

Liberty to boost stake in Sirius XM to 45 pct

May 8 2012

(AP) -- Billionaire John Malone's Liberty Media Corp. said Tuesday that it will spend \$650 million to increase its effective control of satellite radio company Sirius XM Radio Inc. to 45.2 percent.

The company made the announcement upon the release of its first-quarter earnings results.

Liberty CEO Gregory Maffei said Liberty had agreed to purchase 302 million shares of Sirius XM at \$2.15 each from an unnamed financial institution. The deal is expected to close early in the third quarter.

The purchase will boost its stake from about 40 percent, which is based on the number of common shares it would own if it converted its preferred shares. Malone's Liberty saved Sirius XM from near-bankruptcy in February 2009 by agreeing to lend it up to \$530 million in exchange for the preferred stock.

Maffei also said that Liberty is planning to re-file its petition with the [Federal Communications Commission](#) to be awarded "de facto control" of Sirius within 30 days.

The FCC dismissed Liberty's application on Friday, saying its application was "defective" partly because it did not establish that it intends to take actions that would give it full control.

Maffei told analysts on a conference call that Liberty may make its intentions clearer.

"Among the options to consider are to be more explicit with the FCC about what actions we intend to take," he said.

A Sirius XM spokesman did not immediately respond to a request for comment.

Sirius shares fell 4 cents, or 1.6 percent, to \$2.13 per share in late afternoon trading.

[Liberty Media](#) shares were up \$1.89, or 2.3 percent, at \$85.94.

©2012 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Liberty to boost stake in Sirius XM to 45 pct (2012, May 8) retrieved 20 September 2024 from <https://phys.org/news/2012-05-liberty-boost-stake-sirius-xm.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--