



## SiriusXM Canada Reports Record Adjusted EBITDA For First Quarter Fiscal 2016

**- Company's growth continues with top- and bottom-line improvements  
and record self-pay subscribers -**

**Toronto, ON** – January 13, 2016 – Sirius XM Canada Holdings Inc. (“SiriusXM Canada” or the “Company”) (TSX: XSR), parent of Sirius XM Canada Inc., today released unaudited financial results for its fiscal 2016 first quarter (“Q1 FY2016”) ended November 30, 2015 prepared in accordance with International Financial Reporting Standards (IFRS). **A summary of IFRS financial results for Q1 FY2016 is attached.** All results are reported in Canadian dollars unless otherwise stated.

### Q1 FY2016 Financial and Operating Metrics

The figures below include certain non-GAAP measures and industry metrics. These figures are subject to the qualification and assumptions set out in the Company's notes to such results.

<b>Financial</b> <sup>1</sup>	<b>Q1 2016</b>	<b>Q1 2015</b>	<b>% Change</b> <sup>4</sup>
	Nov 30, 2015	Nov 30, 2014	
	(Unaudited)	(Unaudited)	
Revenue	83,517	78,985	5.7%
Adjusted EBITDA <sup>2</sup>	23,518	22,906	2.7%
Net income and comprehensive income	10,075	8,024	25.6%
Free cash flow	10,229	13,679	-25.2%
<b>Operating</b> <sup>1</sup>			
Self-Paying Subscribers	1,939	1,847	5.0%
Total Subscribers	2,713	2,603	4.2%
Self-Pay ARPU <sup>3</sup>	\$12.57	\$12.38	1.5%
Subscriber Acquisition Cost (SAC)	\$40	\$39	2.6%

<sup>1</sup> All figures in the table above are in thousands except, ARPU and SAC.

<sup>2</sup> Adjusted EBITDA is a non-GAAP measure. A reconciliation of income (loss) before taxes to both EBITDA and Adjusted EBITDA is provided below.

<sup>3</sup> Self-Pay ARPU is derived from the total of earned subscription revenue from Self-Pay subscribers, the music royalty and regulatory fee and activation fees, divided by the monthly weighted average number of Self-Paying subscribers. Please see the Company's MD&A for a more detailed description.

<sup>4</sup> Percentage variances/changes are calculated based on the exact numbers, therefore, amounts may not sum as a result of rounding in certain instances.

“With revenue growth, record Adjusted EBITDA and self-pay subscribers at an all-time high, fiscal 2016 is off to a strong start,” said Mark Redmond, President and CEO, SiriusXM Canada. “We added close to 14,000 net self-pay subscribers in the quarter as we continue to drive net self-pay annual subscriber growth. We also delivered year-over-year improvements in self-pay ARPU and impressive self-pay churn of 1.93%. At more than 2.7 million total subscribers, we are one of the largest media subscription businesses in Canada. We continue to bring unmatched content to people across the country, as recently highlighted by

Howard Stern's contract renewal. Our addressable market, combined with our strong OEM relationships, continue to grow and we look forward to further penetrating both the new and used vehicle segments. We remain intensely focused on further enhancing our subscribers' listening experience to continue delivering strong subscriber, revenue, Adjusted EBITDA and cash flow growth."

"We delivered strong revenue and Adjusted EBITDA growth in the quarter," said Jason Redman, Chief Financial Officer. "Adjusted EBITDA margins remain strong despite a one-time 16% increase in copyright fees. They also improved sequentially, primarily due to the seasonality of our CCD payments, the majority of which we recognize in Q4. We will continue to work towards further strengthening our financial results through the remainder of fiscal 2016 by optimizing the balance between expanding our subscriber base and improving self-pay ARPU, while also carefully managing investments in the business to support our long-term growth."

### **Q1 FY2016 Results Financial Review**

For Q1 FY2016, revenue was \$83.5 million, up \$4.5 million, or 5.7%, from \$79.0 million in Q1 FY2015. The year-over-year improvement reflects growth in the Company's self-paying subscriber base and an increase in Self-Pay ARPU. Q1 FY2016 Self-Pay ARPU was \$12.57, up 1.5% from \$12.38 in Q1 FY2015 driven by the Company's implementation of its increased Music Royalty and Regulatory Fee (MRF) on renewing subscribers.

Adjusted EBITDA for Q1 FY2016, increased \$0.6 million, or 2.7%, to \$23.5 million from \$22.9 million in Q1 FY2015. The year-over-year increase was a result of revenue growth partly offset by an increase in the Company's copyright fees and higher royalties related to increased revenues.

The Company recorded net income of \$10.1 million in Q1 FY2016, up \$2.1 million, or 25.6%, compared to net income of \$8.0 million in Q1 FY2015 as a result of better operational performance and lower depreciation and amortization charges.

SAC for Q1 FY2016 was \$40, up from \$39 in Q1 FY2015 as a result of, among other things, increased purchases in the Aftermarket segment and higher exchange rates, partly offset by lower average OEM subsidies.

In Q1 FY2016, the Company generated \$17.2 million in cash from operating activities, marginally lower by \$0.1 million, or 0.8%, from \$17.3 million in cash from operating activities in Q1 FY2015. The Company generated free cash flow of \$10.2 million in Q1 FY2016, lower by \$3.5 million, or 25.2%, from \$13.7 million in Q1 FY2015 as a result of a \$3.3 million increase in capital expenditures related to our dual-band repeater network and other intangibles.

As at November 30, 2015, the Company had total cash and cash equivalents of \$36.4 million compared to \$26.1 million as at August 31, 2015. The increase is primarily due to cash flow from operating activities of \$17.2 million in Q1 FY2016 offset by capital expenditures of \$7.0 million.

### **Conference Call and Webcast Details**

SiriusXM Canada will hold a conference call to discuss the Company's Q1 FY2016 results on Thursday, January 14, 2016 at 8:30 a.m. ET. All interested parties can join the call by dialing 647-427-7450, or 1-888-231-8191. Please dial in 15 minutes prior to the call to secure a line. The conference will be archived for replay until Thursday, January 21, 2016 at midnight. To access the archived conference call, please dial 416-849-0833 or 1-855-859-2056 and enter reservation code: 4790167. A live audio webcast of the conference call will be available here: <http://bit.ly/1OGvNvZ>. Please connect at least 15 minutes prior to the

conference call to ensure adequate time for any software downloads that may be required. An archived replay will be available for 90 days.

## Reconciliations

The following is a reconciliation of EBITDA and Adjusted EBITDA to Income (loss) before income taxes.

<b>Adjusted EBITDA: Reconciliation</b>	<b>Q1 2016</b>	<b>Q1 2015</b>
<b>In (\$ 000's)</b>	<b>Nov 30, 2015</b>	<b>Nov 30, 2014</b>
	(Unaudited)	(Unaudited)
Net income and comprehensive income before income tax	<b>14,016</b>	11,565
Interest expense & income, (net)	<b>3,315</b>	3,027
Foreign exchange loss	<b>316</b>	64
Depreciation and amortization	<b>5,503</b>	6,942
<b>EBITDA</b>	<b>23,150</b>	21,598
Stock-based compensation	<b>368</b>	1,306
Fair value adjustments *	—	3
<b>Adjusted EBITDA</b>	<b>23,518</b>	22,906

\* Fair value adjustment relates to a reduction in revenue due to the valuation of deferred revenue as per purchase price accounting.

For complete definition of non-GAAP measures and for more details on the Company's Q1 FY2015 results, please see the Company's Interim Management Discussion & Analysis filed January 13, 2016 which is incorporated herein by reference. The non-GAAP measures used in this press release should be used in addition to, but not as a substitute for, the analysis provided in the condensed consolidated financial statements for FY 2016.

## 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, including with respect to the payment of dividends in the future and future performance. Although SiriusXM Canada 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, including with respect to the ability of the Company to pay dividends in the future, the redemption of Sirius XM Canada's 5.625% Senior Unsecured Notes, and the terms, timing and conditions of any refinancing of such notes. SiriusXM Canada's forward-looking statements are expressly qualified in their entirety by this cautionary statement. SiriusXM Canada 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, except as required by applicable law. Additional information identifying risks and uncertainties is contained in Sirius XM Canada Holdings Inc.'s filings with the Canadian securities regulators, available at [www.sedar.com](http://www.sedar.com).

## **About SiriusXM Canada**

[Sirius XM Canada Holdings Inc.](#) (TSX: XSR) operates as SiriusXM Canada. SiriusXM Canada, with more than 2.7 million subscribers, is the country's leading audio entertainment company and broadcasts more than 130 satellite radio [channels](#) featuring premier sports, news, talk, entertainment and commercial-free music. SiriusXM Canada offers an array of content from the most recognized news, entertainment and major sports brands including the NHL, NFL, NBA, MLB, NASCAR, CNN, CBC, FOX, BBC, Howard Stern, Disney, Comedy Central and more.

SiriusXM programming is available on a variety of devices including pre-installed and after-market radios in cars, trucks and boats, smartphones and mobile devices, and consumer electronics products for homes and offices. SiriusXM programming is also available online at [www.siriusxm.ca](http://www.siriusxm.ca) and on [Apple](#) and [Android](#)-powered mobile devices.

SiriusXM Canada has partnerships with every major automaker and its radio products are available at more than 2,500 retail locations nationwide. To find out more about SiriusXM Canada, visit our website at [www.siriusxm.ca](http://www.siriusxm.ca).

SiriusXM Canada has been designated one of Canada's 50 Best Managed Companies six years in a row and 2013, 2014 and 2015 rankings in PROFIT 500's list of Canada's Fastest Growing Companies.

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**CONSOLIDATED INTERIM BALANCE SHEETS**  
**(Unaudited)**

At <i>(in thousands of Canadian dollars)</i>	November 30, 2015	August 31, 2015
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	36,391	26,128
Accounts receivable	10,662	9,436
Prepaid expenses	3,291	5,337
Inventory	35	35
<b>Total current assets</b>	<b>50,379</b>	<b>40,936</b>
Long-term prepaid expenses	263	305
Property and equipment	7,286	4,285
Intangible assets	140,922	131,410
Deferred tax assets	15,487	19,428
Goodwill	96,733	96,733
<b>Total assets</b>	<b>311,070</b>	<b>293,097</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		
<b>Current liabilities</b>		
Trade and other payables	57,733	52,545
Due to related parties	13,028	15,950
Interest payable	1,153	3,966
Deferred revenue	152,981	153,076
Dividends payable	13,504	—
Provisions	955	983
<b>Total current liabilities</b>	<b>239,354</b>	<b>226,520</b>
Deferred revenue	10,960	12,033
Other long-term liabilities	10,426	651
Due to related parties	1,208	1,208
Long-term debt	196,182	196,036
Provisions	98	95
<b>Total liabilities</b>	<b>458,228</b>	<b>436,543</b>
<b>Shareholders' deficiency</b>		
Share capital	179,822	178,479
Contributed surplus	7,191	8,817
Accumulated deficit	(334,171)	(330,742)
<b>Total shareholders' deficiency</b>	<b>(147,158)</b>	<b>(143,446)</b>
<b>Total liabilities and shareholders' deficiency</b>	<b>311,070</b>	<b>293,097</b>

**CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS'  
DEFICIENCY  
(Unaudited)**

<b>For the three months ended</b> <i>(in thousands of Canadian dollars)</i>	<b>Share Capital</b>	<b>Contributed Surplus</b>	<b>Accumulated Deficit</b>	<b>Total Shareholders' Deficiency</b>
<b>Balance, September 1, 2014</b>	<b>176,862</b>	<b>6,067</b>	<b>(270,157)</b>	<b>(87,228)</b>
Net income and comprehensive income	—	—	8,024	8,024
Stock-based compensation	—	1,306	—	1,306
Dividends	—	—	(13,448)	(13,448)
Stock options exercised	260	(149)	—	111
<b>Balance, November 30, 2014</b>	<b>177,122</b>	<b>7,224</b>	<b>(275,581)</b>	<b>(91,235)</b>
<b>Balance, September 1, 2015</b>	<b>178,479</b>	<b>8,817</b>	<b>(330,742)</b>	<b>(143,446)</b>
Net income and comprehensive income	—	—	10,075	10,075
Stock-based compensation	—	78	—	78
Dividends	—	—	(13,504)	(13,504)
RSU and PSU awards, net equity	1,286	(1,681)	—	(395)
Stock options exercised	57	(23)	—	34
<b>Balance, November 30, 2015</b>	<b>179,822</b>	<b>7,191</b>	<b>(334,171)</b>	<b>(147,158)</b>

**CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND  
COMPREHENSIVE INCOME**

**(Unaudited)**

	<b>Three months ended</b>	
<i>(in thousands of Canadian dollars, except per share)</i>	<b>November 30, 2015</b>	November 30, 2014
<b>Revenue</b>	<b>83,517</b>	78,985
<b>Operating expenses</b>		
Operating costs	<b>60,367</b>	57,387
Depreciation and amortization	<b>5,503</b>	6,942
<b>Operating income</b>	<b>17,647</b>	14,656
<b>Finance costs, net</b>		
Interest income	<b>60</b>	90
Interest expense	<b>(3,375)</b>	(3,117)
Foreign exchange loss	<b>(316)</b>	(64)
<b>Finance costs, net</b>	<b>(3,631)</b>	(3,091)
<b>Net income and comprehensive income before income tax</b>	<b>14,016</b>	11,565
Income tax expense	<b>(3,941)</b>	(3,541)
<b>Net income and comprehensive income</b>	<b>10,075</b>	8,024
<b>Earnings per share - basic and diluted</b>	<b>0.08</b>	0.06

**CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

	<b>Three months ended</b>	
<i>(in thousands of Canadian dollars)</i>	<b>November 30, 2015</b>	November 30, 2014
<b>Cash provided by (used in)</b>		
<b>OPERATING ACTIVITIES</b>		
Net income for the period	<b>10,075</b>	8,024
Add (deduct) items not involving cash:		
Amortization of intangible assets	<b>5,070</b>	6,493
Depreciation of property and equipment	<b>433</b>	449
Income tax expense	<b>3,941</b>	3,541
Stock-based compensation	<b>368</b>	1,306
Accrued interest	<b>(2,813)</b>	(2,813)
Interest accretion	<b>146</b>	140
Foreign exchange loss	<b>193</b>	74
Net change in non-cash working capital and deferred revenue related to operations	<b>(207)</b>	129
<b>Cash provided by operating activities</b>	<b>17,206</b>	17,343
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<b>(1,425)</b>	(205)
Purchase of intangible assets	<b>(5,552)</b>	(3,459)
<b>Cash used in investing activities</b>	<b>(6,977)</b>	(3,664)
<b>FINANCING ACTIVITIES</b>		
Proceeds from exercise of stock options	<b>34</b>	111
<b>Cash provided by financing activities</b>	<b>34</b>	111
<b>Net increase in cash and cash equivalents during the period</b>	<b>10,263</b>	13,790
Cash and cash equivalents, beginning of period	<b>26,128</b>	23,868
<b>Cash and cash equivalents, end of period</b>	<b>36,391</b>	37,658