

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) September 18, 1996

CD RADIO INC.

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-24710

52-1700207

(Commission File Number)

(IRS Employer Identification No.)

Sixth Floor, 1001 22nd Street, N.W.
Washington, D.C.

20037

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code (202) 296-6192

(Former Name or Former Address, if Changed Since Last Report)

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ITEM 5. OTHER EVENTS.

CD Radio Inc. (the "Company") has received commitments of approximately \$50 million for a private placement of convertible preferred securities, convertible into common stock at discounts to future market prices. The commitments are subject to certain conditions, including conditions related to the licensing of the Company by the Federal Communications Commission to provide a digital audio radio service and to the preparation and execution of definitive documentation with respect to the transaction, and contains certain limitations on the Company's use of proceeds. There can be no assurance that the Company will receive a digital audio radio license, or that commitments will not be modified, withdrawn or terminated, or that the sale of any or all of the issue will be completed. These securities have not been registered under the Securities Act of 1933 or any state securities law, and may not be offered or sold without registration or pursuant to a valid exemption from registration.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(c) Exhibits

99 Press release dated September 18, 1996

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

CD RADIO INC.

September 18, 1996	By /s/ DAVID MARGOLESE
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Date	David Margolese Chairman of the Board and Chief Executive Officer

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[CD RADIO LETTERHEAD]

FOR IMMEDIATE RELEASE

CD RADIO PRIVATE PLACEMENT

Washington, D.C. - Sept. 18, 1996 - CD Radio Inc. (Nasdaq: CDRD) announced today that it has received commitments of approximately \$50 million for a private placement of convertible preferred securities, convertible into common stock at discounts to future market prices. The commitments are subject to certain conditions, including conditions related to the licensing of the Company by the Federal Communications Commission to provide a digital audio radio service and to the preparation and execution of definitive documentation with respect to the transaction, and contains certain limitations on the Company's use of proceeds. There can be no assurance that the Company will receive a digital audio radio license, or that commitments will not be modified, withdrawn or terminated, or that the sale of any or all of the issue will be completed. These securities have not been registered under the Securities Act of 1933 or any state securities law, and may not be offered or sold without registration or pursuant to a valid exemption from registration.

CD Radio is the world leader in the emerging satellite radio broadcasting industry. The Company is engaged in the development of a subscription based satellite radio system for the delivery of 30 channels of commercial-free, compact disc quality music to be broadcast directly to motorists throughout the United States.

For Further Information
Contact: David Margolese
(202) 296-6192