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SIRIUS XM Radio Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from David Bank - RBC Capital Markets

David Bank - RBC Capital Markets

Can you give some clarity as to the structure of the preferred shares that are going to Malone? Why was it structured as preferred as opposed to common? What kind of exchange ratio do we use is it based on price or just a fixed number of shares? Does it have some sort anti-dilutive provisions of always 40% of your shares?

On your last call you said I think you have 400,000 subscribers that had signed up for the Best Of package that \$16.99. Can you give us greater clarity on how many subscribers are signed up today and how that's accelerating?

Mel Karmazin

On the first question about the details of the Liberty transaction its in our 10-K and if in fact there's anything more specific that you'd like to know I'd suggest that you follow up off line. The basic deal is that it is 40% of the company and that it is getting a 15% coupon and I could tell you that we are thrilled to have them as a partner and we believe based on everything we discovered in the market that it's a very good deal for Liberty. They obviously did a good deal for their company and a very, very good deal for our company considering where some of you had us going.

On the subject of the packages and the tiers, we continue to grow it. We're adding subscribers all the time. The majority of the subscribers that are choosing tiers are opting for the \$16.99 package. About three quarters of them right now are opting for Best Of SIRIUS so its XM subscribers who are choosing to get the SIRIUS content.

We are hopeful to work with Major League Baseball to be able to get the games. All of our content partners so far but for Major League Baseball we have been able to work it out and we're having discussions with Major League Baseball about getting the games and we think that will also drive more of the SIRIUS subscribers toward getting that content.

A number of people have opted for the \$9.99 package but not a particularly large number of people on the mostly music and mostly talk and news. That \$9.99 package is something that our call centers are going to be working with from a point of view of helping retention. Something that we're looking forward to those numbers continuing to grow.

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