

Description of *Pro Forma* Transaction

XM Radio Inc. seeks Federal Communications Commission (“FCC” or “Commission”) consent to a *pro forma* transfer of control of all of the licenses and authorizations held by XM Radio Inc., including experimental call sign WB2XCA.¹ XM Radio Inc. is currently indirectly owned and controlled by Sirius XM Radio Inc.² through two wholly-owned subsidiaries: XM Satellite Radio Inc. and XM Satellite Radio Holdings Inc. Pursuant to a proposed transaction, these two subsidiaries will be merged with and into Sirius XM Radio Inc. As a result, XM Radio Inc. will become a direct wholly-owned subsidiary of Sirius XM Radio Inc.³ The proposed change constitutes a non-substantial (*pro forma*) transfer of control because ultimate ownership and control of XM Radio Inc. will be exactly the same before and after the proposed transactions. Charts showing the indirect ownership of XM Radio Inc. before and after the proposed transactions are attached.

Grant of this *pro forma* transfer of control application will serve the public interest. The ability to make non-substantial changes in corporate structure enhances the flexibility of Sirius XM Radio Inc.’s capital structure without any adverse effects on competition. Moreover, this application raises no new issue related to XM Radio Inc.’s legal qualifications because the Commission has previously approved the ultimate ownership and control of XM Radio Inc. by Sirius XM Radio Inc.⁴ XM Radio Inc. requests that the FCC expeditiously grant this application for a non-substantial transfer of control.

¹ Applications requesting approval for the *pro forma* transfer of control of XM Radio Inc.’s space station authorizations (including special temporary authorizations and pending requests to operate terrestrial repeaters), transmit/receive earth station authorizations, and a wireless license are also being filed with the Wireless Telecommunications Bureau and the International Bureau.

² James S. Blitz, who is the Vice President, Regulatory Counsel of Sirius XM Radio Inc., is certifying this application on behalf of transferee Sirius XM Radio Inc.

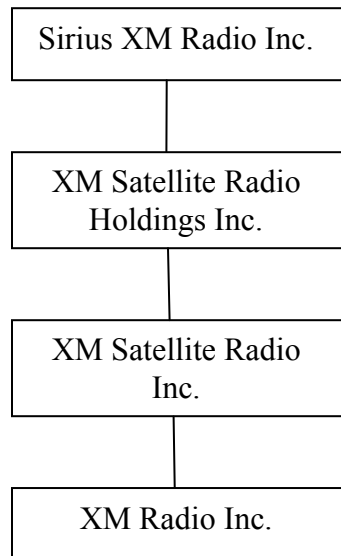
³ In order to effectuate the purposes of this *pro forma* transfer of control, the two steps of this transaction – merging XM Satellite Radio Inc. and XM Satellite Radio Holdings Inc. into Sirius XM Radio Inc. – may or may not occur simultaneously. The FCC will be notified of the consummation of the *pro forma* transfer of control when both steps have been completed.

⁴ *Applications for Consent to the Transfer of Control of Licenses, XM Satellite Radio Holdings Inc. to Sirius Satellite Radio Inc.*, 23 FCC Rcd 12348 (2008) (“Sirius XM Merger Order”).

Ownership Structure

Below are charts of the current and post-closing ownership structures for XM Radio Inc. All subsidiaries are wholly-owned.

Current XM Radio Inc. Ownership Structure



Post-Closing XM Radio Inc. Ownership Structure

