



Tuesday, February 2nd, 2010

Sirius XM Radio: Risky or Rewarding?



Audit Integrity caused quite a stir among Research Recap readers a week ago with its ranking of **Sirius XM Radio** (SIRI) as the most risky media and entertainment company, based on its corporate governance practices. Now the company has received a number of upgrades by analysts in the last few days. So who's right?

Audit Integrity's forensic analysis of accounting and corporate governance practices distinguishes between the companies of greatest and least risk using its Accounting and Governance Risk (AGR®) ratings. Companies in the bottom-ranked Very Aggressive AGR category "have had consistently opaque financial reporting, weak corporate governance, and as a group are expected to have inferior performance relative to their peers over the next three months on a total return basis."

Even though Audit Integrity assigned Sirius XM a "Very Aggressive" rating, the company's 12-month total return was over 400%, which Audit Integrity explained as "simply a function of the market responding to the pendulum having swung too far in the downward direction in 2008."

The company's share price has rallied sharply in the last few days to over \$0.90 after **Lazard Capital and Wunderlich Securities** analyst **Matthew Harrigan** both picked up coverage of the stock with a Buy rating and \$1 target.

To read the complete article click on <http://www.researchrecap.com/index.php/2010/02/02/sirius-xm-radio-risky-or-rewarding/>