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## SIRIUS XM Radio Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) We will go first to David Bank of RBC Capital.

#### David Bank - RBC Capital Markets

Thank you. Good morning. A couple of questions -- the first one is now that you have established the relationship with Liberty, can you give us a little bit more color in terms of what's going on in the background for ways that you guys will hopefully work together in either a subscription growth opportunity or a cost-savings opportunity, or any other synergies that you might be talking about?

The second question is I think a lot of people can get comfortable with the fact that OEM growth has slowed as an industry and eventually people are going to buy cars again and you sort of see a path back to some sort of correction there. But when you look at this quarter's results, the retail sub negative growth at -- it was more dramatic, the decline and it's a little bit harder to see what the -- what is the path to correction strategically in that business?

And then I guess last, thanks for addressing GM. Any thoughts on Chrysler and how a bankruptcy might or might not impact your relationship with them? And -- I guess I'll just leave it at that. Thank you for taking so many questions.

#### Mel Karmazin

Thank you for leaving it at that. Let's start with the first one -- on the subject of Liberty Media, you should think of them as being a lender, an investor in the company. We proudly added John Malone and Greg [Lefay] and Dave Flowers to our board. They are very knowledgeable people. We look to them as being a great asset on our board.

We have also separately have had a number of conversations with Chase Carey, the CEO of DIRECTV, about things that we could potentially do together. Obviously both companies have different shareholder bases, so anything that we did would have to be in both companies' best interests but the relationships are great. This has turned out to be a very good investment for Liberty Media and I think that's where you ought to just leave that relationship for now.

Regarding the after-market, you know, clearly we think that our initiatives with the iPhone and things that we are doing would hopefully stimulate the market. It didn't go unnoticed by our subscribers that there was a threat looming over the company toward many people believing that we could be doing a filing. That did not help us with our, you know, efforts, at retail. We believe that the more subscribers

that we are going to generate through the OEM platform is going to again contribute and help us get second subs and third subs, and that's where our direct-to-consumer is an important part of our plans. And again, we believe that the after-market will continue for years to come to be an important channel for the company to operate in. Certainly Circuit City's bankruptcy did not help us during the period of time. You know, a lot of their customers at Circuit City moved to Walmart. You know, Walmart customers have historically not been the best customers, based on their churn and habits for satellite radio. But again, we remain very optimistic on that part.

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