XM Satellite Radio Holdings Announces Quarterly Dividend on Series B Preferred Stock

1/10/2003

Washington D.C., January 10, 2003 -- XM Satellite Radio Holdings Inc. (NASDAQ: XMSR) announced today that it has declared a regular quarterly dividend on its 8.25% Series B Convertible Redeemable Preferred Stock.

The dividend is payable in shares of the Company's Class A Common Stock at a rate of $1.0313 per share of Series B Preferred Stock owned, with fractional shares to be paid in cash. The shares of Class A Common Stock to be issued will be valued at 95% of the average daily price of the Class A Common Stock for the 10 consecutive trading days ending on January 15, 2003. The dividend is payable on February 1, 2003, to Series B convertible preferred stockholders of record of XM Satellite Radio Holdings Inc. as of January 22, 2003.

XM (Nasdaq: XMSR) this week announced it had more than 360,000 subscribers. XM is transforming radio, an industry that has seen little technological change since FM, almost 40 years ago. XM's programming lineup features 101 coast-to-coast digital channels: 70 music channels, many of them commercial-free, from hip hop to opera, classical to country, bluegrass to blues; and 31 channels of sports, talk, children's and entertainment. XM's strategic investors include America's leading car, radio and satellite TV companies -- General Motors, American Honda Motor Co. Inc., Clear Channel Communications and DIRECTV.

XM radios are available at major electronics retailers nationwide. Leading manufacturers such as Sony, Alpine, Pioneer, Audiovox and Delphi offer a broad array of XM radios that easily enable any existing car stereo system. For more information, please visit XM's web site: http://www.xmradio.com.

Factors that could cause actual results to differ materially from those in the forward-looking statements in this press release include uncertainties associated with demand for the company's service, the company's dependence
on third party vendors, its continuing need for additional financing, as well as other risks described in XM Satellite 
Radio Holdings Inc.'s Form 8-K filed with the Securities and Exchange Commission on 12-24-02. Copies of the filing 
are available upon request from XM Radio' s Investor Relations Department.

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