

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For The Quarterly Period Ended March 31, 2001

Commission file number 0-24710

SIRIUS SATELLITE RADIO INC.

(Exact name of registrant as specified in its charter)

Delaware

52-1700207

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

1221 Avenue of the Americas, 36th Floor
New York, New York 10020

(Address of principal executive offices)

(Zip code)

212-584-5100

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$.001 par value 53,843,369 shares

(Class)

(Outstanding as of May 10, 2001)

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
(A Development Stage Enterprise)
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Part I - Financial Information

<TABLE>

<S>
Consolidated Statements of Operations (unaudited) for the three month periods ended March 31, 2001 and 2000 and for the period May 17, 1990 (date of inception) to March 31, 2001

<C>
1

Consolidated Balance Sheets as of March 31, 2001 (unaudited) and December 31, 2000

2

Consolidated Statements of Cash Flows (unaudited) for the three month periods ended March 31, 2001 and 2000 and for the period May 17, 1990 (date of inception) to March 31, 2001	3
Notes to Consolidated Financial Statements (unaudited)	4
Management's Discussion and Analysis of Financial Condition and Results of Operations	9
Part II - Other Information	16
Signatures	17

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
(A Development Stage Enterprise)
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

<TABLE>
<CAPTION>

	For the Three Months Ended March 31,		Cumulative for the period May 17, 1990 (date of inception) to March 31, 2001
	2001	2000	
<S>	<C>	<C>	<C>
Revenue	\$ -	\$ -	\$ -
Operating expenses:			
Engineering design & development	(17,686)	(16,898)	(128,236)
General and administrative	(21,630)	(9,878)	(137,192)
Special charges	-	-	(27,682)
Total operating expenses	(39,316)	(26,776)	(293,110)
Other income (expense):			
Interest and investment income	3,607	7,831	57,246
Interest expense, net	(18,380)	(5,866)	(85,165)
	(14,773)	1,965	(27,919)
Income (loss) before income taxes	(54,089)	(24,811)	(321,029)
Income taxes:			
Federal	-	-	(1,982)
State	-	-	(313)
Net loss	(54,089)	(24,811)	(323,324)
Preferred stock dividends	(10,165)	(10,838)	(102,015)
Preferred stock deemed dividends	(169)	(7,218)	(75,615)
Accretion of dividends in connection with the issuance of warrants on preferred stock	-	(894)	(7,704)
Net loss applicable to common stockholders	\$ (64,423)	\$ (43,761)	\$ (508,658)
Net loss per share applicable to common stockholders (basic and diluted)	\$ (1.34)	\$ (1.35)	
Weighted average common shares outstanding (basic and diluted)	47,942	32,412	

The accompanying notes are an integral part of these consolidated financial statements.

</TABLE>

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
(A Development Stage Enterprise)
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)

December 31, 2000	March 31, 2001	
-----	-----	-----
<S>	(Unaudited)	<C>
	<C>	<C>
	\$	\$
ASSETS		
Current assets:		
Cash and cash equivalents	197,131	\$
14,397		
Marketable securities, at market	263,275	
129,153		
Restricted investments, at amortized cost	42,066	
41,510		
Prepaid expense and other	13,513	
13,288		
-----	-----	-----
Total current assets	515,985	
198,348		
-----	-----	-----
Property and equipment	1,034,008	
1,016,570		
Less: accumulated depreciation	(5,173)	
(3,105)		
-----	-----	-----
Total other assets	1,028,835	
1,013,465		
Other assets:		
FCC license	83,368	
83,368		
Debt issue cost, net	21,216	
20,124		
Deposits and other	5,558	
8,277		
-----	-----	-----
Total other assets	110,142	
111,769		
-----	-----	-----
Total assets	\$1,654,962	
\$1,323,582		
=====	=====	
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	44,720	\$
45,057		
Satellite construction payable	-	
9,310		
-----	-----	-----
Total current liabilities	44,720	
54,367		

Long-term notes payable and accrued interest	621,189	
472,602		
Deferred satellite payments and accrued interest	62,382	
60,881		
Deferred income taxes	2,237	
2,237		
-----	-----	-----
Total liabilities	730,528	
590,087		
-----	-----	-----
Commitments and contingencies:		
10-1/2% Series C Convertible Preferred Stock, no par value: 2,025,000 shares authorized, no shares issued or outstanding at March 31, 2001 and December 31, 2000		
	-	-
9.2% Series A Junior Cumulative Convertible Preferred Stock, \$.001 par value: 4,300,000 shares authorized, 1,595,707 shares issued and outstanding at March 31, 2001 and December 31, 2000 (liquidation preference of \$159,571), at net carrying value including accrued dividends		
	165,972	162,380
9.2% Series B Junior Cumulative Convertible Preferred Stock, \$.001 par value: 2,100,000 shares authorized, 715,703 shares issued and outstanding at March 31, 2001 and December 31, 2000 (liquidation preference of \$71,570), at net carrying value including accrued dividends		
	72,173	70,507
9.2% Series D Junior Cumulative Convertible Preferred Stock, \$.001 par value: 10,700,000 shares authorized, 2,145,688 shares issued and outstanding at March 31, 2001 and December 31, 2000 (liquidation preference of \$214,569), at net carrying value including accrued dividends		
	215,201	210,125
Stockholders' equity:		
Preferred stock, \$.001 par value: 50,000,000 shares authorized, 8,000,000 shares designated as 5% Delayed Convertible Preferred Stock, none issued or outstanding		
	-	-
Common stock, \$.001 par value: 200,000,000 shares authorized, 53,728,723 and 42,107,957 shares issued and outstanding at March 31, 2001 and December 31, 2000, respectively		
	54	42
Additional paid-in capital		
	794,358	559,676
Deficit accumulated during the development stage		
	(323,324)	(269,235)
	-----	-----
Total stockholders' equity	471,088	290,483
	-----	-----
Total liabilities and stockholders' equity	\$ 1,654,962	\$1,323,582
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

</TABLE>

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
(A Development Stage Enterprise)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

<TABLE>
<CAPTION>

Cumulative for

the period

May 17, 1990

(date of inception)

March 31, 2001

For the Three Months Ended

March 31,

2001

2000

to

	<C>	<C>

<S>		
<C>		
Cash flows from development stage activities:		
Net loss	\$ (54,089)	\$ (24,811)
\$ (323,324)		
Adjustments to reconcile net loss to net cash provided by (used in) development stage activities:		
Depreciation expense	2,068	471
5,584		
Decrease (increase) in gain on marketable securities	1,354	(448)
(922)		
Loss on disposal of assets	-	249
364		
Special charges	-	-
25,557		
Accretion of note payable charged as interest expense	21,234	19,517
182,038		
Compensation expense in connection with issuance of common stock and stock options	942	1,730
12,660		
Expense incurred in connection with conversion of debt	-	-
14,431		
Increase (decrease) in cash and cash equivalents resulting from changes in assets and liabilities:		
Prepaid expense and other	(225)	13
(13,513)		
Due to related party	-	-
351		
Other assets	5,271	160
280		
Accounts payable and accrued expenses	(7,656)	(3,942)
(21,110)		
Deferred taxes	-	-
2,237		
	-----	-----
Net cash used in development stage activities	(31,101)	(7,061)
(115,367)		
	-----	-----

Cash flows from investing activities:		
Sales (purchases) of marketable securities and restricted investments, net	(135,476)	(100,850)
(304,465)		
Purchase of FCC license	-	-
(83,368)		
Purchases of property and equipment	(25,247)	(90,886)
(999,249)		
Acquisition of Sky-Highway Radio Corp.	-	-
(2,000)		
	-----	-----
Net cash used in investing activities	(160,723)	(191,736)
(1,389,082)		
	-----	-----

Cash flows from financing activities:		
Proceeds from issuance of notes payable	145,000	1,882
398,145		
Proceeds from issuance of common stock, net	229,407	100,010
591,488		
Proceeds from issuance of preferred stock, net	-	192,450
505,418		
Proceeds from exercise of stock options and warrants	151	3,919
15,181		
Proceeds from issuance of promissory notes and units, net	-	-
306,535		
Proceeds from issuance of promissory notes to related parties	-	-
2,965		
Repayment of promissory notes	-	-
(2,635)		
Repayment of notes payable	-	(115,957)
(115,957)		
Loan from officer	-	-
440		
	-----	-----
Net cash provided by financing activities	374,558	182,304
1,701,580		
	-----	-----

Net increase (decrease) in cash and cash equivalents	182,734	(16,493)

197,131		
Cash and cash equivalents at the beginning of period	14,397	81,809
-		
-----	-----	-----
Cash and cash equivalents at the end of period	\$ 197,131	\$ 65,316
\$ 197,131		
=====	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

</TABLE>

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
(A Development Stage Enterprise)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts in thousands, unless otherwise stated)
(Unaudited)

1. Business Activities

Principal Business

Sirius Satellite Radio Inc., a Delaware corporation, is developing a service for broadcasting digital quality programming via satellites to vehicles, homes and portable radios throughout the continental United States. We intend to focus exclusively on providing a consumer service; consumer electronics manufacturers will manufacture the radios required to receive our broadcasts. In April 1997, we were the winning bidder in an auction by the Federal Communications Commission for one of two national satellite broadcast licenses with a winning bid of approximately \$83,300. We paid the bid amount during 1997 and were awarded an FCC license on October 10, 1997. Our principal activities to date have included obtaining regulatory approval for our service, constructing and launching our three satellite constellation, constructing our national broadcast studio, acquiring content for our programming, constructing our terrestrial repeater network, arranging for the development of radios, strategic planning and market research, recruiting our management team and securing financing for capital expenditures and working capital.

Recent Developments

On February 23, 2001, we sold 11,500,000 shares of our common stock in an underwritten public offering for net proceeds of approximately \$229,300.

On March 7, 2001, we borrowed \$150,000 under a term loan agreement with Lehman Commercial Paper Inc. and Lehman Brothers Inc.

2. Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles and with the instructions to Form 10-Q and Article 10 of Regulation S-X for interim financial reporting. Accordingly, these financial statements do not include all of the information and footnotes required by generally accepted accounting principles. In the opinion of management, all adjustments (consisting only of normal, recurring adjustments) considered necessary for fair presentation have been included. All intercompany transactions have been eliminated in consolidation. These financial statements should be read in connection with our consolidated financial statements and the notes thereto in our Annual Report on Form 10-K for the year ended December 31, 2000.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reported period. The estimates involve judgments with respect to, among other things, various future factors which are difficult to predict and are beyond our control. Actual amounts could differ from these estimates.

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
 (A Development Stage Enterprise)
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (Dollar amounts in thousands, unless otherwise stated)
 (Unaudited)

Marketable Securities and Restricted Investments

Marketable securities are classified as trading securities and are stated at market value. Marketable securities consist of obligations of U.S. government agencies and commercial paper issued by major U.S. corporations with high credit ratings. Unrealized holding gains of \$922 and \$2,275 were reflected in earnings at March 31, 2001 and December 31, 2000, respectively.

Restricted investments consist of fixed income securities and are stated at amortized cost plus accrued interest income. Restricted investments are classified as held-to-maturity securities and unrealized holding gains and losses are not reflected in earnings. As of March 31, 2001 and December 31, 2000, we had an unrealized holding gain of \$323 and an unrealized holding loss of \$16, respectively, related to these securities. We are required to hold the securities included in restricted investments to pay interest on our 14-1/2% Senior Secured Notes due 2009 through May 15, 2002.

Property and Equipment

All costs incurred related to activities necessary to prepare our broadcast system for use are capitalized. To date, such costs consist of satellite construction and launch, broadcast studio equipment, terrestrial repeater network in process and capitalized interest.

Net Loss Per Share

Basic net loss per share is based on the weighted average number of outstanding shares of our common stock. Diluted net loss per share adjusts the weighted average for the potential dilution that could occur if common stock equivalents (convertible preferred stock, convertible debt, warrants and stock options) were exercised or converted into common stock. As of March 31, 2001 and 2000, approximately 17,770,000 and 28,892,000 common stock equivalents were outstanding, respectively, and were excluded from the calculation of diluted net loss per share, as they were antidilutive.

Recent Accounting Pronouncements

Statement of Financial Accounting Standards No. 133, "Accounting for Derivative and Hedging Activities" ("SFAS No. 133"), as amended by Statement of Financial Accounting Standards No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133", and Statement of Financial Accounting Standards No. 138, "Accounting for Certain Derivative and Certain Hedging Activities", became effective on January 1, 2001. SFAS No. 133 requires companies to recognize all derivatives as either assets or liabilities measured at fair value. The accounting for the change in the fair value of a derivative depends on the use of the derivative and whether or not it qualifies for hedge accounting. The adoption of SFAS No. 133 did not have a material impact on our financial statements.

Reclassifications

Certain amounts in the prior years' financial statements have been reclassified to conform to the current presentation.

3. Deferred Satellite Payments

Under an amended and restated contract (the "Loral Satellite Contract") with Space Systems/Loral, Inc. ("Loral"), Loral has agreed to defer certain amounts due under the Loral Satellite Contract. The amounts deferred, which approximate fair value, bear interest at 10% per year and were originally due in quarterly installments beginning in June 2002. However, the agreement governing these deferred amounts provides that this date, and subsequent payment dates, will be extended by the number of days that the achievement of certain milestones under the Loral Satellite Contract is delayed beyond the dates set forth in the Loral Satellite Contract. Our fourth, spare, satellite is expected to be delivered to ground storage in October 2001 and was originally expected to be delivered to ground storage in October 2000. As a result of Loral's delay in delivering this satellite, we do not expect to make any required payments with respect to these deferred amounts until June 2003, at the earliest. We do, however, have the right to prepay any deferred payments together with accrued interest, without penalty. As collateral security for these deferred payments, we have granted Loral a security interest in our terrestrial repeater network.

4. Long-term Notes Payable

Long-term Notes Payable consists of the following:

<TABLE>
<CAPTION>

	March 31, 2001	December 31, 2000
	-----	-----
<S>	<C>	<C>
15% Senior Secured Discount Notes due 2007	\$227,558	\$218,405
14-1/2% Senior Secured Notes due 2009	174,103	173,361
8-3/4% Convertible Subordinated Notes due 2009	80,836	80,836
Term Loan Facility	138,692	-
	-----	-----
Long-term Notes Payable	\$621,189	\$472,602
	=====	=====

</TABLE>

5. Term Loan Facility

On June 1, 2000, we entered into a term loan agreement with Lehman Commercial Paper Inc. ("LCPI") and Lehman Brothers Inc. On March 7, 2001, after satisfaction of the conditions to borrowing, including a demonstration of our broadcast system, we borrowed \$150,000 of term loans from LCPI under this agreement. These term loans bear interest at an annual rate equal to the eurodollar rate plus 4% or a base rate, typically the prime rate, plus 5%. As of March 31, 2001, the interest rate on these term loans was 9.97%. These term loans are secured by a pledge of the stock of Satellite CD Radio, Inc., our

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
(A Development Stage Enterprise)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts in thousands, unless otherwise stated)
(Unaudited)

subsidiary that holds our FCC license, and our rights under the Loral Satellite Contract relating to our fourth, spare, satellite. The proceeds of these term loans will be used for working capital, capital expenditures and general corporate purposes.

In connection with this term loan facility, we placed into escrow, for the benefit of LCPI, 2,100,000 warrants, each to purchase one share of our common stock at an exercise price of \$29.00 per share. The value of these warrants at the time of issuance was approximately \$11,879 and will be accreted to interest expense over the life of the term loans. On April 4, 2001, these warrants were released from escrow.

6. Commitments and Contingencies

Satellite Contract

We entered into the Loral Satellite Contract to build and launch the satellites necessary for our service. We are committed to make aggregate payments of approximately \$745,890 under the Loral Satellite Contract. As of March 31, 2001, \$683,390 of this obligation had been satisfied. Under the Loral Satellite Contract, with the exception of a payment made to Loral in March 1993, payments are due in installments that commenced in April 1997 and will end in October 2004. Our future payments due to Loral, including deferred satellite payments, are as follows: \$12,500 in 2001, \$0 in 2002, \$25,000 in 2003 and \$25,000 in 2004. The amount and timing of these future payments depends upon the completion of construction of our fourth, spare, satellite.

Radio Commitments

Matsushita Communication Industrial Corporation of USA ("Panasonic") has constructed a dedicated facility in Peachtree City, Georgia, to manufacture radios capable of receiving our broadcasts. As part of our arrangement with Panasonic, during the first year of production of satellite radios at this facility, we are obligated to purchase certain radios not purchased by other customers. Based on discussions with potential purchasers of these radios, including consumer electronics retailers and suppliers to the automotive industry, we do not expect to incur any costs under this agreement; however, if Panasonic were unable to sell any of the applicable radios, our costs under this agreement could approximate \$70,000.

7. Engineering Design and Development

We have entered into an agreement with Agere Systems, Inc. (the successor to the microelectronics group of Lucent Technologies, Inc. ("Agere")) pursuant to which Agere has agreed to use commercially reasonable efforts to deliver integrated circuits ("chip sets") which will be used in radios capable of receiving our broadcasts. In addition, we have entered into agreements with Alpine Electronics Inc., Audiovox Corporation, Clarion Co., Ltd., Delphi Delco Electronics Systems, Fujitsu Ten Limited, Harman International Industries, Incorporated, Kenwood Corporation, Mitsubishi Electric Automotive America, Inc., Panasonic, Pioneer Corporation, Recoton Corporation, Sanyo Electronic Co. Ltd., Sony Electronics Inc., Visteon Automotive Systems and other

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
(A Development Stage Enterprise)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts in thousands, unless otherwise stated)
(Unaudited)

manufacturers to design, develop and produce radios capable of receiving our service and have agreed to pay certain costs associated with these radios. We record expenses under these agreements as the work is performed. Total expenses related to these agreements were \$13,009 and \$13,903 for the three month periods ended March 31, 2001 and 2000, respectively, and \$87,690 for the period May 17, 1990 (date of inception) to March 31, 2001.

8. Stock Option Plans

On April 9, 2001, the Compensation Committee of our Board of Directors amended approximately 3,832,000 stock options with an exercise price greater than \$7.50 to cause such stock options to have an exercise price equal to \$7.50. David Margolese, our Chairman and Chief Executive, elected not to include any options held by him in the repricing. The Compensation Committee, together with its independent compensation consultant, Ernst & Young LLP, evaluated various methods to motivate and retain our employees during this critical period. The Compensation Committee concluded that repricing best served the near and long-term interests of our stockholders. Other than the change in the exercise price, no other changes to the terms of the original options were made. In accordance with Financial Accounting Standards Board Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation", an interpretation of Accounting Principles Board Opinion No. 25, these modified stock options will be accounted for as variable.

On May 11, 2001, the Compensation Committee of our Board of Directors granted Mr. Margolese an option to purchase 1,500,000 shares of our common stock at a price of \$12.67 per share, the closing price of our common stock on that

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
(A Development Stage Enterprise)
Management's Discussion and Analysis of
Financial Condition and Results of Operations
(Dollar amounts in thousands, unless otherwise stated)

Special Note Regarding Forward-Looking Statements

The following cautionary statements identify important factors that could cause our actual results to differ materially from those projected in forward-looking statements made in this Quarterly Report on Form 10-Q and in other reports and documents published by us from time to time. Any statements about our beliefs, plans, objectives, expectations, assumptions, future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "intends," "plans," "projection" and "outlook." Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout our Annual Report on Form 10-K for the year ended December 31, 2000 (the "Form 10-K") and in other reports and documents published by us from time to time, particularly the risk factors described under "Business--Risk Factors" in Part I of the Form 10-K. Among the significant factors that could cause our actual results to differ materially from those expressed in the forward-looking statements are:

- o the unavailability of radios capable of receiving our service and our dependence upon third parties to manufacture and distribute them;
- o the potential risk of delay in implementing our business plan;
- o the unproven market for our service; and
- o our need for additional financing.

Because the risk factors referred to above could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us or on our behalf, you should not place undue reliance on any such forward-looking statements. In addition, any forward-looking statements speak only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events or otherwise. New factors emerge from time to time, and it is not possible for us to predict which will arise or to assess with any precision the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements.

Overview

Sirius Satellite Radio Inc. was organized in May 1990 and is in its development stage. Our principal activities to date have included:

- o obtaining regulatory approval for our service;

- o constructing and launching our three satellite constellation;
- o constructing our national broadcast studio;

- o acquiring content for our programming;
- o constructing our terrestrial repeater network;
- o arranging for the development of radios capable of receiving our service;
- o strategic planning and market research;
- o recruiting our management team; and
- o securing financing for capital expenditures and working capital.

We will require additional funds for working capital, interest on borrowings, financing costs and operating expenses until some time after we commence commercial operations. We cannot assure you that we will ever commence commercial operations, attain any particular level of revenues or achieve profitability.

We will broadcast 50 channels of commercial-free music and up to 50 channels of news, sports and entertainment to consumers throughout the continental United States and expect our primary source of revenues to be subscription fees. We anticipate that our subscription fee will be \$12.95 per month, with a one-time activation fee per subscriber. We also expect our subscription to be included in the sale or lease of certain new vehicles. In addition, we expect to derive revenues from directly selling or bartering limited advertising on our non-music channels.

The operating expenses associated with our service will consist primarily of marketing and sales costs, costs to acquire programming, expenses of maintaining our broadcasting system and general and administrative costs. Costs to acquire programming include payments to build and maintain an extensive music library and royalty payments for broadcasting music. As of May 10, 2001, we had 186 employees. On December 31, 2001, we expect to have approximately 250 employees.

We received title to our satellites on July 31, 2000, September 29, 2000 and December 20, 2000, following the completion of in-orbit testing of each satellite. We expect our fourth, spare, satellite to be delivered to ground storage in October 2001.

Results of Operations

Three Months Ended March 31, 2001 Compared with Three Months Ended March 31, 2000

We had net losses of \$54,089 and \$24,811 for the three months ended March 31, 2001 and 2000, respectively. Our total operating expenses were \$39,316 and \$26,776 for the three months ended March 31, 2001 and 2000, respectively.

Engineering design and development costs were \$17,686 and \$16,898 for the three months ended March 31, 2001 and 2000, respectively. These engineering costs represented primarily payments to Agere Systems, Inc. (39% in the 2001 period and 63% in the 2000 period) and other radio development and manufacturing partners (34% in the 2001 period and 19% in the 2000 period). The increase in costs in the 2001 period resulted primarily from the increased activity in our radio development effort as we prepare to launch our service.

General and administrative expenses increased for the three months ended March 31, 2001 to \$21,630 from \$9,878 for the three months ended March 31, 2000. General and administrative expenses increased principally due to the growth of our workforce, expenses in connection with stock and stock options granted to employees and consultants and in-orbit insurance for our three satellites. The major components of general and administrative expenses in the 2001 period were salaries and employment related costs (25%), marketing costs (16%) and rent and occupancy costs (15%), while in the 2000 period the major components were salaries and employment related costs (46%), marketing costs (13%) and rent and occupancy costs (15%). The remaining portion of general and administrative expenses (44% in the 2001 period and 26% in the 2000 period) consisted of other costs such as legal and regulatory, insurance, consulting, travel, depreciation and supplies, with no such amount exceeding 10% of the

total in either 2001 or 2000.

The decrease in interest and investment income to \$3,607 for the three months ended March 31, 2001, from \$7,831 for the three months ended March 31, 2000, was the result of a lower average balance of cash, cash equivalents and marketable securities and a lower return on our investments in U.S. government securities and commercial paper issued by major U.S. corporations with high credit ratings during the 2001 period.

Interest expense was \$18,380 for the three months ended March 31, 2001 and \$5,866 for the three months ended March 31, 2000, net of capitalized interest of \$4,362 and \$17,518, respectively. Gross interest expense for the 2001 period decreased by \$642 and capitalized interest decreased by \$13,156, compared to the 2000 period. The decrease in the capitalization of interest during the 2001 period was primarily due to the lower level of construction in process associated with our satellites and launch vehicles.

Liquidity and Capital Resources

At March 31, 2001, we had cash, cash equivalents, marketable securities and restricted investments totaling \$502,472 and working capital of \$471,265 compared with cash, cash equivalents, marketable securities and restricted investments totaling \$185,060 and working capital of \$143,981 at December 31, 2000.

Funding Requirements. We entered into a satellite contract (the "Loral Satellite Contract") with Space Systems/Loral, Inc. ("Loral") to build and launch the satellites necessary to transmit our service. The Loral Satellite Contract requires Loral to:

- o construct, launch and deliver three satellites in-orbit and checked-out;
- o construct a fourth satellite for use as a spare; and
- o deliver \$15,000 of long-lead time parts for a possible fifth satellite.

We are committed to make aggregate payments of approximately \$745,890 under the Loral Satellite Contract. As of March 31, 2001, \$683,390 of this obligation had been satisfied. Under the Loral Satellite Contract, with the exception of a payment made to Loral in March

1993, payments are made in installments that commenced in April 1997 and will end in October 2004. Our future payments due to Loral are as follows: \$12,500 in 2001, \$0 in 2002, \$25,000 in 2003 and \$25,000 in 2004. The amount and timing of our future payments to Loral depends upon the completion of construction of our fourth satellite.

The amount and timing of our other cash requirements will depend upon numerous factors, including completion of our terrestrial repeater network, costs associated with the design and development of chip sets and radios, the rate of growth of our business after we commence service, costs of financing and the possibility of unanticipated costs.

Sources of Funding. To date, we have funded our capital needs through the issuance of debt and equity securities.

As of March 31, 2001, we had received a total of approximately \$1,103,300 in equity capital as a result of the following transactions:

- o the sale of shares of our common stock (net proceeds of approximately \$22,000) prior to the issuance of our FCC license in October 1997;
- o the sale of 5,400,000 shares of our 5% Delayed Convertible Preferred Stock (net proceeds of approximately \$121,000) in April 1997 (in November 1997, we exchanged 1,846,799 shares of our 10-1/2% Series C Convertible Preferred Stock for all the outstanding shares of our 5% Delayed Convertible Preferred Stock) (all shares of our 10-1/2% Series C Convertible Preferred Stock have since been converted into shares of our common stock);

- o the sale of 4,955,488 shares of our common stock (net proceeds of approximately \$71,000) in 1997;
- o the sale of 5,000,000 shares of our common stock to Prime 66 Partners, L.P. (net proceeds of approximately \$98,000) in November 1998;
- o the sale of 1,350,000 shares of our 9.2% Series A Junior Cumulative Convertible Preferred Stock to the Apollo Investment Fund IV, L.P. and Apollo Overseas Partners IV, L.P. (collectively, the "Apollo Investors") (net proceeds of approximately \$129,000) in December 1998;
- o the sale of 650,000 shares of our 9.2% Series B Junior Cumulative Convertible Preferred Stock to the Apollo Investors (net proceeds of approximately \$63,000) in November 1999;
- o the sale of 3,450,000 shares of our common stock in an underwritten public offering (net proceeds of approximately \$78,000) in September and October 1999;
- o the sale of 2,000,000 shares of our 9.2% Series D Junior Cumulative Convertible Preferred Stock to affiliates of The Blackstone Group L.P. (net proceeds of approximately \$192,000) in January 2000;
- o the sale of 2,290,322 shares of our common stock to DaimlerChrysler Corporation (net proceeds of approximately \$100,000) in February 2000; and
- o the sale of 11,500,000 shares of our common stock in an underwritten public offering (net proceeds of approximately \$229,300) in February 2001.

12

As of March 31, 2001, we had received a total of approximately \$443,000 in net proceeds from the following public debt offerings:

- o 12,910 units, each consisting of \$20 aggregate principal amount at maturity of our 15% Senior Secured Discount Notes due 2007 and a warrant to purchase additional 15% Senior Secured Discount Notes due 2007 with an aggregate principal amount at maturity of \$3 in an underwritten public offering (net proceeds of approximately \$116,000) in November 1997. All of these warrants were exercised in 1997. The aggregate value at maturity of our 15% Senior Secured Discount Notes due 2007 is approximately \$297,000. Our 15% Senior Secured Discount Notes due 2007 mature on December 1, 2007 and the first cash interest payment is due in June 2003.
- o 200,000 units, each consisting of \$1 aggregate principal amount of our 14-1/2% Senior Secured Notes due 2009 and three warrants, each to purchase 4.189 shares of our common stock (as of March 31, 2001) in an underwritten public offering (net proceeds of approximately \$190,000) in May 1999. The warrants are exercisable through May 15, 2009 at an exercise price of \$24.92 per share (as of March 31, 2001). We invested approximately \$79,300 of the net proceeds from this offering in a portfolio of U.S. government securities, which we pledged as security for payment in full of interest due on the 14-1/2% Senior Secured Notes due 2009 through May 15, 2002.
- o \$125,000 aggregate principal amount of our 8-3/4% Convertible Subordinated Notes due 2009 in an underwritten public offering (net proceeds of approximately \$119,000) in September 1999. In October 1999, we issued an additional \$18,750 aggregate principal amount of our 8-3/4% Convertible Subordinated Notes due 2009 to the underwriters of that offering in connection with their over-allotment option (net proceeds of approximately \$18,000).

The indentures governing our 14-1/2% Senior Secured Notes due 2009 and our 15% Senior Secured Discount Notes due 2007 contain limitations on our ability to incur additional indebtedness. These notes are secured by a pledge of the stock of Satellite CD Radio, Inc., our subsidiary that holds our FCC license. As of March 31, 2001, we had acquired \$62,914 principal amount of our 8-3/4% Convertible Subordinated Notes due 2009 in exchange for shares of our common stock.

Loral has deferred a total of \$50,000 of payments under the Loral Satellite Contract originally scheduled for payment in 1999. These deferred amounts bear interest at 10% per year and were originally scheduled to be paid in quarterly installments beginning in June 2002. However, the agreement governing these deferred amounts provides that this date, and subsequent payment dates, will be extended by the number of days that the achievement of any milestone under the Loral Satellite Contract is delayed beyond the date set forth in the Loral Satellite Contract. Our fourth, spare, satellite was originally expected to be delivered to ground storage in October 2000 and now is expected to be delivered to ground storage in October 2001. As a result of this delay, we do not expect to make any required payments with respect to these deferred amounts until June 2003, at the earliest. As security for these deferred payments, we have granted Loral a security interest in our terrestrial repeater network.

On June 1, 2000, we entered into a term loan agreement with Lehman Commercial Paper Inc. ("LCPI") and Lehman Brothers Inc. On March 7, 2001, after satisfaction of the conditions to borrowing, including a demonstration of our broadcast system, we borrowed \$150,000 of term loans from LCPI under this agreement. These term loans bear interest at an annual rate equal to the eurodollar rate plus 4% or a base rate, typically the prime rate, plus 5%. These term loans are secured by a pledge of the stock of Satellite CD Radio, Inc., our subsidiary that holds our FCC license, and our rights under the Loral Satellite Contract relating to

our fourth, spare, satellite. The proceeds of these term loans will be used for working capital, capital expenditures and general corporate purposes.

The term loans mature in quarterly installments, commencing on March 31, 2003, in an amount equal to the percentage set forth below of the aggregate principal amount of the loans:

<TABLE>
<CAPTION>

Installment	Percentage
<S>	<C>
March 31, 2003.....	0.25%
June 30, 2003.....	0.25%
September 30, 2003.....	0.25%
December 31, 2003.....	0.25%
March 31, 2004.....	2.25%
June 30, 2004.....	2.25%
September 30, 2004.....	2.25%
December 31, 2004.....	2.25%
March 31, 2005.....	22.50%
June 30, 2005.....	22.50%
September 30, 2005.....	22.50%
December 31, 2005.....	22.50%

</TABLE>

We may prepay the term loans in whole at any time or in part from time to time. Prepayment prior to March 7, 2004 must be accompanied by a specified prepayment penalty. We must prepay the term loans:

- o with the net proceeds of certain incurrences of indebtedness;
- o with the proceeds of asset sales, subject to certain exceptions; and
- o commencing with the fiscal year ending December 31, 2002, with excess cash.

The term loan facility contains customary covenants and events of default for a senior secured bank loan. These covenants restrict our ability to issue additional debt and engage in certain activities.

In connection with this term loan facility, we granted LCPI 2,100,000 warrants, each to purchase one share of our common stock, at an exercise price of \$29.00 per share.

Shares of our 9.2% Series A Junior Cumulative Convertible Preferred Stock and 9.2% Series B Junior Cumulative Convertible Preferred Stock are

convertible into shares of our common stock at a price of \$30.00 per share. Dividends on our 9.2% Series A Junior Cumulative Convertible Preferred Stock and 9.2% Series B Junior Cumulative Convertible Preferred Stock are payable in kind or in cash annually, at our option. Holders of our 9.2% Series A Junior Cumulative Convertible Preferred Stock and 9.2% Series B Junior Cumulative Convertible Preferred Stock have the right to vote, on an as-converted basis, on matters on which the holders of our common stock have the right to vote. Shares of our 9.2% Series A Junior Cumulative Convertible Preferred Stock and 9.2% Series B Junior Cumulative Convertible Preferred Stock:

- o are callable by us beginning November 15, 2001 at a price of 100% if the current market price, as defined in the certificates of designation of the 9.2% Series A Junior Cumulative Convertible Preferred

14

Stock and 9.2% Series B Junior Cumulative Convertible Preferred Stock, of our common stock exceeds \$60.00 per share for a period of 20 consecutive trading days;

- o will be callable in all events beginning November 15, 2003 at a price of 100%; and
- o must be redeemed by us on November 15, 2011.

Shares of our 9.2% Series D Junior Cumulative Convertible Preferred Stock are convertible into shares of our common stock at a price of \$34.00 per share. Dividends on our 9.2% Series D Junior Cumulative Convertible Preferred Stock are payable in kind or in cash annually, at our option. Holders of our 9.2% Series D Junior Cumulative Convertible Preferred Stock have the right to vote, on an as-converted basis, on matters in which the holders of our common stock have the right to vote. Shares of our 9.2% Series D Junior Cumulative Convertible Preferred Stock:

- o are callable by us beginning December 23, 2002 at a price of 100% if the current market price, as defined in the certificate of designation of the 9.2% Series D Junior Cumulative Convertible Preferred Stock, of our common stock exceeds \$68.00 per share for a period of 20 consecutive trading days;
- o will be callable in all events beginning December 23, 2004 at a price of 100%; and
- o must be redeemed by us on November 15, 2011.

As of May 10, 2001, we had sufficient funds to operate our business through the middle of 2002. We will require additional funds to support our planned operations through the remainder of 2002 and thereafter until our revenues grow substantially. We plan to fund our additional capital needs through the issuance of debt and equity securities.

15

Part II

Other Information

Item 5. Other Information

On May 10, 2001, Mr. Ralph V. Whitworth resigned from our Board of Directors, citing other corporate obligations. The two vacancies on the Board of Directors created by the resignation of Mr. Whitworth and the retirement of Mr. Briskman will be filled by Leon Black, Chairman of Apollo Management, and Peter G. Peterson, Chairman of The Blackstone Group L.P.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

See Exhibit Index attached hereto.

(b) Reports on Form 8-K:

None.

16

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SIRIUS SATELLITE RADIO INC.

By: /s/ Edward Weber, Jr.

Edward Weber, Jr.
Vice President and Controller
(Principal Accounting Officer)

May 15, 2001

17

Exhibit Index

<TABLE>
<CAPTION>

Exhibit -----	Description -----
<S>	<C>
3.1.1	Certificate of Amendment, dated June 16, 1997, to the Company's Certificate of Incorporation and the Company's Amended and Restated Certificate of Incorporation, dated January 31, 1994 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
3.1.2	Certificate of Ownership and Merger merging Sirius Satellite Radio Inc. into CD Radio Inc. dated November 18, 1999 (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-8 (File No. 333-31362)).
3.2	Amended and Restated By-Laws (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1 (File No. 33-74782) (the "S-1 Registration Statement")).
3.3	Certificate of Designations of 5% Delayed Convertible Preferred Stock (incorporated by reference to Exhibit 10.24 to the Company's Annual Report on Form 10-K/A for the year ended December 31, 1996 (the "1996 Form 10-K")).
3.4	Form of Certificate of Designations of Series B Preferred Stock (incorporated by reference to Exhibit A to Exhibit 1 to the Company's Registration Statement on Form 8-A filed on October 30, 1997 (the "Form 8-A")).

- 3.5.1 Form of Certificate of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of 10 1/2% Series C Convertible Preferred Stock (the "Series C Certificate of Designations") (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-4 (File No. 333-34761)).
- 3.5.2 Certificate of Correction to Series C Certificate of Designations (incorporated by reference to Exhibit 3.5.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997 (the "1997 Form 10-K")).
- 3.5.3 Certificate of Increase of 10 1/2% Series C Convertible Preferred Stock (incorporated by reference to Exhibit 3.5.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).
- 3.6 Certificate of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of the Company's 9.2% Series A Junior Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 3.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).
- 3.7 Certificate of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of the Company's 9.2% Series B Junior Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 3.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).

</TABLE>

<TABLE>
<CAPTION>

Exhibit - -----	Description -----
<S>	<C>
3.8	Certificate of Designations, Preferences and Relative, Participating, Optional and Other Special Rights of the Company's 9.2% Series D Junior Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K filed on December 29, 1999).
4.1	Form of certificate for shares of Common Stock (incorporated by reference to Exhibit 4.3 to the S-1 Registration Statement).
4.2	Form of certificate for shares of 10 1/2% Series C Convertible Preferred Stock (incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-4 (File No. 333-34761)).
4.3	Form of certificate for shares of 9.2% Series A Junior Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 4.10.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998 (the "1998 Form 10-K")).
4.4	Form of certificate for shares of 9.2% Series B Junior Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 4.10.2 to the 1998 Form 10-K).
4.5	Form of certificate for shares of 9.2% Series D Junior Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 4.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (the "1999 Form 10-K")).
4.6.1	Rights Agreement, dated as of October 22, 1997 (the "Rights Agreement"), between the Company and Continental Stock Transfer & Trust Company, as rights agent (incorporated by reference to Exhibit 1 to the Form 8-A).
4.6.2	Form of Right Certificate (incorporated by reference to Exhibit B to Exhibit 1 to the Form 8-A).
4.6.3	Amendment to the Rights Agreement dated as of October 13, 1998 (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K dated October 13, 1998).

- 4.6.4 Amendment to the Rights Agreement dated as of November 13, 1998 (incorporated by reference to Exhibit 99.7 to the Company's Current Report on Form 8-K dated November 17, 1998).
- 4.6.5 Amended and Restated Amendment to the Rights Agreement dated as of December 22, 1998 (incorporated by reference to Exhibit 6 to the Amendment No. 1 to the Form 8-A filed on January 6, 1999).
- 4.6.6 Amendment to the Rights Agreement dated as of June 11, 1999 (incorporated by reference to Exhibit 4.1.8 to the Company's Registration Statement on Form S-4 (File No. 333-82303) filed on July 2, 1999 (the "1999 Units Registration Statement")).

</TABLE>

<TABLE>
<CAPTION>

Exhibit -----	Description -----
<S>	<C>
4.6.7	Amendment to the Rights Agreement dated as of September 29, 1999 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on October 13, 1999).
4.6.8	Amendment to the Rights Agreement dated as of December 23, 1999 (incorporated by reference to Exhibit 99.4 to the Company's Current Report on Form 8-K filed on December 29, 1999).
4.6.9	Amendment to the Rights Agreement dated as of January 28, 2000 (incorporated by reference to Exhibit 4.6.9 to the 1999 Form 10-K).
4.6.10	Amendment to the Rights Agreement dated as of August 7, 2000 (incorporated by reference to Exhibit 4.6.10 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000).
4.7	Indenture, dated as of November 26, 1997, between the Company and IBJ Schroder Bank & Trust Company, as trustee, relating to the Company's 15% Senior Secured Discount Note due 2007 (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-3 (File No. 333-34769) (the "1997 Units Registration Statement")).
4.8	Form of 15% Senior Secured Discount Note due 2007 (incorporated by reference to Exhibit 4.2 to the 1997 Units Registration Statement).
4.9	Warrant Agreement, dated as of November 26, 1997, between the Company and IBJ Schroder Bank & Trust Company, as warrant agent (incorporated by reference to Exhibit 4.3 to the 1997 Units Registration Statement).
4.10	Form of Warrant (incorporated by reference to Exhibit 4.4 to the 1997 Units Registration Statement).
4.11	Form of Preferred Stock Warrant Agreement, dated as of April 9, 1997, between the Company and each warrant holder thereof (incorporated by reference to Exhibit 4.12 to the 1997 Form 10-K).
4.12	Form of Common Stock Purchase Warrant granted by the Company to Everest Capital Master Fund, L.P. and to The Ravich Revocable Trust of 1989 (incorporated by reference to Exhibit 4.11 to the 1997 Form 10-K).
4.13	Indenture, dated as of May 15, 1999, between the Company and United States Trust Company of New York, as trustee, relating to the Company's 14 1/2% Senior Secured Notes due 2009 (incorporated by reference to Exhibit 4.4.2 to the 1999 Units Registration Statement).

- 4.14 Form of 14 1/2% Senior Secured Note due 2009 (incorporated by reference to Exhibit 4.4.2 to the 1999 Units Registration Statement).
- 4.15 Indenture, dated as of September 29, 1999, between the Company and United States Trust Company of Texas, N.A., relating to the Company's 8 3/4% Convertible Subordinated Notes due 2009 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on October 13, 1999).

</TABLE>

3

<TABLE>
<CAPTION>

Exhibit -----	Description -----
<S>	<C>
4.16	First Supplemental Indenture, dated as of September 29, 1999, between the Company and United States Trust Company of Texas, N.A., relating to the Company's 8 3/4% Convertible Subordinated Notes due 2009 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on October 1, 1999).
4.17	Form of 8 3/4% Convertible Subordinated Note due 2009 (incorporated by reference to Article VII of Exhibit 4.01 to the Company's Current Report on Form 8-K filed on October 11, 1999).
4.18	Warrant Agreement, dated as of May 15, 1999, between the Company and United States Trust Company of New York, as warrant agent (incorporated by reference to Exhibit 4.4.4 to the 1999 Units Registration Statement).
4.19	Amended and Restated Pledge Agreement, dated as of May 15, 1999, among the Company, as pledgor, IBJ Whitehall Bank & Trust Company, as trustee, United States Trust Company of New York, as trustee, and IBJ Whitehall Bank & Trust Company, as collateral agent (incorporated by reference to Exhibit 4.4.5 to the 1999 Units Registration Statement).
4.20	Collateral Pledge and Security Agreement, dated as of May 15, 1999, between the Company, as pledgor, and United States Trust Company of New York, as trustee (incorporated by reference to Exhibit 4.4.6 to the 1999 Units Registration Statement).
4.21	Intercreditor Agreement, dated May 15, 1999, by and between IBJ Whitehall Bank & Trust Company, as trustee, and United States Trust Company of New York, as trustee (incorporated by reference to Exhibit 4.4.7 to the 1999 Units Registration Statement).
4.22	Term Loan Agreement, dated as of June 1, 2000, among the Company, Lehman Brothers Inc., as arranger, and Lehman Commercial Paper Inc., as syndication and administrative agent (incorporated by reference to Exhibit 4.22 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000).
4.23	Term Loan Agreement, dated as of February 23, 2001, among the Company and Lehman Brothers Inc. (incorporated by reference to Exhibit 1.01 to Company's Current Report on Form 8-K filed on February 28, 2001).
4.24	Warrant Agreement, dated as of June 1, 2000, between the Company and United States Trust Company of New York, as warrant agent and escrow agent (incorporated by reference to Exhibit 4.23 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000).
4.25	Common Stock Purchase Warrant granted by the Company to Ford Motor Company, dated June 11, 1999 (incorporated by reference to Exhibit 4.4.2 to the 1999 Units Registration Statement).

</TABLE>

4

<TABLE>
<CAPTION>

Exhibit -----	Description -----
<S>	<C>
4.26	Common Stock Purchase Warrant granted by the Company to DaimlerChrysler Corporation, dated January 28, 2000 (incorporated by reference to Exhibit 4.23 to the 1999 Form 10-K).
9.1	Voting Trust Agreement, dated as of August 26, 1997, by and among Darlene Friedland, as Grantor, David Margolese, as Trustee, and the Company (incorporated by reference to Exhibit (c) to the Company's Issuer Tender Offer Statement on Form 13E-4 filed on October 16, 1997).
10.1.1	Lease Agreement, dated as of March 31, 1998, between Rock-McGraw, Inc. and the Company (incorporated by reference to Exhibit 10.1.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998).
10.1.2	Supplemental Indenture, dated as of March 22, 2000, between Rock-McGraw, Inc. and the Company (incorporated by reference to Exhibit 10.1.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000).
'D'10.2	Amended and Restated Contract, dated as of June 30, 1998, between the Company and Space Systems/Loral, Inc. (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q/A for the quarter ended June 30, 1998).
*10.3	Employment Agreement, dated as of January 1, 1999, between the Company and David Margolese (incorporated by reference to Exhibit 10.6 to the 1998 Form 10-K).
*10.4	Employment Agreement, dated as of March 28, 2000, between the Company and Joseph S. Capobianco (incorporated by reference to Exhibit 10.5 to the 1999 Form 10-K).
*10.5	Employment Agreement, dated as of March 28, 2000, between the Company and Patrick L. Donnelly (incorporated by reference to Exhibit 10.6 to the 1999 Form 10-K).
*10.6	Employment Agreement, dated as of April 17, 2000, between the Company and Dr. Mircho Davidov (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000).
*10.7	Employment Agreement, dated as of March 7, 2001, between the Company and John Scelfo (filed herewith).
10.8	Registration Agreement, dated January 2, 1994, between the Company and M.A. Rothblatt and B.A. Rothblatt (incorporated by reference to Exhibit 10.20 to the S-1 Registration Statement).
*10.9	1994 Stock Option Plan (incorporated by reference to Exhibit 10.21 to the S-1 Registration Statement).
*10.10	Amended and Restated 1994 Directors' Nonqualified Stock Option Plan (incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995).

</TABLE>

<TABLE>
<CAPTION>

Exhibit - -----	Description -----
<S>	<C>
*10.11	CD Radio Inc. 401(k) Savings Plan (incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-8 (File No. 333-65473)).
*10.12	Sirius Satellite Radio 1999 Long-Term Stock Incentive Plan (incorporated by reference to Exhibit 4.4 of the Company's Registration Statement on Form S-8 (File No. 333-31362)).
10.13	Form of Option Agreement, dated as of December 29, 1997, between the Company and each Optionee (incorporated by reference to Exhibit 10.16.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998).
10.14	Letter, dated May 29, 1998, terminating Launch Services Agreement dated July 22, 1997 between the Company and Arianespace S.A.; Arianespace Customer Loan Agreements dated July 22, 1997 for Launches #1 and #2 between the Company and Arianespace Finance S.A.; and the Multiparty Agreements dated July 22, 1997 for Launches #1 and #2 among the Company, Arianespace S.A. and Arianespace Finance S.A. (incorporated by reference to Exhibit 10.21 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998).
10.15	Summary Term Sheet/Commitment, dated June 15, 1997, among the Company and Everest Capital International, Ltd., Everest Capital Fund, L.P. and The Ravich Revocable Trust of 1989 (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed on July 8, 1997).
10.16.1	Engagement Letter Agreement, dated June 14, 1997, between the Company and Libra Investments, Inc. (incorporated by reference to Exhibit 10.26.1 to the 1997 Form 10-K).
10.16.2	Engagement Letter Agreement, dated August 6, 1997, between the Company and Libra Investments, Inc. (incorporated by reference to Exhibit 10.26.2 to the 1997 Form 10-K).
10.17	Radio License Agreement, dated January 21, 1998, between the Company and Bloomberg Communications Inc. (incorporated by reference to Exhibit 10.28 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).
'D'10.18	Amended and Restated Agreement, dated as of February 1, 1999, between Lucent Technologies Inc. and the Company (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed on February 4, 1999).
10.19	Stock Purchase Agreement, dated as of October 8, 1998, between the Company and Prime 66 Partners, L.P. (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated October 8, 1998).
10.20.1	Stock Purchase Agreement, dated as of November 13, 1998 (the "Apollo Stock Purchase Agreement"), by and among the Company, Apollo Investment Fund IV, L.P. and Apollo Overseas Partners IV, L.P. (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated November 17, 1998).

</TABLE>

<TABLE>
<CAPTION>

Exhibit	Description
<S>	<C>
10.20.2	Amendment No. 1, dated as of December 23, 1998, to the Apollo Stock Purchase Agreement (incorporated by reference to Exhibit 10.28.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).
10.20.3	Second Amendment, dated as of December 23, 1999, to the Apollo Stock Purchase Agreement (incorporated by reference to Exhibit 99.3 to the Company's Current Report on Form 8-K filed on December 29, 1999).
10.21	Stock Purchase Agreement, dated as of December 23, 1999 (the "Blackstone Stock Purchase Agreement"), by and between the Company and Blackstone Capital Partners III Merchant Banking Fund L.P. (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed on December 29, 1999).
10.22	Stock Purchase Agreement, dated as of January 28, 2000, among the Company, Mercedes-Benz USA, Inc., Freightliner Corporation and DaimlerChrysler Corporation (incorporated by reference to Exhibit 10.24 to the 1999 Form 10-K).
10.23	Tag-Along Agreement, dated as of November 13, 1998, by and among Apollo Investment Fund IV, L.P., Apollo Overseas Partners IV, L.P., the Company and David Margolese (incorporated by reference to Exhibit 99.6 to the Company's Current Report on Form 8-K dated November 17, 1998).
'D'10.24	Agreement, dated as of June 11, 1999, between the Company and Ford Motor Company (incorporated by reference to Exhibit 10.33 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
'D'10.25	Joint Development Agreement, dated as of February 16, 2000, between the Company and XM Satellite Radio Inc. (incorporated by reference to Exhibit 10.28 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000).

</TABLE>

* This document has been identified as a management contract or compensatory plan or arrangement.

'D' Portions of these exhibits have been omitted pursuant to Applications for Confidential treatment filed by the Company with the Securities and Exchange Commission.

STATEMENT OF DIFFERENCES

The dagger symbol shall be expressed as.....'D'

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT, dated as of March 7, 2001 (this "Agreement"), between SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Company"), and John J. Scelfo (the "Executive").

In consideration of the mutual covenants and conditions set forth herein, the Company and the Executive agree as follows:

1. Employment. Subject to the terms and conditions of this Agreement, the Company hereby employs the Executive, and the Executive hereby accepts employment with the Company.

2. Duties and Reporting Relationship. (a) The Executive shall be employed in the capacity of Senior Vice President, Chief Financial Officer, of the Company. In such capacity, the Executive shall be responsible primarily for supervising the financial affairs of the Company. During the Term (as defined below), the Executive shall, on a full-time basis and consistent with the needs of the Company to achieve the goals of the Company, use his skills and render services to the best of his ability in supervising the financial affairs of the Company described above and shall, in addition, perform such other activities and duties consistent with his position as the Chief Executive Officer of the Company shall, from time to time, reasonably specify and direct. It is acknowledged that the Executive has made, and may continue to make, passive investments which will require a portion of his time and attention but the Executive agrees that such investments will not interfere with his full-time commitment to the Company. The Executive shall not be required by this Agreement to perform duties for any entity other than the Company and its subsidiaries.

(b) The Executive shall generally perform his duties and conduct his business at the principal offices of the Company in New York, New York.

(c) The Executive shall report to the Chief Executive Officer of the Company.

3. Term. The term of this Agreement shall commence on April 1, 2001, and end on March 30, 2004, unless terminated earlier pursuant to the provisions of Section 6 (the "Term").

4. Compensation. (a) Base Salary. During the Term, the Executive shall be paid an annual base salary of \$300,000, subject to any increases that the Chief Executive Officer of the Company shall approve. All amounts paid to the Executive under this Agreement shall be in U.S. dollars. The Executive's base salary shall be paid at least monthly and, at the option of the Company, may be paid more frequently. In the event the Executive's employment is terminated during the Term, the Executive's base salary shall be prorated through the date of termination.

(b) Stock Options. On the first day of the Term, the Company shall grant to the Executive an option to purchase 300,000 shares of the Company's common stock, par value \$.001 per share (the "Common Stock"), at an exercise price equal to the closing price of the Common Stock on April 4, 2001. Such options shall also be subject to the terms and conditions set forth in the Option Agreement attached to this Agreement as Exhibit A.

(c) All compensation paid to the Executive hereunder shall be subject to any payroll and withholding deductions required by any applicable law, including, without limitation, federal, New York state and New York City income tax withholding, federal unemployment tax and social security (FICA).

5. Additional Compensation; Expenses and Benefits. (a) During the Term, the Company shall reimburse the Executive for all reasonable and necessary business expenses incurred and advanced by him in carrying out his duties under this Agreement. The Executive shall present to the Company from time to time an

itemized account of such expenses in such form as may be required by the Company from time to time.

(b) During the Term, the Executive shall be entitled to participate fully in any bonus grants, benefit plans, programs, policies and fringe benefits which may be made available to the senior officers of the Company generally, including, without limitation, medical, dental and life insurance; provided that the Executive shall participate in any stock option or stock purchase or compensation plan currently in effect or subsequently established by the Company to the extent, and only to the extent, authorized by the plan document and by the Board of Directors of the Company (the "Board") or the compensation committee thereof. With respect to any annual bonus program which may be established by the Company, the Board or any committee thereof, the Company agrees that the Executive shall be entitled to annual bonuses, if any, on the same basis as other senior officers of the Company.

6. Termination. The date upon which this Agreement is deemed to be terminated in accordance with any of the provisions of this Section 6 is referred to herein as the "Termination Date."

(a) Termination for Cause. The Company has the right and may elect to terminate this Agreement for Cause at any time. For purposes of this Agreement, "Cause" means the occurrence or existence of any of the following:

(i) a material breach by the Executive of the terms of his employment or of his duty not to engage in any transaction that represents, directly or indirectly, self-dealing with the Company or any of its affiliates (which, for purposes hereof, shall mean any individual, corporation, partnership, association, limited liability company, trust, estate, or other entity or organization directly or indirectly controlling, controlled by, or under direct or indirect common control with the Company) which has not been approved by a majority of the disinterested directors of the Board, if in any such case such material breach remains uncured after thirty days have elapsed following the date on which the Company gives the Executive written notice of such breach;

(ii) the repeated material breach by the Executive of any duty referred to in clause (i) above with respect to which at least one prior notice was given under clause (i);

(iii) any act of dishonesty, misappropriation, embezzlement, intentional fraud, or similar conduct by the Executive involving the Company or any of its affiliates;

(iv) the conviction or the plea of nolo contendere or the equivalent in respect of a felony;

3

(v) any damage of a material nature to any property of the Company or any of its affiliates caused by the Executive's willful or grossly negligent conduct;

(vi) the repeated nonprescription use of any controlled substance or the repeated use of alcohol or any other non-controlled substance that the Board reasonably determines renders the Executive unfit to serve as an officer or employee of the Company or its affiliates;

(vii) the Executive's failure to comply with the Board's reasonable written instructions, after thirty days written notice; or

(viii) conduct by the Executive that in a good faith written determination of the Board demonstrates unfitness to serve as an officer or employee of the Company or its affiliates, including, without limitation, a finding by the Board or any regulatory authority that the Executive committed acts of unlawful harassment or violated any other state, federal or local law or ordinance prohibiting discrimination in employment applicable to the business of the Company or any of its affiliates.

Termination of the Executive for Cause pursuant to this Section 6(a) shall be

communicated by a Notice of Termination. For purposes of this Agreement a "Notice of Termination" shall mean delivery to the Executive of a copy of a resolution or resolutions duly adopted by the affirmative vote of not less than a majority of the directors present and voting at a meeting of the Board called and held for that purpose after reasonable notice to the Executive and reasonable opportunity for the Executive, together with the Executive's counsel, to be heard before the Board prior to such vote, finding that in the good faith opinion of the Board, the Executive was guilty of conduct set forth in clauses (i) through (viii) of this Section 6(a) and specifying the particulars thereof in detail. For purposes of Section 6(a), this Agreement shall terminate on the date specified by the Board in the Notice of Termination.

(b) Death or Disability. (i) This Agreement and the Executive's employment hereunder shall terminate upon the death of the Executive. For purposes of this Section 6(b) (i), this Agreement shall terminate on the date of the Executive's death.

(ii) If the Executive is unable to perform the essential duties and functions of his position because of a disability, even with a reasonable accommodation, for one hundred eighty days within any three hundred sixty-five day period, and the Company, in its reasonable judgment, determines that the exigencies created by the Executive's disability are such that termination is warranted, the Company shall have the right and may elect to terminate the services of the Executive by a Notice of Disability Termination. For purposes of this Agreement, a "Notice of Disability Termination" shall mean a written notice that sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under this Section 6(b) (ii). For purposes of this Agreement, no such purported termination by the Company shall be effective without such Notice of Disability Termination. This Agreement shall terminate on the day after such Notice of Disability Termination is received by the Executive.

(c) Voluntary Resignation. Should the Executive wish to resign from his position with the Company during the Term, for other than Good Reason (as defined below), the Executive shall give fourteen days prior written notice to the Company. Failure to provide such notice shall entitle the Company to terminate this Agreement effective on the last business day on which the Executive reported for work at his principal place of employment with the Company. This

4

Agreement shall terminate on the effective date of the resignation as defined above, however, the Company may, at its sole discretion, request that the Executive perform no job responsibilities and cease his active employment immediately upon receipt of the Notice.

(d) Without Cause. The Company shall have the absolute right to terminate the Executive's employment without Cause at any time. If the Company elects to terminate the Executive without Cause, the Company shall give seven days written notice to the Executive. This Agreement shall terminate seven days following receipt of such notice by the Executive, however, the Company may, at its sole discretion, request that the Executive cease active employment and perform no more job duties immediately upon provision of such notice to the Executive.

(e) For Good Reason. Should the Executive wish to resign from his position with the Company for Good Reason during the Term, the Executive shall give seven days prior written notice to the Company. Failure to provide such notice shall entitle the Company to fix the Termination Date as of the last business day on which the Executive reported for work at his principal place of employment with the Company. This Agreement shall terminate on the date specified in such notice, however the Company may, at its sole discretion, request the Executive cease active employment and perform no more job duties immediately upon receipt of such notice.

For purposes of this Agreement, "Good Reason" shall mean the continuance of any of the following events (without the Executive's express prior written consent) for a period of seven days (or thirty days in the case of items (i) and (v) below) after delivery to the Company by the Executive of a

notice of the occurrence of such event:

(i) the assignment to the Executive by the Company of duties not reasonably consistent with the Executive's positions, duties, responsibilities, titles or offices at the commencement of the Term or any unreasonable reduction in his duties or responsibilities or any removal of the Executive from or any failure to re-elect the Executive to any of such positions (except in connection with the termination of the Executive's employment for Cause, disability or as a result of the Executive's death or by the Executive other than for Good Reason); or

(ii) any reduction in the Executive's annual base salary from the previous year; or

(iii) any failure of the Company to comply with the terms of Section 5(b) as it relates to annual bonuses; or

(iv) a relocation of the Company's executive offices to a location outside of the New York metropolitan area; or

(v) any material breach by the Company of any provision of this Agreement.

(f) Compensation and Benefits Upon Termination. (i) If the employment of the Executive is terminated without Cause or the Executive terminates for Good Reason before July 1, 2001, then the Executive shall be entitled to receive, and the Company shall pay to the Executive without setoff, counterclaim or other withholding, except as set forth in Section 4(c), \$150,000 (in addition to any salary, benefits or other sums due the Executive through the Termination Date). Any amount becoming payable under this Section 6(f)(i) shall be paid in

5

immediately available funds within ten business days following the Termination Date.

(ii) If the employment of the Executive is terminated without Cause or the Executive terminates for Good Reason on or after July 1, 2001, then the Executive shall be entitled to receive, and the Company shall pay to the Executive without setoff, counterclaim or other withholding, except as set forth in Section 4(c), an amount (in addition to any salary, benefits or other sums due the Executive through the Termination Date) equal to the Executive's annualized base salary then in effect. Any amount becoming payable under this Section 6(f)(ii) shall be paid in immediately available funds within ten business days following the Termination Date.

(iii) If this Agreement is terminated by the Executive or the Company for any reason other than those specified in Sections 6(f)(i) and 6(f)(ii) before July 1, 2001, including resignation by the Executive without Good Reason or termination by the Company with Cause, the Executive shall be entitled to no compensation or other benefits under the Agreement other than those which are due the Executive through the Termination Date.

7. Nondisclosure of Confidential Information. (a) The Executive acknowledges that in the course of his employment he will occupy a position of trust and confidence. The Executive shall not, except as may be required to perform his duties or as required by applicable law, disclose to others or use, directly or indirectly, any Confidential Information.

(b) "Confidential Information" shall mean information about the Company's business and operations that is not disclosed by the Company for financial reporting purposes and that was learned by the Executive in the course of his employment by the Company, including, without limitation, any business plans, strategy, budget information, proprietary knowledge, patents, trade secrets, data, formulae, sketches, notebooks, blueprints, information and client and customer lists and all papers and records (including computer records) of the documents containing such Confidential Information. The Executive acknowledges that such Confidential Information is specialized, unique in nature and of great value to the Company, and that such information gives the Company a competitive advantage. The Executive agrees to deliver or return to the Company, at the Company's request at any time or upon termination or expiration of his employment or as soon as possible thereafter, all documents, computer tapes and

disks, records, lists, data, drawings, prints, notes and written information (and all copies thereof) furnished by the Company or prepared by the Executive in the course of his employment by the Company.

(c) The provisions of this Section 7 shall survive any termination of this Agreement.

8. Covenant Not to Compete. For two years following the end of the Term or, in the event the Executive has been terminated without Cause or has resigned for Good Reason, for one year following such termination without Cause or resignation for Good Reason (the "Restricted Period"), the Executive will not, directly or indirectly, enter into the employment of, render services to, or acquire any interest whatsoever in (whether for his own account as an individual proprietor, or as a partner, associate, stockholder, officer, director, consultant, trustee or otherwise), or otherwise assist, any person or entity engaged in any operations in North America involving the transmission of radio entertainment programming in competition with the Company or that competes, or is likely to compete, with any other aspect of the business of the Company as conducted at the end of the Term; provided, that nothing in this Agreement shall prevent the purchase or ownership by the Executive by way of investment of up to five percent of the shares or equity interest of any corporation or other entity. Without limiting the generality

6

of the foregoing, the Executive agrees that during the Restricted Period, the Executive will not call on or otherwise solicit business or assist others to solicit business from any of the customers or potential customers of the Company as to any product or service that competes with any product or service provided or marketed by or actually under development by the Company at the end of the Term. The Executive agrees that during the Restricted Period he will not solicit or assist others to solicit the employment of or hire any employee of the Company without the prior written consent of the Company.

9. Gross-Up Provisions. (a) If the Executive is, in the opinion of a nationally recognized accounting firm selected by the Executive in his sole discretion, expected to pay an excise tax on "excess parachute payments" (as defined in Section 280G(b) of the Internal Revenue Code of 1986, as amended (the "Code")) under Section 4999 of the Code as a result of an acceleration of the vesting of options or for any other reason, the Company shall have an absolute and unconditional obligation to pay the Executive in accordance with the terms of this Section 9 the expected amount of such taxes. In addition, the Company shall have an absolute and unconditional obligation to pay the Executive such additional amounts as are necessary to place the Executive in the exact same financial position that he would have been in if he had not incurred any expected tax liability under Section 4999 of the Code; provided that the Company shall in no event pay the Executive any amounts with respect to any penalties or interest due under any provision of the Code. The determination of the exact amount, if any, of any expected "excess parachute payments" and any expected tax liability under Section 4999 of the Code shall be made by the nationally-recognized independent accounting firm selected by the Executive. The fees and expenses of such accounting firm shall be paid by the Company in advance. The determination of such accounting firm shall be final and binding on the parties. The Company irrevocably agrees to pay to the Executive, in immediately available funds to an account designated in writing by the Executive, any amounts to be paid under this Section 9 within two days after receipt by the Company of written notice from the accounting firm which sets forth such accounting firm's determination. In addition, in the event that such payments are not sufficient to pay all excise taxes on "excess parachute payments" under Section 4999 of the Code as a result of an acceleration of the vesting of options or for any other reason and to place the Executive in the exact same financial position that he would have been in if he had not incurred any expected tax liability under Section 4999 of the Code as a result of a change in control, then the Company shall have an absolute and unconditional obligation to pay the Executive such additional amounts as may be necessary to pay such excise taxes and place the Executive in the exact same financial position that he would have been had he not incurred any tax liability as a result of a change in control under the Code. Notwithstanding the foregoing, in the event that a written ruling (whether public or private) of the Internal Revenue Service ("IRS") is obtained by or on behalf of the Company or the Executive, which ruling expressly provides that the Executive is not required to pay, or is entitled to a refund with respect to, all or any portion of such

excise taxes or additional amounts, the Executive shall promptly reimburse the Company in an amount equal to all amounts paid to the Executive pursuant to this Section 9 less any excise taxes or additional amounts which remain payable by, or are not refunded to, the Executive after giving effect to such IRS ruling. Each of the Company and the Executive agrees to promptly notify the other party if it receives any such IRS ruling.

(b) The provisions of this Section 9 shall survive any termination of this Agreement.

10. Remedies. The Executive and Company agree that damages for breach of any of the covenants under Sections 7 and 8 above will be difficult to determine and inadequate to remedy the harm which may be caused thereby, and therefore consent that these covenants

7

may be enforced by temporary or permanent injunction without the necessity of bond. The Executive believes, as of the date of this Agreement, that the provisions of this Agreement are reasonable and that the Executive is capable of gainful employment without breaching this Agreement. However, should any court or arbitrator decline to enforce any provision of Section 7 or 8 of this Agreement, this Agreement shall, to the extent applicable in the circumstances before such court or arbitrator, be deemed to be modified to restrict the Executive's competition with the Company to the maximum extent of time, scope and geography which the court or arbitrator shall find enforceable, and such provisions shall be so enforced.

11. Indemnification. The Company shall indemnify the Executive to the full extent provided in the Company's Amended and Restated Articles of Incorporation and Amended and Restated Bylaws and the law of the State of Delaware in connection with his activities as an officer of the Company.

12. Entire Agreement. The provisions contained herein constitute the entire agreement between the parties with respect to the subject matter hereof and supersede any and all prior agreements, understandings and communications between the parties, oral or written, with respect to such subject matter.

13. Modification. Any waiver, alteration, amendment or modification of any provisions of this Agreement shall not be valid unless in writing and signed by both the Executive and the Company.

14. Severability. If any provision of this Agreement shall be declared to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect the remaining provisions hereof, which shall remain in full force and effect.

15. Assignment. The Executive may not assign any of his rights or delegate any of his duties hereunder without the prior written consent of the Company. The Company may not assign any of its rights or delegate any of its obligations hereunder.

16. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the successors in interest of the Executive and the Company.

17. Notice. All notices and other communications required or permitted hereunder shall be made in writing and shall be deemed effective when initially transmitted by courier or facsimile transmission and five days after mailing by registered or certified mail:

if to the Company:

Sirius Satellite Radio Inc.
1221 Avenue of the Americas
36th Floor
New York, New York 10020
Attention: General Counsel
Telecopier: (212) 584-5353

if to the Executive:

John J. Scelfo
(address on file at office of the Company)

or to such other person or address as either of the parties shall furnish in writing to the other party from time to time.

18. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within the State of New York.

19. Non-Mitigation. The Executive shall not be required to mitigate damages or seek other employment in order to receive compensation or benefits under Section 6 of this Agreement; nor shall the amount of any benefit or payment provided for under Section 6 of this Agreement be reduced by any compensation earned by the Executive as the result of employment by another employer.

20. Arbitration. (a) The Executive and the Company agree that if a dispute arises concerning or relating to the Executive's employment with the Company, or the termination of the Executive's employment, such dispute shall be submitted to binding arbitration under the rules of the American Arbitration Association in effect at the time such dispute arises. The arbitration shall take place in New York, New York, and both the Executive and the Company agrees to submit to the jurisdiction of the arbitrator selected in accordance with the American Arbitration Association rules and procedures. Except as provided below, the Executive and the Company agree that this arbitration procedure will be the exclusive means of redress for any disputes relating to or arising from the Executive's employment with the Company or his termination, including disputes over rights provided by federal, state, or local statutes, regulations, ordinances, and common law, including all laws that prohibit discrimination based on any protected classification. The parties expressly waive the right to a jury trial, and agree that the arbitrator's award shall be final and binding on both parties, and shall not be appealable. The arbitrator shall have discretion to award monetary and other damages, and any other relief that the arbitrator deems appropriate and is allowed by law. The arbitrator shall have the discretion to award the prevailing party reasonable costs and attorneys' fees incurred in bringing or defending an action, and shall award such costs and fees to the Executive in the event the Executive prevails on the merits of any action brought hereunder.

(b) The Company and the Executive agree that the sole dispute that is excepted from Section 20(a) is an action seeking injunctive relief from a court of competent jurisdiction regarding enforcement and application of Sections 7 or 8 of this Agreement, which action may be brought in addition to, or in place of, an arbitration proceeding in accordance with Section 20(a).

21. Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

22. Executive's Representations. The Executive hereby represents and warrants to Company that he (a) is not now under any contractual or other obligation that is inconsistent with or in conflict with this Agreement or that would prevent, limit, or impair the Executive's performance of his obligations under this Agreement; (b) has been provided the opportunity to be, or has been, represented by legal counsel in preparing, negotiating, executing and delivering this Agreement; and (c) fully understands the terms and provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

SIRIUS SATELLITE RADIO INC.

By: /s/ Patrick L. Donnelly

Patrick L. Donnelly
Senior Vice President,
General Counsel and Secretary

/s/ John J. Scelfo

John J. Scelfo

10

Exhibit A

THIS OPTION HAS NOT BEEN REGISTERED UNDER STATE OR FEDERAL SECURITIES LAWS.
THIS OPTION MAY NOT BE TRANSFERRED EXCEPT BY WILL OR UNDER THE LAWS OF
DESCENT AND DISTRIBUTION.

SIRIUS SATELLITE RADIO 1999 LONG-TERM STOCK INCENTIVE PLAN

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT (this "Agreement"), dated as of April 4, 2001 ("Date of Grant"), between SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Company"), and John J. Scelfo (the "Optionee").

1. Grant of Option. Subject to the terms and conditions of this Agreement and the Sirius Satellite Radio 1999 Long-Term Stock Incentive Plan (as amended, supplemented or otherwise modified from time to time, the "Plan"), the Company hereby grants to the Optionee the right and option (this "Option") to purchase up to three hundred thousand (300,000) shares (the "Shares") of common stock, par value \$0.001 per share, of the Company at a price per share of \$_____1 (the "Exercise Price"). This Option is not intended to qualify as an Incentive Stock Option for purposes of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). In the case of any stock split, stock dividend or like change in the Shares occurring after the date hereof, the number of Shares and the Exercise Price shall be adjusted as set forth in Section 4(b) of the Plan. This Option shall vest and be exercisable as follows:

- (a) The right and option to purchase up to seventy five thousand (75,000) Shares shall vest and become exercisable on October 4, 2001 if the Optionee continues to be employed by the Company until and on such date;
- (b) The right and option to purchase up to seventy five thousand (75,000) Shares shall vest and become exercisable on April 4, 2002 if the Optionee continues to be employed by the Company until and on such date;
- (c) The right and option to purchase up to seventy five thousand (75,000) Shares shall vest and become exercisable on October 4, 2002 if the Optionee continues to be employed by the Company until and on such date; and
- (d) The right and option to purchase up to seventy five thousand (75,000) Shares shall vest and become exercisable on April 4, 2003 if the Optionee continues to be employed by the Company until and on such date.

The vesting of this Option is also subject to acceleration in accordance with the provisions of Section 13 of the Plan; provided that in no event shall the ownership by (i) Apollo

- - - - -
1 Closing Price of the common stock on April 4, 2001

Investment Fund IV, L.P. and Apollo Overseas Partners IV, L.P. of shares of the Company's 9.2% Series A Junior Cumulative Convertible Preferred Stock and shares of the Company's 9.2% Series B Junior Cumulative Convertible Preferred Stock or (ii) affiliates of The Blackstone Group L.P. of shares of the Company's 9.2% Series D Junior Cumulative Convertible Preferred Stock be deemed to constitute a Change of Control (as defined in the Plan) for the purposes of the Plan.

2. Termination of Option. This Option shall terminate, to the extent not previously exercised, ten (10) years from the Date of Grant or earlier upon the expiration of (a) ninety (90) days from the date of termination of the Optionee's employment with the Company for any reason whatsoever other than death or Disability (as defined below) or (b) the expiration of one (1) year from (i) the date of death of the Optionee or (ii) cessation of the Optionee's employment or contractual relationship by reason of Disability (as defined below). Subject to the terms of the Plan, if the Optionee's employment or contractual relationship is terminated by death, this Option shall be exercisable only by the person or persons to whom the Optionee's rights under such Option shall pass by the Optionee's will or by the laws of descent and distribution of the state or county of the Optionee's domicile at the time of death. "Disability" shall mean any physical, mental or other health condition which substantially impairs the Optionee's ability to perform his or her assigned duties for one hundred twenty (120) days or more in any two hundred forty (240) day period or that can be expected to result in death. The Company shall determine whether the Optionee has incurred a Disability on the basis of medical evidence reasonably acceptable to the Company. Upon making a determination of Disability, the Company shall determine the date of the Optionee's termination of employment or contractual relationship.

3. Non-transferable. This Option may not be transferred, assigned, pledged or hypothecated in any manner (whether by operation of law or otherwise) other than by will or by the applicable laws of descent and distribution, and shall not be subject to execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this Option or of any right or privilege conferred hereby, contrary to the provisions hereof, or upon the sale or levy or any attachment or similar process upon the rights and privileges conferred hereby, this Option shall terminate and become null and void.

4. Exercise. Subject to Sections 1 and 2 of this Agreement and the terms of the Plan, this Option may be exercised, in whole or in part, by means of a written notice of exercise signed and delivered by the Optionee (or, in the case of exercise after death of the Optionee by the executor, administrator, heir or legatee of the Optionee, as the case may be) to the Company at the address set forth herein for notices to the Company. Such notice shall (a) state the number of Shares to be purchased and the date of exercise, and (b) be accompanied by payment of the Exercise Price in cash, by certified or cashier's check or by delivery of such other consideration as the administrator of the Plan may approve.

5. Withholding. Prior to delivery of the Shares purchased upon exercise of this Option, the Company shall determine the amount of any United States federal, state and local income tax, if any, which is required to be withheld under applicable law and shall, as a condition of exercise of this Option and delivery of certificates representing the Shares purchased upon exercise of this Option, collect from the Optionee the amount of any such tax to the extent not previously withheld.

6. Rights of the Optionee. Neither this Option, the execution of this Agreement nor the exercise of any portion of this Option shall confer upon the Optionee any right to, or guarantee

of, continued employment by the Company, or in any way limit the right of the Company to terminate employment of the Optionee at any time, subject to the terms of any written employment agreement between the Company and the Optionee.

7. Professional Advice. The acceptance and exercise of this Option may have consequences under federal and state tax and securities laws which may vary depending upon the individual circumstances of the Optionee. Accordingly, the Optionee acknowledges that the Optionee has been advised to consult his or her personal legal and tax advisor in connection with this Agreement and this Option.

8. Agreement Subject to the Plan. The Option and this Agreement are subject to the terms and conditions set forth in the Plan and in any amendments to the Plan existing now or in the future, which terms and conditions are incorporated herein by reference. A copy of the Plan previously has been delivered to the Optionee. Should any conflict exist between the provisions of the Plan and those of this Agreement, the provisions of the Plan shall govern and control. This Agreement and the Plan constitute the entire understanding between the Company and the Optionee with respect to this Option.

9. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict of laws principles, and shall bind and inure to the benefit of the heirs, executors, personal representatives, successors and assigns of the parties hereto.

10. Notices. Any notice required or permitted to be made or given hereunder shall be mailed via certified or registered mail or delivered personally to the addresses set forth below, or as changed from time to time by written notice to the other:

Company: Sirius Satellite Radio Inc.
1221 Avenue of the Americas, 36th Floor
New York, New York 10020
Attention: General Counsel

Optionee: John J. Scelfo
(address on file at office of the Company)

Notices and other communications shall be deemed received and effective upon the earlier of (i) hand delivery to the recipient, or (ii) five (5) days after being mailed by certified or registered mail, postage prepaid, return receipt.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

SIRIUS SATELLITE RADIO INC.

Optionee:

By: /s/ Patrick L. Donnelly

/s/ John J. Scelfo

Patrick L. Donnelly
Senior Vice President and
General Counsel

John J. Scelfo