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10K For Fiscal Year Ended December 31, 2007

**SIRIUS SATELLITE RADIO INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In Thousands)

	For the Years Ended December 31,		
	2007	2006	2005
<b>Cash flows from operating activities:</b>			
Net loss	\$(565,252)	\$(1,104,867)	\$(862,997)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	106,780	105,749	98,555
Non-cash interest expense	4,269	3,107	3,169
Provision for doubtful accounts	9,002	9,370	4,311
Non-cash equity in loss of affiliate	—	4,445	6,938
Non-cash loss from redemption of debt	—	—	712
(Gain)/Loss on disposal of assets	(428)	1,661	1,028
Impairment loss	—	10,917	—
Stock-based compensation	78,900	437,918	163,078
Deferred income taxes	2,435	2,065	2,311
Changes in operating assets and liabilities:			
Marketable securities	—	—	16
Accounts receivable	(28,881)	(1,871)	(28,440)
Inventory	4,965	(20,246)	(6,329)
Receivables from distributors	(13,179)	(20,312)	(17,265)
Prepaid expenses and other current assets	11,459	(42,367)	(11,864)
Other long-term assets	12,109	(19,331)	6,476
Accounts payable and accrued expenses	66,169	26,366	145,052
Accrued interest	(8,920)	1,239	17,813
Deferred revenue	169,905	181,003	210,947
Other long-term liabilities	1,901	3,452	(3,505)
Net cash used in operating activities	<u>(148,766)</u>	<u>(421,702)</u>	<u>(269,994)</u>
<b>Cash flows from investing activities:</b>			
Additions to property and equipment	(65,264)	(92,674)	(49,888)
Sales of property and equipment	641	127	72
→ Merger related costs	X (29,444)	—	—
Purchases of restricted and other investments	(310)	(12,339)	(25,037)
Release of restricted investments	25,160	26,000	10,997
Purchases of available-for-sale securities	—	(123,500)	(148,900)
Sales of available-for-sale securities	15,031	229,715	36,935
Net cash (used in)/provided by investing activities	<u>(54,186)</u>	<u>27,329</u>	<u>(175,821)</u>
<b>Cash flows from financing activities:</b>			
Redemption of debt	—	—	(57,609)
Long-term borrowings, net of related costs	244,879	—	493,005
Repayment of long-term borrowings	(625)	—	—
Proceeds from exercise of stock options	4,097	25,787	18,543
Other	—	—	(8)
Net cash provided by financing activities	<u>248,351</u>	<u>25,787</u>	<u>453,931</u>
Net increase/(decrease) in cash and cash equivalents	45,399	(368,586)	8,116
Cash and cash equivalents at the beginning of period	393,421	762,007	753,891
Cash and cash equivalents at the end of period	<u>\$ 438,820</u>	<u>\$ 393,421</u>	<u>\$ 762,007</u>

See Notes to Consolidated Financial Statements.