set forth in the Restructuring Term Sheet, to: (i) tender its Notes pursuant to and in accordance with the Exchange Offer and the other terms and conditions of the Restructuring Term Sheet within ten business days following the commencement of the Exchange Offer; (ii) grant its consent pursuant to the Consent Solicitation and agree to the Indenture Amendments; (iii) vote to accept the Prepackaged Plan within ten business days following the commencement of the Exchange Offer; (iv) vote to reject any plan of reorganization for the Company that does not contain the terms of the Restructuring substantially as set forth in the Restructuring Term Sheet; and (v) subject to the terms of the Restructuring Term Sheet, not to withdraw or revoke any of the foregoing unless and until this Agreement is terminated in accordance with its terms. Each Noteholder acknowledges that by tendering its Notes in the Exchange Offer, it will be deemed to have delivered the consents required in the Consent Solicitation for the Indenture Amendments.

(b) Each Noteholder agrees, so long as this Agreement remains in effect, not to Transfer any of the Notes held by it, in whole or in part, unless the Transferee agrees in writing to be bound by the terms of this Agreement. In the event that any Noteholder Transfers any of the Notes, as a condition precedent to such Transfer, each Noteholder agrees to cause the Transferee to execute and deliver a joinder agreement in customary form confirming the agreement of such Transferee to be bound by the terms of this Agreement for so long as this Agreement shall remain in effect. In the event that the Company's consent is required for any Transfer of the Notes, the Company hereby agrees to grant such consent promptly in accordance with the requirements of this Agreement. Any Transfer of the Notes in violation of the foregoing shall be deemed ineffective to Transfer any right to accept or reject the Exchange Offer, to consent to or reject the Indenture Amendments, or to accept or reject the Prepackaged Plan, which right shall remain with and be exercised only by the purported transferor.

(c) Each Noteholder agrees that it will (i) not vote for, consent to, provide any support for, participate in the formulation of, or solicit or encourage others to formulate any other tender offer, settlement offer, or exchange offer for the Notes other than the Exchange Offer; and (ii) permit public disclosure, including in a press release, of the contents of this Agreement, including, but not limited to, the commitments contained in this Section 5 and the Restructuring Term Sheet, but not including information with respect to such Noteholder's specific ownership of Notes.

(d) Each Noteholder further agrees that it will not object to, or otherwise commence any proceeding to oppose, the Restructuring and shall not take any action that is materially inconsistent with, or that would unreasonably delay the consummation of, the Restructuring in accordance with the terms of the Restructuring Term Sheet. Accordingly, so long as this Agreement is in effect, each Noteholder agrees that it shall not (i) object to confirmation of the Prepackaged Plan or otherwise commence any action or proceeding to alter, oppose or add any other provision to the Prepackaged Plan or any other documents or agreements consistent with the Prepackaged Plan; (ii) object to the approval of any disclosure statement that describes the Prepackaged Plan; (iii) vote for, consent to, support, intentionally

induce or participate directly or indirectly in the formation of any other plan of reorganization or liquidation proposed or filed, or to be proposed or filed, in any Chapter 11 case for the Company; (iv) commence or support any action or proceeding to shorten or terminate the period during which only the Company may propose and/or seek confirmation of a plan of reorganization for the Company; (v) directly or indirectly seek, solicit, support or encourage any other plan, sale, proposal or offer of winding up, liquidation, reorganization, merger, consolidation, dissolution or restructuring of the Company; or (vi) commence or support any action filed by the Company or any other party in interest to appoint a trustee, conservator, receiver or examiner for the Company, or to dismiss any Chapter 11 case, or to convert such Chapter 11 case to one under Chapter 7.

(e) Nothing in this Agreement shall be deemed to prevent any Noteholder from taking, or failing to take, any action that it is obligated to take (or fail to take) in the performance of any fiduciary or similar duty which the Noteholder owes to any other Person, including any duties that may arise as a result of any Noteholder's appointment to any committee in the Prepackaged Proceeding or any other bankruptcy or insolvency proceeding.

(f) Each Noteholder further agrees that any Notes acquired by such Noteholder following the date of this Agreement shall be subject to the terms and conditions of this Agreement and shall be subject to the same treatment in the Restructuring as the Notes held by such Noteholder as of the date hereof.

6. Preferred Holders' Obligations to Support the Restructuring. Subject to the terms and conditions of this Agreement:

(a) Each Preferred Holder agrees with each of the other parties to this Agreement, in connection with and conditioned upon the consummation of the Restructuring upon the terms set forth in the Restructuring Term Sheet, to tender for cancellation and termination all of the Preferred Stock held by such Preferred Holder in exchange for shares of Common Stock pursuant to and in accordance with the terms and conditions of the Restructuring Term Sheet.

(b) Each Preferred Holder agrees with each of the other parties to this Agreement, in connection with and conditioned upon consummation of the Restructuring upon the terms set forth in the Restructuring Term Sheet, at every meeting of the stockholders of the Company called, and at every adjournment or postponement thereof, and on every action or approval by written consent of the stockholders of the Company to attend such meeting in person or by his proxy and to vote in favor of the approval of the Restructuring (on the terms and conditions contemplated hereby).

(c) Each Preferred Holder agrees, so long as this Agreement remains in effect, not to Transfer any of the shares of Preferred Stock held by it, in whole or in part, unless the Transferee agrees in writing to be bound by the terms of this Agreement. In the event that either of the Preferred Holders Transfer any of the Preferred Stock, as a condition precedent to such Transfer, each Preferred Holder agrees to cause the Transferee to execute and deliver a joinder agreement in customary form confirming the agreement of such Transferee to be bound by the terms of this Agreement for so long as this Agreement shall remain in effect. In the event that the Company's consent is required for any Transfer of the Preferred Stock, the Company hereby

agrees to grant such consent promptly in accordance with the requirements of this Agreement. Any Transfer of the Preferred Stock in violation of the foregoing shall be deemed ineffective to transfer any right to vote on the approval of the Restructuring or to accept or reject the Prepackaged Plan, which rights shall remain with and be exercised only by the purported transferors.

(d) Each Preferred Holder agrees that it will permit public disclosure, including in a press release, of the contents of this Agreement, including, but not limited to, the commitments contained in this Section 6 and the Restructuring Term Sheet.

(e) Each Preferred Holder further agrees that it will not object to, or otherwise commence any proceeding to oppose, the Restructuring and shall not take any action that is materially inconsistent with, or that would unreasonably delay the consummation of, the Restructuring in accordance with the terms of the Restructuring Term Sheet. Accordingly, so long as this Agreement is in effect, each Preferred Holder agrees that it shall not (i) object to confirmation of the Prepackaged Plan or otherwise commence any action or proceeding to alter, oppose or add any other provision to the Prepackaged Plan or any other documents or agreements consistent with the Prepackaged Plan; (ii) object to the approval of any disclosure statement that describes the Prepackaged Plan; (iii) vote for, consent to, support, intentionally induce or participate directly or indirectly in the formation of any other plan of reorganization or liquidation proposed or filed, or to be proposed or filed, in any Chapter 11 case for the Company; (iv) commence or support any action or proceeding to shorten or terminate the period during which only the Company may propose and/or seek confirmation of a plan of reorganization for the Company; (v) directly or indirectly seek, solicit, support or encourage any other plan, sale, proposal or offer of winding up, liquidation, reorganization, merger, consolidation, dissolution or restructuring of the Company; or (vi) commence or support any action filed by the Company or any other party in interest to appoint a trustee, conservator, receiver or examiner for the Company, or to dismiss any Chapter 11 case, or to convert such Chapter 11 case to one under Chapter 7.

(f) Nothing in this Agreement shall be deemed to prevent any Preferred

Holder from taking, or failing to take, any action that it is obligated to take (or fail to take) in the performance of any fiduciary or similar duty which the Preferred Holder owes to any other Person, including any duties that may arise as a result of any Preferred Holder's appointment to any committee in the Prepackaged Proceeding or any other bankruptcy or insolvency proceeding.

7. Additional Obligations to Support the Restructuring. Subject to the terms and conditions of this Agreement:

(a) Subject to Section 2 of this Agreement, each party to this Agreement agrees that so long as it is the legal owner or beneficial owner of all or any portion of either a referenced "claim" or referenced "interest" within the meaning of 11 U.S.C. 'SS''SS' 101, et seq. (each a "Claim"), it will: (i) take all reasonable steps to support the Prepackaged Plan, use its commercially reasonable best efforts to defend the adequacy of pre-petition disclosure and solicitation procedures in connection with the Prepackaged Plan and the Exchange Offer and, to the extent necessary, support the adequacy of any post-petition disclosure statement that may be required by the bankruptcy court and circulated in connection herewith or therewith; (ii) from

and after the date hereof, not agree to, consent to, provide any support to, participate in the formulation of, or vote for any plan of reorganization or liquidation of the Company, other than the Prepackaged Plan; and (iii) agree to permit disclosure in the Prepackaged Plan or any document ancillary thereto (hereinafter a "Reorganization Document") or any necessary filings by the Company with the Securities and Exchange Commission (the "Commission") of the contents of this Agreement (excluding information with respect to any Noteholder's specific ownership of Notes).

(b) Each party to this Agreement agrees that so long as it is a holder of all or any portion of a Claim, it shall not object to, or otherwise commence any proceeding to oppose or alter, the Prepackaged Plan or any other Reorganization Document and shall not take any action which is inconsistent with, or that would unreasonably delay or impede approval or confirmation of the Prepackaged Plan or any of the Reorganization Documents. Without limiting the generality of the foregoing, no party may directly or indirectly seek, solicit, support or encourage any other plan, sale, proposal or offer of dissolution, winding up, liquidation, reorganization, merger, consolidation, liquidation or restructuring of the Company that could reasonably be expected to prevent, delay or impede the confirmation of the Prepackaged Plan or approval of any Reorganization Document.

(c) Each of the Noteholders, LCPI and SS/L agrees to waive its respective rights and remedies under the Senior Secured Notes Indenture, the Senior Secured Indenture, the Convertible Subordinated Notes Indenture, the Lehman Credit Facility and the SS/L Credit Agreement and related documents or applicable law in respect of or arising out of any "Default" (as defined in such documents) or "Event of Default" (as defined in such documents) arising under: (i) the Senior Secured Discount Notes Indenture, (ii) the Senior Secured Notes Indenture, (iii) the Convertible Subordinated Notes Indenture, (iv) the term loan agreement evidencing the Lehman Credit Facility and (v) the SS/L Credit Agreement, in each case until this Agreement is terminated as provided in Section 11. If this Agreement is terminated as provided in Section 11, the agreement of the Noteholders, LCPI and SS/L to waive shall automatically and without further action terminate and be of no force and effect, it being expressly agreed that the effect of such termination shall be to permit each of them to exercise any rights and remedies immediately; provided that nothing herein shall be construed as a waiver by the Company of any right it may have as a "debtor" under the Prepackaged Proceeding or other bankruptcy proceeding or by any Creditor to seek adequate protection retroactive to the date of filing of the Prepackaged Proceeding or other bankruptcy proceeding.

8. Obligations of Preferred Holders and Oppenheimer to Participate in the Common Stock Purchase. Subject to the terms and conditions of this Agreement and the Restructuring Term Sheet:

(a) Apollo agrees to subscribe for and purchase a number of shares equal to 2.5% of the Common Stock that would be outstanding after giving effect to the Restructuring if 100% of the Outstanding Indebtedness were exchanged for Common Stock in the Exchange Offer (expected to be 24,000,000 shares) from the Company for an aggregate purchase price of $25,000,000 in the Common Stock Purchase upon the earlier of the consummation of the Exchange Offer and the effectiveness of the Prepackaged Plan;

(b) Blackstone agrees to subscribe for and purchase a number of shares equal to 2.5% of the Common Stock that would be outstanding after giving effect to the Restructuring if 100% of the Outstanding Indebtedness were exchanged for Common Stock in the Exchange Offer (expected to be 24,000,000 shares) from the Company for an aggregate purchase price of $25,000,000 in the Common Stock Purchase upon the earlier of the consummation of the Exchange Offer and the effectiveness of the Prepackaged Plan; and

(c) Atlas Global Growth Fund, Clarington Global Equity Fund, Security Benefit Life Global Series Fund, Security Benefit Life Worldwide Equity Series D/VA, CUNA Global Series Fund/VA, JNL/Oppenheimer Global Growth Series VA, Oppenheimer Global Fund, TD Global Select Fund, Oppenheimer Global Securities Fund/VA, and Oppenheimer Global Growth & Income Fund/VA or their respective designees (collectively, "Oppenheimer", and together with Apollo and Blackstone, the "Purchasers"), agree to subscribe for and purchase an aggregate number of shares equal to 17% of the Common Stock that would be outstanding after giving effect to the Restructuring if 100% of the Outstanding Indebtedness were exchanged for Common Stock in the Exchange Offer (expected to be 163,200,000 shares) of Common Stock from the Company for an aggregate purchase price of $150,000,000 in the Common Stock Purchase upon the earlier of the consummation of the Exchange Offer and the effectiveness of the Prepackaged Plan; provided that, in no event may Oppenheimer's total equity ownership in the Company exceed 24.95% and, to the extent Oppenheimer's total equity ownership in the Company after giving effect to the Restructuring would exceed 24.95%, the number of shares it is obligated to subscribe for and purchase in the Common Stock Purchase shall be reduced accordingly; and provided further that, from the date hereof until the closing date of the Restructuring, Oppenheimer shall not acquire any additional securities of the Company;

provided that, (i) in the event that a case under any chapter of the Bankruptcy Code is commenced by or against the Company as debtor, the obligation of the Purchasers to subscribe for and purchase Common Stock in the Common Stock Purchase shall terminate immediately, in the case of a voluntary filing or, in the case of an involuntary filing, shall be suspended and shall terminate on the thirty-first day following the filing if such proceeding has not been dismissed by such day; and (ii) the obligation of each of the Purchasers to purchase the Common Stock in the Common Stock Purchase is conditioned upon each of the other Purchasers (or Replacement Purchaser under Section 11(b)) fulfilling their respective obligations to purchase Common Stock on the closing date of the Restructuring.

9. Effectiveness of this Agreement. The effectiveness of this Agreement, and the respective obligations of the parties under this Agreement, are conditioned upon the receipt of the consent and signature hereto of the Company, Apollo, Blackstone, LCPI, SS/L and Noteholders holding a majority of the aggregate principal amount at maturity of the Senior Secured Discount Notes and a majority of aggregate principal amount of the Senior Secured Notes.

10. Amendments to the Restructuring. The Company shall not alter the terms of the Restructuring without the prior written consent of the Required Creditors and the A/B Purchasers; provided however, that the consent of the A/B Purchasers shall not be required for any alteration that affects only the allocation among the Noteholders, LCPI and SS/L of the equity to be received by the Noteholders, LCPI and SS/L pursuant to the Restructuring Term

Sheet; and provided further that, without the prior written consent of each Noteholder and each of LCPI, SS/L and each of the Preferred Holders, there shall be no alteration that adversely affects such party in a manner inconsistent with the other Creditors. Notwithstanding the foregoing, the Company may extend the expiration date of the Exchange Offer to any date not later than March 15, 2003, if at the time of any such extension the conditions to closing set forth in the Exchange Offer shall not have been satisfied or waived as provided in this Agreement.

11. Termination of Agreement. Notwithstanding anything to the contrary set forth in this Agreement:

(a) Unless the Restructuring has been consummated as provided in this Agreement, this Agreement and all of the obligations and undertakings of the parties set forth in this Agreement shall terminate and expire upon the earliest to occur of:

(i) March 15, 2003 (provided that if a Prepackaged Proceeding is filed as set forth in Section 3(c), such date shall be June 15, 2003), unless extended pursuant to Section 10;

(ii) receipt of written notice from the Required Creditors of their intent to terminate this Agreement upon the occurrence of a Material Adverse Change;

(iii) subject to Section 11(b), 10 business days after receipt of written notice from any of Apollo, Blackstone or Oppenheimer of its intent to terminate this Agreement upon the occurrence of a Material Adverse Change;

(iv) in the event the Minimum Tender Condition is not satisfied upon the expiration of the Exchange Offer, receipt of written notice from Apollo, Blackstone or Oppenheimer of its intention to terminate its obligations under Section 8 of this Agreement, which notice must be provided no later than 5 business days after the expiration of the Exchange Offer;

(v) a material alteration by the Company of the terms of the Restructuring not permitted under Section 10;

(vi) receipt of written notice from any of the parties hereto of its intent to terminate this Agreement upon the occurrence of a material breach by any of the other parties hereto of its respective obligations, representations or warranties under this Agreement that is incurable or that is curable and is not cured within 30 days after notice of such breach;

(vii) receipt of written notice from the Company of its intent to terminate this Agreement upon a determination by the Board of Directors that such termination is in the best interests of the Company;

(viii) the thirty-first day following the filing of any involuntary bankruptcy or other insolvency proceeding involving the Company, other than the Prepackaged Proceeding contemplated by this Agreement, if such proceeding has not been dismissed by such day;

(ix) the Prepackaged Proceeding being dismissed or converted to chapter 7; and

(x) receipt of written notice from the Required Creditors to terminate this Agreement due to the Company's failure to pay the fees and expenses incurred by the parties hereto in connection with the Restructuring;

provided however that the obligations of the Company contained in Sections 13 and 30 shall survive any termination pursuant to this Section 11.

(b) In the event the Company receives notice from either Apollo or Blackstone (in such capacity, a "Non-Funding Purchaser") of its intention to terminate this Agreement solely pursuant to Section 11(a)(iii), and in the event any other Person (a "Replacement Purchaser"), during the ten business day period following the receipt of such notice, agrees to subscribe for and purchase (on the same terms and conditions) the shares of Common Stock that such Non-Funding Purchaser was obligated to purchase in the Common Stock Purchase, then (i) this Agreement shall not terminate, (ii) such Non-Funding Purchaser shall assign to such Replacement Purchaser all title and interest in the shares of Common Stock and Apollo/Blackstone Warrants it receives in exchange for its Preferred Stock in the Preferred Stock Exchange, and (iii) such Non-Funding Purchaser shall be released from its obligations as a Preferred Holder hereunder and shall have no further obligations under this Agreement other than those described in (ii).

(c) In the event this Agreement is terminated solely pursuant to Section 11(a)(iii) and there is no Replacement Purchaser, (i) the Company agrees to grant co-exclusivity to the Informal Creditors' Committee with respect to the filing of a Chapter 11 plan and (ii) each of Apollo and Blackstone agrees that if it is a Non-Funding Purchaser it will not object to any Chapter 11 plan filed on the basis that no distributions are being provided to equity holders.

12. Representations and Warranties. (a) Each of the signatories to this Agreement represents and warrants to the other signatories to this Agreement that:

(i) if an entity, it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all requisite corporate, partnership or other power and authority to enter into

this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;

(ii) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate, partnership or other action on its part;

(iii) the execution, delivery and performance by it of this Agreement do not and shall not (A) violate any provision of law, rule or regulation applicable to it or any of its affiliates or its certificate of incorporation or bylaws or other organizational documents or those of any of its subsidiaries or (B) conflict with, result in the breach of or constitute (with due notice or lapse of time or both) a default under any material

contractual obligations to which it or any of its affiliates is a party or under its certificate of incorporation, bylaws or other governing instruments;

(iv) the execution, delivery and performance by it of this Agreement do not and shall not require any registration or filing with, the consent or approval of, notice to, or any other action with respect to, any Federal, state or other governmental authority or regulatory body, except for (A) the registration under the Securities Act of the shares of the Common Stock to be issued in the Exchange Offer and such consents, approvals, authorizations, registrations or qualifications as may be required under the state securities or Blue Sky laws in connection with the issuance of those shares, (B) the filing with the Commission of a proxy statement in connection with the Proxy Solicitation, (C) such other filings as may be necessary or required by the Commission, (D) the approval of the Federal Communications Commission, if required, and (E) any filings required under the HSR Act;

(v) assuming the due execution and delivery of this Agreement by each of the other parties hereto, this Agreement is the legally valid and binding obligation of it, enforceable against it in accordance with its terms; and

(vi) it has been represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement.

(b) Each of the Noteholders further represents and warrants to the other signatories to this Agreement that:

(vii) as of the date of this Agreement, such Noteholder is the beneficial owner of, or the investment adviser or manager for the beneficial owners of, the principal amount at maturity of the Notes, set forth opposite such Noteholder's name on Schedule B hereto, with the power and authority to vote and dispose of such Notes;

(viii) such Noteholder has reviewed, or has had the opportunity to review, with the assistance of professional and legal advisors of its choosing, sufficient information necessary for such Noteholder to decide to tender its Notes pursuant to the Exchange Offer and to accept the proposed terms of the Prepackaged Plan as set forth in the Restructuring Term Sheet; and

(ix) as of the date of this Agreement, such Noteholder is not aware of any event that, due to any fiduciary or similar duty to any other Person, would prevent it from taking any action required of it under this Agreement.

(c) Each of the Preferred Holders further represents and warrants to the other signatories to this Agreement that:

(i) as of the date of this Agreement, such Preferred Holder is the beneficial owner of all of the shares of the Preferred Stock identified on its signature page to this Agreement;

(ii) it has reviewed, or has had the opportunity to review, with the assistance of professional and legal advisors of its choosing, sufficient information necessary for it to decide to tender for cancellation and termination all of the Preferred Stock it holds pursuant to the Restructuring and to accept the proposed terms of the Prepackaged Plan as set forth in the Restructuring Term Sheet; and

(iii) as of the date of this Agreement, it is not aware of any event that, due to any fiduciary or similar duty to any other Person, would prevent it from taking any action required of it under this Agreement;

(d) Each of LCPI and SS/L further represents and warrants to the other signatories to this Agreement that:

(i) as of the date of this Agreement, it is the owner of all the outstanding indebtedness owing under the Lehman Credit Facility and SS/L Credit Agreement, respectively;

(ii) it has reviewed, or has had the opportunity to review, with the assistance of professional and legal advisors of its choosing, sufficient information necessary for it to decide to tender for cancellation and termination all the outstanding term loans, and accrued interest thereon, under the Lehman Credit Facility and SS/L Credit Facility, respectively, pursuant to the Restructuring and to accept the proposed terms of the Prepackaged Plan as set forth in the Restructuring Term Sheet; and

(iii) as of the date of this Agreement, it is not aware of any event that, due to any fiduciary or similar duty to any other Person, would prevent it from taking any action required of it under this Agreement.

13. Payment of Expenses. The Company hereby agrees to reimburse each of the parties to this Agreement for all reasonable out-of-pocket fees and expenses incurred in connection with the Restructuring, including but not limited to fees and disbursements of counsel.

14. Preparation of Restructuring Documents. Notwithstanding anything to the contrary contained in this Agreement, the obligations of the signatories to this Agreement shall be subject to the preparation of definitive documents (in form and substance reasonably satisfactory to each of the parties hereto and their respective counsel) relating to the transactions contemplated by this Agreement, including, without limitation, the documents relating to the Exchange Offer, the Prepackaged Plan, the Consent Solicitation, the Preferred Stock Exchange, the Common Stock Purchase, the Proxy Solicitation and each Reorganization Document, which documents shall be in all respects materially consistent with this Agreement (including the Restructuring Term Sheet) and shall include appropriate releases.

15. Good Faith. Each of the signatories to this Agreement agrees to cooperate in good faith with each other to facilitate the performance by the parties of their respective obligations hereunder and the purposes of this Agreement. Each of the signatories to this Agreement further agrees to review and comment upon the definitive documents in good faith and, in any event, in all respects consistent with the Restructuring Term Sheet.

16. Amendments and Modifications. Except as otherwise expressly provided in this Agreement, this Agreement shall not be amended, modified or supplemented, except in writing signed by the Company, the Required Creditors and the Preferred Holders; provided that, without the prior written consent of each Noteholder and each of LCPI, SS/L and each of the Preferred Holders, there shall be no alteration that adversely affects such party in a manner inconsistent with the other Creditors.

17. No Waiver. Each of the signatories to this Agreement expressly acknowledges and agrees that, except as expressly provided in this Agreement, nothing in this Agreement is intended to, or does, in any manner waive, limit, impair or restrict the ability of any party to this Agreement to protect and preserve all of its rights, remedies and interests, including, without limitation, with respect to its claims against and interests in the Company.

18. Further Assurances. Each of the signatories to this Agreement hereby further covenants and agrees to execute and deliver all further documents and agreements and take all further action that may be reasonably necessary or desirable in order to enforce and effectively implement the terms and conditions of this Agreement.

19. Complete Agreement. This Agreement, including the Schedules and Annexes hereto, constitutes the complete agreement between the signatories to this

Agreement with respect to the subject matter hereof and supersedes all prior and contemporaneous negotiations, agreements and understandings with respect to the subject matter hereof. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of the signatories to this Agreement.

20. Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing and shall be (a) transmitted by hand delivery, or (b) mailed by first class, registered or certified mail, postage prepaid, or (c) transmitted by overnight courier, or (d) transmitted by telecopy, and in each case, if to the Company, at the address set forth below:

Sirius Satellite Radio Inc.
1221 Avenue of the Americas, 36th Floor
New York, New York 10020
Telephone: (212) 584-5100
Fax: (212) 584-5353
Attention: Patrick L. Donnelly

with a copy to:

Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017
Telephone: (212) 455-2000
Fax: (212) 455-2500
Attention: Gary L. Sellers

and

Stutman Treister & Glatt
3699 Wilshire Boulevard, Suite 900
Los Angeles, California 90010
Telephone: (213) 251-5160
Fax: (213) 251-5288
Attention: Frank A. Merola

if to Apollo, Blackstone, LCPI or SS/L, to the address set forth on the applicable signature pages to this Agreement; and

if to a Noteholder, to the address set forth on the signature pages to this Agreement, with a copy to the Noteholders' counsel:

Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004
Telephone: (212) 859-8000
Fax: (212) 859-4000
Attention: Brad Eric Scheler

Notices mailed or transmitted in accordance with the foregoing shall be deemed to have been given upon receipt.

21. Governing Law. This Agreement shall be governed in all respects by the laws of the State of New York, except to the extent such law is preempted by the Federal Bankruptcy Code.

22. Jurisdiction. By its execution and delivery of this Agreement, each of the signatories to this Agreement irrevocably and unconditionally agrees that any legal action, suit or proceeding against it with respect to any matter under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, shall be brought (a) in the United States Bankruptcy Court for the Southern District of New York if the Company has commenced a case under Chapter 11 of the Bankruptcy Code or (b) in a federal or state court of competent jurisdiction in the State of New York located in the Borough of Manhattan if the Company has not commenced a case under Chapter 11 of the Bankruptcy Code. By its execution and delivery of this Agreement, each of the signatories to this Agreement irrevocably accepts and submits itself to the jurisdiction of the United States Bankruptcy Court for the Southern District of New York or a court of competent jurisdiction in the State of New York, as applicable under the preceding sentence, with respect to any such action, suit or proceeding.

23. Consent to Service of Process. Each of the signatories to this Agreement irrevocably consents to service of process by mail at the address listed with the signature of each such party on the signature pages to this Agreement. Each of the signatories to this Agreement agrees that its submission to jurisdiction and consent to service of process by mail is made for the

express benefit of each of the other signatories to this Agreement.

24. Specific Performance. It is understood and agreed by each of the signatories to this Agreement that money damages would not be a sufficient remedy for any breach of this Agreement by any party and each non-breaching party shall be entitled to specific performance, injunctive, rescissionary or other equitable relief as remedy for any such breach.

25. Headings. The headings of the sections, paragraphs and subsections of this Agreement are inserted for convenience only and shall not affect the interpretation hereof.

26. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of the signatories to this Agreement to this Agreement and their respective successors, permitted assigns, heirs, executors, administrators and representatives. The agreements, representations and obligations of the undersigned parties under this Agreement are, in all respects, several and not joint.

27. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page by facsimile shall be effective as delivery of a manually executed counterpart. Any Noteholder may become party to this Agreement on or after the date of this Agreement by executing a signature page to this Agreement.

28. No Third-Party Beneficiaries. Unless expressly stated in this Agreement, this Agreement shall be solely for the benefit of the signatories to this Agreement, and no other Person or entity shall be a third-party beneficiary hereof.

29. No Solicitations. This Agreement is not intended to be, and each signatory to this Agreement acknowledges that it is not, a solicitation of the acceptance or rejection of any Prepackaged Plan of reorganization for the Company pursuant to Section 1125 of the Bankruptcy Code.

30. Indemnification Obligations. The Company agrees that it shall fully indemnify (i) each Noteholder, (ii) LCPI, (iii) SS/L, (iv) Apollo, (v) Blackstone and (vi) Oppenheimer and each and every other person by reason of the fact that such person is or was a director, officer, employee, agent, shareholder, counsel, financial advisor or other authorized representative of any of the foregoing (all of the foregoing persons and the entities in (i) through (vi) above, the "Indemnitees") against any claims, liabilities, actions, suits, damages, fines, judgments or expenses (including reasonable attorney's fees), brought or asserted by anyone (other than the Company, the Indemnitees or any entity to whom any of the Indemnitees owe a fiduciary obligation with respect to asserted violations of this Agreement or any other agreement with the Company entered into by such Indemnitee in connection with the Restructuring) arising during the course of, or otherwise in connection with or in any way related to, the negotiation, preparation, formulation, solicitation, dissemination, implementation, confirmation and consummation of the Restructuring, provided, that this indemnity shall not extend to any claims asserted by (i) each Noteholder, (ii) LCPI, (iii) SS/L, (iv) Apollo, (v) Blackstone and (vi) Oppenheimer against any other Indemnitee, and provided, further, that the foregoing indemnification shall not apply to any tax liabilities that result solely from the conversion of such Noteholders' Notes into the equity of the Company as set forth in the Restructuring Term Sheet

and any liabilities to the extent arising solely from the gross negligence or willful misconduct of any Indemnitee as determined by a final judgment of a court of competent jurisdiction. If any claim, action or proceeding is brought or asserted against an Indemnitee in respect of which indemnity may be sought from the Company, the Indemnitee shall promptly notify the Company in writing, and the Company shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnitee, and the payment of all expenses. The Indemnitee shall have the right to employ separate counsel in any such claim, action or proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Indemnitee

unless and until (a) the Company has agreed to pay the fees and expenses of such counsel, or (b) the Company shall have failed promptly to assume the defense of such claim, action or proceeding and employ counsel reasonably satisfactory to the Indemnitee in any such claim, action or proceeding or (c) the named parties to any such claim, action or proceeding (including any impleaded parties) include both the Indemnitee and the Company, and the Indemnitee reasonably believes that the joint representation of the Company and the Indemnitee may result in a conflict of interest (in which case, if the Indemnitee notifies the Company in writing that it elects to employ separate counsel at the expense of the Company, the Company shall not have the right to assume the defense of such action or proceeding on behalf of the Indemnitee). In addition, the Company shall not effect any settlement or release from liability in connection with any matter for which the Indemnitee would have the right to indemnification from the Company, unless such settlement contains a full and unconditional release of the Indemnitee, or a release of the Indemnitee satisfactory in form and substance to the Indemnitee.

31. Consideration. It is hereby acknowledged by each of the signatories to this Agreement that no consideration (other than the obligations of the other parties under this Agreement) shall be due or paid to the parties for their agreement to support the Prepackaged Plan in accordance with the terms and conditions of this Agreement, other than the Company's agreement to use commercially reasonable best efforts to obtain approval of confirmation of the Prepackaged Plan in accordance with the terms and conditions of this Agreement.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed and delivered by its duly authorized officers as of the date first written above.

SIRIUS SATELLITE RADIO INC.

By: /s/ Joseph P. Clayton

Joseph P. Clayton
President and Chief Executive Officer

[Signature page to Lock-Up Agreement dated as of October 17, 2002]

APOLLO INVESTMENT FUND IV, L.P.

By: Apollo Advisors, IV, L.P., its general partner

By: Apollo Capital Management IV, Inc., its general partner

By: /s/ Scott Kleinman

Name: Scott Kleinman
Title: Principal

c/o Apollo Management, L.P.
1301 Avenue of the Americas
38th Floor
New York, New York 10019

Number of shares held:

Series A Preferred Stock: 1,653,798
Series B Preferred Stock: 740,326

APOLLO OVERSEAS PARTNERS IV, L.P.

By: Apollo Advisors, IV, L.P., its general partner

By: Apollo Capital Management IV, Inc., its general partner

By: /s/ Scott Kleinman

Name: Scott Kleinman
Title: Principal

c/o Apollo Management, L.P.
1301 Avenue of the Americas
38th Floor
New York, New York 10019

Number of shares held:

Series A Preferred Stock: 88,714

Series B Preferred Stock: 41,222

[Signature page to Lock-Up Agreement dated as of October 17, 2002]

BLACKSTONE CCC CAPITAL PARTNERS L.P.

By: Blackstone Management Associates III L.L.C.,its general partner

By: /s/ Chinh E. Chu

Name: Chinh E. Chu
Title: Senior Managing Director

c/o The Blackstone Group L.P.
345 Park Avenue
31st Floor
New York, New York 10154

Number of shares held

Series D Preferred Stock: 1,860,405

BLACKSTONE CCC OFFSHORE CAPITAL PARTNERS L.P.

By: Blackstone Management Associates III L.L.C., its general partner

By: /s/ Chinh E. Chu

Name: Chinh E. Chu
Title: Senior Managing Director

c/o The Blackstone Group L.P.
345 Park Avenue
31st Floor
New York, New York 10154

Number of shares held

Series D Preferred Stock: 336,594

[Signature page to Lock-Up Agreement dated as of October 17, 2002]

BLACKSTONE FAMILY INVESTMENT
PARTNERSHIP III L.P.

By: Blackstone Management Associates III
L.L.C., its general partner

By: /s/ Chinh E. Chu

Name: Chinh E. Chu
Title: Senior Managing Director

c/o The Blackstone Group L.P.
345 Park Avenue
31st Floor
New York, New York 10154

Number of shares held

Series D Preferred Stock: 140,234

LJH PARTNERS, L.P.

By: Lamont Partners LLC, its general partner

By: /s/ Douglas S. Lure

Name: Douglas S. Lure
Title: Managing Member

c/o The Blackstone Group L.P.
345 Park Avenue
31st Floor
New York, New York 10154

Number of shares held

Series D Preferred Stock: 2,343

[Signature page to Lock-Up Agreement dated as of October 17, 2002]

ROBERT C. FANCH REVOCABLE TRUST

By: /s/ Robert C. Fanch

Name: Robert C. Fanch
Title: Trustee

c/o The Blackstone Group L.P.
345 Park Avenue
31st Floor
New York, New York 10154

Number of shares held

Series D Preferred Stock: 2,343

BCI INVESTMENTS II, LLC

By: /s/ William Bresnan

Name: William Bresnan
Title: Manager

c/o The Blackstone Group L.P.
345 Park Avenue
31st Floor

New York, New York 10154

Number of shares held

Series D Preferred Stock: 1,172

[Signature page to Lock-Up Agreement dated as of October 17, 2002]

LEHMAN COMMERCIAL PAPER INC.

By: /s/ Steve Hannan

Name: Steve Hannan
Title: Senior Vice President

745 Seventh Avenue
New York, New York 10019

Aggregate principal amount, excluding accrued interest, of term loans held: $150,000,000

SPACE SYSTEMS/LORAL, INC.

By: /s/ Richard P. Mastoloni

Name: Richard P. Mastoloni
Title: Vice President and Treasurer

3825 Fabian Way
Palo Alto, California 94303

Aggregate principal amount, excluding accrued interest, of term loans held: $50,000,000

[Signature page to Lock-Up Agreement dated as of October 17, 2002]

CONTINENTAL CASUALTY COMPANY

By: /s/ Dennis R. Hemme

Name: Dennis R. Hemme
Title: Vice President

CNA Plaza, 333 S. Wabash Avenue, 23 South
Chicago, Illinois 60685

STONEHILL INSTITUTIONAL PARTNERS, L.P.

By: /s/ John Motulsky

Name: John Motulsky
Title: General Partner

885 Third Avenue
30th Floor
New York, New York 10022

STONEHILL OFFSHORE PARTNERS LIMITED

By: Stonehill Advisors LLC

By: /s/ John Motulsky

Name: John Motulsky
Title: Managing Member

c/o Stonehill Capital Management LLC
885 Third Avenue
30th Floor
New York, NY 10022

[Signature page to Lock-Up Agreement dated as of October 17, 2002]

REDWOOD CAPITAL MANAGEMENT, LLC

By: /s/ Jonathan Kolatch

Name: Jonathan Kolatch
Title: Principal

910 Sylvan Avenue
Suite 130
Englewood Cliffs, New Jersey 07632

FARALLON CAPITAL MANAGEMENT, LLC

By: /s/ William F. Mellin

Name: William F. Mellin
Title: Managing Member

One Maritime Plaza
Suite 1325
San Francisco, California 94111

THE HUFF ALTERNATIVE FUND, L.P., on
behalf of itself and affiliates,

By: Ed Banks, a general partner

By: /s/ Ed Banks

Name: Ed Banks
Title: Partner

67 Park Place
Morristown, New Jersey 07960

[Signature page to Lock-Up Agreement dated as of October 17, 2002]

DREYFUS HIGH YIELD STRATEGIES FUND*

By: /s/ Gerald Thunelius

Name: Gerald Thunelius
Title: Director, Taxable Fixed Income

200 Park Avenue
55th Floor
Attention: Keith Chan
New York, New York 10166

DREYFUS PREMIER FIXED INCOME FUNDS:
DREYFUS PREMIER HIGH YIELD
SECURITIES FUND**

By: /s/ Gerald Thunelius

Name: Gerald Thunelius
Title: Director, Taxable Fixed Income

200 Park Avenue
55th Floor
Attention: Keith Chan
New York, New York 10166

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* The past, present and future trustees, shareholders, officers, employees or agents of Dreyfus High Yield Strategies Fund, a Massachusetts business trust, shall not be individually bound or liable for the matters set forth herein.

** The past, present and future trustees, shareholders, officers, employees or agents of Dreyfus Premier Fixed Income Funds: Dreyfus Premier High Yield Securities Fund, a Massachusetts business trust, shall not be individually bound or liable for the matters set forth herein.

[Signature page to Lock-Up Agreement dated as of October 17, 2002]

OppenheimerFunds, Inc. as investment advisor and not for its own account:

ATLAS GLOBAL GROWTH FUND
CLARINGTON GLOBAL EQUITY FUND
SECURITY BENEFIT LIFE GLOBAL SERIES FUND
SECURITY BENEFIT LIFE WORLDWIDE EQUITY SERIES D/VA
CUNA GLOBAL SERIES FUND/VA
JNL/OPPENHEIMER GLOBAL GROWTH SERIES VA
OPPENHEIMER GLOBAL FUND
TD GLOBAL SELECT FUND
OPPENHEIMER GLOBAL SECURITIES FUND/VA

By: /s/ William L. Wilby

William L. Wilby, Senior Vice President

c/o OppenheimerFunds, Inc.
498 Seventh Avenue
New York, New York 10018

OppenheimerFunds, Inc. as investment adviser and not for its own account:

OPPENHEIMER GLOBAL GROWTH & INCOME FUND

By: /s/ Frank V. Jennings

Frank V. Jennings, Vice President

c/o OppenheimerFunds, Inc.
498 Seventh Avenue
New York, NY 10018

Schedule A

Noteholders and Aggregate Principal Amount of Notes Held

Continental Caualty Company

Dreyfus High Yield Strategies Fund

Dreyfus Premier Fixed Income Funds: Dreyfus Premier High Yield Securities Fund

Farallon Capital Management, LLC

Lehman Commercial Paper Inc.

OppenheimerFunds, Inc. (as investment adviser and not for its own account)

Redwood Capital Management, LLC

Stonehill Institutional Partners, L.P.

Stonehill Offshore Partners Limited

The Huff Alternative Fund, L.P.

Aggregate Principal Amount of Senior Secured Discount Notes held by Noteholders: $149,292,000.00

Aggregate Principal Amount of Senior Secured Notes held by Noteholders: $115,549,000.00

Aggregate Principal Amount of Convertible Subordinated Notes held by Noteholders: $0.00

Annex A

Restructuring Term Sheet

SUMMARY OF TERMS AND CONDITIONS OF FINANCIAL RESTRUCTURING OF SIRIUS SATELLITE RADIO INC.

This Summary of Terms and Conditions sets forth the principal terms and conditions of a financial restructuring (the "Restructuring Transaction") of the outstanding indebtedness and equity of Sirius Satellite Radio Inc. ("Sirius" or the "Company"), including, without limitation, (i) the 15% Senior Secured Discount Notes due 2007, the 14 1/2% Senior Secured Notes due 2009 and the 8 3/4% Convertible Subordinated Notes due 2009 (collectively, the "Notes", and the holders thereof, collectively, the "Noteholders"), (ii) that certain Deferral Loan Agreement between Sirius and Space Systems/Loral, Inc. ("SS/L") and that certain Term Loan Agreement between Sirius and Lehman Commercial Paper Inc. ("LCPI", and together with SS/L, the "Lenders"), as amended (collectively, the "Loan Agreements") (the Noteholders and Lenders, each a "Creditor"), and (iii) the 9.2% Series A Junior Cumulative Convertible Preferred Stock, the 9.2% Series B Junior Cumulative Convertible Preferred Stock, and the 9.2% Series D Junior Cumulative Convertible Preferred Stock (collectively, the "Preferred Stock").

The Restructuring Transaction will be effectuated through either an exchange offer (the "Exchange Offer") for the Notes and the loans issued pursuant to the Loan Agreements or a prepackaged Chapter 11 plan of reorganization (the "Prepackaged Plan") described below. The percentage ownerships of Sirius referenced below do not give effect to any shares of Common Stock (as defined below) issued pursuant to management stock options, OEM warrants and upon exercise of the Apollo/Blackstone warrants described below, and assume that 100% of the Company's indebtedness is converted into Common Stock as part of the Exchange Offer. Capitalized terms used and not defined herein shall have the meanings assigned to them in the Lock-Up Agreement.

Creditors:	The Noteholders and the Lenders will, in exchange for 100% of their outstanding debt

	plus accrued interest through the closing of the Restructuring Transaction, receive their pro rata share of 62% of the common stock of Sirius, par value $0.001 per share (the "Common Stock"). Shares of Common Stock will be exchanged pro rata based on the sum of (a) the face amount of the Outstanding Debt and (b) the amount of regular cash interest payments that are accrued but unpaid as of the closing of the Restructuring Transaction.
Preferred Stockholders:	Holders of the Preferred Stock will, in exchange for 100% of their outstanding interests plus accrued dividends, receive their pro rata share of (a) a number of shares equal to 8% of the number of shares of Common Stock that would be outstanding if 100% of the Company's indebtedness were converted into Common Stock in the Restructuring and (b) warrants to purchase 9.1% of the primary Common Stock, subject to dilution, of which 5.46% of the warrants shall have an exercise price per share of Common Stock equal to the per share price paid by Apollo/Blackstone in the Apollo/Blackstone Purchase and 3.64% of the warrants shall have an exercise price per share of Common Stock equal to the per share price paid by Oppenheimer in the Oppenheimer Purchase, exercisable within two (2) years of the close of the Restructuring Transaction (the "Preferred Stock Exchange").
Common Stockholders:	Existing holders of Sirius' Common Stock will retain their pro rata share of 8% of the Common Stock.
New Equity Investment:	Upon the closing of the Exchange Offer: (i) Oppenheimer Global Growth & Income Fund and/or its subsidiaries and affiliates (collectively, "Oppenheimer") will invest $150 million of new money in Sirius in exchange for a number of shares equal to 17% of the number of shares of Common Stock that would be outstanding if 100% of the Outstanding Indebtedness were converted into Common Stock in the Restructuring (the "Oppenheimer Purchase"), which number of shares shall not be adjusted if less than 100% of the Outstanding Indebtedness converts; and ii) Apollo Management, L.P. and/or its affiliates (collectively, "Apollo") and The Blackstone Group L.P. and/or its affiliates (collectively, "Blackstone", and together with Apollo, "Apollo/Blackstone") will each invest $25 million of new money in Sirius in exchange for a number of shares equal to 5% of the number of shares of Common Stock that would be outstanding if 100% of the Company's indebtedness were converted into Common Stock in the Restructuring (the "Apollo/Blackstone Purchase", and together with the Oppenheimer Purchase, the "Common Stock Purchase"), which number of shares shall not be adjusted if less than 100% of the Outstanding Indebtedness converts, provided that, (i) in the event a case under any chapter of the Bankruptcy Code is commenced by or against the

Company as debtor, the obligations of Apollo/Blackstone and Oppenheimer to subscribe for and purchase Common Stock in the Common Stock Purchase shall terminate immediately, in the case of a voluntary filing, or in the case of an involuntary filing, shall be suspended and shall terminate on the thirty-first day following the filing if such proceeding has not been dismissed by such day; and (ii) the obligation of each of the Apollo, Blackstone and Oppenheimer to purchase the Common Stock in the Common Stock Purchase is conditioned upon each of the other purchasers in the Common Stock Purchase (or Replacement Purchaser (as defined below)) fulfilling their respective obligations to purchase Common Stock on the closing date of the Restructuring.

In the event the Company receives notice from either Apollo or Blackstone (in such capacity, a "Non-Funding Purchaser") of its intention to terminate the Lock-Up Agreement solely pursuant to a Material Adverse Change and in the event any other Person (a "Replacement Purchaser"), during the ten business day period following the receipt of such notice, agrees to subscribe for and purchase (on the same terms and conditions) the shares of Common Stock that such Non-Funding Purchaser was obligated to purchase in the Common Stock Purchase, then (i) the Lock-Up Agreement shall not terminate, (ii) such Non-Funding Purchaser shall assign to such Replacement Purchaser all title and interest in the shares of Common Stock and Apollo/Blackstone Warrants it receives in exchange for its Preferred Stock in the Preferred Stock Exchange and (iii) such Non-Funding Purchaser shall be released from its obligations as a Preferred Holder under the Lock-Up Agreement and shall have no further obligations under the Lock-Up Agreement other than those described in (ii).

In the event the Lock-Up Agreement is terminated by Apollo, Blackstone or Oppenheimer on the basis of a Material Adverse Change, and there is no Replacement Purchaser, (i) the Company agrees to grant co-exclusivity to the Informal Creditors' Committee (or any successor committee) so as to permit the Informal Committee to file a Chapter 11 plan and (ii) each of Apollo and Blackstone agrees that if it is a Non-Funding Purchaser it will not object to any Chapter 11 plan filed on the basis that no distributions are being provided to equity holders.

Corporate Governance:

On the closing of the Restructuring Transaction a new board of directors, consisting of seven (7) members (the "New Board of Directors"), will be elected. Initially, the New Board of Directors shall be as follows: four (4) members shall be nominated by the Informal Creditors' Committee; one (1) member shall be nominated by Apollo; one (1) member shall be nominated by Blackstone; and one (1) member shall be nominated by the management of Sirius. One of the Informal Creditors' Committee's nominees will be nominated by W.R. Huff Asset Management, L.P. and such nominee shall serve on the Finance Committee of the New Board of Directors. The Apollo/Blackstone nominees will serve on each committee of the New Board

	of Directors (if legally permitted), provided that such nominees shall not constitute a majority of any such committee.
Implementation of the Restructuring Transaction:	The Restructuring Transaction will be implemented pursuant to the Exchange Offer for the Notes and the loans under the Loan Agreements. The effectiveness of the Exchange Offer will be conditioned upon the tender of not less than 97% in aggregate principal amount of the Outstanding Indebtedness and not less than 90% in aggregate principal amount of the Convertible Subordinated Notes (the "Minimum Tender Condition"). Upon the written instruction of the Required Creditors, the Minimum Tender Condition shall be reduced to not less than 90% in aggregate principal amount of the Outstanding Indebtedness (which instruction may lower or eliminate any minimum requirement with respect to the Convertible Subordinated Notes). The Company may not waive the Minimum Tender Condition without the prior consent of the Board of Directors, the Required Creditors, and the Purchasers. For each percentage of total debt that does not tender in the Exchange Offer, each member of the Creditors' Committee may retain an equal percentage of its debt, provided that the total outstanding debt following the Exchange Offer may not exceed the amount permitted by the Minimum Tender Condition. No shares shall be issued to any party in respect of Outstanding Indebtedness that is not tendered for exchange in the Exchange Offer, with the result that the total number of shares outstanding at the completion of the Restructuring Transaction may be less than the number of shares that would have been outstanding if 100% of the Outstanding Indebtedness were converted into Common Stock in the Restructuring.
	The Exchange Offer will include a simultaneous (1) solicitation of consents (each, a "Consent") to the amendment of the applicable indentures under which the Notes were issued and the Loan Agreements to eliminate all restrictive covenants contained therein (the "Consent Solicitation") and (2) solicitation of acceptances of the Prepackaged Plan to be filed in the United States Bankruptcy Court for the Southern District of New York in the event that the Minimum Tender Condition is not satisfied. All tendering holders of Notes and loans under the Loan Agreements will be deemed to have delivered a Consent with respect to any Notes or loans tendered. All tendering Creditors will also irrevocably agree to vote to accept the Prepackaged Plan.
Proxy Solicitation:	Concurrently with the Exchange Offer, Sirius will solicit the consent of its existing stockholders to the issuance of Common Stock in the Restructuring Transaction, a related amendment and restatement of its certificate of incorporation and approval of a new stock option plan (the "Proxy Solicitation").
Management Stock Options:	To be determined by the New Board of Directors
Conditions to Closing:	i) No Material Adverse Change shall have occurred;
	ii) In connection with the Exchange Offer, the Company shall have received the approval of its existing stockholders to the consummation of the Restructuring Transaction;

iii) All applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended, shall have expired or been terminated; and

iv) Approval of the Federal Communications Commission, if required.

Governing Law: New York law

Exhibit 99.1

SIRIUS SATELLITE RADIO INC.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Sirius Satellite Radio Inc. (the "Company") on Form 10-Q for the period ending September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph P. Clayton, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. 'SS''SS' 1350, as adopted pursuant to 'SS' 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

By: /s/ Joseph P. Clayton

Joseph P. Clayton
President and Chief Executive Officer
(Principal Executive Officer)

November 14, 2002

Exhibit 99.2

SIRIUS SATELLITE RADIO INC.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Sirius Satellite Radio Inc. (the "Company") on Form 10-Q for the period ending September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John J. Scelfo, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. 'SS''SS' 1350, as adopted pursuant to 'SS' 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

By: /s/ John J. Scelfo

John J. Scelfo
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

November 14, 2002