
EXPLANATORY NOTE

The Registrant is filing this Amendment No. 2 on Form 10-K/A (this **Form 10-K/A**) to its Annual Report on Form 10-K for the fiscal year ended December 31, 2013 (the **Form 10-K**) to include additional information in Part IV that was inadvertently omitted and is required by applicable SEC rules and regulations. For the fiscal year ended December 31, 2012 Sirius XM Radio Inc. triggered certain quantitative thresholds as an equity method affiliate for inclusion of its financial information for the year ended December 31, 2012. The information was included in the Form 10-K for the fiscal year ended December 31, 2012 and under the applicable rules and regulations should continue to be provided until the 2012 fiscal year is no longer presented. This Form 10-K/A should be read in conjunction with the Form 10-K, Amendment No. 1 on Form 10-K/A and the Registrant's other filings made with the SEC subsequent to the filing of the Form 10-K on February 28, 2014.

Except as described above, this Form 10-K/A does not amend, update or change any other items or disclosures in the Form 10-K or Amendment No. 1 on Form 10-K/A, including any of the financial information disclosed in Parts II of the Form 10-K, and does not purport to reflect any information or events subsequent to the filing thereof.

We refer to Liberty Media Corporation as "Liberty Media," "us," "we" and "our" in this report.

[Redacted content]

SIRIUS XM RADIO INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31,

(in thousands)

	2012	2011	2010
Cash flows from operating activities:			
Net income	\$ 3,472,702	\$ 426,961	\$ 43,055
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	266,295	267,880	273,691
Non-cash interest expense, net of amortization of premium	35,924	39,515	42,841
Provision for doubtful accounts	34,548	33,164	32,379
Restructuring, impairments and related costs	—	—	66,731
Amortization of deferred income related to equity method investment	(2,776)	(2,776)	(2,776)
Loss on extinguishment of debt and credit facilities, net	132,726	7,206	120,120
Gain on merger of unconsolidated entities	—	(75,768)	—
Loss on unconsolidated entity investments, net	420	6,520	11,722
Dividend received from unconsolidated entity investment	1,185	—	—
Loss on disposal of assets	657	269	1,017
Share-based payment expense	63,822	53,190	60,437
Deferred income taxes	(3,001,818)	8,264	2,308
Other non-cash purchase price adjustments	(289,050)	(275,338)	(250,727)
Distribution from investment in unconsolidated entity	—	4,849	—
Changes in operating assets and liabilities:			
Accounts receivable	(38,985)	(13,211)	(39,236)
Receivables from distributors	(19,608)	(17,241)	(11,023)
Inventory	11,374	(14,793)	(5,725)
Related party assets	9,523	30,036	(9,803)
Prepaid expenses and other current assets	647	8,525	75,374
Other long-term assets	22,779	36,490	17,671
Accounts payable and accrued expenses	46,043	(32,010)	5,420
Accrued interest	(36,451)	(2,048)	(884)
Deferred revenue	101,311	55,336	133,444
Related party liabilities	(7,545)	(1,542)	(53,413)
Other long-term liabilities	3,042	152	272
Net cash provided by operating activities	806,765	543,630	512,895
Cash flows from investing activities:			
Additions to property and equipment	(97,293)	(137,429)	(311,868)
Purchase of restricted investments	(26)	(826)	—
Sale of restricted and other investments	—	—	—

SIRIUS XM RADIO INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS - (Continued)

--

SIRIUS XM RADIO INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts in thousands, unless otherwise stated)

(1) Business & Basis of Presentation

Business

We broadcast our music, sports, entertainment, comedy, talk, news, traffic and weather channels, as well as infotainment services in the United States on a subscription fee basis through our two proprietary satellite radio systems. Subscribers can also receive music and other channels, plus new features such as SiriusXM On Demand, over the Internet, including through applications for mobile devices. We have agreements with every major automaker ("OEMs") to offer satellite radios as factory- or dealer-installed equipment in their vehicles from which we acquire the majority of our subscribers. We also acquire subscribers through the sale or lease of previously owned vehicles with factory-installed satellite radios. Additionally, we distribute our satellite radios through retail locations nationwide and through our website. Satellite radio services are also offered to customers of certain daily rental car companies.

Our primary source of revenue is subscription fees, with most of our customers subscribing on an annual, semi-annual, quarterly or monthly basis. We offer discounts for prepaid and long-term subscription plans, as well as discounts for multiple subscriptions. We also derive revenue from other subscription-related fees, the sale of advertising on select non-music channels, the direct sale of satellite radios, components and accessories, and other ancillary services, such as our Internet radio, Backseat TV, data, traffic, and weather services.

In certain cases, automakers include a subscription to our radio services in the sale or lease price of new and previously owned vehicles. The length of these prepaid subscriptions varies, but is typically three to twelve months. In many cases, we receive subscription payments from automakers in advance of the activation of our service. We also reimburse various automakers for certain costs associated with satellite radios installed in their vehicles.

Basis of Presentation

Our financial statements are prepared on the basis of the accounting principles generally accepted in the United States of America.



SIRIUS XM RADIO INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Dollar amounts in thousands, unless otherwise stated)

Investments are periodically reviewed for impairment and a write down is recorded whenever declines in fair value below carrying value are determined to be other than temporary. In making this determination, we consider, among other factors, the

SIRIUS XM RADIO INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Dollar amounts in thousands)

--

SIRIUS XM RADIO INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Dollar amounts in thousands, unless otherwise stated)

2012 2011

h
Sirius XM Canada

In June 2011, Canadian Satellite Radio Holdings Inc. ("CSR"), the parent company of XM Canada, and Sirius Canada completed a transaction to combine their operations ("the Canadian Merger"). The combined company operates as Sirius XM Canada. We own approximately 46,700,000 Class A shares on a converted basis of CSR, representing a 37.9% equity interest and a 25.0% voting interest.

We had the following related party current asset balances attributable to Sirius XM Canada at December 31, 2012 and 2011:

	2012	2011
ea		

SIRIUS XM RADIO INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Dollar amounts in thousands, unless otherwise stated)

We recorded the following revenue from Sirius Canada. Royalty income is included in Other revenue and dividend income is included in Interest and investment income (loss) in our consolidated statements of comprehensive income:

	For the Years Ended December 31,	
	2011 *	2010
Royalty income	\$ 9,945	\$ 10,684
Dividend income	460	926
Total revenue from Sirius Canada	<u>\$ 10,405</u>	<u>\$ 11,610</u>

* Sirius Canada combined with XM Canada in June 2011.

Receivables from royalty and dividend income were utilized to absorb a portion of our share of net losses generated by Sirius Canada. Total costs reimbursed by Sirius Canada were \$5,253 and \$12,185 for the years ended December 31, 2011 and 2010, respectively.

Our share of net earnings or losses of Sirius Canada was recorded to Interest and investment income (loss) in our consolidated statements of comprehensive income on a one month lag. Our share of Sirius Canada's net loss was \$9,717 and \$10,257 for the years ended December 31, 2011 and 2010, respectively. The payments received from Sirius Canada in excess of carrying value were \$6,748 and \$10,281 for the years ended December 31, 2011 and 2010, respectively.

XM Canada

We had an equity interest of 21.5% in XM Canada until June 21, 2011 when the Canada Merger closed.

The Cdn \$45,000 standby credit facility we extended to XM Canada was paid and terminated as a result of the Canada Merger. We received \$38,815 in cash upon payment of this facility. As a result of the repayment of the credit facility and completion of the Canada Merger, we released a \$15,649 valuation allowance related to the absorption of our share of the net loss from our investment in XM Canada as of June 21, 2011.

We recorded the following revenue from XM Canada as Other revenue in our consolidated statements of comprehensive income:

	For the Years Ended December 31,	
	2011 *	2010
Amortization of XM Canada deferred income	\$ 1,388	\$ 2,776
Subscriber and activation fee royalties	5,483	10,313
Licensing fee revenue	3,000	4,500
Advertising reimbursements	833	1,083
Total revenue from XM Canada	<u>\$ 10,704</u>	<u>\$ 18,672</u>

* XM Canada combined with Sirius Canada in June 2011.

Our share of net earnings or losses of XM Canada was recorded to Interest and investment income (loss) in our consolidated statements of comprehensive income on a one month lag. Our share of XM Canada's net loss was \$6,045 and \$12,147 for the years ended December 31, 2011 and 2010, respectively.

--

SIRIUS XM RADIO INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Dollar amounts in thousands, unless otherwise stated)

General Motors and American Honda

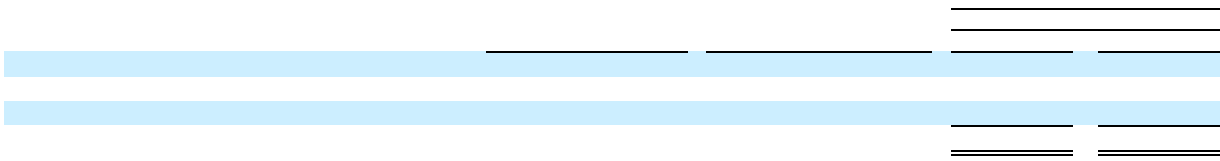
We have a long-term distribution agreement with General Motors Company ("GM"). GM had a representative on our board of directors and was considered a related party through its relationship with American Honda Motor Co., Inc.

--

SIRIUS XM RADIO INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Dollar amounts in thousands, unless otherwise stated)

(13) Stockholders' Equity

Common Stock, par value \$0.001 per share~~Common Stock, par va~~



SIRIUS XM RADIO INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Dollar amounts in thousands, unless otherwise stated)

(14) Benefit Plans

We recogni

--

SIRIUS XM RADIO INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

--



SIRIUS XM RADIO INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Dollar amounts in thousands, unless otherwise stated)

(16) Income Taxes

Our income tax expense consisted of the following:

	For the Years Ended December 31,		
	2012	2011	2010
Current taxes:			
Federal	\$ —	\$ —	\$ —
State	1,319	3,229	942
Foreign	2,265	2,741	1,370
Total current taxes	3,584	5,970	2,312
Deferred taxes:			
Federal	(2,729,823)	3,991	4,163
State	(271,995)	4,273	(1,855)
Total deferred taxes	(3,001,818)	8,264	2,308
Total income tax (benefit) expense	\$		

--

--

SIRIUS XM RADIO INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Dollar amounts in thousands, unless otherwise stated)

As of December 31, 2012 and 2011, the gross liability for income taxes associated w

SIRIUS XM RADIO INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Dollar amounts in thousands, unless otherwise stated)

common share--basic was \$0.51. The previously reported net income per common share--basic for the three month ended March 31, 2011, June 30, 2011, and December 31, 2011 were \$0.02, \$0.05 and \$0.02, respectively. The previously reported net income per common share--basic for the six months ended June 30, 2011 was \$0.07 and the adjusted net income per common share--basic was \$0.04.

(18) Subsequent Events

On January 3, 2013, the Federal Communications Commission granted Liberty Media approval to acquire de jure control of us. On January 17, 2013, Liberty Media filed a Form 4 with the Securities and Exchange Commission indicating that on January 15, 2013 it, indirectly through its subsidiaries, purchased an additional 50,000,000 shares of our common stock. On January 18, 2013, Liberty Radio, LLC, a wholly-owned subsidiary of Liberty Media and the holder of all of the outstanding shares of our Series B Preferred Stock, converted all of its Series B Preferred Stock into 1,293,509,076 shares of our common stock. As a result of this recent purchase and conversion Liberty Media beneficially owned as of January 17, 2013, directly and indirectly, an aggregate of 3,292,800,311 shares of our common stock, representing approximately 50.21% of all the outstanding shares of our common stock.

As a result of the foregoing, a Fundamental Change occurred on January 17, 2013 under the indenture governing the Exchangeable Notes. In accordance with the indenture, on February 1, 2013, we made an offer to each holder of Exchangeable Notes to: (i) have the Company repurchase his or her Exchangeable Notes at a purchase price in cash equal to \$1,000 per \$1,000 principal amount of the Notes (plus accrued and unpaid interest to, but excluding March 1, 2013); or (ii) exchange his or her Exchangeable Notes for our common stock, at an exchange rate of 581.3112 shares per \$1,000 principal amount of Notes, on or prior to March 1, 2013. This exchange rate is a benefit to the holders compared to an exchange rate of 543.1372 shares of common stock in effect prior to occurrence of such Fundamental Change. A holder of the Exchangeable Notes may also elect to retain his or her Notes pursuant to their terms through maturity on December 1, 2014, or otherwise transfer or exchange them in the ordinary course.

EXHIBIT INDEX

23.2 Consent of KPMG LLP*
31.3 Rule 13a-14(a)/15d-14(a) Certification*
31.4 Rule 13a-14(a)/15d-14(a) Certification*



* Filed herewith.