SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 1, 2008 (July 28, 2008)

SIRIUS SATELLITE RADIO INC.

(Exact Name of Registrant as Specified in Charter)

Delaware	**0-24710**	**52-1700207**
(State or other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1221 Avenue of the Americas, 36th Fl., New York, NY	**10020**
(Address of Principal Executive Offices)	(Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Introductory Note

On July 28, 2008, XM Satellite Radio Holdings Inc. (“XM”) completed its merger (the “Merger”) with and into Vernon Merger Corporation (“Merger Co.”), our wholly-owned subsidiary, as a result of which XM is now our wholly-owned subsidiary. The Merger was effected pursuant to an Agreement and Plan of Merger (the “Merger Agreement”), dated as of February 19, 2007, entered into by and among us, XM and Merger Co.

Item 1.01 Entry Into a Material Definitive Agreement

Second Supplemental Indenture to Indenture for 1.75% Convertible Senior Notes

On July 28, 2008, we, XM and The Bank of New York Mellon, as trustee, entered into a second supplemental indenture to the indenture governing XM’s 1.75% Convertible Senior Notes due 2009 (the “1.75% Notes”). Pursuant to the second supplemental indenture, the 1.75% Notes became convertible at the option of the holder into shares of our common stock initially at a conversion rate of 92.0 shares of our common stock per $1,000 principal amount, which is equivalent to an initial conversion price of approximately $10.87 per share of our common stock (subject to adjustment in certain events), at any time until December 1, 2009. XM’s outstanding 10% Senior Secured Discount Convertible Notes due 2009 similarly became convertible upon closing of the merger into shares of our common stock at an initial conversion price of $0.69 per share (subject to adjustment in certain events). The terms of the indenture for these notes did not require us to enter into a supplemental indenture.

First Supplemental Warrant for Warrant Agreement, dated March 15, 2000

On July 28, 2008, we, XM and The Bank of New York Mellon entered into a first supplemental warrant to the warrant agreement governing XM’s warrants issued in connection with XM’s 14% Senior Secured Notes due 2010 (the “2010 Warrants”). Pursuant to the first supplemental warrant, each of the 2010 Warrants became exercisable for 40.39 shares of our common stock at an exercise price of $9.83 per share and we assumed the covenants, agreements, obligations and undertakings of XM under the warrant agreement and the 2010 Warrants.

First Supplemental Warrant for Warrant Agreement, dated January 28, 2003

On July 28, 2008, we, XM and The Bank of New York Mellon entered into a first supplemental warrant to the warrant agreement governing XM’s warrants issued in connection with XM’s 14% Senior Secured Discount Notes due 2009 (the “2009 Warrants”). Pursuant to the first supplemental warrant, each of the 2009 Warrants became exercisable for 391.00 shares of our common stock at an exercise price of $0.69 per share and we assumed the covenants, agreements, obligations and undertakings of XM under the warrant agreement and the 2009 Warrants.

Written Instrument for Common Stock Purchase Warrant, dated June 3, 2005

On July 28, 2008, we entered into a written instrument to the common stock purchase warrant governing XM’s warrant issued to Space Systems/Loral Inc. (the “SS/L Warrant”). Pursuant to the written instrument, the SS/L Warrant became exercisable for 1,840,000 shares of our common stock at an exercise price of $7.05 per share and we assumed the obligation to deliver to Space Systems/Loral Inc. the shares of stock, securities or assets to which the warrantholder may be entitled under the SS/L Warrant, and all other obligations of XM under the SS/L Warrant.

Written Instrument for Common Stock Purchase Warrant, dated May 4, 2006

On July 28, 2008, we entered into a written instrument to the common stock purchase warrant governing XM's warrant originally issued to Boeing Satellite Systems and currently held by Bank of America, N.A. (the "BofA Warrant"). Pursuant to the written instrument, the BofA Warrant became exercisable for 2,300,000 shares of our common stock at an exercise price of $2.94 per share and we assumed the obligation to deliver to Bank of America, N.A. the shares of stock, securities or assets to which the warrantholder may be entitled under the BofA Warrant, and all other obligations of XM under the BofA Warrant.

Item 2.01 Completion of Acquisition or Disposition of Assets

Pursuant to the Merger Agreement, on July 28, 2008, Merger Co. merged with and into XM, with XM as the surviving corporation in the Merger and continuing as our direct wholly owned subsidiary. Pursuant to the Merger Agreement, each outstanding share of the common stock of XM was converted in the Merger into the right to receive 4.6 fully paid and nonassessable shares of our common stock, and each outstanding share of the series A convertible preferred stock of XM was converted in the merger into the right to receive 4.6 fully paid and nonassessable shares of a newly-designated series of our preferred stock, described below in Item 5.03.

The foregoing description of the Merger Agreement and the Merger is not complete and is qualified in its entirety by reference to the Merger Agreement, which was attached as Exhibit 2.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on February 21, 2007, and is incorporated herein by reference.

Our common stock will continue to trade on the Nasdaq Global Select Market under the symbol "SIRI". Following consummation of the Merger, the common stock of XM was delisted from the NASDAQ Global Select Market. We intend to change our name to Sirius XM Radio Inc.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On July 28, 2008, effective immediately prior to the effective time of the Merger, Joseph P. Clayton, Warren N. Lieberfarb and Michael McGuiness resigned from our board of directors, with Mr. Clayton also resigning as chairman of our board of directors.

On the same date, effective as of the effective time of the Merger, as approved by resolutions of our board of directors and pursuant to the Merger Agreement, the number of directors on our board of directors was increased from eight to twelve. Effective at the same time, each of the following former members of the XM board of directors was elected to our board of directors:

Joan Amble
Eddy Hartenstein
Chet Huber
John Mendel
Gary Parsons
Jack Shaw
Jeff Zients

Also effective at the same time, our board of directors appointed Gary Parsons as Chairman of our board of directors pursuant to the Merger Agreement. As of the time of the filing of this Report, the newly-elected directors have not been appointed to any committees of our board of directors and we have not determined to which committees, the newly-elected directors may be appointed.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

On July 28, 2008, we amended our Amended and Restated Certificate of Incorporation to increase the number of authorized shares of our common stock to 4,500,000,000, and the total number of shares that we have the authority to issue to 4,550,000,000. On the same date and as contemplated by the Merger Agreement, we amended our Amended and Restated Bylaws to provide that, for a period of two years following the completion of the merger, (i) any termination or replacement of either our chief executive officer or chairman of the board of directors as of the completion of the merger (or such individual's successor) or (ii) any sale, transfer or other disposition of assets, rights or properties which are material, individually or in the aggregate, to us (or the execution of any agreement to take any such action), will require the prior approval of a majority of the independent directors on our board of directors.

Also on the same date, as contemplated by the Merger Agreement and as approved by our board of directors, we created a new series of Series A Convertible Preferred Stock, par value $0.001 per share (the "Series A Convertible Preferred Stock"), which has the same powers, designations, preferences, rights and qualifications, limitations and restrictions as the series A convertible preferred stock of XM, except that such preferred stock has the right to vote with the holders of the our common stock as a single class, with each share of preferred stock having 1/5th of a vote.

The Certificate of Amendment of our Amended and Restated Certificate of Incorporation, the Amendment to our Amended and Restated By-Laws and the Certificate of Designations of Series A Convertible Preferred Stock are attached hereto as Exhibits 3.1, 3.2 and 3.3, respectively, and are incorporated herein by reference.

Item 8.01 Other Events

On July 29, 2008, we issued a press release announcing the consummation of the Merger. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired.

The financial statements required by this Item with respect to XM are not being filed herewith. To the extent such information is required by this Item, it will be filed by amendment to this Current Report on Form 8-K not later than 71 days after the date on which this Current Report on Form 8-K is required to be filed.

(b) Pro Forma Financial Information.

The unaudited pro forma condensed combined statement of income as of March 31, 2008 and for the fiscal year ended December 31, 2007, the unaudited pro forma combined balance sheet as of March 31, 2008, and accompanying notes are filed as Exhibit 99.2 and incorporated herein by reference.

(d) Exhibits.

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of February 19, 2007, by and among Sirius Satellite Radio Inc., Vernon Merger Corporation and XM Satellite Radio Holdings Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, filed on February 21, 2007).
3.1	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Sirius Satellite Radio Inc., dated July 28, 2008.
3.2	Certificate of Amendment of the Amended and Restated By-Laws of Sirius Satellite Radio Inc., dated July 28, 2008.
3.3	Certificate of Designations of Series A Convertible Preferred Stock of Sirius Satellite Radio Inc., dated July 28, 2008.
99.1	Press Release issued by Sirius Satellite Radio Inc., dated July 29, 2008.
99.2	The unaudited pro forma condensed combined statement of income as of March 31, 2008 and for the fiscal year ended December 31, 2007, the unaudited pro forma combined balance sheet as of March 31, 2008, and the notes related thereto.

SIGNATURES

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

SIRIUS SATELLITE RADIO INC.

By: /s/ Patrick L. Donnelly
Patrick L. Donnelly
Executive Vice President, General Counsel and Secretary

Dated: August 1, 2008

EXHIBITS

Exhibit	Description of Exhibit
2.1	Agreement and Plan of Merger, dated as of February 19, 2007, by and among Sirius Satellite Radio Inc., Vernon Merger Corporation and XM Satellite Radio Holdings Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, filed on February 21, 2007).
3.1	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Sirius Satellite Radio Inc., dated July 28, 2008.
3.2	Certificate of Amendment of the Amended and Restated By-Laws of Sirius Satellite Radio Inc., dated July 28, 2008.
3.3	Certificate of Designations of Series A Convertible Preferred Stock of Sirius Satellite Radio Inc., dated July 28, 2008.
99.1	Press Release issued by Sirius Satellite Radio Inc., dated July 29, 2008.
99.2	The unaudited pro forma condensed combined statement of income as of March 31, 2008 and for the fiscal year ended December 31, 2007, the unaudited pro forma combined balance sheet as of March 31, 2008, and the notes related thereto.

Exhibit 3.1

**CERTIFICATE OF AMENDMENT
OF
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
SIRIUS SATELLITE RADIO INC.**

The undersigned officer of Sirius Satellite Radio Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY as follows:

FIRST: The name of the Corporation is Sirius Satellite Radio Inc.

SECOND: The Amended and Restated Certificate of Incorporation of the Corporation is hereby amended by changing Section (1) of the Article numbered "Fourth" so that, as amended, said Section of said Article shall be and read as follows:

> "Fourth: (1) The total number of shares of all classes of stock which the Corporation shall have authority to issue is 4,550,000,000 shares, consisting of (1) 50,000,000 shares of preferred stock, par value $0.001 per share ("Preferred Stock"), and (2) 4,500,000,000 shares of common stock, par value $0.001 per share ("Common Stock")."

THIRD: The foregoing amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

[Rest of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned has signed this Certificate of Amendment as of this 28th day of July, 2008.

Sirius Satellite Radio Inc.

/s/ Patrick L. Donnelly

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

Exhibit 3.2

AMENDMENT TO THE

AMENDED AND RESTATED BY-LAWS

OF

SIRIUS SATELLITE RADIO INC.

Sirius Satellite Radio Inc., a corporation organized and existing under the laws of the State of Delaware, in accordance with Article IX of its Amended and Restated By-Laws (the "By-Laws"), hereby inserts Article X of the By-Laws as follows:

ARTICLE X

POST-MERGER ACTIONS

"At any time prior to July 28, 2010 (i) any termination or replacement of either the Chief Executive Officer or Chairman of the Board of Directors as of July 28, 2008 (or such individual's successor) and (ii) any sale, transfer or other disposition of assets, rights or properties which are material, individually or in the aggregate, to the corporation (or the execution of any agreement to take any such action), shall require the prior approval of a majority of the Independent Directors (as defined in the NASDAQ MarketPlace Rules) serving on the Board of Directors."

[Remainder of page intentionally left blank]

Dated: July 28, 2008

SIRIUS SATELLITE RADIO INC.

By: /s/ Patrick L. Donnelly
Name: Patrick L. Donnelly
Title: Executive Vice President, General Counsel and Secretary

Exhibit 3.3

CERTIFICATE OF DESIGNATIONS

OF

SERIES A CONVERTIBLE PREFERRED STOCK

OF

SIRIUS SATELLITE RADIO INC.

Sirius Satellite Radio Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the 'DGCL"), hereby certifies, pursuant to Section 151 of the DGCL, that the following resolutions were duly adopted by its Board of Directors (the "Board") on December 11, 2008:

WHEREAS, the Company's Amended and Restated Certificate of Incorporation, as amended, including any amendment or supplement thereto (including any Certificate of Amendment or Certificate of Designations) (the "Certificate of Incorporation"), authorizes shares of preferred stock, par value $0.001 per share (the 'Preferred Stock"), issuable from time to time in one or more series; and

WHEREAS, the Certificate of Incorporation authorizes the Board to establish and fix the number of shares to be included in any series of Preferred Stock and the voting powers (if any), and the designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions of the shares of such series.

NOW, THEREFORE, BE IT RESOLVED, that a series of Preferred Stock with the powers, designations, preferences, rights, qualifications, limitations and restrictions as provided herein is hereby authorized and established as follows:

Section 1. Designation; Number.

This series of Convertible Preferred Stock is designated as the "Series A Convertible Preferred Stock" ('Series A Convertible Preferred Stock"). The number of shares constituting the Series A Preferred Stock is 25,000,000 shares, par value $0.001 per share.

Section 2. Conversion.

(a) Each holder of record of a share of Series A Convertible Preferred Stock may at any time or from time to time, in such holder's sole discretion and at such holder's option, convert any whole number or all of such holder's shares of Series A Convertible Preferred Stock into fully paid and nonassessable shares of Common Stock at the rate of one share of Common Stock for each share of Series A Convertible Preferred Stock surrendered for conversion. Following the occurrence of a Recapitalization, each share of Series A Convertible Preferred Stock shall be convertible into the kind and number of shares of stock or other securities or property of the Corporation or otherwise to which the holder of such share of Series A Convertible Preferred Stock would have been entitled to receive if such holder had converted such share into Common Stock immediately prior to such Recapitalization. Adjustments to the conversion rate shall similarly apply to each successive Recapitalization.

(b) Any such conversion may be effected by the holder of Series A Convertible Preferred Stock by surrendering such holder's certificate or certificates for the shares of Series A Convertible Preferred Stock to be converted, duly endorsed, at the office of the Corporation or the office of any transfer agent for the Common Stock, together with a written notice to the Corporation at such office that such holder elects to convert all or a specified number of such shares of Series A Convertible Preferred Stock. Promptly thereafter, the Corporation shall issue and deliver to such holder a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be made at the close of business on the date of such surrender and the person entitled to receive the shares of Common Stock issuable on such conversion shall be treated for all purposes as the record holder of such shares of Common Stock on such date.

Section 3. Voting Rights.

Each holder thereof shall be entitled to vote, together with the holders of the shares of Common Stock (and any other class or series that may similarly be entitled to vote with the shares of Common Stock) as a single class, upon all matters upon which holders of Common Stock are entitled to vote, with each share of Series A Convertible Preferred Stock entitled to 1/5th of one vote on such matters.

Section 4. Dividends.

The holders of shares of Series A Convertible Preferred Stock shall receive dividends and distributions of the Corporation ratably with the holders of shares of Common Stock.

Section 5. Redemption.

In the event of any liquidation, dissolution, winding up or insolvency of the Corporation, whether voluntary or involuntary, before any distribution or payment is made to any holders of shares of Common Stock or any other class or series of capital stock of the Corporation designated to be junior to the Series A Convertible Preferred Stock, and subject to the liquidation rights and preferences of any class or series of preferred stock designated in the future to be senior to, or on a parity with, the Series A Convertible Preferred Stock with respect to liquidation preferences, the holders of Series A Convertible Preferred Stock shall be entitled to be paid first out of the assets of the Corporation available for distribution to holders of capital stock of all classes whether such assets are capital, surplus or earnings ("Available Assets"), an amount equal to $2.0706122 per share of Series A Convertible Preferred Stock, together with the amount of any accrued or capitalized dividends in respect thereof (the "Liquidation Preference"). After payment in full to the holders of Series A Convertible Preferred Stock of the Liquidation Preference, holders of the Series A Convertible Preferred Stock shall, as such, have no right or claim to any of the remaining Available Assets.

Section 6. **Additional Definitions**. For purposes of these resolutions, the following terms shall have the following meanings:

"**Common Stock**" refers to the common stock of the Corporation, par value $0.001 per share.

"Recapitalization" refers to each such event that the Corporation shall at any time prior to the conversion of all or a portion of Series A Convertible Preferred Stock either (i) subdivide the outstanding shares of Common Stock into a greater number of shares, (ii) combine the outstanding shares of Common Stock into a smaller number of shares, (iii) change the outstanding shares of Common Stock into the same or a given number of shares of any other class or classes of shares, (iv) declare on or in respect of the shares of Common Stock a dividend payable in shares or other securities of the Corporation, or (v) offer to the holders of Common Stock any rights to subscribe for shares of other securities of the Corporation.

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IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designations to be executed by a duly authorized officer of the Corporation as of this 28th day of July, 2008.

SIRIUS SATELLITE RADIO INC.

By: /s/ Patrick L. Donnelly
Name: Patrick L. Donnelly
Title: Executive Vice President, General Counsel and Secretary

Exhibit 99.1

For Immediate Release

SIRIUS AND XM COMPLETE MERGER

SIRIUS XM Radio Chosen as New Corporate Name

Combined Company Has Over 18.5 Million Subscribers, Annualized Second Quarter Revenue Exceeding $2.4 Billion

Company to Offer Consumers Best of Both Services, While Maximizing Significant Efficiencies

SIRIUS XM Reiterates Financial Guidance;
Expects 2009 Synergies of $400 million and 2009 Adjusted EBITDA of over $300 Million

NEW YORK, NY — July 29, 2008 —SIRIUS Satellite Radio (NASDAQ: SIRI) and XM Satellite Radio today announced that they have completed their merger, resulting in the nation's premier radio company. The new company plans to change its corporate name to Sirius XM Radio Inc. The combined company's stock will continue to be traded on the Nasdaq Global Select Market under the symbol "SIRI".

SIRIUS XM Radio begins day one with over 18.5 million subscribers, making it the second-largest radio company, based upon revenue, in the country; and, based upon subscribers, the second largest subscription media business in the U.S. With under 10% penetration of the home and car market, the opportunity for continued growth is significant.

"I am delighted to announce the completion of this exciting merger between SIRIUS and XM," said Mel Karmazin, CEO of SIRIUS XM Radio. "We have worked diligently to close this transaction and we look forward to integrating our best-in-class management teams and operations so we can begin delivering on our promise of more choices and lower prices for subscribers."

"Every one of our constituencies is a winner. Combined, SIRIUS XM Radio will deliver superior value to our shareholders. By offering more compelling packages and the best content in audio entertainment, we are well positioned for increased subscriber growth. Our laser focus on subscribers will continue and listeners can be assured that there will be no disruption in service. We also believe that the completion of the merger will eliminate any confusion that has been lingering in the marketplace," added Karmazin.

XM shareholders will receive 4.6 shares of SIRIUS common stock for each share of XM.

Competitive New Options for Consumers

SIRIUS XM Radio broadcasts more than 300 channels of programming, including exclusive radio offerings from Howard Stern, Oprah, Opie & Anthony and Martha Stewart, among others. SIRIUS XM Radio will offer these expanded options to consumers through arrangements with the world's leading automakers and its relationships with nationwide retailers.

As a result of the merger, SIRIUS XM Radio will also be able to offer consumers new packages in audio entertainment, including the first-ever a la carte programming option in subscription media. In addition to two a la carte options, the new packages will include: “Best of Both,” giving subscribers the option to access certain programming from the other network; discounted Family Friendly packages; and tailored packages including “Mostly Music” and “News, Talk and Sports.” The first of the new packages will be available in the early Fall.

“One of the most exciting benefits of this transaction is the ability to offer subscribers the option of expanding their subscriptions to include the Best of Both services. Given the respective popularity of exclusive programming on both SIRIUS and XM, we expect many subscribers will upgrade their current subscription,” said Karmazin.

“The upside potential for both consumers and shareholders is huge. Consumers have the ease of adding premier programming without purchasing a new device. For shareholders, this kind of organic growth is a key part of the company’s future and the success we expect to see,” said Karmazin.

As promised when the merger was first announced, existing radios will continue to work and every subscriber has the option of maintaining their current service package.

Benefits for Shareholders Begin Immediately, Integration Already Under Way

SIRIUS XM Radio expects to begin realizing the synergies expected from this transaction immediately.

“In addition to realizing significant potential revenue growth, the management team will move quickly to capitalize on the synergies that many analysts have predicted for this combination. We expect to begin achieving those synergies without sacrificing any of the world-class programming and marketing we are known for,” said Karmazin.

The company today also reiterated guidance for the combined SIRIUS XM Radio. Based upon a preliminary analysis, the combined company expects to realize total synergies, net of the costs to achieve such synergies, of approximately $400 million in 2009; to post adjusted EBITDA exceeding $300 million in 2009; and to achieve positive free cash flow, before satellite capital expenditures, for the full year 2009. The company also expects that both synergies and adjusted EBITDA will continue growing beyond 2009.

“We have all the tools necessary to begin executing as a combined company with high aspirations for subscriber growth and greater financial performance in part from the significant synergies that we begin realizing literally today — on Day One. We are moving quickly to integrate the operations,” said Karmazin.

The corporate headquarters will be located in New York, NY and XM Satellite Radio, the company’s wholly-owned subsidiary, will remain headquartered in Washington, DC.

Effective after the close of the market yesterday, trading in XMSR common stock on the Nasdaq Global Select Market ceased.

About SIRIUS XM Radio

SIRIUS XM Radio is America's satellite radio company delivering the "The Best Radio on Radio" to more than 18 million subscribers, including 100% commercial free music, and premier sports, news, talk, entertainment, traffic and weather.

SIRIUS XM Radio has exclusive content relationships with an array of personalities and artists, including Howard Stern, Oprah, Martha Stewart, Jimmy Buffett, Elvis, Jamie Foxx, Barbara Walters, Frank Sinatra, Opie & Anthony, The Grateful Dead, Willie Nelson, Bob Dylan, Dale Earnhardt Jr., Tom Petty, and Bob Edwards. SIRIUS XM Radio is the leader in sports programming as the Official Satellite Radio Partner of the NFL, Major League Baseball, NASCAR, NHL, and PGA, and broadcasts major college sports.

SIRIUS XM Radio has exclusive arrangements with every major automaker. SIRIUS XM Radio products are available at shop.sirius.com and shop.xmradio.com, and at retail locations nationwide, including Best Buy, Circuit City, RadioShack, Target, Sam's Club, and Wal-Mart.

SIRIUS XM Radio also offers SIRIUS Backseat TV, the first ever live in-vehicle rear seat entertainment featuring Nickelodeon, Disney Channel and Cartoon Network; XM NavTraffic service for GPS navigation systems delivers real-time traffic information, including accidents and road construction, for more than 80 North American markets.

The guidance contained herein are based upon a number of assumptions and estimates that, while considered reasonable by us when taken as a whole, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In addition, the guidance is based upon specific assumptions with respect to future business conditions, some or all of which will change. The guidance, like any forecast, is necessarily speculative in nature and it can be expected that the assumptions upon which the guidance is based will not prove to be valid or will vary from actual results. Actual results will vary from the guidance and the variations may be material. Consequently, the guidance should not be regarded as a representation by SIRIUS or any other person that the synergies, adjusted EBITDA and free cash flow will actually be achieved. You are cautioned not to place undue reliance on this information.

This communication contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about the benefits of the business combination transaction involving Sirius Satellite Radio Inc. and XM Satellite Radio Holdings Inc., including potential synergies and cost savings and the timing thereof, future financial and operating results, the combined company's plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as "anticipate," "believe," "plan," "estimate," "expect," "intend," "will," "should," "may," or words of similar meaning. Such forward-looking statements are based upon the current beliefs and expectations of SIRIUS' and XM's management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond the control of SIRIUS and XM. Actual results may differ materially from the results anticipated in these forward-looking statements.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statement: general business and economic conditions; the performance of financial markets and interest rates; the ability to obtain governmental approvals of the transaction on a timely basis; the failure to realize synergies and cost-savings from the transaction or delay in realization thereof; the businesses of SIRIUS and XM may not be combined successfully, or such combination may take longer, be more difficult, time-consuming or costly to accomplish than expected; and operating costs and business disruption following the merger, including adverse effects on employee retention and on our business relationships with third parties, including manufacturers of radios, retailers, automakers and programming providers. Additional factors that could cause SIRIUS' and XM's results to differ materially from those described in the forward-looking statements can be found in SIRIUS' and XM's Annual Reports on Form 10-K for the year ended December 31, 2007, which are filed with the Securities and Exchange Commission (the "SEC") and available at the SEC's Internet site *(http://www.sec.gov). The information set forth herein speaks only as of the date hereof, and SIRIUS and XM disclaim any intention or obligation to update any forward looking statements as a result of developments occurring after the date of this communication.*

G-SIRI

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Exhibit 99.2

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The unaudited pro forma condensed combined balance sheet combines (i) the historical consolidated balance sheets of Sirius Satellite Radio Inc. and its subsidiaries ("Sirius") and XM Satellite Radio Holdings Inc. ("Holdings", and its subsidiaries together with Holdings, "XM"), giving effect to the merger of Holdings and Vernon Merger Corporation (the "merger"), pursuant to which Holdings became a wholly-owned subsidiary of Sirius, as well as the refinancing of a substantial portion of XM's existing indebtedness and raising of certain additional liquidity, which we refer to as the "Refinancing Transactions", as if they had been consummated on March 31, 2008 and (ii) the unaudited pro forma condensed combined statements of operations for the three months ended March 31, 2008 and for the year ended December 31, 2007, giving effect to the merger and the Refinancing Transactions as if they had occurred on January 1, 2007. The historical consolidated financial information has been adjusted to give effect to pro forma events that are (i) directly attributable to the merger, (ii) factually supportable, and (iii) with respect to the statement of operations, expected to have a continuing impact on the combined results. Intercompany transactions have not been eliminated as the preliminary estimates are not material to the unaudited pro forma condensed combined financial statements.

The unaudited pro forma condensed combined financial statements are not necessarily indicative of the operating results or financial position that would have occurred if the merger had been completed at the dates indicated. It may be necessary to further reclassify XM's financial statements to conform to those classifications that are determined by the combined company to be most appropriate. While some reclassifications of prior periods have been included in the unaudited pro forma condensed combined financial statements, further reclassifications may be necessary.

The unaudited pro forma condensed combined financial statements were prepared using the purchase method of accounting with Sirius treated as the acquiring entity. Accordingly, consideration paid by Sirius to complete the merger with XM will be allocated to XM's assets and liabilities based upon their estimated fair values as of the date of completion of the merger. The allocation is dependent upon certain valuations and other studies that have not progressed to a stage where there is sufficient information to make a definitive allocation. Additionally, a final determination of the fair value of XM's assets and liabilities, which cannot be made prior to the completion of the transaction, will be based on the actual net tangible and intangible assets of XM that exist as of the date of completion of the merger. Accordingly, the pro forma purchase price adjustments are preliminary, subject to further adjustments as additional information becomes available and as additional analyses are performed and have been made solely for the purpose of providing the unaudited pro forma condensed combined financial information presented below. Sirius estimated the fair value of XM's assets and liabilities based on discussions with XM's management, due diligence and information presented in public filings. Pending regulatory approval from the FCC, both companies were limited in their ability to share information. Therefore, certain valuations have not been performed on tangible and intangible assets and liabilities such as property and equipment and deferred revenue and therefore an estimate of fair value is not included as a pro forma adjustment. Upon completion of the merger, final valuations will be performed. Increases or decreases in the fair value of relevant balance sheet amounts including property and equipment, deferred revenue, debt and intangibles will result in adjustments to the balance sheet and/or statement of operations. There can be no assurance that the final determination will not result in material changes.

These pro forma results reflect the impact of the following Refinancing Transactions:

- the repurchase of the $600 million aggregate principal amount of 9.75% Senior Notes due 2014 (the "9.75% Notes") of XM Satellite Radio Inc. ("XM Inc.") for cash,
- the repurchase of $200 million aggregate principal amount of Senior Floating Rate Notes due 2013 (the "Senior Floating Rate Notes") of XM Inc. for cash,
- amendment of the indenture for Holdings' 1.75% Convertible Senior Notes due 2009 (the "1.75% Notes") to increase the interest rate to 10% per annum in return for the noteholders agreeing not to assert any claim that the merger constitutes a Fundamental Change under the existing indenture,

- issuance by XM Inc. of $550 million aggregate principal amount of 7% Exchangeable Senior Subordinated Notes due 2014 (the "New Exchangeable Notes"),

- issuance by XM Inc. of $778.5 million aggregate principal amount of 13% Senior Notes due 2014 (the "13% Senior Notes"), the debt balance of which is reflected herein net of original issue discount of approximately $78.4 million, and

- payment of $309.4 million for XM's transponder repurchase obligation, for both debt and equity holders of a consolidated variable interest entity.

Sirius expects to incur significant costs associated with integrating Sirius' and XM's businesses. The unaudited pro forma condensed combined financial statements do not reflect the cost of any integration activities or benefits that may result from synergies that may be derived from any integration activities. In addition, the unaudited pro forma combined consolidated financial statements do not reflect one-time fees and expenses of $25 million payable by Sirius as a result of the merger or payments contemplated by the Consent Decrees.

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARIES

Unaudited Pro Forma Condensed Combined Statement of Operations

	For the Three Months Ended March 31, 2008			
	Sirius	XM	Pro Forma Adjustments	Combined
	(in thousands, except per share amounts)			
Revenue:				
Subscriber revenue, including effects of mail-in rebates	$ 255,640	$ 275,725	$ 5,144(a)	$ 536,509
Advertising revenue, net of agency fees	8,408	9,118	—	17,526
Equipment revenue	6,063	4,321	—	10,384
Other revenue	239	19,290	(5,144)(a)	14,385
Total revenue	270,350	308,454	—	578,804
Operating Expenses (Excludes Depreciation Shown Separately Below)(1):				
Cost of services:				
Satellite and transmission	7,822	13,181	6,960(b)	27,963
Programming and content	61,692	51,562	—	113,254
Revenue share and royalties	42,320	68,822	—	111,142
Customer service and billing	26,922	34,310	—	61,232
Cost of equipment	7,588	8,551	—	16,139
Broadcast and operations	—	17,451	(17,451)(b)	—
Sales and marketing	38,467	—	43,001(c)	81,468
Ad sales	—	4,703	(4,703)(c)	—
Marketing	—	109,822	(38,298)(c)	—
			(71,524)(d)	
Subscriber acquisition costs	89,824	—	71,524(d)	161,348
General and administrative	48,778	30,729	10,491(b)	89,998
Engineering, design and development	8,656	11,020	—	19,676
Depreciation and amortization	26,906	51,987	31,917(f)	110,810
Total operating expenses	358,975	402,138	31,917	793,030
Loss from operations	(88,625)	(93,684)	(31,917)	(214,226)
Other Income (Expense):				
Interest and investment income	2,802	1,675	—	4,477
Interest expense, net of amounts capitalized	(17,675)	(29,327)	(21,878)(e)	(68,880)
Loss from impairment of investments	—	—	—	—
Loss from de-leveraging transactions	—	—	—	—
Other income (expense)	(77)	(7,602)	—	(7,679)
Total other income (expense)	(14,950)	(35,254)	(21,878)	(72,082)
Loss before income taxes	(103,575)	(128,938)	(53,795)	(286,308)
Income tax (expense) benefit	(543)	(331)	—	(874)
Net loss	$ (104,118)	$ (129,269)	$ (53,795)	$ (287,182)
Net loss per common share — basic and diluted				$ (0.10)
Weighted average shares used in computing net loss per common share — basic and diluted				2,943,585

(1) Amounts related to stock-based compensation included in Operating expenses were as follows:

	Sirius	XM	Pro Forma Adjustments	Combined
Satellite and transmission	$ 797	$ 642	$ 793(b)	$ 2,232
Programming and content	2,789	2,543	—	5,332
Broadcast and operations	—	1,263	(1,263)(b)	—
Customer service and billing	276	889	—	1,165
Sales and marketing	5,240	—	3,652(c)	8,892
Ad sales	—	607	(607)(c)	—
Marketing	—	3,045	(3,045)(c)	—
Subscriber acquisition costs	14	—	—	14
General and administrative	11,998	6,052	470(b)	18,520
Engineering, design and development	1,148	2,463	—	3,611
Total stock-based compensation	$ 22,262	$ 17,504	$ —	$ 39,766

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARIES

Unaudited Pro Forma Condensed Combined Statement of Operations

	For the Year Ended December 31, 2007			
	Sirius	XM	Pro Forma Adjustments	Combined
	(in thousands, except per share amounts)			
Revenue:				
Subscriber revenue, including effects of mail-in rebates	$ 854,933	$ 1,005,479	$ 19,354(a)	$ 1,879,766
Advertising revenue, net of agency fees	34,192	39,148	—	73,340
Equipment revenue	29,281	28,333	—	57,614
Other revenue	3,660	63,582	(19,354)(a)	47,888
Total revenue	922,066	1,136,542	—	2,058,608
Operating Expenses (Excludes Depreciation Shown Separately Below)(1):				
Cost of services:				
Satellite and transmission	27,907	54,434	26,602(b)	108,943
Programming and content	236,059	183,900	—	419,959
Revenue share and royalties	146,715	256,344	—	403,059
Customer service and billing	93,817	126,776	—	220,593
Cost of equipment	45,458	62,003	—	107,461
Broadcast and operations	—	65,067	(65,067)(b)	—
Sales and marketing	173,572	—	243,915(c)	417,487
			(223,323)(c)	
Marketing	—	482,466	(259,143)(d)	—
Ad sales	—	20,592	(20,592)(c)	—
Subscriber acquisition costs	407,642	—	259,143(d)	666,785
General and administrative	155,863	150,109	38,465(b)	344,437
Engineering, design and development	41,343	33,077	—	74,420
Depreciation and amortization	106,780	213,211	127,667(f)	447,658
Total operating expenses	1,435,156	1,647,979	127,667	3,210,802
Loss from operations	(513,090)	(511,437)	(127,667)	(1,152,194)
Other Income (Expense):				
Interest and investment income	20,570	14,084	—	34,654
Interest expense, net of amounts capitalized	(70,328)	(116,605)	(86,961)(e)	(273,894)
Loss from de-leveraging transactions	—	(3,693)	—	(3,693)
Loss from impairment of investments	—	(39,665)	—	(39,665)
Other income (expense):	31	(26,004)	—	(25,973)
Total other income (expense)	(49,727)	(171,883)	(86,961)	(308,571)
Loss before income taxes	(562,817)	(683,320)	(214,628)	(1,460,765)
Income tax (expense) benefit	(2,435)	939	—	(1,496)
Net loss	$ (565,252)	$ (682,381)	$ (214,628)	$ (1,462,261)
Net loss per common share — basic and diluted				$ (0.50)
Weighted average shares used in computing net loss per common share — basic and diluted				2,906,095

	Sirius	XM	Pro Forma Adjustments	Combined
(1) Amounts related to stock-based compensation included in Operating expenses were as follows:				
Satellite and transmission	$ 2,198	$ 2,308	$ 2,716(b)	$ 7,222
Programming and content	9,643	8,855	—	18,498
Broadcast and operations	—	4,316	(4,316)(b)	—
Customer service and billing	708	2,483	—	3,191
Sales and marketing	15,607	—	24,452(c)	40,059
Advertising and marketing	—	12,833	(12,833)(c)	—
Ad sales	—	1,910	(1,910)(c)	—
Marketing	—	9,709	(9,709)(c)	—
Subscriber acquisition costs	2,843	—	9,167(d)	12,010
Subsidies and distribution	—	9,167	(9,167)(d)	—
General and administrative	44,317	26,689	1,600(b)	72,606
Engineering, design and development	3,584	7,929	—	11,513
Total stock-based compensation	$ 78,900	$ 86,199	$ —	$ 165,099

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARIES

Unaudited Pro Forma Condensed Combined Balance Sheet

	As of March 31, 2008			
	Sirius	XM	Pro Forma Adjustments	Combined
	(in thousands, except share and per share amounts)			
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 252,508	$ 211,542	$ 38,083(e)	$ 502,133
Accounts receivable, net of allowance for doubtful accounts	22,743	56,657	—	79,400
Receivable from distributors	69,992	—	—	69,992
Inventory, net	25,344	—	10,200(h)	35,544
Related party current assets	—	99,746	—	99,746
Prepaid and other current assets	88,177	102,916	(10,200)(h)	180,893
Total current assets	458,764	470,861	38,083	967,708
Property and equipment, net	798,852	677,509	161,772(i)	1,638,133
System under construction	—	161,772	(161,772)(i)	—
FCC license	83,654	141,412	1,158,588(k)	1,383,654
Intangible assets, net	—	3,064	433,936(k)	437,000
Goodwill	—	—	5,744,104(l)	5,744,104
Related party prepaid expenses, net of current portion	—	136,726	—	136,726
			(42,975)(s)	
Other long-term assets	128,553	70,830	52,515(e)	208,923
Total assets	$ 1,469,823	$ 1,662,174	$ 7,384,251	$ 10,516,248
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities:				
Accounts payable and accrued expenses	$ 320,897	$ 217,457	$ 22,025(j)	$ 560,379
Accrued interest	12,626	39,671	(31,411)(e)	20,886
Current portion of long-term debt	304,749	8,978	—	313,727
Due to related parties	—	64,819	—	64,819
Deferred revenue	561,710	433,059	—	994,769
Total current liabilities	1,199,982	763,984	(9,386)	1,954,580
Long-term debt	977,994	1,666,819	219,366(e)	2,864,179
Deferred revenue, net of current portion	111,857	226,982	—	338,839
Other long-term liabilities	19,424	42,159	463,435(g)	525,018
Total liabilities	2,309,257	2,699,944	673,415	5,682,616
Commitments and contingencies				
Minority interest	—	60,208	(60,208)(e)	—
Stockholders' Equity:				
Series A Convertible preferred stock, par value $0.001; 50,000,000 shares authorized, 24,808,959 shares issued and outstanding	—	54	(54)(m)	25
			25(o)	
Common stock, $0.001 par value; 4,500,000,000 shares authorized, 2,968,820,907 shares issued and outstanding	1,499	3,195	(3,195)(m)	2,969
			1,426(p)	
			44(n)	
Accumulated other comprehensive income, net of tax	—	9,345	(9,345)(m)	—
Additional paid-in capital	3,662,157	3,199,554	(3,199,554)(m)	9,333,728
			220,864(q)	
			165,139(n)	
			5,403,489(p)	
			(117,921)(r)	
Accumulated deficit	(4,503,090)	(4,310,126)	4,310,126(m)	(4,503,090)
Total stockholders' (deficit) equity	(839,434)	(1,097,978)	6,771,044	4,833,632
Total liabilities and stockholders' (deficit) equity	$ 1,469,823	$ 1,662,174	$ 7,384,251	$ 10,516,248

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements

Notes to Unaudited Pro Forma Condensed Combined Financial Statements

Note 1. Basis of Presentation

On February 19, 2007, we and XM jointly announced the execution of the Agreement and Plan of Merger with Holdings, under which Holdings' business would be combined with ours through a merger of Holdings and Vernon Merger Corporation, our wholly-owned subsidiary, resulting in XM becoming direct or indirect wholly-owned subsidiaries of us. The original agreement, set to expire on March 1, 2008, was extended for rolling two week periods unless either party notified the other of its intention not to extend. The accompanying unaudited pro forma condensed combined financial statements present the pro forma consolidated financial position and results of operations of the combined company based upon the historical financial statements of Sirius and XM, after giving effect to the merger and adjustments described in these footnotes, and are intended to reflect the impact of the merger on us.

The accompanying unaudited pro forma condensed combined financial statements are presented for illustrative purposes only and do not give effect to any cost savings, revenue synergies or restructuring costs which may result from the integration of our and XM's operations.

The unaudited pro forma condensed combined balance sheet reflects the merger and the Refinancing Transactions as if they were completed on March 31, 2008 and includes pro forma adjustments for our preliminary valuations of certain intangible assets. The pro forma debt balances do not include $162.5 million of incremental debt incurred by XM since March 31, 2008 or $78.4 million of original issue discount relating to the 13% Senior Notes. These adjustments are subject to further adjustment as additional information becomes available and additional analyses are performed. The unaudited pro forma condensed combined statements of operations reflect the merger and the Refinancing Transactions as if they had been completed on January 1, 2007.

The pro forma condensed combined balance sheet has been adjusted to reflect the preliminary allocation of the purchase price to identifiable net assets acquired and the excess purchase price to goodwill. The purchase price allocation included within these unaudited pro forma condensed combined financial statements is based upon a purchase price of approximately $5.8 billion. This amount was derived from the estimated number of shares of our common stock to be issued of approximately 1.5 billion, based on the outstanding shares of XM common stock, preferred stock and restricted stock on March 31, 2008 and the exchange ratio of 4.6 per each XM share, at a price of $3.79 per share, the average closing price of our shares of common stock for the two days prior to, including and two days subsequent to the public announcement of the merger. The actual number of newly issued shares of our common stock to be delivered in connection with the merger was based upon the actual number of XM shares issued and outstanding when the merger closed. The purchase price also includes the estimated fair value of warrants, restricted stock and stock options issued as of the closing date of the merger in exchange for similar securities of XM. XM options, restricted stock and warrants were exchanged for stock options, restricted stock and warrants in us and the price per share was adjusted for the 4.6 exchange ratio. Vested stock options, restricted stock and warrants issued by us in exchange for options, restricted stock and warrants held by employees and directors of XM were considered part of the purchase price. Accordingly, the purchase price included an estimated fair value of stock options, restricted stock and warrants of approximately $221 million.

The fair value of the Sirius options that were issued in exchange for XM options was estimated by using the Black-Scholes option pricing model with market assumptions. Option pricing models require the use of highly subjective market assumptions, including expected stock price volatility, which if changed can materially affect fair value estimates. The more significant assumptions used in estimating the fair value include volatility of 60 percent, an expected life of 1-6 years based on the age of the original award, and a risk-free interest rate of 2.46%.

The preliminary consideration is as follows:

	Common Stock	Preferred Stock	Additional Paid in Capital	Total
		(in thousands)		
Total Consideration				
Issuance of Sirius common stock to XM stockholders (1.4 billion shares at $3.79)	$ 1,426	$ —	$ 5,403,489	$ 5,404,915
Issuance of Sirius preferred stock to XM stockholders (24.8 million shares at $3.79)	—	25	—	25
Issuance of Sirius common stock to XM restricted stockholders (43.6 million shares at $3.79)	44	—	165,139	165,183
Estimated fair value of outstanding XM stock options and restricted stock (See Note 2q)	—	—	155,672	155,672
Estimated fair value of outstanding XM warrants (See Note 2q)	—	—	65,191	65,191
Total consideration	$ 1,470	$ 25	$ 5,789,491	$ 5,790,986

The table below represents a preliminary allocation of the total consideration to XM's tangible and intangible assets and liabilities based on management's preliminary estimate of their respective fair values as of March 31, 2008.

	Total (in thousands)
XM historical net book value of assets and liabilities assumed	$ (1,037,770)
XM minority interest assumed	(60,208)
Elimination of XM historical FCC license	(141,412)
Adjustment to fair value FCC license	1,300,000
Elimination of XM historical intangible asset related to subscriber and advertiser relationships and trademarks	(3,064)
Adjustment to fair value intangible assets related to subscriber and advertiser relationships and trademarks	437,000
Adjustment to deferred taxes related to increased FCC license carrying value	(463,435)
Estimated transaction costs	(65,000)
Residual goodwill created from the merger	5,744,104
Unrecognized compensation on unvested stock options and restricted stock	117,921
Loss on commitment to purchase transponders of XM-4 satellite	(16,057)
Write-off of debt issuance costs	(21,093)
Total consideration allocated	$ 5,790,986

Upon completion of the fair value assessment after the merger, we anticipate that the ultimate price allocation will differ from the preliminary assessment outlined above. Any changes to the initial estimates of the fair value of the assets and liabilities will be recorded as adjustments to those assets and liabilities and residual amounts will be allocated to goodwill.

Note 2. Pro Forma Adjustments

a. Reclassify XM's activation revenue which was reported in XM's other revenue to subscriber revenue to conform to our presentation.

b. Reclassify XM's broadcast expense included in broadcast and operation expenses to satellite and transmission and reclassify XM's operation expense, which includes facilities and information technology expense, included in broadcast and operation expense to general and administrative expenses to conform to our presentation.

c. Reclassify (i) ad sales expense and (ii) advertising and marketing and retention and support included in marketing to sales and marketing to conform to our presentation.

d. Reclassify subsidies and distribution included in marketing to subscriber acquisition costs to conform to our presentation.

e. Reflects the impact of the refinancing transactions. The following table details the impact to long-term debt and interest expense related to these transactions (in thousands):

	Actual			Pro Forma		
	Debt Outstanding at March 31, 2008	Interest Expense for March 31, 2008	Interest Expense for December 31, 2007	Debt Outstanding at March 31, 2008	Interest Expense for March 31, 2008	Interest Expense for December 31, 2007
9.75% Senior Notes	$ 600,000	$ 14,625	$ 58,500	$ —	$ —	$ —
1.75% Notes	400,000	1,750	7,000	400,000	10,000	40,000
Senior Floating Rate Notes	200,000	4,000	19,717	—	—	—
Variable Interest Entity	230,739	5,749	20,293	—	—	—
New Exchangeable Notes(1)	—	—	—	550,000	8,250	33,000
13% Senior Notes	—	—	—	700,105	28,112	112,449
Totals	$ 1,430,739	$ 26,124	$ 105,510	$ 1,650,105	$ 46,362	$ 185,449

(1) An interest rate of 6% is assumed for the New Exchangeable Notes. A change of 0.125% in the interest rate for the New Exchangeable Notes would change annual interest expense by $688 thousand.

The impact to outstanding debt is an increase of $219,366. Interest expense also increases by $20,238 and $79,939 for the three months ended March 31, 2008 and the twelve months ended December 31, 2007, respectively.

The debt issuance costs resulting from these refinancing activities totaling $69,238 are reflected in the pro forma condensed combined balance sheet in Other long-term assets. Interest expense also increases by $1,639 and $7,022 for the three months ended March 31, 2008 and the twelve months ended December 31, 2007, respectively.

Following the merger, XM is required to make an offer to repurchase the transponders of its XM-4 satellite in accordance with the terms of a sale-leaseback transaction. The expected payout to settle this obligation is $76,265 which is comprised of a minority interest payable of $60,208 at March 31, 2008 and a loss on the redemption of $16,057.

At March 31, 2008, there was $31,411 of accrued interest expense.

The 13% Senior Notes are reflected net of original issue discount of $78,394.

f. Adjustment to reflect the additional amortization expense due to the adjustment of certain XM's intangible assets to fair value at the time of the merger (See Note 1). Pro Forma amortization expense for the twelve months ended December 31, 2007 and three months ended March 31, 2008 of $128 million and $32 million, respectively, was recorded utilizing the straight-line method of amortization for the following intangible assets:

	Fair Value at Acquisition	Estimated Useful Lives (Years)	Pro Forma Amortization Expense for March 31, 2008	Pro Forma Amortization Expense for December 31, 2007
	(dollars in thousands)			
Subscriber relationships	$ 350,000	3	$ 29,167	$ 116,667
Advertiser relationships	7,000	7	250	1,000
Trademarks	80,000	8	2,500	10,000
Pro forma amortization expense			$ 31,917	$ 127,667

g. Reflects the adjustment to record the deferred tax liability for the incremental fair value adjustment of the FCC license included as a pro forma adjustment in the balance sheet calculated as follows (in thousands):

Net adjustment to fair value FCC license	$ 1,158,588
Combined federal and state rate	40%
Deferred tax liability	$ 463,435

h. Reflects the estimated reclassification of XM's net inventory included in prepaid and other current assets to inventory to conform to our presentation.

i. Reflects the estimated reclassification of XM's system under construction costs to property and equipment to conform to our presentation.

j. Reflects the adjustment to record as liabilities the estimated transaction cost to be incurred by us. Included in the pro forma adjustment is our estimated investment banking, attorney and independent accountant fees, and other transaction-related costs.

k. Reflects a preliminary allocation of the purchase price to XM's FCC License and certain long-lived intangible assets. The remaining unallocated purchase price was allocated to Goodwill (See Note 1). The preliminary allocation of the purchase price was calculated as follows (in thousands):

	Book Value as of March 31, 2008	Fair Value as of March 31, 2008	Pro Forma Adjustment	Fair Value Range
FCC License	$ 141,412	$ 1,300,000	$ 1,158,588	$1,000,000 - $1,500,000
Intangibles, net	3,064	437,000	433,936	$381,000 - $495,000

The fair value of XM's FCC license was based on the Greenfield Method. The key assumptions in building the model included projected revenues and estimated start up costs, which were based primarily on the operating histories of XM and Sirius. The fair value of XM's trademarks was estimated based on the Relief from Royalty Method. The royalties relieved for the use of the XM trademarks were computed by multiplying the projected revenues by a hypothetical royalty rate. The resulting royalties relieved represent the cost saved by XM from not having to license the trademarks from another owner. The estimation of a hypothetical royalty rate was based on comparable licensing agreements and the perceived impact the trademarks have on the expected cash flow of XM. The fair values of XM's subscriber and advertising relationships were based on projected discounted cash flows, which were derived from projected revenues after adjusting for attrition rates based on XM's historical experience.

Each of these calculations included an estimated discount rate which incorporates the difficulties and uncertainties associated with the satellite radio industry.

The final purchase price allocations may result in different allocations for tangible and intangible assets than presented in the unaudited pro forma condensed combined financial statements, and those differences could be material.

l. Residual goodwill created from the merger (See Note 1).

m. Eliminate the historical stockholders' deficit accounts of XM at March 31, 2008.

n. Reflect the issuance of 4.6 shares of our common stock for each share of XM restricted shares outstanding as follows (in thousands except for share data):

XM restricted shares outstanding at March 31, 2008		9,474,765
Exchange ratio		4.6
Sirius common shares to be issued		43,583,919
Price per share	$	3.79
Aggregate value of Sirius consideration	$	165,183
Value attributed to par at $.001 par value	$	44
Balance to capital in excess of par value	$	165,139

o. Reflect the issuance of 4.6 shares of our preferred stock for each share of XM preferred stock outstanding as follows (in thousands except for share data):

XM preferred shares outstanding at March 31, 2008		5,393,252
Exchange ratio		4.6
Sirius preferred shares to be issued		24,808,959
Value attributed to par at $.001 par value	$	25

p. Reflect the issuance of 4.6 shares of our common stock for each share of XM common stock outstanding as follows (in thousands except for share data):

XM common shares outstanding at March 31, 2008		310,021,501
Exchange ratio		4.6
Sirius common shares to be issued		1,426,098,905
Price per share	$	3.79
Aggregate value of Sirius consideration	$	5,404,915
Value attributed to par at $.001 par value	$	1,426
Balance to capital in excess of par value	$	5,403,489

q. Reflect the fair value of XM's employees' stock options, warrants and restricted stock. The fair value of XM's options to be exchanged for Sirius options was estimated using a Black Scholes pricing model. Option pricing models require the use of highly subjective assumptions including expected stock price and volatility, that when changed, can materially affect fair value estimates. The more significant assumptions used in estimating the fair value include volatility of 60 percent, an expected life of 1-6 years based on the age of the original award, and a risk-free interest rate of 2.46%.

r. Reflect the revaluation of XM’s unvested stock options and restricted stock as of March 31, 2008. The original valuation of these awards were determined by XM at the original grant dates. Upon completion of the merger, these awards will be revalued using current market assumptions. The fair value of these awards approximates $120 million at March 31, 2008. Annual compensation expense related to these awards is expected to approximate the historic compensation expense. Total compensation expense for these awards for the period ended March 31, 2008 was approximately $18 million. For unvested stock options, the average remaining vesting period is 1.51 years and the average remaining contractual life is 5.63 years. For unvested restricted stock awards, the average remaining vesting period is 1.9 years. Pursuant to FAS 123(R), unvested awards are not considered a component of purchase price and are solely recognized in compensation expense in future periods. $120 million is a reduction of additional paid-in capital.

s. Reclassify transaction related costs from Other long-term assets to Goodwill.