

BLACKSTONE FAMILY INVESTMENT PARTNERSHIP III LP
Form 4
March 11, 2003

OMB APPROVAL

OMB Number 3235-0287
Expires: January 31, 2005
Estimated average burden
hours per response....0.5

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 4

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or
Section 30(f) of the Investment Company Act of 1940

Check box if no longer subject to Section 16. Form 4 or Form 5 obligations
may continue. See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person*

Blackstone Management Associates III L.L.C.

(Last)

(First)

(Middle)

345 Park Avenue, 31st Floor

(Street)

New York,

New York

10154

(City)

(State)

(Zip)

2. Issuer Name and Ticker or Trading Symbol

Sirius Satellite Radio Inc. Symbol: SIRI

3. IRS Identification Number of Reporting Person, if an Entity (Voluntary)

4. Statement for Month/Day/Year

March 7, 2003

5. If Amendment, Date of Original (Month/Day/Year)

January 31, 2000

6. Relationship of Reporting Person to Issuer

Edgar Filing: BLACKSTONE FAMILY INVESTMENT PARTNERSHIP III LP - Form 4

(Check all applicable)

- Director 10% Owner
 Officer (give title below) Other (specify below)

7. Individual or Joint/Group Filing (Check applicable line)

- Form filed by one Reporting Person
 Form filed by more than one Reporting Person

Table I -- Non-Derivative Securities Acquired, Disposed of,
or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/ Day/ Year)	2A. Deemed Execu- tion Date, if any (Month/ Day/ Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		Price
			Code	V	Amount	(A) or (D)	
Common Stock	3/7/03		P		19,103,771	A	\$19,849,912
Common Stock	3/7/03		P		3,456,343	A	\$3,591,338
Common Stock	3/7/03		P		1,440,007	A	\$1,496,250
Common Stock	3/7/03		J (See (4))		29,429,517	A	See (4)
Common Stock	3/7/03		J (See (4))		5,324,545	A	See (4)
Common Stock	3/7/03		J (See (4))		2,218,344	A	See (4)

5. Amount of Securities Beneficially Owned Following Reported

6. Ownership Form: Direct (D) or

7. Nature of Indirect

Edgar Filing: BLACKSTONE FAMILY INVESTMENT PARTNERSHIP III LP - Form 4

Transaction(5) (Instr. 3 and 4)	Indirect (I) (Instr.4)	Beneficial Ownership (Instr. 4)
	1	See (1)
	1	See (2)
	1	See (3)
48,533,288	1	See (1)
8,780,888	1	See (2)
3,658,351	1	See (3)

=====

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the Form is filed by more than one Reporting Person, see Instruction 4(b)(v).

(Over)
SEC 1474 (3-99)

Page 1 of 5

FORM 4 (continued)

Table II -- Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

=====

1. Title of Derivative Security (Instr. 3)	2. Conver- sion or Exer- cise Price of Deriv- ative Secur- ity	3. Trans- action Date (Month/ Day/ Year)	4. Trans- action Code (Instr. 8) ----- Code V	5. Number of Derivative Securities Acquired (A) or Disposed of(D) (Instr. 3, 4 and 5) ----- (A) (D)

Edgar Filing: BLACKSTONE FAMILY INVESTMENT PARTNERSHIP III LP - Form 4

3/7/03	3/7/05	Common Stock	13,390,091	See (4)	13,390,091	1	See (1)
3/7/03	3/7/05	Common Stock	2,422,597	See (4)	2,422,597	1	See (2)
3/7/03	3/7/05	Common Stock	1,009,321	See (4)	1,009,321	1	See (3)
		Common Stock	5,972,792		0	1	See (1)
		Common Stock	1,080,629		0	1	See (2)
		Common Stock	450,220		0	1	See (3)

(1) Blackstone CCC Capital Partners L.P. ("BCP CCC") directly owns 48,533,288 shares of Common Stock and Warrants exercisable for 33,475,229 shares of Common Stock. Blackstone Management Associates III L.L.C. ("BMA III") is the sole general partner of BCP CCC. Peter G. Peterson and Stephen A. Schwarzman are the founding members and managing members of BMA III. Therefore, each of BMA III, Peter G. Peterson and Stephen A. Schwarzman may be deemed to beneficially own all of the Common Stock and Warrants owned by BCP CCC.

Page 2 of 5

FORM 4 (continued)

- (2) Blackstone CCC Offshore Capital Partners L.P. ("BCP CCC Offshore") directly owns 8,780,888 shares of Common Stock and Warrants exercisable for 6,056,493 shares of Common Stock. BMA III is the sole investment general partner of BCP CCC Offshore. Peter G. Peterson and Stephen A. Schwarzman are the founding members and managing members of BMA III. Therefore, each of BMA III, Peter G. Peterson and Stephen A. Schwarzman may be deemed to beneficially own all of the Common Stock and Warrants owned by BCP CCC Offshore.
- (3) Blackstone Family Investment Partnership III L.P. ("BFIP III") directly owns 3,658,351 shares of Common Stock and Warrants exercisable for 2,523,302 shares of Common Stock. BMA III is the sole general partner of BFIP III. Peter G. Peterson and Stephen A. Schwarzman are the founding members and managing members of BMA III. Therefore, each of BMA III, Peter G. Peterson and Stephen A. Schwarzman may be deemed to beneficially own all of the Common Stock and Warrants owned by BFIP III.
- (4) On March 7, 2003, the outstanding Preferred Stock held by BCP CCC, BCP CCC Offshore and BFIP III was exchanged for Warrants and Common Stock. See Amendment No. 2 to Schedule 13D filed by the reporting persons on March 11, 2003.

Edgar Filing: BLACKSTONE FAMILY INVESTMENT PARTNERSHIP III LP - Form 4

** Intentional misstatements or omissions
of facts constitute Federal
Criminal Violations.

Blackstone Management
Associates III L.L.C.

See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Date: March 11, 2003

Note: File three copies of this Form, one of which must be manually signed.
If space provided is insufficient, see Instruction 6 for procedure.

Page 3 of 5

FORM 4 (continued)

JOINT FILER INFORMATION

Title of Security: Common Stock

Issuer & Ticker Symbol: Sirius Satellite Radio Inc. (SIRI)

Designated Filer: Blackstone Management Associates III L.L.C.

Other Joint Filers: Blackstone CCC Capital Partners L.P., Blackstone
CCC Offshore Capital Partners L.P., Blackstone
Family Investment Partnership III L.P., Peter G.
Peterson and Stephen A. Schwarzman.

Addresses: The principal business office address of each of
the reporting persons above, except for Blackstone
CCC Offshore Capital Partners L.P., is 345 Park
Avenue, 31st Floor, New York, New York 10154. The
principal business office address of Blackstone
CCC Offshore Capital Partners L.P. is c/o
Blackstone Services (Cayman) LDC c/o Hemisphere
Management (Cayman) Ltd., Zephyr House, Mary
Street, 5th Floor, Georgetown, Grand Cayman,
Cayman Islands.

Signatures:

BLACKSTONE CCC CAPITAL PARTNERS L.P.

By: Blackstone Management Associates III L.L.C.,
its general partner

By: /s/ Chinh E. Chu

Name: Chinh E. Chu

Edgar Filing: BLACKSTONE FAMILY INVESTMENT PARTNERSHIP III LP - Form 4

Title: Senior Managing Director

Page 4 of 5

FORM 4 (continued)

BLACKSTONE CCC OFFSHORE CAPITAL PARTNERS L.P.

By: Blackstone Management Associates III L.L.C.,
its general partner

By: /s/ Chinh E. Chu

Name: Chinh E. Chu
Title: Senior Managing Director

BLACKSTONE FAMILY INVESTMENT PARTNERSHIP III L.P.

By: Blackstone Management Associates III L.L.C.,
its general partner

By: /s/ Chinh E. Chu

Name: Chinh E. Chu
Title: Senior Managing Director

/s/ Peter G. Peterson

PETER G. PETERSON

/s/ Stephen A. Schwarzman

STEPHEN A SCHWARZMAN

Page 5 of 5

idth:49.04%;">

James F. Brashear
Corporate Secretary

Appendix A

**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
TO GAAP FINANCIAL MEASURES AND OTHER ITEMS**

The Company occasionally utilizes financial measures and terms not calculated in accordance with generally accepted accounting principles in the United States (GAAP) in order to provide investors with an alternative method for assessing our operating results in a manner that enables investors to more thoroughly evaluate our current performance as compared to past performance. We also believe the non-GAAP measures provide investors with a better baseline for modeling the Company s future earnings expectations. Our management uses these non-GAAP measures for the same purpose. We believe that our investors should have access to, and that we are obligated to provide, the same set of tools that we use in analyzing our results. These non-GAAP measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. We have provided definitions below for certain non-GAAP financial measures, together with an explanation of why management uses these measures and why management believes that these non-GAAP financial measures are useful to investors. In addition, we have provided tables with the Earnings Release to reconcile the non-GAAP financial measures utilized therein to GAAP financial measures.

ADJUSTED EBITDA

We define Adjusted EBITDA as GAAP net income before income taxes, minority interest, other income (expense), net, interest income and expense and depreciation and amortization. In prior periods, we referred to Adjusted EBITDA as EBITDA. Because this measure includes minority interest and other income (expense), net, we now call this measure Adjusted EBITDA. Our management uses Adjusted EBITDA as a supplemental measure in the evaluation of our businesses and believes that Adjusted EBITDA provides a meaningful measure of our ability to meet our future debt service, capital expenditures and working capital requirements. Adjusted EBITDA is not a financial measure under GAAP. Accordingly, it should not be considered in isolation or as a substitute for net income, operating income, cash flow provided by (used in) operating activities or other income or cash flow data prepared in accordance with GAAP. When evaluating Adjusted EBITDA, investors should consider, among other factors, (i) increasing or decreasing trends in Adjusted EBITDA, (ii) whether Adjusted EBITDA has remained at positive levels historically, and (iii) how Adjusted EBITDA compares to levels of interest expense. We provide a reconciliation of Adjusted EBITDA to GAAP Net Earnings. Because Adjusted EBITDA excludes some, but not all, items that affect net income and may vary among companies, the Adjusted EBITDA presented by the Company may not be comparable to similarly titled measures of other companies. Although we believe that Adjusted EBITDA may provide additional information with respect to our ability to meet our future debt service, capital expenditures and working capital requirements, our functional or legal requirements may require us to utilize available funds for other purposes.

ADJUSTED SEGMENT EBITDA

We define Adjusted Segment EBITDA as GAAP operating income before depreciation and amortization for each of our business segments. Our management feels that reporting Adjusted Segment EBITDA will help

satisfy the requests of our investors for additional information regarding business segment performance. In addition, our management believes that utilizing Adjusted Segment EBITDA as a supplemental measure in the evaluation of our business segments provides additional insight into the performance of our individual business segments and their ability to contribute to future debt service, capital expenditures and working capital requirements of the Company. Adjusted Segment EBITDA is not a financial measure under GAAP. Accordingly, it should not be considered in isolation or as a substitute for GAAP operating income for our business segments. When evaluating Adjusted Segment EBITDA, investors should consider, among other factors, (i) increasing or decreasing trends in Adjusted Segment EBITDA, and (ii) whether Adjusted Segment EBITDA has remained at positive levels historically. We provide a reconciliation of Adjusted Segment EBITDA to GAAP operating income for each business segment, as our segments do not have GAAP net income. Because Adjusted Segment EBITDA excludes some, but not all, items that affect operating income and may vary among companies, the Adjusted Segment EBITDA presented by the Company may not be comparable to similarly titled measures of other companies.

NET EARNINGS, EXCLUDING ADJUSTING ITEMS (ADJUSTED NET EARNINGS)

This measure consists of GAAP Net Earnings for the quarter, adjusted for the items detailed in the related reconciliation. Adjusting items can include stock compensation and amortization of intangible assets from merger and acquisition activity, net of applicable taxes and minority interests. We use this measure to analyze the results of the Company and to make operational and investment decisions, as we believe it provides consistency and comparability in our financial reporting. We provide it in order to enable investors to more thoroughly evaluate our current performance as compared to past performance, because items such as stock compensation and intangible amortization from merger and acquisition activity will change periodically (e.g. completion of an intangible asset's useful life, completion of a stock option's vesting cycle or forfeiture of a stock option), and therefore can be episodic in nature and can obscure our core operating results and skew projections. Consequently, we believe Adjusted Net Earnings more accurately represents our core operating results and provides a better baseline for modeling future earnings expectations. Adjusted Net Earnings does not provide a complete position of our results of operations, as the historical items excluded in the related reconciliation are included in net earnings presented under GAAP. Therefore a review of net earnings on both a non-GAAP basis and GAAP basis should be performed to get a comprehensive view of our results. We provide a reconciliation of Adjusted Net Earnings to GAAP Net Earnings.

DILUTED EARNINGS PER SHARE (EPS), EXCLUDING ADJUSTING ITEMS

This non-GAAP financial measure is defined as the portion of the Company's GAAP Net Earnings assigned to each share of stock, excluding the adjusting items described by us in the related reconciliation. We use this measure to analyze the results of the Company and to make operational and investment decisions, as we believe it provides consistency and comparability in our financial reporting. We provide it in order to enable investors to more thoroughly evaluate our current performance as compared to past performance, because items such as stock compensation and intangible amortization from merger and acquisition activity will change periodically (e.g. completion of an intangible asset's useful life, completion of a stock option's vesting cycle or forfeiture of a stock option), and therefore can be episodic in nature and can obscure our core operating results and skew projections. Consequently, we believe diluted EPS, excluding adjusting items, more accurately represents our core operating results and provides a better baseline for modeling future earnings expectations. Diluted EPS, excluding adjusting items, does not provide a complete position

of our results of operations, as the historical items excluded in the related reconciliation are included in diluted EPS presented under GAAP. Therefore a review of diluted EPS on both a non-GAAP basis and GAAP basis should be performed to get a comprehensive view of our results. We provide a reconciliation of diluted EPS, excluding adjusting items, to GAAP diluted EPS.

FREE CASH FLOW

We calculate free cash flow as the difference between cash provided by (used in) operations and additions to property and equipment. Our management believes that free cash flow is a useful indicator in evaluating the overall financial performance of the Company and its ability to repay debt, make future investments, pay dividends and buy back common stock. Free cash flow is not a financial measure under GAAP. Free cash flow may not be comparable to other similarly titled measures of other companies, and should not be considered in isolation or as a substitute for net income, operating cash flow or any other financial measure prepared in accordance with GAAP. When evaluating free cash flow, investors should consider, among other factors, increasing or decreasing trends in free cash flow and whether free cash flow has remained at positive levels historically. We provide a reconciliation of Free Cash Flow to GAAP Net Cash provided by (used in) operations. Although we believe that free cash flow may provide additional information with respect to our ability to repay debt, make future investments, pay dividends and buy back common stock, our functional or legal requirements may require us to utilize available funds for other purposes.

ADJUSTED OPERATING INCOME

This measure consists of GAAP Operating Income for the quarter, adjusted for the items detailed in the related reconciliation. Our management uses this measure to analyze the results of the Company (or, as applicable, the results of one of the Company's business units) and to make operational and investment decisions, as we believe it provides consistency and comparability in our financial reporting. We provide it in order to enable investors to more thoroughly evaluate our current performance as compared to past performance because items such as stock compensation and intangible amortization from merger and acquisition activity will change periodically (e.g. completion of an intangible asset's useful life, completion of a stock option's vesting cycle or forfeiture of a stock option), and therefore can be episodic in nature and can obscure our core operating results and skew projections. Consequently, we believe adjusted operating income accurately represents our core operating results and provides a better baseline for modeling future operating earnings expectations. Adjusted operating income does not provide a complete position of our results of operations, as the historical items listed in the related reconciliation are included in operating income presented under GAAP. Therefore a review of operating income on both a non-GAAP basis and GAAP basis should be performed to get a complete view of our results on both a historical basis and on a basis of what we believe to be a better representation of our business in the future. We provide a reconciliation of Adjusted Operating Income to GAAP Operating Income.

ADJUSTED OPERATING MARGIN

This measure consists of GAAP Operating Income for the quarter, adjusted for the items detailed in the related reconciliation, divided by revenue. Our management uses this measure to analyze the results of the Company (or as applicable, the results of one of the Company's business segments) and to make operational and investment decisions, as we believe it provides consistency and comparability in our financial reporting. We provide it in order to enable investors to more thoroughly evaluate our current performance

as compared to past performance because items such as stock compensation and intangible amortization from merger and acquisition activity will change periodically (e.g. completion of an intangible asset's useful life, completion of a stock option's vesting cycle or forfeiture of a stock option), and therefore can be episodic in nature and can obscure our core operating results and skew projections. Consequently, we believe adjusted operating margin accurately represents our core operating results and provides a better baseline for modeling future operating margin expectations. Adjusted operating margin does not provide a complete position of our results of operations, as the historical items listed in the attached reconciliation are included in operating margin presented under GAAP. Therefore a review of operating margin on both a non-GAAP basis and GAAP basis should be performed to get a complete view of our results. We provide a reconciliation of Adjusted Operating Margin to GAAP Operating Margin.

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
99.1	News release reporting Financial Results for the Quarter ended September 30, 2005, issued by Sabre Holdings Corporation on November 3, 2005