

SIRIUS[®]

SATELLITE RADIO

THE MARKET

After one of the most anticipated launches in recent memory, satellite radio finally arrived in Canada in December 2005. Canada's expansive geography and low concentration of AM/FM radio stations outside of major urban centres made the multi-channel universe and continental broadcast coverage offered by satellite radio that much more appealing to Canadians.

While AM/FM radio offered limited choice, satellite radio offered true freedom from bland and predictable programming. With satellite radio in their homes or vehicles, suddenly Canadians had more than 100 channels to choose from featuring live sports, news, commercial-free music and other unique and exclusive content from North America's top entertainment brands.

In addition to the range of satellite radios available at Canadian retailers, many Canadians are opting for satellite radio in their new vehicle, and the vast majority of Canadian automotive companies are now building vehicles with satellite radios integrated directly into the audio system.

ACHIEVEMENTS

With well over half a million subscribers signing up in the first 22 months since the service launched in December 2005, Canadians have adopted SIRIUS in record numbers. This explosive growth has made SIRIUS the satellite radio brand of choice in Canada, and when compared to other consumer media technologies, the trending shows that

Canadians are adopting SIRIUS faster than even cable, wireless and satellite television technology.

SIRIUS' industry leadership was confirmed in 2007 when North America's leading independent market research firm, The NPD Group, revealed that SIRIUS captured more than 75% market share of satellite radios sold at Canadian retailers during the year. Canadians were choosing SIRIUS because of its superior content,



exceptional broadcast coverage and overall programming choice.

SIRIUS' success at-retail is also supporting its automotive partnerships. With partners like Audi, Bentley, BMW, Chrysler, Dodge, Ford, Jaguar, Jeep, Land Rover, Lexus, Lincoln, Maybach, Mazda, Mercedes-Benz, MINI, Mitsubishi, Rolls-Royce Motors, Subaru, Toyota, Volkswagen and Volvo making up nearly 60% of vehicle sales in Canada, SIRIUS' automotive business will continue to expand.

For SIRIUS, maintaining a true customer-centric approach to its business is a top priority, and the company regularly employs broad-based research on its customer base to further refine the SIRIUS customer experience and identify areas for improvement. Customer research has revealed a number of key findings that support SIRIUS' success in Canada, including an overall customer satisfaction score of 94% and the fact that over 90% of subscribers identified themselves as highly likely to recommend SIRIUS to a friend.

On the product front SIRIUS radios are also regularly lauded by both the consumer electronics industry and the press for sleek design and functionality.

HISTORY

SIRIUS Canada received its broadcasting license in June 2005, and six

months later, on December 1, 2005, SIRIUS Canada officially launched its 100-channel satellite radio service in Canada.

On May 10, 2006, after just five months of operating, SIRIUS had signed up more than 100,000 subscribers, surpassing all expectations. To mark this important first milestone and to thank subscribers, SIRIUS increased its channel lineup to 110 channels.

After eleven months in business, SIRIUS announced that it had surpassed 200,000 subscribers. According to reports from The NPD Group, SIRIUS led the Canadian satellite radio industry with more than 70% market share of units sold at retail.

In February 2007, SIRIUS announced that it had surpassed 300,000 subscribers and was the preferred choice for satellite radio over the all-important Q4 holiday season with nearly 8 out of 10 satellite radio shoppers choosing SIRIUS.

SIRIUS Canada was the first satellite radio company in Canada to surpass 500,000 subscribers in October 2007, after 22 months of operations. NPD data again confirmed that Canadians continued to favour SIRIUS with 8 out of 10 satellite radio shoppers choosing SIRIUS at-retail.



THE PRODUCT

SIRIUS Satellite Radio is a subscription-based audio service that offers 100% commercial-free music plus exclusive sports, news, talk and entertainment content from North America's most recognizable and respected personalities and brands for a monthly fee of \$14.99.

In Canada, SIRIUS offers 110 full-time channels broadcast from studios in Vancouver,



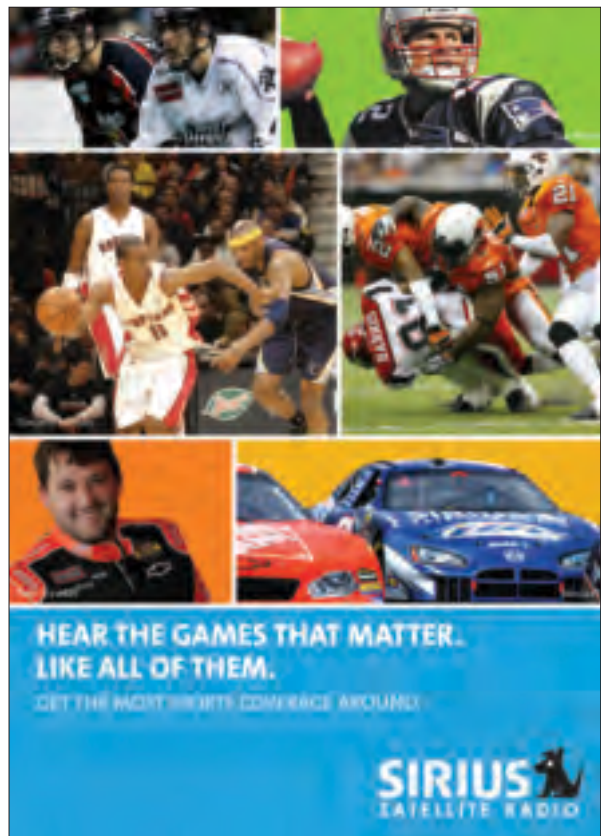
Toronto, Montreal and New York. Across North America, SIRIUS offers listeners unparalleled coast-to-coast signal coverage and digital quality sound broadcast from three high-orbit satellites.

SIRIUS is the Official Satellite Radio Partner of the CFL®, NFL, NASCAR®, the NBA and NLL, and broadcasts live play-by-play games of the CFL, NFL, NBA and NLL. SIRIUS is also the exclusive satellite radio home of CBC's Hockey Night in Canada Radio. In addition, SIRIUS broadcasts live NASCAR races, the Wimbledon Tennis Championships as well as Barclays English Premier League and UEFA Champions League soccer.

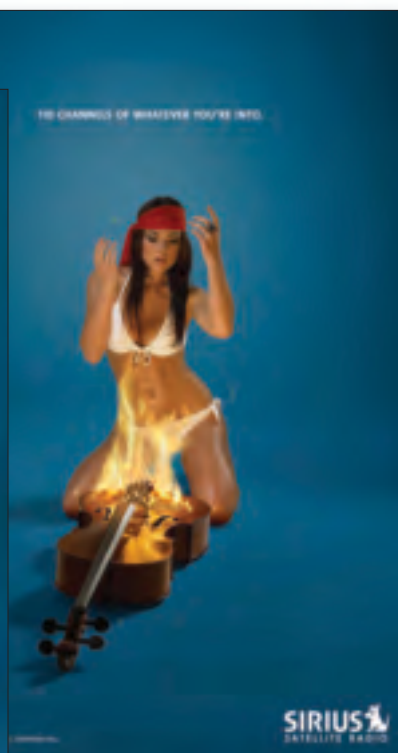
SIRIUS products for the car, truck, home, RV and boat are available in more than 4,000 retail locations in Canada. SIRIUS Canada's automotive partners include Aston Martin, Audi, Bentley, BMW, Chrysler, Dodge, Ford, Jaguar, Jeep, Land Rover, Lexus, Lincoln, Maybach, Mazda, Mercedes-Benz, MINI, Mitsubishi, Pana-Pacific, Rolls-Royce Motor Cars, Subaru, Toyota, Volkswagen, Volvo, the Canadian Automobile Association (CAA) and Hertz.

RECENT DEVELOPMENTS

SIRIUS Canada continues to launch products that help subscribers enjoy their SIRIUS service in as many settings as possible. Examples of recent products include:



- **Stiletto:** a sleek and portable radio that lets you listen to live and recorded SIRIUS content along with your personal MP3 library.



- **SIRIUS Conductor:** a wireless controller that lets you choose your favourite SIRIUS channels and play them through any audio system.
- **The Sportster 5:** a new version of the popular Plug & Play radio for car and home boasts a vivid multi-color display and 60-minute replay capability.

PROMOTION

When satellite radio debuted in Canada, industry watchers thought that similar to the U.S. experience it would be about a 50/50 game between SIRIUS and its competition. They were wrong. As a result of ongoing public education and marketing campaigns since launch, SIRIUS has emerged as the clear favourite and has consistently led the competition in Canada in terms of the number of subscribers and in sales of satellite radio products.

Since launch, Canadian satellite radio customers have been drawn to SIRIUS on account of its exceptional content and programming from North America's most recognizable and respected personalities and brands as well as its superior signal coverage resulting from its satellites' unique elliptical orbit that travels directly above Canada. To help promote these attributes, SIRIUS has executed a wide variety of integrated marketing strategies and tactics that include television, newspaper, out of home and radio advertising in addition to ongoing public relations efforts. SIRIUS also uses experiential marketing efforts with branded SIRIUS sampling vehicles and event teams appearing at key festivals and events.

SIRIUS Canada has also been successful in forging relationships with key partners to help augment our sampling, branding and experiential marketing opportunities across Canada. Some partnerships have included:

- Official Satellite Radio partner and broadcaster of the CFL;
- Exclusive satellite radio provider for Canlan Ice Arenas;
- On-site music and exclusive satellite radio provider for Intrust Resorts and Resorts of the Canadian Rockies;
- Official sponsor of the Alberta Junior Hockey League;
- Sponsor for key music festivals including the Junos and East Coast Music awards.

BRAND VALUES

SIRIUS Canada is committed to delivering a unique and entertaining listening experience of unequalled freedom.

Because SIRIUS competes with traditionally free AM and FM radio, SIRIUS specifically targets the limitations this medium represents. SIRIUS'

brand platform is Radio Freedom, and it clearly communicates that SIRIUS is, in fact, radio without limits. SIRIUS delivers freedoms unmatched by regular radio:

- Musical choice for everyone and every taste.
- 100% commercial-free music.
- Radio programming you can't get anywhere else.
- Radio you can take anywhere, anytime.
- Comedy as it was written and performed.
- Service and support on your terms and your way.

THINGS YOU DIDN'T KNOW ABOUT SIRIUS SATELLITE RADIO

- "SIRIUS" is the brightest star in the constellation Canis Major and the Northern Hemisphere. It was named after the ancient Egyptian god Osiris, who was represented pictographically as a dog, giving SIRIUS its more familiar name: the Dog Star.
- Every SIRIUS radio displays the artist and title information so you'll always know who is playing.
- Commitment to Canadian Talent Development — SIRIUS Canada is playing a leading role in helping emerging English and French Canadian musicians grow their audiences both in Canada and the U.S.
- Hockey Night in Canada Radio hits airwaves exclusively on SIRIUS and brings CBC's HNIC back to radio where it originally started in 1933.
- SIRIUS offers commercial-free music channels dedicated to some of the world's greatest recording artists including the Grateful Dead Channel, Elvis Radio, Jimmy Buffett's Radio Margaritaville, Eminem's Shade 45, E Street Radio dedicated to the music of Bruce Springsteen and Siriusly Sinatra, devoted to the music and legacy of Frank Sinatra.