

XM SATELLITE RADIO HOLDINGS INC

Form 425

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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, 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, 2005, and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006, June 30, 2006 and September 30, 2006 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 plans to file with the SEC a Registration Statement on Form S-4 containing a 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 JOINT PROXY**

STATEMENT/PROSPECTUS AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.

Investors and security holders will be able to obtain free copies of the Registration Statement and the Joint Proxy Statement/Prospectus (when available) and other documents filed with the SEC by SIRIUS and XM through the web site maintained by the SEC at www.sec.gov. Free copies of the Registration Statement and the Joint Proxy Statement/Prospectus (when available) and other documents filed with the SEC can also be obtained by directing a request to Sirius Satellite Radio Inc., 1221 Avenue of the Americas, New York, NY 10020, Attention: Investor Relations or by directing a request to XM Satellite Radio Holdings Inc., 1500 Eckington Place, NE Washington, DC 20002, Attention: Investor Relations.

SIRIUS, XM and their respective directors and executive officers and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding SIRIUS directors and executive officers is available in its Annual Report on Form 10-K for the year ended December 31, 2005, which was filed with the SEC on March 13, 2006, and its proxy statement for its 2006 annual meeting of stockholders, which was filed with the SEC on April 21, 2006, and information regarding XM's directors and executive officers is available in XM's Annual Report on Form 10-K, for the year ended December 31, 2005, which was filed with the SEC on March 3, 2006 and its proxy statement for its 2006 annual meeting of stockholders, which was filed with the SEC on April 25, 2006. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the Joint Proxy Statement/Prospectus and other relevant materials to be filed with the SEC when they become available.

The following email from Mel Karmazin was distributed to SIRIUS employees, consultants and on-air talent on February 19, 2007.

To: SIRIUS Employees, Consultants and On-Air Talent

Today is a very exciting day for SIRIUS and XM. Earlier today both companies announced that we have entered into a definitive agreement to combine in a merger of equals to form the nation's premier audio entertainment provider. The press release we issued earlier is attached for your convenience. I will also host a Town Hall meeting at SIRIUS' NYC headquarters on Tuesday, February 20 at 4:00 PM ET. Further details and a dial-in number for those of you at different locations will be provided in a separate communication.

This combination is the next logical step in the evolution of audio entertainment. Not only will the transaction allow satellite radio to compete better in the rapidly evolving audio entertainment industry, but it will provide our current, as well as our future subscribers with an enhanced programming lineup and improved technology — things they undoubtedly crave.

SIRIUS and XM are a natural fit — strategically and technologically. The combined company would have approximately 14 million subscribers today. Together, we will have the opportunity to offer consumers a broader selection of content, a stronger platform for future innovation within the audio entertainment industry and the potential to deliver significantly more value to our loyal shareholders. Furthermore, each of our companies has a strong commitment to providing listeners the broadest range of music, news, sports and entertainment and, of course, the best customer service possible.

I will become the CEO of the combined company, Gary Parsons, current chairman of XM, will become the chairman and additional management appointments will be announced prior to closing. You should also know that both companies are working diligently to develop the marketing and branding for the combined company, as well as to determine its corporate name and headquarters location. We look forward to updating you as appropriate over the coming months.

As you may expect, this transaction is subject to regulatory review. As we move through the approval process, we will make every effort to update you on our progress. You should know that both companies believe we will receive the necessary regulatory approvals to complete the transaction.

Until the transaction is closed, which we expect to be by the end of 2007, the companies will continue to operate independently. This means that it is business as usual at SIRIUS. As everyone knows, however, — business as usual — here is still a pretty exciting venture to be a part of. Through your dedication, we continue to be the fastest growing satellite radio provider, adding 2.7 million new subscribers in 2006 alone.

Today's announcement is likely to receive increased media and investor attention, and therefore it is particularly important that we speak with one voice. If you receive any calls from interested parties or reporters, please forward them to Paul Blalock in Investor Relations at 212-584-5174 or Patrick Reilly in Corporate Communications at 212-901-6646.

I want to thank all of you for your hard work and many accomplishments. I am thrilled to be taking this exciting step with all of you. Ultimately, this transaction is about choice. A combined SIRIUS and XM gives listeners more choices — more of what they want when they want it. Together, we will deliver the *Very Best Radio* on Radio.

Sincerely,

Mel Karmazin

Forward Looking Statements

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