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SiriusXM Files Antitrust Claims Against SoundExchange and a Record Industry Trade Association

Action Seeks to Stop SoundExchange and A2IM's Illegal Behavior

NEW YORK, March 27, 2012 /PRNewswire/ -- Sirius XM Radio (NASDAQ: SIRI) today announced that it has filed a complaint against SoundExchange, Inc. and American Association of Independent Music ("A2IM") charging those organizations with unlawfully interfering in SiriusXM's efforts to secure, through a competitive market, copyrights critical to its business. The complaint contends that the conduct violates federal antitrust, as well as New York state law.

(Logo: <https://photos.prnewswire.com/prnh/20101014/NY82093LOGO>)

SiriusXM is primarily seeking injunctive relief to stop SoundExchange and A2IM from impeding its efforts to obtain the licenses it needs to operate its business in direct dealings with record companies instead of relying exclusively on licenses either negotiated with SoundExchange acting as the record industry's collective or on the outcome of regulatory rate-making proceedings. The complaint charges that, although SiriusXM has the legal right to reach out to individual record companies for such licenses, SoundExchange, in collaboration with other record industry organizations, has orchestrated an illegal boycott designed to choke off such competition.

SiriusXM's direct licensing initiative is beneficial to the Company, listeners, artists and record labels. This filing reflects SiriusXM's commitment to taking the steps necessary to maintain its rights to conduct business in a free and open market for the benefit of its business, listeners, artists and record companies.

The complaint contends that SoundExchange and other industry trade associations, in concert with numerous individual record labels, have eliminated price competition in, among others, the market for digital transmissions of sound recordings licensable under the statutory licensing provisions of Section 114 of the Copyright Act of 1976. The complaint further contends that SoundExchange and A2IM, along with major music industry organizations, have organized a boycott to prevent independent record companies from negotiating direct licenses with SiriusXM for sound recordings that are included in the Company's commercial-free music content. As outlined in the complaint, there has been an orchestrated effort against labels looking to negotiate directly with SiriusXM, including mailings to members, public statements released to the media and posted on their websites, board level discussions, direct pressure tactics placed on individual labels known to be considering SiriusXM's offer and even overt efforts to cause one or more entities that actually signed a direct license to rescind it.

As a result of the complained of conduct, SiriusXM has been forced to deal exclusively with

SoundExchange to acquire statutory licenses at higher prices than it otherwise would have obtained through direct licensing with individual record labels. The complaint contends that this conduct and the ensuing boycott violate federal antitrust laws and tortiously interferes in SiriusXM's business relationships.

SiriusXM has signed nearly 80 direct licenses to date; the Company believes that without the complained of conduct, it would have attained far more. The Company believes that if SoundExchange, the trade associations and major record labels are allowed to continue this conduct, it is likely that similar anticompetitive harm will result to other rights users who are unable to secure direct licenses to rights.

SiriusXM's Direct Licensing Initiative

As part of a larger effort to manage through the challenging market environment, SiriusXM has sought to manage the cost of its music programming by negotiating royalty rates directly with individual record labels. This interest was further spurred by the extraordinary increases in statutory fees that the record industry, through SoundExchange, advised they were seeking beginning in 2013, and SiriusXM's desire to enter into a single license covering all of its platforms, including satellite, internet, mobile devices and more. Having one license agreement that encompasses these platforms provides an opportunity for record companies to derive more value than they would by relying on distributions from SoundExchange. Notably, SiriusXM can enter into a unitary license agreement of such scope only through a direct license; it cannot do so under a SoundExchange statutory license. Working with a leading provider of high-volume license administration services with deep expertise in the music industry and with similar direct license programs, SiriusXM began developing a comprehensive direct license proposal for record companies in 2010.

The direct licenses, offered at rates between 5% and 7% of defined revenues, would be powerful evidence of prevailing market rates in the pending 2013-2017 CRB proceeding and stand in stark contrast to the much higher rates proposed by SoundExchange in that proceeding.

The complaint was filed in the United States District Court for the Southern District of New York.

About Sirius XM Radio

[Sirius XM Radio](#) is America's satellite radio company. SiriusXM broadcasts more than [135 satellite radio channels](#) of [commercial-free music](#), and [premier sports](#), [news](#), [talk](#), [entertainment](#), [traffic](#), [weather](#), and data services to over 21 million subscribers. SiriusXM offers an array of content from many of the biggest names in entertainment, as well as from professional sports leagues, major colleges, and national news and talk providers.

SiriusXM programming is available on more than 800 devices, including pre-installed and after-market radios in cars, trucks, boats and aircraft, [smartphones](#) and [mobile devices](#), and consumer electronics products for [homes](#) and [offices](#). SiriusXM programming is also available at [siriusxm.com](#), and on [Apple](#), [BlackBerry](#) and [Android](#)-powered mobile devices.

SiriusXM has arrangements with every major [automaker](#) and its radio products are available for sale at [shop.siriusxm.com](#) as well as retail locations nationwide.

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 future financial and operating results, our plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "believe," "intend," "plan," "projection," "outlook" or words of similar meaning. Such forward-looking statements are based upon the current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond our control. 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 statements: our competitive position versus other forms of audio entertainment; our dependence upon automakers; general economic conditions; failure of our satellites, which, in most cases, are not insured; our ability to attract and retain subscribers at a profitable level; royalties we pay for music rights; the unfavorable outcome of pending or future litigation; failure of third parties to perform; and our substantial indebtedness. Additional factors that could cause our results to differ materially from those described in the forward-looking statements can be found in our Annual Report on Form 10-K for the year ended December 31, 2011, which is 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 we disclaim any intention or obligation to update any forward looking statements as a result of developments occurring after the date of this communication.

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