

XM SATELLITE RADIO HOLDINGS INC

Form 425

September 19, 2007

Filed by Sirius Satellite Radio Inc.  
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Subject Company: XM Satellite Radio Holdings Inc.  
Commission File No.: 0-27441

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, show, 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 of SIRIUS and XM stockholders to approve the transaction; 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, 2006, and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2007 and June 30, 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.

Important Additional Information Will be Filed with the SEC

This communication is being made in respect of the proposed business combination involving SIRIUS and XM. In connection with the proposed transaction, SIRIUS has filed with the SEC an amended Registration Statement on Form S-4 containing a preliminary Joint Proxy Statement/Prospectus and each of SIRIUS and XM plans to file with the SEC other documents regarding the proposed transaction. The definitive Joint Proxy Statement/Prospectus will be mailed to stockholders of SIRIUS and XM. **INVESTORS AND SECURITY HOLDERS OF SIRIUS AND XM ARE URGED TO READ THE PRELIMINARY JOINT**

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**PROXY STATEMENT/PROSPECTUS AND THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE, AS WELL AS OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.**

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The following is a press release issued on September 19, 2007.

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**For Immediate Release**

**September 19, 2007**

**Consumers Will Benefit from Merged Satellite Radio Company Say Leading  
Consumer Electronic Retailers and Auto Manufacturers**

**NEW YORK, NY and WASHINGTON, D.C. September 19, 2007** The list of consumer-based businesses supporting the proposed merger of SIRIUS Satellite Radio (NASDAQ: SIRI) and XM Satellite Radio (NASDAQ: XMSR) continues to grow with the recent announcement of support by RadioShack Corporation. Their support comes on the heels of announcements in favor of the merger from consumer electronics retailers Circuit City Stores, Inc. and Crutchfield Corporation, and automotive manufacturers American Honda Motor Co. Inc., Toyota Motor Corporation and Hyundai Motor America.

The support garnered from consumer electronics retailers and automotive manufacturers is a clear indication that a merger of SIRIUS and XM would result in consumer benefits, including increased programming choices and lower prices. These supportive companies have a keen understanding of their customers and drive sales and business by catering to the interests of consumers. Their support sends a clear message that the combined company would be welcomed by the American public.

These companies also recognize the large breadth and diversity of competition in the audio entertainment marketplace today. Auto manufacturers already equip consumers with an array of audio entertainment choices, including hook-ups for iPods and mp3 players, terrestrial radio, HD Radio, CD players, audio cassette players and satellite radio. Similarly, consumer electronics retailers overwhelm consumers with not only those options for audio entertainment listed above, but also iPods and mp3 players, portable CD and audio cassette players, internet radio and mobile phones with integrated music players. These companies clearly understand that there is a vast amount of entertainment options competing for the ear of consumers.

These companies' unique grasp on consumer needs and demands in the audio entertainment market is further evidenced in their supportive filings with the Federal Communications Commission (FCC), excerpts of which are showcased below:

...the merger will bring greater vitality and financial resources to this upstart technology. Allowing this to happen will, in turn, spark a new generation of services and products with more advanced and user-friendly features. Consumers, of course, will be better off as a result.

**Julian C. Day, Chairman and CEO, RadioShack Corporation**

Based on our longstanding expertise in both the home and car audio entertainment business, we strongly believe that this merger will be beneficial to consumers. In fact, we believe that it is critical for the continued growth of this medium.

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**William G. Crutchfield, Jr., CEO and Founder, Crutchfield Corporation**

Circuit City believes that the FCC should allow Sirius and XM to implement their plans to make satellite radio a stronger competitor, and provide improved product and service to consumers, by approving their applications in this proceeding.

**Philip J. Schoonover, Chairman, President and CEO, Circuit City Stores, Inc.**

We are informed that as a result of the proposed merger satellite radio customers will be able to select packages of fewer channels at lower prices. If these enhanced options in fact become available, satellite radio subscribers stand to benefit as entertainment choices would increase and overall pricing would become more affordable.

**George S. Cary and Michael R. Lazerwitz, [on behalf of] Toyota Motor Corporation**

We believe that efficiencies realized from the merger will benefit our customers in other ways, as well. For example, the merged company will likely improve upon current in-vehicle services that support the driving experience, such as traffic and weather, and promote the introduction of exciting new services. It will also provide a more robust and stable platform for satellite radio generally, and maximize its prospects for success in the increasingly competitive market for audio entertainment services.

**Wayne Killen, Director, Product Planning, Hyundai Motor America**

While American Honda has seen early promise in this collaboration, it has become evident that satellite radio and digital satellite services must compete mightily in the U.S. with a wide array of burgeoning entertainment forms and an ever-widening list of technology participants who are delivering services in this space.

**Charles Koch, Manager American Honda Product Planning, American Honda Motor Co. Inc.**

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**About SIRIUS**

SIRIUS, The Best Radio on Radio, delivers more than 130 channels of the best programming in all of radio. SIRIUS is the original and only home of 100% commercial free music channels in satellite radio, offering 69 music channels. SIRIUS also delivers 65 channels of sports, news, talk, entertainment, traffic, weather and data. SIRIUS is the Official Satellite Radio Partner of the NFL, NASCAR and NBA, and broadcasts live play-by-play games of the NFL and NBA, as well as live NASCAR races. All SIRIUS programming is available for a monthly subscription fee of only \$12.95.

SIRIUS Internet Radio (SIR) is a CD-quality, Internet-only version of the SIRIUS radio service, without the use of a radio, for the monthly subscription fee of \$12.95. SIR delivers more than 80 channels of talk, entertainment, sports, and 100% commercial free music.

SIRIUS Backseat TV is the first ever live in-vehicle rear seat entertainment featuring three channels of children's TV programming, including Nickelodeon, Disney Channel and Cartoon Network, for the subscription fee of \$6.99 plus applicable audio subscription fee.

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SIRIUS products for the car, truck, home, RV and boat are available in more than 20,000 retail locations, including Best Buy, Circuit City, Crutchfield, Costco, Target, Wal-Mart, Sam's Club, RadioShack and at [shop.sirius.com](http://shop.sirius.com). SIRIUS radios are offered in vehicles from Audi, Bentley, BMW, Chrysler, Dodge, Ford, Infiniti, Jaguar, Jeep®, Land Rover, Lexus, Lincoln, Mercury, Maybach, Mazda, Mercedes-Benz, MINI, Mitsubishi, Nissan, Rolls Royce, Scion, Toyota, Volkswagen, and Volvo. Hertz also offers SIRIUS in its rental cars at major locations around the country. Click on [www.sirius.com](http://www.sirius.com) to listen to SIRIUS live, or to purchase a SIRIUS radio and subscription.

#### **About XM**

XM is America's number one satellite radio company with more than 8.2 million subscribers. Broadcasting live daily from studios in Washington, DC, New York City, Chicago, the Country Music Hall of Fame in Nashville, Toronto and Montreal, XM's 2007 lineup includes more than 170 digital channels of choice from coast to coast: commercial-free music, premier sports, news, talk radio, comedy, children's and entertainment programming; and the most advanced traffic and weather information.

XM, the leader in satellite-delivered entertainment and data services for the automobile market through partnerships with General Motors, Honda, Hyundai, Nissan, Porsche, Subaru, Suzuki and Toyota is available in 140 different vehicle models for 2007. XM's industry-leading products are available at consumer electronics retailers nationwide. For more information about XM hardware, programming and partnerships, please visit <http://www.xmradio.com>.

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