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 June 30, 2003

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	998,147,082 shares
(Class)	(Outstanding as of August 8, 2003)

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

<TABLE>
<CAPTION>

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Revenue:				
Subscriber revenue, net of mail-in rebates	$ 2,029	$ 50	$ 3,583	$ 54
Advertising revenue, net of agency fees	27	20	44	49
Other revenue	17	--	37	--
Total revenue	2,073	70	3,664	103
Operating expenses:				
Cost of services (excludes depreciation expense shown separately below):				
Satellite and transmission	7,688	8,450	15,555	17,207
Programming and content	7,639	4,125	14,213	7,908
Customer service and billing	16,320	1,882	18,522	3,724
Sales and marketing	39,516	30,901	84,856	46,560
General and administrative	12,464	8,588	21,558	16,128
Research and development	4,904	13,425	9,887	21,138
Depreciation expense	23,463	22,099	47,563	36,580
Non-cash stock compensation (benefit)/expense (1)	(123)	491	436	(8,533)
Total operating expenses	111,871	89,961	212,590	140,712
Loss from operations	(109,798)	(89,891)	(208,926)	(140,609)
Other income (expense):				
Debt restructuring	--	--	256,538	--
Interest and investment income	1,327	1,517	2,670	3,517
Interest expense, net of amounts capitalized	(3,365)	(24,893)	(22,030)	(55,086)
Total other income (expense)	(2,038)	(23,376)	237,178	(51,569)
Net income (loss)	(111,836)	(113,267)	28,252	(192,178)
Preferred stock dividends	--	(11,165)	(8,574)	(22,207)
Preferred stock deemed dividends	--	(171)	(79,634)	(342)
Net loss applicable to common stockholders	$(111,836)	$(124,603)	$ (59,956)	$(214,727)
Net loss per share applicable to common stockholders (basic and diluted)	$ (0.12)	$ (1.62)	$ (0.09)	$ (2.85)
Weighted average common shares outstanding (basic and diluted)	931,720	76,715	631,421	75,296

- ----------

(1) Allocation of non-cash stock compensation (benefit) /expense to other operating expenses:				
Satellite and transmission	$ 30	$ 84	$ 109	$ (1,512)
Programming and content	49	59	137	(1,862)
Customer service and billing	3	3	10	(182)
Sales and marketing	(277)	202	(69)	(1,170)
General and administrative	44	85	170	(1,771)
Research and development	28	58	79	(2,036)
Total non-cash stock compensation (benefit)/expense........	$ (123)	$ 491	$ 436	$ (8,533)

</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 amounts)

<TABLE>
<CAPTION>

<S>	June 30, 2003 (Unaudited) <C>	December 31, 2002 <C>
ASSETS		
Current assets:		
Cash and cash equivalents	$ 554,535	$ 18,375
Marketable securities	5,558	155,327
Prepaid expenses	16,672	24,562
Other current assets	3,032	1,345
Total current assets	579,797	199,609
Property and equipment, net	981,025	1,032,874
FCC license	83,654	83,654
Restricted investments	7,200	7,200
Other long-term assets	9,154	17,603
Total assets	$1,660,830	$1,340,940
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 49,812	$ 43,336
Accrued interest	1,676	3,234
Deferred revenue	4,259	1,750
Total current liabilities	55,747	48,320
Long-term debt	259,570	670,357
Accrued interest, net of current portion	--	46,914
Other long-term liabilities	9,538	7,350
Total liabilities	324,855	772,941
Commitments and contingencies:		
9.2% Series A Junior Cumulative Convertible Preferred Stock, $.001 par value: 4,300,000 shares authorized, no shares and 1,902,823 shares issued and outstanding at June 30, 2003 and December 31, 2002, respectively (liquidation preference of $0 and $190,282), at net carrying value including accrued dividends	--	193,230
9.2% Series B Junior Cumulative Convertible Preferred Stock, $.001 par value: 2,100,000 shares authorized, no shares and 853,450 shares issued and outstanding at June 30, 2003 and December 31, 2002, respectively (liquidation preference of $0 and $85,345), at net carrying value including accrued dividends	--	84,781
9.2% Series D Junior Cumulative Convertible Preferred Stock, $.001 par value: 10,700,000 shares authorized, no shares and 2,558,655 shares issued and outstanding at June 30, 2003 and December 31, 2002, respectively (liquidation preference of $0 and $255,866), at net carrying value including accrued dividends	--	253,142
Stockholders' equity:		
Common stock, $.001 par value: 2,500,000,000 shares authorized, 998,122,237 and 77,454,197 shares issued and outstanding at June 30, 2003 and December 31, 2002, respectively	998	77
Additional paid-in capital	2,234,245	963,335
Accumulated other comprehensive income (loss)	(41)	913
Accumulated deficit	(899,227)	(927,479)
Total stockholders' equity	1,335,975	36,846
Total liabilities and stockholders' equity	$1,660,830	$1,340,940

</TABLE>

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

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

<TABLE>
<CAPTION>

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital
<S>	<C>	<C>	<C>
Balances, December 31, 2002	77,454,197	$ 77	$ 963,335
Net income	--	--	--
Change in unrealized gain on available-for-sale securities	--	--	--
Issuance of common stock to employees and employee benefit plans	682,634	1	344
Compensation in connection with the issuance of stock options	--	--	92
Warrant expense associated with sales and marketing agreement	--	--	6
Sale of common stock, par value $.001 per share, between $0.92 and $1.04 per share, net of expenses	211,730,379	212	192,641
Exchange of Lehman term loans, including accrued interest	120,988,793	121	85,781
Exchange of Loral term loans, including accrued interest	58,964,981	59	41,806
Exchange of 15% Senior Secured Discount Notes due 2007, including accrued interest	204,319,915	204	144,863
Exchange of 14 1/2% Senior Secured Notes due 2009, including accrued interest	148,301,817	148	105,146
Exchange of 8 3/4% Convertible Subordinated Notes due 2009, including accrued interest	12,436,656	13	24,342
Exchange of 9.2% Series A and B Junior Cumulative Convertible Preferred Stock, including accrued dividends	39,927,796	40	304,807
Exchange of 9.2% Series D Junior Cumulative Convertible Preferred Stock, including accrued dividends	37,065,069	37	283,748
Issuance of warrants in connection with the exchange of 9.2% Series A, B and D Junior Cumulative Convertible Preferred Stock, between $0.92 and $1.04 per share	--	--	30,731
Sale of common stock, par value $.001 per share, $1.80 per share, net of expenses	86,250,000	86	144,811
Preferred stock dividends	--	--	(8,574)
Preferred stock deemed dividends	--	--	(79,634)
Balances, June 30, 2003	998,122,237	$998	$2,234,245

<CAPTION>

	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total
<S>	<C>	<C>	<C>
Balances, December 31, 2002	$ 913	$(927,479)	$ 36,846
Net income	--	28,252	28,252
Change in unrealized gain on available-for-sale securities	(954)	--	(954)
Issuance of common stock to employees and employee benefit plans	--	--	345
Compensation in connection with the issuance of stock options	--	--	92
Warrant expense associated with sales and marketing agreement	--	--	6
Sale of common stock, par value $.001 per share, between $0.92 and $1.04 per share, net of expenses	--	--	192,853
Exchange of Lehman term loans, including accrued interest	--	--	85,902
Exchange of Loral term loans, including accrued interest	--	--	41,865
Exchange of 15% Senior Secured Discount Notes due 2007, including accrued interest	--	--	145,067
Exchange of 14 1/2% Senior Secured Notes due 2009, including accrued interest	--	--	105,294
Exchange of 8 3/4% Convertible Subordinated Notes due 2009, including accrued interest	--	--	24,355
Exchange of 9.2% Series A and B Junior Cumulative Convertible Preferred Stock, including accrued dividends	--	--	304,847
Exchange of 9.2% Series D Junior Cumulative Convertible Preferred Stock, including accrued dividends	--	--	283,785
Issuance of warrants in connection with the exchange of 9.2% Series A, B and D Junior Cumulative Convertible Preferred Stock, between $0.92 and $1.04 per share	--	--	30,731
Sale of common stock, par value $.001 per share, $1.80 per share, net of expenses	--	--	144,897
Preferred stock dividends	--	--	(8,574)
Preferred stock deemed dividends	--	--	(79,634)
Balances, June 30, 2003	$ (41)	$(899,227)	$1,335,975

</TABLE>

The accompanying notes are an integral part of this consolidated financial statement.

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

<TABLE>
<CAPTION>

	For the Six Months Ended June 30, 2003	2002
<S>	<C>	<C>
Cash flows from operating activities:		
Net income (loss)	$ 28,252	$(192,178)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation expense	47,563	36,580
Non-cash interest expense	2,188	35,522
Non-cash stock compensation expense/(benefit)	436	(8,533)
Amortization of prepaid in-orbit satellite insurance	4,353	5,513
Loss on disposal of assets	14,465	2,742
Non-cash gain associated with debt restructuring	(261,275)	--
Costs associated with debt restructuring	4,737	--
Other	6	21
Increase (decrease) in cash and cash equivalents resulting from changes in assets and liabilities:		
Marketable securities	(1,185)	(75,490)
Prepaid expenses and other assets	1,863	(14,225)
Accrued interest	13,007	3,680
Deferred revenue	2,509	276
Accounts payable and accrued expenses	7,325	11,848
Net cash used in operating activities	(135,756)	(194,244)
Cash flows from investing activities:		
Additions to property and equipment	(10,179)	(33,150)
Maturities of restricted investments	--	14,500
Purchases of available-for-sale securities	--	(79,375)
Maturities of available-for-sale securities	150,000	165,000
Net cash provided by investing activities	139,821	66,975
Cash flows from financing activities:		
Proceeds from issuance of long-term debt, net	194,224	--
Proceeds from issuance of common stock, net	342,659	147,500
Costs associated with debt restructuring	(4,737)	--
Proceeds from exercise of stock options	--	22
Other	(51)	(14)
Net cash provided by financing activities	532,095	147,508
Net increase in cash and cash equivalents	536,160	20,239
Cash and cash equivalents at the beginning of period	18,375	4,726
Cash and cash equivalents at the end of period	$ 554,535	$ 24,965

</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 audio from three orbiting satellites throughout the continental United States for a monthly subscription fee of $12.95. We deliver 60 streams of 100% commercial-free music in virtually every genre, and over 40 streams of news, sports, weather, talk, comedy, public radio and children's programming.

Since inception, we have used substantial resources to develop our satellite radio system. Our satellite radio system consists of our FCC license, satellite system, national broadcast studio, terrestrial repeater network and satellite telemetry, tracking and control facilities.

As of June 30, 2003, we had 105,186 subscribers. We consider subscribers to be those who have agreed to pay for our service and have activated their SIRIUS radio, including those who are currently in promotional periods, and active SIRIUS radios under our agreement with Hertz Corporation. Our primary source of revenue is subscription and activation fees. In addition, we derive revenues from selling limited advertising on our non-music streams.

2. Recent Financings; Recapitalization

In June 2003, we sold 86,250,000 shares of our common stock in an underwritten public offering resulting in net proceeds of $145,547.

In May 2003, we issued $201,250 in aggregate principal amount of our 3 1/2% Convertible Notes due 2008 in an underwritten public offering resulting in net proceeds of $194,224. Our 3 1/2% Convertible Notes due 2008 are convertible, at the option of the holder, into shares of our common stock at any time at a conversion rate of 724.6377 shares of common stock for each $1,000.00 principal amount, or $1.38 per share of common stock, subject to certain adjustments.

On March 7, 2003, we completed a series of transactions to restructure our debt and equity capitalization. As part of these transactions:

- we issued 545,012,162 shares of our common stock in exchange for approximately 91% of our then outstanding debt, including all of our Lehman term loans, all of our Loral term loans, $251,230 in aggregate principal amount at maturity of our 15% Senior Secured Discount Notes due 2007, $169,742 in aggregate principal amount of our 14 1/2% Senior Secured Notes due 2009, and $14,717 in aggregate principal amount of our 8 3/4% Convertible Subordinated Notes due 2009;

- we issued 39,927,796 shares of our common stock and warrants to purchase 45,416,690 shares of our common stock in exchange for all outstanding shares of our 9.2% Series A and B Junior Cumulative Convertible Preferred Stock held by affiliates of Apollo Management, L.P. ("Apollo");

- we issued 37,065,069 shares of our common stock and warrants to purchase 42,160,424 shares of our common stock in exchange for all outstanding shares of our 9.2% Series D Junior Cumulative Convertible Preferred Stock held by affiliates of The Blackstone Group L.P. ("Blackstone");

- we sold 24,060,271 shares of our common stock to Apollo for an aggregate of $25,000;

- we sold 24,060,271 shares of our common stock to Blackstone for an aggregate of $25,000; and

- we sold 163,609,837 shares of our common stock to affiliates of OppenheimerFunds, Inc. ("Oppenheimer") for an aggregate of $150,000.

During the three months ended March 31, 2003, we recorded a gain of $256,538 and a deemed dividend of $79,510 as a result of the exchange transactions. In connection with the exchange offer relating to our debt, we also amended the indentures under which our 15% Senior Secured Discount Notes due 2007, 14 1/2% Senior Secured Notes due 2009 and 8 3/4% Convertible Subordinated Notes due 2009 were issued to eliminate substantially all of the restrictive covenants. Holders of our debt also waived any existing events of default or events of default caused by the restructuring.

3. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements, including the accounts of Sirius Satellite Radio Inc. and 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. In the opinion of management, all adjustments (consisting only of normal, recurring adjustments) considered necessary for a 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, 2002.

(Dollar amounts in thousands, unless otherwise stated)

Revenue Recognition

Revenue from subscribers consists of subscription fees, including revenue derived from our agreement with Hertz, and non-refundable activation fees. We recognize subscription fees as our service is provided. Activation fees are recognized ratably over the estimated term of a subscriber relationship, currently 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. We record an estimate of mail-in rebates that are paid by us directly to subscribers as a reduction to subscription revenue in the period the subscriber activates our service.

We recognize revenues from the sale of limited advertising on our non-music streams as the advertising is 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.

Stock Options

We have adopted the disclosure provisions of Statement of Financial Accounting Standards ("SFAS") No. 148, "Accounting for Stock-Based Compensation--Transition and Disclosure--An Amendment of FASB Statement No. 123." In addition, we have elected to continue using the intrinsic value method to measure the compensation costs of stock-based awards granted to employees in accordance with Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees"; as a result, we recognize compensation expense for employee stock options granted at a price less than the market value of our common stock on the date of grant.

The following table illustrates the effect on net loss applicable to common stockholders and net loss per share applicable to common stockholders had stock-based employee compensation been recorded based on the fair value method under SFAS No. 123, "Accounting for Stock-Based Compensation."

<TABLE>
<CAPTION>

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Net loss applicable to common stockholders--as reported	$(111,836)	$(124,603)	$(59,956)	$(214,727)
Non-cash stock compensation (benefit) expense--as reported	(123)	491	436	(8,533)
Stock-based compensation--pro forma	(5,601)	(7,995)	(13,319)	(17,436)
Net loss applicable to common stockholders--pro forma	$(117,560)	$(132,107)	$(72,839)	$(240,696)
Net loss per share applicable to common stockholders:				
Basic and diluted--as reported	$ (0.12)	$ (1.62)	$ (0.09)	$ (2.85)

</TABLE>

<TABLE>

<S>	<C>	<C>	<C>	<C>
Basic and diluted--pro forma	$ (0.13)	$ (1.72)	$ (0.12)	$ (3.20)

</TABLE>

Option valuation models require highly subjective assumptions, including the expected stock price volatility, which may be significantly different from those of traded options. Because changes in subjective assumptions can materially affect the fair value estimate, it is our opinion that the existing models do not necessarily provide a reliable single measure of the fair value of our stock-based awards. The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. The pro forma stock-based employee compensation was estimated using the Black-Scholes option pricing model with the following assumptions for each period:

(Dollar amounts in thousands, unless otherwise stated)

<TABLE>
<CAPTION>

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Risk-free interest rate	0.91%	2.48%	0.91- 1.87%	2.48%
Expected life of options--years.....	4.89	4.75	4.89	4.75
Expected stock price volatility.....	115%	110%	115%	110%
Expected dividend yield	N/A	N/A	N/A	N/A

</TABLE>

In accordance with APB Opinion No. 25, we use the intrinsic value method to measure the compensation costs of stock-based awards granted to employees as the excess of the market value of our common stock on the date of grant over the exercise price. We record these compensation costs over the vesting period of the stock-based award.

We account for stock-based awards granted to non-employees at fair value in accordance with SFAS No. 123.

In accordance with Financial Accounting Standards Board ("FASB") Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation," we record compensation charges or benefits related to repriced stock options based on the market value of our common stock until the repriced stock options are exercised, forfeited or expire.

Debt Restructuring

We recorded a gain of $256,538 in connection with the restructuring of our long-term debt in March 2003. This gain represents the difference between the carrying value of our 15% Senior Secured Discount Notes due 2007, 14 1/2% Senior Secured Notes due 2009, Lehman term loans and Loral term loans, including accrued interest, and the fair market value of the common stock issued, adjusted for unamortized debt issuance costs and direct costs associated with the restructuring. This gain is net of a loss on our 8 3/4% Convertible Subordinated Notes due 2009 exchanged in the restructuring. This loss represents the difference between the fair market value of the common stock issued in the exchange and the fair market value of the common stock which would have been issued under the original conversion ratio, including accrued interest, adjusted for unamortized debt issuance costs and direct costs associated with the restructuring.

Preferred Stock Deemed Dividend

We recorded a deemed dividend of $79,510 in connection with the exchange in March 2003 of all outstanding shares of our preferred stock for shares of our common stock and warrants. This deemed dividend represents the difference between the fair market value of the common stock and warrants issued in exchange for all outstanding shares of our 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 and the fair market value of the common stock which would have been issued under the original conversion ratios, adjusted for unamortized issuance costs and direct costs associated with the exchange of the preferred stock.

Net Loss Per Share

Basic net loss per share is based on the weighted average common shares outstanding 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 164,807,000 and 16,152,000 common stock equivalents were outstanding as of June 30, 2003 and 2002, respectively, and were excluded from the calculation of diluted net loss per share, as they were anti-dilutive.

Marketable Securities

Marketable securities consist of U.S. government notes and U.S. government agency obligations. Effective April 1, 2002, we began classifying marketable securities as available-for-sale securities rather than trading securities because we no longer intend to actively buy and sell marketable securities with the objective of generating trading profits. Available-for-sale securities are carried at fair market value and unrealized gains and losses are included as a component of stockholders' equity. Prior to April 1, 2002, marketable securities were classified as trading securities and unrealized holding gains and losses were recognized in earnings. Marketable securities held at June 30, 2003 and December 31, 2002 mature within one year from the date of purchase. We had an unrealized holding loss on marketable securities of $41 as of June 30, 2003 and an unrealized holding gain of $913 as of December 31, 2002.

(Dollar amounts in thousands, unless otherwise stated)

Classification of Long-Term Debt and Accrued Interest

In accordance with SFAS No. 6, "Classification of Short-Term Obligations Expected to be Refinanced," the current portion of long-term debt and accrued interest that were exchanged for shares of our common stock in March 2003 were classified as long-term liabilities as of December 31, 2002.

Asset Retirement Obligation

In accordance with SFAS No. 143, "Accounting for Asset Retirement Obligations," we recorded costs equal to the present value of the future obligation associated with the retirement of our terrestrial repeater equipment. These costs include an amount which we estimate will be sufficient to satisfy our obligations under leases to remove our terrestrial repeater equipment and restore the sites to their original condition and are included in long-term liabilities. The following table reconciles the beginning and ending aggregate carrying amount of this asset retirement obligation.

<TABLE>
<CAPTION>

<S>	Asset Retirement Obligation <C>
Balance, December 31, 2002	$ --
Present value of asset retirement obligation upon adoption of SFAS No. 143	153
Accretion expense	58
Balance, June 30, 2003	$211

</TABLE>

Use of Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of expenses during the reported period. 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 years consolidated financial statements have been reclassified to conform to the current presentation.

Recent Accounting Pronouncements

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity," which is effective for all financial instruments created or modified after May 31, 2003 and otherwise effective at the beginning of the first interim period beginning after June 15, 2003. SFAS No. 150 establishes standards for classifying and measuring as liabilities certain financial instruments that embody obligations of the issuer and have characteristics of both liabilities and equity. We do not believe that our adoption of SFAS No. 150 will have a material impact on our financial position or results of operations.

4. Subscriber Revenue

Subscriber revenue, which consists of subscription and non-refundable activation fees, was partially offset by the cost of mail-in rebate programs. An estimate of mail-in rebates that are paid by us directly to subscribers are recorded as a reduction to subscriber revenue in the period the subscriber activates our service. Subscriber revenue consists of the following:

(Dollar amounts in thousands, unless otherwise stated)

	For the Three Months Ended June 30, 2003	For the Three Months Ended June 30, 2002	For the Six Months Ended June 30, 2003	For the Six Months Ended June 30, 2002
Subscription revenue	$2,719	$48	$4,242	$52
Activation revenue	63	2	106	2
Mail-in rebates	(753)	--	(765)	--
Total subscriber revenue	$2,029	$50	$3,583	$54

5. Non-cash Stock Compensation

We record non-cash stock compensation benefits or expenses in connection with the grant of certain stock options, the issuance of common stock to employees and the issuance of common stock to our employee benefit plans. We recognized a non-cash stock compensation benefit of $123 and non-cash stock compensation expense of $436 for the three and six months ended June 30, 2003, respectively. We recognized non-cash stock compensation expense of $491 and a non-cash stock compensation benefit of $8,533 for the three and six months ended June 30, 2002, respectively.

The non-cash stock compensation expense and benefit for the three and six months ended June 30, 2003 includes a $314 benefit related to certain performance conditions of restricted stock issued to an employee that we anticipate will not be satisfied. The non-cash stock compensation benefit for the six months ended June 30, 2002 includes a non-cash stock compensation benefit of $9,717 related to options that were repriced in April 2001.

6. Supplemental Cash Flow Information

We paid $6,854 and $21,310 for interest during the six months ended June 30, 2003 and 2002, respectively. We have incurred the following non-cash operating, investing and financing activities:

	For the Six Months Ended June 30, 2003	For the Six Months Ended June 30, 2002
Supplemental non-cash operating activities:		
Common stock issued in satisfaction of accrued compensation	$ --	$ 1,720
Supplemental non-cash investing and financing activities:		
Capitalized interest	--	5,426
Common stock issued in exchange of 8 3/4% Convertible Subordinated Notes due 2009, including accrued interest	24,355	39,300
Common stock issued in exchange of 15% Senior Secured Discount Notes due 2007, including accrued interest	145,067	--
Common stock issued in exchange of 14 1/2% Senior Secured Notes due 2009, including accrued interest	105,294	--
Common stock issued in exchange of Lehman term loans, including accrued interest	85,902	--
Common stock issued in exchange of Loral term loans, including accrued interest	41,865	--
Common stock issued in exchange of 9.2% Series A and B Junior Cumulative Convertible Preferred Stock, including accrued dividends	304,847	--
Common stock issued in exchange of 9.2% Series D Junior Cumulative Convertible Preferred Stock, including accrued dividends	283,785	--
Warrants issued in exchange of 9.2% Series A, B and D Junior Cumulative Convertible Preferred Stock,		

(Dollar amounts in thousands, unless otherwise stated)

including accrued dividends	30,731	--

</TABLE>

7. Property and Equipment

Subscriber Management System

On April 17, 2003, we terminated our agreement with Sentraliant, the company that developed and operated our previous subscriber management system. Pursuant to that agreement, we paid Sentraliant $5,000 to terminate our agreement, of which approximately $1,000 related to operation fees. As a result of this termination, we recorded a non-cash charge of $14,465 related to the net book value of our subscriber management system. These costs are included in customer service and billing in the accompanying consolidated statements of operations for the three and six months ended June 30, 2003.

8. Long-term Debt

Our long-term debt consists of the following:

<TABLE>
<CAPTION>

	As of June 30, 2003	As of December 31, 2002
<S>	<C>	<C>
15% Senior Secured Discount Notes due 2007	$ 29,200	$280,430
14 1/2% Senior Secured Notes due 2009	27,376	179,382
3 1/2% Convertible Notes due 2008	201,250	--
8 3/4% Convertible Subordinated Notes due 2009 ..	1,744	16,461
Lehman term loans	--	144,084
Loral term loans	--	50,000
Total long-term debt	$259,570	$670,357

</TABLE>

Debt Restructuring

On March 7, 2003, we issued 545,012,162 shares of our common stock in exchange for approximately 91% of our then outstanding debt, including all of our Lehman term loans, all of our Loral term loans and $435,689 in aggregate principal amount at maturity of our 15% Senior Secured Discount Notes due 2007, 14 1/2% Senior Secured Notes due 2009 and 8 3/4% Convertible Subordinated Notes due 2009. In connection with the exchange offer relating to our debt, we also amended the indentures under which our 15% Senior Secured Discount Notes due 2007, 14 1/2% Senior Secured Notes due 2009 and 8 3/4% Convertible Subordinated Notes due 2009 were issued to eliminate substantially all of the restrictive covenants. Holders of our debt also waived any existing events of default or events of default caused by the restructuring. Refer to Note 2 for further information regarding our recapitalization.

3 1/2% Convertible Notes due 2008

In May 2003, we issued $201,250 in aggregate principal amount of our 3 1/2% Convertible Notes due 2008 in an underwritten public offering resulting in net proceeds of $194,224. Our 3 1/2% Convertible Notes due 2008 are convertible, at the option of the holder, into shares of our common stock at any time at a conversion rate of 724.6377 shares of common stock for each $1,000.00 principal amount, or $1.38 per share of common stock, subject to certain adjustments. Our 3 1/2% Convertible Notes due 2008 mature on June 1, 2008 and interest is payable semi-annually on June 1 and December 1 of each year, commencing on December 1, 2003. The obligations under our 3 1/2% Convertible Subordinated Notes due 2008 are not secured by any of our assets.

8 3/4% Convertible Subordinated Notes due 2009

Our 8 3/4% Convertible Subordinated Notes mature on September 29, 2009. Cash interest is payable semi-annually on each March 29 and September 29, through September 29, 2009. Our 8 3/4% Convertible Notes due 2009 are convertible, at the option of the holder, into shares of our common stock at any time at a conversion rate of 35.134 shares of common stock for each $1,000.00 principal, or $28.4625 per share of common stock, subject to certain adjustments. The obligations under our 8 3/4% Convertible Subordinated Notes due 2009 are not secured by any of our assets.

We recorded non-cash charges of $336 and $9,650, related to the issuance of 97,000 and 2,913,483 shares of our common stock in exchange for $1,000 and $29,475 in aggregate principal amount of our 8 3/4% Convertible Subordinated Notes due 2009, including accrued interest, during the three and six months ended June 30, 2002, respectively. This non-cash charge of $336 and $9,650 is included in interest expense for the three and six months ended June 30, 2002, respectively.

14 1/2% Senior Secured Notes due 2009

Our 14 1/2% Senior Secured Notes mature on May 15, 2009. Cash interest is payable semi-annually on each May 15 and November 15, through May 15, 2009. As of June 30, 2003, $30,258 in aggregate principal amount of our 14 1/2% Senior Secured Notes due 2009 were outstanding. In determining the book value of our 14 1/2% Senior Secured Notes due 2009, we reduce the aggregate principal amount by $2,882, the unamortized portion of the fair market value of warrants issued in connection with these notes. The obligations under our 14 1/2% Senior Secured Notes due 2009 are secured by a lien on the stock of our subsidiary that holds our FCC license and a lien on our spare satellite.

15% Senior Secured Discount Notes due 2007

Our 15% Senior Secured Discount Notes mature on December 1, 2007. Cash interest is payable semi-annually on each June 1 and December 1, through December 1, 2007. The obligations under our 15% Senior Secured Discount Notes due 2007 are secured by a lien on the stock of our subsidiary that holds our FCC license and a lien on our spare satellite.

9. Capital Stock

Common stock, par value $.001 per share

On June 10, 2003, we sold 86,250,000 shares of our common stock in an underwritten public offering resulting in net proceeds of $145,547.

On March 7, 2003, we sold 24,060,271 shares of our common stock to Apollo for an aggregate of $25,000; 24,060,271 shares of our common stock to Blackstone for an aggregate of $25,000; and 163,609,837 shares of our common stock to Oppenheimer for an aggregate of $150,000. We received net proceeds of $197,112 in connection with these sales.

On March 4, 2003, our stockholders approved an amendment and restatement of our certificate of incorporation to increase our authorized shares of common stock from 500,000,000 to 2,500,000,000. We filed this amended and restated certificate of incorporation with the Secretary of State of the State of Delaware on March 4, 2003.

Preferred Stock

On March 7, 2003, we issued 39,927,796 shares of our common stock to Apollo in exchange for all of our outstanding 9.2% Series A Junior Cumulative Convertible Preferred Stock and 9.2% Series B Junior Cumulative Convertible Preferred Stock, and 37,065,069 shares of our common stock to Blackstone in exchange for all of our outstanding 9.2% Series D Junior Cumulative Convertible Preferred Stock, including, in each case, accrued dividends. Refer to Note 2 for further discussion regarding our recapitalization.

Warrants

We issued warrants to purchase 45,416,690 shares of our common stock in exchange for all our outstanding 9.2% Series A Junior Cumulative Convertible Preferred and 9.2% Series B Junior Cumulative Convertible Preferred Stock held by Apollo. These warrants were immediately exercisable and expire on March 7, 2005.

We issued warrants to purchase 42,160,424 shares of our common stock in exchange for all our outstanding 9.2% Series D Junior Cumulative Convertible Preferred Stock held by Blackstone. These warrants were immediately exercisable and expire on September 7, 2004.

The exercise price of warrants to purchase 52,546,268 shares of our common stock have an exercise price of $1.04 per share and warrants to purchase 35,030,846 shares of our common stock have an exercise price of $0.92 per share.

10. Commitments and Contingencies

(Dollar amounts in thousands, unless otherwise stated)

The following table summarizes our contractual commitments as of June 30, 2003:

	2003	2004	2005	2006	2007	Thereafter	Total
Satellite and transmission	$ 1,145	$ 2,291	$ 2,291	$ 2,291	$2,291	$18,328	$ 28,637
Programming and content	5,143	25,563	33,724	21,282	1,025	1,000	87,737
Customer service and billing	2,190	1,440	1,440	360	--	--	5,430
Sales and marketing	34,946	19,318	10,629	6,000	4,500	--	75,393
Chip set development and production	13,056	14,400	--	--	--	--	27,456
Contractual commitments	$56,480	$63,012	$48,084	$29,933	$7,816	$19,328	$224,653

Satellite and Transmission

We have entered into an agreement with a provider of satellite services to operate our off-site satellite telemetry, tracking and control facilities.

Programming and Content

We have entered into agreements with licensors of music and non-music programming and, in certain instances, are obligated to pay license fees, guarantee minimum advertising revenue share or purchase advertising on properties owned or controlled by these licensors. In addition, we have agreements with various rights organizations pursuant to which we pay royalties for public performances of music.

Customer Service and Billing

We have entered into agreements with third parties to provide customer service, billing service and subscriber management.

Sales and Marketing

We have entered into various marketing and sponsorship agreements to promote our brand and are obligated to make payments to sponsors, retailers, automakers and radio manufacturers.

Chip Set Development and Production

We have entered into an agreement with Agere Systems, Inc. ("Agere") to develop and produce chip sets for use in SIRIUS radios. This agreement requires Agere to produce a minimum quantity of chip sets during each year of the agreement.

Other Commitments

We have agreed to use reasonable efforts to assist certain manufacturers of SIRIUS radios and components for those radios in the event that production of such radios and components are greater than sales. In certain circumstances, these reasonable efforts may include the purchase of unsold SIRIUS radios or components by us. In addition, 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. Subsequent Events

Our board of directors recently approved and issued stock options and restricted stock which represent the right to acquire up to 64.9 million shares of our common stock under the Sirius Satellite Radio 2003 Long-Term Stock Incentive Plan. Based on the market value of our common stock of $1.62, the closing bid price of our common stock on August 8, 2003, these awards would result in an aggregate non-cash stock compensation charge of approximately $61.0 million over the period commencing on the date of grant and ending in July 2008. The exact amount and timing of this charge is contingent upon a number of factors, including the price of our common stock and the vesting date of these stock options and restricted stock, and could materially change.

Management's Discussion and Analysis of Financial Condition and Results of Operations

(All dollar amounts are 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, 2002 (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 competitive position; XM Satellite Radio, the other satellite radio service provider in the United States, began offering its service before us, has substantially more subscribers than us and may have certain competitive advantages;

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

- the unproven market for our service; and

- the useful life of our satellites, which have experienced circuit failures on their solar arrays and may not be covered by insurance.

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 of these forward-looking statements. In addition, any forward-looking statement speaks only as of the date on which it 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 the statement is made, 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 actual results to differ materially from those contained in any forward-looking statements.

Overview

We broadcast digital-quality audio from three orbiting satellites throughout the continental United States for a monthly subscription fee of $12.95. We deliver 60 streams of 100% commercial-free music in virtually every genre, and over 40 streams of news, sports, weather, talk, comedy, public radio and children's programming. We hold one of only two licenses issued by the FCC to operate a national satellite radio system.

As of June 30, 2003, we had 105,186 subscribers. We consider subscribers to be those who have agreed to pay for our service and have activated their SIRIUS radio, including those who are currently in promotional periods, and active SIRIUS radios under our agreement with Hertz. We derive revenue from:

- subscription fees, including revenue derived from our agreement with Hertz,

- activation fees collected from our subscribers, and

- selling limited advertising on our non-music streams.

Results of Operations

Three Months Ended June 30, 2003 Compared with Three Months Ended June 30, 2002

Total Revenue. Total revenue increased to $2,073 from $70 for the three months ended June 30, 2003 and 2002, respectively. Total revenue for the three months ended June 30, 2003 included subscriber revenue of $2,029, consisting of subscription and non-refundable activations fees, net advertising revenue of $27 and revenue from other sources of $17. Total revenue for the three months ended June 30, 2002 included subscription revenue of $50 and advertising revenue of $20.

Subscriber Revenue. The increase in subscriber revenue of $1,979 was attributable to the growth of subscribers to our service. We added 37,127 net new subscribers during the three months ended June 30, 2003. Subscriber revenue for the three months ended June 30, 2003 included subscription revenue of $2,719 and activation revenue of $63, which was partially offset by $753 of costs associated with mail-in rebate programs. Subscriber revenue for the three months ended June 30, 2002 included subscription revenue of $48 and activation revenue of $2. Activation fees are recognized ratably over the term of the subscriber relationship, currently estimated to be 3.5 years. An estimate of mail-in rebates that are paid by us directly to subscribers are recorded as a reduction to subscription revenue in the period the subscriber activated our service. Future subscription revenue will be dependent upon, among other things, growth of our subscriber base, discounts and mail-in rebates offered to subscribers and the identification of additional revenue streams from subscribers.

> Average monthly revenue per subscriber ("ARPU"). ARPU for the three months ended June 30, 2003 was $7.91. Excluding the cost of mail-in rebate programs, ARPU for the three months ended June 30, 2003 was $10.84. ARPU, which is not a measure of financial performance under accounting principles generally accepted in the United States, is derived from total subscriber revenue over the daily weighted average number of subscribers for the period. Future ARPU will be dependent upon the amount and timing of subscriber discounts, mail-in rebate programs, and the identification of additional revenue streams from subscribers.

Advertising Revenue. Advertising revenue, net of agency fees of $5, was $27 for the three months ended June 30, 2003. Advertising revenue, net of agency fees of $3, was $20 for the three months ended June 30, 2002. We recognize advertising revenue from the sale of limited advertising on our non-music streams as it is broadcast.

Satellite and Transmission. Satellite and transmission expenses decreased to $7,688 for the three months ended June 30, 2003 from $8,450 for the three months ended June 30, 2002. 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. The decrease in satellite and transmission expense was primarily attributable to decreased in-orbit satellite insurance expense as a result of reduced in-orbit satellite insurance coverage. Our current policies cover each of our three satellites up to $110,000 in the event of a total or constructive total loss. 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 to costs of insuring our in-orbit satellites and modest additions to our terrestrial repeater network.

Programming and Content. Programming and content expenses increased to $7,639 for the three months ended June 30, 2003 from $4,125 for the three months ended June 30, 2002. Programming and content expenses include costs to acquire programming from third parties, on-air talent costs, broadcast royalties and programming personnel costs. The increase in costs was primarily attributable to broadcast royalties and on-air talent.

> Acquired programming. We have entered into various agreements with third parties for music and non-music programming. These agreements require us to share advertising revenue, pay license fees and purchase advertising on media properties owned or controlled by the licensor. In addition, certain agreements include guaranteed obligations which we recognize on a straight-line basis over the term of the applicable agreement. Advertising revenue share is expensed as the associated revenue is recognized; license fees are expensed as the programming is aired and purchased advertising is recorded as a sales and marketing expense when the advertising is aired.

> Broadcast royalties. We have entered into agreements with various rights organizations pursuant to which we pay royalties for public performances of music. These agreements include fixed and variable

payment obligations. We record variable broadcast royalties as they are incurred and fixed obligations on a straight-line basis over the term of the applicable agreement.

We anticipate that our programming costs will increase over time as we continue to develop our streams and share advertising revenue from the sale of advertising on our non-music streams.

Customer Service and Billing. Customer service and billing costs increased to $16,320 for the three months ended June 30, 2003 from $1,882 for the three months ended June 30, 2002. Customer service and billing costs include costs associated with the operation of our customer service center and subscriber management system. The increase in costs during the 2003 quarter was due to a $14,465 loss on the disposal of our prior subscriber management system as a result of the termination of our agreement with Sentraliant, the company that developed and operated that system.

Sales and Marketing. Sales and marketing expenses increased to $39,516 for the three months ended June 30, 2003 from $30,901 for the three months ended June 30, 2002. Sales and marketing expenses include costs related to sales and marketing personnel, advertising media and production activities, sponsorships, costs to acquire subscribers and payments to reimburse retailers, distributors and automakers for marketing and promotional activities. Sales and marketing expenses increased as a result of our national advertising campaign, increased marketing activities by automakers and increased sponsorship activities.

Advertising Media and Production. These costs include promotional events, media, advertising production and market research. Media is expensed when it is aired and advertising production costs are expensed as incurred.

Retail and Distribution. These costs include advertising, residuals and market development funds. Advertising is expensed as incurred. Residuals are monthly fees paid based upon the number of subscribers using a SIRIUS radio purchased from a retailer and are expensed as incurred. Market development funds are fixed and variable payments to reimburse retailers for the cost of advertising and other product awareness activities. Fixed market development funds are expensed over the periods specified in the applicable agreement; variable costs are expensed at the time a subscriber is activated.

Automakers. We have entered into agreements with DaimlerChrysler, Ford, BMW and other automakers which anticipate that such automakers will manufacture, market and sell vehicles which are equipped with SIRIUS radios ("Enabled Vehicles"). Under many of these agreements, we share a portion of the revenue we derive from subscribers using Enabled Vehicles. This revenue share is expensed as the corresponding subscription revenue is earned. We also reimburse automakers for certain advertising, promotional, hardware and engineering costs. We record expenses associated with these reimbursements as incurred or on a straight-line basis over the contract period for guaranteed obligations.

We have issued a warrant to purchase 4,000,000 shares of our common stock to each of DaimlerChrysler and Ford. These warrants become exercisable based on, among other conditions, the number of Enabled Vehicles the automakers manufacture. We record warrant expense for interim reporting periods based upon the performance of the automakers in manufacturing Enabled Vehicles and the fair value of the warrants at each reporting date. The final measurement date of these warrants will be the date that each performance commitment for such warrants is satisfied.

Subscriber Acquisition Costs. Subscriber acquisition costs increased to $9,275 for the three months ended June 30, 2003 from $8,626 for the three months ended June 30, 2002. Subscriber acquisition costs per gross activation decreased to $229 for the three months ended June 30, 2003, as compared to $299 for the three months ended March 31, 2003. Subscriber acquisition costs include incentives for the purchase, installation and activation of SIRIUS radios, as well as subsidies paid to radio manufacturers, automakers, retailers and payments to Agere. Certain subscriber acquisition costs are recorded in advance of acquiring a subscriber. Subscriber acquisition costs do not include advertising and promotional activities, loyalty payments to distributors and dealers of SIRIUS radios, revenue sharing payments to manufacturers of SIRIUS radios and guaranteed payments to automakers. We retain ownership of the SIRIUS radios used in our agreement with Hertz; as a result, amounts capitalized in connection with this program are not included in our subscriber acquisition costs.

We expect sales and marketing expenses to increase in the future as we continue to build brand awareness through national advertising and continue to offer subsidies, commissions and other incentives to acquire subscribers. In addition, we expect to incur significant costs related to our agreements with automakers as they increase production of Enabled Vehicles. We anticipate that the costs of certain subsidized components of SIRIUS radios will decrease as manufacturers experience economies of scale in production and we secure additional manufacturers of these components.

General and Administrative. General and administrative expenses increased to $12,464 for the three months ended June 30, 2003 from $8,588 for the three months ended June 30, 2002. General and administrative expenses include rent and occupancy, accounting, legal and public relations costs and costs of general and administrative personnel. The increase was a result of approximately $4,000 of costs to terminate our agreement with Sentraliant, the company that developed and operated our prior subscriber management system.

Research and Development. Research and development costs decreased to $4,904 for the three months ended June 30, 2003 from $13,425 for the three months ended June 30, 2002. Research and development costs include costs to develop our next generation chip sets, new product designs and personnel costs. The decrease related to a payment of $8,134 to Panasonic during the second quarter of 2002, which released us from a purchase commitment and reduced the factory price of SIRIUS radios.

> Chip Set Development. We have an agreement with Agere to develop and produce chip sets for use in SIRIUS radios. This agreement requires Agere to manufacture a minimum quantity of chip sets during each year of the agreement. The agreement requires us to pay Agere fixed monthly payments. These costs are allocated between research and development and sales and marketing for development work and chip set production, respectively.

The amount of our future research and development costs is dependent upon modifications to our existing technology and enhancements to SIRIUS radios.

Depreciation Expense. Depreciation expense increased to $23,463 for the three months ended June 30, 2003 from $22,099 for the three months ended June 30, 2002. We expect depreciation expense to remain relatively constant as our satellite radio system is complete.

Non-cash Stock Compensation. We recognized a non-cash stock compensation benefit of $123 and non-cash stock compensation expense of $491 for the three months ended June 30, 2003 and 2002, respectively. Non-cash stock compensation includes charges and benefits associated with the grant of certain stock options and the issuance of our common stock to employees and an employee benefit plan. The non-cash stock compensation benefit for the three months ended June 30, 2003 was principally a result a $314 benefit related to certain performance conditions of restricted stock that we anticipate will not be satisfied.

Interest and Investment Income. Interest and investment income decreased to $1,327 for the three months ended June 30, 2003 from 1,517 for the three months ended June 30, 2002. This decrease was attributable to lower returns on our investments in U.S. government securities during the 2003 period.

Interest Expense. Interest expense decreased to $3,365 for the three months ended June 30, 2003 from $24,893 for the three months ended June 30, 2002, net of amounts capitalized of $0 and $1,025, respectively. The decrease in interest expense was a result of the exchange of approximately $636,000 in aggregate principal amount at maturity of our outstanding long-term debt for common stock in March 2003.

Six Months Ended June 30, 2003 Compared with Six Months Ended June 30, 2002

Total Revenue. Total revenue increased to $3,664 from $103 for the six months ended June 30, 2003 and 2002, respectively. Total revenue for the six months ended June 30, 2003 included subscriber revenue of $3,583, consisting of subscription and non-refundable activations fees, net advertising revenue of $44 and revenue from other sources of $37. Total revenue for the six months ended June 30, 2002 included subscription revenue of $54 and advertising revenue of $49.

Subscriber Revenue. The increase in subscriber revenue of $3,529 was attributable to the growth of subscribers to our service. We added 75,239 net new subscribers during the six months ended June 30, 2003. Subscriber revenue for the six months ended June 30, 2003 included subscription revenue of $4,242 and activation revenue of $106, which was partially offset by $765 of costs associated with mail-in rebate programs. Subscriber revenue, for the six months ended June 30, 2002, included subscription revenue of $52 and activation revenue of $2.

Average monthly revenue per subscriber. ARPU for the six months ended June 30, 2003 was $8.94. Excluding the cost of mail-in rebate programs, ARPU for the six months ended June 30, 2003 was $10.85.

Advertising Revenue. Advertising revenue, net of agency fees of $8, was $44 for the six months ended June 30, 2003. Advertising revenue, net of agency fees of $9, was $49 for the six months ended June 30, 2002.

Satellite and Transmission. Satellite and transmission expenses decreased to $15,555 for the six months ended June 30, 2003 from $17,207 for the six months ended June 30, 2002. The decrease in satellite and transmission expense was primarily attributable to decreased in-orbit satellite insurance expense as a result of reduced in-orbit satellite insurance coverage.

Programming and Content. Programming and content expenses increased to $14,213 for the six months ended June 30, 2003 from $7,908 for the six months ended June 30, 2002. The increase in costs was primarily attributable to broadcast royalties and on-air talent.

Customer Service and Billing. Customer service and billing costs increased to $18,522 for the six months ended June 30, 2003 from $3,724 for the six months ended June 30, 2002. The increase in costs during the quarter was due to a $14,465 loss on the disposal of our prior subscriber management system as a result of the termination of our agreement with Sentraliant.

Sales and Marketing. Sales and marketing expenses increased to $84,856 for the six months ended June 30, 2003 from $46,560 for the six months ended June 30, 2002. Sales and marketing expenses increased due to the launch of our national advertising campaign, certain marketing activities by retailers, automakers and radio manufacturers, sponsorship activities and the costs associated with subsidies paid to radio and chip set manufacturers.

Subscriber Acquisition Costs. Subscriber acquisition costs increased to $21,138 for the six months ended June 30, 2003 from $10,291 for the six months ended June 30, 2002. Subscriber acquisition costs per gross activation was $263 for the six months ended June 30, 2003.

General and Administrative. General and administrative expenses increased to $21,558 for the six months ended June 30, 2003 from $16,128 for the six months ended June 30, 2002. The increase was primarily a result of approximately $4,000 of costs to terminate our agreement with Sentraliant.

Research and Development. Research and development costs decreased to $9,887 for the six months ended June 30, 2003 from $21,138 for the six months ended June 30, 2002. The decrease related to a payment of $8,134 to Panasonic in the second quarter of 2002, which released us from a purchase commitment and reduced the factory price of SIRIUS radios.

Depreciation Expense. Depreciation expense increased to $47,563 for the six months ended June 30, 2003 from $36,580 for the six months ended June 30, 2002. The increase was due to a full period of depreciation of our satellite radio system, which began in February 2002.

Non-cash Stock Compensation. We recognized non-cash stock compensation expense of $436 and a non-cash stock compensation benefit of $8,533 for the six months ended June 30, 2003 and 2002, respectively. The non-cash stock compensation expense of $436 for the six months ended June 30, 2003 includes a $314 benefit related to certain performance conditions of restricted stock that we anticipate will not be satisfied. The non-cash stock compensation benefit for the six months ended June 30, 2002 was principally a result of a $9,717 benefit related to the repricing of certain employee stock options in April 2001.

Debt Restructuring. We recorded a gain of $256,538 in connection with the restructuring of our long-term debt. This gain represents the difference between the carrying value of our 15% Senior Secured Discount Notes due 2007, 14 1/2% Senior Secured Notes due 2009, Lehman term loans and Loral term loans, including accrued interest, and the fair market value of the common stock issued, adjusted for unamortized debt issuance costs and direct costs associated with the restructuring. This gain is net of a loss on our 8 3/4% Convertible Subordinated Notes due 2009 exchanged in the restructuring. This loss represents the difference between the fair market value of the common stock issued in the exchange and the fair market value of the common stock which would have been issued under the original conversion ratio, including accrued interest, adjusted for unamortized debt issuance costs and direct costs associated with the restructuring.

Interest and Investment Income. Interest and investment income decreased to $2,670 for the six months ended June 30, 2003 from $3,517 for the six months ended June 30, 2002. This decrease was attributable to lower returns on our investments in U.S. government securities during the 2003 period.

Interest Expense. Interest expense decreased to $22,030 for the six months ended June 30, 2003 from $55,086 for the six months ended June 30, 2002, net of amounts capitalized of $0 and $5,426, respectively. Interest expense for the six months ended June 30, 2002 included non-cash costs of $9,650 associated with the induced conversion of $29,475 in aggregate principal amount of our 8 3/4% Convertible Subordinated Notes due 2009. The decrease in interest expense is a result of the exchange of approximately $636,000 in aggregate principal amount at maturity of our outstanding long-term debt for common stock in March 2003.

Cash Flows

Six Months Ended June 30, 2003 Compared With Six Months Ended June 30, 2002

Net cash used in operating activities decreased to $135,756 from $194,244 for the six months ended June 30, 2003 and 2002, respectively. The decrease in cash used in operations was primarily attributable to the change in the classification of our marketable securities in the second quarter of 2002 to available-for-sale securities from trading securities. Transactions relating to trading securities are considered operating activities; transactions relating to available-for-sale securities are considered investing activities. Excluding our transactions in marketable securities, cash used in operating activities increased to $134,571 for the six months ended June 30, 2003 from $118,754 for the six months ended June 30, 2002. This increase was primarily due to the cost of our national advertising campaign, the costs of acquiring subscribers and the cost of producing our music and non-music streams.

Net cash provided by investing activities for the six months ended June 30, 2003 increased to $139,821 from $66,975 for the six months ended June 30, 2002. The change from the prior period was principally due to a change in the classification of our marketable securities from trading securities to available-for-sale securities during the second quarter of 2002. Excluding our transactions in marketable securities, cash used in investing activities decreased to $10,179 from $33,150 for the six months ended June 30, 2003 and 2002, respectively. This decrease was a result of a reduction in capital expenditures as we completed the construction of our satellite radio system during 2002.

Net cash provided by financing activities was $532,095 and $147,508 for the six months ended June 30, 2003 and 2002, respectively. During 2003, we sold 211,730,379 and 86,250,000 shares of common stock resulting in net proceeds of $197,112 and $145,547, respectively. In addition, we issued $201,250 in principal amount of our 3 1/2% Convertible Notes due 2008 resulting in net proceeds of $194,224, and incurred costs associated with our debt restructuring of $4,737. During the six months ended June 30, 2002, we sold 16,000,000 shares of common stock resulting in net proceeds of $147,500.

Liquidity and Capital Resources

At June 30, 2003, we had cash, cash equivalents and marketable securities totaling $560,093 and working capital of $524,050, compared with cash, cash equivalents and marketable securities totaling $173,702 and working capital of $151,289 at December 31, 2002.

We estimate that our cash, cash equivalents and marketable securities are sufficient to cover our estimated funding needs through cash flow breakeven, the point at which our revenues are sufficient to fund expected operating expenses, capital expenditures, working capital requirements, interest and principal payments and taxes. Our actual funding requirements could vary materially from our current estimates. We may have to raise more funds to remain in business and continue to develop and market our satellite radio service.

Our financial projections are based on assumptions which we believe are reasonable but contain significant uncertainties, including, most importantly, the length of time and level of costs necessary to obtain the number of subscribers required to sustain our operations. At June 30, 2003, we had 105,186 subscribers. We estimate that we will need approximately two million subscribers before we achieve cash flow breakeven which we estimate to be in the second quarter of 2005.

Recent Financings; Recapitalization

In June 2003, we sold 86,250,000 shares of our common stock in an underwritten public offering resulting in net proceeds of $145,547.

In May 2003, we issued $201,250 in aggregate principal amount of our 3 1/2% Convertible Notes due 2008 in an underwritten public offering resulting in net proceeds of $194,224. Our 3 1/2% Convertible Notes due 2008 are convertible, at the option of the holder, into shares of our common stock at any time at a conversion rate of 724.6377 shares of common stock for each $1,000.00 principal amount, or $1.38 per share of common stock, subject to certain adjustments.

On March 7, 2003, we completed a series of transactions to restructure our debt and equity capitalization. As part of these transactions:

- we issued 545,012,162 shares of our common stock in exchange for approximately 91% of our then outstanding debt, including all of our Lehman term loans, all of our Loral term loans, $251,230 in aggregate principal amount at maturity of our 15% Senior Secured Discount Notes due 2007, $169,742 in aggregate principal amount of our 14 1/2% Senior Secured Notes due 2009, and $14,717 in aggregate principal amount of our 8 3/4% Convertible Subordinated Notes due 2009;

- we issued 39,927,796 shares of our common stock and warrants to purchase 45,416,690 shares of our common stock in exchange for all outstanding shares of our 9.2% Series A and B Junior Cumulative Convertible Preferred Stock held by Apollo;

- we issued 37,065,069 shares of our common stock and warrants to purchase 42,160,424 shares of our common stock in exchange for all outstanding shares of our 9.2% Series D Junior Cumulative Convertible Preferred Stock held by Blackstone;

- we sold 24,060,271 shares of our common stock to Apollo for an aggregate of $25,000;

- we sold 24,060,271 shares of our common stock to Blackstone for an aggregate of $25,000; and

- we sold 163,609,837 shares of our common stock to Oppenheimer for an aggregate of $150,000.

During the three months ended March 31, 2003, we recorded a gain of $256,538 and a deemed dividend of $79,510 as a result of the exchange transactions. In connection with the exchange offer relating to our debt, we also amended the indentures under which our 15% Senior Secured Discount Notes due 2007, 14 1/2% Senior Secured Notes due 2009 and 8 3/4% Convertible Subordinated Notes due 2009 were issued to eliminate substantially all of the restrictive covenants. Holders of our debt also waived any existing events of default or events of default caused by the restructuring.

Contractual Commitments

The following table summarizes our expected contractual commitments as of June 30, 2003:

<TABLE>
<CAPTION>

	2003	2004	2005	2006	2007	Thereafter	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Long-term debt obligations	$ 8,101	$15,964	$15,964	$15,964	$45,164	$249,376	$350,533
Operating leases	7,670	7,873	7,105	6,192	6,032	35,903	70,775
Satellite and transmission	1,145	2,291	2,291	2,291	2,291	18,328	28,637
Programming and content	5,143	25,563	33,724	21,282	1,025	1,000	87,737
Customer service and billing	2,190	1,440	1,440	360	--	--	5,430
Sales and marketing	34,946	19,318	10,629	6,000	4,500	--	75,393
Chip set development and production	13,056	14,400	--	--	--	--	27,456
Contractual commitments	$72,251	$86,849	$71,153	$52,089	$59,012	$304,607	$645,961

</TABLE>

Long-Term Debt Obligations

Long-term debt obligations include principal and interest payments. As of June 30, 2003, we had $262,452 in aggregate principal amount of outstanding debt, consisting of $29,200 in aggregate principal amount at maturity of our 15% Senior Secured Discount Notes due 2007, $30,258 in aggregate principal amount of our 14 1/2% Senior Secured Notes due 2009, $201,250 in aggregate principal amount of our 3 1/2% Convertible Notes due 2008 and $1,744 in aggregate principal amount of our 8 3/4% Convertible Subordinated Notes due 2009.

Operating Leases

We have entered into operating leases related to our national broadcast studio, office space, terrestrial repeater sites and equipment.

Satellite and Transmission

We have entered into an agreement with a provider of satellite services to operate our off-site satellite telemetry, tracking and control facilities.

Programming and Content

We have entered into agreements with licensors of music and non-music programming and, in certain instances, are obligated to pay license fees, guarantee minimum advertising revenue share or to purchase advertising on properties owned or controlled by these licensors. In addition, we have agreements with various rights organizations pursuant to which we pay royalties for public performances of music.

Customer Service and Billing

We have entered into agreements with third parties to provide customer service, billing service and subscriber management.

Sales and Marketing

We have entered into various marketing and sponsorship agreements to promote our brand and are obligated to make payments to sponsors, retailers, automakers and radio manufacturers.

Chip Set Development and Production

We have entered into an agreement with Agere to develop and produce chip sets for use in SIRIUS radios. This agreement requires Agere to manufacture a minimum quantity of chip sets during each year of the agreement.

Other Commitments

We have agreed to use reasonable efforts to assist certain manufacturers of SIRIUS radios and components for those radios in the event that production of such radios and components are greater than sales. In certain circumstances, these reasonable efforts may include the purchase of unsold SIRIUS radios or components by us. In addition to the contractual commitments described above, 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 and Estimates

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. A summary of our significant accounting policies is contained in Note 3 to the consolidated financial statements contained in this report. We have identified the following policies, which were

discussed with the Audit Committee of our board of directors, as critical to our business and understanding our results of operations.

Subscription Revenue Recognition

Revenue from subscribers consists of subscription fees, including revenue derived from our agreement with Hertz, and non-refundable activation fees. We recognize subscription fees as our service is provided. Activation fees are recognized ratably 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. 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)," an estimate of mail-in rebates that are paid by us directly to subscribers are recorded as a reduction to subscription revenue in the period the subscriber activates our service.

Subscriber Acquisition Costs

Subscriber acquisition costs include incentives for the purchase, installation and activation of SIRIUS radios, as well as subsidies paid to radio manufacturers, retailers and Agere. Certain subscriber acquisition costs are recorded in advance of acquiring a subscriber. Subscriber acquisition costs do not include advertising and promotional activities, loyalty payments to distributors and dealers of SIRIUS radios, revenue sharing payments to manufacturers of SIRIUS radios and guaranteed payments to automakers. We retain ownership of the SIRIUS radios used in our agreement with Hertz; as a result, amounts capitalized in connection with this program are not included in our subscriber acquisition costs.

Marketable Securities

Marketable securities consist of U.S. government agency obligations. Effective April 1, 2002, marketable securities were 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.

Long-Lived Assets

We carry our long-lived assets at cost less accumulated depreciation. 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, the impairment will be measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value. To determine fair value we would employ an expected present value technique, which utilizes multiple cash flow scenarios that reflect the range of possible outcomes and an appropriate discount rate.

Useful Life of Satellite System

Our satellite system includes the cost of satellite construction, launch vehicles, launch insurance, capitalized interest, our spare satellite and our terrestrial repeater network. We monitor our satellites for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset is not recoverable. 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.

FCC License

We carry our FCC license at cost. Our FCC license has an indefinite life and will be evaluated for impairment on an annual basis. We completed an impairment analysis of our FCC license on November 1,

2002, and determined that there was no impairment. We use projections regarding estimated future cash flows and other factors in assessing the fair value of our FCC license. If these estimates or projections change in the future, we may be required to record an impairment charge related to our FCC license.

Accrued Expenses

Payments owed to our manufacturing and distribution partners and other service providers are expensed during the month in which the applicable service is performed. The amount of these expenses are dependent upon information provided by our internal systems and processes and partner systems and processes. Due to length of time necessary to receive accurate information from these partners, estimates of amounts due are necessary in order to record monthly expenses. In subsequent months expenses are reconciled, and adjusted where necessary. Since launching commercial operations, we continue to refine the estimation process based on an increased understanding of the time requirements, and close working relationships with our partners.

Recent Accounting Pronouncements

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity," which is effective for all financial instruments created or modified after May 31, 2003 and otherwise effective at the beginning of the first interim period beginning after June 15, 2003. SFAS No. 150 establishes standards for classifying and measuring as liabilities certain financial instruments that embody obligations of the issuer and have characteristics of both liabilities and equity. We do not believe that our adoption of SFAS No. 150 will have a material impact on our financial position or results of operations.

Controls and Procedures

As of June 30, 2003, 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 David J. Frear, 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 our chief financial officer, concluded that our disclosure controls and procedures were effective as of June 30, 2003. There have been no significant changes in our internal controls or in other factors that could significantly affect these internal controls subsequent to June 30, 2003.

Part II

Other Information

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits.

See Exhibit Index attached hereto.

(b) Reports on Form 8-K.

On May 1, 2003, we filed a Current Report on Form 8-K to report that our board of directors had extended the expiration date of the rights issued under the Rights Agreement between The Bank of New York and ourselves from May 1, 2003 to August 1, 2003.

On May 14, 2003, we filed a Current Report on Form 8-K to report our financial results for the quarter ended March 31, 2003.

On May 21, 2003, we filed a Current Report on Form 8-K that included a Form T-1 of The Bank of New York, the trustee in respect of our 3 1/2% Convertible Notes due 2008 issued under our senior indenture dated as of May 23, 2003.

On May 23, 2003, we filed a Current Report on Form 8-K that included the Terms Agreement between Morgan Stanley & Co. Incorporated, UBS Warburg LLC and ourselves, the Indenture, dated as of May 23, 2003, between ourselves and The Bank of New York, as trustee, and the Supplemental Indenture, dated as of May 23, 2003, between ourselves and The Bank of New York, as trustee, relating to our issuance of $201,250,000 in aggregate principal amount of 3 1/2% Convertible Notes due 2008.

On June 16, 2003, we filed a Current Report on Form 8-K that included the Terms Agreement between Morgan Stanley & Co. Incorporated, UBS Warburg LLC and ourselves, relating our sale of 86,250,000 shares of our common stock in a public offering. We also included as exhibit to such Current Report on Form 8-K a copy of the Registration Rights Agreement, dated as of June 13, 2003, among Blackstone CCC Capital Partners L.P., Blackstone CCC Offshore Capital Partners L.P. and Blackstone Family Investment Partnership III L.P. As part of such Current Report on Form 8-K, we also reported that on June 13, 2003, Mr. Peter G. Peterson, the Chairman of The Blackstone Group L.P., resigned as a member of our board of directors.

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/ DAVID J. FREAR

David J. Frear
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

August 12, 2003

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

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 June 30, 2003 (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 the 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)

August 12, 2003

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, David J. Frear, the Executive Vice President and 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 June 30, 2003 (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/ DAVID J. FREAR

David J. Frear
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

August 12, 2003

Exhibit Index

Exhibit	Description
3.1	Amended and Restated Certificate of Incorporation dated March 4, 2003 (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002).
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	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")).
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")).
4.2.1	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).
4.2.2	Form of Right Certificate (incorporated by reference to Exhibit B to Exhibit 1 to the Form 8-A).
4.2.3	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).
4.2.4	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).
4.2.5	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).
4.2.6	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")).
4.2.7	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).
4.2.8	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

Exhibit	Description
	December 29, 1999).
4.2.9	Amendment to the Rights Agreement dated as of January 28, 2000 (incorporated by reference to Exhibit 4.6.9 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (the "1999 Form 10-K")).
4.2.10	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).
4.2.11	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")).

4.2.12 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).

4.2.13 Amendment to the Rights Agreement dated as of March 6, 2003 (incorporated by reference to Exhibit 4.2.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002).

4.2.14 Amendment to the Rights Agreement dated as of March 31, 2003 (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated March 31, 2003).

4.2.15 Amendment to the Rights Agreement dated as of July 30, 2003 (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated July 30, 2003).

4.3 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")).

4.4 Supplemental Indenture, dated as of March 7, 2003, between the Company and The Bank of New York (as successor to IBJ Schroder Bank & Trust Company), as trustee, relating to the Company's 15% Senior Secured Discount Notes due 2007 (incorporated by reference to Exhibit 4.4 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002).

4.5 Form of 15% Senior Secured Discount Note due 2007 (incorporated by reference to Exhibit 4.2 to the 1997 Units Registration Statement).

Exhibit	Description
4.6	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).
4.7	Form of Warrant (incorporated by reference to Exhibit 4.4 to the 1997 Units Registration Statement).
4.8	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 Company's Annual Report on Form 10-K for the year ended December 31, 1997).
4.9	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).
4.10	Supplemental Indenture, dated as of March 7, 2003, between the Company and The Bank of New York (as successor to 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 4.10 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002).
4.11	Form of 14 1/2% Senior Secured Note due 2009 (incorporated by reference to Exhibit 4.4.3 to the 1999 Units Registration Statement).
4.12	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).
4.13	Common Stock Purchase Warrant granted by the Company to Ford Motor Company, dated October 7, 2002 (incorporated by reference to Exhibit 4.16 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002).
4.14	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).

4.15	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).
4.16	Second Supplemental Indenture, dated as of March 4, 2003, among the Company, The Bank of New York (as successor to United States Trust Company of Texas, N.A.), as resigning trustee, and HSBC Bank USA, as successor trustee, relating to the Company's 8 3/4% Convertible Subordinated Notes due 2009 (incorporated by reference to Exhibit 4.16 to the Company's Annual Report on Form 10-K for the year ended

Exhibit	Description
	December 31, 2002).
4.17	Third Supplemental Indenture, dated as of March 7, 2003, between the Company and HSBC Bank USA, as trustee, relating to the Company's 8 3/4% Convertible Subordinated Notes due 2009 (incorporated by reference to Exhibit 4.17 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002).
4.18	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).
4.19	Common Stock Purchase Warrant granted by the Company to DaimlerChrysler Corporation dated October 25, 2002 (incorporated by reference to Exhibit 4.20 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002).
4.20	Form of Series A Common Stock Purchase Warrant dated March 7, 2003 (incorporated by reference to Exhibit 4.20 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002).
4.21	Form of Series B Common Stock Purchase Warrant dated March 7, 2003 (incorporated by reference to Exhibit 4.21 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002).
4.22	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)).
4.23	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).
4.24	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).
4.25	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 Inc., 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).
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

Exhibit	Description
	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 February 28, 2003, between the Company and Patrick L. Donnelly (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003).
*10.3	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).
*10.4	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).
*10.5	Employment Agreement, dated as of January 7, 2002, between the Company and Guy D. Johnson (incorporated by reference to Exhibit 10.7 to the 2001 Form 10-K).
*10.6	Employment Agreement, dated as of May 3, 2002, between the Company and Mary Patricia Ryan (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002).
*10.7	Employment Agreement, dated as of June 3, 2003, between the Company and David J. Frear (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 2003 Long-Term Stock Incentive Plan (incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002).
10.13	Form of Option Agreement, dated as of December 29, 1997, between the Company and

Exhibit	Description
	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).
'D'10.14	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 David J. Frear, 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 dagger symbol shall be expressed as.................................. 'D'

Exhibit 10.7

Execution Copy

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT, dated as of June 3, 2003 (this "Agreement"), between SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Company"), and David Frear (the "Executive").

In consideration of the mutual covenants and conditions set forth herein, the Company and the Executive agree as follows:

1. Employment. Subject to the terms and conditions of this Agreement, the Company hereby employs the Executive, and the Executive hereby accepts employment with the Company.

2. Duties and Reporting Relationship. (a) The Executive shall be employed as Executive Vice President and Chief Financial Officer of the Company. In such capacity, the Executive shall be responsible primarily for supervising the financial affairs of the Company. During the Term (as defined below), the Executive shall, on a full-time basis and consistent with the needs of the Company to achieve the goals of the Company, use his skills and render services to the best of his ability in supervising the financial affairs of the Company described above. In addition, the Executive shall perform such other activities and duties consistent with his position as the Company shall reasonably specify and direct. The Executive shall not engage in any other business, affairs or activities that in the opinion of the Company interferes in any respect with his full-time commitment to the Company. The Executive shall not be required by this Agreement to perform duties for any entity other than the Company and its subsidiaries.

(b) The Executive shall generally perform his duties and conduct his business at the principal offices of the Company in New York, New York.

(c) The Executive shall report to the President and Chief Executive Officer of the Company.

3. Term. The term of this Agreement shall commence on June 16, 2003 (the "Start Date"), and end on June 15, 2006, unless terminated earlier pursuant to the provisions of Section 6 (the "Term").

4. Compensation. (a) During the Term, the Executive shall be paid an annual base salary of $325,000, subject to any increases that the President and Chief Executive Officer of the Company shall approve. All amounts paid to the Executive under this Agreement shall be in U.S. dollars. The Executive's base salary shall be paid at least monthly and, at the option of the Company, may be paid more frequently. In the event the Executive's employment is terminated during the Term, the Executive's base salary shall be prorated through the date of termination.

(b) The Company is in the process of reviewing its equity compensation for executive officers. As part of this review, the Company expects to issue to all executive officers of the Company new equity based compensation. As part of this revised equity compensation plan for

executive officers, and subject to approval by the Company, the Executive shall be awarded not less than 1,500,000 option to purchase the common stock of the Company (the "Stock Options"). The Stock Options shall have an exercise price equal to the closing price of the Company's common stock on the NASDAQ National Market on Friday, June 13, 2003. The Stock Options shall be subject to the same vesting terms as the stock options issued to other Executive Vice Presidents of the Company, which terms shall include, among other things, provisions relating to performance based vesting.

(c) The Company is also in the process of developing a bonus program for the year ending December 31, 2003. This program is expected to include a variety of objective milestones, such as number of subscriber activations, subscriber acquisition costs, customer satisfaction, employee satisfaction, operating expense and stock price appreciation, and is subject to approval by the Compensation Committee of the Board of Directors of the Company. This program may also include objectives specifically applicable to the Executive and his specific areas of responsibility. Such bonus plan is expected to contain objective milestones that shall permit the Executive to earn up to the following annual bonus:

<TABLE>
<CAPTION>

<S>	Performance Targets (to be defined)	Annual Bonus (as a % of Base Salary) <C>
Threshold Target		30%
Desired Performance		60%
Outstanding Performance		90%

</TABLE>

The Company reserves the right to pay any annual bonus in the form of cash, restricted stock, other securities of the Company, or any combination of the foregoing, in its sole discretion.

(d) All compensation paid to the Executive hereunder shall be subject to any payroll and withholding deductions required by any applicable law, including, without limitation, federal, New York State and New York City income tax withholding, federal unemployment tax and social security (FICA).

5. Additional Compensation; Expenses and Benefits. (a) During the Term, the Company shall reimburse the Executive for all reasonable and necessary business expenses incurred and advanced by him in carrying out his duties under this Agreement. The Executive shall present to the Company from time to time an itemized account of such expenses in such form as may be required by the Company.

(b) During the Term, the Executive shall be entitled to participate fully in any bonus grants, benefit plans, programs, policies and fringe benefits which may be made available to the executive officers of the Company generally, including, without limitation, medical, dental and life insurance; provided that the Executive shall participate in any stock option or stock purchase or compensation plan currently in effect or subsequently established by the Company to the extent, and only to the extent, authorized by the plan document and by the Board of Directors of the Company (the "Board") or the compensation committee thereof.

(c) The Executive shall promptly relocate his home to the New York metropolitan area. In connection with such relocation, upon presentation of receipts, the Company shall reimburse the Executive for the reasonable costs and expenses of relocating his residence to the New York metropolitan area in accordance with the Company's existing relocation policy; provided that the Company shall not be required to reimburse the Executive for an amount in excess of $150,000 in the aggregate.

6. Termination. The date upon which this Agreement is deemed to be terminated in accordance with any of the provisions of this Section 6 is referred to herein as the "Termination Date."

(a) Termination for Cause. The Company has the right and may elect to terminate this Agreement for Cause at any time. For purposes of this Agreement, "Cause" means the occurrence or existence of any of the following:

(i) a breach by the Executive of the terms of his employment or of his duty not to engage in any transaction that represents, directly or indirectly, self-dealing with the Company or any of its affiliates (which, for purposes hereof, shall mean any individual, corporation, partnership, association, limited liability company, trust, estate, or other entity or organization directly or indirectly controlling, controlled by, or under direct or indirect common control with the Company) which has not been approved by a majority of the disinterested directors of the Board, if in any such case such breach remains uncured after five days have elapsed following the date on which the Company gives the Executive written notice of such breach;

(ii) the breach by the Executive of any duty referred to in clause (i) above with respect to which at least one prior notice was given under clause (i);

(iii) any act of dishonesty, misappropriation, embezzlement, intentional fraud, or similar conduct by the Executive involving the Company or any of its affiliates;

(iv) the conviction or the plea of nolo contendre or the equivalent in respect of a felony;

(v) any damage of a material nature to any property of the Company or any of its affiliates caused by the Executive's willful or grossly negligent conduct;

(vi) the repeated nonprescription use of any controlled substance, or the repeated use of alcohol or any other non-controlled substance that the Board reasonably determines renders the Executive unfit to serve as an officer or employee of the Company or its affiliates;

(vii) the Executive's failure to comply with the President and Chief Executive Officer's or the Board's reasonable written instructions, after written notice; or

(viii) conduct by the Executive that in a good faith written determination of the Board demonstrates unfitness to serve as an officer or employee of the Company or its affiliates, including, without limitation, a finding by the Board or any regulatory authority that the Executive committed acts of unlawful harassment or violated any other state, federal or local law or ordinance prohibiting discrimination in employment applicable to the business of the Company or any of its affiliates.

Termination of the Executive for Cause pursuant to this Section 6(a) shall be communicated by a Notice of Termination. For purposes of this Agreement, a "Notice of Termination" shall mean delivery to the Executive of a copy of a resolution or resolutions duly adopted by the affirmative vote of not less than a majority of the directors present and voting at a meeting of the Board called and held for that purpose after reasonable notice to the Executive and reasonable opportunity for the Executive, together with the Executive's counsel, to be heard before the

Board prior to such vote, finding that in the good faith opinion of the Board, the Executive was guilty of conduct set forth in one or more of clauses (i) through (viii) of this Section 6(a) and specifying the particulars thereof in detail. For purposes of Section 6(a), this Agreement shall terminate on the date specified by the Board in the Notice of Termination.

(b) Death or Disability. (i) This Agreement and the Executive's employment hereunder shall terminate upon the death of the Executive. For purposes of this Section 6(b)(i), this Agreement shall terminate on the date of the Executive's death.

(ii) If the Executive is unable to perform the essential duties and functions of his position because of a disability, even with a reasonable accommodation, for one hundred eighty days within any three hundred sixty-five day period, and the Company, in its reasonable judgment, determines that the exigencies created by the Executive's disability are such that termination is warranted, the Company shall have the right and may elect to terminate the services of the Executive by a Notice of Disability Termination. For purposes of this Agreement, a "Notice of Disability Termination" shall mean a written notice that sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under this Section 6(b)(ii). For purposes of this Agreement, no such purported termination by the Company shall be effective without such Notice of Disability Termination. This Agreement shall terminate on the day after such Notice of Disability Termination is received by the Executive.

(c) Voluntary Resignation. Should the Executive wish to resign from his position with the Company during the Term, for other than Good Reason (as defined below), the Executive shall give fourteen days prior written notice to the Company. Failure to provide such notice shall entitle the Company to terminate this Agreement effective on the last business day on which the Executive reported for work at his principal place of employment with the Company. This Agreement shall terminate on the effective date of the resignation as defined above, however, the Company may, at its sole discretion, request that the Executive perform no job responsibilities and cease his active employment immediately upon receipt of such notice.

(d) Without Cause. The Company shall have the absolute right to terminate the Executive's employment without Cause at any time. If the Company elects to terminate the Executive without Cause, the Company shall give seven days written notice to the Executive. This Agreement shall terminate seven days following receipt of such notice by the Executive, however, the Company may, at its sole discretion, request that the Executive cease active employment and perform no more job duties immediately upon provision of such notice to the Executive.

(e) For Good Reason. Should the Executive wish to resign from his position with the Company for Good Reason during the Term, the Executive shall give seven days prior written notice to the Company. Failure to provide such notice shall entitle the Company to fix the Termination Date as of the last business day on which the Executive reported for work at his principal place of employment with the Company. This Agreement shall terminate on the date specified in such notice, however the Company may, at its sole discretion, request the Executive cease active employment and perform no more job duties immediately upon receipt of such notice.

For purposes of this Agreement, "Good Reason" shall mean the continuance of any of the following events (without the Executive's express prior written consent) for a period of seven days (or thirty days in the case of item (i) below) after delivery to the Company by the Executive

of a notice of the occurrence of such event:

(i) the assignment to the Executive by the Company of duties not reasonably consistent with the Executive's positions, duties, responsibilities, titles or offices at the commencement of the Term or any unreasonable reduction in his duties or responsibilities or any removal of the Executive from or any failure to re-elect the Executive to any of such positions (except in connection with the termination of the Executive's employment for Cause, disability or as a result of the Executive's death or by the Executive other than for Good Reason); or

(ii) a relocation of the Company's executive offices to a location outside of New York City metropolitan area; or

(iii) any reduction in the Executive's annual base salary from the previous year; or

(iv) any material breach by the Company of any material provision of this Agreement.

(f) Compensation and Benefits Upon Termination. (i) If the employment of the Executive is terminated without Cause or the Executive terminates for Good Reason, then the Executive shall be entitled to receive, and the Company shall pay to the Executive without setoff, counterclaim or other withholding, except as set forth in Section 4(d), an amount (in addition to any salary, benefits or other sums due the Executive through the Termination Date) equal to the sum of (x) the Executive's annualized base salary then in effect and (y) the last annual bonus actually paid to the Executive; provided that, until bonuses, if any, are paid by the Company with respect to the year ending December 31, 2004, such bonus amount shall be not less than $97,500. If the employment of the Executive is terminated without Cause or the Executive terminates for Good Reason, then the Executive shall be entitled to a continuation of medical and life insurance benefits, as if he had remained an active employee, until the first anniversary of the termination date. The Company's obligation to pay the Executive in accordance with this Section 6(f)(i) is expressly conditioned upon the Executive executing and delivering a release of all claims the Executive has or may have against the Company, including, without limitation, all successors, assigns, employees, officers, agents, directors, stockholders, agents and attorneys (the "Release"), in form and substance acceptable to the Company. Subject to the terms of the preceding sentence, any amount becoming payable under this Section 6(f)(i) shall be paid in immediately available funds within ten business days following the effective date of the Release.

(ii) If this Agreement is terminated by the Executive or the Company for any reason other than those specified in Sections 6(f)(i), including resignation by the Executive without Good Reason or termination by the Company with Cause, the Executive shall be entitled to no compensation or other benefits under this Agreement other than those which are due the Executive through the Termination Date.

7. Nondisclosure of Confidential Information. (a) The Executive acknowledges that in the course of his employment he will occupy a position of trust and confidence. The Executive shall not, except as may be required to perform his duties or as required by applicable law, disclose to others or use, directly or indirectly, any Confidential Information.

(b) "Confidential Information" shall mean information about the Company's business and operations that is not disclosed by the Company for financial reporting purposes and that was learned by the Executive in the course of his employment by the Company, including, without limitation, any business plans, strategy, budget information, proprietary knowledge, patents, trade secrets, data, formulae, sketches, notebooks, blueprints, information and client and customer lists and all papers and records (including computer records) of the documents containing such Confidential Information. The term Confidential Information does not include any information which (i) is or becomes publicly available, other than as a result of a disclosure by the Executive or one of his agents, (ii) is already in the Executive's possession, provided that such information is not known by the Executive to be subject to any legal or contractual obligation of confidentiality owed to the Company, (iii) is or becomes available to the Executive on a non-confidential basis from a source other than the Company, provided that such source is not known by the Executive to be subject to any legal or contractual obligation to the Company to keep such information confidential, or (iv) is independently developed by the Executive without any violation of his obligations hereunder The Executive acknowledges that such Confidential Information is specialized, unique in nature and of great value to the Company, and that such information gives the Company a competitive advantage. The Confidential Information will be kept confidential in accordance with the terms hereof by the Executive and will not be disclosed by the Executive or any of his agents except (i) as maybe consented to by the Company, and (ii) as required by law, regulation or legal or judicial process, provided that, where such disclosure is required, the Executive shall provide the Company with a reasonable opportunity to review the disclosure, to the extent practicable before it is made, and to seek to limit the disclosure at its own expense. The Executive agrees to deliver or return to the Company, at the Company's request at any time or upon termination or expiration of his employment or as soon as possible thereafter, all documents, computer tapes and disks, records, lists, data, drawings, prints, notes and written information (and all copies thereof) furnished by the Company or prepared by the Executive in the course of his employment by the Company.

(c) The provisions of this Section 7 shall survive any termination of this Agreement.

8. Covenant Not to Compete. For two years following the end of the Term or, in the event the Executive has been terminated without Cause or has resigned for Good Reason, for one year following such termination without Cause or resignation for Good Reason (the "Restricted Period"), the Executive will not, directly or indirectly, enter into the employment of, render services to, or acquire any interest whatsoever in (whether for his own account as an individual proprietor, or as a partner, associate, stockholder, officer, director, consultant, trustee or otherwise), or otherwise assist, any person or entity engaged in any operations in North America involving the transmission of radio entertainment programming in competition with the Company or that competes, or is likely to compete, with any other aspect of the business of the Company as conducted at the end of the Term; provided that nothing in this Agreement shall prevent the purchase or ownership by the Executive by way of investment of up to five percent of the shares or equity interest of any corporation or other entity. Without limiting the generality of the foregoing, the Executive agrees that during the Restricted Period, the Executive will not call on or otherwise solicit business or assist others to solicit business from any of the customers or potential customers of the Company as to any product or service that competes with any product or service provided or marketed by or actually under development by the Company at the end of the Term. The Executive agrees that during the Restricted Period he will not solicit or assist others to solicit the employment of or hire any employee of the Company without the prior written consent of the Company.

9. Gross-Up Provisions. (a) If the Executive is, in the opinion of a nationally recognized accounting firm selected by the Company, expected to pay an excise tax on "excess parachute payments" (as defined in Section 280G(b) of the Internal Revenue Code of 1986, as amended (the "Code")) under Section 4999 of the Code as a result of an acceleration of the vesting of options or for any other reason, the Company shall pay the Executive in accordance with the terms of this Section 9 the expected amount of such taxes. In addition, the Company

shall pay the Executive such additional amounts as are necessary to place the Executive in the exact same financial position that he would have been in if he had not incurred any expected tax liability under Section 4999 of the Code; provided that the Company shall in no event pay the Executive any amounts with respect to any penalties or interest due under any provision of the Code. The determination of the exact amount, if any, of any expected "excess parachute payments" and any expected tax liability under Section 4999 of the Code shall be made by the nationally-recognized independent accounting firm jointly selected by the Executive and the Company. The fees and expenses of such accounting firm shall be paid by the Company in advance. The determination of such accounting firm shall be final and binding on the parties. The Company agrees to pay to the Executive, in immediately available funds to an account designated in writing by the Executive, any amounts to be paid under this Section 9 within two days after receipt by the Company of written notice from the accounting firm which sets forth such accounting firm's determination. In addition, in the event that such payments are not sufficient to pay all excise taxes on "excess parachute payments" under Section 4999 of the Code as a result of an acceleration of the vesting of options or for any other reason and to place the Executive in the exact same financial position that he would have been in if he had not incurred any expected tax liability under Section 4999 of the Code as a result of a change in control, then the Company shall have an absolute and unconditional obligation to pay the Executive such additional amounts as may be necessary to pay such excise taxes and place the Executive in the exact same financial position that he would have been had he not incurred any tax liability as a result of a change in control under the Code. Notwithstanding the foregoing, in the event that a written ruling (whether public or private) of the Internal Revenue Service ("IRS") is obtained by or on behalf of the Company or the Executive, which ruling expressly provides that the Executive is not required to pay, or is entitled to a refund with respect to, all or any portion of such excise taxes or additional amounts, the Executive shall promptly reimburse the Company in an amount equal to all amounts paid to the Executive pursuant to this Section 9 less any excise taxes or additional amounts which remain payable by, or are not refunded to, the Executive after giving effect to such IRS ruling. Each of the Company and the Executive agrees to promptly notify the other party if it receives any such IRS ruling.

(b) The provisions of this Section 9 shall survive any termination of this Agreement.

10. Remedies. The Executive and Company agree that damages for breach of any of the covenants under Sections 7 and 8 will be difficult to determine and inadequate to remedy the harm which may be caused thereby, and therefore consent that these covenants may be enforced by temporary or permanent injunction without the necessity of bond. The Executive believes, as of the date of this Agreement, that the provisions of this Agreement are reasonable and that the Executive is capable of gainful employment without breaching this Agreement. However, should any court or arbitrator decline to enforce any provision of Section 7 or 8 of this Agreement, this Agreement shall, to the extent applicable in the circumstances before such court or arbitrator, be deemed to be modified to restrict the Executive's competition with the Company to the maximum extent of time, scope and geography which the court or arbitrator shall find enforceable, and such provisions shall be so enforced.

11. Indemnification. The Company shall indemnify the Executive to the full extent provided in the Company's Amended and Restated Certificate of Incorporation and Amended and Restated By-Laws and the law of the State of Delaware in connection with his activities as an officer of the Company.

12. Entire Agreement. The provisions contained herein constitute the entire agreement between the parties with respect to the subject matter hereof and supersede any and all prior agreements, understandings and communications between the parties, oral or written, with respect to such subject matter.

13. Modification. Any waiver, alteration, amendment or modification of any provisions of this Agreement shall not be valid unless in writing and signed by both the Executive and the Company.

14. Severability. If any provision of this Agreement shall be declared to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect the remaining provisions hereof, which shall remain in full force and effect.

15. Assignment. The Executive may not assign any of his rights or delegate any of his duties hereunder without the prior written consent of the Company. The Company may not assign any of its rights or delegate any of its obligations hereunder.

16. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the successors in interest of the Executive and the Company.

17. Notices. All notices and other communications required or permitted hereunder shall be made in writing and shall be deemed effective when initially transmitted by courier or facsimile transmission and five days after mailing by registered or certified mail:

if to the Company:

Sirius Satellite Radio Inc.
1221 Avenue of the Americas
36th Floor
New York, New York 10020
Attention: General Counsel
Telecopier: (212) 584-5353

if to the Executive:

David Frear
Address on file at the
offices of the Company

or to such other person or address as either of the parties shall furnish in writing to the other party from time to time.

18. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within the State of New York.

19. Non-Mitigation. The Executive shall not be required to mitigate damages or seek other employment in order to receive compensation or benefits under Section 6 of this Agreement; nor shall the amount of any benefit or payment provided for under Section 6 of this Agreement be reduced by any compensation earned by the Executive as the result of employment by another employer.

20. Arbitration. (a) The Executive and the Company agree that if a dispute arises concerning or relating to the Executive's employment with the Company, or the termination of the Executive's employment, such dispute shall be submitted to binding arbitration under the rules of the American Arbitration Association for Resolution of Employment Disputes in effect at the time such dispute arises. The arbitration shall take place in New York, New York, and both the Executive and the Company agrees to submit to the jurisdiction of the arbitrator selected in accordance with the American Arbitration Association rules and procedures. Except as provided below, the Executive and the Company agree that this arbitration procedure will be the exclusive means of redress for any disputes relating to or arising from the Executive's employment with the Company or his termination, including disputes over rights provided by federal, state, or local statutes, regulations, ordinances, and common law, including all laws that prohibit discrimination based on any protected classification. The parties expressly waive the right to a jury trial, and agree that the arbitrator's award shall be final and binding on both parties. The arbitrator shall have discretion to award monetary and other damages, and any other relief that the arbitrator deems appropriate and is allowed by law. The arbitrator shall have the discretion to award the prevailing party reasonable costs and attorneys' fees incurred in bringing or defending an action, and shall award such costs and fees to the Executive in the event the Executive prevails on the merits of any action brought hereunder.

(b) The Company and the Executive agree that the sole dispute that is excepted from Section 20(a) is an action seeking injunctive relief from a court of competent jurisdiction regarding enforcement and application of Section 7 or 8 of this Agreement, which action may be brought in addition to, or in place of, an arbitration proceeding in accordance with Section 20(a).

21. Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

22. Executive's Representations. The Executive hereby represents and warrants to Company that he (a) is not now under any contractual or other obligation that is inconsistent with or in conflict with this Agreement or that would prevent, limit, or impair the Executive's performance of his obligations under this Agreement; (b) has been provided the opportunity to be, or has been, represented by legal counsel in preparing, negotiating, executing and delivering

this Agreement; and (c) fully understands the terms and provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

SIRIUS SATELLITE RADIO INC.

By: /s/ John H. Schultz

John H. Schultz
Senior Vice President,
Human Resources

/s/ David Frear

David Frear

Exhibit 99.1

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 June 30, 2003 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. Section 1350, as adopted pursuant to Section 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 results of operations of the Company.

By: /s/ JOSEPH P. CLAYTON

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

August 12, 2003

Exhibit 99.2

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 June 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David J. Frear, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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 results of operations of the Company.

By: /s/ DAVID J. FREAR

David J. Frear
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

August 12, 2003