



*For immediate release*

*November 14, 2007*

## **XM Canada reports strong growth for fourth quarter and fiscal 2007**

***Total revenue triples as subscriber base increases by 102 per cent in 2007***

***NHL exclusivity leads to best fiscal performance since launch***

***Cash usage declines to less than \$1 million for the quarter***

**Toronto** – Canadian Satellite Radio Holdings Inc. (TSX: XSR) (“CSR”) today announced its financial results for the fourth quarter and year ended August 31, 2007.

### **2007 Year End Highlights**

*Year ended August 31, 2007 compared to August 31, 2006*

- Subscriber base more than doubles to 306,300 from 151,600 in 2006
- Total revenue more than triples to \$21.2 million
- Industry leading Subscriber Acquisition Cost\* (SAC) of \$51
- Cost Per Gross Addition\* (CPGA) declines to \$208, an improvement of 22 per cent over 2006
- Increased programming to 130 channels, including 69 commercial-free music channels
- XM becomes exclusive satellite radio carrier of the NHL through to 2015
- Signed unique agreement to provide XM content across Rogers wireless, cable and internet platforms adding to our family of wireless, which already includes TELUS

### **Fourth Quarter Financial Highlights**

*Fourth quarter 2007 compared to fourth quarter 2006*

- 32,900 self-paying subscribers added
- Total revenue doubles to \$6.8 million
- Cash and short-term investments decline by \$0.8 million
- SAC remains consistent at \$58
- CPGA improves by 24 per cent to \$183
- Completed private placement of \$20 million convertible unsecured debentures following close of the fourth quarter

\*See section 3.0 entitled “Operating Definitions” found in Management’s Discussion & Analysis for the quarter and year ended August 31, 2007 found at [www.cdnsatrad.com](http://www.cdnsatrad.com) and [www.sedar.com](http://www.sedar.com).

"We had an exceptional fourth quarter as our exclusive 10-year agreement with the NHL attracted new subscribers across the country," said John Bitove, Chairman and Chief Executive Officer of CSR. "In addition, while retail sales have been slow for much of the year, we are pleased to report that in September the satellite radio category grew by 39 per cent and XM Canada captured 50 per cent of all satellite radio sales through major retailers. Canadian consumer appetite for satellite radio is strong and it is clear we are gaining momentum entering the holiday shopping season."

## **Financial Performance**

For the three months ended August 31, 2006 and 2007, revenue was \$3.4 million and \$6.8 million, respectively, an increase of 100 per cent or \$3.4 million. The increase was directly attributable to our increasing subscriber base.

Adjusted Operating Loss for the three months ended August 31, 2006 and 2007 was \$14.4 million and \$12.2 million respectively, an improvement of \$2.2 million. As CSR continues to grow its subscriber base and manage programming, general & administrative and marketing costs, it expects Adjusted Operating Loss to improve. During the three months ended August 31, 2007, CSR incurred approximately \$2 million of non-cash, non-recurring advertising & marketing expenses related to the write-off of prepaid advertising costs. CSR also incurred approximately \$1.5 million of special charges, which are non-recurring and are not part of its normal course of operations. Excluding these two expenses, Adjusted Operating Loss was approximately \$8.7 million.

SAC was \$59 and \$58 for the three months ended August 31, 2006 and 2007, respectively. Cost per gross addition improved by 24 per cent to \$183 for the quarter ended August 31, 2007 from \$242 for the comparable period in 2006. Average revenue per unit was \$11.78 and \$11.33 for the three months ended August 31, 2006 and 2007, respectively.

"We are pleased with our strong fiscal management and accomplishments in 2007," said Bitove. "This was a solid year of growth and cost reductions and with our exclusive automotive installations in 2008, we are positioned to meet our objective of being free cash flow positive in the fourth quarter of 2008."

## **CSR achieved the following milestones through its automotive partnerships since the end of the third quarter of 2007:**

- 285,000 vehicles equipped with factory installed satellite radios that are now on the road or on order
- Honda Canada began factory installing XM satellite radios in many 2008 model year vehicles and has expanded the factory installation of XM within its Acura line for the 2008 model year
- Hyundai adds XM as standard feature on the 2008 Santa Fe SUV, in addition to the previously announced Sonata, Veracruz and Azera. This latest announcement makes Hyundai our most aggressive factory install OEM partner
- Nissan Canada now offers XM as a factory installed option on the entire 2008 vehicle line up and every 2008 Infiniti model will have XM as a standard factory-installed feature
- Toyota's Lexus brand begins exclusively factory installing XM Canada radios in select models

**In addition, the following announcements were made since the end of the 2007 third quarter:**

- XM becomes exclusive satellite radio carrier of NHL and XM Canada expands NHL play-by-play channels from six to nine to offer “Every Team. Every Game. Exclusively on XM” through to the year 2015
- Completes \$20 million convertible debt offering
- Announces the addition of NHL Hour, a candid, interactive talk show that marks the first time that a sports league has given fans direct access to key decision-makers
- Launches *ATN-Asian Radio* channel, North America’s first South Asian channel
- Expands channel offering to include *Radio Disney, ESPN Radio, ESPNEWS, IndyCar Series Racing, PAC 10* and *Big 12*. With 20 more channels than the competition, XM Canada now offers more programming choice for subscribers
- Enhances lineup of plug-n-play satellite radios with the addition of the XpressEZ, XpressR and XpressRC, an innovative radio with advanced split-screen technology and colour display

**Quarterly conference call and audio webcast**

CSR will hold a conference call on Thursday November 15, 2007 at 11 a.m. EST to discuss its financial results for the fourth quarter and year ended 2007. To participate in the conference call, please dial 416-644-3418 within the Toronto area, or 1-800-732-6179 (toll-free) outside of Toronto. A live audio webcast will be available at [www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2076580](http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2076580).

An archived recording of the conference call will be available from 1 p.m. EST on Thursday November 15, 2007 until midnight on Saturday December 15, 2007 by dialing 416-640-1917 within the Toronto area, or 1-877-289-8525 (toll-free) outside of Toronto (passcode 21251745 followed by the number sign).

**About Canadian Satellite Radio Holdings Inc.**

Canadian Satellite Radio Holdings Inc. (TSX: XSR) operates as XM Canada™ and is Canada's premium digital audio entertainment and information company with the best signal coverage across the country.

XM Canada offers listeners the most unique Canadian and international programming including exclusive satellite radio coverage of EVERY NHL™ GAME, as well as PGA TOUR™ and Major League Baseball™, the deepest playlist, plus news, talk, sports, entertainment and children's content. Acura, Buick, Cadillac, Chevrolet, General Motors, GMC, Harley Davidson, Honda, Hummer, Hyundai, Infiniti, Lexus, Nissan, Pontiac, Toyota, Saab, Saturn, Suzuki and Subaru offer XM radios in more than 150 different vehicles for model year 2008.

XM Satellite Radio Inc. is the number one satellite radio company in North America with more than 8 million subscribers. In Canada, XM is offered on TELUS Mobile Radio™ and Rogers™ Communications wireless, cable and internet platforms and is also the exclusive music channel provider on Air Canada's flights and is available in select Avis Budget Group rental vehicles.

A free three-day trial of XM Radio Online is available at <http://listen.xmradio.ca>. Visit [www.xmradio.ca](http://www.xmradio.ca) for programming and subscription information.

To find out more about Canadian Satellite Radio Holdings Inc. (TSX: XSR), visit our website at [www.cdnsatrad.com](http://www.cdnsatrad.com).

### **Forward-Looking Statements**

Certain statements included above may be forward-looking in nature. Such statements can be identified by the use of forward-looking terminology such as "expects," "may," "will," "should," "intend," "plan," or "anticipates" or the negative thereof or comparable terminology, or by discussions of strategy. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance or other statements that are not statements of fact. Although CSR believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. CSR's forward-looking statements are expressly qualified in their entirety by this cautionary statement. CSR makes no commitment to revise or update any forward-looking statements in order to reflect events or circumstances after the date any such statement is made. Additional information identifying risks and uncertainties is contained in CSR's filings with the Canadian securities regulators, available at [www.sedar.com](http://www.sedar.com).

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CANADIAN SATELLITE RADIO HOLDINGS INC.  
CONSOLIDATED BALANCE SHEETS (UNAUDITED)

As at August 31, 2007 and 2006

	August 31, 2007	August 31, 2006
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 9,524,931	\$ 45,188,214
Short term investments	5,281,000	-
Accounts receivable	4,904,803	2,125,367
Inventory	2,462,975	600,124
Prepaid expenses and other assets	2,401,315	6,882,247
Restricted investments	13,043,109	13,663,023
	<u>37,618,133</u>	68,458,975
<b>Restricted investments</b>	<b>6,301,677</b>	19,370,939
<b>Deferred financing costs</b>	<b>4,456,280</b>	5,146,280
<b>Property and equipment</b>	<b>20,878,489</b>	23,221,760
<b>Contract rights, distribution rights and computer software</b>	<b>219,897,424</b>	239,648,067
<b>Total assets</b>	<b>289,152,003</b>	355,846,021
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	20,412,856	13,516,770
Deferred revenue	10,445,788	2,969,366
	<u>30,858,644</u>	16,486,136
<b>Long-term debt</b>	<b>107,434,473</b>	110,660,000
<b>Deferred revenue</b>	<b>3,626,134</b>	1,032,289
<b>Other long-term liabilities</b>	<b>376,316</b>	310,405
<b>Total liabilities</b>	<b>142,295,567</b>	128,488,830
<b>Shareholders' equity</b>		
Share capital	312,948,883	312,595,362
Contributed surplus	30,129,704	26,344,137
Deficit	(196,222,151)	(111,582,308)
<b>Total shareholders' equity</b>	<b>146,856,436</b>	227,357,191
<b>Total liabilities and shareholders' equity</b>	<b>289,152,003</b>	355,846,021

CANADIAN SATELLITE RADIO HOLDINGS INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT (UNAUDITED)  
For the years ended August 31, 2007, 2006 and 2005

	2007	2006	2005
<b>Revenue</b>	<b>\$ 21,244,380</b>	\$ 6,949,282	\$ -
<b>Operating expenses</b>			
Cost of revenue	25,313,304	19,050,684	-
Indirect costs	-	827,125	3,528,914
General and administrative	16,201,717	18,465,217	3,172,480
Special charges	2,024,080	-	-
Stock-based compensation	3,143,643	23,694,846	-
Marketing	28,509,494	28,021,159	-
Amortization of intangible assets and property & equipment	22,409,443	15,914,239	3,865
	<b>97,601,681</b>	105,973,270	6,705,259
<b>Loss before the undernoted</b>	<b>(76,357,301)</b>	(99,023,988)	(6,705,259)
<b>Interest revenue</b>	<b>2,491,256</b>	2,619,481	-
<b>Interest expenses</b>	<b>(15,287,703)</b>	(8,279,303)	-
<b>Foreign exchange gains</b>	<b>4,513,905</b>	1,980,232	-
<b>Net loss for the year</b>	<b>(84,639,843)</b>	(102,703,578)	(6,705,259)
<b>Deficit - Beginning of year</b>	<b>(111,582,308)</b>	(8,878,730)	(2,173,471)
<b>Deficit - End of year</b>	<b>(196,222,151)</b>	(111,582,308)	(8,878,730)
<b>Basic and fully diluted loss per share</b>	<b>(1.78)</b>	(2.99)	(17,833)

CANADIAN SATELLITE RADIO HOLDINGS INC.  
 RECONCILIATION OF LOSS BEFORE THE UNDERNOTED TO  
 ADJUSTED OPERATING LOSS (UNAUDITED)

Adjusted Operating Loss is defined as Operating loss before the undernoted excluding amortization, stock-based compensation to employees, directors, officers and service providers, and non-cash costs paid by our parent company. We believe that Adjusted Operating Loss, as opposed to Operating loss or Net loss, provides a better measure of our core business operating results and improves comparability.

This non-GAAP measure should be used in addition to, but not as a substitute for, the analysis provided in statement of operations. We believe Adjusted Operating Loss is a useful measure of our operating performance and is a significant basis used by our management to measure the operating performance of our business. While amortization and stock-based compensation are considered operating costs under generally accepted accounting principles, these expenses primarily represent non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods and non-cash employee and service provider compensation. Costs paid by our parent company are non-cash costs related to the licence application process and are not related to ongoing operations of the business.

Adjusted Operating Loss is a calculation used as a basis for investors and analysts to evaluate and compare the periodic and future operating performances and value of similar companies in our industry, although our measure of Adjusted Operating Loss may not be comparable to similarly titled measures of other companies. Adjusted Operating Loss does not purport to represent operating loss or cash flow from operating activities, as those terms are defined under generally accepted accounting principles, and should not be considered as an alternative to those measurements as an indicator of our performance.

We do not report Adjusted Operating Loss for periods prior to fiscal 2006 as we were a development stage company focused on obtaining a licence from the CRTC.

(\$000's)	12 Months Ended August 31,		3 Months Ended August 31,	
	2007	2006	2007	2006
Reconciliation of loss before the undernoted to Adjusted Operating Loss				
Operating loss before the undernoted	<b>(76,357)</b>	(99,024)	<b>(18,622)</b>	(20,828)
Add back non-Adjusted Operating Loss items included in Operating Loss Amortization	<b>22,409</b>	15,914	<b>5,599</b>	5,470
Stock-based compensation	<b>3,144</b>	23,695	<b>736</b>	759
Costs paid by parent company	<b>205</b>	3,049	<b>53</b>	186
Adjusted Operating Loss	<b>(50,599)</b>	(56,366)	<b>(12,234)</b>	(14,413)

CANADIAN SATELLITE RADIO HOLDINGS INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)  
For the years ended August 31, 2007, 2006 and 2005

	2007	2006	2005
<b>Cash provided by (used in)</b>			
<b>Operating activities</b>			
Net loss for the year	\$ (84,639,843)	\$ (102,703,578)	\$ (6,705,259)
Add (deduct): Non-cash items			
Costs paid by parent company	204,905	3,049,041	-
Stock-based compensation expense	3,143,643	23,694,846	-
Amortization of intangible assets	19,278,227	14,075,636	-
Amortization of property and equipment	3,131,216	1,838,603	3,865
Accrued interest – debt	71,154	519,161	-
Accrued interest receivable	(1,266,730)	(814,774)	-
Amortization of deferred financing costs	690,000	373,752	-
Interest accretion expense	35,079	25,299	-
Writeoff of prepaid advertising	2,000,000	-	-
Unrealized foreign exchange gains	(3,634,039)	(2,098,253)	-
Net change in non-cash working capital related to operations	18,229,966	(206,745)	6,701,394
Net cash used in operating activities	(42,756,422)	(62,247,012)	-
<b>Investing activities</b>			
Restricted investments	-	(41,015,595)	-
Payment of interest expense from restricted investments	14,270,438	7,396,855	-
Purchase of short-term investment	(5,850,000)	-	-
Purchase of property and equipment	(1,524,723)	(24,055,466)	-
Rebate received on prior year purchase of computer software	432,157	-	-
Purchase of computer software	(83,240)	(8,570,715)	-
Net cash used in investing activities	7,244,632	(66,244,921)	-
<b>Financing activities</b>			
Initial public offering – net of issuance costs	-	50,042,354	-
Shares issued to CSR Investments	-	15,000,000	-
Deferred financing costs	-	(5,520,032)	-
Proceeds from long-term debt	-	115,420,000	-
Net cash provided by financing activities	-	174,942,322	-
<b>Foreign exchange loss on cash held in foreign currency</b>	(151,493)	(1,262,195)	-
<b>Change in cash and cash equivalents during the year</b>	(35,663,283)	45,188,194	-
<b>Cash and cash equivalents - Beginning of year</b>	45,188,214	20	20
<b>Cash and cash equivalents - End of year</b>	9,524,931	45,188,214	20
<b>Supplemental cash flow disclosures</b>			
Rights acquired through issuance of shares	-	245,152,988	-
Property and equipment purchases in accounts payable	-	736,778	1,729,148
Computer software purchases in accounts payable	-	123,499	1,006,634
Prepaid advertising purchased through issuance of equity	-	2,000,000	-
Utilization of XM credit facility	2,136,400	-	-
Additions to property and equipment and long-term obligations for asset retirement obligations	30,832	268,119	16,987