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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2003

Commission file number 0-24710

SIRIUS SATELLITE RADIO INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

52-1700207
(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 No

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

Yes 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	998,221,650 shares
-----	-----
(Class)	(Outstanding as of November 3, 2003)

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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 September 30,		For the Nine Months Ended September 30,	
	2003	2002	2003	2002
	<C>	<C>	<C>	<C>
Revenue:				
Subscriber revenue, including effects of mail-in rebates...	\$ 4,197	\$ (51)	\$ 7,780	\$ 3
Advertising revenue, net of agency fees.....	39	62	83	111
Other revenue.....	22	6	59	6
Total revenue.....	4,258	17	7,922	120
Operating expenses:				
Cost of services (excludes depreciation expense shown separately below):				
Satellite and transmission.....	7,986	8,140	23,541	25,347
Programming and content.....	7,498	4,199	21,711	12,107
Customer service and billing.....	2,236	1,855	20,758	5,579
Sales and marketing	27,152	27,953	90,870	64,223
Subscriber acquisition costs	25,887	5,361	47,025	15,651
General and administrative.....	7,156	8,121	28,714	24,249
Research and development.....	3,884	2,561	13,771	23,699
Depreciation expense	23,666	23,011	71,229	59,591
Non-cash stock compensation expense (benefit) (1).....	2,280	538	2,716	(7,995)
Total operating expenses.....	107,745	81,739	320,335	222,451
Loss from operations.....	(103,487)	(81,722)	(312,413)	(222,331)
Other (expense) income:				
Debt restructuring.....	--	(1,905)	256,538	(1,905)
Interest and investment income.....	1,341	1,013	4,011	4,530
Interest expense, net of amounts capitalized.....	(4,543)	(25,603)	(26,573)	(80,689)
Total other (expense) income.....	(3,202)	(26,495)	233,976	(78,064)
Net loss.....	(106,689)	(108,217)	(78,437)	(300,395)
Preferred stock dividends.....	--	(11,287)	(8,574)	(33,494)
Preferred stock deemed dividends.....	--	(171)	(79,634)	(513)
Net loss applicable to common stockholders.....	\$ (106,689)	\$ (119,675)	\$ (166,645)	\$ (334,402)
Net loss per share applicable to common stockholders (basic and diluted).....	\$ (0.11)	\$ (1.56)	\$ (0.22)	\$ (4.41)
Weighted average common shares outstanding (basic and diluted).....	998,156	76,852	755,009	75,820

</TABLE>

(1) Allocation of non-cash stock compensation expense (benefit) to other operating expenses:

<TABLE>

<S>	<C>	<C>	<C>	<C>
Satellite and transmission.....	\$ 166	\$ 66	\$ 275	\$ (1,446)

Programming and content.....	265	88	402	(1,774)
Customer service and billing.....	32	4	42	(178)
Sales and marketing.....	718	222	649	(948)
General and administrative.....	957	99	1,127	(1,672)
Research and development.....	142	59	221	(1,977)
	-----	----	-----	-----
Total non-cash stock compensation expense (benefit).....	\$2,280	\$538	\$2,716	\$(7,995)
	=====	=====	=====	=====

</TABLE>

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

1

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

<TABLE>
<CAPTION>

	September 30, 2003	December 31, 2002
	----- (Unaudited) <C>	----- <C>
<S> ASSETS		
Current assets:		
Cash and cash equivalents.....	\$ 450,508	\$ 18,375
Marketable securities.....	28,603	155,327
Prepaid expenses.....	20,301	24,562
Other current assets.....	5,934	1,345
	-----	-----
Total current assets.....	505,346	199,609
Property and equipment, net.....	961,559	1,032,874
FCC license.....	83,654	83,654
Restricted investments.....	9,007	7,200
Other long-term assets.....	8,735	17,603
	-----	-----
Total assets.....	\$ 1,568,301	\$1,340,940
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses.....	\$ 53,786	\$ 43,336
Accrued interest.....	5,590	3,234
Deferred revenue.....	6,703	1,750
	-----	-----
Total current liabilities.....	66,079	48,320
Long-term debt.....	259,686	670,357
Accrued interest, net of current portion.....	--	46,914
Deferred revenue, net of current portion.....	396	--
Other long-term liabilities.....	10,544	7,350
	-----	-----
Total liabilities.....	336,705	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 September 30, 2003 and December 31, 2002, respectively (liquidation preference of \$ - 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 September 30, 2003 and December 31, 2002, respectively (liquidation preference of \$ - 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 September 30, 2003 and December 31, 2002, respectively (liquidation preference of \$ - 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, 998,205,643 and 77,454,197 shares issued and outstanding at September 30, 2003 and December 31, 2002, respectively.....	998	77
Additional paid-in capital.....	2,285,204	963,335
Deferred compensation.....	(48,676)	--

Accumulated other comprehensive (loss) income.....	(14)	913
Accumulated deficit.....	(1,005,916)	(927,479)
	-----	-----
Total stockholders' equity.....	1,231,596	36,846
	-----	-----
Total liabilities and stockholders' equity.....	\$ 1,568,301	\$1,340,940
	=====	=====

</TABLE>

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

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

<TABLE>
<CAPTION>

Deferred	Common Stock		Additional	
	Shares	Amount	Paid-In	
Compensation			Capital	
-----	-----	-----	-----	-
<S>	<C>	<C>	<C>	
<C>				
Balances, December 31, 2002.....	77,454,197	\$ 77	\$ 963,335	\$
--				
Net loss.....	--	--	--	
--				
Change in unrealized gain (loss) on available-for-sale securities.....	--	--	--	
--				
Issuance of common stock to employees and employee benefit plans.....	766,040	1	429	
--				
Compensation in connection with the issuance of stock options.....	--	--	160	
--				
Issuance of stock-based awards.....	--	--	50,803	
(50,803)				
Amortization of deferred compensation.....	--	--	--	
2,127				
Warrant expense associated with sales and marketing agreement.....	--	--	9	
--				
Sale of common stock, par value \$.001 per share, at \$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, at \$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)	
--				
	-----	-----	-----	

	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total
----- Balances, September 30, 2003..... \$(48,676)	998,205,643 =====	\$998 =====	\$2,285,204 =====
<CAPTION>			

<S>	<C>	<C>	<C>
Balances, December 31, 2002.....	\$ 913	\$ (927,479)	\$ 36,846
Net loss..... (78,437)	--	(78,437)	
Change in unrealized gain (loss) on available-for-sale securities..... (927)	(927)	--	
Issuance of common stock to employees and employee benefit plans.....	--	--	430
Compensation in connection with the issuance of stock options..... 160	--	--	
Issuance of stock-based awards..... -	--	--	-
Amortization of deferred compensation..... 2,127	--	--	
Warrant expense associated with sales and marketing agreement..... 9	--	--	
Sale of common stock, par value \$.001 per share, at \$.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, at \$.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, September 30, 2003.....	\$ (14) =====	\$ (1,005,916) =====	\$1,231,596
=====			
</TABLE>			

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

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

<TABLE>
<CAPTION>

For the Nine Months Ended
September 30,

2003	2002
<C>	<C>

<S>

Cash flows from operating activities:		
Net loss	\$ (78,437)	\$(300,395)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	71,229	59,591
Non-cash interest expense	2,735	49,032
Non-cash stock compensation expense (benefit)	2,716	(7,995)
Loss on disposal of assets	14,465	3,666
Non-cash gain associated with debt restructuring	(261,275)	--
Costs associated with debt restructuring	4,737	1,905
Other	9	21
Increase (decrease) in cash and cash equivalents resulting from changes in assets and liabilities:		
Marketable securities	(1,184)	(76,157)
Prepaid expenses and other assets	(327)	(9,017)
Accrued interest	16,921	13,043
Deferred revenue	5,349	882
Accounts payable and accrued expenses	12,325	6,837
	-----	-----
Net cash used in operating activities	(210,737)	(258,587)
	-----	-----
Cash flows from investing activities:		
Additions to property and equipment	(14,379)	(37,274)
Maturities of restricted investments	--	14,500
Purchases of available-for-sale securities	(24,826)	(198,396)
Maturities of available-for-sale securities	150,000	395,000
	-----	-----
Net cash provided by investing activities	110,795	173,830
	-----	-----
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)	(3,500)
Other	(71)	(3)
	-----	-----
Net cash provided by financing activities	532,075	143,997
	-----	-----
Net increase in cash and cash equivalents	432,133	59,240
Cash and cash equivalents at the beginning of period	18,375	4,726
	-----	-----
Cash and cash equivalents at the end of period	\$ 450,508	\$ 63,966
	=====	=====

</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 over 100 streams of digital-quality entertainment: 60 streams of 100% commercial-free music and over 40 streams of sports, news, and entertainment programming for a monthly subscription fee of \$12.95.

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 September 30, 2003, we had 149,612 subscribers. Subscriptions, including those currently in promotional periods and those which have been prepaid, and active SIRIUS radios under our agreement with Hertz, are included in our subscriber totals.

Our primary source of revenue is subscription and activation fees. In addition, we derive revenues from selling advertising on our non-music streams.

2. Principles of Consolidation and 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. All intercompany transactions have been eliminated in consolidation.

In the opinion of management, all adjustments (consisting only of normal, recurring adjustments) considered necessary for a fair presentation of the consolidated financial statements as of September 30, 2003 and December 31, 2002, and for the three and nine months ended September 30, 2003, have been included. The results of operations for the three and nine months ended September 30, 2003 are not necessarily indicative of the results that may be expected for the full year. 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.

3. 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.

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

- o 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;

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

- o 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 Junior Cumulative Convertible Preferred Stock and 9.2% Series B Junior Cumulative Convertible Preferred Stock held by affiliates of Apollo Management, L.P. ("Apollo");
- o 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");
- o we sold 24,060,271 shares of our common stock to Apollo for an aggregate of \$25,000;
- o we sold 24,060,271 shares of our common stock to Blackstone for an aggregate of \$25,000; and
- o 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.

4. Summary of Significant Accounting Policies

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. In subsequent periods estimates are adjusted when necessary.

We recognize revenues from the sale of 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-Based Compensation

In accordance with Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," we use the intrinsic value method to measure the compensation costs of stock-based awards granted to employees. Accordingly, we record non-cash compensation expense for stock-based awards granted to employees and directors over the vesting period equal to the excess of the market price of the underlying common stock at the date of grant over the exercise price of the stock-related award. The intrinsic value of restricted stock units as of the date of grant is amortized to non-cash stock compensation expense over the vesting period. To the extent any performance criteria are satisfied and the vesting of any stock options and/or restricted stock units accelerate, the unamortized non-cash stock compensation expense is recorded in the period in which the performance criteria are satisfied.

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

We account for stock-based awards granted to non-employees at fair value in accordance with Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation."

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.

We have adopted the disclosure provisions of SFAS No. 148, "Accounting for Stock-Based Compensation--Transition and Disclosure--An Amendment of FASB Statement No. 123." 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:

<TABLE>
 <CAPTION>

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Net loss applicable to common stockholders--as reported.....	\$ (106,689)	\$ (119,675)	\$ (166,645)	\$ (334,402)
Non-cash stock compensation expense (benefit)--as reported.....	2,280	538	2,716	(7,995)
Stock-based compensation--pro forma.....	(8,748)	(7,839)	(22,067)	(25,275)
Net loss applicable to common stockholders--pro forma.....	\$ (113,157)	\$ (126,976)	\$ (185,996)	\$ (367,672)
Net loss per share applicable to common stockholders:				
Basic and diluted--as reported.....	\$ (0.11)	\$ (1.56)	\$ (0.22)	\$ (4.41)
Basic and diluted--pro forma.....	\$ (0.11)	\$ (1.65)	\$ (0.25)	\$ (4.85)

</TABLE>

The measure of fair value most often employed under SFAS No. 123, and

used by us, is the Black-Scholes option valuation model ("Black-Scholes"). Black-Scholes has become the standard for estimating the fair value of traded options.

Traded options, unlike our stock-based awards, are not subject to vesting restrictions, are fully transferable and use significantly lower expected stock price volatility measures than those assumed below. It is our opinion that this model (and other similar option valuation models) does not produce a single reliable measure of the fair value of our stock-based awards. The pro forma stock-based employee compensation was estimated using Black-Scholes with the following assumptions for each period:

<TABLE>
<CAPTION>

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Risk-free interest rate.....	2.84%	2.48%	0.91-2.84%	2.48%
Expected life of options--years...	5.88	4.75	4.89-5.87	4.75
Expected stock price volatility...	118%	110%	115-118%	110%
Expected dividend yield.....	N/A	N/A	N/A	N/A

</TABLE>

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

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

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. Common stock equivalents of approximately 203,192,000 and 93,788,000 for the three and nine months ended September 30, 2003, respectively, and 16,038,000 and 16,050,000 for the three and nine months ended September 30, 2002, respectively, were not considered in the calculation of diluted net loss per share for the three and nine months ended September 30, 2003 and 2002 as the effect would have been anti-dilutive.

Marketable Securities

Marketable securities consist of U.S. government notes and U.S.

government agency obligations. Effective April 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 2002, marketable securities were classified as trading securities and unrealized holding gains and losses were recognized in earnings. Marketable securities held at September 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 \$14 as of September 30, 2003 and an unrealized holding gain of \$913 as of December 31, 2002.

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 was exchanged for shares of our common stock in March 2003 was 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, which are included in other long-term liabilities, include an amount that 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. The following table reconciles the beginning and ending aggregate carrying amount of this asset retirement obligation:

<TABLE>
<CAPTION>

	Asset Retirement Obligation -----
<S>	<C>
Balance, December 31, 2002.....	\$ --
Present value of asset retirement obligation upon adoption of SFAS No. 143.....	153
Accretion expense.....	70

Balance, September 30, 2003.....	\$223
	====

</TABLE>

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

Reclassifications

Certain amounts in the prior period consolidated financial statements have been reclassified to conform to the current period 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 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. The adoption of SFAS No. 150 did not have an impact on our consolidated results of operations or financial position.

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." SFAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships after June 30, 2003. All provisions of SFAS No. 149 should be applied prospectively. This statement did not have an impact on our consolidated results of operations or financial position.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51." This Interpretation addresses the consolidation by business enterprises of variable interest entities as defined in the Interpretation. The Interpretation applies immediately to variable interest entities created after January 31, 2003, and to variable interests in variable interest entities obtained after January 31, 2003. This Interpretation did not have an impact on our consolidated results of operations or financial position.

5. Subscriber Revenue

Subscriber revenue consists of subscription revenue, non-refundable activation revenue and the effects 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 service. In subsequent periods estimates are adjusted when necessary. During the three months ended September 30, 2003, we decreased the estimated cost of a mail-in rebate program that ended during the third quarter of 2003, resulting in a \$335 positive adjustment to subscriber revenue. Subscriber revenue consists of the following:

<TABLE>
<CAPTION>

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Subscription revenue.....	\$3,687	\$ 259	\$7,929	\$ 310
Activation revenue.....	175	9	281	12
Effects of mail-in rebates.....	335	(319)	(430)	(319)
	-----	-----	-----	-----
Total subscriber revenue, including effects of mail-in rebates.....	\$4,197	\$ (51)	\$7,780	\$ 3
	=====	=====	=====	=====

</TABLE>

6. Non-Cash Stock Compensation

We record non-cash stock compensation expenses or benefits in connection with the grant of certain stock options and restricted stock units, and the issuance of common stock to employees and employee benefit plans. We recognized non-cash stock compensation expense of \$2,280 and \$2,716 for the three and nine months ended September 30, 2003, respectively. We recognized non-cash stock compensation expense of \$538 and a non-cash stock compensation benefit of \$7,995 for the three and nine months ended September 30, 2002, respectively.

The non-cash stock compensation expense for the nine months ended September 30, 2003 includes a \$314 benefit related to certain performance conditions of restricted stock issued to an employee that we anticipate

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

will not be satisfied. The non-cash stock compensation benefit for the nine months ended September 30, 2002 includes a non-cash stock compensation benefit of \$9,717 related to options that were repriced in April 2001.

7. Supplemental Cash Flow Disclosures

We paid \$6,935 and \$24,039 for interest during the nine months ended September 30, 2003 and 2002, respectively. The following represents non-cash operating, investing and financing activities:

<TABLE>
<CAPTION>

	For the Nine Months Ended September 30,	
	2003	2002
<S>	<C>	<C>
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 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 8 3/4% Convertible Subordinated Notes due 2009, including accrued interest.....		24,355	39,300
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, including accrued dividends.....		30,731	--

</TABLE>

8. Property and Equipment

Subscriber Management System

In April 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 fees for operating the system through the date of termination. As a result of this termination, we recorded a non-cash charge of \$14,465 related to the write-off of 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 nine months ended September 30, 2003.

In May 2003, we began using a replacement subscriber management system operated by IntegraTouch LLC. Our new system effectively manages our subscriber data, bills subscribers and interfaces with our conditional access system; however, portions of our new system have not yet been implemented, including certain billing, credit card and collections functions. We continue to evaluate the effectiveness of our new system, and continue to modify essential functions and implement enhancements to the system.

9. Long-Term Debt

Our long-term debt consists of the following:

<TABLE>
<CAPTION>

	As of September 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.....	27,492	179,382
3 1/2% Convertible Notes due 2008.....	201,250	--

</TABLE>

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

<TABLE>

	<C>	<C>
<S>		
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.....	\$259,686	\$670,357
	=====	=====

</TABLE>

Debt Restructuring

In March 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. During the three months ended March 31, 2003, we recorded a gain of \$256,538 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. Refer to Note 3 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 amount, 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 a non-cash charge of \$9,650 related to the issuance of 2,913,483 shares of our common stock in exchange for \$29,475 in aggregate principal amount of our 8 3/4% Convertible Subordinated Notes due 2009, including accrued interest, during the nine months ended September 30, 2002, respectively. This non-cash charge of \$9,650 is included in interest expense for the nine months ended September 30, 2002.

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 September 30, 2003, \$30,258 in aggregate principal amount of our 14 1/2% Senior Secured Notes due 2009 were outstanding. The aggregate principal amount of our 14 1/2% Senior Secured Notes due 2009 is reduced by \$2,766, 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.

10. Stockholders' Equity

Common Stock, par value \$.001 per share

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 March 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.

In March 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.

Stock-Based Compensation

In January 2003, our board of directors adopted the Sirius Satellite Radio 2003 Long-Term Stock Incentive Plan (the "2003 Plan"), and on March 4, 2003 our stockholders approved this plan. As of September 30, 2003, approximately 110,787,000 shares of our common stock were available for grant under the 2003 Plan.

The purpose of the 2003 Plan is to promote our long-term financial success by enhancing our ability to attract, retain and reward individuals who contribute to our success and to further align our personnel with stockholders. Employees and consultants are eligible to receive awards under the 2003 Plan.

The 2003 Plan provides for the grant of stock options, restricted stock, restricted stock units and other stock-based awards that the compensation committee of our board of directors may deem appropriate. Vesting and other terms of stock-based awards are set forth in the agreements with the individuals receiving the awards. Stock-based awards granted under the 2003 Plan generally vest over three to five years from the date of grant and expire in ten years.

During the third quarter of 2003, we granted a total of 43,607,250 nonqualified stock options to employees and consultants with an exercise price of \$1.04 per share. Since the exercise price of these stock-based awards was less than the fair market value of the underlying shares of common stock at the date of grant, we recorded deferred compensation, a component of stockholders' equity, of \$25,312 during the third quarter of 2003. Such deferred compensation will be amortized to non-cash stock compensation expense over the vesting period. Approximately 44% of these options vest ratably over three years, 22% vest in July 2008 with acceleration to March 2004 if performance criteria are satisfied in 2003 and 34% vest in July 2008 with acceleration to March 2005 if performance criteria are satisfied in 2004.

We also granted 15,735,000 restricted stock units to certain employees during the third quarter of 2003. Each restricted stock unit entitles the holder to receive one share of common stock upon vesting in July 2008 with acceleration to March 2006 if performance criteria are satisfied in 2005. We recorded deferred compensation of \$25,491 during the third quarter of 2003 in connection with these restricted stock units, which will be amortized to non-cash stock compensation expense over the vesting period.

Preferred Stock

In March 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. During the three months ended March 31, 2003, we recorded a deemed dividend of \$79,510 as a result of the exchange transactions. Refer to Note 3 for further information 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 Stock and 9.2% Series B Junior Cumulative Convertible Preferred Stock held by Apollo. Warrants to purchase 27,250,013 shares of our common stock have an exercise price of \$1.04 per share, and warrants to purchase 18,166,677 shares of our common stock have an exercise price of \$0.92 per share. These warrants are 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. Warrants to purchase 25,296,255 shares of our common stock have an exercise price of \$1.04 per share, and warrants to purchase 16,864,169 shares of our common stock have an exercise price of \$0.92 per share. These warrants are exercisable and expire on September 7, 2004.

11. Commitments and Contingencies

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

<TABLE>
<CAPTION>

	2003	2004	2005	2006	2007	Thereafter	Total
	-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Operating leases	\$ 7,764	\$ 8,066	\$ 7,302	\$ 6,393	\$ 6,181	\$36,243	\$ 71,949
Satellite and transmission ...	573	2,291	2,291	2,291	2,291	18,328	28,065
Programming and content	1,423	28,013	30,954	21,507	1,002	--	82,899
Customer service and billing..	1,095	1,440	1,440	360	--	--	4,335
Sales and marketing	22,903	23,023	11,057	6,216	4,500	--	67,699
Chip set development and production	4,800	14,400	--	--	--	--	19,200
Contractual commitments	\$38,558	\$77,233	\$53,044	\$36,767	\$13,974	\$54,571	\$274,147
	=====	=====	=====	=====	=====	=====	=====

</TABLE>

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 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 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.

Joint Development Agreement

Under the terms of a joint development agreement with XM Satellite Radio, the other holder of a FCC satellite radio license, each party is obligated to fund one half of the development cost for a unified standard for satellite radios. During the three and nine months ended September 30, 2003, we incurred costs of \$48 and \$117, respectively, under this agreement. We did not incur any costs associated with the joint development agreement during the three

and nine months ended September 30, 2002. The costs related to the joint development agreement are being expensed as incurred in research and development. We are currently unable to determine the expenditures necessary to complete this process, but they may be significant.

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. 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.

12. Subsequent Event

On November 5, 2003, Blackstone exercised 21,027,512 warrants, each with an exercise price of \$1.04 per share, through a cashless exercise. In connection with this exercise, we will issue 11,531,805 shares of our common stock to Blackstone.

Item 2. 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:

- o our competitive position; XM Satellite Radio, the other satellite radio service provider in the United States, has substantially more subscribers than us and may have certain competitive advantages;
- o our dependence upon third parties to manufacture, distribute, market and sell SIRIUS radios and components for those radios;
- o the unproven market for our service; and
- o 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 over 100 streams of digital-quality entertainment: 60 streams of 100% commercial-free music and over 40 streams of sports, news, and entertainment programming for a monthly subscription fee of \$12.95. We hold one of only two licenses issued by the FCC to operate a national satellite radio system.

As of September 30, 2003, we had 149,612 subscribers. The following chart contains a breakdown of our subscribers as of:

<TABLE>

<CAPTION>

	December 31, 2002	March 31, 2003	June 30, 2003	September 30, 2003
<S>	<C>	<C>	<C>	<C>
Retail	26,203	51,969	77,713	110,821
OEM and Special Markets	1,800	4,252	7,630	15,358
Hertz	1,944	11,838	19,843	23,433
Total Subscribers	29,947	68,059	105,186	149,612

</TABLE>

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Subscriptions, including those currently in promotional periods and those which have been prepaid, and active SIRIUS radios under our agreement with Hertz, are included in our subscriber totals.

We derive revenue from:

- o subscription fees, including revenue derived from our agreement with Hertz;
- o activation fees collected from our subscribers; and
- o advertising on our non-music streams.

Results of Operations

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

Total Revenue. Total revenue increased to \$4,258 from \$17 for the three months ended September 30, 2003 and 2002, respectively. Total revenue for the three months ended September 30, 2003 included subscriber revenue of \$4,197, consisting of subscription and non-refundable activation fees, net advertising revenue of \$39 and revenue from other sources of \$22. Total revenue for the three months ended September 30, 2002 included negative subscriber revenue of \$51, net advertising revenue of \$62 and revenue from other sources of \$6.

Subscriber Revenue. The increase in subscriber revenue of \$4,248 was attributable to the growth of subscribers to our service. We added 44,426 net new subscribers during the three months ended September 30, 2003 and had 149,612 subscribers as of September 30, 2003. We added 8,474 net new subscribers during the three months ended September 30, 2002 and had 11,821 subscribers as of September 30, 2002. Subscriber revenue for the three months ended September 30, 2003 included subscription revenue of \$3,687, activation revenue of \$175 and a \$335 positive adjustment to subscriber revenue to decrease the estimated cost of a mail-in rebate program that ended during the third quarter of 2003. Subscriber revenue for the three months ended September 30, 2002 included subscription revenue of \$259 and activation revenue of \$9, which was offset by \$319 of costs associated with mail-in rebate programs. 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 activates our service. In subsequent periods estimates are adjusted when necessary. Future subscription revenue will be dependent upon, among other things, the 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, or ARPU. 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. ARPU for the three months ended September 30, 2003 was \$11.20. This amount included the effects of mail-in

rebate programs of \$0.89 and the effects of Hertz subscribers of \$(1.78). The effects of mail-in rebates had a positive impact to ARPU for the three months ended September 30, 2003 due to a \$335 positive adjustment to decrease our estimate of mail-in rebates for the period. The Hertz program generated \$2.12 per subscriber for the three months ended September 30, 2003, resulting in dilution to ARPU. 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.

Set forth below is a chart showing the calculation of ARPU and the average revenue per Hertz subscriber for the three months ended September 30, 2003:

<TABLE>		
<S>		<C>
	Average revenue per subscriber	\$12.09
	Effects of Hertz subscribers	(1.78)

	ARPU before effects of rebates	10.31
	Effects of rebate programs	0.89

	Reported ARPU	\$11.20
	Average revenue per Hertz subscriber	\$ 2.12
</TABLE>		

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Advertising Revenue. Advertising revenue, net of agency fees of \$5, was \$39 for the three months ended September 30, 2003. Advertising revenue, net of agency fees of \$11, was \$62 for the three months ended September 30, 2002. We recognize advertising revenue from the sale of advertising on our non-music streams as it is broadcast. Sales of advertising inventory were higher for the three months ended September 30, 2002 due to higher demand as a result of the introduction of our service during 2002.

Satellite and Transmission. Satellite and transmission expenses decreased to \$7,986 for the three months ended September 30, 2003 from \$8,140 for the three months ended September 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 insurance coverage. We currently have \$110,000 of insurance for each of our satellites 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 \$7,498 for the three months ended September 30, 2003 from \$4,199 for the three months ended September 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 the costs of acquiring additional talk programming.

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 \$2,236 for the three months ended September 30, 2003 from \$1,855 for the three months ended September 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 an increase in the number of representatives at our customer service center which was offset by a decrease in the cost to operate our subscriber management system.

Sales and Marketing. Sales and marketing expenses decreased to \$27,152 for the three months ended September 30, 2003 from \$27,953 for the three months ended September 30, 2002. Sales and marketing expenses include costs related to sales and marketing personnel, advertising media and production activities, sponsorships and payments to reimburse retailers, distributors and automakers for marketing and promotional 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, market development funds and in-store merchandising. 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

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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.

We expect sales and marketing expenses to increase in the future as we continue to build brand awareness through national advertising and promotional activities.

Subscriber Acquisition Costs. Subscriber acquisition costs increased to \$25,887 for the three months ended September 30, 2003 from \$5,361 for the three months ended September 30, 2002. 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 for chip set production. Certain subscriber acquisition costs are recorded in advance of acquiring a subscriber, since we currently pay our subsidies upon shipment, not activation, of SIRIUS radios. Subscriber acquisition costs do not include advertising, 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.

The increase in subscriber acquisition costs is attributable to:

higher shipments of SIRIUS radios to support sales in the period and an increase in retail inventory for anticipated fourth quarter sales; an increase in chip set subsidies as a result of purchase commitments under our contract with Agere which were not required to support third quarter sales; and the effect of introductory promotional activities. In addition to chip set subsidies included in subscriber acquisition costs during the three months ended September 30, 2003, approximately \$3,050 of chip sets that have been delivered to us by Agere under our contract, but have not yet been shipped to radio manufacturers, are included under other current assets on our Consolidated Balance Sheets as of September 30, 2003.

Subscriber acquisition costs per gross activation, which is not a measure of financial performance under accounting principles generally accepted in the United States, is derived from total subscriber acquisition costs over the number of gross activations for the period. Total subscriber acquisition costs per gross activation for the three months ended September 30, 2003 was \$522. Of this amount, approximately \$197 per gross activation results from our contract with Agere and approximately \$127 per gross activation represents introductory promotional activities. Subscriber acquisition costs per gross activation, net of these two items, was approximately \$198 per gross activation for the three months ended September 30, 2003.

We expect total subscriber acquisition costs to increase in the future as we continue to offer subsidies, commissions and other incentives to acquire subscribers. 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 decreased to \$7,156 for the three months ended September 30, 2003 from \$8,121 for the three months ended September 30, 2002. General and administrative expenses include rent and occupancy, accounting, legal and public relations costs and costs of general

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and administrative personnel. The decrease was a result of a \$924 loss on disposal of assets associated with the termination of non-essential office space during the three months ended September 30, 2002.

Research and Development. Research and development costs increased to \$3,884 for the three months ended September 30, 2003 from \$2,561 for the three months ended September 30, 2002. Research and development costs include personnel costs and costs to develop our next generation chip sets and new products. The increase related to additional development work associated with future generations of chip sets.

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 subscriber acquisition costs for development work and chip set production, respectively.

Depreciation Expense. Depreciation expense increased to \$23,666 for the three months ended September 30, 2003 from \$23,011 for the three months ended September 30, 2002. We expect depreciation expense to remain relatively constant as our satellite radio system is complete.

Non-Cash Stock Compensation. We recognized non-cash stock compensation expense of \$2,280 and \$538 for the three months ended September 30, 2003 and 2002, respectively. Non-cash stock compensation includes charges and benefits associated with the grant of certain stock options and restricted stock units and the issuance of our common stock to employees and employee benefit plans. The increase is a result of the issuance of approximately 59 million stock-based awards, which includes a combination of stock options with an exercise price of \$1.04 per share and restricted stock units, to employees. Future non-cash stock compensation 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 units, and could materially change.

Interest and Investment Income. Interest and investment income increased to \$1,341 for the three months ended September 30, 2003 from \$1,013 for the three months ended September 30, 2002. This increase was attributable to a higher average balance of cash, cash equivalents and marketable securities during the three months ended September 30, 2003.

Interest Expense. Interest expense decreased to \$4,543 for the three months ended September 30, 2003 from \$25,603, net of amounts capitalized of

\$5,426, for the three months ended September 30, 2002. 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.

Nine Months Ended September 30, 2003 Compared with Nine Months Ended September 30, 2002

Total Revenue. Total revenue increased to \$7,922 from \$120 for the nine months ended September 30, 2003 and 2002, respectively. Total revenue for the nine months ended September 30, 2003 included subscriber revenue of \$7,780, consisting of subscription and non-refundable activation fees, net advertising revenue of \$83 and revenue from other sources of \$59. Total revenue for the nine months ended September 30, 2002 included subscriber revenue of \$3, net advertising revenue of \$111 and revenue from other sources of \$6.

Subscriber Revenue. The increase in subscriber revenue of \$7,777 was attributable to the growth of subscribers to our service. We added 119,665 net new subscribers during the nine months ended September 30, 2003 and had 149,612 subscribers as of September 30, 2003. We added 11,821 net new subscribers during the nine months ended September 30, 2002 and had 11,821 subscribers as of September 30, 2002. Subscriber revenue for the nine months ended September 30, 2003 included subscription revenue of \$7,929 and activation revenue of \$281, which was offset by \$430 of costs associated with mail-in rebate programs. Subscriber revenue for the nine months ended September 30, 2002 included subscription revenue of \$310 and activation revenue of \$12, which was offset by \$319 of costs associated with mail-in rebate programs.

Average monthly revenue per subscriber, or ARPU. ARPU for the nine months ended September 30, 2003 was \$10.01. This amount included the effects of mail-in rebate programs of \$(0.55) and the effects of Hertz subscribers of \$(1.52). The Hertz program generated \$3.39 per subscriber for the nine months ended September 30, 2003, resulting in dilution to ARPU.

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Set forth below is a chart showing the calculation of ARPU and the average revenue per Hertz subscriber for the nine months ended September 30, 2003:

<TABLE>		
<S>		<C>
	Average revenue per subscriber	\$12.08
	Effects of Hertz subscribers	(1.52)

	ARPU before effects of rebates	10.56
	Effects of rebate programs	(0.55)

	Reported ARPU	\$10.01
	Average revenue per Hertz subscriber	\$ 3.39
</TABLE>		

Advertising Revenue. Advertising revenue, net of agency fees of \$13, was \$83 for the nine months ended September 30, 2003. Advertising revenue, net of agency fees of \$19, was \$111 for the nine months ended September 30, 2002. Sales of advertising inventory were higher for the nine months ended September 30, 2002 due to higher demand as a result of the introduction of our service during that period.

Satellite and Transmission. Satellite and transmission expenses decreased to \$23,541 for the nine months ended September 30, 2003 from \$25,347 for the nine months ended September 30, 2002. The decrease in satellite and transmission expense was primarily attributable to decreased in-orbit satellite insurance expense as a result of reduced insurance coverage.

Programming and Content. Programming and content expenses increased to \$21,711 for the nine months ended September 30, 2003 from \$12,107 for the nine months ended September 30, 2002. The increase in costs was primarily attributable to broadcast royalties, on-air talent costs and costs of acquiring additional talk programming.

Customer Service and Billing. Customer service and billing costs increased to \$20,758 for the nine months ended September 30, 2003 from \$5,579 for the nine months ended September 30, 2002. The increase in costs during the period 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 and an increase in the number of representatives at our customer

service center.

In May 2003, we began using a replacement subscriber management system operated by IntegraTouch LLC. Our new system effectively manages our subscriber data, bills subscribers and interfaces with our conditional access system; however, portions of our new system have not yet been implemented, including certain billing, credit card and collections functions. We continue to evaluate the effectiveness of our new system, and continue to modify essential functions and implement enhancements to the system.

Sales and Marketing. Sales and marketing expenses increased to \$90,870 for the nine months ended September 30, 2003 from \$64,223 for the nine months ended September 30, 2002. Sales and marketing expenses increased due to the launch of our national advertising campaign, certain marketing activities by automakers and radio manufacturers and sponsorship activities.

Subscriber Acquisition Costs. Subscriber acquisition costs increased to \$47,025 for the nine months ended September 30, 2003 from \$15,651 for the nine months ended September 30, 2002. The increase in subscriber acquisition costs is attributable to hardware subsidies on SIRIUS radios as a result of the increase in gross activations for the nine months ended September 30, 2003 as compared to the nine months ended September 30, 2002. In addition, during the third quarter of 2003 we recorded additional hardware subsidies on SIRIUS radios shipped to distribution channels, including retailers, in advance of the holiday selling season. Chip set subsidies also increased as a result of purchase commitments under our contract with Agere, which were not required to support third quarter sales. The remaining increase in subscriber acquisition costs is attributable to the effect of introductory promotional activities that were offered during 2003. Total subscriber acquisition costs per gross activation for the nine months ended September 30, 2003 was \$362.

General and Administrative. General and administrative expenses increased to \$28,714 for the nine months ended September 30, 2003 from \$24,249 for the nine months ended September 30, 2002. The increase was a result of costs to terminate our agreement with Sentraliant, increased corporate insurance premiums offset by

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reduced rent and occupancy costs and a loss on disposal of assets as a result of the termination of non-essential office space during the 2002 period.

Research and Development. Research and development costs decreased to \$13,771 for the nine months ended September 30, 2003 from \$23,699 for the nine months ended September 30, 2002. The decrease related primarily 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 \$71,229 for the nine months ended September 30, 2003 from \$59,591 for the nine months ended September 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 \$2,716 and a non-cash stock compensation benefit of \$7,995 for the nine months ended September 30, 2003 and 2002, respectively. The non-cash stock compensation expense of \$2,716 for the nine months ended September 30, 2003 includes costs associated with the issuance of approximately 59 million stock-based awards to employees offset by 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 nine months ended September 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 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. The 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 \$4,011 for the nine months ended September 30, 2003 from \$4,530 for the nine months ended September 30, 2002. This decrease was attributable to lower returns on our investments in U.S. government securities during the 2003 period, offset by a higher average balance of cash, cash equivalents and marketable securities during the 2003 period.

Interest Expense. Interest expense decreased to \$26,573 for the nine months ended September 30, 2003 from \$80,689, net of amounts capitalized of \$5,426, for the nine months ended September 30, 2002. Interest expense for the nine months ended September 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.

Liquidity and Capital Resources

As of September 30, 2003, we had cash, cash equivalents and marketable securities totaling \$479,111 and working capital of \$439,267, compared with cash, cash equivalents and marketable securities totaling \$173,702 and working capital of \$151,289 as of December 31, 2002.

Net cash used in operating activities decreased to \$210,737 from \$258,587 for the nine months ended September 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 \$209,553 for the nine months ended September 30, 2003 from \$182,430 for the nine months ended September 30, 2002. This increase was primarily due to the cost of our advertising, the costs of acquiring subscribers and the cost of producing our music and non-music streams.

Net cash provided by investing activities for the nine months ended September 30, 2003 decreased to \$110,795 from \$173,830 for the nine months ended September 30, 2002. The change from the prior period was

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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 purchases and maturities of marketable securities and maturities of restricted investments, cash used in investing activities decreased to \$14,379 from \$37,274 for the nine months ended September 30, 2003 and 2002, respectively. This decrease was a result of a reduction in capital expenditures as we substantially completed the construction of our satellite radio system during 2002.

Net cash provided by financing activities was \$532,075 and \$143,997 for the nine months ended September 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 nine months ended September 30, 2002, we sold 16,000,000 shares of common stock resulting in net proceeds of \$147,500.

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 the length of time and level of costs necessary to obtain the number of subscribers required to sustain our operations. As of September 30, 2003, we had 149,612 subscribers. We currently expect 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.

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

- o 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;
- o 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 Junior Cumulative Convertible Preferred Stock and 9.2% Series B Junior Cumulative Convertible Preferred Stock held by Apollo;
- o 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;
- o we sold 24,060,271 shares of our common stock to Apollo for an aggregate of \$25,000;
- o we sold 24,060,271 shares of our common stock to Blackstone for an aggregate of \$25,000; and

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- o 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.

2003 Long-Term Incentive Plan

In January 2003, our board of directors adopted the Sirius Satellite Radio 2003 Long-Term Stock Incentive Plan (the "2003 Plan"), and on March 4, 2003 our stockholders approved this plan. As of September 30, 2003, approximately 110,787,000 shares of our common stock were available for grant under the 2003 Plan.

The purpose of the 2003 Plan is to promote our long-term financial success by enhancing our ability to attract, retain and reward individuals who contribute to our success and to further align our personnel with stockholders. Employees and consultants are eligible to receive awards under the 2003 Plan.

The 2003 Plan provides for the grant of stock options, restricted stock, restricted stock units and other stock-based awards that the compensation committee of our board of directors may deem appropriate. Vesting and other terms of stock-based awards are set forth in the agreements with the individuals receiving the awards. Stock-based awards granted under the 2003 Plan generally vest over three to five years from the date of grant and expire in ten years.

During the third quarter of 2003, we granted a total of 43,607,250 nonqualified stock options to employees and consultants with an exercise price of \$1.04 per share. Since the exercise price of these stock-based awards was less than the fair market value of the underlying shares of common stock at the date of grant, we recorded deferred compensation, a component of stockholders' equity, of \$25,312 during the third quarter of 2003. Such deferred compensation

will be amortized to non-cash stock compensation expense over the vesting period. Approximately 44% of these options vest ratably over three years, 22% vest in July 2008 with acceleration to March 2004 if performance criteria are satisfied in 2003 and 34% vest in July 2008 with acceleration to March 2005 if performance criteria are satisfied in 2004.

We also granted 15,735,000 restricted stock units to certain employees during the third quarter of 2003. Each restricted stock unit entitles the holder to receive one share of common stock upon vesting in July 2008 with acceleration to March 2006 if performance criteria are satisfied in 2005. We recorded deferred compensation of \$25,491 during the third quarter of 2003 in connection with these restricted stock units, which will be amortized to non-cash stock compensation expense over the vesting period.

In accordance with Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," we use the intrinsic value method to measure the compensation costs of stock-based awards granted to employees. Accordingly, we record non-cash compensation expense for stock-based awards granted to employees and directors over the vesting period equal to the excess of the market price of the underlying common stock at the date of grant over the exercise price of the stock-related award. The intrinsic value of restricted stock units as of the date of grant is amortized to non-cash stock compensation expense over the vesting period. To the extent any performance criteria are satisfied and the vesting of any stock options and/or restricted stock units accelerate, the unamortized non-cash stock compensation expense is recorded in the period in which the performance criteria are satisfied.

Contractual Commitments

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

	2003	2004	2005	2006	2007	Thereafter	Total
Long-term debt obligations	\$ 8,025	\$15,964	\$15,964	\$15,964	\$45,164	\$249,376	\$350,457
Operating leases	7,764	8,066	7,302	6,393	6,181	36,243	71,949

	2003	2004	2005	2006	2007	Thereafter	Total
Satellite and transmission	573	2,291	2,291	2,291	2,291	18,328	28,065
Programming and content	1,423	28,013	30,954	21,507	1,002	--	82,899
Customer service and billing ..	1,095	1,440	1,440	360	--	--	4,335
Sales and marketing	22,903	23,023	11,057	6,216	4,500	--	67,699
Chip set development and production	4,800	14,400	--	--	--	--	19,200
Contractual commitments	\$46,583	\$93,197	\$69,008	\$52,731	\$59,138	\$303,947	\$624,604

Long-Term Debt Obligations

Long-term debt obligations include principal and interest payments. As of September 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 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 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.

Joint Development Agreement

Under the terms of a joint development agreement with XM Satellite Radio, the other holder of a FCC satellite radio license, each party is obligated to fund one half of the development cost for a unified standard for satellite radios. During the three and nine months ended September 30, 2003, we incurred costs of \$48 and \$117, respectively, under this agreement. We did not incur any costs associated with the joint development agreement during the three and nine months ended September 30, 2002. The costs related to the joint development agreement

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are being expensed as incurred in research and development. We are currently unable to determine the expenditures necessary to complete this process, but they may be significant.

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. 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. We have disclosed all significant accounting policies in note 3 to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2002. 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 is recorded as a reduction to subscription revenue in the period the subscriber activates our service.

Stock-Based Compensation

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. Accordingly, we record non-cash compensation expense for stock-based awards granted to employees and directors over the vesting period equal to the excess of the market price of the underlying common stock at the date of grant over the exercise price of the award. The intrinsic value of restricted stock units as of the date of grant is amortized to non-cash stock compensation expense over the vesting period. To the extent any performance criteria are met and the vesting of stock options and/or restricted stock units accelerate, the unamortized non-cash stock compensation expense is recorded in the period in which the options and/or restricted stock units accelerate.

We account for stock-based awards granted to non-employees at fair value in accordance with Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation."

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.

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 payments to Agere for chip set production. Certain subscriber acquisition costs are recorded in advance of acquiring a subscriber, since we currently pay subsidies upon shipment, not activation, of SIRIUS radios. Subscriber acquisition costs do not include advertising, loyalty payments to distributors and dealers of SIRIUS radios, revenue sharing payments to manufacturers of SIRIUS radios and guaranteed payments to automakers. Subscriber acquisition costs are expensed as incurred. 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 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. We pay Agere fixed monthly payments under this agreement. These costs are allocated between research and development and subscriber acquisition costs for development work and chip set production, respectively. Costs allocated to chip set production are expensed as subscriber acquisition costs when the chip sets are shipped to manufacturers.

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 we no longer intend 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. In accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," 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. In accordance with SFAS No. 144, 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. In accordance with SFAS No. 142, "Goodwill and Other Intangible Assets," 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.

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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 is dependent upon information provided by our internal systems and processes and partner systems and processes. Due to the 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 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. The adoption of SFAS No. 150 did not have an impact on our consolidated results of operations or financial position.

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." SFAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships after June 30, 2003. All provisions of SFAS No. 149 should be applied prospectively. This statement did not have an impact on our consolidated results of operations or financial position.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51." This Interpretation addresses the consolidation by business enterprises of variable interest entities as defined in the Interpretation. The Interpretation applies immediately to variable interest entities created after January 31, 2003, and to variable interests in variable interest entities obtained after January 31, 2003. This Interpretation did not have an impact on our consolidated results of operations or financial position.

Item 4. Controls and Procedures

As of September 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 September 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 September 30, 2003.

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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 July 30, 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 August 1, 2003 to January 15, 2004.

On August 6, 2003, we filed a Current Report on Form 8-K to report our financial results for the quarter ended June 30, 2003.

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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)

November 6, 2003

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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, 2001, between the Company and Joseph P. Clayton (incorporated by reference to Exhibit 10.6 to the 2001 Form 10-K).
- *10.5 Amended and Restated Employment Agreement, dated as of October 20, 2003, between the Company and Guy D. Johnson (filed herewith).
- *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 (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003).
- *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).

Exhibit - - - - -	Description - - - - -
*10.13	Form of Option Agreement, dated as of December 29, 1997, between the Company and each Optionee (incorporated by reference to Exhibit 10.16.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998).
'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).
31.1	Certificate of Joseph P. Clayton, President and Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certificate of David J. Frear, Executive Vice President and Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	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).
32.2	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 this exhibit 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'

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

AMENDED AND RESTATED EMPLOYMENT AGREEMENT, dated as of October 20, 2003 (this "Agreement"), between SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Company"), and GUY JOHNSON (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) Subject to the terms of Section 2(b), the Executive shall be employed in the capacity of Executive Vice President, Sales, of the Company. In such capacity, the Executive shall be responsible for the Company's sales department and its activities.

(b) On April 1, 2004, the Executive shall surrender his title as Executive Vice President, Sales, and such title shall be replaced with the title, Chief Marketing Officer of the Company. In such capacity, the Executive shall be responsible for supporting the company's sales and marketing activities on a strategic and tactical level.

(c) 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 business and affairs of the Company. In addition, the Executive shall perform such other activities and duties consistent with his position as the Chief Executive Officer of the Company shall from time to time reasonably specify and direct.

(d) The Executive shall perform his duties and conduct his business at such location as the Company shall reasonably designate.

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

3. Term. The term of this Agreement shall commence on the date hereof and end on January 6, 2005, unless terminated earlier pursuant to the provisions of Section 6 or 9 (the "Term").

4. Compensation. (a) During the period commencing on the date hereof and ending on March 30, 2004, the Executive shall be paid an annual base salary of \$400,000. During the period commencing April 1, 2004 and ending on January 6, 2005, the Executive shall be paid an annual base salary of \$266,000. 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.

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(b) On the date hereof, the Company shall grant to the Executive an option to purchase 2,000,000 shares of the Company's common stock, par value \$.001 per share (the "Common Stock"), at an exercise price of \$1.04 per share. Such options shall be subject to the terms and conditions set forth in the Option Agreement attached to this Agreement as Exhibit A.

(c) The Company has developed a bonus program for the year ending December 31, 2003. This program includes a variety of objective milestones, such as number of subscribers, operating expense targets and product cost objectives. Such bonus plan permits the Executive to earn up to the following annual bonus:

<TABLE>
<CAPTION>

Performance Targets
(defined in the bonus plan)

Annual Bonus
(as a % of base salary)

<S>

<C>

Threshold Performance	50%
Desired Performance	75%
Outstanding Performance	100%

</TABLE>

The Company has the option, in its sole discretion, to pay any bonus in cash, restricted stock units, other securities of the Company, or any combination of the foregoing.

(d) All compensation paid to the Executive hereunder shall be subject to any payroll and withholding deductions required by applicable law.

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.

(b) During the Term, the Company shall reimburse the Executive for reasonable travel and accommodation expenses in accordance with the Company's policies. All such reimbursement will be made upon presentation of acceptable receipts to the Company. In connection with such reimbursements, the Company shall also pay the Executive an amount, which shall be calculated by the Company, sufficient for the Executive to pay all United States federal income taxes, if any, imposed upon the Executive with respect to the years ending December 31, 2003 and December 31, 2004 as a result of the reimbursement of expenses pursuant to this Section 5(b).

(c) During the Term, the Executive shall be entitled to participate fully in any 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 severance, 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 expressly provided by the Board of Directors of the Company (the "Board") or the compensation committee thereof.

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) 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:

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(i) a material breach by the Executive of the terms of this Agreement 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 material breach remains uncured after ten days have elapsed following the date on which the Company gives the Executive written notice of such breach;

(ii) a 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 intentional misconduct by the Executive involving the Company or any of its affiliates;

(iv) the conviction or the plea of nolo contendere 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 misconduct or negligence;

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

(vii) the Executive's failure to comply with the Board's instructions within five days; or

(viii) conduct by the Executive that, in the opinion of the Board, demonstrates unfitness to serve as an officer 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.

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 (in person or by teleconference) 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 clauses (i) through (viii) of this Section 6(a) and specifying the particulars thereof. For purposes of this Section 6(a), this Agreement shall terminate on the date specified by the Board in the Notice of Termination.

(b) (i) This Agreement and the Executive's employment shall terminate upon the death of the Executive.

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(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 Board, in its reasonable judgment, determines that the exigencies created by the Executive's disability are such that termination is warranted, the Board 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 Board shall be effective without such Notice of Disability Termination. This Agreement shall terminate on the day such Notice of Disability Termination is received by the Executive.

(c) 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. This Agreement shall terminate on the effective date of the resignation 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 the notice from the Executive.

(d) The Company shall have the absolute right to terminate the Executive's employment without Cause at any time. This Agreement shall terminate one day 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) 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. 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 from the Executive.

For purposes of this Agreement, "Good Reason" shall mean the continuance of any of the following events (without the Executive's prior written consent) for a period of thirty days 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 material 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) not

contemplated by this Agreement; or

(ii) any reduction in the Executive's base salary not contemplated by this Agreement;

(iii) any material breach by the Company of this Agreement; or

(iv) Joseph P. Clayton ceases for any reason to be the Chief Executive Officer of the Company.

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(f) Subject to the terms of Section 9, if the employment of the Executive is terminated without Cause or the Executive terminates his employment for Good Reason, then the Executive shall be entitled to (i) receive, and the Company shall pay to the Executive without setoff, counterclaim or other withholding, except as set forth in Section 4(c), a lump sum amount (in addition to any salary, benefits or other sums due the Executive through the Termination Date) equal to (x) his base salary in effect on the date hereof for the period from the Termination Date through January 7, 2005 (the "Severance Period") and (y) any annual bonuses, at a level equal to 75% of the Executive's base salary on the date hereof for the period on the Termination Date, that would have been customarily paid during the Severance Period; provided that in no event shall the sum of clauses (x) and (y) be less than 1.00 times the Executive's base salary on the date hereof; and (ii) a continuation of medical and life insurance benefits during the Severance Period, as if he had remained an active employee. Any amount becoming payable under Section 6(f)(i) shall be paid in immediately available funds within ten business days following 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 was learned by the Executive in the course of his employment by the Company, including, without limitation, any business plans, product 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, other than information that is publicly disclosed by the Company in writing. 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 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 or on behalf of 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. During the Restricted Period (as defined below), the Executive shall 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 XM Satellite Radio Inc. or any successor to XM Satellite Radio Inc. Without limiting the generality of the foregoing, the Executive agrees that during the Restricted Period, the Executive shall 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 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. For purposes of this Agreement, the "Restricted Period" shall mean one year following the end of the Term.

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9. Change of Control Provisions. (a) Notwithstanding the terms of Section 6(f), if following a Change of Control (as defined below) the employment of the Executive is terminated without Cause or the Executive terminates his employment for Good Reason, then the Executive shall be entitled to (i) receive, and the Company shall pay to the Executive without setoff, counterclaim or other withholding, except as set forth in Section 4(b), an amount (in addition to any salary, benefits or other sums due the Executive through the Termination Date) equal to 1.75 times the Executive's base salary on the date hereof; and (ii) a continuation of medical and life insurance benefits until the second anniversary of the Termination Date, as if he had remained an active employee. Any amount becoming payable under Section 9(a) (i) shall be paid in immediately available funds within ten business days following the Termination Date.

(b) For the purposes of this Agreement, a "Change of Control" shall mean the occurrence of any of the following: (i) the sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Company to any "person" or "group" (as such terms are used in Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), (ii) any person or group is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 40% of the total voting power of the voting stock of the Company, including by way of merger, consolidation or otherwise (other than affiliates of OppenheimerFunds, Inc. or Apollo Management, L.P., acting individually or as a group), or (iii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board (together with any new directors whose election by such Board or whose nomination for election by the stockholders of the Company was approved by a vote of a majority of the directors of the Company, then still in office, who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board then in office.

(c) If the Executive is, in the opinion of a nationally recognized accounting firm jointly selected by the Executive and the Company, required 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 stock options, the Company shall have an absolute and unconditional obligation to pay the Executive in accordance with the terms of this Section 9 the amount of such taxes. In addition, the Company shall have an absolute and unconditional obligation to 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 a nationally-recognized independent accounting firm selected by the Executive and the Company. The fees and expenses of such accounting firm shall be paid by the Company. The determination of such accounting firm shall be final and binding on the parties. The Company irrevocably 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(c) within two business 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 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.

10. Remedies. The Executive and Company agree that damages for breach of any of the covenants under Sections 7 and 8 above 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 Articles of Incorporation and Amended and Restated Bylaws 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 without the prior written consent of the Executive, except that any successor to the Company by merger or purchase of all or substantially all of the Company's assets shall assume this Agreement.

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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 delivered personally or transmitted by facsimile transmission, one business day after deposit with a nationally recognized overnight courier (with next day delivery specified) 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:

Guy Johnson
Address on file at the offices
of the Company

or to such other person or address as either party 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 or 9 of this Agreement; nor shall the amount of any benefit or payment provided for under Section 6 or 9 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 regarding resolution of employment disputes in effect at the time such dispute arises. The arbitration shall take place in New York, New York, before a single experienced arbitrator licensed to practice law in New York and 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, and shall not be appealable. The arbitrator shall have discretion to award

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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 Sections 7, 8 or 10 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 party.

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) is not suffering from, or aware of, any physical or mental condition which could reasonably be expected to affect his ability to function as an officer of the Company; (c) has been provided the opportunity to be, or has been, represented by legal counsel in preparing, negotiating, executing and delivering this Agreement; and (d) 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/ Guy Johnson

Guy Johnson

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Joseph P. Clayton, the President and 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 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
 - (b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /S/ JOSEPH P. CLAYTON

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

November 6, 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 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
 - (b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /S/ DAVID J. FREAR

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

November 6, 2003

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

In connection with the Quarterly Report of Sirius Satellite Radio Inc. (the "Company") on Form 10-Q for the period ending September 30, 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)

November 6, 2003

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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

In connection with the Quarterly Report of Sirius Satellite Radio Inc. (the "Company") on Form 10-Q for the period ending September 30, 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)

November 6, 2003

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.