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

FORM 10-Q

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

For the quarterly period ended June 30, 2004

Commission file number 0-24710

SIRIUS SATELLITE RADIO INC.

(Exact name of registrant as specified in its charter)

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

1221 Avenue of the Americas, 36th Floor
New York, New York 10020
(Address of principal executive offices)
(Zip code)

212-584-5100
(Registrant's telephone number, including area code)

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	1,236,800,145 shares
(Class)	**(Outstanding as of August 6, 2004)**

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

Part I - Financial Information

Part II - Other Information

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2004	2003	2004	2003
Revenue:				
Subscriber revenue, including effects of mail-in rebates	$ 12,950	$ 2,029	$ 22,152	$ 3,583
Advertising revenue, net of agency fees	130	27	150	44
Equipment revenue	140	—	190	—
Other revenue	10	17	29	37
Total revenue	13,230	2,073	22,521	3,664
Operating expenses:				
Cost of services (excludes depreciation expense shown separately below):				
Satellite and transmission	8,183	7,688	16,595	15,555
Programming and content	11,185	7,639	20,363	14,213
Customer service and billing	4,529	16,320	8,389	18,522
Cost of equipment	405	—	469	—
Sales and marketing	41,358	28,680	76,311	60,166
Subscriber acquisition costs	34,711	9,273	61,692	21,137
General and administrative	11,420	12,464	19,289	21,558
Research and development	6,045	6,467	11,774	13,440
Depreciation expense	23,583	23,463	47,271	47,563
Non-cash stock compensation expense (benefit) [1]	4,796	(123)	12,861	436
Total operating expenses	146,215	111,871	275,014	212,590
Loss from operations	(132,985)	(109,798)	(252,493)	(208,926)
Other (expense) income:				
Debt restructuring	—	—	—	256,538
Interest and investment income	1,946	1,327	3,615	2,670
Interest expense	(5,269)	(3,365)	(28,968)	(22,030)
Other income	71	—	71	—
Total other (expense) income	(3,252)	(2,038)	(25,282)	237,178
(Loss) income before income taxes	(136,237)	(111,836)	(277,775)	28,252
Income tax expense	(560)	—	(3,081)	—
Net (loss) income	(136,797)	(111,836)	(280,856)	28,252
Preferred stock dividends	—	—	—	(8,574)
Preferred stock deemed dividends	—	—	—	(79,634)
Net loss applicable to common stockholders	$ (136,797)	$ (111,836)	$ (280,856)	$ (59,956)
Net loss per share applicable to common stockholders (basic and diluted)	$ (0.11)	$ (0.12)	$ (0.23)	$ (0.09)
Weighted average common shares outstanding (basic and diluted)	1,235,920	931,720	1,226,764	631,421

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

Satellite and transmission	$ 171	$ 30	$ 595	$109
Programming and content	266	49	1,609	137
Customer service and billing	46	3	132	10
Sales and marketing	1,053	(277)	3,886	(69)
General and administrative	2,819	44	5,168	170
Research and development	441	28	1,471	79
Total non-cash stock compensation expense (benefit)	$ 4,796	$(123)	$ 12,861	$436

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

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

	June 30, 2004	December 31, 2003
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 634,023	$ 520,979
Marketable securities	5,576	28,904
Prepaid expenses	15,763	18,745
Restricted investments	365	1,997
Other current assets	17,903	9,039
Total current assets	673,630	579,664
Property and equipment, net	904,074	941,052
FCC license	83,654	83,654
Restricted investments, net of current portion	91,750	6,750
Deferred financing fees	9,033	5,704
Other long-term assets	38,730	493
Total assets	$ 1,800,871	$ 1,617,317
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 94,415	$ 65,919
Accrued interest	3,946	1,349
Deferred revenue	29,357	14,735
Total current liabilities	127,718	82,003
Long-term debt	426,037	194,803
Deferred revenue, net of current portion	7,070	3,724
Other long-term liabilities	12,700	11,593
Total liabilities	573,525	292,123
Stockholders' equity:		
Common stock, $.001 par value: 2,500,000,000 shares authorized, 1,236,167,289 and 1,137,758,947 shares issued and outstanding at June 30, 2004 and December 31, 2003, respectively	1,236	1,138
Additional paid-in capital	2,709,708	2,525,135
Deferred compensation	(49,022)	(47,411)
Accumulated other comprehensive (loss) income	(26)	26
Accumulated deficit	(1,434,550)	(1,153,694)
Total stockholders' equity	1,227,346	1,325,194
Total liabilities and stockholders' equity	$ 1,800,871	$ 1,617,317

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

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

	Common Stock		Additional Paid-In Capital	Deferred Compensation	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total
	Share	Amount					
Balances, December 31, 2003	1,137,758,947	$ 1,138	$ 2,525,135	$ (47,411)	$ 26	$ (1,153,694)	$ 1,325,194
Net loss	—	—	—	—	—	(280,856)	(280,856)
Change in unrealized loss on available-for-sale securities	—	—	—	—	(52)	—	(52)
Total comprehensive loss							$ (280,908)
Issuance of common stock to employees and employee benefit plans	825,010	1	1,277	—	—	—	1,278
Compensation in connection with the issuance of stock options	—	—	267	—	—	—	267
Issuance of stock based awards	—	—	14,215	(14,215)	—	—	—
Cancellation of stock based awards	—	—	(287)	287		—	—
Amortization of deferred compensation	—	—	—	12,317	—	—	12,317
Equity securities granted to third parties	—	—	16,666	—	—	—	16,666
Issuance of equity to the NFL	15,173,070	15	40,952	—	—	—	40,967
Exercise of options, at exercise prices of $0.83 to $1.75 per share	4,944,465	5	5,142	—	—	—	5,147
Exchange of 3½% Convertible Notes due 2008	56,409,853	56	86,512	—	—	—	86,568
Exercise of warrants, at exercise prices of $0.92 and $1.04 per share	21,055,944	21	19,829	—	—	—	19,850
Balances, June 30, 2004	1,236,167,289	$ 1,236	$ 2,709,708	$ (49,022)	$ (26)	$ (1,434,550)	$ 1,227,346

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

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

	For the Six Months Ended June 30,	
	2004	**2003**
Cash flows from operating activities:		
Net (loss) income	$ (280,856)	$ 28,252
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation expense	47,271	47,563
Non-cash interest expense	20,595	2,188
Non-cash stock compensation expense	12,861	436
Loss on disposal of assets	19	14,465
Non-cash gain associated with debt restructuring	—	(261,275)
Costs associated with debt restructuring	—	4,737
Expense for equity securities granted to third parties	17,047	6
Changes in operating assets and liabilities:		
Marketable securities	(92)	(1,185)
Prepaid expenses and other current assets	(29)	6,203
Other long-term assets	(3,414)	13
Accrued interest	2,876	13,007
Accounts payable and accrued expenses	29,473	7,325
Deferred revenue	17,968	2,509
Other long-term liabilities	1,107	—
Net cash used in operating activities	(135,174)	(135,756)
Cash flows from investing activities:		
Additions to property and equipment	(10,340)	(10,179)
Sale of property and equipment	28	—
Purchases of restricted investments	(85,000)	—
Maturities of available-for-sale securities	25,000	150,000
Net cash (used in) provided by investing activities	(70,312)	139,821
Cash flows from financing activities:		
Proceeds from issuance of common stock, net	—	342,659
Proceeds from issuance of long-term debt, net	293,600	194,224
Proceeds from exercise of stock options	5,147	—
Proceeds from exercise of warrants	19,850	—
Costs associated with debt restructuring	—	(4,737)
Other	(67)	(51)
Net cash provided by financing activities	318,530	532,095
Net increase in cash and cash equivalents	113,044	536,160
Cash and cash equivalents at the beginning of period	520,979	18,375
Cash and cash equivalents at the end of period	$ 634,023	$ 554,535

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

1. Business

Sirius Satellite Radio Inc. broadcasts over 120 channels of digital-quality entertainment: 65 channels of 100% commercial-free music and over 50 channels of news, sports, talk, entertainment, traffic, weather and children's programming for an effective monthly subscription fee of $11.15 for a three year plan and up to $12.95 for a monthly plan. We offer discounts for pre-paid and long-term subscriptions as well as discounts for multiple subscriptions. Approximately 69% of the subscribers we acquired during the six months ended June 30, 2004 purchased an annual subscription with an effective monthly subscription fee of $11.17.

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. On July 1, 2002, we launched our service nationwide.

As of June 30, 2004, we had 480,341 subscribers as compared with 261,061 subscribers as of December 31, 2003. Our subscriber totals include subscribers to our service, including subscribers in promotional periods, subscribers that have prepaid, and active SIRIUS radios under our agreement with Hertz.

Our primary sources of revenue are subscription and activation fees. We also derive revenues from the sale of advertising on our non-music channels and from the direct sale of SIRIUS radios and accessories.

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. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. 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 June 30, 2004 and December 31, 2003, and for the three and six months ended June 30, 2004 and 2003, have been recorded. The results of operations for the three and six months ended June 30, 2004 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 footnotes contained in our Annual Report on Form 10-K for the year ended December 31, 2003.

3. 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. We record deferred revenue for prepaid subscription fees and amortize these prepayments to revenue ratably over the term of the subscription plan. 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 additional historical data becomes available. We record an estimate of mail-in rebates that will be paid by us directly to subscribers as a reduction to subscriber 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 channels 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.

(Dollar amounts in thousands, unless otherwise stated)

Equipment revenue from the direct sale of SIRIUS radios and accessories is recognized upon shipment of these items.

Stock-Based Compensation

In accordance with Accounting Principles Board 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 and directors. Accordingly, we record non-cash stock 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-based 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 associated with these options or restricted stock units is also accelerated.

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 Emerging Issues Task Force 96-18, "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services," we record expense based upon performance and the fair value of equity instruments issued to non-employees at each reporting date. The final measurement date of equity instruments is the date that each performance commitment for such equity instrument is satisfied. These costs are classified in our accompanying statements of operations according to the nature of the services performed.

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 measure of fair value most often employed under SFAS No. 123, and used by us, is the Black-Scholes option valuation model ("Black-Scholes"). In practice, 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 our assumptions. 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 following table illustrates the effect on net loss applicable to common stockholders and net loss per share applicable to common stockholders had stock-based compensation been recorded based on the fair value method under SFAS No. 123:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2004	2003	2004	2003
Net loss applicable to common stockholders—as reported	$ (136,797)	$ (111,836)	$ (280,856)	$ (59,956)
Non-cash stock compensation expense (benefit)—as reported	4,796	(123)	12,861	436
Stock-based compensation—pro forma	(15,607)	(5,601)	(31,876)	(13,319)
Net loss applicable to common stockholders—pro forma	$ (147,608)	$ (117,560)	$ (299,871)	$ (72,839)
Net loss per share applicable to common stockholders:				
Basic and diluted—as reported	$ (0.11)	$ (0.12)	$ (0.23)	$ (0.09)
Basic and diluted—pro forma	$ (0.12)	$ (0.13)	$ (0.24)	$ (0.12)

(Dollar amounts in thousands, unless otherwise stated)

The pro forma stock-based compensation was estimated using Black-Scholes with the following assumptions for each period:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2004	2003	2004	2003
Risk-free interest rate	3.72%	0.91%	3.72%	0.91-1.87%
Expected life of options—years	5.30	4.89	5.30	4.89
Expected stock price volatility	114%	115%	114%	115%
Expected dividend yield	N/A	N/A	N/A	N/A

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, 14½% 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 8¾% Convertible Subordinated Notes due 2009 exchanged in the restructuring. This loss represents the difference between the fair market value of the common stock issued in the exchange and the fair market value of the common stock which would have been issued under the original conversion ratio, including accrued interest, adjusted for unamortized debt issuance costs and direct costs associated with the restructuring.

Preferred Stock Deemed Dividend

We recorded a deemed dividend of $79,510 in connection with the exchange in March 2003 of all outstanding shares of our preferred stock for shares of our common stock and warrants to purchase our common stock. 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) Income Per Share

Basic net (loss) income per share is based on the weighted average common shares outstanding during each reporting period. Diluted net (loss) income per share adjusts the weighted average for the potential dilution that could occur if common stock equivalents (convertible debt, warrants, stock options and restricted stock units) were exercised or converted into common stock. Common stock equivalents of approximately 173,000,000 and 164,000,000 for the three and six months ended June 30, 2004, respectively, and 165,000,000 and 88,000,000 for the three and six months ended June 30, 2003, respectively, were not considered in the calculation of diluted net loss per share as the effect would have been anti-dilutive.

Comprehensive (Loss) Income

We report comprehensive (loss) income in accordance with SFAS No. 130, “Reporting Comprehensive Income.” SFAS No. 130 established a standard for reporting and displaying other comprehensive (loss) income and its components within financial statements. Unrealized gains and losses on available-for-sale securities are the only components of our other comprehensive (loss) income. Comprehensive loss for the three months ended June 30, 2004 and 2003 was $136,830 and $112,046, respectively. Comprehensive (loss) income for the six months ended June 30, 2004 and 2003 was $(280,908) and $27,298, respectively.

Marketable Securities

We account for marketable securities in accordance with the provisions of SFAS No. 115, “Accounting for Certain Investments in Debt and Equity Securities.” Marketable securities consist of U.S. government notes and U.S. government agency obligations and are classified as available-for-sale securities. Available-for-sale securities are carried at fair market value and unrealized gains and losses are included as a component of stockholders’ equity.

(Dollar amounts in thousands, unless otherwise stated)

We recognized gains on the sale or maturity of marketable securities of $76 for the six months ended June 30, 2004, none of which were recognized during the three months ended June 30, 2004. Marketable securities held at June 30, 2004 and December 31, 2003 mature within one year from the date of purchase. We had unrealized holding (losses) gains on marketable securities of $(26) and $26 as of June 30, 2004 and December 31, 2003, respectively.

Restricted Investments

Restricted investments consist of fixed income securities, which are stated at amortized cost plus accrued interest. As of June 30, 2004 and December 31, 2003, long-term restricted investments included certificates of deposit of $6,750. Long-term restricted investments as of June 30, 2004 also included $85,000 deposited in escrow in connection with our National Football League ("NFL") agreement. This deposit is invested under our direction in a commercial money market fund and will be drawn by the NFL to pay the rights fees due for the 2006-2009 NFL seasons. As of June 30, 2004 and December 31, 2003, short-term restricted investments included certificates of deposit and United States government obligations of $365 and $1,997, respectively. The certificates of deposit and United States government obligations are pledged to secure our reimbursement obligations under letters of credit issued primarily for the benefit of the lessor of our headquarters.

Reclassifications

Certain amounts in the prior period consolidated financial statements have been reclassified to conform to the current period presentation.

4. Subscriber Revenue

Subscriber revenue consists of subscription fees, non-refundable activation fees and the effects of mail-in rebates. We record an estimate of mail-in rebates that will be paid by us directly to subscribers as a reduction to subscriber revenue in the period the subscriber activates our service. In subsequent periods, estimates are adjusted when necessary. Subscriber revenue consists of the following:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2004	2003	2004	2003
Subscription fees	$ 13,067	$ 2,719	$ 22,926	$ 4,242
Activation fees	327	63	731	106
Effect of mail-in rebates	(444)	(753)	(1,505)	(765)
Total subscriber revenue	$ 12,950	$ 2,029	$ 22,152	$ 3,583

(Dollar amounts in thousands, unless otherwise stated)

5. Supplemental Cash Flow Disclosures

The following represents supplemental cash flow information:

	For the Six Months Ended June 30,	
	2004	2003
Cash paid for interest	$ 5,637	$ 6,854
Supplemental non-cash operating activities:		
Common stock issued in satisfaction of accrued compensation	913	—
Supplemental non-cash investing and financing activities:		
Common stock issued to the NFL	40,967	—
Common stock issued in exchange of 3½% Convertible Notes due 2008	86,568	—
Common stock issued in exchange of 15% Senior Secured Discount Notes due 2007, including accrued interest	—	145,067
Common stock issued in exchange of 14½% 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 8¾% Convertible Subordinated Notes due 2009, including accrued interest	—	24,355
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

6. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consists of the following:

	As of June 30, 2004	As of December 31, 2003
Accounts payable	$ 1,990	$ 1,630
Accrued compensation	4,136	5,247
Accrued research and development costs	5,318	4,400
Accrued subsidies and distribution costs	50,453	30,770
Accrued broadcast royalties	7,990	3,478
Other accrued expenses	24,528	20,394
Total accounts payable and accrued expenses	$ 94,415	$ 65,919

7. Long-Term Debt

Our long-term debt consists of the following:

	As of June 30, 2004	As of December 31, 2003
2½% Convertible Notes due 2009	$ 300,000	$ —
3½% Convertible Notes due 2008	67,250	136,250
8¾% Convertible Subordinated Notes due 2009	1,744	1,744
14½% Senior Secured Notes due 2009	27,843	27,609
15% Senior Secured Discount Notes due 2007	29,200	29,200
Total long-term debt	$ 426,037	$ 194,803

2½% Convertible Notes due 2009

In February 2004, we issued $250,000 in aggregate principal amount of our 2½% Convertible Notes due 2009 pursuant to Rule 144A under the Securities Act, resulting in net proceeds of $244,625. In March 2004, we issued an additional $50,000 in aggregate principal amount of our 2½% Convertible Notes due 2009 pursuant to an option granted in connection with the initial offering of our 2½% Convertible Notes due 2009, resulting in net proceeds of $48,975. These notes are convertible, at the option of the holder, into shares of our common stock at any time at a conversion rate of 226.7574 shares of common stock for each $1,000.00 principal amount, or $4.41 per share of common stock, subject to certain adjustments. Our 2½% Convertible Notes due 2009 mature on February 15, 2009 and interest is payable semi-annually on February 15 and August 15 of each year. The obligations under our 2½% Convertible Notes due 2009 are not secured by any of our assets.

3½% Convertible Notes due 2008

In May 2003, we issued $201,250 in aggregate principal amount of our 3½% Convertible Notes due 2008 in an underwritten public offering, resulting in net proceeds of $194,224. These notes 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 3½% Convertible Notes due 2008 mature on June 1, 2008 and interest is payable semi-annually on June 1 and December 1 of each year. The obligations under our 3½% Convertible Notes due 2008 are not secured by any of our assets.

In January 2004, we issued 56,409,853 shares of common stock in exchange for $69,000 in aggregate principal amount of our 3½% Convertible Notes due 2008, including accrued interest. In connection with these transactions, we incurred debt conversion costs of $19,592. These costs are included in interest expense on our consolidated statements of operations for the six months ended June 30, 2004. In December 2003, we issued 54,805,993 shares of common stock in exchange for $65,000 in aggregate principal amount of our 3½% Convertible Notes due 2008, including accrued interest. In connection with these transactions, we incurred debt conversion costs of $19,439.

8. Stockholders' Equity

Common Stock, par value $.001 per share

As of June 30, 2004, approximately 523,189,000 shares of our common stock were reserved for issuance in connection with outstanding convertible debt, warrants and incentive stock plans.

During the six months ended June 30, 2004, employees exercised 4,944,465 stock options at exercise prices ranging from $0.83 to $1.75 per share, resulting in proceeds of $5,147.

In January 2004, we signed a seven-year agreement with the NFL to broadcast NFL games live nationwide, and to become the Official Satellite Radio Partner of the NFL, with exclusive rights to use the NFL "shield" logo and collective NFL team trademarks. We delivered to the NFL 15,173,070 shares of our common stock valued at $40,967 upon execution of this agreement. These shares of common stock are subject to certain transfer restrictions which lapse over time. We recognized $293 of expense associated with these shares during the six months ended June 30, 2004. Of the remaining $40,674 in common stock value, $5,852 and $34,822 are included in other current assets and other long-term assets, respectively, on our consolidated balance sheets as of June 30, 2004.

In November 2003, we sold 73,170,732 shares of our common stock in an underwritten public offering resulting in net proceeds of $149,600.

In June 2003, we sold 86,250,000 shares of our common stock in an underwritten public offering resulting in net proceeds of $144,897.

In March 2003, we sold 24,060,271 shares of our common stock to affiliates of Apollo Management, L.P. ("Apollo") for an aggregate of $25,000; 24,060,271 shares of our common stock to affiliates of The Blackstone Group L.P. ("Blackstone") for an aggregate of $25,000; and 163,609,837 shares of our common stock to affiliates of OppenheimerFunds, Inc. for an aggregate of $150,000. We received net proceeds of $197,112 in connection with these sales.

Warrants

In April 2004, we amended our agreement with DaimlerChrysler Corporation ("DaimlerChrysler"). As part of this amended agreement, DaimlerChrysler agreed to include a one-year subscription to our service with all of its vehicles that contain a factory-installed SIRIUS radio. DaimlerChrysler has agreed to use commercially reasonable efforts to produce and distribute an aggregate of 550,000 such bundled vehicles by June 30, 2006. We will receive from DaimlerChrysler our standard one-year subscription fee for each bundled subscription. We have agreed to reimburse DaimlerChrysler for certain costs of factory-installed SIRIUS radios and to pay incentives to DaimlerChrysler upon the achievement of agreed upon volume thresholds. DaimlerChrysler will continue to offer SIRIUS radios as a dealer-installed option in the majority of its remaining vehicles.

In June 2004, we issued to DaimlerChrysler AG warrants to purchase an aggregate of up to 21,500,000 shares of our common stock at an exercise price of $1.04 per share. These warrants vest based on the achievement of various performance milestones, including the volume thresholds contained in our agreement with DaimlerChrysler. These warrants replaced the warrants issued to DaimlerChrysler AG in October 2002. As of June 30, 2004,

DaimlerChrysler satisfied certain performance criteria, which caused 750,000 warrants to become vested and exercisable.

In February 2004, we announced an agreement with RadioShack Corporation ("RadioShack"), one of the nation's largest consumer electronics retailers, to distribute, market and sell SIRIUS radios. In connection with this agreement, we issued RadioShack warrants to purchase up to 10,000,000 shares of our common stock. All of these warrants have an exercise price of $5.00 per share and vest and become exercisable if RadioShack achieves activation targets during the five-year term of the agreement.

In January 2004, we signed an agreement with Penske Automotive Group, Inc., United Auto Group, Inc., Penske Truck Leasing Co. L.P. and Penske Corporation (collectively, "Penske companies"). In connection with this agreement, we agreed to issue the Penske companies warrants to purchase an aggregate of 38,000,000 shares of our common stock at an exercise price of $2.392 per share. Two million of these warrants vest upon issuance and the balance of these warrants vest over time and upon achievement of certain milestones by the Penske companies.

In January 2004, we issued to the NFL warrants to purchase 50,000,000 shares of our common stock at an exercise price of $2.50 per share. 16,666,665 of these warrants vest upon the delivery to us of media assets by the NFL and its member clubs, and 33,333,335 of these warrants will be earned by the NFL as we acquire subscribers which are directly trackable through efforts of the NFL.

During the six months ended June 30, 2004, we issued to additional third parties warrants to purchase 7,300,000 shares of our common stock at exercise prices of $3.20 and $3.21 per share. These warrants vest over time and upon achievement of certain milestones.

In March 2003, we issued warrants to purchase 45,416,690 shares of our common stock 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 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.

In March 2003, we issued warrants to purchase 42,160,424 shares of our common stock in exchange for all of 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. In February 2004, Blackstone exercised 42,160 warrants through a cashless exercise. In connection with this exercise, we issued 28,432 shares of common stock to Blackstone. In January 2004, Blackstone exercised 21,027,512 warrants. In connection with this exercise, we issued 21,027,512 shares of our common stock for $19,850 in net proceeds. In November 2003, Blackstone exercised 21,027,512 warrants through a cashless exercise. In connection with this exercise, we issued 11,531,805 shares of our common stock to Blackstone. As of June 30, 2004, Blackstone held 37,944 warrants with an exercise price of $1.04 per share and 25,296 warrants with an exercise price of $0.92 per share. These warrants are exercisable and expire on September 7, 2004.

We recognized expense of $6,108 and $5 in connection with warrants for the three months ended June 30, 2004 and 2003, respectively, and $15,378 and $6 for the six months ended June 30, 2004 and 2003, respectively.

9. Employee Benefit Plans

Stock Option Plans

In February 1994, we adopted our 1994 Stock Option Plan (the "1994 Plan") and our 1994 Directors' Nonqualified Stock Option Plan (the "Directors' Plan"). In June 1999, we adopted the Sirius Satellite Radio 1999 Long-Term Stock Incentive Plan (the "1999 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. On May 25, 2004, our stockholders approved an amendment to the 2003 Plan to include members of our board of directors as eligible participants. Employees, consultants, and members of our board of directors are eligible to receive awards under the 2003 Plan. As of June 30, 2004, approximately 133,218,000 shares of our common stock were available for grant under these plans.

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

(Dollar amounts in thousands, unless otherwise stated)

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.

In 2003, we granted a total of 47,707,250 non-qualified stock options to employees and consultants with an exercise price of $1.04 per share. Since the exercise price of the stock options granted to employees was less than the fair market value of the underlying common stock on the date of grant, we recorded deferred compensation, a component of stockholders' equity, of $30,299 in 2003. This deferred compensation is amortized to non-cash stock compensation expense over the vesting period. Of this amount, we expensed $1,480 and $5,856 for the three and six months ended June 30, 2004, respectively. Approximately 42% of these options vest ratably over three years and 33% vest in July 2008 with acceleration to March 2005 if performance criteria are satisfied in 2004. 25% of these options vested in March 2004 upon the satisfaction of performance criteria. The six months ended June 30, 2004 includes $2,647 of non-cash stock compensation expense related to the accelerated vesting of stock options during the first quarter of 2004, due to the satisfaction of certain performance criteria in 2003. Employees exercised 4,934,101 of these options during the six months ended June 30, 2004, resulting in proceeds of $5,131.

Restricted Stock Units

In 2004, we granted 2,985,000 restricted stock units, with a grant date fair value of $3.16 per share, to certain new employees. Of these restricted stock units, 391,000 vested immediately upon grant. The remaining restricted stock units vest either over time or in July 2009 with acceleration to March 2007 if performance criteria are satisfied with respect to the year ending December 31, 2006. Each restricted stock unit entitles the holder to receive one share of common stock upon vesting.

In 2004, we also granted 1,286,316 restricted stock units, with a weighted average grant date fair value of $2.92 per share, to existing employees. Certain of these restricted stock units vest in February 2005. The remaining restricted stock units vest in July 2008 with acceleration to February 2005 if certain performance criteria are met for the year ending December 31, 2004.

In 2003, we granted 16,860,000 restricted stock units, with a weighted average grant date fair value of $1.65 per share, to certain employees. 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 with respect to the year ending December 31, 2005.

We recorded deferred compensation of $37,241 in connection with restricted stock units, which is being amortized to non-cash stock compensation expense over the vesting period. For the three and six months ended June 30, 2004, we recognized non-cash stock compensation expense associated with these restricted stock units of $3,052 and $6,431, respectively.

10. Income Taxes

We recorded income tax expense of $560 and $3,081 for the three and six months ended June 30, 2004, respectively. Such expense represents the recognition of a deferred tax liability related to the difference in accounting for our FCC license, which is amortized over 15 years for tax purposes but not amortized for book purposes.

11. Commitments and Contingencies

We have entered into various contracts which have resulted in significant cash obligations in future periods. The following table summarizes our contractual cash commitments as of June 30, 2004:

	2004	2005	2006	2007	2008	Thereafter	Total
Lease obligations	$ 4,958	$ 8,622	$ 7,821	$ 7,560	$ 6,033	$ 30,318	$ 65,312
Satellite and transmission	1,187	2,374	2,374	2,374	2,374	16,621	27,304
Programming and content	26,561	36,380	27,634	6,085	4,808	79,975	181,443
Customer service and billing	3,538	4,625	3,310	3,032	—	—	14,505
Marketing and distribution	36,430	31,939	19,016	7,295	3,000	13,950	111,630
Chip set production	7,220	10,048	10,048	—	—	—	27,316
Total contractual cash commitments	$ 79,894	$ 93,988	$ 70,203	$ 26,346	$ 16,215	$ 140,864	$ 427,510

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.

We have agreed to pay the NFL an aggregate of $188,000 during the term of our agreement. Of this amount, $10,000 was paid in connection with the announcement and execution of our agreement with the NFL and $85,000 was deposited in escrow to pay rights fees for the 2006-2009 NFL seasons. We are not required to make any further payments to the NFL until August 2009. The $85,000 deposited in escrow is included in restricted investments on our consolidated balance sheets and is not included as a contractual cash commitment in the table above. Of the total remaining cash commitments of $93,000, approximately $79,000 relates to programming and content.

Customer Service and Billing

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

Marketing and Distribution

We have entered into various marketing, sponsorship and distribution agreements to promote our brand and as a result are obligated to make payments to sponsors, retailers, automakers and radio manufacturers. We have also agreed to reimburse automakers for certain engineering and development costs associated with the incorporation of SIRIUS radios into vehicles they manufacture.

Since our agreement with the NFL contains a sponsorship element, we have allocated a portion of the contractual obligations accordingly. Of the total remaining contractual cash commitments of $93,000, approximately $14,000 relates to sponsorship.

Chip Set Development and Production

We have entered into an agreement with Agere Systems, Inc. (“Agere”) to 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 through September 30, 2004. We have also entered into agreements with Agere to pay for the development of our chip sets and to license intellectual property related to our chip sets.

In April 2004, we executed an agreement with STMicroelectronics, one of the largest suppliers of integrated circuits in the world, to produce our next generation chip set. This agreement requires us to purchase a minimum of 1,500,000 chip sets during a three-year period for an aggregate price of approximately $20,000, and pay for the development of the chip sets as milestones are satisfied.

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. The costs related to the joint development agreement are being expensed as incurred to research and development expense. 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 cash 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.

As of June 30, 2004, we have not entered into any off-balance sheet arrangements or transactions.

Risks and Uncertainties

Agere is currently the sole supplier of chip sets to our radio manufacturers. Although there are a limited number of manufacturers of these chip sets, we believe that other suppliers could provide similar chip sets on comparable terms. In April 2004, we executed an agreement with STMicroelectronics to produce our next generation chip set, which is currently in the development stage. Another change of suppliers could cause a delay in manufacturing and a possible loss of sales, which would adversely affect our operating results.

A significant number of SIRIUS radios are produced by a single vendor. In the event that the supply of these SIRIUS radios were delayed or reduced, the ability of manufacturers to ship SIRIUS radios in the desired quantities and in a timely manner would adversely affect our operating results.

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, 2003 (the "Form 10-K") and in other reports and documents published by us from time to time, particularly the risk factors described under "Business – Risk Factors" in Part I of the Form 10-K.

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

- our competitive position; XM Satellite Radio, the other satellite radio service provider in the United States, currently has substantially more subscribers than us and may have certain competitive advantages;
- our dependence upon third parties to manufacture, distribute, market and sell SIRIUS radios and components for those radios;
- the unproven market for our service;
- changes to our business plan or strategy, which could include significant additions to our programming, infrastructure or distribution; and
- the useful life of our satellites, which have experienced circuit failures on their solar arrays and other component failures, and are not insured.

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.

Executive Summary

Sirius Satellite Radio Inc. broadcasts over 120 channels of digital-quality entertainment: 65 channels of 100% commercial-free music and over 50 channels of news, sports, talk, entertainment, traffic, weather and children's programming for an effective monthly subscription fee of $11.15 for a three year plan and up to $12.95 for a monthly plan. We offer discounts for pre-paid and long-term subscriptions as well as discounts for multiple subscriptions. Approximately 69% of the subscribers we acquired during the six months ended June 30, 2004 purchased an annual subscription with an effective monthly subscription fee of $11.17.

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. Our satellites were successfully launched on June 30, 2000, September 5, 2000 and November 30, 2000. On July 1, 2002, we launched our service nationwide.

Our primary source of revenue is subscription fees, with most of our new customers subscribing to SIRIUS on an annual basis. We also derive revenue from activation fees, the sale of advertising on our non-music channels and from the direct sale of SIRIUS radios and accessories.

Our cost of services includes satellite and transmission, programming and content, customer service and billing, and costs associated with the sale of equipment. Satellite and transmission expenses consist primarily of in-orbit satellite insurance and costs associated with the operation and maintenance of our satellite tracking, telemetry and control system, terrestrial repeater network and national broadcast studio. Programming and content expenses include costs to acquire programming from third parties, on-air talent costs and broadcast royalties. Customer service and billing expenses include costs associated with the operation of our customer service center and subscriber management system.

As of June 30, 2004, we had 480,341 subscribers as compared with 261,061 subscribers as of December 31, 2003. Our subscriber totals include subscribers to our service, including subscribers in promotional periods, subscribers that have prepaid, and active SIRIUS radios under our agreement with Hertz.

The following chart contains a breakdown of our subscribers as of the dates set forth below:

	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003
Retail	344,349	263,164	197,650	110,821	77,713
OEM and special markets	111,145	63,493	39,400	15,358	7,630
Hertz	24,847	25,006	24,011	23,433	19,843
Total subscribers	480,341	351,663	261,061	149,612	105,186

SIRIUS radios are primarily distributed through automakers and retailers. We have agreements with Ford Motor Company ("Ford"), DaimlerChrysler Corporation ("DaimlerChrysler"), BMW of North America, LLC, Nissan North America, Inc., Volkswagen of America, Inc. and Porsche Cars North America, Inc. that contemplate the manufacture and sale of vehicles that include SIRIUS radios. In the autosound aftermarket, SIRIUS radios are available for sale at national and regional retailers, including Best Buy, Circuit City, Ultimate Electronics, Tweeter Home Entertainment Group, Crutchfield, Good Guys, RadioShack and DISH Network outlets. On June 30, 2004, SIRIUS radios were available at over 20,000 retail locations. SIRIUS radios are also offered to renters of Hertz vehicles at approximately 53 airport locations. We believe our ability to attract and retain subscribers depends in large part on creating and sustaining distribution channels for SIRIUS radios, both in the retail aftermarket and with automakers, and on the quality and entertainment value of our programming.

During 2003, we improved our financial position significantly through the issuance of debt and equity securities. We issued 371,151,111 shares of our common stock for net proceeds of $494,497 and $201,250 in aggregate principal amount of our 3½% Convertible Notes due 2008 for net proceeds of $194,224. We also restructured our debt and equity capitalization, which resulted in the elimination of 91% of our then outstanding debt. The increase in our overall liquidity, reduction of the average interest rate on our outstanding debt from 12.6% prior to the restructuring to 6.8% at December 31, 2003, and reduction of our overall leverage better positioned us to meet our business plan.

In the first half of 2004, we continued to improve our financial position with the issuance of $300,000 in aggregate principal amount of our 2½% Convertible Notes due 2009, resulting in net proceeds of $293,600 and further reducing our average interest rate to 4.3%. We also focused on our brand awareness, acquired programming and expanded the distribution of SIRIUS radios.

We have incurred operating losses since inception and expect to continue to incur operating losses until the number of our subscribers increases substantially and we develop cash flows sufficient to cover our operating costs. We also have significant contracts and commercial commitments over the next several years, including subsidies and distribution costs, programming costs, repayment of long-term debt and lease payments, as further described below under the heading "Contractual Cash Commitments." Our ability to become profitable also depends upon other factors identified below under the heading "Liquidity and Capital Resources."

Results of Operations

Three Months Ended June 30, 2004 Compared with Three Months Ended June 30, 2003

Total Revenue. Total revenue increased $11,157 to $13,230 for the three months ended June 30, 2004 from $2,073 for the three months ended June 30, 2003. Total revenue for the three months ended June 30, 2004 included subscriber revenue of $12,950, consisting of subscription and non-refundable activation fees, net advertising revenue of $130, equipment revenue of $140 and revenue from other sources of $10. Total revenue for the three months ended June 30, 2003 included subscriber revenue of $2,029, net advertising revenue of $27 and revenue from other sources of $17.

Subscriber Revenue. The increase in subscriber revenue of $10,921 was attributable to the growth of subscribers to our service. We added 128,678 net new subscribers during the three months ended June 30, 2004. We added 37,127 net new subscribers during the three months ended June 30, 2003. Subscriber revenue for the three months ended June 30, 2004 included subscription fees of $13,067 and activation fees of $327, which was offset by $444 of costs associated with mail-in rebates. Subscriber revenue for the three months ended June 30, 2003 included subscription fees of $2,719 and activation fees of $63, which was offset by $753 of costs associated with mail-in rebates. Activation fees are recognized ratably over the term of the subscriber relationship, currently estimated to be 3.5 years. Future subscriber 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 and is used by us as a measure of operational performance.

Set forth below is a chart showing the calculation of ARPU and the average monthly revenue per Hertz subscriber:

	For the Three Months Ended June 30,	
	2004	**2003**
Average monthly revenue per subscriber	$ 11.19	$ 12.24
Effects of Hertz subscribers	(0.29)	(1.40)
ARPU before effects of mail-in rebates	10.90	10.84
Effects of mail-in rebates	(0.36)	(2.93)
Reported ARPU	$ 10.54	$ 7.91
Average monthly revenue per Hertz subscriber	$ 6.50	$ 4.42

Lower average monthly revenue per subscriber was a result of promotional activity which provides an effective first year price of $9.99 per month, our $6.99 multi-receiver plan, and the popularity of our annual or longer subscription plans. Higher reported ARPU is a direct result of the expiration of our mail-in rebate program in May 2004 and the overall improvement in our Hertz program. Future ARPU will be dependent upon the amount and timing of subscriber discounts, mail-in rebates and the identification of additional revenue streams from subscribers.

Satellite and Transmission. Satellite and transmission expenses consist of in-orbit satellite insurance and costs associated with the operation and maintenance of our satellite tracking, telemetry and control system, terrestrial repeater network and national broadcast studio.

Satellite and transmission expenses increased $495 to $8,183 for the three months ended June 30, 2004 from $7,688 for the three months ended June 30, 2003. The increase in satellite and transmission expenses was primarily attributable to increased satellite and broadcast engineering costs, partially as a result of the operating costs of our satellite uplink facility which we acquired in April 2004 and costs associated with the Echostar rollout, and increased costs for additions to our terrestrial repeater network. As of June 30, 2004, we had 134 repeaters in operation as compared with 103 as of June 30, 2003. In addition, for the three months ended June 30, 2004 we incurred approximately $119 for royalties associated with the use of security software to prevent the theft of our

service. We did not incur any costs related to this software for the three months ended June 30, 2003. These increases were partially offset by a decrease in personnel related costs.

We expect a significant portion of our satellite and transmission expenses to decline. Effective as of August 2, 2004, we discontinued our in-orbit satellite insurance. This decision was made after a review of the health of our satellite constellation; the exclusions from coverage contained in the available insurance; the costs of the available insurance; the practices of other satellite companies as to in-orbit insurance; and the likelihood that a catastrophic failure of one or more of our satellites would be covered by the available insurance or fall within a policy exclusion. Excluding the elimination of satellite insurance costs of approximately $2,200 per quarter, increases in satellite and transmission expenses will be primarily attributable to additions to our terrestrial repeater network.

Programming and Content. Programming and content expenses include costs to create, produce and acquire content, on-air talent costs and broadcast royalties. 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, purchase advertising on media properties owned or controlled by the licensor and pay certain other guaranteed amounts. We also grant options and warrants to third parties in connection with certain of our programming agreements.

Programming and content expenses increased $3,546 to $11,185 for the three months ended June 30, 2004 from $7,639 for the three months ended June 30, 2003. Excluding equity granted to third parties of $780, programming and content expenses increased $2,766 to $10,405 for the three months ended June 30, 2004 from $7,639 for the three months ended June 30, 2003. The increase in programming and content expenses excluding granted equity was primarily attributable to an increase of $2,204 for costs to create, produce and acquire content, including consultant costs incurred to assist us with the acquisition of content, an increase of $165 for additional on-air talent and an increase in broadcast royalties of $395 as a result of an increase in our subscriber base.

We anticipate that our programming and content expenses will increase significantly as we continue to develop and enhance our channels. Specifically, our agreement with the National Football League ("NFL") will result in an increase in license fees and granted equity. The rights fees under this agreement include $188,000 in cash payments and the $40,967 value of the 15,173,070 shares granted to the NFL upon signing the agreement. Beginning with the start of the NFL season in August 2004, we will record the portion of the NFL rights fees allocated as programming and content expense. In each of the seven years of the agreement, $27,710 of the rights fees will be amortized to programming and content expense over the seven month NFL season from August through February. Rights fees of $5,000 are considered a sponsorship cost and will be amortized to sales and marketing expense over each contract year from March through February.

We regularly evaluate new programming opportunities and may choose to acquire new content in the future at substantial costs. Expense associated with equity granted to third parties is based on the fair market value of our common stock. Fair market value could fluctuate at each reporting date until the final measurement date when the performance criteria are met; therefore, our expense is not readily predictable.

Customer Service and Billing. Customer service and billing expenses include costs associated with the operation of our customer service center and subscriber management system.

Customer service and billing expenses decreased $11,791 to $4,529 for the three months ended June 30, 2004 from $16,320 for the three months ended June 30, 2003. The decrease in expense is primarily due to a $14,465 loss on the disposal of our prior subscriber management system in May 2003 as a result of the termination of our agreement with the provider. Such decrease in customer service and billing expenses was offset by an additional $1,340 in customer service representative and telecommunication costs as a result of an increase in the number of representatives at our customer service center needed to support the growth of our subscriber base; an increase of $475 in credit card fees, also as a result of the growth of our subscriber base; an increase of $282 in subscriber management system operation costs; and an increase of $444 for consultants hired to support our customer service and billing infrastructure. Customer service and billing expenses, excluding the loss on disposal of our prior subscriber management system, increased 144.2% compared with an increase in our end of period subscribers of 356.7% as of June 30, 2004 as compared with June 30, 2003.

We continue to evaluate the effectiveness of, and implement enhancements to, our billing system. We expect our customer care and billing expenses to increase and our costs per subscriber to decrease as our subscriber base grows.

Sales and Marketing. Sales and marketing expenses include advertising media and production costs, distribution costs and expense for equity securities granted to third parties. Advertising media and production costs primarily include promotional events, sponsorships, media, advertising production and market research. Distribution costs associated with our retailers, distributors, radio manufacturers and automakers primarily include the costs of advertising, residuals, market development funds, revenue share and in-store merchandising.

Sales and marketing expenses increased $12,678 to $41,358 for the three months ended June 30, 2004 from $28,680 for the three months ended June 30, 2003. Excluding the cost of equity securities granted to third parties, sales and marketing expenses increased $6,392 to $35,067 for the three months ended June 30, 2004 from $28,675 for the three months ended June 30, 2003. Advertising media and production costs decreased approximately $1,900 for the three months ended June 30, 2004 as compared with the three months ended June 30, 2003, primarily as a result of a decrease in sponsorship costs and a decrease in media spending for both print and television advertising. Sponsorship costs declined as a result of the expiration of our NASCAR sponsorship, partially offset by the costs incurred in connection with our NFL agreement. Of the total rights fees under the NFL agreement, rights fees of $5,000 are considered a sponsorship cost and will be amortized to sales and marketing expense over each contract year from March through February. Media spending declined as a result of additional media spending incurred in connection with the introduction of our plug-n-play product for the three months ended June 30, 2003. Distribution costs increased approximately $5,200 for the three months ended June 30, 2004 as compared with June 30, 2003 primarily as a result of costs associated with the commencement of our sales efforts with RadioShack in June 2004. The remaining increase was attributable to increased compensation, consulting fees and related costs for additions to our sales and marketing headcount.

For the three months ended June 30, 2004, we recorded $6,291 in expense associated with equity granted to third parties as compared with $5 for the three months ended June 30, 2003. Equity granted to third parties increased primarily as a result of the issuance to DaimlerChrysler of warrants to purchase 21,500,000 shares of our common stock, which vest upon the achievement of performance milestones. As of June 30, 2004, DaimlerChrysler satisfied certain performance criteria that resulted in 750,000 warrants becoming vested and exercisable. Additional expense was recognized for DaimlerChrysler warrants as DaimlerChrysler progresses toward the achievement of certain other milestones. The remaining expense for the three months ended June 30, 2004 was primarily attributable to our agreement with Penske.

We expect sales and marketing expenses to increase in the future as we continue to build brand awareness through national advertising and promotional activities and expand the distribution of SIRIUS radios. Such increases will include the impact of the agreements we entered into in the first quarter of 2004 with Penske, RadioShack and the NFL. Pursuant to these agreements, we expect to incur additional expense in connection with joint marketing efforts and the issuance of warrants to purchase our common stock. Expense associated with warrants is based on the fair market value of our common stock. Fair market value could fluctuate at each reporting date until the final measurement date when the performance criteria are met; therefore, our expense is not readily predictable.

Subscriber Acquisition Costs. Subscriber acquisition costs include incentives to purchase, install and activate SIRIUS radios as well as subsidies paid to radio manufacturers, automakers, retailers and chip set manufacturers. The majority of subscriber acquisition costs are incurred in advance of acquiring a subscriber. Subscriber acquisition costs do not include advertising, loyalty payments to distributors and dealers of SIRIUS radios and revenue sharing payments to manufacturers of SIRIUS radios. Subscriber acquisition costs do not include amounts capitalized in connection with our agreement with Hertz, as we retain ownership of the SIRIUS radios used by Hertz.

Subscriber acquisition costs increased $25,438 to $34,711 for the three months ended June 30, 2004 from $9,273 for the three months ended June 30, 2003. The increase in subscriber acquisition costs is primarily attributable to increased shipments of SIRIUS radios and chip sets to support future activations, and an increase in commissions as a result of increased activations in the three months ended June 30, 2004 as compared with the three months ended June 30, 2003. Net activations were 128,678 and 37,127 for the three months ended June 30, 2004 and 2003, respectively. In addition to chip set subsidies included in subscriber acquisition costs, as of June 30, 2004, approximately $6,825 of chip sets delivered to us by Agere will be shipped to radio manufacturers in future periods or placed into production for those chip sets held on consignment with radio manufacturers, and are included in other current assets on our consolidated balance sheets.

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 and

the negative margins from the direct sale of SIRIUS radios and accessories over the number of gross activations for the period and is used by us as a key operating performance indicator. Total subscriber acquisition costs per gross activation for the three months ended June 30, 2004 was $234.

The satellite radio industry showed significant fourth quarter seasonality in 2003 and is expected to do so again in 2004. To ensure retailers have sufficient inventory for the 2004 holiday selling season, we will incur chip set and hardware subsidies in the third quarter for fourth quarter activation. As a result, subscriber acquisition costs and subscriber acquisition costs per gross activation are expected to increase significantly in the third quarter and decline significantly in the fourth quarter. Subscriber acquisition costs in future periods are also expected to include expense for the fair value of 33,333,335 bounty-based warrants we granted to the NFL. These warrants will be earned by the NFL as we acquire subscribers which are directly trackable through efforts of the NFL. Expense associated with these warrants will be based on the fair market value of our common stock. Fair market value could fluctuate at each reporting date until the final measurement date when the subscriber targets are met; therefore, our expense is not readily predictable. We anticipate that the costs of certain subsidized components of SIRIUS radios will decrease in the future as manufacturers experience economies of scale in production and as we secure agreements with additional manufacturers of these components.

General and Administrative. General and administrative expenses include rent and occupancy, accounting, legal, human resources, information technology and investor relations costs.

General and administrative expenses decreased $1,044 to $11,420 for the three months ended June 30, 2004 from $12,464 for the three months ended June 30, 2003. The decrease was primarily a result of $5,072 of legal fees and settlement costs associated with the termination of our agreement with the prior provider of our subscriber management system in the 2003 period. This decrease was offset by an increase in compensation for additional headcount, consulting fees, rent and occupancy costs for additional office space, and costs incurred in connection with our annual meeting of stockholders.

Research and Development. Research and development expenses include the costs to develop our future generation of chip sets and new products and costs associated with the incorporation of SIRIUS radios into vehicles manufactured by automakers.

Research and development expenses decreased $422 to $6,045 for the three months ended June 30, 2004 from $6,467 for the three months ended June 30, 2003. The decrease in research and development expenses are primarily attributable to a decrease of $2,206 in non-recurring engineering costs primarily related to the development of our chip sets and the incorporation of SIRIUS radios into vehicles manufactured by automakers. Such decrease in expense was offset by increases related to our joint development agreement with XM Satellite Radio and compensation and consulting costs related to the addition of headcount to support the continued development of future generation chip sets and products.

We expect our research and development expense to increase in future periods as automakers continue their efforts to incorporate SIRIUS radios across a broad range of their vehicles and as we develop future generations of chip sets and new products. Our April 2004 agreement with STMicroelectronics to produce our next generation chip set will require us to pay agreed upon amounts for the development of chip sets as milestones are satisfied. Such costs will be recorded to research and development expense.

Non-Cash Stock Compensation. Non-cash stock compensation expense 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.

We recognized non-cash stock compensation expense of $4,796 for the three months ended June 30, 2004 compared with a benefit of $123 for the three months ended June 30, 2003. The expense recognized for the three months ended June 30, 2004 related to the issuance of stock-based awards to employees and consultants, which include a combination of stock options with exercise prices below fair market value at the date of grant and restricted stock units. The difference between the exercise price and the market price on the date of grant is recorded to non-cash stock compensation expense over the applicable vesting period. Future non-cash stock compensation expense is contingent upon a number of factors, including the price of our common stock and the vesting date of stock options and restricted stock units, and could materially change. The non-cash stock compensation benefit for the three months ended June 30, 2003 was principally a result of a $314 benefit related to certain performance conditions of restricted stock that were not satisfied.

Interest Expense. Interest expense increased $1,904 to $5,269 for the three months ended June 30, 2004 from $3,365 for the three months ended June 30, 2003. The increase in interest expense was the result of the issuance of our 2½% Convertible Notes due 2009 in the first quarter of 2004.

Income Tax Expense. We recorded income tax expense of $560 for the three months ended June 30, 2004. This expense represents the recognition of a deferred tax liability related to the difference in accounting for our FCC license, which is amortized over 15 years for tax purposes but not amortized for book purposes.

Six Months Ended June 30, 2004 Compared with Six Months Ended June 30, 2003

Total Revenue. Total revenue increased $18,857 to $22,521 for the six months ended June 30, 2004 from $3,664 for the six months ended June 30, 2003. Total revenue for the six months ended June 30, 2004 included subscriber revenue of $22,152, consisting of subscription and non-refundable activation fees, net advertising revenue of $150, equipment revenue of $190 and revenue from other sources of $29. Total revenue for the six months ended June 30, 2003 included subscriber revenue of $3,583, net advertising revenue of $44 and revenue from other sources of $37.

Subscriber Revenue. The increase in subscriber revenue of $18,569 was attributable to the growth of subscribers to our service. We added 219,280 net new subscribers during the six months ended June 30, 2004 and had 480,341 subscribers as of June 30, 2004. In comparison, we added 75,239 net new subscribers during the six months ended June 30, 2003 and had 105,186 subscribers as of June 30, 2003. Subscriber revenue for the six months ended June 30, 2004 included subscription fees of $22,926 and activation fees of $731, and was offset by $1,505 of costs associated with mail-in rebates. Subscriber revenue for the six months ended June 30, 2003 included subscription fees of $4,242 and activation fees of $106, and was offset by $765 of costs associated with mail-in rebates.

Average monthly revenue per subscriber, or ARPU. Set forth below is a chart showing the calculation of ARPU and the average monthly revenue per Hertz subscriber:

	For the Six Months Ended June 30,	
	2004	**2003**
Average monthly revenue per subscriber	$ 11.35	$ 12.12
Effects of Hertz subscribers	(0.38)	(1.27)
ARPU before effects of mail-in rebates	10.97	10.85
Effects of mail-in rebates	(0.70)	(1.91)
Reported ARPU	$ 10.27	$ 8.94
Average monthly revenue per Hertz subscriber	$ 5.81	$ 4.69

Lower average monthly revenue per subscriber was a result of promotional activity which provides an effective first year price of $9.99 per month, our $6.99 multi-receiver plan, and the popularity of our annual or longer subscription plans. Higher reported ARPU is a direct result of the expiration of our mail-in rebate program in May 2004 and the overall improvement in our Hertz program.

Satellite and Transmission. Satellite and transmission expenses increased $1,040 to $16,595 for the six months ended June 30, 2004 from $15,555 for the six months ended June 30, 2003. The increase in satellite and transmission expenses is primarily attributable to increased satellite and broadcast engineering costs, partially as a result of the operating costs of our satellite uplink facility which we acquired in April 2004 and costs associated with the Echostar rollout, and increased costs for additions to our terrestrial repeater network. In addition, for the six months ended June 30, 2004 we incurred approximately $284 for royalties associated with the use of security software to prevent the theft of our service. We did not incur any costs related to this software for the six months ended June 30, 2003. These increases were partially offset by a decrease in personnel related costs.

Programming and Content. Programming and content expenses increased $6,150 to $20,363 for the six months ended June 30, 2004 from $14,213 for the six months ended June 30, 2003. The increase in programming and content expenses was primarily attributable to an increase of $4,017 for costs to create, produce and acquire content, including consultant costs incurred to assist us with the acquisition of content, an increase of $326 for additional on-air talent, and an increase in broadcast royalties of $539 as a result of an increase in our subscriber base. We also recognized $1,268 of expense associated with equity granted to third parties during the six months ended June 30, 2004. No expense associated with equity granted to third parties was recognized during the six months ended June 30, 2003.

No expense associated with our NFL agreement was recognized in programming and content for the six months ended June 30, 2004.

Customer Service and Billing. Customer service and billing expenses decreased $10,133 to $8,389 for the six months ended June 30, 2004 from $18,522 for the six months ended June 30, 2003. The decrease in expense is primarily due to a $14,465 loss on the disposal of our prior subscriber management system in May 2003 as a result of the termination of our agreement with the provider. Such decrease in customer service and billing expenses was offset by an additional $2,596 in customer service representative and telecommunication costs as a result of an increase in the number of representatives at our customer service center needed to support the growth of our subscriber base; an increase of $979 in credit card fees, also as a result of the growth of our subscriber base; and an increase of $644 for consultants hired to support our customer service and billing infrastructure. Customer service and billing expenses, excluding the loss on disposal of our prior subscriber management system, increased 106.8% compared with an increase in our end of period subscribers of 356.7% as of June 30, 2004 as compared with June 30, 2003.

Sales and Marketing. Sales and marketing expenses increased $16,145 to $76,311 for the six months ended June 30, 2004 from $60,166 for the six months ended June 30, 2003. Substantially all of this increase was associated with the cost of equity securities granted to third parties.

Excluding the cost of equity securities granted to third parties, sales and marketing expenses increased $588 to $60,748 for the six months ended June 30, 2004 from $60,160 for the six months ended June 30, 2003. Advertising media and production costs decreased approximately $6,900 for the six months ended June 30, 2004 as compared with the six months ended June 30, 2003 primarily as a result of a decrease in sponsorship costs and a decrease in media spending for both print and television advertising. Sponsorship costs declined as a result of the expiration of our NASCAR sponsorship, partially offset by the costs incurred in connection with our NFL agreement. Media spending declined as a result of additional media spending incurred in connection with the introduction of our plug-n-play product for the six months ended June 30, 2003. Distribution costs increased approximately $3,600 for the six months ended June 30, 2004 as compared with June 30, 2003 primarily as a result of costs associated with the commencement of our sales efforts with RadioShack in June 2004. Other increases were attributable to increased compensation, consulting fees and related costs for additions to our sales and marketing headcount.

For the six months ended June 30, 2004, we recorded $15,563 in expense associated with equity granted to third parties as compared with $6 for the six months ended June 30, 2003. Equity granted to third parties increased primarily as a result DaimlerChrysler satisfying certain performance criteria that resulted in 750,000 warrants becoming vested and exercisable. Additional expense was recognized for DaimlerChrysler warrants as DaimlerChrysler progresses toward the achievement of certain other milestones. The remaining expense for the three months ended June 30, 2004 was primarily attributable to our agreement with Penske.

Subscriber Acquisition Costs. Subscriber acquisition costs increased $40,555 to $61,692 for the six months ended June 30, 2004 from $21,137 for the six months ended June 30, 2003. The increase in subscriber acquisition costs is primarily attributable to higher shipments of SIRIUS radios and chip sets to support our future growth and an increase in commissions as a result of higher activations in the six months ended June 30, 2004 as compared with the six months ended June 30, 2003.

Total subscriber acquisition costs per gross activation for the six months ended June 30, 2004 was $240.

General and Administrative. General and administrative expenses decreased $2,269 to $19,289 for the six months ended June 30, 2004 from $21,558 for the six months ended June 30, 2003. The decrease was primarily a result of $6,720 in legal fees and settlement costs associated with the termination of our agreement with the prior

provider of our subscriber management system in the 2003 period. This decrease was partially offset by an increase in compensation for additional headcount, consulting fees, rent and occupancy costs for additional office space, bad debt expense due to the growth of our subscriber base and costs incurred in connection with our annual meeting of stockholders.

Research and Development. Research and development expenses decreased $1,666 to $11,774 for the six months ended June 30, 2004 from $13,440 for the six months ended June 30, 2003. The decrease in research and development expenses was primarily attributable to a $5,255 decrease in non-recurring engineering costs primarily related to the development of our chip sets and the incorporation of SIRIUS radios into vehicles manufactured by automakers. This decrease in expense was partially offset by increases related to our joint development agreement with XM Satellite Radio and compensation and consulting costs related to the addition of headcount to support the continued development of future generation chip sets and products.

Non-Cash Stock Compensation. We recognized non-cash stock compensation expense of $12,861 and $436 for the six months ended June 30, 2004 and 2003, respectively. The increase is primarily a result of expense recognized for the six months ended June 30, 2004 in connection with the issuance of stock-based awards to employees and consultants, which include a combination of stock options with exercise prices below fair market value at the date of grant and restricted stock units. Included in the expense for the six months ended June 30, 2004 is $2,647 associated with the accelerated vesting of options, which vested during the first quarter of 2004, upon the satisfaction of certain performance criteria in 2003.

Debt Restructuring. We recorded a gain of $256,538 in connection with the restructuring of our long-term debt for the six months ended June 30, 2003. This gain represents the difference between the carrying value of our 15% Senior Secured Discount Notes due 2007, 14½% 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 8¾% 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 Expense. Interest expense increased $6,938 to $28,968 for the six months ended June 30, 2004 from $22,030 for the six months ended June 30, 2003. The increase in interest expense was attributable to debt conversion costs incurred as a result of the exchange of debt for our common stock in the first quarter of 2004. Debt conversion costs represent the loss on conversion associated with the debt exchanged. Such costs were $19,592 for the six months ended June 30, 2004. The overall increase in interest expense was offset by a decrease in interest as a result of our debt restructuring.

Income Tax Expense. We recorded income tax expense of $3,081 for the six months ended June 30, 2004. This expense represents the recognition of a deferred tax liability related to the difference in accounting for our FCC license, which is amortized over 15 years for tax purposes but not amortized for book purposes.

Liquidity and Capital Resources

We have financed our operations through the sale of debt and equity securities. As of June 30, 2004, we had cash, cash equivalents and marketable securities totaling $639,599 and working capital of $545,912, compared with cash, cash equivalents and marketable securities totaling $560,093 and working capital of $524,050 as of June 30, 2003. Since December 31, 2002, our recapitalization and the issuance of convertible debt and common stock in exchange for net proceeds of $982,321 substantially improved our liquidity.

In January 2004, we signed a seven-year programming and marketing agreement with the NFL. In connection with this agreement, we paid $5,000 in December 2003, $5,000 in February 2004 and $85,000 was deposited in escrow in January 2004. We are not required to make further payments to the NFL until August 2009. In the first quarter of 2004, we issued $300,000 in aggregate principal amount of our 2½% Convertible Notes due 2009, resulting in net proceeds of $293,600. We intend to use these proceeds for general corporate purposes, including investments in programming and infrastructure and to pay the costs of retail and automotive distribution arrangements. In January 2004, we also issued 21,027,512 shares of our common stock for $19,850 in net proceeds in connection with Blackstone's exercise of certain warrants.

Effective as of August 2, 2004, we discontinued our in-orbit satellite insurance. In the event of a catastrophic failure of one of our satellites, we have sufficient cash, cash equivalents and marketable securities to launch and insure our spare satellite.

Based upon our current plans, we believe that our cash, cash equivalents and marketable securities will be 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 financial projections are based on assumptions, which we believe are reasonable but contain significant uncertainties.

We may change our plans and, as a result, our actual funding requirements could vary materially. We may need to raise additional funds through the sale of additional debt and equity securities to fund costs that are not contemplated by our business plan. Such costs may include the costs of acquiring new programming as well as distribution costs and subscriber acquisition costs, investing in our infrastructure and/or potential acquisitions. The sale or issuance of additional equity or convertible debt securities could result in dilution to our stockholders. The incurrence of indebtedness would result in increased fiscal obligations and could result in operating covenants that would restrict our operations. If changes to our business plan resulted in a need for additional capital, we cannot provide assurance that these additional sources of funds will be available, or, if available, would have reasonable terms.

Cash Flows for the Six Months Ended June 30, 2004 Compared with Six Months Ended June 30, 2003

Net cash used in operating activities remained relatively consistent at $135,174 for the six months ended June 30, 2004 as compared with $135,756 for the six months ended June 30, 2003. Net cash used in operating activities, including adjustments for non-cash items and before changes in assets and liabilities, was $183,063 for the six months ended June 30, 2004 as compared with $163,628 for the six months ended June 30, 2003, an increase of $19,435. This increase in the net outflow of cash was primarily attributable to an increase in subscriber acquisition costs of $40,555 offset by an increase in revenue of $18,857. These increases were driven by the addition of over 325,000 net new subscribers in the last 12 months.

Changes in assets and liabilities resulted in net cash inflow of $47,889 for the six months ended June 30, 2004 as compared with $27,872 for the six months ended June 30, 2003. For the six months ended June 30, 2004, the net cash inflow was primarily attributable to an increase in accounts payable and accrued expenses and deferred revenue. Accounts payable and accrued expenses increased primarily as a result of an increase in our operating expenses to obtain additional content on our music and non-music channels, to market our service to potential subscribers, and to pay incentives and subsidies to acquire new subscribers. The increase in deferred revenue was a result of an inflow of cash from subscribers on annual subscription plans and other prepaid subscription programs. We currently recognize an average of approximately nine to ten months of prepaid revenue per subscriber upon activation.

We expect to continue to have net outflows of cash for the remainder of 2004 to fund the continued growth of our operations. These cash outflows will be partially offset by cash received from subscribers on annual subscription plans and other prepaid subscription programs.

Net cash used in investing activities was $70,312 for the six months ended June 30, 2004 compared with net cash provided by investing activities of $139,821 for the six months ended June 30, 2003. For the six months ended June 30, 2004, we deposited $85,000 in escrow in connection with our agreement with the NFL. We received $25,000 and $150,000 for the six months ended June 30, 2004 and 2003, respectively, as a result of the maturity of certain available-for-sale securities. Capital expenditures remained consistent at $10,340 and $10,179 for the six months ended June 30, 2004 and 2003, respectively.

Net cash provided by financing activities was $318,530 and $532,095 for the six months ended June 30, 2004 and 2003, respectively. During the six months ended June 30, 2004, we issued $300,000 in principal amount of our 2½% Convertible Notes due 2009, resulting in net proceeds of $293,600. We also received proceeds from the exercise of options and warrants of $5,147 and $19,850, respectively, for the six months ended June 30, 2004. During the six months ended June 30, 2003, we sold shares of common stock resulting in net proceeds of $342,659 and incurred costs associated with our debt restructuring of $4,737. During the six months ended June 30, 2003, we also issued $201,250 in aggregate principal amount of our 3½% Convertible Notes due 2008 in an underwritten public offering resulting in net proceeds of $194,224.

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. On May 25, 2004, our stockholders approved an amendment to the 2003 Plan to include members of our board of directors as eligible participants. 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, consultants, celebrity talent and members of our board of directors are eligible to receive awards under the 2003 Plan. As of June 30, 2004, approximately 133,218,000 shares of our common stock were available for grant 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.

In 2003, we granted a total of 47,707,250 non-qualified stock options to employees and consultants with an exercise price of $1.04 per share. Approximately 42% of these options vest ratably over three years and 33% vest in July 2008 with acceleration to March 2005 if performance criteria are satisfied in 2004. 25% of these options vested in March 2004 upon the satisfaction of performance criteria. Employees exercised 4,934,101 of these stock options during the six months ended June 30, 2004 resulting in proceeds to us of $5,131. The exercise of the remaining vested options could result in an inflow of cash in future periods.

Contractual Cash Commitments

We have entered into various contracts that have resulted in significant cash obligations in future periods. These cash obligations could vary in future periods if we change our business plan or strategy, which could include significant additions to our programming, infrastructure or distribution. The following table summarizes our expected contractual cash commitments as of June 30, 2004:

	2004	2005	2006	2007	2008	Thereafter	Total
Long-term debt obligations	$ 9,387	$ 18,774	$ 18,774	$ 47,974	$ 80,467	$ 338,098	$ 513,474
Lease obligations	4,958	8,622	7,821	7,560	6,033	30,318	65,312
Satellite and transmission	1,187	2,374	2,374	2,374	2,374	16,621	27,304
Programming and content	26,561	36,380	27,634	6,085	4,808	79,975	181,443
Customer service and billing	3,538	4,625	3,310	3,032	—	—	14,505
Marketing and distribution	36,430	31,939	19,016	7,295	3,000	13,950	111,630
Chip set development and production	7,220	10,048	10,048	—	—	—	27,316
Total contractual cash commitments	$ 89,281	$ 112,762	$ 88,977	$ 74,320	$ 96,682	$ 478,962	$ 940,984

Long-Term Debt Obligations

Long-term debt obligations include principal and interest payments. As of June 30, 2004, we had $428,452 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 14½% Senior Secured Notes due 2009, $67,250 in aggregate principal amount of our 3½% Convertible Notes due 2008, $1,744 in aggregate principal amount of our 8¾% Convertible Subordinated Notes due 2009 and $300,000 in aggregate principal amount of our 2½% Convertible 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.

We have agreed to pay the NFL an aggregate of $188,000 during the term of our agreement. Of this amount, $10,000 was paid in connection with the announcement and execution of our agreement with the NFL and $85,000 was deposited in escrow to pay rights fees for the 2006-09 NFL seasons. We are not required to make any further payments to the NFL until August 2009. The $85,000 deposited in escrow is included in restricted investments on our consolidated balance sheets and is not included as a contractual cash commitment in the table above. Of the total remaining cash commitments of $93,000, approximately $79,000 relates to programming and content.

Customer Service and Billing

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

Marketing and Distribution

We have entered into various marketing, sponsorship and distribution agreements to promote our brand and as a result are obligated to make payments to sponsors, retailers, automakers and radio manufacturers. We have also agreed to reimburse automakers for certain engineering and development costs associated with the incorporation of SIRIUS radios into vehicles they manufacture.

Because our agreement with the NFL contains a sponsorship element, we have allocated a portion of the contractual obligations accordingly. Of the total remaining contractual cash commitments of $93,000, approximately $14,000 relates to sponsorship.

Chip Set Development and Production

We have entered into an agreement with Agere to 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 through September 30, 2004. We have also entered into agreements with Agere to pay for the development of our chip sets and to license intellectual property related to our chip sets.

In April 2004, we executed an agreement with STMicroelectronics, one of the largest suppliers of integrated circuits in the world, to produce our next generation chip set. This agreement requires us to purchase a minimum of 1,500,000 chip sets during a three-year period for an aggregate price of approximately $20,000, and pay for the development of the chip sets as milestones are satisfied.

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. The costs related to the joint development agreement are being expensed as incurred to research and development expense. 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 cash 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.

We are required under the terms of certain agreements to provide letters of credit, which place restrictions on our cash and cash equivalents. As of June 30, 2004 and December 31, 2003, $7,115 and $8,747, respectively, were classified as restricted investments to secure our reimbursement obligations under these letters of credit.

As of June 30, 2004, we have not entered into any off-balance sheet arrangements or transactions.

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 this report. We have identified the following policies, which were discussed with the audit committee of our board of directors, as critical to our business and understanding our results of operations.

Subscription Revenue Recognition. Revenue from subscribers consists of subscription fees, including revenue derived from our agreement with Hertz, and non-refundable activation fees. We recognize subscription fees as our service is provided. Activation fees are recognized ratably over the term of the subscriber relationship, currently estimated to be 3.5 years. The estimated term of a subscriber relationship is based on market research and management's judgment and, if necessary, will be refined in the future as additional 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 will be paid by us directly to subscribers is recorded as a reduction to subscriber revenue in the period the subscriber activates our service.

Stock-Based Compensation. In accordance with Accounting Principles Board 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 and directors. 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-based 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 associated with these options or restricted stock units is also accelerated.

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 Emerging Issues Task Force 96-18, "Accounting for Equity Instruments That are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services," we record expense based upon performance and the fair value of equity instruments issued to non-employees at each reporting date. The final measurement date of equity instruments is the date that each performance commitment for such equity instrument is satisfied. These costs are classified in our accompanying statements of operations according to the nature of the services performed.

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 to purchase, install and activate SIRIUS radios as well as subsidies paid to radio manufacturers, automakers, retailers and chip set manufacturers. The majority of subscriber acquisition costs are incurred in advance of acquiring a subscriber. Subscriber acquisition costs do not include advertising, loyalty payments to distributors and dealers of SIRIUS radios and revenue sharing payments to manufacturers of SIRIUS radios. Subscriber acquisition costs are expensed as incurred. Subscriber

acquisition costs do not include amounts capitalized in connection with our agreement with Hertz, as we retain ownership of the SIRIUS radios used by Hertz.

Costs for chip set production are expensed as subscriber acquisition costs when the chip sets are shipped to radio manufacturers. Chip sets that are shipped to radio manufacturers and held on consignment are recorded as inventory and expensed as subscriber acquisition costs when placed into production by radio manufacturers.

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 the time 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 15 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 in April 2002. If placed into orbit, our spare satellite is expected to operate effectively for 15 years. Space Systems/Loral, the manufacturer of our satellites, has identified circuit failures in solar arrays on satellites since 1997, including our satellites. We continue to monitor these failures, which we believe have not affected the expected useful lives of our satellites. If events or circumstances indicate that the useful lives of our satellites have changed, we will modify the depreciable life accordingly.

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 or more frequently if there are indicators of impairment. In accordance with SFAS No. 142, "Goodwill and Other Intangible Assets," we completed an impairment analysis of our FCC license on November 1, 2003, 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.

Item 4. Controls and Procedures

As of June 30, 2004, an evaluation was performed under the supervision and with the participation of our management, including Joseph P. Clayton, our Chief Executive Officer, and David J. Frear, our Executive Vice President and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure and control procedures. Based on that evaluation, our management, including our chief executive officer and our chief financial officer, concluded that our disclosure controls and procedures were effective as of June 30, 2004. There have been no significant changes in our internal controls or in other factors that could significantly affect these internal controls subsequent to June 30, 2004.

Part II

Other Information

Item 4. Submission of Matters to a Vote of Security Holders

At our annual meeting of stockholders held on Tuesday, May 25, 2004, the persons whose names are set forth below were elected as directors. The relevant voting information for each person is set forth opposite such person's name:

	Votes Cast	
	For	Against
Leon D. Black	997,388,713	15,470,578
Joseph P. Clayton	975,008,009	37,851,282
Lawrence F. Gilberti	994,714,810	18,144,481
James P. Holden	994,757,715	18,101,576
Warren N. Lieberfarb	1,005,696,993	7,162,298
Michael J. McGuiness	1,004,187,419	8,671,872
James F. Mooney	1,000,337,821	12,521,470

At the annual meeting our stockholders approved an amendment of the Sirius Satellite Radio 2003 Long-Term Stock Incentive Plan to include members of our board of directors as eligible participants by a vote of 261,131,288 shares in favor, 69,959,360 shares against and 3,283,904 shares abstaining. This item received 678,484,739 broker non-votes.

In addition, at the annual meeting our stockholders approved the Sirius Satellite Radio 2004 Employee Stock Purchase Plan by a vote of 302,696,663 shares in favor, 28,626,291 shares against and 3,051,598 shares abstaining. This item also received 678,484,739 broker non-votes.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

See Exhibit Index attached hereto.

(b) Reports on Form 8-K.

On April 6, 2004, we filed a Current Report on Form 8-K to announce a new agreement with DaimlerChrysler Corporation.

On April 21, 2004, we filed a Current Report on Form 8-K to announce our financial and operating results for the quarter ended March 31, 2004.

On June 30, 2004, 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 July 1, 2004 to January 15, 2005.

SIGNATURES

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

SIRIUS SATELLITE RADIO INC.

By: /s/ DAVID J. FREAR

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

August 9, 2004

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 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).
4.2.16	—Amendment to the Rights Agreement dated as of January 14, 2004 (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated January 15, 2004).

Exhibit	Description
4.2.17	—Amendment to the Rights Agreement dated as of June 30, 2004 (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated June 30, 2004).
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).
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 14½% 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 14½% 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 14½% 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	—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 8¾% 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).
4.14	—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 8¾% 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).
4.15	—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 8¾% 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 December 31, 2002).
4.16	—Third Supplemental Indenture, dated as of March 7, 2003, between the Company and HSBC Bank USA, as trustee, relating to the Company's 8¾% 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).

Exhibit	Description
4.17	—Form of 8¾% 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).
4.18	—Indenture, dated as of May 23, 2003, between the Company and The Bank of New York, as trustee (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K dated May 30, 2003).
4.19	—Supplemental Indenture, dated as of May 23, 2003, between the Company and The Bank of New York, as trustee, relating to the Company's 3½% Convertible Notes due 2008 (incorporated by reference to Exhibit 99.3 to the Company's Current Report on Form 8-K dated May 30, 2003).
4.20	—Second Supplemental Indenture, dated as of February 20, 2004, between the Company and The Bank of New York, as trustee, relating to the Company's 2½% Convertible Notes due 2009 (incorporated by reference to Exhibit 4.20 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003).
4.21	—Common Stock Purchase Warrant granted by the Company to DaimlerChrysler AG dated June 3, 2004 (filed herewith).
4.22	—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).
4.23	—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).
4.24	—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).
4.25	—Form of Media-Based Incentive Warrant dated February 3, 2004 issued by the Company to NFL Enterprises LLC (incorporated by reference to Exhibit 4.25 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003).
4.26	—Bounty-Based Incentive Warrant dated February 3, 2004 issued by the Company to NFL Enterprises LLC (incorporated by reference to Exhibit 4.26 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003).
4.27	—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)).
4.28	—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).
4.29	—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).
4.30	—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 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).
*10.2	—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).
*10.3	—Employment Agreement, dated as of June 3, 2003, between the Company and David J. Frear

Exhibit	Description
	(incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003).
*10.4	—Employment Agreement, dated as of May 5, 2004, between the Company and Scott A. Greenstein (filed herewith).
*10.5	—Employment Agreement, dated as of May 5, 2004, between the Company and James E. Meyer (filed herewith).
*10.6	—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).
*10.7	—1994 Stock Option Plan (incorporated by reference to Exhibit 10.21 to the S-1 Registration Statement).
*10.8	—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).
*10.9	—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)).
*10.10	—Amended and Restated Sirius Satellite Radio 2003 Long-Term Stock Incentive Plan (filed herewith).
*10.11	—Form of Option Agreement, dated as of December 29, 1997, between the Company and each Optionee (incorporated by reference to Exhibit 10.16.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998).
†10.12	—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, 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, 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).

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

† Portions of this exhibit have been omitted pursuant to Applications for Confidential treatment filed by the Company with the Securities and Exchange Commission.

Exhibit 4.21

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

SIRIUS SATELLITE RADIO INC.

COMMON STOCK PURCHASE WARRANT

This certifies that, for good and valuable consideration, Sirius Satellite Radio Inc., a Delaware corporation (the "Company"), grants to DaimlerChrysler AG, a German corporation ("DCAG"), or registered assigns (together with DCAG, the "Warrantholder"), the right to subscribe for and purchase from the Company an aggregate of up to 21,500,000 validly issued, fully paid and nonassessable shares (the "Warrant Shares") of the Company's common stock, par value $0.001 per share (the "Common Stock"), at the purchase price per share of $1.04 (the "Exercise Price"), at any time and from time to time, during the period from and including 9:00 AM, New York City time, on the date hereof until 5:00 PM, New York City time, on the date of the termination or expiration (the "Expiration Date") of the Amended and Restated Agreement, dated as of May 13, 2002, among the Company, DaimlerChrysler Corporation ("DCC") , Freightliner LLC ("Freightliner") and Mercedes-Benz USA, LLC ("Mercedes" and, together with DCC, Freightliner and their respective subsidiaries and designated affiliates, "DaimlerChrysler"), as amended, all subject to the terms, conditions and adjustments herein set forth.

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

Certificate No. DCX-5

Number of Shares: 21,500,000

Name of Warrantholder: DaimlerChrysler AG, a German corporation

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

1.1 Excercisability of Warrant. Subject to the terms and conditions set forth herein, and so long as DaimlerChrysler is in compliance in all material respects with the terms and conditions of the Amended and Restated Agreement, dated as of May 13, 2002, among the Company, DCC, Mercedes and Freightliner, as amended, supplemented or otherwise modified from time to time (including pursuant to that certain letter agreement, dated as of April 5, 2004, between the Company and DCC), the right to exercise this Warrant shall vest, and this Warrant shall become exercisable as follows:

(a) with respect to 750,000 shares of Common Stock, on the earlier of (i) June 30, 2004, if DCC has included a one-year subscription to the Sirius Service as part of the sales price or leasing cost of every 2005 model year DCC Factory Enabled Vehicle or (ii) the date on which 250,000 Eligible Vehicles have been produced;

(b) with respect to 750,000 shares of Common Stock, on the earlier of (i) June 30, 2005, if DCC has included a one-year subscription to the Sirius Service as part of the sales price or leasing cost of every 2006 model year DCC Factory Enabled Vehicle or (ii) the date on which 250,000 Eligible Vehicles have been produced;

(c) with respect to 2,000,000 shares of Common Stock, on the earlier of (i) December 31, 2004, if on or before such date DCC has certified to the Company in writing (which certification shall include reasonable supporting documentation) that it has commenced factory installation of Sirius Receivers in production models of 12 of the following 13 vehicle lines: PT Cruiser, Durango, Ram, Dakota, 300

Series, Sebring/Stratus, Magnum, Grand Cherokee, Liberty, Wrangler, Caravan, Town & Country and Pacifica or (ii) the date on which 250,000 Eligible Vehicles have been produced;

(d) with respect to 2,500,000 shares of Common Stock, on the earlier of (i) August 31, 2005, if on or before such date DCC has delivered, or caused a supplier reasonably acceptable to the Company to deliver, to the Company an Integrated Head Unit suitable for commencement of DCC's design verification, and such Integrated Head Unit has passed the Company's reasonable type acceptance requirements; provided that if DCC fails to deliver, or fails to cause a supplier reasonably acceptable to the Company to deliver, such Integrated Head Unit on or prior to August 31, 2005 solely as a result of the failure of the Company (or a supplier to the Company) to deliver to DCC, on or prior to December 31, 2004, a Sirius Standard Module suitable for commencement of DCC's design verification, then such August 31, 2005 date shall be extended by the number of days such delivery to DCC has been delayed, or (ii) the date on which 3,200,000 Eligible Vehicles have been produced;

(e) with respect to 2,500,000 shares of Common Stock, on the earlier of (i) December 31, 2006, if on or before such date DCC has commenced, or caused a supplier

reasonably acceptable to the Company to commence, production of commercial quantities of an Integrated Head Unit, and such Integrated Head Unit has passed the Company's reasonable type acceptance requirements; provided that if DCC fails to commence, or fails to cause a supplier reasonably acceptable to the Company to commence, such production on or prior to December 31, 2006 solely as a result of the failure of the Company (or a supplier to the Company) to deliver to DCC, on or prior to September 30, 2005, commercial quantities of the Sirius Standard Module, then such December 31, 2006 date shall be extended by the number of days such delivery to DCC has been delayed, or (ii) the date on which 3,200,000 Eligible Vehicles have been produced;

(f) with respect to 1,500,000 shares of Common Stock, on the earlier of (i) December 31, 2004, if on or prior to such date, DCC has shipped 100,000 Bundled DCC Factory Enabled Vehicles to its authorized dealers or DCC approved "ship-to-points" or (ii) the date on which 250,000 Eligible Vehicles have been produced;

(g) with respect to 2,500,000 shares of Common Stock, on the earlier of (i) December 31, 2005, if on or prior to such date DCC has shipped 400,000 Bundled DCC Factory Enabled Vehicles to its authorized dealers or DCC approved "ship-to-points" or (ii) the date on which 800,000 Eligible Vehicles have been produced;

(h) with respect to 2,500,000 shares of Common Stock, on the earlier of (i) December 31, 2006, if on or prior to such date DCC has shipped 700,000 Bundled DCC Factory Enabled Vehicles to its authorized dealers or DCC approved "ship-to-points" or (ii) the date on which 1,600,000 Eligible Vehicles have been produced;

(i) with respect to 5,000,000 shares of Common Stock, on the earlier of (i) December 31, 2007, if on or prior to such date DCC has shipped 1,000,000 Bundled DCC Factory Enabled Vehicles to its authorized dealers or DCC approved "ship-to-points" or (ii) the date on which 2,400,000 Eligible Vehicles have been produced; and

(j) with respect to 1,500,000 shares of Common Stock, upon execution and delivery of an agreement between the Company and Mitsubishi Motors North America, Inc., in form and substance acceptable to the Company, pursuant to which, among other things, Mitsubishi Motors North America, Inc. agrees to factory-install Sirius Receivers in its vehicles on an exclusive basis.

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

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

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

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

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

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

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

1.6 Divisibility of Warrant; Transfer of Warrant. (a) This Warrant may only be transferred by the Warrantholder with the prior written consent of the

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

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

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

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

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

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

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

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

By acceptance of this Warrant, the Warrantholder expressly agrees that

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

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

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

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

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

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

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

6. Certain Adjustments.

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

(a) Stock Dividends. If at any time after the date of the issuance of this Warrant (i) the Company shall fix a record date for the issuance of any stock dividend payable in shares of Common Stock; or (ii) the number of shares of Common Stock shall have been increased by a subdivision or split-up of shares of Common Stock, then, on the record date fixed for the determination of holders of Common Stock entitled to receive such dividend or immediately after the effective date of such subdivision or split-up, as the case may be, the number of shares to be delivered upon exercise of this Warrant shall be increased so that the Warrantholder shall be entitled to receive the number of shares of Common Stock that such Warrantholder would have owned immediately following such action had this Warrant been exercised immediately prior thereto, and the Exercise Price shall be adjusted as provided below in paragraph (g).

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

(c) Reorganization. If any capital reorganization of the Company,

any reclassification of the Common Stock, any consolidation of the Company with or merger of the Company with or into any other Person, or any sale or lease or other transfer of all or substantially all of the assets of the Company to any other Person, shall be effected in such a way that the holders of Common Stock shall be entitled to receive stock, other

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

(d) Distributions to all Holders of Common Stock. If the Company shall, at any time after the date of issuance of this Warrant, fix a record date to distribute to all holders of its Common Stock any shares of capital stock of the Company (other than Common Stock) or evidences of its indebtedness or assets (not including regular quarterly cash dividends and distributions paid from retained earnings of the Company) or rights or warrants to subscribe for or purchase any of its securities, then the Warrantholder shall be entitled to receive, upon exercise of this Warrant, that portion of such distribution to which it would have been entitled had the Warrantholder exercised its Warrant immediately prior to the date of such distribution. At the time it fixes the record date for such distribution, the Company shall allocate sufficient reserves to ensure the timely and full performance of the provisions of this Subsection. The Company shall promptly (but in any case no later than five Business Days prior to the record date of such distribution) give notice to the Warrantholder that such distribution will take place.

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

(f) Carryover. Notwithstanding any other provision of this Section 6, no adjustment shall be made to the number of shares of Common Stock to be delivered to the Warrantholder (or to the Exercise Price) if such adjustment represents less than 1% of the number of shares to be so delivered, but any lesser adjustment shall be carried forward

and shall be made at the time and together with the next subsequent adjustment which together with any adjustments so carried forward shall amount to 1% or more of the number of shares to be so delivered.

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

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

6.3 Notice of Adjustments. Whenever the number of Warrant Shares or the Exercise Price is adjusted pursuant to Section 6.1, the Company shall promptly give to the Warrantholder notice of such adjustment or adjustments and a certificate of a firm of independent public accountants of recognized national standing (which shall be appointed at the Company's expense and may be the independent public accountants regularly employed by the Company) setting forth the number of Warrant Shares and the Exercise Price of such Warrant Shares after such adjustment, a brief statement of the facts requiring such adjustment, and the computation by which such adjustment was made.

6.4 Notice of Extraordinary Corporate Events. In case the Company after the date hereof shall propose to (i) distribute any dividend (whether stock or cash or otherwise) to the holders of shares of Common Stock or to make any other distribution to the holders of shares of Common Stock, (ii) offer to the holders of shares of Common Stock rights to subscribe for or purchase any additional shares of any class of stock or any other rights or options, or (iii) effect any reclassification of the Common Stock (other than a reclassification involving merely the subdivision or combination of outstanding shares of Common Stock), any capital reorganization, any consolidation or merger (other than a merger in which no distribution of securities or other property is to be made to holders of shares of Common Stock), any sale or lease or transfer or other disposition of all or substantially all of its property, assets and business, or the liquidation, dissolution or winding up of the Company, then, in each such case, the Company shall give to the Warrantholder notice of such proposed action, which notice shall specify the date on which (a) the books of the Company shall close, or (b) a record shall be taken for determining the holders

of Common Stock entitled to receive such stock dividends or other distribution or such rights or options, or (c) such reclassification, reorganization, consolidation, merger, sale, transfer, other disposition, liquidation, dissolution or winding up shall take place or commence, as the case may be, and the date, if any, as of which it is expected that holders of record of Common Stock shall be entitled to receive securities or other property deliverable upon such action. Such notice shall be given in the case of any action covered by clause (i) or (ii) above at least ten days prior to the record date for determining holders of Common Stock for purposes of receiving such payment or offer, or in the case of any action covered by clause (iii) above at least 30 days prior to the date upon which such action takes place and 20 days prior to any record date to determine holders of Common Stock entitled to receive such securities or other property.

6.5 Effect of Failure to Notify. Failure to file any certificate or notice or to give any notice, or any defect in any certificate or notice, pursuant to Sections 6.3 and 6.4 shall not affect the legality or validity of

the adjustment to the Exercise Price, the number of shares purchasable upon exercise of this Warrant, or any transaction giving rise thereto.

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

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

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

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

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

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

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

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

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

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

"Bundled DCC Factory Enabled Vehicle" shall mean any DCC Factory Enabled Vehicle that includes a one-year prepaid subscription to the Sirius Service.

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

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

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

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

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

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

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

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

"DaimlerChrysler Enabled Vehicle" shall mean any vehicle which contains a Sirius Receiver capable of receiving the Sirius Service, and not any Competing Service, that was installed in (a) a factory owned or operated by DaimlerChrysler, any present or future subsidiary of DaimlerChrysler, or (b) the factory from which DaimlerChrysler or any present or future subsidiary of DaimlerChrysler acquired such vehicle for distribution

in the United States, or (c) any other service facility designated in writing by DaimlerChrysler (which may include dealerships as long as such installation principally results from a program authorized by DaimlerChrysler).

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

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

"DCC Factory Enabled Vehicle" shall mean any DCC vehicle that contains a Sirius Receiver that was installed in a factory owned or operated by DCC or any present or future subsidiary of DCC.

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

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

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

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

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

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

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

(ii) if the Common Stock is not registered under the Exchange Act, then the Fair Market Value shall be as reasonably determined in good faith by the Board or a duly appointed committee of the Board (which determination shall be reasonably described in the written notice given to the Warrantholder).

For the purposes of clause (i) of this definition, the closing sales

price for each such trading day shall be: (1) in the case of a security listed or admitted to trading on any

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

"FCC" shall mean the Federal Communications Commission.

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

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

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

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

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

"Integrated Head Unit" shall mean a Head Unit which is capable of receiving and outputting the Sirius Service, and all related textual data, as a result of circuitry contained in the Head Unit.

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

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

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

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

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

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

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

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

"Sirius Chip Set" shall mean the generation 2.5 set of integrated circuits (including the Northstar baseband and combined tuner chip) capable of receiving, decoding, decompressing and outputting the Sirius Service.

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

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

"Sirius Standard Module" shall mean a device manufactured by Ki Ryung Electronics Co., Ltd. or Wistron NeWeb Corporation that contains a Sirius Chip Set and, when integrated into a Head Unit, enables such Head Unit to receive and output the Sirius Service and all related textual data.

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

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

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

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

11. No Impairment. The Company shall not by any action, including, without limitation, amending the Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but shall at all times in good faith assist in the carrying out of all such terms and in the taking of all such reasonable actions as may be necessary or appropriate to protect the rights of the Warrantholder against impairment. Without limiting the generality of the foregoing, the Company shall (a) take all such actions as may

be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassesable shares of Common Stock upon the exercise of this Warrant, and (b) provide reasonable assistance to the Warrantholder in obtaining all authorizations, exemptions or consents from any Governmental Authority which may be necessary in connection with the exercise of this Warrant.

12. Miscellaneous.

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

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

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

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

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

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

if to the Company, addressed to:

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

if to the Warrantholder, addressed to:

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

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

12.7 Separability. Any term or provision of this Warrant which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such

invalidity or unenforceability without rendering invalid or unenforceable the terms and provisions of this Warrant or affecting the validity or enforceability of any of the terms or provisions of this Warrant in any other jurisdiction.

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

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

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

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

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

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

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

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

SIRIUS SATELLITE RADIO INC.

By: /s/ Patrick L. Donnelly

Patrick L. Donnelly
Executive Vice President and
General Counsel

Dated: June 3, 2004

Attest:

By: /s/ Douglas Kaplan

Douglas Kaplan
Assistant Secretary

Exhibit A

EXERCISE FORM

(To be executed upon exercise of this Warrant)

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

_____.

Dated:_____

Signature_____

_____
(Print Name)

_____
(Street Address)

_____
(City) (State) (Zip Code)

Signed in the Presence of:

_____

Exhibit B

FORM OF ASSIGNMENT

(To be executed only upon transfer of this Warrant)

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

Dated:_____

Signature_____

_____
(Print Name)

_____
(Street Address)

_____
(City) (State) (Zip Code)

Signed in the Presence of:

_____

Exhibit 10.4

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of May 5, 2004 (this "Agreement"), between SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Company"), and SCOTT GREENSTEIN (the "Executive").

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

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

2. Duties and Reporting Relationship. (a) The Executive shall be employed in the capacity of President, Entertainment and Sports, of the Company. In such capacity, the Executive shall be responsible for management of all aspects of the Company's programming and corporate marketing functions and all personnel working in such areas shall report to the Executive. 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 or the Board of Directors of the Company or any committee thereof (the "Board") shall from time to time reasonably specify and direct. During the Term, the Executive shall not perform any consulting services for, or engage in any other business enterprises with, any third parties without the express consent of the Board, other than passive investments and consulting services and business enterprises for which the Executive receives no remuneration.

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

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

3. Term. The term of this Agreement shall commence on May 5, 2004 (the "Start Date") and end on May 4, 2007, unless terminated earlier pursuant to the provisions of Section 6 or 9 (the "Term").

4. Compensation. (a) During the Term, the Executive shall be paid an annual base salary of $525,000 (the "Base Salary"). The Base Salary shall be subject to increase from time to time by recommendation of the Chief Executive Officer of the Company to, and approval by, the Board; provided that the Base Salary shall at all times be not less than the base salary of the Company's President, Operations and Sales. All amounts paid to the Executive under this Agreement shall be in U.S. dollars. The Executive's base salary shall be paid at least monthly and, at the option of the Company, may be paid more frequently.

(b) No later than May 15, 2004, the Company shall pay the Executive a one-time cash starting bonus of $150,000.

(c) On the date hereof, the Company shall grant to the Executive an option to purchase 2,800,000 shares of the Company's common stock, par value $.001 per share (the "Common Stock"), at an exercise price of $3.14 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. If during the Term the Company awards the Company's President, Operations and Sales (as of the date hereof, for all purposes under this Agreement), additional options to purchase Common Stock, then the Executive shall be awarded at least an equal number of options to purchase the Common Stock as has been awarded to the Company's President, Operations and Sales, on terms and conditions no less favorable.

(d) On the date hereof, the Company shall grant to the Executive 1,575,000 restricted stock units. Such restricted stock units of Common Stock shall be subject to the terms and conditions set forth in the Restricted Stock

Unit Agreement attached to this Agreement as Exhibit B. If during the Term the Company awards the Company's President, Operations and Sales, additional restricted stock units, then the Executive shall be awarded at least an equal number of restricted stock units as has been awarded to the Company's President, Operations and Sales, on terms and conditions no less favorable.

(e) The Company is in the process of developing a bonus program for the year ending December 31, 2004. This program will include a variety of objective milestones, such as number of subscriber activations, and is subject to approval by the Board of Directors. This program may also include objectives specifically applicable to the Executive and his specific areas of responsibility. The performance objectives applicable to the Executive's bonuses under such plan shall be no more onerous than the performance objectives applicable to the Company's Chief Executive Officer and President, Operations and Sales. Such bonus plan shall contain milestones that shall permit the Executive to earn up to the following annual bonus:

<TABLE>
<CAPTION>

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

</TABLE>

Without prejudice to the foregoing, the Executive shall be guaranteed a bonus of not less than $262,500 for the year ending December 31, 2004, one-half of which shall be paid in cash and one-half of which shall be paid in restricted stock units which vest one year from the date of grant; provided that the bonus paid to the Company's President, Operations and Sales, with respect to the year ending December 31, 2004 is paid in the same proportion. The Company reserves the right to pay any subsequent bonus in the form of cash, restricted stock, other securities of the Company, or any combination of the foregoing, in its sole discretion; provided that the Executive's bonus shall be paid in cash, restricted stock and other securities of the Company in the same proportions as the bonus paid to the Company's other executive officers.

(f) 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. The Executive shall present to the Company an itemized account of all expenses in such form as may be required by the Company from time to time.

(b) During the Term, the Executive shall be entitled to participate fully in any other benefit plans, programs, policies and fringe benefits which may be made available to the executive officers of the Company generally, including, without limitation, disability, medical, dental and life insurance and benefits under the Sirius Satellite Radio 401(k) Savings Plan.

(c) During the Term, the Executive shall be entitled to participate in all compensation and benefits programs and perquisites (other than any relocation allowance, or reimbursement of living and travel expenses), made available to the Company's Chief Executive Officer or President, Operations and Sales, and shall participate in amounts and on terms and conditions at least as favorable as those offered to the Company's President, Operations and Sales.

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:

(i) a material breach by the Executive of (A) the terms of this Agreement or (B) 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 any such material breach described in clause (A) or clause (B) remains uncured after thirty days have elapsed following the date on which the Company gives the Executive written notice of such breach;

(ii) a material 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 gross negligence;

(vi) the repeated nonprescription use of any controlled substance or the repeated use of alcohol or any other non-controlled substance that, in the reasonable good faith opinion of the Board of Directors, 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 reasonable written instructions within five days; or

(viii) conduct by the Executive that in the reasonable good faith written determination 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 judicial or 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 two-thirds of the directors (other than the Executive, if the Executive is then serving on the Board) 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 any of clauses (i) through (viii) of this Section 6(a) and specifying the particulars thereof in reasonable detail. 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.

(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, the Board shall have the right and may elect to terminate the services of the Executive by a Notice of Disability Termination. The Executive shall not be terminated following a Disability except pursuant to this Section 6(b)(ii). 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, instruct 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, instruct that the Executive cease active employment and perform no more job duties immediately upon provision of such notice to the Executive.

(e) The Executive shall have the absolute right to terminate his employment at any time. 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 or, if other than for Good Reason, fourteen 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, instruct that 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, 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 or the Executive not being the sole officer of the Company, other than the Company's Chief Executive Officer, who is responsible for all programming and corporate marketing activities and personnel (except in connection with the termination of the Executive's employment for Cause, disability or as a result of the Executive's death or by the Executive other than for Good Reason); or

(ii) the Executive ceasing to report directly to the Chief Executive Officer of the Company; or

(iii) any requirement that the Executive report for work to a location more than 25 miles from the Company's current headquarters for more than 30 days in any calendar year, excluding any requirement that results from the damage or destruction of the Company's current headquarters as a result of natural disasters, terrorism, acts of war or acts of God; or

(iv) any reduction in the Base Salary; or

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

(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(f), 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 Termination Date (or such higher salary as may be required by Section 1(a)) for the period from the Termination Date through May 4, 2007 (the "Severance Period") and (y) any annual bonuses, at a level equal to 60% of Base Salary, that would have been customarily paid during the Severance Period; (ii) the continuation of medical and dental insurance benefits, on the same terms as provided by the Company for active employees, under the Consolidated Omnibus Reconciliation Act of 1985 ("COBRA") for eighteen months following the Termination Date and, if the Severance Period extends beyond eighteen months following the Termination Date, monthly payment of an amount equal to the actual costs to the Executive to obtain medical and dental insurance benefits substantially similar to those benefits provided to the

Executive for the remainder of the Severance Period; provided that (1) the amount of such monthly payments shall not exceed twice the amount that the Company would have paid to provide such medical and dental insurance benefits to the Executive, as if he were an active employee, and (2) such payments shall cease if the Executive obtains medical and dental benefits from another employer during the remainder of the Severance Period; and (iii) receive a monthly amount equal to the actual costs to the Executive to obtain life insurance benefits substantially similar to those benefits provided to the Executive for the remainder of the Severance Period; provided that (1) the amount of such monthly payments shall not exceed twice the amount that the Company would have paid to provide such life insurance benefit to the Executive if he was an active employee, and (2) such payments shall cease if the Executive obtains a life insurance benefit from another employer during the remainder of the Severance Period. The Company's obligations under this Section 6(f) shall be conditioned upon the Executive executing and delivering an agreement, and waiver and release of claims against the Company, in the form attached as Exhibit C. Any amount becoming payable under Section 6(f) shall be paid in immediately available funds on the tenth business day following the execution and delivery by the Executive of the agreement, and waiver and release of claims against the Company, attached as Exhibit C; provided that the Executive has not revoked such agreement in accordance with the terms thereof prior to such 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 in connection with the performance of his functions or as required by applicable law, disclose to others or use, directly or indirectly, any Confidential Information.

(b) "Confidential Information" shall mean information about the Company's business and operations that is not disclosed by the Company for financial reporting purposes and that was learned by the Executive in the course of his employment by the Company, including, without limitation, any business plans, 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 the Term for one year.

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, any person or entity engaged (a) in any operations in North America involving the transmission of radio entertainment programming in competition with the Company or (b) in the business of manufacturing, marketing or distributing radios, antennas or other parts for use in devices which receive broadcasts of XM Satellite Radio Inc. or any successor to XM Satellite Radio Inc., in any such case if such employment, services or acquisition is in such operations or business; provided that nothing in this Agreement shall prevent the purchase or ownership by the Executive by way of investment of less than five percent of the shares or equity interest of any corporation or other entity. Without limiting the generality of the foregoing, the Executive agrees that during the Restricted Period, the Executive shall not call on or otherwise solicit business or assist others to solicit business from any of the customers of the Company as to any product or service described in (a) and (b) above that competes with any product or service provided or marketed 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 three years following the end of the Term; provided that if the employment of the Executive is terminated without Cause or the Executive terminates his employment for Good Reason, the "Restricted Period" shall be the shorter of: (a) the Severance Period, and (b) one year following the end of the Term.

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(f), a lump sum amount (in addition to any salary, benefits or other sums due the Executive through the Termination Date) equal to the product of the Base Salary multiplied by lesser of (x) four, and (y) (1) the multiple of base salary that the Chief Executive Officer of the Company would be entitled to receive under his or her employment agreement in effect immediately prior to a Change of Control if he or she was terminated without Cause or terminated for Good Reason following such Change of Control times (2) 0.8; (ii) the continuation of medical and dental insurance benefits, on the same terms as provided by the Company for active employees, under COBRA for eighteen months following the Termination Date and, for an additional eighteen months thereafter, monthly payment of an amount equal to the actual costs to the Executive to obtain medical and dental insurance benefits substantially similar to those benefits provided to the Executive on the Termination Date; provided that (1) the amount of such monthly payments shall not exceed twice the amount that the Company would have paid to provide such medical and dental insurance benefits to the

Executive, as if he were an active employee, and (2) such payments shall cease if the Executive obtains medical and dental benefits from another employer; and (iii) receive a monthly amount equal to actual costs to the Executive to obtain life insurance benefits substantially similar to the benefit provided to the Executive as an active employee for a period of thirty six months after the Termination Date; provided that (1) the amount of such monthly payments shall not exceed twice the amount that the Company would have paid to provide such life insurance benefit to the Executive if he was an active employee, and (2) such payments shall cease if the Executive obtains a life insurance benefit from another employer. 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 50% of the total voting power of the voting stock of the Company, including by way of merger, consolidation or otherwise, 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. 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 expressly provides that the Executive is not required to pay, or is entitled to a refund with respect to, all or any portion of such excise taxes or additional amounts, the Executive shall promptly reimburse the Company in an amount equal to all amounts paid to the Executive pursuant to this Section 9 less any excise taxes or additional amounts which remain payable by, or are not refunded to, the Executive after giving effect to such IRS ruling. Each of the Company and the Executive agrees to promptly notify the other party if it receives any such IRS ruling.

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.

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:

Scott Greenstein
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 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 shall pay the cost of any arbitration proceedings under this Agreement if the Executive prevails in such arbitration on at least one substantive issue.

(c) 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 Representation. The Executive hereby represents and warrants to Company that he 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.

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/ Scott A. Greenstein

Scott Greenstein

Exhibit A

THIS OPTION HAS NOT BEEN REGISTERED UNDER STATE OR FEDERAL SECURITIES LAWS. THIS OPTION MAY NOT BE TRANSFERRED EXCEPT BY WILL OR UNDER THE LAWS OF DESCENT AND DISTRIBUTION.

SIRIUS SATELLITE RADIO 2003 LONG-TERM STOCK INCENTIVE PLAN

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT (this "Agreement"), dated as of May 5, 2004 ("Date of Grant"), between SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Company"), and SCOTT GREENSTEIN (the "Employee").

1. Grant of Option; Vesting. (a) Subject to the terms and conditions of this Agreement and the Sirius Satellite Radio 2003 Long-Term Stock Incentive Plan (as amended, the "Plan"), the Company hereby grants to the Employee the right and option (this "Option") to purchase up to two million eight hundred thousand (2,800,000) shares (the "Shares") of common stock, par value $0.001 per share, of the Company at a price per share of $3.14 (the "Exercise Price"). This Option is not intended to qualify as an Incentive Stock Option for purposes of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). In the case of any stock split, stock dividend or like change in the Shares occurring after the date hereof, the number of Shares and the Exercise Price shall be adjusted as set forth in Section 4(b) of the Plan.

(b) The right and option to purchase up to one million (1,000,000) Shares shall vest and be exercisable on the date hereof.

(c) Subject to the terms of this Section 1(c), the right and option to purchase up to six hundred thousand (600,000) Shares (the "2004 Performance Options") shall vest and become exercisable on July 1, 2008 if the Employee continues to be employed by the Company on June 30, 2008. Notwithstanding anything to the contrary contained in the preceding sentence, the 2004 Performance Options shall vest on March 15, 2005 if and only if (i) the Employee continues to be employed by the Company on March 14, 2005 and (ii) the Company satisfies performance criteria to be established by the Board of Directors of the Company, or the Compensation Committee thereof, for the year ending December 31, 2004. On or before June 30, 2004, the Board of Directors of the Company, or the Compensation Committee thereof, shall determine in its sole discretion such performance criteria for the year ending December 31, 2004 and shall cause the Company to deliver to the Employee a notice setting forth in reasonable detail such performance criteria.

(d) Subject to the terms of this Section 1(d), the right and option to purchase up to seven hundred and fifty thousand (750,000) Shares (the "2005 Performance Options") shall vest and

become exercisable on July 1, 2008 if the Employee continues to be employed by the Company on June 30, 2008. Notwithstanding anything to the contrary contained in the preceding sentence, the 2005 Performance Options shall vest on March 15, 2006 if and only if (i) the Employee continues to be employed by the Company on March 14, 2006 and (ii) the Company satisfies performance criteria to be established by the Board of Directors of the Company, or the Compensation Committee thereof, for the year ending December 31, 2005. On or before June 30, 2005, the Board of Directors of the Company, or the Compensation Committee thereof, shall determine in its sole discretion such performance criteria for the year ending December 31, 2005 and shall cause the Company to deliver to the Employee a notice setting forth in reasonable detail such performance criteria.

(e) Subject to the terms of this Section 1(e), the right and option to purchase up to four hundred and fifty thousand (450,000) Shares (the "2006 Performance Options") shall vest and become exercisable on July 1, 2008 if the Employee continues to be employed by the Company on June 30, 2008. Notwithstanding anything to the contrary contained in the preceding sentence, the 2006 Performance Options shall vest on March 15, 2007 if and only if (i) the Employee continues to be employed by the Company on March 14, 2007 and (ii) the Company satisfies performance criteria to be established by the Board of Directors of the Company, or the Compensation Committee thereof, for the year ending December 31, 2006. On or before June 30, 2006, the Board of Directors of the Company, or the Compensation Committee thereof, shall determine in its sole discretion such performance criteria for the year ending December 31, 2006 and shall cause the Company to deliver to the Employee a notice setting forth in reasonable detail such performance criteria.

(f) The performance criteria applicable to the 2004 Performance Options, the 2005 Performance Options and the 2006 Performance Options shall be no more onerous than the performance criteria applicable to the Company's Chief Executive Officer and President, Operations and Sales.

(g) If the Employee's employment with Company terminates for any reason, this Option, to the extent not then vested, shall immediately terminate without consideration; provided that if the Employee's employment terminates (i) due to death or Disability (as defined below), the unvested portion of this Option, to the extent not previously canceled or forfeited, shall immediately become vested and exercisable; or (ii) without Cause (as defined in the Employment Agreement, dated as of May 5, 2004 (the "Employment Agreement"), between the Company and the Employee), or by the Employee for Good Reason (as defined in the Employment Agreement), the unvested portion of this Option, to the extent not previously canceled or forfeited, shall vest in accordance with the terms of this Agreement, but any conditions contained in this Agreement which would require the Employee to be an employee of the Company on a specified date shall have no force or effect.

2. Term. This Option shall terminate on May 5, 2014; provided that if:

(a) the Employee's employment with the Company is terminated due to the Employee's death or Disability, the Employee may exercise the vested portion of this Option until one year following the date of such termination, but no later than May 5, 2014;

(b) the Employee's employment with the Company is terminated for Cause, the Employee may exercise the vested portion of this Option until ninety days following the date of such termination, but no later than May 5, 2014;

(c) the Employee's employment is terminated without Cause or by the Employee for Good Reason, the Employee may exercise the vested portion of this Option, and any portion of this Option which may vest in the future in accordance with the terms of this Agreement, until May 5, 2014; and

(d) the Employee voluntarily terminates his employment with the Company without Good Reason, the Employee may exercise the vested portion of this Option until ninety days following the date of such termination, but not later than May 5, 2014.

Subject to the terms of the Plan, if the Employee's employment is terminated by death, this Option shall be exercisable only by the person or persons to whom the Employee's rights under such Option shall pass by the Employee's will or by the laws of descent and distribution of the state or county of the Employee's domicile at the time of death. "Disability" shall mean the Employee 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. Upon making a determination of

Disability, the Company shall determine the date of the Employee's termination of employment. Subject to the terms of the Plan, if the Employee's employment is terminated by Disability under circumstance in which it is reasonable to conclude that the Employee does not have the ability to exercise this Option, this Option shall be exercisable by the person or persons who have been legally appointed to act in the name of the Employee.

3. Exercise. Subject to Sections 1 and 2 of this Agreement and the terms of the Plan, this Option may be exercised, in whole or in part, by means of a written notice of exercise signed and delivered by the Employee (or, in the case of exercise after death of the Employee, by the executor, administrator, heir or legatee of the Employee, as the case may be, or, in the case of exercise after the termination of the Employee as a result of a Disability under circumstance in which it is reasonable to conclude that the Employee does not have the ability to exercise this Option, by the person or persons who have been legally appointed to act in the name of the Employee) to the Company at the address set forth herein for notices to the Company. Such notice shall (a) state the number of Shares to be purchased and the date of exercise, and (b) be accompanied by payment of the Exercise Price in cash or such other method of payment as may be permitted by Section 6(d) of the Plan, subject, in the case of a broker-assisted exercise, to applicable law.

4. Non-transferable. This Option may not be transferred, assigned, pledged or hypothecated in any manner (whether by operation of law or otherwise) other than (a) by will or by the applicable laws of descent and distribution or (b) in accordance with the provisions of Section 14(a)(iii) of the Plan, and shall not be subject to execution, attachment or similar process. Any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of the Option or of any right or privilege conferred hereby shall be null and void.

5. Withholding. Prior to delivery of the Shares purchased upon exercise of this Option, the Company shall determine the amount of any United States federal, state and local income tax, if any, which is required to be withheld under applicable law and shall, as a condition of exercise of this Option and delivery of certificates representing the Shares purchased upon exercise of this Option, collect from the Employee or, subject to such rules as may be established by the administrator of the Plan, from a broker who has been instructed by the Employee to sell Shares deliverable upon exercise of this Option, the amount of any such tax to the extent not previously withheld.

6. Rights of the Employee. Neither this Option, the execution of this Agreement nor the exercise of any portion of this Option shall confer upon the Employee any right to, or guarantee of, continued employment by the Company, or in any way limit the right of the Company to terminate employment of the Employee at any time, subject to the terms of any written employment or similar agreement between the Company and the Employee.

7. Professional Advice. The acceptance and exercise of this Option may have consequences under federal and state tax and securities laws that may vary depending upon the individual circumstances of the Employee. Accordingly, the Employee acknowledges that the Employee has been advised to consult his or her personal legal and tax advisor in connection with this Agreement and this Option.

8. Agreement Subject to the Plan. The Option and this Agreement are subject to the terms and conditions set forth in the Plan, which terms and conditions are incorporated herein by reference. A copy of the Plan previously has been delivered to the Employee. This Agreement, the Employment Agreement and the Plan constitute the entire understanding between the Company and the Employee with respect to this Option.

9. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict of laws principles, and shall bind and inure to the benefit of the heirs, executors, personal representatives, successors and assigns of the parties hereto.

10. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally or when telecopied (with confirmation of transmission received by the sender), three business days after being sent by certified mail, postage prepaid, return receipt requested or one business day after being delivered to a nationally recognized overnight courier with next day delivery specified to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

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

New York, New York 10020
Attention: General Counsel

Employee: Scott Greenstein
Address on file at the
office of the Company

Notices sent by email or other electronic means not specifically authorized by this Agreement shall not be effective for any purpose of this Agreement.

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

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

SIRIUS SATELLITE RADIO INC.

By:_____
John H. Schultz
Senior Vice President,
Human Resources

EMPLOYEE

_____
Scott Greenstein

Exhibit B

THE RSUs HAVE NOT BEEN REGISTERED UNDER STATE OR FEDERAL SECURITIES LAWS. THE RSUs MAY NOT BE TRANSFERRED EXCEPT BY WILL OR UNDER THE LAWS OF DESCENT AND DISTRIBUTION.

SIRIUS SATELLITE RADIO 2003 LONG-TERM STOCK INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

THIS RESTRICTED STOCK UNIT AGREEMENT (this "Agreement"), dated as of May 5, 2004, between SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Company"), and SCOTT GREENSTEIN (the "Employee").

1. Grant of RSUs. Subject to the terms and conditions of this Agreement, the Company hereby grants one million five hundred seventy five thousand (1,575,000) restricted share units ("RSUs") to the Employee. This grant is made pursuant to the terms of the Sirius Satellite Radio 2003 Long-Term Stock Incentive Plan (as amended, the "Plan"), which Plan is incorporated herein by reference and made a part of this Agreement. Each RSU represents the unfunded, unsecured right of the Employee to receive one share of common stock, par value $.001 per share, of the Company (each, a "Share") on the date or dates specified in this Agreement. Capitalized terms not otherwise defined herein shall have the same meanings as in the Plan.

2. Dividends. If on any date while RSUs are outstanding the Company shall pay any dividend on the Shares (other than a dividend payable in Shares), the number of RSUs granted to the Employee shall, as of the record date for such dividend payment, be increased by a number of RSUs equal to: (a) the product of (x) the number of RSUs held by the Employee as of such record date, multiplied by (y) the per Share amount of any cash dividend (or, in the case of any dividend payable, in whole or in part, other than in cash, the per Share value of such dividend, as determined in good faith by the Company), divided by (b)

the average closing price of a Share on the Nasdaq National Market on the twenty trading days preceding, but not including, such record date. In the case of any dividend declared on Shares that is payable in the form of Shares, the number of RSUs granted to the Employee shall be increased by a number equal to the product of (1) the aggregate number of RSUs held by the Employee on the record date for such dividend, multiplied by (2) the number of Shares (including any fraction thereof) payable as a dividend on a Share. In the case of any other change in the Shares occurring after the date hereof, the number of RSUs shall be adjusted as set forth in Section 4(b) of the Plan.

3. No Rights of a Stockholder. The Employee shall not have any rights as a stockholder of the Company until the Shares have been registered in the Company's register of stockholders.

4. Issuance of Shares subject to RSUs. (a) On the date hereof, the Company shall issue,

or cause there to be transferred, to the Employee two hundred and fifty eight thousand (258,000) Shares, representing an equal number of the RSUs granted to the Employee under this Agreement.

(b) Subject to earlier issuance pursuant to the terms of this Agreement or the Plan, on April 15, 2005, the Company shall issue, or cause there to be transferred, to the Employee four hundred and twenty five thousand (425,000) Shares, representing an equal number of the RSUs granted to the Employee under this Agreement, if the Employee continues to be employed by the Company on April 14, 2005.

(c) Subject to earlier issuance pursuant to the terms of this Agreement or the Plan, on April 15, 2006, the Company shall issue, or cause there to be transferred, to the Employee five hundred and seventy five thousand (575,000) Shares, representing an equal number of the RSUs granted to the Employee under this Agreement, if the Employee continues to be employed by the Company on April 14, 2006.

(d) Subject to earlier issuance pursuant to the terms of this Agreement or the Plan, on April 15, 2007, the Company shall issue, or cause there to be transferred, to the Employee three hundred and seventeen thousand (317,000) Shares, representing an equal number of the RSUs granted to the Employee under this Agreement, if the Employee continues to be employed by the Company on April 14, 2007.

(e) If the Employee's employment with Company terminates for any reason, the RSUs shall immediately terminate without consideration; provided that if the Employee's employment terminates (i) due to death or Disability (as defined below), the Company shall issue within 30 days, or cause there to be transferred within 30 days, to the Employee or his estate Shares equal to the unvested portion of the RSUs, to the extent not previously canceled or forfeited, or (ii) without Cause (as defined in the Employment Agreement, dated as of May 5, 2004 (the "Employment Agreement"), between the Company and the Employee), or by the Employee for Good Reason (as defined in the Employment Agreement), the unvested portion of the RSUs, to the extent not previously canceled or forfeited, shall vest in accordance with the terms of this Agreement, but any conditions contained in this Agreement which would require the Employee to be an employee of the Company on a specified date shall have no force or effect. "Disability" shall mean the Employee 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. Upon making a determination of Disability, the Company shall determine the date of the Employee's termination of employment.

5. Term. This Agreement shall terminate on May 5, 2014.

6. Non-transferable. The RSUs may not be transferred, assigned, pledged or hypothecated in any manner (whether by operation of law or otherwise) other than by will or by the applicable laws of descent and distribution, and shall not be subject to execution, attachment or similar process. Any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of RSUs or of any right or privilege conferred hereby shall be null and void.

7. Withholding. Prior to delivery of the Shares pursuant to this

Agreement, the Company shall determine the amount of any United States federal, state and local income tax, if any, which is required to be withheld under applicable law and shall, as a condition of delivery of certificates representing the Shares pursuant to this Agreement, collect from the Employee the amount of any such tax to the extent not previously withheld.

8. Rights of the Employee. Neither this Agreement nor the RSUs shall confer upon the Employee any right to, or guarantee of, continued employment by the Company, or in any way limit the right of the Company to terminate the employment of the Employee at any time, subject to the terms of any written employment or similar agreement between the Company and the Employee.

9. Professional Advice. The acceptance of the RSUs may have consequences under federal and state tax and securities laws that may vary depending upon the individual circumstances of the Employee. Accordingly, the Employee acknowledges that the Employee has been advised to consult his or her personal legal and tax advisor in connection with this Agreement and the RSUs.

10. Agreement Subject to the Plan. This Agreement and the RSUs are subject to the terms and conditions set forth in the Plan, which terms and conditions are incorporated herein by reference. A copy of the Plan previously has been delivered to the Employee. This Agreement, the Employment Agreement and the Plan constitute the entire understanding between the Company and the Employee with respect to the RSUs.

11. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to its conflict of laws principles, and shall bind and inure to the benefit of the heirs, executors, personal representatives, successors and assigns of the parties hereto.

12. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally or when telecopied (with confirmation of transmission received by the sender), three business days after being sent by certified mail, postage prepaid, return receipt requested or one business day after being delivered to a nationally recognized overnight courier with next day delivery specified to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

Company: Sirius Satellite Radio Inc.
1221 Avenue of the Americas
36th Floor
New York, New York 10020
Attention: General Counsel

Employee: Scott Greenstein
Address on file at the
office of the Company

Notices sent by email or other electronic means not specifically authorized by this Agreement shall not be effective for any purpose of this Agreement.

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

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

SIRIUS SATELLITE RADIO INC.

By:_____
John H. Schultz
Senior Vice President,
Human Resources

EMPLOYEE:

_____
Scott Greenstein

AGREEMENT AND RELEASE

This Agreement and Release, dated as of _____, 200_ (this "Agreement"), is entered into by and between SCOTT GREENSTEIN (the "Executive") and SIRIUS SATELLITE RADIO INC., and its subsidiaries and affiliated companies (collectively, the "Company").

The purpose of this Agreement is to completely and finally settle, resolve, and forever extinguish all obligations, disputes and differences arising out of the Executive's employment with and separation from Company.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the Executive and the Company hereby agree as follows:

1. The Executive's employment with the Company is terminated as of _____, 200_ (the "Termination Date").

2. The Company and the Executive agree that the Executive shall be provided severance pay and other benefits in accordance with the terms of Section 6(f) of the Employment Agreement, dated as of May 5, 2004 (the "Employment Agreement"), between the Executive and the Company; provided that no such severance shall be paid if the Executive revokes this Agreement pursuant to Section 4 below. The Executive acknowledges and agrees that he is entering into this Agreement in consideration of such severance and the Company's agreements set forth herein.

3. The Executive, for himself, and for his heirs, attorneys, agents, spouse and assigns, hereby waives, releases and forever discharges the Company and its predecessors, successors, and assigns, if any, as well as its and their officers, directors and employees, stockholders, agents, servants, representatives, and attorneys, and the predecessors, successors, heirs and assigns of each of them (collectively "Released Parties"), from any and all grievances, claims, demands, causes of action, obligations, damages and/or liabilities of any nature whatsoever, whether known or unknown, suspected or claimed, which the Executive ever had, now has, or claims to have against the Released Parties, by reason of any act or omission occurring before the date hereof, including, without limiting the generality of the foregoing, (a) any act, cause, matter or thing stated, claimed or alleged, or which was or which could have been alleged in any manner against the Released Parties prior to the execution of this Agreement and (b) all claims for any payment under the Employment Agreement; provided that nothing contained in this Agreement shall affect the Executive's rights (i) to indemnification from the Company as provided in the Employment Agreement or otherwise; (ii) to coverage under the Company's insurance policies covering officers and director; (iii) to other benefits which by their express terms extend beyond the Executive's termination of employment; and (iv) under this Agreement. Without limiting the generality of the foregoing, the Executive expressly releases the Released Parties from all claims for discrimination, harassment and/or retaliation, under Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1991, as amended, the New York State Human Rights Law, as amended, as well as any and all claims arising out of any alleged contract of employment, whether written, oral, express or implied, or any other federal, state or local civil or human rights or labor law, ordinances, rules, regulations, guidelines, statutes, common law, contract or tort law, arising out of or relating to the Executive's employment with and/or separation from the Company, and/or any events occurring prior to the execution of this Agreement.

4. The Executive also specifically waives all rights or claims that he has or may have under the Age Discrimination In Employment Act of 1967, 29 U.S.C. 'SS''SS' 621-634, as amended ("ADEA"). In accordance with the ADEA, the Company specifically advises the Executive that: (1) he may and should consult an attorney before signing this Agreement, (2) he has twenty-one (21) days to consider this Agreement, and (3) he has seven (7) days after signing this Agreement to revoke this Agreement.

5. The Company, for itself, and for its predecessors, successors, and assigns, if any, as well as its and their officers, directors and employees, stockholders, agents, servants, representatives, and attorneys, and the predecessors, successors, heirs and assigns of each of them, hereby waives, releases and forever discharges the Executive and his heirs, attorneys, agents, spouse and assigns (collectively, "Executive Released Parties") from any and all grievances, claims, demands, causes of action, obligations, damages and/or liabilities of any nature whatsoever, which the Company ever had, now has, or claims to have against the Executive Released Parties by reason of any act or

omission occurring before the date hereof including, without limiting the generality of the foregoing, any act, cause, matter or thing stated, claimed or alleged of which the Company has actual knowledge which was or could have been alleged in any manner against the Executive Released Parties prior to the execution of this Agreement.

6. This release does not affect or impair the Executive's rights with respect to workman's compensation or similar claims under applicable law or any claims under medical, dental, disability, life or other insurance arising prior to the date hereof.

7. The Executive warrants that he has not made any assignment, transfer, conveyance or alienation of any potential claim, cause of action, or any right of any kind whatsoever, including but not limited to, potential claims and remedies for discrimination, harassment, retaliation, or wrongful termination, and that no other person or entity of any kind has had, or now has, any financial or other interest in any of the demands, obligations, causes of action, debts, liabilities, rights, contracts, damages, costs, expenses, losses or claims which could have been asserted by the Executive against the Company.

8. The Executive shall not make any disparaging remarks about the Company, or its officers, agents, employees, practices or products; provided that the Executive may provide truthful and accurate facts and opinions about the Company where required to do so by law. Neither the Company nor any of its officers shall make any disparaging remarks, written or oral, about the Executive; provided that the Company and its officers may provide truthful and accurate facts and opinions about the Executive where required to do so by law. The restrictions contained in this Section 8 shall be of no force and effect if either the Company or any of its

officers or the Executive is required by law to offer facts or opinions regarding the other.

9. The parties acknowledge that this Agreement is a settlement of disputed potential claims and is not an admission of liability or of the accuracy of any alleged fact or claim. The Company expressly denies any violation of any federal, state, or local statute, ordinance, rule, regulation, order, common law or other law in connection with the employment and termination of employment of the Executive. The parties expressly agree that this Agreement shall not be construed as an admission by any of the parties of any violation, liability or wrongdoing, and shall not be admissible in any proceeding as evidence of or an admission by any party of any violation or wrongdoing.

10. In the event of a dispute concerning the enforcement of this Agreement, the finder of fact 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.

11. The parties declare and represent that no promise, inducement, or agreement not expressed herein has been made to them.

12. This Agreement in all respects shall be interpreted, enforced and governed under the laws of the State of New York and any applicable federal laws relating to the subject matter of this Agreement. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties. This Agreement shall be construed as if jointly prepared by the Executive and the Company. Any uncertainty or ambiguity shall not be interpreted against any one party.

13. This Agreement and the Employment Agreement contains the entire agreement of the parties as to the subject matter hereof. No modification or waiver of any of the provisions of this Agreement shall be valid and enforceable unless such modification or waiver is in writing and signed by the party to be charged, and unless otherwise stated therein, no such modification or waiver shall constitute a modification or waiver of any other provision of this Agreement (whether or not similar) or constitute a continuing waiver.

14. The Executive and the Company represent that they have been afforded a reasonable period of time within which to consider the terms of this Agreement, that they have read this Agreement, and they are fully aware of its legal effects. The Executive and the Company further represent and warrant that they enter into this Agreement knowingly and voluntarily, without any mistake, duress or undue influence, and that they have been provided the opportunity to review this Agreement with counsel of their own choosing. In making this Agreement, each party relies upon his or its own judgment, belief and knowledge, and has not been influenced in any way by any representations or statements not set forth herein regarding the contents hereof by the entities who are hereby

released, or by anyone representing them.

15. The parties agree that this Agreement may be executed in counterparts and as executed shall constitute one Agreement, binding on all parties. The parties further agree that execution of this Agreement may be accomplished by receipt of facsimile signatures of the parties. This Agreement shall be of no force or effect until executed by all the signatories.

16. Should any provision of this Agreement be declared or be determined by a forum with competent jurisdiction to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term, or provision shall be deemed not to be a part 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:_____
Name:
Title:

Scott Greenstein

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of May 5, 2004 (this "Agreement"), between SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Company"), and JAMES E. MEYER (the "Executive").

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

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

2. Duties and Reporting Relationship. (a) The Executive shall be employed in the capacity of President, Operations and Sales, of the Company. In such capacity, the Executive shall be responsible for management of all aspects of the Company's retail and automaker operations (including retail sales and OEM sales and marketing operations), product management and engineering and all personnel working in such areas shall report to the Executive. 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 or the Board of Directors of the Company or any committee thereof (the "Board") shall from time to time reasonably specify and direct. During the Term, the Executive shall not perform any consulting services for, or engage in any other business enterprises with, any third parties without the express consent of the Board, other than (i) passive investments, (ii) consulting services and business enterprises for which the Executive receives no remuneration and (iii) service as a director of Gemstar International, Inc., Mikohn Gaming Corporation and Equant N.V.

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

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

3. Term. The term of this Agreement shall commence on May 5, 2004 (the "Start Date") and end on May 4, 2007, unless terminated earlier pursuant to the provisions of Section 6 or 9 (the "Term").

4. Compensation. (a) During the Term, the Executive shall be paid an annual base salary of $525,000 (the "Base Salary"). The Base Salary shall be subject to increase from time to time by recommendation of the Chief Executive Officer of the Company to, and approval by, the Board; provided that the Base Salary shall at all times be not less than the base salary of the

Company's President, Entertainment and Sports. All amounts paid to the Executive under this Agreement shall be in U.S. dollars. The Executive's base salary shall be paid at least monthly and, at the option of the Company, may be paid more frequently.

(b) On or before May 15, 2004, the Company shall pay the Executive a one-time cash starting bonus of $150,000.

(c) On the date hereof, the Company shall grant to the Executive an option to purchase 2,800,000 shares of the Company's common stock, par value $.001 per share (the "Common Stock"), at an exercise price of $3.14 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. If during the Term the Company awards the Company's President, Entertainment and Sports (as of the date hereof, for all purposes under this Agreement), additional options to purchase Common Stock, then the Executive shall be awarded at least an equal number of options to purchase the Common Stock as has been awarded to the Company's President, Entertainment and Sports, on terms and conditions no less favorable.

(d) On the date hereof, the Company shall grant to the Executive 1,200,000 restricted stock units. Such restricted stock units of Common Stock shall be subject to the terms and conditions set forth in the Restricted Stock Unit Agreement attached to this Agreement as Exhibit B. If during the Term the Company awards the Company's President, Entertainment and Sports, additional restricted stock units, then the Executive shall be awarded at least an equal number of restricted stock units as has been awarded to the Company's President, Entertainment and Sports, on terms and conditions no less favorable.

(e) The Company is in the process of developing a bonus program for the year ending December 31, 2004. This program will include a variety of objective milestones, such as number of subscriber activations, and is subject to approval by the Board of Directors. This program may also include objectives specifically applicable to the Executive and his specific areas of responsibility. The performance objectives applicable to the Executive's bonuses under such plan shall be no more onerous than the performance objectives applicable to the Company's Chief Executive Officer and President, Entertainment and Sports. Such bonus plan shall contain milestones that shall permit the Executive to earn up to the following annual bonus:

<TABLE>
<CAPTION>

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

</TABLE>

Without prejudice to the foregoing, the Executive shall be guaranteed a bonus of not less than $262,500 for the year ending December 31, 2004, one-half of which shall be paid in cash and one-half of which shall be paid in restricted stock units which vest one year from the date of grant; provided that the bonus paid to the Company's President, Entertainment and Sports, with respect to the year ending December 31, 2004 is paid in the same proportion. The Company reserves the right to pay any subsequent bonus in the form of cash, restricted stock, other securities of the Company, or any combination of the foregoing, in its sole discretion; provided

that the Executive's bonus shall be paid in cash, restricted stock and other securities of the Company in the same proportions as the bonus paid to the Company's other executive officers.

(f) 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. In addition, the Company shall reimburse the Executive for the reasonable costs of an apartment in the New York metropolitan area and other incidental living expenses (e.g., phone, cable, electric, gas, one month's security deposit (which shall be returned to the Company at the end of the Term) and one leasing broker's commission), up to a maximum of $4,500 per month for rent. The Company shall also reimburse the Executive for the reasonable costs of coach class air-fare from the Executive's home in Indianapolis, Indiana, to the Company's executive offices in New York City. The Executive shall also be paid such additional amount as may be necessary to hold the Executive harmless as a result of any federal, state or New York City income taxes that may be due solely as a result of the Company's reimbursement of rent and living expenses and reimbursement of air-fare from the Executive's home in Indianapolis, Indiana. The Executive shall present to the Company an itemized account of all expenses in such form as may be required by the Company from time to time.

(b) During the Term, the Executive shall be entitled to participate fully in any other benefit plans, programs, policies and fringe benefits which may be made available to the executive officers of the Company generally, including, without limitation, disability, medical, dental and life insurance and benefits under the Sirius Satellite Radio 401(k) Savings Plan.

(c) During the Term, the Executive shall be entitled to participate in all compensation and benefits programs, and perquisites (other than any

relocation allowance, or reimbursement of living and travel expenses), made available to the Company's Chief Executive Officer or President, Entertainment and Sports, and shall participate in amounts and on terms and conditions at least as favorable as those offered to the Company's President, Entertainment and Sports.

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:

(i) a material breach by the Executive of (A) the terms of this Agreement or (B) 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 any such material breach described in clause (A) or clause (B) remains uncured after thirty days have elapsed following the date on which the Company gives the Executive written notice of such breach;

(ii) a material 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 gross negligence;

(vi) the repeated nonprescription use of any controlled substance or the repeated use of alcohol or any other non-controlled substance that, in the reasonable good faith opinion of the Board of Directors, 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 reasonable written instructions within five days; or

(viii) conduct by the Executive that in the reasonable good faith written determination 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 judicial or 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 two-thirds of the directors (other than the Executive, if the Executive is then serving on the Board) 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 any of clauses (i) through (viii) of this Section 6(a) and specifying the particulars thereof in reasonable detail. 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.

(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, the Board shall have the right and may elect to terminate the services of the Executive by a Notice of Disability Termination. The Executive shall not be terminated following a Disability except pursuant to this Section 6(b)(ii). 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, instruct 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, instruct that the Executive cease active employment and perform no more job duties immediately upon provision of such notice to the Executive.

(e) The Executive shall have the absolute right to terminate his employment at any time. 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 or, if other than for Good Reason, fourteen 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, instruct that 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, 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 or the Executive not being the sole officer of the Company, other than the Company's Chief Executive Officer, responsible for all sales, engineering and product development activities and personnel (except in connection with the termination of the Executive's employment for Cause, disability or as a result of the Executive's death or by the Executive other than for Good Reason); or

(ii) the Executive ceasing to report directly to the Chief

Executive Officer of the Company; or

(iii) any requirement that the Executive report for work to a location more than 25 miles from the Company's current headquarters for more than 30 days in any calendar year, excluding any requirement that results from the damage or destruction of the Company's current headquarters as a result of natural disasters, terrorism, acts of war or acts of God; or

(iv) any reduction in the Base Salary; or

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

(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(f), 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 Termination Date (or such higher salary as may be required by Section 1(a)) for the period from the Termination Date through May 4, 2007 (the "Severance Period") and (y) any annual bonuses, at a level equal to 60% of Base Salary, that would have been customarily paid during the Severance Period; (ii) the continuation of medical and dental insurance benefits, on the same terms as provided by the Company for active employees, under the Consolidated Omnibus Reconciliation Act of 1985 ("COBRA") for eighteen months following the Termination Date and, if the Severance Period extends beyond eighteen months following the Termination Date, monthly payment of an amount equal to the actual costs to the Executive to obtain medical and dental insurance benefits substantially similar to those benefits provided to the Executive for the remainder of the Severance Period; provided that (1) the amount of such monthly payments shall not exceed twice the amount that the Company would have paid to provide such medical and dental insurance benefits to the Executive, as if he were an active employee, and (2) such payments shall cease if the Executive obtains medical and dental benefits from another employer during the remainder of the Severance Period; and (iii) receive a monthly amount equal to the actual costs to the Executive to obtain life insurance benefits substantially similar to those benefits provided to the Executive for the remainder of the Severance Period; provided that (1) the amount of such monthly payments shall not exceed twice the amount that the Company would have paid to provide such life insurance benefit to the Executive if he were an active employee, and (2) such payments shall cease if the Executive obtains a life insurance benefit from another employer during the remainder of the Severance Period. The Company's obligations under this Section 6(f) shall be conditioned upon the Executive executing and delivering an agreement, and waiver and release of claims against the Company, in the form attached as Exhibit C. Any amount becoming payable under Section 6(f) shall be paid in immediately available funds on the tenth business day following the execution and delivery by the Executive of the agreement, and waiver and release of claims against the Company, attached as Exhibit C; provided that the Executive has not revoked such agreement in accordance with the terms thereof prior to such 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 in connection with the performance of his functions or as required by applicable law, disclose to others or use, directly or indirectly, any Confidential Information.

(b) "Confidential Information" shall mean information about the Company's business and operations that is not disclosed by the Company for financial reporting purposes and that was learned by the Executive in the course of his employment by the Company, including, without limitation, any business plans, 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 the Term for one year.

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, any person or entity engaged (a) in any operations in North America involving the transmission of radio entertainment programming in competition with the Company or (b) in the business of manufacturing, marketing or distributing radios, antennas or other parts for use in devices which receive broadcasts of XM Satellite Radio Inc. or any successor to XM Satellite Radio Inc., in any such case if such employment, services or acquisition is in such operations or business; provided that nothing in this Agreement shall prevent (i) the Executive from entering into the employment of, or rendering services to, News Corporation or DIRECTV, Inc. or (ii) purchase or ownership by the Executive by way of investment of less than five percent of the shares or equity interest of any corporation or other entity. Without limiting the generality of the foregoing, the Executive agrees that during the Restricted Period, the Executive shall not call on or otherwise solicit business or assist others to solicit business from any of the customers of the Company as to any product or service described in (a) and (b) above that competes with any product or service provided or marketed 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 three years following the end of the Term; provided that if the employment of the Executive is terminated without Cause or the Executive terminates his employment for Good Reason, the "Restricted Period" shall be the shorter of: (a) the Severance Period, and (b) one year following the end of the Term.

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(f), a lump sum amount (in addition to any salary, benefits or other sums due the Executive through the Termination Date) equal to the product of the Base Salary multiplied by lesser of (x) four, and (y) (1) the multiple of base salary that the Chief Executive Officer of the Company would be entitled to receive under his or her employment agreement in effect immediately prior to a Change of Control if he or she was terminated without Cause or terminated for Good Reason following such Change of Control times (2) 0.8; (ii) the continuation of medical and dental insurance benefits, on the same terms as provided by the Company for active employees, under COBRA for eighteen months following the Termination Date and, for an additional eighteen months thereafter, monthly payment of an amount equal to the actual costs to the Executive to obtain medical and dental insurance benefits substantially similar to those benefits provided to the Executive on the Termination Date; provided that (1) the amount of such monthly payments shall not exceed twice the amount that the Company would have paid to provide such medical and dental insurance benefits to the Executive, as if he were an active employee, and (2) such payments shall cease if the Executive obtains medical and dental benefits from another employer; and (iii) receive a monthly amount equal to the actual costs to the Executive to obtain life insurance benefits substantially similar to those benefits provided to the Executive as an active employee for a period of thirty six months after the Termination Date; provided that (1) the amount of such monthly payments shall not exceed twice the amount that the Company would have paid to provide such life insurance benefit to the Executive if he was an active employee, and (2) such payments shall cease if the Executive obtains a life insurance benefit from another employer. 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 50% of the total voting power of the voting stock of the Company, including by way of merger, consolidation or otherwise, 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. 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 expressly provides that the Executive is not required to pay, or is entitled to a refund with respect to, all or any portion of such excise taxes or additional amounts, the Executive shall promptly reimburse the Company in an amount equal to all amounts paid to the Executive pursuant to this Section 9 less any excise taxes or additional amounts which remain payable by, or are not refunded to, the Executive after giving effect to such IRS ruling. Each of the Company and the Executive agrees to promptly notify the other party if it receives any such IRS ruling.

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.

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:

James E. Meyer
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 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 shall pay the cost of any arbitration proceedings under this Agreement if the Executive prevails in such arbitration on at least one substantive issue.

(c) 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 Representation. The Executive hereby represents and warrants to Company that he 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.

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/ James E. Meyer

James E. Meyer

Exhibit A

THIS OPTION HAS NOT BEEN REGISTERED UNDER STATE OR FEDERAL SECURITIES LAWS. THIS OPTION MAY NOT BE TRANSFERRED EXCEPT BY WILL OR UNDER THE LAWS OF DESCENT AND DISTRIBUTION.

SIRIUS SATELLITE RADIO 2003 LONG-TERM STOCK INCENTIVE PLAN

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT (this "Agreement"), dated as of May 5, 2004 ("Date of Grant"), between SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Company"), and JAMES E. MEYER (the "Employee").

1. Grant of Option; Vesting. (a) Subject to the terms and conditions of this Agreement and the Sirius Satellite Radio 2003 Long-Term Stock Incentive Plan (as amended, the "Plan"), the Company hereby grants to the Employee the right and option (this "Option") to purchase up to two million eight hundred thousand (2,800,000) shares (the "Shares") of common stock, par value $0.001 per share, of the Company at a price per share of $3.14 (the "Exercise Price"). This Option is not intended to qualify as an Incentive Stock Option for purposes of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). In the case of any stock split, stock dividend or like change in the Shares occurring after the date hereof, the number of Shares and the Exercise Price shall be adjusted as set forth in Section 4(b) of the Plan.

(b) The right and option to purchase up to one million (1,000,000) Shares shall vest and be exercisable on the date hereof.

(c) Subject to the terms of this Section 1(c), the right and option to purchase up to six hundred thousand (600,000) Shares (the "2004 Performance Options") shall vest and become exercisable on July 1, 2008 if the Employee continues to be employed by the Company on June 30, 2008. Notwithstanding anything to the contrary contained in the preceding sentence, the 2004 Performance Options shall vest on March 15, 2005 if and only if (i) the Employee continues to be employed by the Company on March 14, 2005 and (ii) the Company satisfies performance criteria to be established by the Board of Directors of the Company, or the Compensation Committee thereof, for the year ending December 31, 2004. On or before June 30, 2004, the Board of Directors of the Company, or the Compensation Committee thereof, shall determine in its sole discretion such performance criteria for the year ending December 31, 2004 and shall cause the Company to deliver to the Employee a notice setting forth in reasonable detail such performance criteria.

(d) Subject to the terms of this Section 1(d), the right and option to purchase up to seven hundred and fifty thousand (750,000) Shares (the "2005 Performance Options") shall vest and become exercisable on July 1, 2008 if the Employee continues to be employed by the Company on June 30, 2008. Notwithstanding anything to the contrary contained in the preceding sentence, the 2005 Performance Options shall vest on March 15, 2006 if and only if (i) the Employee continues to be employed by the Company on March 14, 2006 and (ii) the Company satisfies performance criteria to be established by the Board of Directors of the Company, or the Compensation Committee thereof, for the year ending December 31, 2005. On or before June 30, 2005, the Board of Directors of the Company, or the Compensation Committee thereof, shall determine in its sole discretion such performance criteria for the year ending December 31, 2005 and shall cause the Company to deliver to the Employee a notice setting forth in reasonable detail such performance criteria.

(e) Subject to the terms of this Section 1(e), the right and option to purchase up to four hundred and fifty thousand (450,000) Shares (the "2006 Performance Options") shall vest and become exercisable on July 1, 2008 if the Employee continues to be employed by the Company on June 30, 2008. Notwithstanding anything to the contrary contained in the preceding sentence, the 2006 Performance Options shall vest on March 15, 2007 if and only if (i) the Employee continues to be employed by the Company on March 14, 2007 and (ii) the Company satisfies performance criteria to be established by the Board of

Directors of the Company, or the Compensation Committee thereof, for the year ending December 31, 2006. On or before June 30, 2006, the Board of Directors of the Company, or the Compensation Committee thereof, shall determine in its sole discretion such performance criteria for the year ending December 31, 2006 and shall cause the Company to deliver to the Employee a notice setting forth in reasonable detail such performance criteria.

(f) The performance criteria applicable to the 2004 Performance Options, the 2005 Performance Options and the 2006 Performance Options shall be no more onerous than the performance criteria applicable to the Company's Chief Executive Officer and President, Entertainment and Sports.

(g) If the Employee's employment with Company terminates for any reason, this Option, to the extent not then vested, shall immediately terminate without consideration; provided that if the Employee's employment terminates (i) due to death or Disability (as defined below), the unvested portion of this Option, to the extent not previously canceled or forfeited, shall immediately become vested and exercisable; or (ii) without Cause (as defined in the Employment Agreement, dated as of May 5, 2004 (the "Employment Agreement"), between the Company and the Employee), or by the Employee for Good Reason (as defined in the Employment Agreement), the unvested portion of this Option, to the extent not previously canceled or forfeited, shall vest in accordance with the terms of this Agreement, but any conditions contained in this Agreement which would require the Employee to be an employee of the Company on a specified date shall have no force or effect.

2. Term. This Option shall terminate on May 5, 2014; provided that if:

(a) the Employee's employment with the Company is terminated due to the Employee's death or Disability, the Employee may exercise the vested portion of this Option until one year following the date of such termination, but no later than May 5, 2014;

(b) the Employee's employment with the Company is terminated for Cause, the Employee may exercise the vested portion of this Option until ninety days following the date of such termination, but no later than May 5, 2014;

(c) the Employee's employment is terminated without Cause or by the Employee for Good Reason, the Employee may exercise the vested portion of this Option, and any portion of this Option which may vest in the future in accordance with the terms of this Agreement, until May 5, 2014; and

(d) the Employee voluntarily terminates his employment with the Company without Good Reason, the Employee may exercise the vested portion of this Option until ninety days following the date of such termination, but not later than May 5, 2014.

Subject to the terms of the Plan, if the Employee's employment is terminated by death, this Option shall be exercisable only by the person or persons to whom the Employee's rights under such Option shall pass by the Employee's will or by the laws of descent and distribution of the state or county of the Employee's domicile at the time of death. "Disability" shall mean the Employee 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. Upon making a determination of Disability, the Company shall determine the date of the Employee's termination of employment. Subject to the terms of the Plan, if the Employee's employment is terminated by Disability under circumstance in which it is reasonable to conclude that the Employee does not have the ability to exercise this Option, this Option shall be exercisable by the person or persons who have been legally appointed to act in the name of the Employee.

3. Exercise. Subject to Sections 1 and 2 of this Agreement and the terms of the Plan, this Option may be exercised, in whole or in part, by means of a written notice of exercise signed and delivered by the Employee (or, in the case of exercise after death of the Employee, by the executor, administrator, heir or legatee of the Employee, as the case may be, or, in the case of exercise after the termination of the Employee as a result of a Disability under circumstance in which it is reasonable to conclude that the Employee does not have the ability to exercise this Option, by the person or persons who have been legally appointed to act in the name of the Employee) to the Company at the address set forth herein for notices to the Company. Such notice shall (a) state the number of Shares to be purchased and the date of exercise, and (b) be accompanied by payment of the Exercise Price in cash or such other method of payment as may be permitted by Section 6(d) of the Plan, subject, in the case of a broker-assisted exercise, to applicable law.

4. Non-transferable. This Option may not be transferred, assigned, pledged or hypothecated in any manner (whether by operation of law or otherwise) other than (a) by will or by the applicable laws of descent and distribution or (b) in accordance with the provisions of Section 14(a)(iii) of the Plan, and shall not be subject to execution, attachment or similar process. Any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of the Option or of any right or privilege conferred hereby shall be null and void.

5. Withholding. Prior to delivery of the Shares purchased upon exercise of this Option, the Company shall determine the amount of any United States federal, state and local income tax, if any, which is required to be withheld under applicable law and shall, as a condition of exercise of this Option and delivery of certificates representing the Shares purchased upon exercise of this Option, collect from the Employee or, subject to such rules as may be established by the administrator of the Plan, from a broker who has been instructed by the Employee to sell Shares deliverable upon exercise of this Option, the amount of any such tax to the extent not previously withheld.

6. Rights of the Employee. Neither this Option, the execution of this Agreement nor the exercise of any portion of this Option shall confer upon the Employee any right to, or guarantee of, continued employment by the Company, or in any way limit the right of the Company to terminate employment of the Employee at any time, subject to the terms of any written employment or similar agreement between the Company and the Employee.

7. Professional Advice. The acceptance and exercise of this Option may have consequences under federal and state tax and securities laws that may vary depending upon the individual circumstances of the Employee. Accordingly, the Employee acknowledges that the Employee has been advised to consult his or her personal legal and tax advisor in connection with this Agreement and this Option.

8. Agreement Subject to the Plan. The Option and this Agreement are subject to the terms and conditions set forth in the Plan, which terms and conditions are incorporated herein by reference. A copy of the Plan previously has been delivered to the Employee. This Agreement, the Employment Agreement and the Plan constitute the entire understanding between the Company and the Employee with respect to this Option.

9. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict of laws principles, and shall bind and inure to the benefit of the heirs, executors, personal representatives, successors and assigns of the parties hereto.

10. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally or when telecopied (with confirmation of transmission received by the sender), three business days after being sent by certified mail, postage prepaid, return receipt requested or one business day after being delivered to a nationally recognized overnight courier with next day delivery specified to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

Company: Sirius Satellite Radio Inc.
1221 Avenue of the Americas
36th Floor
New York, New York 10020
Attention: General Counsel

Employee: James E. Meyer
Address on file at the
office of the Company

Notices sent by email or other electronic means not specifically authorized by this Agreement shall not be effective for any purpose of this Agreement.

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

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

SIRIUS SATELLITE RADIO INC.

By:_____
John H. Schultz
Senior Vice President,
Human Resources

EMPLOYEE

_____
James E. Meyer

Exhibit B

THE RSUs HAVE NOT BEEN REGISTERED UNDER STATE OR FEDERAL SECURITIES LAWS. THE RSUs MAY NOT BE TRANSFERRED EXCEPT BY WILL OR UNDER THE LAWS OF DESCENT AND DISTRIBUTION.

SIRIUS SATELLITE RADIO 2003 LONG-TERM STOCK INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

THIS RESTRICTED STOCK UNIT AGREEMENT (this "Agreement"), dated as of May 5, 2004, between SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Company"), and JAMES E. MEYER (the "Employee").

1. Grant of RSUs. Subject to the terms and conditions of this Agreement, the Company hereby grants one million two hundred thousand (1,200,000) restricted share units ("RSUs") to the Employee. This grant is made pursuant to the terms of the Sirius Satellite Radio 2003 Long-Term Stock Incentive Plan (as amended, the "Plan"), which Plan is incorporated herein by reference and made a part of this Agreement. Each RSU represents the unfunded, unsecured right of the Employee to receive one share of common stock, par value $.001 per share, of the Company (each, a "Share") on the date or dates specified in this Agreement. Capitalized terms not otherwise defined herein shall have the same meanings as in the Plan.

2. Dividends. If on any date while RSUs are outstanding the Company shall pay any dividend on the Shares (other than a dividend payable in Shares), the number of RSUs granted to the Employee shall, as of the record date for such dividend payment, be increased by a number of RSUs equal to: (a) the product of (x) the number of RSUs held by the Employee as of such record date, multiplied by (y) the per Share amount of any cash dividend (or, in the case of any dividend payable, in whole or in part, other than in cash, the per Share value of such dividend, as determined in good faith by the Company), divided by (b) the average closing price of a Share on the Nasdaq National Market on the twenty trading days preceding, but not including, such record date. In the case of any dividend declared on Shares that is payable in the form of Shares, the number of RSUs granted to the Employee shall be increased by a number equal to the product of (1) the aggregate number of RSUs held by the Employee on the record date for such dividend, multiplied by (2) the number of Shares (including any fraction thereof) payable as a dividend on a Share. In the case of any other change in the Shares occurring after the date hereof, the number of RSUs shall be adjusted as set forth in Section 4(b) of the Plan.

3. No Rights of a Stockholder. The Employee shall not have any rights

as a stockholder of the Company until the Shares have been registered in the Company's register of stockholders.

4. Issuance of Shares subject to RSUs. (a) On the date hereof, the Company shall issue,

or cause there to be transferred, to the Employee one hundred and thirty three thousand (133,000) Shares, representing an equal number of the RSUs granted to the Employee under this Agreement.

(b) Subject to earlier issuance pursuant to the terms of this Agreement or the Plan, on April 15, 2005, the Company shall issue, or cause there to be transferred, to the Employee three hundred thousand (300,000) Shares, representing an equal number of the RSUs granted to the Employee under this Agreement, if the Employee continues to be employed by the Company on April 14, 2005.

(c) Subject to earlier issuance pursuant to the terms of this Agreement or the Plan, on April 15, 2006, the Company shall issue, or cause there to be transferred, to the Employee four hundred and fifty thousand (450,000) Shares, representing an equal number of the RSUs granted to the Employee under this Agreement, if the Employee continues to be employed by the Company on April 14, 2006.

(d) Subject to earlier issuance pursuant to the terms of this Agreement or the Plan, on April 15, 2007, the Company shall issue, or cause there to be transferred, to the Employee three hundred and seventeen thousand (317,000) Shares, representing an equal number of the RSUs granted to the Employee under this Agreement, if the Employee continues to be employed by the Company on April 14, 2007.

(e) If the Employee's employment with Company terminates for any reason, the RSUs shall immediately terminate without consideration; provided that if the Employee's employment terminates (i) due to death or Disability (as defined below), the Company shall issue within 30 days, or cause there to be transferred within 30 days, to the Employee or his estate Shares equal to the unvested portion of the RSUs, to the extent not previously canceled or forfeited, or (ii) without Cause (as defined in the Employment Agreement, dated as of May 5, 2004 (the "Employment Agreement"), between the Company and the Employee), or by the Employee for Good Reason (as defined in the Employment Agreement), the unvested portion of the RSUs, to the extent not previously canceled or forfeited, shall vest in accordance with the terms of this Agreement, but any conditions contained in this Agreement which would require the Employee to be an employee of the Company on a specified date shall have no force or effect. "Disability" shall mean the Employee 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. Upon making a determination of Disability, the Company shall determine the date of the Employee's termination of employment.

5. Term. This Agreement shall terminate on May 5, 2014.

6. Non-transferable. The RSUs may not be transferred, assigned, pledged or hypothecated in any manner (whether by operation of law or otherwise) other than by will or by the applicable laws of descent and distribution, and shall not be subject to execution, attachment or similar process. Any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of RSUs or of any right or privilege conferred hereby shall be null and void.

7. Withholding. Prior to delivery of the Shares pursuant to this Agreement, the Company shall determine the amount of any United States federal, state and local income tax, if any, which is required to be withheld under applicable law and shall, as a condition of delivery of certificates representing the Shares pursuant to this Agreement, collect from the Employee the amount of any such tax to the extent not previously withheld.

8. Rights of the Employee. Neither this Agreement nor the RSUs shall

confer upon the Employee any right to, or guarantee of, continued employment by the Company, or in any way limit the right of the Company to terminate the employment of the Employee at any time, subject to the terms of any written employment or similar agreement between the Company and the Employee.

9. Professional Advice. The acceptance of the RSUs may have consequences under federal and state tax and securities laws that may vary depending upon the individual circumstances of the Employee. Accordingly, the Employee acknowledges that the Employee has been advised to consult his or her personal legal and tax advisor in connection with this Agreement and the RSUs.

10. Agreement Subject to the Plan. This Agreement and the RSUs are subject to the terms and conditions set forth in the Plan, which terms and conditions are incorporated herein by reference. A copy of the Plan previously has been delivered to the Employee. This Agreement, the Employment Agreement and the Plan constitute the entire understanding between the Company and the Employee with respect to the RSUs.

11. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to its conflict of laws principles, and shall bind and inure to the benefit of the heirs, executors, personal representatives, successors and assigns of the parties hereto.

12. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally or when telecopied (with confirmation of transmission received by the sender), three business days after being sent by certified mail, postage prepaid, return receipt requested or one business day after being delivered to a nationally recognized overnight courier with next day delivery specified to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

Company: Sirius Satellite Radio Inc.
1221 Avenue of the Americas
36th Floor
New York, New York 10020
Attention: General Counsel

Employee: James E. Meyer
Address on file at the
office of the Company

Notices sent by email or other electronic means not specifically authorized by this Agreement shall not be effective for any purpose of this Agreement.

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

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

SIRIUS SATELLITE RADIO INC.

By:_____
John H. Schultz
Senior Vice President,
Human Resources

EMPLOYEE:

_____
James E. Meyer

AGREEMENT AND RELEASE

This Agreement and Release, dated as of _____, 200_ (this "Agreement"), is entered into by and between JAMES E. MEYER (the "Executive") and SIRIUS SATELLITE RADIO INC., and its subsidiaries and affiliated companies (collectively, the "Company").

The purpose of this Agreement is to completely and finally settle, resolve, and forever extinguish all obligations, disputes and differences arising out of the Executive's employment with and separation from Company.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the Executive and the Company hereby agree as follows:

1. The Executive's employment with the Company is terminated as of _____, 200_ (the "Termination Date").

2. The Company and the Executive agree that the Executive shall be provided severance pay and other benefits in accordance with the terms of Section 6(f) of the Employment Agreement, dated as of May 5, 2004 (the "Employment Agreement"), between the Executive and the Company; provided that no such severance shall be paid if the Executive revokes this Agreement pursuant to Section 4 below. The Executive acknowledges and agrees that he is entering into this Agreement in consideration of such severance and the Company's agreements set forth herein.

3. The Executive, for himself, and for his heirs, attorneys, agents, spouse and assigns, hereby waives, releases and forever discharges the Company and its predecessors, successors, and assigns, if any, as well as its and their officers, directors and employees, stockholders, agents, servants, representatives, and attorneys, and the predecessors, successors, heirs and assigns of each of them (collectively "Released Parties"), from any and all grievances, claims, demands, causes of action, obligations, damages and/or liabilities of any nature whatsoever, whether known or unknown, suspected or claimed, which the Executive ever had, now has, or claims to have against the Released Parties, by reason of any act or omission occurring before the date hereof, including, without limiting the generality of the foregoing, (a) any act, cause, matter or thing stated, claimed or alleged, or which was or which could have been alleged in any manner against the Released Parties prior to the execution of this Agreement and (b) all claims for any payment under the Employment Agreement; provided that nothing contained in this Agreement shall affect the Executive's rights (i) to indemnification from the Company as provided in the Employment Agreement or otherwise; (ii) to coverage under the Company's insurance policies covering officers and director; (iii) to other benefits which by their express terms extend beyond the Executive's termination of employment; and (iv) under this Agreement. Without limiting the generality of the foregoing, the Executive expressly releases the Released Parties from all claims for discrimination, harassment and/or retaliation, under Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1991, as amended, the New York State Human Rights Law, as amended, as well as any and all claims arising out of any alleged contract of employment, whether written, oral, express or implied, or any other federal, state or local civil or human rights or labor law, ordinances, rules, regulations, guidelines, statutes, common law, contract or tort law, arising out of or relating to the Executive's employment with and/or separation from the Company, and/or any events occurring prior to the execution of this Agreement.

4. The Executive also specifically waives all rights or claims that he has or may have under the Age Discrimination In Employment Act of 1967, 29 U.S.C. 'SS''SS' 621-634, as amended ("ADEA"). In accordance with the ADEA, the Company specifically advises the Executive that: (1) he may and should consult an attorney before signing this Agreement, (2) he has twenty-one (21) days to consider this Agreement, and (3) he has seven (7) days after signing this Agreement to revoke this Agreement.

5. The Company, for itself, and for its predecessors, successors, and assigns, if any, as well as its and their officers, directors and employees, stockholders, agents, servants, representatives, and attorneys, and the predecessors, successors, heirs and assigns of each of them, hereby waives, releases and forever discharges the Executive and his heirs, attorneys, agents, spouse and assigns (collectively, "Executive Released Parties") from any and all grievances, claims, demands, causes of action, obligations, damages and/or liabilities of any nature whatsoever, which the Company ever had, now has, or claims to have against the Executive Released Parties by reason of any act or omission occurring before the date hereof including, without limiting the

generality of the foregoing, any act, cause, matter or thing stated, claimed or alleged of which the Company has actual knowledge which was or could have been alleged in any manner against the Executive Released Parties prior to the execution of this Agreement.

6. This release does not affect or impair the Executive's rights with respect to workman's compensation or similar claims under applicable law or any claims under medical, dental, disability, life or other insurance arising prior to the date hereof.

7. The Executive warrants that he has not made any assignment, transfer, conveyance or alienation of any potential claim, cause of action, or any right of any kind whatsoever, including but not limited to, potential claims and remedies for discrimination, harassment, retaliation, or wrongful termination, and that no other person or entity of any kind has had, or now has, any financial or other interest in any of the demands, obligations, causes of action, debts, liabilities, rights, contracts, damages, costs, expenses, losses or claims which could have been asserted by the Executive against the Company.

8. The Executive shall not make any disparaging remarks about the Company, or its officers, agents, employees, practices or products; provided that the Executive may provide truthful and accurate facts and opinions about the Company where required to do so by law. Neither the Company nor any of its officers shall make any disparaging remarks, written or oral, about the Executive; provided that the Company and its officers may provide truthful and accurate facts and opinions about the Executive where required to do so by law. The restrictions contained in this Section 8 shall be of no force and effect if either the Company or any of its

officers or the Executive is required by law to offer facts or opinions regarding the other.

9. The parties acknowledge that this Agreement is a settlement of disputed potential claims and is not an admission of liability or of the accuracy of any alleged fact or claim. The Company expressly denies any violation of any federal, state, or local statute, ordinance, rule, regulation, order, common law or other law in connection with the employment and termination of employment of the Executive. The parties expressly agree that this Agreement shall not be construed as an admission by any of the parties of any violation, liability or wrongdoing, and shall not be admissible in any proceeding as evidence of or an admission by any party of any violation or wrongdoing.

10. In the event of a dispute concerning the enforcement of this Agreement, the finder of fact 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.

11. The parties declare and represent that no promise, inducement, or agreement not expressed herein has been made to them.

12. This Agreement in all respects shall be interpreted, enforced and governed under the laws of the State of New York and any applicable federal laws relating to the subject matter of this Agreement. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties. This Agreement shall be construed as if jointly prepared by the Executive and the Company. Any uncertainty or ambiguity shall not be interpreted against any one party.

13. This Agreement and the Employment Agreement contains the entire agreement of the parties as to the subject matter hereof. No modification or waiver of any of the provisions of this Agreement shall be valid and enforceable unless such modification or waiver is in writing and signed by the party to be charged, and unless otherwise stated therein, no such modification or waiver shall constitute a modification or waiver of any other provision of this Agreement (whether or not similar) or constitute a continuing waiver.

14. The Executive and the Company represent that they have been afforded a reasonable period of time within which to consider the terms of this Agreement, that they have read this Agreement, and they are fully aware of its legal effects. The Executive and the Company further represent and warrant that they enter into this Agreement knowingly and voluntarily, without any mistake, duress or undue influence, and that they have been provided the opportunity to review this Agreement with counsel of their own choosing. In making this Agreement, each party relies upon his or its own judgment, belief and knowledge, and has not been influenced in any way by any representations or statements not set forth herein regarding the contents hereof by the entities who are hereby

released, or by anyone representing them.

15. The parties agree that this Agreement may be executed in counterparts and as executed shall constitute one Agreement, binding on all parties. The parties further agree that execution of this Agreement may be accomplished by receipt of facsimile signatures of the

parties. This Agreement shall be of no force or effect until executed by all the signatories.

16. Should any provision of this Agreement be declared or be determined by a forum with competent jurisdiction to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term, or provision shall be deemed not to be a part 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:_____
Name:
Title:

_____
James E. Meyer

<Page>

Exhibit 10.10

AMENDED AND RESTATED SIRIUS SATELLITE RADIO
2003 LONG-TERM STOCK INCENTIVE PLAN

Section 1. Purpose. The purposes of this Amended and Restated Sirius Satellite Radio 2003 Long-Term Stock Incentive Plan are to promote the interests of Sirius Satellite Radio Inc. and its stockholders by (i) attracting and retaining employees and directors of, and consultants to, the Company and its Affiliates, as defined below; (ii) motivating such individuals by means of performance-related incentives to achieve longer-range performance goals; and (iii) enabling such individuals to participate in the long-term growth and financial success of the Company.

Section 2. Definitions. As used in the Plan, the following terms shall have the meanings set forth below:

"Affiliate" shall mean any entity (i) that, directly or indirectly, is controlled by, controls or is under common control with, the Company or (ii) in which the Company has a significant equity interest, in either case as determined by the Committee.

"Award" shall mean any Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit Award, Performance Award, Other Stock-Based Award or Performance Compensation Award made or granted from time to time hereunder.

"Award Agreement" shall mean any written agreement, contract, or other instrument or document evidencing any Award, which may, but need not, be executed or acknowledged by a Participant.

"Board" shall mean the Board of Directors of the Company.

"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 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 50% of the total voting power of the voting stock of the Company, including by way of merger, consolidation or otherwise 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.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Committee" shall mean a committee of the Board designated by the Board to administer the Plan and composed of not less than two directors, each of whom is required to be a 'Non-Employee Director' (within the meaning of Rule 16b-3) and an "outside director" (within the meaning of Section 162(m) of the Code) to the extent Rule 16b-3 and Section 162(m) of the Code, respectively, are applicable to the Company and the Plan. If at any time such a committee has not been so designated, the Board shall constitute the Committee.

"Company" shall mean Sirius Satellite Radio Inc., together with any successor thereto.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Fair Market Value" shall mean (i) with respect to any property other than Shares, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee and (ii) with respect to the Shares, as of any date, (1) the mean between the high

<Page>

and low sales prices of the Shares on the Nasdaq Stock Market for such date (or if not then trading on the Nasdaq Stock Market, the mean between the high and low sales price of the Shares on the stock exchange or over-the-counter market on which the Shares are principally trading on such date), or, if there were no sales on such date, on the closest preceding date on which there were sales of Shares or (2) in the event there shall be no public market for the Shares on such date, the fair market value of the Shares as determined in good faith by the Committee.

"Incentive Stock Option" shall mean a right to purchase Shares from the Company that is granted under Section 6 of the Plan and that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

"Negative Discretion" shall mean the discretion authorized by the Plan to be applied by the Committee to eliminate or reduce the size of a Performance Compensation Award; provided that the exercise of such discretion would not cause the Performance Compensation Award to fail to qualify as "performance-based compensation" under Section 162(m) of the Code. By way of example and not by way of limitation, in no event shall any discretionary authority granted to the Committee by the Plan including, but not limited to, Negative Discretion, be used to (a) grant or provide payment in respect of Performance Compensation Awards for a Performance Period if the Performance Goals for such Performance Period have not been attained or (b) increase a Performance Compensation Award above the maximum amount payable under Section 4(a) or 11(d)(vi) of the Plan. Notwithstanding anything herein to the contrary, in no event shall Negative Discretion be exercised by the Committee with respect to any Option or Stock Appreciation Right (other than an Option or Stock Appreciation Right that is intended to be a Performance Compensation Award under Section 11 of the Plan).

"Non-Qualified Stock Option" shall mean a right to purchase Shares from the Company that is granted under Section 6 of the Plan and that is not intended to be an Incentive Stock Option.

"Option" shall mean an Incentive Stock Option or a Non-Qualified Stock Option.

"Other Stock-Based Award" shall mean any right granted under Section 10 of the Plan.

"Participant" shall mean any employee of, or consultant to, the Company or its Affiliates, or non-employee director who is a member of the Board or the board of directors of an Affiliate, eligible for an Award under Section 5 and selected by the Committee to receive an Award under the Plan.

"Performance Award" shall mean any right granted under Section 9 of the Plan.

"Performance Compensation Award" shall mean any Award designated by the Committee as a Performance Compensation Award pursuant to Section 11 of the Plan.

"Performance Criteria" shall mean the criterion or criteria that the Committee shall select for purposes of establishing the Performance Goal(s) for a Performance Period with respect to any Performance Compensation Award under the Plan. The Performance Criteria that will be used to establish the Performance Goal(s) shall be based on the attainment of specific levels of performance of the Company (or an Affiliate, division or operational unit of the Company) and shall be limited to the following: return on net assets, return on shareholders' equity, return on assets, return on capital, shareholder returns, profit margin, earnings per Share, net earnings, operating earnings, earnings before interest, taxes, depreciation and amortization, number of subscribers, growth of subscribers, operating expenses, capital expenses, subscriber acquisition costs, Share price or sales or market share. To the extent required under Section 162(m) of the Code, the Committee shall, within the first 90 days of a Performance Period (or, if longer, within the maximum period allowed under Section 162(m) of the Code), define in an objective fashion the manner of calculating the Performance Criteria it selects to use for such Performance Period.

"Performance Formula" shall mean, for a Performance Period, the one or more objective formulas applied against the relevant Performance Goal to determine, with regard to the Performance Compensation Award of a particular Participant, whether all, some portion but less than all, or none of the Performance Compensation Award has been earned for the Performance Period.

"Performance Goals" shall mean, for a Performance Period, the one or more goals established by the Committee for the Performance Period based upon the Performance Criteria. The Committee is authorized at any time during the first 90 days of a Performance Period, or at any time thereafter (but only to the extent the exercise of such authority after the first 90 days of a Performance Period would not cause the Performance Compensation Awards granted to any Participant for the Performance Period to fail to qualify as 'performance-based compensation' under Section 162(m) of the Code), in its sole and absolute discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period to the extent permitted under Section 162(m) of the Code in order to prevent the dilution or enlargement of the rights of Participants, (a) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event or development affecting the Company; or (b) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions.

"Performance Period" shall mean the one or more periods of time of at least one year in duration, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a Performance Compensation Award.

"Person" shall mean any individual, corporation, partnership, association, limited liability company, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.

"Plan" shall mean this Amended and Restated Sirius Satellite Radio 2003 Long-Term Stock Incentive Plan.

"Restricted Stock" shall mean any Share granted under Section 8 of the Plan.

"Restricted Stock Unit" shall mean any unit granted under Section 8 of the Plan.

"Rule 16b-3" shall mean Rule 16b-3 as promulgated and interpreted by the SEC under the Exchange Act, or any successor rule or regulation thereto as in effect from time to time.

"SEC" shall mean the Securities and Exchange Commission or any successor thereto and shall include the Staff thereof.

"Shares" shall mean the common stock of the Company, $.001 par value, or such other securities of the Company (i) into which such common stock shall be changed by reason of a recapitalization, merger, consolidation, split-up, combination, exchange of shares or other similar transaction or (ii) as may be determined by the Committee pursuant to Section 4(b) of the Plan.

"Stock Appreciation Right" shall mean any right granted under Section 7 of the Plan.

"Substitute Awards" shall have the meaning specified in Section 4(c) of the Plan.

Section 3. Administration. (a) The Plan shall be administered by the Committee. Subject to the terms of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to a Participant and designate those Awards which shall constitute Performance Compensation Awards; (iii) determine the number of Shares to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Awards; (iv) determine the terms and conditions of any Award; (v) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, other Awards or other property, or canceled, forfeited, or suspended and the method or methods by which Awards may be settled, exercised, canceled, forfeited, or suspended; (vi) determine whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, other property, and other amounts payable with respect to an Award (subject to Section 162(m) of the Code with respect to Performance Compensation Awards) shall be deferred either automatically or at the election of the holder thereof or of the Committee; (vii) interpret, administer or reconcile any inconsistency, correct any defect, resolve ambiguities and/or supply any omission in the Plan and any instrument or agreement relating to, or Award made under, the Plan;

<Page>

(viii) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; (ix) establish and administer Performance Goals and certify whether, and to what extent, they have been attained; and (x) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(b) Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including the Company, any Affiliate, any Participant, any holder or beneficiary of any Award, and any stockholder.

(c) The mere fact that a Committee member shall fail to qualify as a "Non-Employee Director" or "outside director" within the meaning of Rule 16b-3 and Section 162(m) of the Code, respectively, shall not invalidate any Award made by the Committee which Award is otherwise validly made under the Plan.

(d) No member of the Committee shall be liable to any Person for any action or determination made in good faith with respect to the Plan or any Award hereunder.

(e) With respect to any Performance Compensation Award granted to a Covered Employee (within the meaning of Section 162(m) of the Code) under the Plan, the Plan shall be interpreted and construed in accordance with Section 162(m) of the Code.

(f) Notwithstanding the foregoing, the Committee may delegate to one or more officers of the Company the authority to grant awards to Participants who are not officers or directors of the Company subject to Section 16 of the Exchange Act or Covered Employees (within the meaning of Section 162(m) of the Code).

Section 4. Shares Available for Awards.

(a) Shares Available. Subject to adjustment as provided in Section 4(b), the aggregate number of Shares with respect to which Awards may be granted from time to time under the Plan shall in the aggregate not exceed, at any time, 15% of the sum of (i) the issued and outstanding Shares, (ii) any Shares which are issuable as a result of any conversion, exchange or exercise of any preferred stock, warrant or other security of the Company which is outstanding on the date of determination; and (iii) the Shares which have been issued or are issuable to employees, consultants and directors of the Company pursuant to the Plan, the Company's 1999 Long-Term Stock Incentive Plan, the Company's Amended and Restated 1994 Stock Option Plan and the Company's Amended and Restated 1994 Directors' Nonqualified Stock Option Plan; provided, however, that the aggregate number of Shares with respect to which Incentive Stock Options may be granted under the Plan shall be 40,000,000. The maximum number of Shares with respect to which Options and Stock Appreciation Rights may be granted to any Participant in any fiscal year shall be 40,000,000 and the maximum number of Shares which may be paid to a Participant in the Plan in connection with the settlement of any Award(s) designated as "Performance Compensation Awards" in respect of a single Performance Period shall be 40,000,000 or, in the event such Performance Compensation Award is paid in cash, the equivalent cash value thereof. If, after the effective date of the Plan, any Shares covered by an Award granted under the Plan, or to which such an Award relates, are forfeited, or if an Award has expired, terminated or been canceled for any reason whatsoever (other than by reason of exercise or vesting), then the Shares covered by such Award shall again be, or shall become, Shares with respect to which Awards may be granted hereunder.

(b) Adjustments. Notwithstanding any provisions of the Plan to the contrary, in the event that the Committee determines in its sole discretion that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other corporate transaction or event affects the Shares such that an adjustment is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, equitably adjust any or all of (i) the number of Shares or other securities of the Company (or number and kind of other securities or property) with respect to which Awards may be granted, (ii) the number of Shares or other securities of the Company (or number and kind of other securities or property) subject to outstanding Awards, and (iii) the grant or exercise price with respect to any Award or, if deemed appropriate, make provision for a cash

payment to the holder of an outstanding Award in consideration for the cancellation of such Award, which, in the case of Options and Stock Appreciation Rights shall equal the excess, if any, of the Fair Market Value of the Shares subject to such Options or Stock Appreciation Rights over the aggregate exercise price or grant price of such Options or Stock Appreciation Rights.

(c) Substitute Awards. Awards may, in the discretion of the Committee, be made under the Plan in assumption of, or in substitution for, outstanding awards previously granted by the Company or its Affiliates or a company acquired by the Company or with which the Company combines ("Substitute Awards"). The number of Shares underlying any Substitute Awards shall be counted against the aggregate number of Shares available for Awards under the Plan.

(d) Sources of Shares Deliverable Under Awards. Any Shares delivered pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares or of treasury Shares.

Section 5. Eligibility. Any employee of, or consultant to, the Company or any of its Affiliates (including any prospective employee), or non-employee director who is a member of the Board or the board of directors of an Affiliate, shall be eligible to be selected as a Participant.

Section 6. Stock Options.

(a) Grant. Subject to the terms of the Plan, the Committee shall have sole and complete authority to determine the Participants to whom Options shall be granted, the number of Shares to be covered by each Option, the exercise price therefor and the conditions and limitations applicable to the exercise of the Option. The Committee shall have the authority to grant Incentive Stock Options, or to grant Non-Qualified Stock Options, or to grant both types of Options. In the case of Incentive Stock Options, the terms and conditions of such grants shall be subject to and comply with such rules as may be prescribed by Section 422 of the Code, as from time to time amended, and any regulations implementing such statute. All Options when granted under the Plan are intended to be Non-Qualified Stock Options, unless the applicable Award Agreement expressly states that the Option is intended to be an Incentive Stock Option. If an Option is intended to be an Incentive Stock Option, and if for any reason such Option (or any portion thereof) shall not qualify as an Incentive Stock Option, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a Non-Qualified Stock Option appropriately granted under the Plan; provided that such Option (or portion thereof) otherwise complies with the Plan's requirements relating to Non-Qualified Stock Options.

(b) Exercise Price. The Committee shall establish the exercise price at the time each Option is granted, which exercise price shall be set forth in the applicable Award Agreement.

(c) Exercise. Each Option shall be exercisable at such times and subject to such terms and conditions as the Committee may, in its sole discretion, specify in the applicable Award Agreement. The Committee may impose such conditions with respect to the exercise of Options, including without limitation, any relating to the application of federal or state securities laws, as it may deem necessary or advisable. Options with an exercise price equal to or greater than the Fair Market Value per Share as of the date of grant are intended to qualify as "performance-based compensation" under Section 162(m) of the Code. In the sole discretion of the Committee, Options may be granted with an exercise price that is less than the Fair Market Value per Share and such Options may, but need not, be intended to qualify as performance-based compensation in accordance with Section 11 hereof.

(d) Payment. (i) No Shares shall be delivered pursuant to any exercise of an Option until payment in full of the aggregate exercise price therefor is received by the Company. Such payment may be made in cash, or its equivalent, or (x) by exchanging Shares owned by the optionee (which are not the subject of any pledge or other security interest and which have been owned by such optionee for at least six months) or (y) subject to such rules as may be established by the Committee, through delivery of irrevocable instructions to a broker to sell the Shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the aggregate exercise price or by a combination of the foregoing, provided that the combined value of all cash and cash equivalents and the Fair Market Value of any such Shares so tendered to the Company as of the date of such tender is at least equal to such aggregate exercise price.

<Page>

(ii) Wherever in this Plan or any Award Agreement a Participant is permitted to pay the exercise price of an Option or taxes relating to the exercise of an Option by delivering Shares, the Participant may, subject to procedures satisfactory to the Committee, satisfy such delivery requirement by presenting proof of beneficial ownership of such Shares, in which case the Company shall treat the Option as exercised without further payment and shall withhold such number of Shares from the Shares acquired by the exercise of the Option.

Section 7. Stock Appreciation Rights.

(a) Grant. Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the Participants to whom Stock Appreciation Rights shall be granted, the number of Shares to be covered by each Stock Appreciation Right Award, the grant price thereof and the conditions and limitations applicable to the exercise thereof. Stock Appreciation Rights with a grant price equal to or greater than the Fair Market Value per Share as of the date of grant are intended to qualify as "performance-based compensation" under Section 162(m) of the Code. In the sole discretion of the Committee, Stock Appreciation Rights may be granted with an exercise price that is less than the Fair Market Value per Share and such Stock Appreciation Rights may, but need not, be intended to qualify as performance-based compensation in accordance with Section 11 hereof. Stock Appreciation Rights may be granted in tandem with another Award, in addition to another Award, or freestanding and unrelated to another Award. Stock Appreciation Rights granted in tandem with or in addition to an Award may be granted either before, at the same time as the Award or at a later time.

(b) Exercise and Payment. A Stock Appreciation Right shall entitle the Participant to receive an amount equal to the excess of the Fair Market Value of a Share on the date of exercise of the Stock Appreciation Right over the grant price thereof. The Committee shall determine in its sole discretion whether a Stock Appreciation Right shall be settled in cash, Shares or a combination of cash and Shares.

(c) Other Terms and Conditions. Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine, at the grant of a Stock Appreciation Right, the term, methods of exercise, methods and form of settlement, and any other terms and conditions of any Stock Appreciation Right. The Committee may impose such conditions or restrictions on the exercise of any Stock Appreciation Right as it shall deem appropriate.

Section 8. Restricted Stock and Restricted Stock Units.

(a) Grant. Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the Participants to whom Shares of Restricted Stock and Restricted Stock Units shall be granted, the number of Shares of Restricted Stock and/or the number of Restricted Stock Units to be granted to each Participant, the duration of the period during which, and the conditions, if any, under which, the Restricted Stock and Restricted Stock Units may be forfeited to the Company, and the other terms and conditions of such Awards.

(b) Transfer Restrictions. Shares of Restricted Stock and Restricted Stock Units may not be sold, assigned, transferred, pledged or otherwise encumbered, except, in the case of Restricted Stock, as provided in the Plan or the applicable Award Agreements. Certificates issued in respect of Shares of Restricted Stock shall be registered in the name of the Participant and deposited by such Participant, together with a stock power endorsed in blank, with the Company. Upon the lapse of the restrictions applicable to such Shares of Restricted Stock, the Company shall deliver such certificates to the Participant or the Participant's legal representative.

(c) Payment. Each Restricted Stock Unit shall have a value equal to the Fair Market Value of a Share. Restricted Stock Units shall be paid in cash, Shares, other securities or other property, as determined in the sole discretion of the Committee, upon the lapse of the restrictions applicable thereto, or otherwise in accordance with the applicable Award Agreement. Dividends paid on any Shares of Restricted Stock may be paid directly to the Participant, withheld by the Company subject to vesting of the Restricted Shares pursuant to the terms of the applicable Award Agreement, or may be reinvested in additional Shares of Restricted Stock or in additional Restricted Stock Units, as determined by the Committee in its sole discretion.

Section 9. Performance Awards.

<Page>

(a) Grant. The Committee shall have sole and complete authority to determine the Participants who shall receive a "Performance Award", which shall consist of a right which is (i) denominated in cash or Shares, (ii) valued, as determined by the Committee, in accordance with the achievement of such performance goals during such performance periods as the Committee shall establish, and (iii) payable at such time and in such form as the Committee shall determine.

(b) Terms and Conditions. Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine the Performance Goals to be achieved during any Performance Period, the length of any Performance Period, the amount of any Performance Award and the amount and kind of any payment or transfer to be made pursuant to any Performance Award.

(c) Payment of Performance Awards. Performance Awards may be paid in a lump sum or in installments following the close of the Performance Period or, in accordance with procedures established by the Committee, on a deferred basis.

SECTION 10. Other Stock-Based Awards.

(a) General. The Committee shall have authority to grant to Participants an "Other Stock-Based Award", which shall consist of any right which is (i) not an Award described in Sections 6 through 9 above and (ii) an Award of Shares or an Award denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares), as deemed by the Committee to be consistent with the purposes of the Plan; provided that any such rights must comply, to the extent deemed desirable by the Committee, with Rule 16b-3 and applicable law. Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine the terms and conditions of any such Other Stock-Based Award, including the price, if any, at which securities may be purchased pursuant to any Other Stock-Based Award granted under this Plan.

(b) Dividend Equivalents. In the sole and complete discretion of the Committee, an Award, whether made as an Other Stock-Based Award under this Section 10 or as an Award granted pursuant to Sections 6 through 9 hereof, may provide the Participant with dividends or dividend equivalents, payable in cash, Shares, other securities or other property on a current or deferred basis.

Section 11. Performance Compensation Awards.

(a) General. The Committee shall have the authority, at the time of grant of any Award described in Sections 6 through 10 (other than Options and Stock Appreciation Rights granted with an exercise price or grant price, as the case may be, equal to or greater than the Fair Market Value per Share on the date of grant), to designate such Award as a Performance Compensation Award in order to qualify such Award as "performance-based compensation" under Section 162(m) of the Code.

(b) Eligibility. The Committee will, in its sole discretion, designate within the first 90 days of a Performance Period (or, if longer, within the maximum period allowed under Section 162(m) of the Code) which Participants will be eligible to receive Performance Compensation Awards in respect of such Performance Period. Designation of a Participant eligible to receive an Award hereunder for a Performance Period shall not in any manner entitle the Participant to receive payment in respect of any Performance Compensation Award for such Performance Period. The determination as to whether or not such Participant becomes entitled to payment in respect of any Performance Compensation Award shall be decided solely in accordance with the provisions of this Section 11. Moreover, designation of a Participant eligible to receive an Award hereunder for a particular Performance Period shall not require designation of such Participant eligible to receive an Award hereunder in any subsequent Performance Period and designation of one person as a Participant eligible to receive an Award hereunder shall not require designation of any other person as a Participant eligible to receive an Award hereunder in such period or in any other period.

(c) Discretion of Committee with Respect to Performance Compensation Awards. With regard to a particular Performance Period, the Committee shall have full discretion to select the length of such Performance Period, the type(s) of Performance Compensation Awards to be issued, the Performance Criteria that will be used to

<Page>

establish the Performance Goal(s), the kind(s) and/or level(s) of the Performance Goals(s) is/are to apply to the Company and the Performance Formula. Within the first 90 days of a Performance Period (or, if longer, within the maximum period allowed under Section 162(m) of the Code), the Committee shall, with regard to the Performance Compensation Awards to be issued for such Performance Period, exercise its discretion with respect to each of the matters enumerated in the immediately preceding sentence of this Section 11(c) and record the same in writing.

(d) Payment of Performance Compensation Awards. (i) Condition to Receipt of Payment. Unless otherwise provided in the applicable Award Agreement, a Participant must be employed by the Company on the last day of a Performance Period to be eligible for payment in respect of a Performance Compensation Award for such Performance Period.

(ii) Limitation. A Participant shall be eligible to receive payment in respect of a Performance Compensation Award only to the extent that: (1) the Performance Goals for such period are achieved; and (2) the Performance Formula as applied against such Performance Goals determines that all or some portion of such Participant's Performance Award has been earned for the Performance Period.

(iii) Certification. Following the completion of a Performance Period, the Committee shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Period have been achieved and, if so, to calculate and certify in writing that amount of the Performance Compensation Awards earned for the period based upon the Performance Formula. The Committee shall then determine the actual size of each Participant's Performance Compensation Award for the Performance Period and, in so doing, may apply Negative Discretion, if and when it deems appropriate.

(iv) Negative Discretion. In determining the actual size of an individual Performance Award for a Performance Period, the Committee may reduce or eliminate the amount of the Performance Compensation Award earned under the Performance Formula in the Performance Period through the use of Negative Discretion if, in its sole judgement, such reduction or elimination is appropriate.

(v) Timing of Award Payments. The Awards granted for a Performance Period shall be paid to Participants as soon as administratively possible following completion of the certifications required by this Section 11.

(vi) Maximum Award Payable. Notwithstanding any provision contained in the Plan to the contrary, the maximum Performance Compensation Award payable to any one Participant under the Plan for a Performance Period is 40,000,000 Shares or, in the event the Performance Compensation Award is paid in cash, the equivalent cash value thereof on the last day of the Performance Period to which such Award relates. Furthermore, any Performance Compensation Award that has been deferred shall not (between the date as of which the Award is deferred and the payment date) increase (i) with respect to Performance Compensation Award that is payable in cash, by a measuring factor for each fiscal year greater than a reasonable rate of interest set by the Committee or (ii) with respect to a Performance Compensation Award that is payable in Shares, by an amount greater than the appreciation of a Share from the date such Award is deferred to the payment date.

Section 12. Amendment and Termination.

(a) Amendments to the Plan. The Board may amend, alter, suspend, discontinue, or terminate the Plan or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuation or termination shall be made without stockholder approval if such approval is necessary to comply with any tax or regulatory requirement applicable to the Plan; and provided, further, that any such amendment, alteration, suspension, discontinuance or termination that would impair the rights of any Participant or any holder or beneficiary of any Award previously granted shall not be effective without the consent of the affected Participant, holder or beneficiary.

(b) Amendments to Awards. The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any Award theretofore granted; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would impair the rights

of any Participant or any holder or beneficiary of any Award previously granted shall not be effective without the consent of the affected Participant, holder or beneficiary.

(c) Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. The Committee is hereby authorized to make equitable adjustments in the terms and conditions of, and the criteria included in, all outstanding Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4(b) hereof) affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan; provided that no such adjustment shall be authorized to the extent that such authority or adjustment would cause an Award designated by the Committee as a Performance Compensation Award under Section 11 of the Plan to fail to qualify as "performance-based compensation" under Section 162(m) of the Code.

Section 13. Change of Control. In the event of a Change of Control, any outstanding Awards then held by Participants which are unexercisable or otherwise unvested shall automatically be deemed exercisable or otherwise vested, as the case may be, effective as of immediately prior to such Change of Control, unless the terms of the Award Agreement expressly provides to the contrary.

Section 14. General Provisions.

(a) Nontransferability.

(i) Each Award, and each right under any Award, shall be exercisable only by the Participant during the Participant's lifetime, or, if permissible under applicable law, by the Participant's legal guardian or representative.

(ii) No Award may be sold, assigned, alienated, pledged, attached or otherwise transferred or encumbered by a Participant otherwise than by will or by the laws of descent and distribution, and any such purported sale, assignment, alienation, pledge, attachment, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary shall not constitute a sale, assignment, alienation, pledge, attachment, transfer or encumbrance.

(iii) Notwithstanding the foregoing, the Committee may in the applicable Award Agreement evidencing an Option granted under the Plan or at any time thereafter in an amendment to an Award Agreement provide that Options granted hereunder which are not intended to qualify as Incentive Options may be transferred by the Participant to whom such Option was granted (the "Grantee") without consideration, subject to such rules as the Committee may adopt to preserve the purposes of the Plan, to: (1) the Grantee's spouse, children or grandchildren (including adopted and stepchildren and grandchildren) (collectively, the 'Immediate Family'); (2) a trust solely for the benefit of the Grantee and his or her Immediate Family; or (3) a partnership, corporation or limited liability company whose only partners, members or shareholders are the Grantee and his or her Immediate Family; (each transferee described in clauses (1), (2) and (3) above is hereinafter referred to as a "Permitted Transferee"); provided that the Grantee gives the Committee advance written notice describing the terms and conditions of the proposed transfer and the Committee notifies the Grantee in writing that such a transfer would comply with the requirements of the Plan and any applicable Award Agreement evidencing the Option.

The terms of any Option transferred in accordance with the immediately preceding sentence shall apply to the Permitted Transferee and any reference in the Plan or in an Award Agreement to an optionee, Grantee or Participant shall be deemed to refer to the Permitted Transferee, except that (a) Permitted Transferees shall not be entitled to transfer any Options, other than by will or the laws of descent and distribution; (b) Permitted Transferees shall not be entitled to exercise any transferred Options unless there shall be in effect a registration statement on an appropriate form covering the Shares to be acquired pursuant to the exercise of such Option if the Committee determines that such a registration statement is necessary or appropriate, (c) the Committee or the Company shall not be required to provide any notice to a Permitted Transferee, whether or not such notice is or would otherwise have been required to be given to the Grantee under the Plan or otherwise and (d) the consequences of termination of the Grantee's employment by, or services to, the Company under the terms of the Plan and the applicable Award

<Page>

Agreement shall continue to be applied with respect to the Grantee, following which the Options shall be exercisable by the Permitted Transferee only to the extent, and for the periods, specified in the Plan and the applicable Award Agreement.

(b) No Rights to Awards. No Participant or other Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants, or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

(c) Share Certificates. All certificates for Shares or other securities of the Company or any Affiliate delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the SEC, any stock exchange upon which such Shares or other securities are then listed, and any applicable Federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(d) Withholding. (i) A Participant may be required to pay to the Company or any Affiliate and the Company or any Affiliate shall have the right and is hereby authorized to withhold from any Award, from any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to a Participant the amount (in cash, Shares, other securities, other Awards or other property) of any applicable withholding taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes. The Committee may provide for additional cash payments to holders of Awards to defray or offset any tax arising from the grant, vesting, exercise or payments of any Award.

(ii) Without limiting the generality of clause (i) above, a Participant may satisfy, in whole or in part, the foregoing withholding liability by delivery of Shares owned by the Participant (which are not subject to any pledge or other security interest and which have been owned by the Participant for at least six months) with a Fair Market Value equal to such withholding liability or by having the Company withhold from the number of Shares otherwise issuable pursuant to the exercise of the option a number of Shares with a Fair Market Value equal to such withholding liability.

(iii) Notwithstanding any provision of this Plan to the contrary, in connection with the transfer of an Option to a Permitted Transferee pursuant to Section 14(a), the Grantee shall remain liable for any withholding taxes required to be withheld upon the exercise of such Option by the Permitted Transferee.

(e) Award Agreements. Each Award hereunder shall be evidenced by an Award Agreement which shall be delivered to the Participant and shall specify the terms and conditions of the Award and any rules applicable thereto, including but not limited to the effect on such Award of the death, disability or termination of employment or service of a Participant and the effect, if any, of such other events as may be determined by the Committee.

(f) No Limit on Other Compensation Arrangements. Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting or continuing in effect other compensation arrangements, which may, but need not, provide for the grant of options, restricted stock, Shares and other types of Awards provided for hereunder (subject to stockholder approval if such approval is required), and such arrangements may be either generally applicable or applicable only in specific cases.

(g) No Right to Employment. The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of, or in any consulting relationship to, or as a director on the Board or board of directors, as applicable, of, the Company or any Affiliate. Further, the Company or an Affiliate may at any time dismiss a Participant from employment or discontinue any consulting relationship, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan, any Award Agreement or any applicable employment contract or agreement.

(h) No Rights as Stockholder. Subject to the provisions of the applicable Award, no Participant or holder or beneficiary of any Award shall have any rights as a stockholder with respect to any Shares to be distributed under

<Page>

the Plan until he or she has become the holder of such Shares. Notwithstanding the foregoing, in connection with each grant of Restricted Stock hereunder, the applicable Award shall specify if and to what extent the Participant shall not be entitled to the rights of a stockholder in respect of such Restricted Stock.

(i) Governing Law. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan and any Award Agreement shall be determined in accordance with the laws of the State of New York, applied without giving effect to its conflict of laws principles.

(j) Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

(k) Other Laws. The Committee may refuse to issue or transfer any Shares or other consideration under an Award if, acting in its sole discretion, it determines that the issuance or transfer of such Shares or such other consideration might violate any applicable law or regulation or entitle the Company to recover the same under Section 16(b) of the Exchange Act, and any payment tendered to the Company by a Participant, other holder or beneficiary in connection with the exercise of such Award shall be promptly refunded to the relevant Participant, holder or beneficiary. Without limiting the generality of the foregoing, no Award granted hereunder shall be construed as an offer to sell securities of the Company, and no such offer shall be outstanding, unless and until the Committee in its sole discretion has determined that any such offer, if made, would be in compliance with all applicable requirements of the U.S. federal securities laws.

(l) No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Affiliate.

(m) No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional Shares or whether such fractional Shares or any rights thereto shall be canceled, terminated, or otherwise eliminated.

(n) Headings. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

Section 15. Term of the Plan.

(a) Effective Date. The Plan shall be effective as of the date of its approval by the stockholders of the Company.

(b) Expiration Date. No Award shall be granted under the Plan after December 31, 2012. Unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award granted hereunder may, and the authority of the Board or the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award or to waive any conditions or rights under any such Award shall, continue after December 31, 2012.

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

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

1. I have reviewed this quarterly report on Form 10-Q of Sirius Satellite Radio Inc. for the period ended June 30, 2004;

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
Chief Executive Officer
(Principal Executive Officer)

August 9, 2004

Exhibit 31.2

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. for the period ended June 30, 2004;

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)

August 9, 2004

Exhibit 32.1

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

In connection with the Quarterly Report of Sirius Satellite Radio Inc. (the "Company") on Form 10-Q for the period ending June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph P. Clayton, 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
Chief Executive Officer
(Principal Executive Officer)

August 9, 2004

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.

Exhibit 32.2

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

In connection with the Quarterly Report of Sirius Satellite Radio Inc. (the "Company") on Form 10-Q for the period ending June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David J. Frear, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

By: /s/ DAVID J. FREAR

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

August 9, 2004

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.