

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 20, 1996

CD RADIO INC.

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-24710

(Commission File Number)

52-1700207

(IRS Employer Identification No.)

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

(Address of Principal Executive Offices)

20037

(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

During September 1996, warrants were exercised for the purchase of 752,631 shares of the Company's common stock. In connection with these exercises, the Company received cash in the amount of \$4,353,288.

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

(c) Exhibits

Unaudited Consolidated Financial Statements for CD Radio Inc. and
Subsidiary (A Development Stage Enterprise) including:

Unaudited Consolidated Balance Sheet as of August 31, 1996

Unaudited Consolidated Statement of Operations for the eight
months ended August 31, 1996

Notes to Unaudited Financial Statements

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.

Date October 1, 1996

By /s/ David Margolese

David Margolese
Chairman of the Board and Chief
Executive Officer

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CD RADIO INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED BALANCE SHEET
AS OF AUGUST 31, 1996
(UNAUDITED)

<TABLE> <S>		<C>
	ASSETS	
Current Assets:		
Cash and cash equivalents		\$ 1,137,390
Prepaid expenses and other		68,628

Total current assets		1,206,018

Property and equipment, at cost:		
Technical equipment		254,200
Office equipment and other equipment		89,220
Demonstration equipment		38,664

		382,084
Less accumulated depreciation		(196,069)

		186,015
Deposits		303,793

Total Assets		\$ 1,695,826
		=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable and accrued expenses		\$ 6,062
Other		22,799

Total current liabilities		28,861
Loan from officer		240,000
Deferred rent and other		65,503

Total liabilities		334,364

Stockholders' equity:		
Preferred stock, \$0.001 par value, 10,000,000 shares authorized: none issued or outstanding		9,473
Common stock, \$0.001 par value: 50,000,000 shares authorized: 9,472,760 issued and outstanding		18,715,706
Additional paid-in capital		(17,257,050)
Accumulated deficit		(106,667)
Deferred compensation on stock options granted		-----
Total stockholders' equity		1,361,462
Total liabilities and stockholders' equity		\$ 1,695,826
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</TABLE>

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

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 CD RADIO INC. AND SUBSIDIARY
 (A DEVELOPMENT STAGE ENTERPRISE)
 CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE EIGHT MONTHS ENDED AUGUST 31, 1996
 (UNAUDITED)

<TABLE>	
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Revenue	<C> \$ ---
Expenses	
Legal, consulting and regulatory fees	729,528
Other general and administrative	795,864
Research and development	71,007

Total expenses	1,596,399

Other income (expense)	
Interest income	57,765
Interest expense	(13,151)

	44,614

Net loss	\$ (1,551,785)
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</TABLE>	

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

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 CD RADIO INC. AND SUBSIDIARY
 (A DEVELOPMENT STAGE ENTERPRISE)
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 AUGUST 31, 1996
 (UNAUDITED)

General

The accompanying 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.

Subsequent event

During September 1996, warrants were exercised for the purchase of 752,631 shares of the Company's common stock. In connection with these exercises, the Company received cash in the amount of \$4,353,288. If the exercise had taken place at August 31, 1996, the Company's cash and cash equivalents and total assets at that date would have been \$5,490,678 and \$6,049,114, respectively.