

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, 1996

Commission file number 0-24710

CD RADIO INC.

(Exact name of registrant as specified in its charter)

<TABLE>

<S>
DELAWARE

<C>
52-1700207

(State or other jurisdiction of
incorporation or organization)

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

</TABLE>

SIXTH FLOOR, 1001 22ND STREET, N.W., WASHINGTON, D.C.
20037

(Address of principal executive offices)
(Zip code)

202-296-6192

(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 May 10, 1996

<TABLE>

<S>
COMMON STOCK, \$.001 PAR VALUE

<C>
9,416,460

(Class)

</TABLE>

CD RADIO INC.

(A DEVELOPMENT STAGE ENTERPRISE)

INDEX

Part I - Financial Information

<TABLE>
<CAPTION>

<S>

Page
<C>

Consolidated Statements of Operations (unaudited) for the three
month periods ended March 31, 1996 and 1995 and for the
period May 17, 1990 (date of inception) to March 31, 1996

1

Consolidated Balance Sheets (unaudited) as of March 31, 1996
and December 31, 1995

2

Consolidated Statements of Cash Flows (unaudited) for the three month periods ended March 31, 1996 and 1995 and for the period May 17, 1990 (date of inception) to March 31, 1996 3

Notes to Consolidated Financial Statements (unaudited) 4

Management's Discussion and Analysis of Results of Operations and Financial Condition 5

Part II - Other Information 8

Signatures
</TABLE>

CD RADIO INC. AND SUBSIDIARY
(A Development Stage Enterprise)
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

<TABLE>
<CAPTION>

	Three months ended		For the period
	March 31,	March 31,	May 17, 1990
	1996	1995	(date of inception)
			to March 31,
			1996
<S>	<C>	<C>	<C>
Revenue	\$ -	\$ -	\$ -
Expenses:			
Legal, consulting and regulatory fees	227,674	188,918	5,894,547
Other general and administrative	281,681	257,110	6,583,696
Research and development	27,901	26,292	1,826,957
Write-off of investment in Sky-Highway Radio Corp.	-	-	2,000,000
Total expenses	537,256	472,320	16,305,200
Other income (expense)			
Interest income	25,290	44,123	241,151
Interest expense	(4,917)	(4,839)	(158,099)
	20,373	39,284	83,052
Net loss	\$ (516,883)	\$ (433,036)	\$ (16,222,148)
Net loss per common share	\$ (0.06)	\$ (0.05)	\$ (2.25)
Weighted average common shares and common share equivalents outstanding	9,357,793	9,198,960	7,219,458

</TABLE>

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

1

CD RADIO INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<TABLE>
<CAPTION>

ASSETS

March 31, 1996 December 31, 1995

<u><S></u>	<u><C></u>	<u><C></u>
Current assets:		
Cash and cash equivalents	\$ 1,548,718	\$ 1,799,814
Prepaid expense and other	7,128	8,781
	-----	-----
Total current assets	1,555,846	1,808,595
	-----	-----
Property and equipment, at cost:		
Technical equipment	254,200	254,200
Office equipment and other	89,220	89,220
Demonstration equipment	38,664	38,664
	-----	-----
	382,084	382,084
Less accumulated depreciation	(174,970)	(160,498)
	-----	-----
	207,114	221,586
Deposits	303,793	303,793
	-----	-----
Total Assets	\$ 2,066,753	\$ 2,333,974
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 77,925	\$ 46,521
Loan from officer	240,000	-
Other	24,247	20,716
	-----	-----
Total current liabilities	342,172	67,237
Loan from officer	-	240,000
Deferred rent and other	27,281	35,967
	-----	-----
Total liabilities	369,453	343,204
	-----	-----
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value, 10,000,000 shares authorized; none issued or outstanding	-	-
Common stock, \$0.001 par value; 50,000,000 shares authorized; 9,396,960 and 9,305,960, shares issued and outstanding at March 31, 1996 and December 31, 1995, respectively	9,397	9,306
Additional paid-in capital	18,150,051	18,006,729
Deficit accumulated during the development stage	(16,222,148)	(15,705,265)
Deferred compensation on stock options granted	(240,000)	(320,000)
	-----	-----
Total stockholders' equity	1,697,300	1,990,770
	-----	-----
Total liabilities and stockholders' equity	\$ 2,066,753	\$ 2,333,974
	=====	=====

</TABLE>

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

2
CD RADIO INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<u><S></u>	<u>Three months ended</u>		<u>For the period</u>
	<u>March 31,</u>	<u>March 31,</u>	<u>May 17, 1990</u>
	<u>1996</u>	<u>1995</u>	<u>(date of inception)</u>
	<u>-----</u>	<u>-----</u>	<u>to March 31,</u>
	<u><C></u>	<u><C></u>	<u>1996</u>
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Cash flows from operating activities:			
Net loss	\$ (516,883)	\$ (433,036)	\$ (16,222,148)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	14,472	14,177	185,669
Write off of investment in Sky-Highway Radio Corp.	-	-	2,000,000
Compensation expense in connection with issuance of stock options	80,000	80,000	1,475,500
Common stock issued for services rendered	63,413	-	410,696
Increase (decrease) in cash and cash equivalents			

<TABLE>

<CAPTION>

resulting from changes in assets and liabilities:			
Prepaid expense and other	1,653	(3,268)	(7,128)
Due to related party	-	-	350,531
Deposits	-	-	(303,793)
Accounts payable and accrued expenses	31,404	(94,928)	153,164
Other liabilities	(5,155)	8,457	51,528
	-----	-----	-----
Net cash used in operating activities	(331,096)	(428,598)	(11,905,981)
	-----	-----	-----
Cash flows from investing activities:			
Capital expenditures	-	(13,822)	(392,783)
Acquisition of Sky-Highway Radio Corp.	-	-	(2,000,000)
	-----	-----	-----
Net cash used in investing activities	-	(13,822)	(2,392,783)
	-----	-----	-----
Cash flows from financing activities:			
Proceeds from issuance of units and common stock	-	-	14,557,482
Proceeds from issuance of promissory notes	-	-	200,000
Proceeds from issuance of promissory notes to related parties	-	-	2,965,000
Proceeds from exercise of stock options by Company officer	80,000	-	80,000
Repayment of promissory note	-	-	(200,000)
Repayment of promissory notes to related parties	-	-	(2,195,000)
Loan from officer	-	-	440,000
Deferred offering costs	-	-	-
	-----	-----	-----
Net cash provided by financing activities	80,000	-	15,847,482
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents	(251,096)	(442,420)	1,548,718
Cash and cash equivalents at the beginning of period	1,799,814	3,400,261	-
	-----	-----	-----
Cash and cash equivalents at the end of period	\$ 1,548,718	\$ 2,957,841	\$ 1,548,718
	=====	=====	=====
Supplemental disclosure of cash information:			
Cash paid during the period for interest	\$ -	\$ -	\$ 40,063
	=====	=====	=====
Supplemental disclosure of non-cash financing activities:			
Common stock issued in satisfaction of notes payable to related parties, including accrued interest	\$ -	\$ -	\$ 998,452
	=====	=====	=====
Common stock issued in satisfaction of due to related parties including accrued interest	\$ -	\$ -	\$ 409,390
	=====	=====	=====
Common stock issued in satisfaction of commissions payable	\$ -	\$ -	\$ 20,000
	=====	=====	=====

</TABLE>

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

3
CD RADIO INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1996
(UNAUDITED)

GENERAL

The accompanying consolidated financial statements do not include all of the information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles. In the opinion of management, all adjustments (consisting only of normal, recurring adjustments) considered necessary to fairly reflect the Company's consolidated financial position and consolidated results of operations have been included.

CD RADIO INC. AND SUBSIDIARY

(A DEVELOPMENT STAGE ENTERPRISE)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

The Company was organized in May 1990 and is in its development stage. The Company's principal activities to date have included technology development, pursuing regulatory approval for CD Radio, initiation of discussions with radio manufacturers and automakers, market research, design, development, contract negotiations with satellite and launch vehicle contractors, technical efforts with respect to standards and specifications, development of a mobile demonstration program and securing adequate working capital. The Company has been unprofitable to date and expects to continue to incur substantial losses through at least the first full year of CD Radio service. Since its inception, the Company has not derived any revenues from operations and does not expect to generate any revenues from operations prior to the commencement of CD Radio, which is not expected to occur before the first half of 1999. In order to commence CD Radio service, the Company will require the FCC License and substantial additional funds to finance construction of its satellite system, to plan and implement its service, to provide working capital and to sustain its operations until it generates positive cash flows from operations.

In June 1994, the Company undertook measures to reduce the Company's cash requirements prior to the receipt of the FCC License. As a result of these efforts, the Company's cash operating expenses, net of cash received from interest income, was \$331,000 for the three months ended March 31, 1996. In the absence of the FCC License, the Company believes that its working capital is sufficient to fund planned operations through the first quarter of 1997. There can be no assurance that the Company's actual cash requirements will not exceed its anticipated pre-License cash requirements, that additional cash requirements will not arise or that additional financing will not be required prior to the receipt of the FCC License.

RESULTS OF OPERATIONS

The Company recorded net losses of \$517,000 and \$433,000 for the three months ended March 31, 1996 and 1995, respectively. The Company's total operating expenses were \$537,000 and \$472,000 for the three months ended March 31, 1996 and 1995, respectively.

Legal, consulting and regulatory fees increased for the three months ended March 31, 1996 to \$228,000 from \$189,000 for the three months ended March 31, 1995. These levels of expenditures are the result of reduced Company activity and is expected to remain at this level until the FCC License is received.

5

Research and development costs were \$28,000 and \$26,000 for the three months ended March 31, 1996 and 1995, respectively. This minimal level of research and development cost is the result of the Company completing the majority of such activities in 1994.

Other general and administrative expenses increased for the three months ended March 31, 1996 to \$282,000 from \$257,000 for the three months ended March 31, 1995. General and administrative expenses continue to remain at a low level due to a focused effort to reduce costs until such time as the Company receives the FCC License. The Company also incurred a non-cash charge of \$80,000 for the three month periods ended March 31, 1996 and 1995, attributable to the recognition of compensation expense in connection with stock options issued to officers of the Company.

The decrease of interest income to \$25,000 for the three months ended March 31, 1996, from \$44,000 in the three months ended March 31, 1995, was the result of a higher average cash balance during the first quarter of 1995. The cash and cash equivalents on hand were originally obtained from the Company's initial public offering in September of 1994.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 1996, the Company had working capital of approximately \$1,214,000, compared to \$2,554,000 at March 31, 1995. The reduction in working capital represents the Company's use of cash for operating expenses. The working capital was primarily obtained in the initial public offering on September 20, 1994 which resulted in net cash proceeds of \$4.4 million, including the exercise of the underwriters' over-allotment option.

Should the Company receive its FCC License, the Company will require substantial additional financing to complete the construction and launch of its satellite system and to fund the first full year of CD Radio.

In the absence of the FCC License, the Company believes that its working capital is sufficient to fund planned operations through the first quarter of 1997. There can be no assurance, however, that the Company's actual cash requirements will not exceed its anticipated pre-FCC License cash requirements, that additional cash requirements will not arise or that additional financing will not be required prior to the receipt of the FCC License.

The Company estimates that upon receipt of the FCC License (assuming that the FCC License is received in the first half of 1996 and that the Effective Date occurs upon receipt of the FCC License) it will require cash in the aggregate amount of \$70 million, \$181 million and \$228 million in the first, second and third years, respectively, following receipt of the FCC License to fund the construction and launch of the Company's satellites, the commencement of CD Radio and to provide cash reserves for the first year of service.

Upon receipt of the FCC License, the Company intends to seek additional financing through further debt and equity financings. The Company intends to use the proceeds of the Offering remaining at that time, if any, plus additional funds raised through these subsequent financing activities, for working capital and to fund the commencement of satellite construction.

6

However, there can be no assurance that the Company will be able to raise additional financing on favorable terms, if at all, or that it will be able to do so on a timely basis. If such financing were not available on a timely basis, the Company would be required to delay satellite and/or launch vehicle construction in order to conserve cash to fund continued operations, which would cause delays in commencement of its operations and increased costs.

The Company's estimates of its cash requirements are forward looking statements that involve a number of risks and uncertainties. Such estimates assume that the FCC License is received by the first half of 1996, that the FCC License is not subject to auction requirements, that the Effective Date occurs upon receipt of the FCC License and that operation of CD Radio commences in the first half of 1999. Actual amounts may exceed this estimate, and delays may occur due to a variety of causes. Cash requirements assume equity financing and therefore do not include interest payments. The Company's actual future cash requirements will depend upon numerous factors, including the costs associated with the construction and deployment of the satellite system and the rate of growth of its business subsequent to commencing service. Additional funds would be required in the event of delay, cost overruns, launch failure, launch services or satellite system change orders, or any shortfalls in estimated levels of operating cash flow, or to meet unanticipated expenses, or if the FCC applies auction requirements to the FCC License.

The Company anticipates funding its projected cash requirements through the completion of additional debt and equity financings. The Company does not have its financing commitments in place and there can be no assurance that the Company will be able to obtain financing on favorable terms, if at all, or that it will be able to do so on a timely basis.

7

PART II

OTHER INFORMATION

- Item 1. Legal Proceedings - None
- Item 2. Changes in Securities - None
- Item 3. Defaults upon Senior Securities - None
- Item 4. Submission of Matters to a Vote of Security Holders - None
- Item 5. Other Information - None

Item 6. Exhibits and Reports on Form 8-K

<TABLE>

<S>	(a)	Exhibits:	<C>
	3.1	Amended and Restated Certificate of Incorporation.	(2)
	3.2	Amended and Restated By-Laws.	(2)
	4.1	Description of Capital Stock contained in the Amended and Restated Certificate of Incorporation (see Exhibit 3.1).	(2)
	4.2	Description of Rights of Security Holders contained in the Amended and Restated Bylaws (see Exhibit 3.2).	(2)
	4.3	Form of Certificate for Shares of Common Stock.	(3)
	4.4	Form of Common Stock Purchase Warrant Agreement between the Company and Continental Stock Transfer and Trust Company.	(4)
	4.5	Form of Common Stock Purchase Warrant Certificate.	(4)
	4.6	Form of Representatives' Warrant Agreement among the Company, First Marathon (U.S.A.) Inc., First Marathon Securities Limited and Continental Stock Transfer and Trust Company.	(4)
	4.7	Form of Representatives' Warrant Certificate.	(4)
	10.1	Option Agreement, dated January 23, 1992, between the Company and New World Sky Media.	(2)
	10.2.1	Agreement, dated May 22, 1992, between Ivanhoe Capital Corporation and the Company.	(2)
	10.2.2	Termination of Ivanhoe Agreement, dated January 2, 1994.	(2)
	10.3	Lease Agreement, dated October 20, 1992, between 22nd & K Street Office Building Limited Partnership and the Company.	(2)
	10.4	Letter Agreement, dated November 18, 1992, between the Company and Batchelder & Partners, Inc.	(2)
	10.5.1	Employment Agreement, dated January 29, 1993, between the Company and Richard Cooperman.	(5)
	10.5.2	Agreement, dated June 20, 1994, between the Company and Richard Cooperman.	(6)
	10.6	Proprietary Information and Non-Competition Agreement, dated February 1, 1993, for Richard Cooperman.	(2)
	10.7	Option and Purchase Agreement, dated February 2, 1993, between the Company and Charles W. Ergen and David M. Drucker.	(2)
	10.8.1	Proprietary Information and Non-Competition Agreement, dated February 9, 1993, for Robert Briskman.	(2)
	10.8.2	Amendment No. 1 to Proprietary Information and Non-Competition Agreement between the Company and Robert Briskman.	(2)
	**10.9.1	Satellite Construction Agreement, dated March 2, 1993, between Space Systems/Loral and the Company.	(2)
	**10.9.2	Amendment No. 1 to Satellite Construction Agreement, effective December 28, 1993, between Space Systems/Loral and the Company.	(2)
	**10.9.3	Amendment No. 2 to Satellite Construction Agreement, effective March 8, 1994, between Space Systems/Loral and the Company.	(3)
	10.9.4	Amendment No. 3 to Satellite Construction Agreement, effective February 12, 1996, between Space Systems/Loral, Inc. and the Company.	(15)
	10.10	Assignment of Technology Agreement, dated April 15, 1993, between Robert Briskman and the Company.	(2)
	10.11	Agency Agreement, dated April 27, 1993, between the Company and First Marathon Securities Limited.	(2)
	10.12	Demand Note and Grant of Warrant to Robert Friedland, dated April 28, 1993.	(2)
	10.13	Amended and Restated Option Agreement between the Company and Robert Briskman.	(2)
	10.14	Demand Note and Grant of Warrant to Robert Friedland, dated October 13, 1993.	(2)
	10.15.1	Launch Reservation Agreement, dated September 20, 1993, between the Company and Arianespace.	(7)
	10.15.2	Modification of Launch Reservation Agreement, dated April 1, 1994, between the Company and Arianespace.	(3)
	10.15.3	Second Modification of Launch Reservation Agreement, dated August 10, 1994, between the Company and Arianespace.	(8)
	10.16	Option Agreement, effective as of October 16, 1991, between the Company and Charles Dalfen.	(2)
	10.17	Option Agreement, effective as of October 16, 1992, between the Company and Charles Dalfen.	(2)
	10.18.1	Employment and Noncompetition Agreement between the Company and David Margolese.	(9)
	10.18.2	First Amendment to Employment Agreement between the Company and David Margolese.	(6)
	10.19.1	Employment and Noncompetition Agreement between the Company and Robert Briskman.	(10)
	10.19.2	First Amendment to Employment Agreement between the Company and Robert Briskman.	(6)
	10.20	Registration Agreement, dated January 2, 1994, between the Company and M.A. Rothblatt and B.A. Rothblatt.	(2)
	10.21	1994 Stock Option Plan.	(2)
	10.22	Amended and Restated 1994 Directors' Nonqualified Stock Option Plan.	(15)
	10.23	Form of Lock-Up Agreement executed by certain holders of the Company's Common Stock.	(6)
	10.24	Option Agreement, dated as of October 21, 1992, between the Company and Batchelder & Partners, Inc.	(11)
	10.25	Settlement Agreement, dated as of February 2, 1994, between the	

	Company and New World Sky Media Inc. and Bryan Kim.(2)
10.26.1	Employment and Noncompetition Agreement between the Company and Margaret E. Grayson.(12)
10.26.2	First Amendment to Employment Agreement between the Company and Margaret E. Grayson.(6)
10.26.3	Second Amendment to Employment Agreement between the Company and Margaret E. Grayson.(6)
10.27	Settlement Agreement, dated as of April 1, 1994, among the Company, M.A. Rothblatt, B.A. Rothblatt and Marcor, Inc.(3)
10.28.1	Demand Note, dated April 19, 1994, in favor of David Margolese.(13)
10.28.2	Note, dated June 30, 1994, in favor of David Margolese.(8)
10.29	Demand Note, dated April 19, 1994, between the Company and D. Friedland.(6)
10.30.1	Demand Note, dated July 5, 1994, in favor of Jobrenco Limited.(6)
10.30.2	Security Agreement, dated July 5, 1994, between the Company and Jobrenco Limited.(6)
10.31	Placement Agreement, dated April 27, 1993, between the Company and First Marathon Securities Limited.(6)
10.32	Letter of Understanding, dated December 3, 1993, between the Company and The Seidler Companies Incorporated.(6)
10.33	Form of Subscription Agreement among First Marathon Securities Limited and Canadian Purchasers.(1)
10.34	Form of Subscription Agreement among First Marathon Securities Limited and Non-U.S. and Non-Canadian Purchasers.(1)
10.35	Form of Underwriting Agreement (see Exhibit 1.1)
10.36	Letter Agreement, dated January 13, 1995, between the Company and Brenner Securities.(14)
10.37	1995 Stock Compensation Plan.(15)
11.1	Computation of net loss per share
27.1	Financial Data Schedule

</TABLE>

(b) Reports on Form 8-K

On March 5, 1996, the Company filed a report on Form 8-K under Item 5 and Item 7, announcing the extension of the exercise period of the Company's Class A Common Stock Purchase Warrants and filing a copy of the Press Release dated March 5, 1996, as Exhibit 99.1

** Portions of these exhibits have been omitted pursuant to an Application for Confidential Treatment filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

- (1) Incorporated by reference to the same-numbered exhibit to Amendment No. 5, filed September 8, 1994, to the Registrant's Registration Statement No. 33-74782 M Form S-1 filed with the Commission on February 2, 1994.
- (2) Incorporated by reference to the same-numbered exhibit to the Registrant's Registration Statement No. 33-74782 on Form S-1 filed with the Commission on February 2, 1994.
- (3) Incorporated by reference to the same-numbered exhibit to Amendment No. 2, filed with the Commission on April 14, 1994, to Registrant's Registration Statement No. 33-74782 on Form S-1 filed with the Commission on February 2, 1994.
- (4) Incorporated by reference to the same-numbered exhibit to Amendment No. 5, filed with the Commission on September 8, 1994, to Registrant's Registration Statement No. 33-74782 on Form S-1 filed with the Commission on February 2, 1994.
- (5) Incorporated by reference to exhibit 10.5 to the Registrant's Registration Statement No. 33-74782 on Form S-1 filed with the Commission on February 2, 1994.
- (6) Incorporated by reference to the same-numbered exhibit to Amendment No. 5, filed with the Commission on August 2, 1994, to Registrant's Registration Statement No. 33-74782 on Form S-1 filed with the Commission on February 2, 1994.
- (7) Incorporated by reference to Exhibit No. 10.15 to the Registrant's Registration Statement No. 33-74782 on Form S-1 filed with the Commission on February 2, 1994.
- (8) Incorporated by reference to the same-numbered exhibit to Amendment No. 4, filed with the Commission on August 14, 1994, to Registrant's Registration Statement No. 33-74782 on Form S-1 filed with the Commission on February 2, 1994.
- (9) Incorporated by reference to Exhibit No. 10.18 to the Registrant's Registration Statement No. 33-74782 on Form S-1 filed with the Commission on February 2, 1994.
- (10) Incorporated by reference to Exhibit No. 10.19 to Registrant's Registration Statement No. 33-74782 on Form S-1 filed with the Commission on February 2, 1994.
- (11) Incorporated by reference to Exhibit No. 1, filed with the Commission on March 14, 1994, to Registrant's Registration Statement No. 33-74782 on Form S-1 as filed with the Commission on February 2, 1994.
- (12) Incorporated by reference to Exhibit No. 10.26 to Amendment No. 2, filed with the Commission on April 13, 1994, to Registrant's Registration Statement No. 33-74782 on Form S-1 as filed with the Commission on February 2, 1994.
- (13) Incorporated by reference to Exhibit No. 10.28 to Amendment No. 3 filed with the Commission on August 2, 1994, to Registrant's

Registration Statement No. 33-74782 on Form S-1 as filed with the Commission on February 2, 1994.

- (14) Incorporated by reference to the same-numbered exhibit to Registrant's Annual Report in Form 10-K for the fiscal year ended December 31, 1994, Commission File No. 0-24710.
- (15) Incorporated by reference to the same-numbered exhibit to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995, Commission File No. 0-24710.

8
SIGNATURES

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 thereunto duly authorized.

CD RADIO INC.
(Registrant)

Date: May 14, 1996

/s/ David Margolese

Chairman and
Chief Executive Officer
(Duly authorized officer and
principal financial officer)

CD RADIO INC.

INDEX TO EXHIBITS
<TABLE>
<CAPTION>

EXHIBIT NUMBER -----	DESCRIPTION -----	PAGE NO. -----
<S>	<C>	
3.1	Amended and Restated Certificate of Incorporation.(2).....	
3.2	Amended and Restated By-Laws.(2)	
4.1	Description of Capital Stock contained in the Amended and Restated Certificate of Incorporation (see Exhibit 3.1).(2)	
4.2	Description of Rights of Security Holders contained in the Amended and Restated Bylaws (see Exhibit 3.2).(2)	
4.3	Form of Certificate for Shares of Common Stock.(3)	
4.4	Form of Common Stock Purchase Warrant Agreement between the Company and Continental Stock Transfer and Trust Company.(4)	
4.5	Form of Common Stock Purchase Warrant Certificate.(4)	
4.6	Form of Representatives' Warrant Agreement among the Company, First Marathon (U.S.A.) Inc., First Marathon Securities Limited and Continental Stock Transfer and Trust Company.(4)	
4.7	Form of Representatives' Warrant Certificate.(4)	
10.1	Option Agreement, dated January 23, 1992, between the Company and New World Sky Media.(2)	
10.2.1	Agreement, dated May 22, 1992, between Ivanhoe Capital Corporation and the Company.(2)	
10.2.2	Termination of Ivanhoe Agreement, dated January 2, 1994.(2)	
10.3	Lease Agreement, dated October 20, 1992, between 22nd & K Street Office Building Limited Partnership and the Company.(2)	
10.4	Letter Agreement, dated November 18, 1992, between the Company and Batchelder & Partners, Inc.(2)	
10.5.1	Employment Agreement, dated January 29, 1993, between the Company and Richard Cooperman.(5)	
10.5.2	Agreement, dated June 20, 1994, between the Company and Richard Cooperman.(6)	
10.6	Proprietary Information and Non-Competition Agreement, dated February 1, 1993, for Richard Cooperman.(2)	
10.7	Option and Purchase Agreement, dated February 2, 1993, between the Company and Charles W. Ergen and David M. Drucker.(2)	
10.8.1	Proprietary Information and Non-Competition Agreement, dated February 9, 1993, for Robert Briskman.(2)	
10.8.2	Amendment No. 1 to Proprietary Information and Non-Competition Agreement between the Company and Robert Briskman.(2)	
**10.9.1	Satellite Construction Agreement, dated March 2, 1993, between Space Systems/Loral and the Company.(2).....	
**10.9.2	Amendment No. 1 to Satellite Construction Agreement, effective December 28, 1993, between Space Systems/Loral	

**10.9.3	and the Company.(2)
	Amendment No. 2 to Satellite Construction Agreement, effective March 8, 1994, between Space Systems/Loral and the Company.(3).....
10.9.4	Amendment No. 3 to Satellite Construction Agreement, effective February 12, 1996, between Space Systems/Loral, Inc. and the Company.(15)
10.10	Assignment of Technology Agreement, dated April 15, 1993, between Robert Briskman and the Company.(2)
10.11	Agency Agreement, dated April 27, 1993, between the Company and First Marathon Securities Limited.(2)
10.12	Demand Note and Grant of Warrant to Robert Friedland, dated April 28, 1993.(2)
10.13	Amended and Restated Option Agreement between the Company and Robert Briskman.(2)
10.14	Demand Note and Grant of Warrant to Robert Friedland, dated October 13, 1993.(2)
10.15.1	Launch Reservation Agreement, dated September 20, 1993, between the Company and Arianespace.(7)
10.15.2	Modification of Launch Reservation Agreement, dated April 1, 1994, between the Company and Arianespace.(3)
10.15.3	Second Modification of Launch Reservation Agreement, dated August 10, 1994, between the Company and Arianespace.(8)
10.16	Option Agreement, effective as of October 16, 1991, between the Company and Charles Dalfen.(2)

</TABLE>

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION	PAGE NO.
-----	-----	-----
<S>	<C>	
10.17	Option Agreement, effective as of October 16, 1992, between the Company and Charles Dalfen.(2)	
10.18.1	Employment and Noncompetition Agreement between the Company and David Margolese.(9)	
10.18.2	First Amendment to Employment Agreement between the Company and David Margolese.(6)	
10.19.1	Employment and Noncompetition Agreement between the Company and Robert Briskman.(10)	
10.19.2	First Amendment to Employment Agreement between the Company and Robert Briskman.(6)	
10.20	Registration Agreement, dated January 2, 1994, between the Company and M.A. Rothblatt and B.A. Rothblatt.(2)	
10.21	1994 Stock Option Plan.(2)	
10.22	Amended and Restated 1994 Directors' Nonqualified Stock Option Plan.(15)	
10.23	Form of Lock-Up Agreement executed by certain holders of the Company's Common Stock.(6)	
10.24	Option Agreement, dated as of October 21, 1992, between the Company and Batchelder & Partners, Inc.(11)	
10.25	Settlement Agreement, dated as of February 2, 1994, between the Company and New World Sky Media Inc. and Bryan Kim.(2)	
10.26.1	Employment and Noncompetition Agreement between the Company and Margaret E. Grayson.(12)	
10.26.2	First Amendment to Employment Agreement between the Company and Margaret E. Grayson.(6)	
10.26.3	Second Amendment to Employment Agreement between the Company and Margaret E. Grayson.(6)	
10.27	Settlement Agreement, dated as of April 1, 1994, among the Company, M.A. Rothblatt, B.A. Rothblatt and Marcor, Inc.(3)	
10.28.1	Demand Note, dated April 19, 1994, in favor of David Margolese.(13)	
10.28.2	Note, dated June 30, 1994, in favor of David Margolese.(8)	
10.29	Demand Note, dated April 19, 1994, between the Company and D. Friedland.(6)	
10.30.1	Demand Note, dated July 5, 1994, in favor of Jobrenco Limited.(6)	
10.30.2	Security Agreement, dated July 5, 1994, between the Company and Jobrenco Limited.(6)	
10.31	Placement Agreement, dated April 27, 1993, between the Company and First Marathon Securities Limited.(6)	
10.32	Letter of Understanding, dated December 3, 1993, between the Company and The Seidler Companies Incorporated.(6)	
10.33	Form of Subscription Agreement among First Marathon Securities Limited and Canadian Purchasers.(1)	
10.34	Form of Subscription Agreement among First Marathon Securities Limited and Non-U.S. and Non-Canadian Purchasers.(1)	
10.35	Form of Underwriting Agreement (see Exhibit 1.1)	
10.36	Letter Agreement, dated January 13, 1995, between the Company and Brenner Securities.(14)	
10.37	1995 Stock Compensation Plan.(15)	
11.1	Computation of net loss per share	
27.1	Financial Data Schedule	

</TABLE>

** Portions of these exhibits have been omitted pursuant to an Application for Confidential Treatment filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

- (1) Incorporated by reference to the same-numbered exhibit to Amendment No. 5, filed September 8, 1994, to the Registrant's Registration Statement No. 33-74782 M Form S-1 filed with the Commission on February 2, 1994.
- (2) Incorporated by reference to the same-numbered exhibit to the Registrant's Registration Statement No. 33-74782 on Form S-1 filed with the Commission on February 2, 1994.
- (3) Incorporated by reference to the same-numbered exhibit to Amendment No. 2, filed with the Commission on April 14, 1994, to Registrant's Registration Statement No. 33-74782 on Form S-1 filed with the Commission on February 2, 1994.
- (4) Incorporated by reference to the same-numbered exhibit to Amendment No. 5, filed with the Commission on September 8, 1994, to Registrant's Registration Statement No. 33-74782 on Form S-1 filed with the Commission on February 2, 1994.
- (5) Incorporated by reference to exhibit 10.5 to the Registrant's Registration Statement No. 33-74782 on Form S-1 filed with the Commission on February 2, 1994.

- (6) Incorporated by reference to the same-numbered exhibit to Amendment No. 5, filed with the Commission on August 2, 1994, to Registrant's Registration Statement No. 33-74782 on Form S-1 filed with the Commission on February 2, 1994.
- (7) Incorporated by reference to Exhibit No. 10.15 to the Registrant's Registration Statement No. 33-74782 on Form S-1 filed with the Commission on February 2, 1994.
- (8) Incorporated by reference to the same-numbered exhibit to Amendment No. 4, filed with the Commission on August 14, 1994, to Registrant's Registration Statement No. 33-74782 on Form S-1 filed with the Commission on February 2, 1994.
- (9) Incorporated by reference to Exhibit No. 10.18 to the Registrant's Registration Statement No. 33-74782 on Form S-1 filed with the Commission on February 2, 1994.
- (10) Incorporated by reference to Exhibit No. 10.19 to Registrant's Registration Statement No. 33-74782 on Form S-1 filed with the Commission on February 2, 1994.
- (11) Incorporated by reference to Exhibit No. 1, filed with the Commission on March 14, 1994, to Registrant's Registration Statement No. 33-74782 on Form S-1 as filed with the Commission on February 2, 1994.
- (12) Incorporated by reference to Exhibit No. 10.26 to Amendment No. 2, filed with the Commission on April 13, 1994, to Registrant's Registration Statement No. 33-74782 on Form S-1 as filed with the Commission on February 2, 1994.
- (13) Incorporated by reference to Exhibit No. 10.28 to Amendment No. 3 filed with the Commission on August 2, 1994, to Registrant's Registration Statement No. 33-74782 on Form S-1 as filed with the Commission on February 2, 1994.
- (14) Incorporated by reference to the same-numbered exhibit to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994, Commission File No. 0-24710.
- (15) Incorporated by reference to the same-numbered exhibit to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.

EXHIBIT 11.1

CD RADIO INC.
 (A DEVELOPMENT STAGE ENTERPRISE)
 COMPUTATION OF NET LOSS PER SHARE

<TABLE>
 <CAPTION>

	Three months ended		For the period
	March 31, 1996	March 31, 1995	May 17, 1990 (date of inception) to March 31, 1996
<S>	<C>	<C>	<C>
Net loss	(\$516,883)	(\$433,036)	(\$16,222,148)
Weighted average common shares outstanding	9,357,793	9,198,960	6,814,617
Net common shares issuable upon the exercise of outstanding options issued within one year of initial public offering	-	-	404,841
Weighted average common shares outstanding	9,357,793	9,198,960	7,219,458
Net loss per common share and common share equivalent	(\$0.06)	(\$0.05)	(\$2.25)

</TABLE>

<TABLE> <S> <C>

<ARTICLE> 5

<S>	<C>
<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	DEC-31-1996
<PERIOD-START>	JAN-01-1996
<PERIOD-END>	MAR-31-1996
<CASH>	1,548,718
<SECURITIES>	0
<RECEIVABLES>	0
<ALLOWANCES>	0
<INVENTORY>	0
<CURRENT-ASSETS>	1,555,846
<PP&E>	382,084
<DEPRECIATION>	(174,970)
<TOTAL-ASSETS>	2,066,753
<CURRENT-LIABILITIES>	342,172
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	9,397
<OTHER-SE>	(240,000)
<TOTAL-LIABILITY-AND-EQUITY>	2,066,753
<SALES>	0
<TOTAL-REVENUES>	0
<CGS>	0
<TOTAL-COSTS>	0
<OTHER-EXPENSES>	537,256
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	4,917
<INCOME-PRETAX>	(516,883)
<INCOME-TAX>	0
<INCOME-CONTINUING>	(516,883)
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	(516,883)
<EPS-PRIMARY>	(0.06)
<EPS-DILUTED>	0

</TABLE>