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, 2000

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 X 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 41,880,932 SHARES
(Class) (Outstanding as of May 10, 2000)

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE ENTERPRISE)

INDEX

Part I - Financial Information

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

	For the Three Months Ended March 31,		Cumulative for the period May 17, 1990 (date of inception) to March 31, 2000
	2000	1999	
Revenue	$ --	$ --	$ --
Operating expenses:			
Engineering design and development	(16,898)	(6,911)	(56,448)
General and administrative	(9,878)	(4,964)	(70,806)
Special charges	--	--	(27,682)
Total operating expenses	(26,776)	(11,875)	(154,936)
Other income (expense):			
Interest and investment income	7,831	2,864	36,985
Interest expense	(5,866)	(1,433)	(39,056)
	1,965	1,431	(2,071)
Loss before income taxes	(24,811)	(10,444)	(157,007)
Income taxes:			
Federal	--	--	(1,982)
State	--	--	(313)
Net loss	(24,811)	(10,444)	(159,302)
Preferred stock dividends	(10,838)	(7,330)	(62,877)
Preferred stock deemed dividends	(7,218)	(2,256)	(74,404)
Accretion of dividends in connection with the issuance of warrants on preferred stock	(894)	(74)	(7,698)
Net loss applicable to common stockholders	$(43,761)	$(20,104)	$(304,281)
Net loss per share applicable to common stockholders (basic and diluted)	$ (1.35)	$ (0.87)	
Weighted average common shares outstanding (basic and diluted)	32,412	23,220	

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

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	March 31, 2000	December 31, 1999
ASSETS	(unaudited)	
Current assets:		
Cash and cash equivalents	$ 65,316	$ 81,809
Marketable securities, at market	419,108	317,810
Restricted investments, at amortized cost	68,338	67,454
Prepaid expense and other	757	741
Total current assets	553,519	467,814
Property and equipment, at cost:		
Satellite construction in process	429,637	375,294
Launch construction in process	245,599	199,385
Broadcast studio equipment	16,834	15,731
Leasehold improvements	16,239	15,285
Technical equipment and other	22,374	18,653
	730,683	624,348
Less accumulated depreciation	(1,224)	(880)
	729,459	623,468
Other assets:		
FCC license	83,368	83,368
Debt issue costs, net	21,982	23,053
Deposits and other	9,010	8,909
Total other assets	114,360	115,330
Total assets	$1,397,338	$1,206,612
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 37,008	$ 30,454
Satellite and launch construction payable	33,974	19,275
Short-term notes payable	--	114,075
Total current liabilities	70,982	163,804
Long-term notes payable and accrued interest	497,710	488,835
Deferred satellite payments and accrued interest	56,515	55,140
Deferred income taxes	2,237	2,237
Total liabilities	627,444	710,016
Commitments and contingencies:		
10 1/2% Series C Convertible Preferred Stock, no par value: 2,025,000 shares authorized, 102,902 and 1,248,776 shares issued and outstanding at March 31, 2000 and December 31, 1999, respectively (liquidation preferences of $10,290 and $124,878), at net carrying value including accrued dividends	12,704	149,285
9.2% Series A Junior Cumulative Convertible Preferred Stock, $.001 par value: 4,300,000 shares authorized, 1,461,270 shares issued and outstanding at March 31, 2000 and December 31, 1999 (liquidation preference of $146,127), at net carrying value including accrued dividends	152,180	148,894
9.2% Series B Junior Cumulative Convertible Preferred Stock, $.001 par value: 2,100,000 shares authorized, 655,406 shares issued and outstanding at March 31, 2000 and December 31, 1999 (liquidation preference of $65,541), at net carrying value including accrued dividends	65,767	64,238
9.2% Series D Junior Cumulative Convertible Preferred Stock, $.001 par value: 10,700,000 shares authorized 2,000,000 shares issued and outstanding at March 31, 2000 (liquidation preference of $200,000), at net carrying value including accrued dividends	195,626	--
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, 39,079,936 and 28,721,041 shares issued and outstanding at March 31, 2000 and December 31, 1999, respectively	39	29
Additional paid-in capital	502,880	268,641
Deficit accumulated during the development stage	(159,302)	(134,491)
Total stockholders' equity	343,617	134,179
Total liabilities and stockholders' equity	$1,397,338	$1,206,612

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

SIRIUS SATELLITE RADIO INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	For the Three Months Ended March 31,		Cumulative for the period May 17, 1990 (date of inception) to March 31, 2000
	2000	1999	
Cash flows from development stage activities:			
Net loss	$ (24,811)	$ (10,444)	$ (159,302)
Adjustments to reconcile net loss to net cash provided by (used in) development stage activities:			
Depreciation expense	471	17	1,635
Unrealized loss on marketable securities	(448)	(146)	(4,330)
Loss on disposal of assets	249	--	364
Special charges	--	--	25,557
Accretion of note payable charged as interest expense	19,517	8,950	103,582
Sales (purchases) of marketable securities and restricted investments, net	(100,850)	14,846	(482,219)
Compensation expense in connection with issuance of Common Stock and stock options	1,730	152	6,272
Expense incurred in connection with induced conversion of debt	--	--	1,776
Increase (decrease) in cash and cash equivalents resulting from changes in assets and liabilities:			
Prepaid expense and other	13	(566)	(728)
Due to related party	--	--	351
Other assets	160	1,130	(5,896)
Accounts payable and accrued expenses	(3,942)	645	5,629
Deferred taxes	--	--	2,237
Net cash provided by (used in) development stage activities	(107,911)	14,584	(505,072)
Cash flows from investing activities:			
Purchase of FCC license	--	--	(83,368)
Payments for satellite construction	(38,269)	(29,236)	(355,148)
Payments for launch services	(46,214)	(19,705)	(251,862)
Other capital expenditures	(6,403)	(17,419)	(59,436)
Acquisition of Sky-Highway Radio Corp.	--	--	(2,000)
Net cash used in investing activities	(90,886)	(66,360)	(751,814)
Cash flows from financing activities:			
Proceeds from issuance of notes payable	1,882	8,951	253,144
Proceeds from issuance of Common Stock, net	100,010	--	361,790
Proceeds from issuance of preferred stock, net	192,450	--	505,418
Proceeds from exercise of stock options and warrants	3,919	129	10,502
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	182,304	9,080	1,322,202
Net increase (decrease) in cash and cash equivalents	(16,493)	(42,696)	65,316
Cash and cash equivalents at the beginning of period	81,809	204,753	--
Cash and cash equivalents at the end of period	$ 65,316	$ 162,057	$ 65,316

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLAR AMOUNTS IN THOUSANDS, UNLESS OTHERWISE STATED)
(UNAUDITED)

GENERAL

The accompanying consolidated financial statements and the notes thereto do not include all of the information and 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 state our consolidated financial position and consolidated results of operations have been included. These financial statements should be read in connection with our consolidated financial statements and the notes thereto for the fiscal year ended December 31, 1999 included in our Annual Report on Form 10-K as filed with the Securities and Exchange Commission.

NET LOSS PER SHARE

Basic loss per share is based on the weighted average number of outstanding shares of our Common Stock. Diluted loss per share adjusts the weighted average for the potential dilution that could occur if common stock equivalents (i.e. convertible stock, convertible debt, warrants and stock options) were exercised or converted into Common Stock. As of March 31, 2000 and 1999, approximately 28,892,000 and 14,234,000 common stock equivalents were outstanding, respectively, and were excluded from the calculation of diluted loss per share as they were antidilutive.

MARKETABLE SECURITIES

Marketable securities consist of fixed income securities and are stated at market value. Marketable securities are defined as trading securities under the provision of SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities" ("SFAS No. 115"), and unrealized holding gains and losses are reflected in earnings. Unrealized holding gains were $4,330 and $3,882 at March 31, 2000 and December 31, 1999, respectively.

RESTRICTED INVESTMENTS

Restricted investments consist of fixed income securities and are stated at amortized cost plus accrued interest. Restricted investments are defined as held-to-maturity securities under the provision of SFAS No. 115 and unrealized holding gains and losses are not reflected in earnings. Unrealized holding losses were $765 and $716 at March 31, 2000 and December 31, 1999, respectively. The securities included in restricted investments are restricted to provide for the payment of interest due on our 14 1/2% Senior Secured Notes due 2009 through May 15, 2002.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and include interest on funds borrowed to finance construction. Capitalized interest was $90,328 and $72,810 at March 31, 2000 and December 31, 1999, respectively.

SHORT-TERM NOTES PAYABLE

We entered into a credit agreement with Bank of America and other lenders in July 1998 under which Bank of America and other lenders agreed to provide us a term loan facility of up to $115,000. The proceeds of this facility were used to fund progress payments for the purchase of launch services and to pay interest, fees and other related expenses. On February 29, 2000, we repaid these loans and cancelled the related credit agreement.

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 bear interest at 10% per year and are due in quarterly installments beginning in June 2002. We have the right to prepay any deferred payments together with accrued interest, without penalty.

ENGINEERING DESIGN AND DEVELOPMENT COSTS

We have entered into an agreement with Lucent Technologies, Inc. ("Lucent") pursuant to which Lucent has agreed to use commercially reasonable efforts to deliver integrated circuits ("chip sets"), which will be used in consumer electronic devices capable of receiving our broadcasts. In addition, we have entered into agreements with various equipment manufacturers, including Alpine Electronics Inc., Audiovox Corporation, Clarion Co., Ltd., Delphi Delco Electronics Systems, Kenwood Corporation, Matsushita Communication Industrial Corporation of USA, Recoton Corporation, Sanyo Electronic Co. Ltd., and Visteon Automotive Systems, an enterprise of Ford Motor Company, to design and develop equipment that will be used to receive our broadcasts. Pursuant to these agreements, we have agreed to pay certain development costs. We record expenses under these contracts as the work is performed. Total expenses related to these agreements were $13,903 and $38,534 for the three months ended March 31, 2000 and the period May 17, 1990 (date of inception) to March 31, 2000, respectively.

RECLASSIFICATIONS

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

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 expectations, beliefs, plans, objectives, assumptions, future events or performance are not historical facts and may be "forward-looking" within the meaning of the Private Securities Litigation Reform Act of 1995. Such 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." Accordingly, these statements involve estimates, assumptions and uncertainties that could cause our actual results to differ materially from those expressed in the forward-looking statements. Any forward-looking statements are qualified in their entirety by reference to other factors discussed throughout our Annual Report on Form 10-K for the year ended December 31, 1999 (the "1999 Form 10-K"), and particularly the risk factors set forth under the caption "Business--Risk Factors" in Part I of the 1999 Form 10-K. Among the significant factors that have a direct bearing on our results of operations are:

-- unavailability of receivers and antennas and our dependence upon third parties to design, develop, manufacture and distribute receivers and antennas;

-- our dependence on Loral for construction and launch of our satellites;

-- the potential risk of delay in implementing our business plan;

-- risk of launch failure;

-- unproven market for our service and unproven applications of technology; and

-- 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. Further, 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. New factors emerge from time to time, and it is not possible for us to predict which will arise. In addition, we cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

OVERVIEW

Sirius Satellite Radio Inc. ("Sirius Radio") was organized in May 1990 and is in its development stage. Our principal activities to date have included developing our technology, obtaining regulatory approval for our service, commencing the construction of four satellites, constructing our production and broadcast facility, acquiring content for our programming, developing our terrestrial repeater system, arranging for the design and development of receivers, strategic planning, market research, recruiting our management team and securing financing for capital expenditures and working capital. We will require funds for working capital, interest on borrowings, acquisition of programming, financing costs and operating expenses until some time after we commence operations. We cannot assure you that we will ever commence operations, that we will attain any particular level of revenues or that we will achieve profitability.

Upon commencing operations, we expect our primary source of revenues to be subscription fees. We currently anticipate that our subscription fee will be $9.95 per month, with a one time activation fee per subscriber. In addition, we expect to derive revenues from directly selling or bartering advertising on our non-music channels. We do not expect to recognize revenues from operations until the first quarter of 2001, at the earliest. We do not intend to manufacture the receivers necessary to receive our service and thus we will not receive any revenues from their sale.

We expect that the operating expenses associated with our service will consist primarily of marketing, sales, programming, maintenance of our satellite and broadcasting system and general and administrative costs. Costs to acquire programming are expected to include payments to build and maintain an extensive music library and royalty payments for broadcasting music (which are likely to be calculated based on a percentage of revenues). As of May 10, 2000, we had 107 employees. By commencement of operations, we expect to have approximately 250 employees.

RESULTS OF OPERATIONS

THREE MONTHS ENDED MARCH 31, 2000 COMPARED WITH THREE MONTHS ENDED MARCH 31, 1999

We recorded net losses of $24,811 and $10,444 for the three months ended March 31, 2000 and 1999, respectively. Our total operating expenses were $26,776 and $11,875 for the three months ended March 31, 2000 and 1999, respectively.

Engineering design and development costs were $16,898 and $6,911 for the three months ended March 31, 2000 and 1999, respectively. Engineering costs incurred in the 2000 quarter and the 1999 quarter represented primarily payments to Lucent in connection with our chip set development effort and payments to consumer electronic manufacturers in connection with our receiver development efforts. The increase in these costs in the 2000 quarter resulted primarily from the increased activity in the receiver development effort as we prepare to launch our service.

General and administrative expenses increased for the three months ended March 31, 2000 to $9,878 from $4,964 for the three months ended March 31, 1999. General and administrative expenses increased due to the occupancy of our National Broadcast Studio and the growth of our management team and workforce. The major components of general and administrative expenses in the 2000 quarter were salaries and employment related costs (46%) and rent and occupancy costs (15%), while in the 1999 quarter the major components were salaries and employment related costs (28%) and rent and occupancy costs (30%). The remaining portion of general and administrative expenses (39% in the 2000 quarter and 42% in the 1999 quarter) consisted of other costs such as legal and regulatory, insurance, marketing, consulting, travel, depreciation and supplies, with only marketing expenses (13%) exceeding 10% of the total in the 2000 quarter and only legal and regulatory expenses (15%) exceeding 10% of the total in the 1999 quarter.

The increase in interest and investment income to $7,831 for the three months ended March 31, 2000 from $2,864 for the three months ended March 31, 1999 was the result of higher average balances of cash, marketable securities and restricted investments during the 2000 quarter. The higher average balances of cash, marketable securities and restricted investments during the 2000 quarter were due to the proceeds from financing activities in 1999 and the first quarter of 2000, including the issuance of our 14 1/2% Senior Secured Notes due 2009, 8 3/4% Convertible Subordinated Notes due 2009, 9.2% Series B Junior Cumulative Convertible Preferred Stock, 9.2% Series D Junior Cumulative Convertible Preferred Stock and 2,290,322 shares of Common Stock.

Interest expense, net of capitalized interest, was $5,866 for the three months ended March 31, 2000 and $1,433 for the three months ended March 31, 1999. This increase in net interest expense was due to interest expense increasing by an amount ($11,824) greater than the corresponding increase in capitalized interest ($7,391). The increase in interest expense for the 2000 quarter was due to interest accruing on our 14 1/2% Senior Secured Notes due 2009 issued in May 1999 and our 8 3/4% Convertible Subordinated Notes due 2009 issued in September and October 1999.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2000, we had cash, cash equivalents, marketable securities and restricted investments totaling $552,762 and working capital of $482,537 compared with cash, cash equivalents and marketable securities totaling $467,073 and working capital of $304,010 at December 31, 1999. These increases reflect the proceeds from the issuance of (1) our 9.2% Series D Cumulative Convertible Preferred Stock to certain affiliates of The Blackstone Group, L.P. on January 31, 2000 for net proceeds of approximately $192,000 and (2) our Common Stock to DaimlerChrysler Corporation for net proceeds of approximately $100,000.

FUNDING REQUIREMENTS

We believe we can fund our planned operations, including the construction of our broadcast system, into the third quarter of 2001 from our existing working capital. In addition, we anticipate cash requirements of approximately $120,000 to fund our operations through the first full year of commercial operations and expect to require additional funds until our revenues grow substantially.

To build and launch the satellites necessary to transmit Sirius Radio we entered into the Loral Satellite Contract. The Loral Satellite Contract provides for Loral to construct, launch and deliver three satellites in-orbit and checked-out, to construct for us a fourth satellite for use as a ground spare and to provide satellite launch services. We are committed to make aggregate payments of approximately $745,040 under the Loral Satellite Contract, which includes $15,000 of long-lead time parts for a fifth satellite and $3,400 for integration analysis of the viability of using the Sea Launch platform as an alternative launch vehicle for our satellites. As of March 31, 2000, $504,164 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 December 2003. Approximately half of all payments under the Loral Satellite Contract are contingent upon Loral meeting specified milestones in the construction of our satellites.

We also will require funds for working capital, interest on borrowings, acquisition of programming, financing costs and operating expenses until some time after we commence operations. We expect our interest expense will increase significantly when compared to our 1999 interest expense as a result of the issuance of our 14 1/2% Senior Secured Notes due 2009 in May 1999 and our 8 3/4% Convertible Subordinated Notes due 2009 in September and October 1999. A portion of the net proceeds of the issuance of our 14 1/2% Senior Secured Notes due 2009 was used to purchase a portfolio of U.S. government securities in an amount sufficient to pay interest on these notes through May 15, 2002.

The amount and timing of our actual cash requirements will depend upon numerous factors including costs associated with the construction and deployment of our satellite system and terrestrial repeater network, costs associated with the design and development of chip sets and receivers, the rate of growth of our business after commencing service, costs of financing and the possibility of unanticipated costs. We will require additional funds if there are delays, cost overruns, unanticipated expenses, launch failures, satellite system or launch services change orders or any shortfalls in estimated levels of operating cash flow.

SOURCES OF FUNDING

To date, we have funded our capital needs through the issuance of debt and equity securities. As of March 31, 2000 we had received a total of approximately $874,000 in equity capital as a result of the following transactions: (1) the sale of shares of our Common Stock prior to the issuance of our FCC license (net proceeds of approximately $22,000); (2) the sale of 5,400,000 shares of 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 5% Delayed Convertible Preferred Stock); (3) the sale of 4,955,488 shares of our Common Stock (net proceeds of approximately $71,000) in 1997; (4) 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; (5) 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., a Delaware limited partnership, and Apollo Overseas Partners IV, L.P., a Cayman Islands limited partnership (collectively, the "Apollo Investors") (net proceeds of approximately $129,000) in December 1998; (6) the sale of 650,000 shares of our 9.2% Series B Junior Cumulative Convertible Preferred Stock to Apollo Investors (net proceeds of approximately $63,000) in November 1999; (7) the sale of 3,000,000 shares of our Common Stock in an underwritten public offering (net proceeds of approximately $68,000) in September 1999, and an additional 450,000 shares of our Common Stock in connection with the exercise of the underwriters' over-allotment option (net proceeds of approximately $10,000) in October 1999; (8) the sale of 2,000,000 shares of our 9.2% Series D Junior Cumulative Convertible Preferred Stock to certain affiliates of The Blackstone Group, L.P. (net proceeds of approximately $192,000) in February 2000; and (9) the sale of 2,290,322 shares of our Common Stock to DaimlerChrysler Corporation (net proceeds of approximately $100,000) in February 2000.

In September 1999, we issued $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 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 this convertible notes offering in connection with their over-allotment option (net proceeds of approximately $18,000). In May 1999, we received net proceeds of approximately $190,000 from the issuance of 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 3.947 shares of our Common Stock as of March 31, 2000. We invested approximately $79,300 of these net proceeds in a portfolio of U.S. government securities, which we pledged as security for payment in full of interest on the 14 1/2% Senior Secured Notes due 2009 through May 15, 2002. In November 1997, we received net proceeds of $116,000 from the issuance of 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. 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. 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 and are secured by a pledge of the stock of Satellite CD Radio Inc., our subsidiary that holds our FCC license.

In July 1998, we entered into a term loan agreement with a group of financial institutions pursuant to which these lenders provided us $115,000 of term loans. The proceeds of these loans were used to fund a portion of the progress payments required to be made by us under the Loral Satellite Contract for the purchase of launch services and to pay interest, fees and other expenses related to these loans. On February 29, 2000, we repaid these loans and cancelled the related credit agreement.

Loral has deferred a total of $50,000 of the payments under the Loral Satellite Contract originally scheduled for payment in 1999. These deferred amounts bear interest at 10% per annum and all interest on these deferred amounts will accrue until December 2001, at which time interest will be payable quarterly in cash. The principal amounts of the deferred payments under the Loral Satellite Contract are required to be paid in six installments between June 2002 and December 2003. As collateral security for these deferred payments, we have granted Loral a security interest in our terrestrial repeater network. If there is a satellite or launch failure, we will be required to pay Loral the deferred amount related to the affected satellite no later than 120 days after the date of the failure. If we elect to put one of our first three satellites into ground storage, rather than having it shipped to the launch site, the deferred amount related to that satellite will become due within 60 days of this election.

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. The 9.2% Series A Junior Cumulative Convertible Preferred Stock and 9.2% Series B Junior Cumulative Convertible Preferred Stock are callable by us beginning November 15, 2001 at a price of 100% if the current market price, as defined in the Certificate of Designation of the 9.2% Series A Junior Cumulative Convertible Preferred 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, will be callable in all events beginning November 15, 2003 at a price of 100% and must be redeemed by us on November 15, 2011. 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 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 are convertible into shares of our Common Stock at a price of $34.00 per share. The 9.2% Series D Junior Cumulative Convertible Preferred Stock is 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, will be callable in all events beginning December 23, 2004 at a price of 100% and must be redeemed by us on November 15, 2011. 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.

On March 3, 2000, we notified the holders of our 10 1/2% Series C Convertible Preferred Stock and the holders of all outstanding warrants to purchase shares of such 10 1/2% Series C Convertible Preferred Stock that on April 12, 2000 we would redeem these securities. As of April 12, 2000, all of the shares of our 10 1/2% Series C Convertible Preferred Stock and all of the outstanding warrants to purchase shares of such 10 1/2% Series C Convertible Preferred Stock were converted into shares of our Common Stock.

PART II

OTHER INFORMATION

(Dollar amounts in thousands)

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

(c) On January 31, 2000, we sold 2,000,000 shares of our 9.2% Series D Junior Cumulative Convertible Preferred Stock to Blackstone Capital Partners III Merchant Banking Fund L.P. and certain related parties for an aggregate purchase price of $200,000. In connection with the sale of our 9.2% Series D Junior Cumulative Convertible Preferred Stock, we paid an aggregate of $8,000 in fees to an investment banking firm.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

See Exhibit Index attached hereto.

(b) Reports on Form 8-K:

On January 28, 2000, we filed a Current Report on Form 8-K to report that we had entered into an agreement with DaimlerChrysler Corporation pursuant to which DaimlerChrysler Corporation would purchase 2,290,322 shares of our Common Stock for an aggregate purchase price of approximately $100,000.

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, 2000

EXHIBIT INDEX

EXHIBIT	DESCRIPTION
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).

EXHIBIT	DESCRIPTION
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 (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")).

EXHIBIT	DESCRIPTION
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).
4.7	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 Notes 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 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 warrantholder 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 Notes 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).

EXHIBIT	DESCRIPTION
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 Notes 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	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).
4.23	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 (filed herewith).

EXHIBIT	DESCRIPTION
'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 December 31, 1999, between the Company and Robert D. Briskman (incorporated by reference to Exhibit 10.4 to the 1999 Form 10-K).
*10.5	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).
*10.6	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).
*10.7	Employment Agreement, dated as of March 28, 2000, between the Company and Ira H. Bahr (incorporated by reference to Exhibit 10.7 to the 1999 Form 10-K).
*10.8	Employment Agreement, dated as of April 17, 2000, between the Company and Dr. Mircho Davidov (filed herewith).
10.9	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).
*10.10	1994 Stock Option Plan (incorporated by reference to Exhibit 10.21 to the S-1 Registration Statement).
*10.11	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).
*10.12	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)).
*10.13	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)).
10.14	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).
10.15.1	Preferred Stock Investment Agreement, dated October 23, 1996, between the Company and certain investors (incorporated by reference to Exhibit 10.24 to the

EXHIBIT	DESCRIPTION
	1996 Form 10-K).
10.15.2	First Amendment to Preferred Stock Investment Agreement, dated March 7, 1997, between the Company and certain investors (incorporated by reference to Exhibit 10.24.1 to the 1996 Form 10-K).
10.15.3	Second Amendment to Preferred Stock Investment Agreement, dated March 14, 1997, between the Company and certain investors (incorporated by reference to Exhibit 10.24.2 to the 1996 Form 10-K).
10.16	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).
10.17	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).
10.18.1	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).
10.18.2	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).
10.19	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'10.20	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).
10.21	Stock Purchase Agreement, dated as of August 5, 1997, between the Company, David Margolese and Loral Space & Communications Ltd. (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed on August 19, 1997).
10.22	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).
10.23.1	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

EXHIBIT	DESCRIPTION
	99.1 to the Company's Current Report on Form 8-K dated November 17, 1998).
10.23.2	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).
10.23.3	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).
10.24	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).
10.25	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).
10.27	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'10.27	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'10.28	Joint Development Agreement, dated as of February 16, 2000, between the Company and XM Satellite Radio, Inc. (filed herewith).
27.1	Financial Data Schedule (filed herewith).

* 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'

EXHIBIT 10.1.2

SUPPLEMENTAL INDENTURE, dated March 22, 2000, between ROCK-MCGRAW, INC., a New York corporation, having an office at 1221 Avenue of the Americas, New York, N.Y. 10020 (the "Landlord"), and SIRIUS SATELLITE RADIO INC. (formerly known as CD RADIO INC.), a Delaware corporation having an office at 1221 Avenue of the Americas, New York, N.Y. 10020 (the "Tenant").

WHEREAS, by Lease dated March 31, 1998, as the same heretofore may have been amended (the "Original Lease"), certain premises, as therein described, in the building known as 1221 Avenue of the Americas (the "Building"), in the Borough of Manhattan, New York, N.Y., are now leased and demised by the Landlord to the Tenant;

WHEREAS, the parties hereto mutually desire to amend the Original Lease as herein set forth, and are executing and delivering this Supplemental Indenture for such purpose (the Original Lease as amended by this Supplemental Indenture, the "Lease");

WHEREAS, all capitalized terms not defined herein shall have the meanings ascribed to them in the Original Lease.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH, that the parties hereto, in consideration of the terms and conditions herein contained, hereby amend the Original Lease in the following respects, and only in the following respects:

(1) DEMISE OF 32ND FLOOR ADDITIONAL SPACE, TERM AND RENT. The Landlord does hereby lease and demise to the Tenant, and the Tenant does hereby hire and take from the Landlord, subject and subordinate to the Qualified Encumbrances (as defined in the Original Lease), and upon and subject to the terms and conditions of the Lease for the term hereinafter stated, the space substantially as shown crosshatched on the diagram attached hereto as Exhibit A and designated as 'A' on the 32nd floor of the Building, together with all fixtures, equipment, improvements, installations and appurtenances which at the commencement of or during the term of the Lease with respect to said space are thereto attached (except items not deemed to be included therein and removable by the Tenant as provided in Article Four of the Original Lease); which space, fixtures, equipment, improvements, installations and appurtenances are sometimes called the "32nd Floor Additional Space".

The term of the Lease for which the 32nd Floor Additional Space is hereby leased and demised shall commence on August 1, 2000 (the "32nd Floor Additional Space Term Commencement Date") and shall end on December 31, 2002 (the "32nd Floor Additional Space Expiration Date") or on such earlier date upon which said term may expire or be terminated pursuant to any of the conditions of limitation or other provisions of the Lease or pursuant to law, provided, however, that if the 34th Floor Additional Space Term Commencement Date (as hereinafter defined) is postponed pursuant to the provisions of the second paragraph of Article (2) hereof, then the 32nd Floor Additional Space Expiration Date shall be similarly postponed one day for each day the 34th Floor Additional Space Term Commencement Date is so postponed. The Landlord shall deliver the 32nd floor additional space vacant and broom clean.

For the period of the term of the Lease for which the 32nd Floor Additional Space is hereby leased and demised, the fixed rent reserved under the Original Lease shall be increased by the following amount: $2,731,700.00 per annum ($227,641.67 per month). The Tenant does hereby covenant and agree to pay said fixed rent as so increased and the additional rent payable under the Lease, at the times and in the manner specified in the Lease for the payment of fixed rent and additional rent; provided, however, that, notwithstanding the foregoing, the fixed rent payable under the Lease shall be abated at the rate of $2,731,700.00 per annum during the period commencing on the 32nd Floor Additional Space Term Commencement Date and ending on the 31st day thereafter.

The term the "Premises" as used in the Lease shall be deemed to include the 32nd Floor Additional Space, which shall be deemed part of the Office Space, except that (i) the provisions of Section 30.1 and Article Thirty-three of the Lease shall not apply to the 32nd Floor Additional Space, (ii) the Landlord will not separately require the Tenant to comply with the obligations imposed by the second sentence of Section 11.1. of the Lease, provided, however, that should such requirements (or any requirements of the Tenant under Article Thirty) arise by virtue of any Requirement or by virtue of any alterations performed by the Tenant in the 32nd Floor Additional Space, then the Tenant shall be obligated to comply therewith, and, (iii) in applying the provisions of Article Two of the Lease to the 32nd Floor Additional Space, (a) the "Premises" shall be deemed to mean the 32nd Floor Additional Space only, (b) the "term commencement date" shall be deemed to mean the 32nd Floor Additional Space Term Commencement Date,
(c) Section 2.2. shall be deemed to read as follows below:

"2.2. Unless otherwise specifically provided in this Lease, if the Premises shall not be available for possession by the Tenant on the specific date hereinabove designated for the commencement of the term hereof for any reason, including,

without limitation, noncompletion by the Landlord of such work as it shall be required by the terms of this Lease to do in connection with the layout or finish of the Premises, then this Lease shall not be affected thereby but, in such case, the term commencement date shall be postponed until the date when the Premises shall be available for possession by the Tenant, provided, that there shall be no such postponement of the term commencement date for any delay in the availability of the Premises for possession by the Tenant which shall be due to (a) any act or omission of the Tenant, any affiliate thereof or their respective agents, officers, partners, directors, contractors, employees, licensees or invitees, including, without limitation, delays due to changes in or additions to any work to be done by the Landlord or delays in submission of information, approving working drawings or estimates or giving authorizations or approvals ("Tenant Delay"), or (b) the noncompletion by the Landlord of any work, whether in connection with the layout or finish of the Premises or otherwise, which the Landlord is not required to do by the terms of this Lease until after the term commencement date; it being understood that the Tenant shall have no claim against the Landlord, and the Landlord shall have no liability to the Tenant, by reason of any such postponement of said specific date. No part of the Premises shall be deemed unavailable for possession by the Tenant, nor shall any work which the Landlord is obligated to perform in such part of the Premises be deemed incomplete for the purpose of any adjustment of fixed rent payable under this Lease, solely due to the noncompletion of details of construction, decoration or mechanical adjustments which are minor in character and the noncompletion of which does not materially interfere with the Tenant's use of such part of the Premises. Subject to the foregoing, the parties to this Lease expressly provide that, if the Premises are not available for possession by the Tenant on the specific date hereinabove designated for the commencement of the term hereof, the Tenant, except with the consent of the Landlord, shall not be entitled to possession of the Premises until the same is delivered to the Tenant by the Landlord and there shall be no abatement of rent by reason thereof, and the Tenant shall not have any claim against the Landlord nor any right to rescind this Lease, and the Landlord shall have no liability to the Tenant, by reason thereof. The foregoing Section 2.2. shall constitute "an express provision to the contrary" as such phrase is used in Section 223-a of the Real Property Law of the State of New York and shall constitute a waiver of the Tenant's rights pursuant to such Section 223-a and any other law of like import now or hereafter in force.",

and (d) in applying the provisions of Sections 2.4.1., 2.4.2. and 2.4.3. to the 32nd Floor Additional Space, the dates "October 1, 1998", "November 1, 1998", January 1, 1999 and "April 1, 1999" shall be deemed to be "August 1, 2000, "September 1, 2000", November 1, 2000" and "February 1, 2001" respectively, except that the Tenant's right of cancellation shall only apply to the 32nd Floor Additional Space, and the Landlord shall only be required to return any Deposit L/C(s) which then exceed the Required Amount.

In applying the provisions of Section 1.6. of the Lease to the 32nd Floor Additional Space, the figure "20%" which appears in the first sentence thereof shall be deleted and the figure "23%" shall be inserted in lieu thereof. Accordingly, the Landlord and the Tenant

hereby agree that (i) the rentable area of the 32nd Floor Additional Space is 46,300 rentable square feet, and (ii) in applying the provisions of subparagraph
(e) of Section 24.3. of the Lease to the 32nd Floor Additional Space, the figure "2,497,153" contained in such subparagraph shall be deleted and the figure "2,627,402" shall be inserted in lieu thereof.

The Landlord and the Tenant hereby agree that (i) the Tenant is taking the 32nd Floor Additional Space in its "as-is" condition, (ii) there is no work to be performed by the Landlord therein, and (iii) accordingly there are no "Term Commencement Conditions" as such term is used in Article Two of the Lease.

In applying the provisions of Article Thirty-one of the Lease to the 32nd Floor Additional Space, the Landlord agrees that on or after the Tenant occupies such 32nd Floor Additional Space for the normal conduct of its business
(i) if the Tenant is not then in monetary default under the Lease beyond any applicable notice and cure periods, (ii) upon receipt by it of evidence satisfactory to it of the completion of the Tenant's work in a manner reasonably satisfactory to the Landlord, and (iii) upon the furnishing by the Tenant to the Landlord of evidence of the payment for such alterations by the Tenant, the Landlord shall reimburse to the Tenant the sum of $231,500.00.

(2) DEMISE OF 34TH FLOOR ADDITIONAL SPACE, TERM AND RENT. The Landlord does hereby lease and demise to the Tenant, and the Tenant does hereby hire and take from the Landlord, subject and subordinate to the Qualified Encumbrances (as defined in the Original Lease), and upon and subject to the terms and conditions of the Lease for the term hereinafter stated, the space substantially as shown crosshatched on the diagram attached hereto as Exhibit A and designated as 'A' on the 34th floor of the Building, together with all fixtures, equipment, improvements, installations and appurtenances which at the commencement of or during the term of the Lease with respect to said space are thereto attached (except items not deemed to be included therein and removable by the Tenant as provided in Article Four of the Original Lease); which space, fixtures, equipment, improvements, installations and appurtenances are sometimes called the "34th Floor Additional Space".

The term of the Lease for which the 34th Floor Additional Space is hereby leased and demised shall commence on August 1, 2002 (subject to Article Two of the Lease, the "34th Floor Additional Space Term Commencement Date"), provided, however, that, notwithstanding the foregoing, the 34th Floor Additional Space Term Commencement Date may be postponed by not more than three
(3) months upon notice by the Landlord to the Tenant given not later than July 1, 2001. The Landlord shall be responsible for complying

with all Term Commencement Conditions, as such term is used in Article Two of the Lease, in the 34th Floor Additional Space.

For the period of the term of the Lease for which the 34th Floor Additional Space is hereby leased and demised, the fixed rent reserved under the Original Lease shall be increased by the following amounts: $3,055,800.00 per annum ($254,650.00 per month) during the period commencing on the 34th Floor Additional Space Term Commencement Date and ending on July 31, 2004, $3,333,600.00 per annum ($277,800.00 per month) during the period commencing on August 1, 2004 and ending on July 31, 2009, and $3,611,400.00 per annum ($300,950.00 per month) thereafter. The Tenant does hereby covenant and agree to pay said fixed rent as so increased and the additional rent and percentage rent (if any) payable under the Lease, at the times and in the manner specified in the Lease for the payment of fixed rent, additional rent and percentage rent (if any); provided, however, that, notwithstanding the foregoing, the fixed rent payable under the Lease shall be abated at the rate of $3,055,800.00 per annum in equal monthly installments, prorated for partial months, during the period commencing on the 34th Floor Additional Space Term Commencement Date and ending on the 153rd day thereafter.

The term the "Premises" as used in the Lease shall be deemed to include the 34th Floor Additional Space, which shall be deemed part of the Office Space, except that, in applying the provisions of Article Two of the Lease to the 34th Floor Additional Space, (a) the "Premises" shall be deemed to mean the 34th Floor Additional Space only, (b) the "term commencement date" shall be deemed to mean the 34th Floor Additional Space Term Commencement Date, (c) Section 2.2. shall be deemed to read consistent with the provisions of the fourth paragraph of Paragraph (1) hereof, and (d) in applying the provisions of Sections 2.4.1.,
2.4.2. and 2.4.3. to the 34th Floor Additional Space, the dates "October 1, 1998", "November 1, 1998", January 1, 1999 and "April 1, 1999" shall be deemed to be "August 1, 2002", "September 1, 2002", "November 1, 2002" and "February 1, 2003" respectively, except that the Tenant's right of cancellation shall only apply to the 34th Floor Additional Space, and the Landlord shall only be required to return any Deposit L/C(s) which then exceed the Required Amount.

The asbestos removal that the Landlord would be obligated to perform in the 34th Floor Additional Space pursuant to the provisions of paragraph 3. of Exhibit B of the Lease has already been performed. If, by virtue of the working drawings submitted by the Tenant in connection with its Initial Alteration of the 34th Floor Additional Space, additional asbestos removal will be required, then the Landlord shall promptly perform such additional asbestos removal and in such event when applying the provisions of Article Two of the Lease to

the 34th Floor Additional Space, any delays in meeting the dates anticipated by the immediately preceding paragraph hereof caused by such additional asbestos removal shall be deemed Tenant Delay (as defined in the Lease).

In applying the provisions of Section 1.6. of the Lease to the 34th Floor Additional Space, the figure "20%" which appears in the first sentence thereof shall be deleted and the figure "23%" shall be inserted in lieu thereof. Accordingly, the Landlord and the Tenant hereby agree that (i) the rentable area of the 34th Floor Additional Space is 46,300 rentable square feet, and (ii) in applying the provisions of subparagraph (e) of Section 24.3. of the Lease to the 34th Floor Additional Space, the figure "2,497,153" contained in such subparagraph shall be deleted and the figure "2,627,402" shall be inserted in lieu thereof.

(3) In applying the provisions of Article Thirty-one of the Lease to the 34th Floor Additional Space, within thirty (30) days after substantial completion of the Alteration, the Tenant shall deliver to the Landlord (i) copies of paid receipts certified by an officer of the Tenant, (ii) general releases and waivers of lien from all consultants, contractors, subcontractors and materialmen involved in the performance of the Alteration and the materials furnished in connection therewith and (iii) a certificate from the Tenant's architect certifying that the Alteration has been substantially completed in accordance with the Lease, the reasonable rules, regulations and guidelines of the Landlord and the Working Drawings, and (iv) record drawings and specifications of the Premises reflecting the Alteration. Notwithstanding the foregoing, but in all events subject to the Tenant's obligation to keep the Premises and the Building free of liens, the Tenant shall not be required to deliver to the Landlord any general release or waiver of lien, as required by the preceding sentence, if the Tenant shall be disputing in good faith the payment which would otherwise entitle the Tenant to such release or waiver, provided that the Tenant shall (a) keep the Landlord advised in a timely fashion of the status of any such dispute and the basis therefor, (b) maintain on deposit with the Landlord such security as the Landlord may reasonably request in connection with such disputed payment, and (c) deliver to the Landlord the general release or waiver of lien when any such dispute is settled.

The Landlord agrees that (i) if the Tenant is not then in monetary default under the Lease beyond any applicable notice and cure periods, (ii) upon receipt by it of evidence satisfactory to it (as provided above) of the completion of such work in a manner reasonably satisfactory to the Landlord, and
(iii) upon the furnishing by the Tenant to the Landlord of the evidence of the payment therefor by the Tenant, the Landlord shall reimburse to the Tenant the lesser of (a) the payment of the actual cost of such work, or (b)$1,620,500.00. Notwithstanding the foregoing, the Tenant may request draws for such reimbursement, no

more often than once a month, in lieu of a lump sum reimbursement upon completion of the Alterations. Such partial reimbursement requests shall only be with respect to work for which the Tenant has not theretofore been paid by the Landlord. Each request, which shall be directed to the Landlord, Attention:
Director of Billing & Cash Applications, shall be accompanied by (x) a certificate executed by the Tenant's architect stating that, in such architect's opinion, the work for which payment is requested has been substantially completed in a good and workmanlike manner and substantially in accordance with the Working Drawings and all Requirements and identifying the work for which reimbursement is requested, and (y) evidence reasonably satisfactory to the Landlord that all consultants, contractors, subcontractors and materialmen have waived and released any lien theretofore filed by it against the Premises or the Building and, further, have waived and released their right to file any such lien with respect to the portion of the work for which reimbursement is requested. Within thirty (30) days after receipt of such partial reimbursement request, and provided that the Tenant is not then in monetary default beyond any applicable notice and cure periods under the Lease, the Landlord shall reimburse to the Tenant the amount set forth in the approved requisition except to the extent that the Landlord asserts that the Tenant's approval of any invoice as due and owing is not true or is in excess of the limitation on the aggregate reimbursement referred to above.

The Landlord shall endeavor to provide reasonable access to the 33rd Floor of the Building if and to the extent such access is required in connection with the Alteration. In the event the Landlord is unable to provide access for the Tenant to perform any such Alteration outside of the Premises, the Landlord shall reasonably exercise its rights to perform such Alteration on behalf of, and at the sole cost and expense of, the Tenant.

(4) In applying the provisions of (I) Section 24.1. of the Lease to both the 32nd Floor Additional Space and the 34th Floor Additional Space (a) the date "June 30, 1999" shall be deleted from the second sentence of such paragraph and the date "June 30, 2001" shall be inserted in lieu thereof, and (b) the date "December 31, 1999" shall be deleted from the second sentence of such paragraph and the date "December 31, 2000" shall be inserted in lieu thereof, (II) Section 24.3(h) of the Lease to both the 32nd Floor Additional Space and the 34th Floor Additional Space, the dates "July 1, 1998" and "June 30, 1999" shall be deleted and the dates "July 1, 2000" and "June 30, 2001" respectively shall be inserted in lieu thereof, and (III) Section 24.3(i) of the Lease to both the 32nd Floor Additional Space and the 34th Floor Additional Space, the dates "January 1, 1999" and "December 31, 1999" shall be deleted and the dates "January 1, 2000" and "December 31, 2000" respectively shall be inserted in lieu thereof.

(5) The supply and return air specifications set forth in Exhibit F-1 of the Lease for the 36th and 37th Floors of the Building shall apply also to the 32nd and the 34th Floors.

(6) The Landlord will, subject to furnish to the Tenant, at no charge to the Tenant, the exclusive use of one (1) freight elevator for the Tenant's initial move-in to the 34th Floor Additional Space on two (2) consecutive weekends (during the period from 8:00 a.m. to 11:59 p.m. on both Saturday and Sunday).

(7) As of the date hereof, space 'A' on the 35th Floor (shown hatched on the diagram attached hereto as Exhibit B, hereafter the "Substitute Space") is leased and demised to Morgan Stanley & Co. Incorporated. If (i) the Substitute Space becomes available for leasing on or before January 1, 2002, and
(ii) the Landlord has so notified the Tenant by December 1, 2001, then in such event, by execution and delivery of a Supplemental Indenture confirming such change, the Tenant may substitute the Substitute Space in lieu of the 34th Floor Additional Space and all of the references to the 34th Floor Additional Space in this Supplemental Indenture shall be deemed to refer to the Substitute Space. The Landlord hereby agrees to give the Tenant notice if the Substitute Space becomes available for leasing under this Paragraph (7).

(8) In consideration of the additional space demised by this Supplemental Indenture, the Tenant shall, concurrent with its execution and delivery hereof, increase the Deposit L/C's posted with the Landlord by $1,000,000.00 (either by amendment, replacement or the furnishing of additional instruments) and thereafter the term "Required Amount" as it is used in Article Twenty-six of the Lease shall be deemed increased by $1,000,000.00, provided, however, if the Tenant terminates the Lease with respect to either the 32nd Floor Additional Space and/or the 34th Floor Additional Space due to the Landlord's failure to timely delivery possession of either such space, then in such event, the Required Amount shall be reduced by $1,000,000.00 within thirty days following the termination of the Lease with respect to either the 32nd Floor Additional Space and/or the 34th Floor Additional Space. Notwithstanding the foregoing (i) in no event shall the Required Amount be reduced pursuant to the foregoing sentence by more than $1,000,000.00 in the aggregate, and (ii) if the Tenant terminates the Lease with respect to the 32nd Floor Additional Space, then on and after the 34th Floor Additional Space Term Commencement Date, the term Required Amount shall once again be deemed increased by $1,000,000.00 and the Tenant shall then, once again, increase the Deposit L/C's posted with the Landlord by $1,000,000.00.

(9) On and after the execution and delivery of this Supplemental Indenture, in applying the provisions of Article Thirty-eight of the Lease to the 35th Floor of the Building, the

provisions of clause (b) of the third sentence of Section 38.2. shall be inapplicable, and with respect to the 35th Floor only, the Tenant's rights shall only be subordinate to rights and options to lease the 35th Floor which may be existing as of the date of this Supplemental Indenture.

(10) Each party represents to the other that the only brokers with which it has dealt in connection with this Lease are Rockefeller Group Development Corporation and The Staubach Company (collectively, the "Brokers"). Each party shall indemnify and save harmless their respective Indemnitees from and against all liability, claims, suits, demands, judgments, costs, interest and expenses (including reasonable counsel fees and disbursements incurred in the defense thereof) arising out of any claim for commission or other compensation made by a broker claiming through the indemnifying party (except, that Tenant shall not be liable for any claim made by the Brokers). The Landlord shall be obligated to pay any commissions owing to the Brokers pursuant to a separate agreement between Landlord and either or both of the Brokers.

(11) The submission of this Supplemental Indenture shall be subject to modification or withdrawal and does not constitute a reservation of or option on the premises or an agreement to lease the premises. No brokerage fees, commissions or payments shall be earned, due or payable, if at all, nor shall this Supplemental Indenture become effective or the Landlord be obligated thereunder, unless and until the full execution and unconditional delivery thereof by the parties thereto.

(12) THE ORIGINAL LEASE, as hereby amended, shall remain in full force and effect according to its terms and conditions.

IN WITNESS WHEREOF, the parties hereto have duly executed this Supplemental Indenture as of the day and year first above written.

ROCK-MCGRAW, INC.

ATTEST: *BY /S/ JONATHAN D. GREEN*

PRESIDENT & CEO

/S/ GWEN A. ROWDEN

SECRETARY

SIRIUS SATELLITE RADIO INC.

ATTEST: *BY /S/ MICHAEL HAYNES*

VICE PRESIDENT

/S/ DOUGLAS A. KAPLAN

ASSISTANT SECRETARY

EXHIBIT 10.8

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT, dated as of April 17, 2000 (this "Agreement"), between SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Company"), and Dr. Mircho Davidov (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, Engineering, of the Company. In such capacity, the Executive shall be primarily responsible for the Company's microelectronics and receiver development activities. The Company and the Executive expect that upon the retirement of Mr. Robert D. Briskman as Executive Vice President, Engineer, of the Company the Executive shall succeed Mr. Briskman as the chief engineer 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 Executive and the Company, use his skills and render services to the best of his ability in supervising the engineering efforts 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 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 May 1, 2000, and end on May 1, 2003, 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 $325,000, 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 250,000 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 the last business day preceding first day of the Term. 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) Restricted Stock. On the first day of the Term, the Company shall grant to the Executive 40,000 restricted shares of the Common Stock. Such restricted shares of Common Stock shall be subject to the terms and conditions set forth in the Restricted Stock Agreement attached to this Agreement as Exhibit B. In connection with such grant of restricted stock, the Executive represents and warrants to the Company that he has forfeited all of his rights to unvested stock options granted by his previous employer, which unvested stock options had a gross value in excess of $1,000,000 as of the date hereof.

(d) Starting Bonus. On May 15, 2000, the Company shall pay the Executive the sum of $150,000. In connection with such payment, the Executive represents and warrants to the Company that he has forfeited all of his rights to all future awards under the long-term incentive plans of his previous employer and all other cash bonuses applicable to the calendar year 2000 from his previous employer.

(e) Fee For Services. On May 15, 2000, the Company shall pay the Executive $150,000. This payment reflects compensation for services performed as an independent contractor after the termination of the Executive's employment with his previous employer. No deductions will be made from this payment pursuant to Section 4(g). At the appropriate time, the Company will issue a Form 1099 to the Executive regarding this payment. The Company cannot warrant to the Executive that his status as an independent contractor will be affirmed by any third party. The Executive is solely responsible for any federal, state, or local taxes owed by the Executive regarding this payment, and any fees or costs which may be incurred by him in defending his independent contractor status.

(f) Retirement Benefits. (i) If the Gross Value (as defined below) of all vested options to purchase the Common Stock granted to the Executive during his employment with the Company (assuming no such options have been exercised) does not equal or exceed $10,000,000 on at least one day during the 365 days preceding the Executive's 57th birthday, then, if the Executive is an employee of the Company on his 57th birthday, the Company shall pay the Executive a monthly pension equal to 70% of his current base salary as of the date of his retirement from the Company for the rest of his life upon his retirement from the Company.

(ii) If the Gross Value (as defined below) of all vested options to purchase the Common Stock granted to the Executive during his employment with the Company (assuming no such options have been exercised) does not equal or exceed $15,000,000 on at least one day during the 365 days preceding the Executive's 65th birthday, then, if the Executive is an employee of the Company on his 65th birthday, the Company shall be unconditionally committed to pay the Executive a monthly pension equal to 100% of his current base salary as of the date of his retirement from the Company for the rest of his life upon his retirement from the Company. If the Executive shall earn 100% pension under this Section 4(f)(ii), then the 70% pension under Section
4(f)(ii) shall no longer apply.

(iii) "Gross Value" shall, with respect to any option to purchase the Common Stock, mean the closing price on the applicable date of the Common Stock on the Nasdaq National Market, the New York Stock Exchange or, if the Common Stock is not

then listed on the Nasdaq National Market or the New York Stock Exchange, the principal securities exchange on which the Common Stock is then traded, less the applicable exercise price per share of Common Stock for such option to purchase the Common Stock, without giving effect to any federal, state or local taxes which may be withheld or payable upon the exercise of such option to purchase the Common Stock.

(iv) The Executive shall be solely responsible for any payroll and withholding taxes imposed 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), on any compensation payable under this Section 4(f).

(g) 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. Expenses and Benefits. (a) During the Term, the Company shall promptly 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 or by the Board of Directors of the Company (the "Board") or the compensation committee thereof. With respect to the annual bonus program of the Company, 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 here, 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 its affiliates;

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

(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 operating subsidiaries.

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 the first sentence 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 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 which 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). In considering whether the Executive is able to perform the essential functions of his position with a reasonable accommodation, the Company shall consider reasonably available competent medical advice. 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, for other than Good Reason (as defined below), during the Term, 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. The Agreement will 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, at its sole discretion may 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. The Agreement shall terminate on the date specified in such notice, however, at its sole discretion, the Company may request the Executive cease active employment and perform no more job duties for the Company 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); provided that Employee acknowledges and agrees, 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 the Executive's annual bonuses; or

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

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

(f) Compensation and Benefits Upon Termination. If the employment of the Executive is terminated for any reason, except (i) by the Company for Cause or (ii) by the Executive voluntarily, 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(g), 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) shall be paid in immediately available funds within ten business days following the Termination Date. The resignation of the Executive for Good Reason shall not be considered a voluntary resignation and the Executive shall be entitled to be paid the amount set forth above in the event the Executive terminates for Good Reason.

7. Inventions and Ideas. (a) The Executive agrees to promptly disclose in writing to the Company all inventions, discoveries, developments, improvements, and innovations (herein called "Inventions") whether or not patentable, conceived or made by the Executive, either solely or in concert with others during the period of his employment with the Company, including, but not limited to any period prior to the date of this Agreement, whether or not made or conceived during work hours that: (a) relate in any manner to the existing or contemplated business or research activities of the Company; or (b) are suggested by or result from the Executive's employment with the Company; or (c) result from the use of the Company's time, materials, or facilities and that all such inventions shall be the exclusive property of the Company.

(b) The Executive hereby assigns to the Company his entire right, title, and interest to all such inventions that are the property of the Company under the provisions of this Agreement and all unpatented inventions that the Executive now owns, except those specifically described in a statement which has been separately executed by a duly authorized officer of the Company and the Executive and which is attached hereto as Exhibit C. The Executive will, at the Company's request and expense, execute specific assignments to any such invention and execute, acknowledge, and deliver such other documents and take such further action as may be considered necessary by the Company at any time during or subsequent to the period of his employment with the Company to obtain and define letters patent in any and all countries and to vest title in such inventions in the Company or its assigns.

(c) Any invention disclosed by the Executive to a third person or described in a patent application filed by the Executive or on the Executive's behalf within one year following the period of the Executive's employment with the Company, shall be presumed to have been conceived or made by the Executive during the period of his employment with the Company unless proved to have been conceived and made by the Executive following the termination of employment with the Company.

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

8. 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, whether 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 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 8 shall survive any termination of this Agreement.

9. Covenant Not to Compete. For one year following the end of the Term, including in the event the Executive has been terminated without Cause or has resigned 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, XM Satellite Radio Inc. ("XM"), any subsidiary or affiliate of XM or any person or entity in North America to compete with the Company in the creation and innovation of technologies related to the transmission of satellite radio entertainment programming; 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. 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 of the Company as to technologies developed by the Executive for the Company during the Term, including those relating to the transmission of satellite radio entertainment programming. 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.

10. 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 10 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 10 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 10 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 10 shall survive any termination of this Agreement.

11. Remedies. The Executive and Company agree that damages for breach of any of the covenants under Sections 8 and 9 above will be difficult to determine and inadequate to remedy the harm which may be caused thereby, and therefore consent that these covenants 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 8 or 9 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

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

18. 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:

Dr. Mircho Davidov
Address on file at the offices
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.

19. 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.

20. 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.

21. 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 agree to submit to the jurisdiction of the arbitrator selected in accordance with the American Arbitration Association rules and procedures. Except as provided for 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 21(a) is an action seeking injunctive relief from a court of competent jurisdiction regarding enforcement and application of Sections 8 and 9 of this Agreement, which action may be brought in addition to, or in place of, an arbitration proceeding in accordance with Section 21(a).

22. 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.

23. 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/ Dr. Mircho Davidov

Dr. Mircho Davidov

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 May 15, 2000 ("Date of Grant"), between SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Company"), and Dr. Mircho Davidov (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 two hundred and fifty thousand (250,000) shares (the "Shares") of common stock, par value $0.001 per share, of the Company at a price per share of $31.875 (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 sixty two thousand and five hundred (62,500) Shares shall vest and become exercisable on May 15, 2001 if the Optionee continues to be employed by the Company, either as an employee or a consultant, until and on such date;

(b) The right and option to purchase up to sixty two thousand and five hundred (62,500) Shares shall vest and become exercisable on May 15, 2002 if the Optionee continues to be employed by the Company, either as an employee or a consultant, until and on such date;

(c) The right and option to purchase up to sixty two thousand and five hundred (62,500) Shares shall vest and become exercisable on May 15, 2003 if the Optionee continues to be employed by the Company, either as an employee or a consultant, until and on such date; and

(d) The right and option to purchase up to sixty two thousand and five hundred (62,500) Shares shall vest and become exercisable on May 15, 2004 if the Optionee continues to be employed by the Company, either as an employee or a consultant, 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 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 or contractual relationship 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 .

For purposes of this Agreement, transfer of employment between or among the Company and/or any Related Company shall not be deemed to constitute a termination of employment with the Company or the Related Company. "Related Company", when referring to a subsidiary corporation, shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, on the date of this Agreement, each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock of one of the other corporations in such chain. When referring to a parent corporation, the term "Related Company" shall mean any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if, on the date of this Agreement, each of the corporations, other than the Company, owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock of one of the other corporations in such chain.

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 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 (a) shall state the number of Shares to be purchased and the date of exercise, and (b) shall 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 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 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: Dr. Mircho Davidov
Address on file at the
offices of 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 requested.

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/ Dr. Mircho Davidov*
Patrick L. Donnelly	*Dr. Mircho Davidov*
Senior Vice President and	
General Counsel	

EXHIBIT B

SIRIUS SATELLITE RADIO 1999 LONG-TERM STOCK INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

THIS RESTRICTED STOCK AGREEMENT (this "Agreement"), dated as of May 1, 2000 ("Date of Grant"), between SIRIUS SATELLITE RADIO INC., a Delaware corporation (the "Company"), and Dr. Mircho Davidov (the "Executive").

WHEREAS, the Company maintains the Sirius Satellite Radio 1999 Long-Term Incentive Plan (the "Plan"), which is incorporated into and forms a part of this Agreement, and the Executive has been selected by the committee administering the Plan (the "Committee") to receive an award of Restricted Stock under Section 8(a) of the Plan (and thus become a "Participant" as defined in the Plan).

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Executive, as follows:

1. Definitions. Terms used in this Agreement that are not defined in this Agreement are defined in the Plan.

2. Shares Subject to Agreement. The Executive is hereby awarded 40,000 shares of Restricted Stock.

3. Rights as Stockholder. The Executive shall be entitled to receive any dividends paid with respect to his shares of Restricted Stock; provided, however, that no dividends shall be payable to or for the benefit of the Executive with respect to record dates occurring either (i) before the Date of Grant or (ii) on or after the date, if any, on which the Executive has forfeited the Restricted Stock. The Executive shall be entitled to vote his shares of Restricted Stock that have not been forfeited to the same extent as would have been applicable to the Executive if he was then vested in the shares; provided, however, that the Executive shall not be entitled to vote the shares with respect to record dates for such voting rights arising either (i) before the Date of Grant or (ii) on or after the date, if any, on which the Executive has forfeited the shares.

4. Transfer and Forfeiture of Shares. On the Executive's Termination Date, the Executive shall forfeit all of his shares of Restricted Stock that are not then vested. For purposes of this Agreement, the Executive's "Termination Date" means his Termination Date as defined in Section 6 of the Employment Agreement dated April 17, 2000 between the Company and the Executive (as amended, supplemented or otherwise modified, the "Employment Agreement"). Subject to earlier vesting pursuant to Section 5, the Executive shall become vested in his shares of Restricted Stock, and thus become owner of the shares free of all restrictions otherwise imposed by this Agreement, in accordance with the following schedule:

DATE VEST	NO. SHARES THAT
First Anniversary of Date of Grant	35,000
Second Anniversary of Date of Grant	3,500
Third Anniversary of Date of Grant	1,500

A share of the Executive's Restricted Stock may not be sold, assigned, transferred pledged or otherwise encumbered until the Executive becomes vested in such share.

5. Death or Disability. Notwithstanding Section 4, the Executive shall become vested in his shares of Restricted Stock as of his Termination Date before the date his Restricted Stock would otherwise vest under Section 4, if such Termination Date occurs by reason of the Participant's death or Disability. For purposes of this Agreement, "Disability" means any physical, mental or other health condition which substantially impairs the Executive's ability to perform his 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 Executive 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 Executive's termination of employment.

6. Other Termination. Notwithstanding Section 4, the Executive shall become vested in his shares of Restricted Stock as of his Termination Date before the date his Restricted Stock would otherwise vest under Section 4, if such Termination Date occurs by any reason that would cause an amount to become payable to the Executive under Section 6(f) of the Employment Agreement.

7. 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.

8. Plan Governs. Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall be subject to the terms of the Plan, a copy of which may be obtained by the Executive from the office of the Secretary of the Company.

9. Amendment. This Agreement may be amended by written agreement of the Executive and the Company, without the consent of any other person.

10 Section 83(b) Election. The Executive understands and acknowledges that (i) he should consult with his tax advisor regarding the advisability of filing with the Internal Revenue Service an election under ss.83(b) of the Internal Revenue Code, (ii) that an election under ss.83(b) must be filed within 30 days after the Date of Grant, and (iii) that the Company is under no obligation to assist the Executive with determining the appropriateness of filing the election or making the filing itself.

IN WITNESS WHEREOF, the Executive and the Company have executed this Agreement as of the Date of Grant.

SIRIUS SATELLITE RADIO INC.

By: /s/ Patrick L. Donnelly	*/s/ Dr. Mircho Davidov*
Patrick L. Donnelly *Senior Vice President and* *General Counsel*	*Dr. Mircho Davidov*

EXHIBIT C

List of Prior Inventions
and Original Works of Authorship

TITLE	DATE	IDENTIFYING NUMBER OR BRIEF DESCRIPTION

The parties shall complete this Exhibit C on or prior to May 1, 2000

____ No inventions or improvements

____ Additional Sheets Attached

Signature of Employee: _____

Print Name of Employee: _____

Date: April 17, 2000

Exhibit 10.28

***** Confidential treatment has been requested for portions of this agreement. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as *****. A complete version of this agreement has been filed separately with the Securities and Exchange Commission.

JOINT DEVELOPMENT AGREEMENT

This JOINT DEVELOPMENT AGREEMENT is entered into between XM Satellite Radio Inc., a Delaware corporation with its principal location at 1250 23rd Street, N.W., Washington, DC ("XM"), and Sirius Satellite Radio Inc., a Delaware

corporation with its principal location at 1221 Avenue of the Americas, New York, New York ("Sirius") as of February 16th, 2000 ("Effective Date").

RECITALS

WHEREAS, XM is engaged in designing, developing, marketing and licensing the technology relating to its satellite digital audio radio system ("XM Radio System") in accordance with the rights under the license issued to XM by the Federal Communications Commission (the "FCC");

WHEREAS, Sirius is engaged in designing, developing, marketing and licensing the technology relating to its satellite digital audio radio system

("Sirius Radio System") in accordance with the rights under the license issued to Sirius by the FCC;

WHEREAS, the FCC has mandated that XM and Sirius deploy a final receiver design that is interoperable;

WHEREAS, due to the different technical heritage, satellite design and performance requirements of the XM Radio System and the Sirius Radio System, such systems currently employ different technologies that impede the design and development of an interoperable receiver;

WHEREAS, XM and Sirius and their respective radio equipment suppliers already have expended significant funds in developing Single Mode Radios (as defined below);

WHEREAS, it will take an extensive and expensive joint program to merge the technologies employed by the XM Radio System and the Sirius Radio System in order to design and develop a cost efficient interoperable receiver;

WHEREAS, XM and Sirius are, and will continue to be, competitors in, among other things, the marketing and sale of the satellite broadcasting of radio programming to listeners, the acquisition of rights to broadcast such programming and sale of radio advertising availabilities and other forms of advertising or promotional opportunities in connection with that programming (collectively, "Business Opportunities");

WHEREAS, nothing in this Agreement is intended to, or will in any way, restrain or reduce the competitive rivalry between the parties in the pursuit of Business Opportunities;

WHEREAS, the parties desire to comply with FCC licensing requirements and to enhance efficiency and consumer welfare by jointly developing and deploying certain interoperable technology for the purpose of producing radios capable of receiving broadcasts from both the XM Radio System and the Sirius Radio System;

***** Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

WHEREAS, in jointly developing such interoperable technology in the most cost effective manner, the parties believe it necessary and desirable to integrate some of their economic activities to develop and bring to market Interoperable Radios (as defined below); and

WHEREAS, the parties wish to set forth the terms and conditions under which they will jointly develop and deploy such interoperable technology;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants contained herein, the parties hereto agree as follows:

ARTICLE I

Definitions

1.01. Defined Terms. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms below:

"Aftermarket" shall mean the market for radios that are (a) sold to a customer for use in a vehicle, aircraft or vessel, after such vehicle, aircraft or vessel has been manufactured and sold to a customer; or (b) sold separately as stand alone devices.

"Agreement" shall mean this Joint Development Agreement, including all Exhibits attached hereto, as amended, supplemented or otherwise modified from time to time.

"Auditor" shall have the meaning specified in Section 14.10.

"Business Opportunities" shall have the meaning specified in the recitals to this Agreement.

"Confidential Information" shall have the meaning specified in Section 9.01.

"Consultant" shall have the meaning specified in Section 3.02(b).

"Consulting Agreement" shall have the meaning specified in Section 3.02(b).

"Content Provider" shall have the meaning specified in Section 6.06.

"Distribution Partners" shall have the meaning specified in Section 6.01.

"Effective Date" shall have the meaning specified in the introductory paragraph of this Agreement.

"[*****] Deals" shall mean the agreements, arrangements and understandings in effect as of the Effective Date among [*****]

***** Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

[*****], as such agreements, arrangements and understandings may be amended, supplemented or otherwise modified from time to time.

"[*****] Partner" shall mean [*****].

"[****] Deals" shall mean the agreements, arrangements and understandings in effect as of the Effective Date among [*****], or any of their respective subsidiaries or affiliates, as such agreements, arrangements and understandings may be amended, supplemented or otherwise modified from time to time.

"[*****] Partner" shall mean [*****] and [*****].

"Expedited Rules" shall have the meaning specified in Section 13.02.

"FCC" shall have the meaning specified in the recitals to this Agreement, together with any successor agency or agencies.

"FCC License" shall mean the license granted by the FCC to Sirius or XM, as the context may require, to launch and operate satellites to provide a radio communications service in which audio programming is digitally transmitted by one or more space stations directly to fixed, mobile and/or portable stations which may involve complementary repeating terrestrial transmitters and telemetry, tracking and control facilities.

"Interoperable Chipset" shall mean integrated circuits which are capable of receiving, decoding, decompressing and outputting to a user interface the digital audio radio broadcast, transmitted from both satellites and terrestrial repeaters, of both the XM Radio System and the Sirius Radio System.

*****Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

"Interoperable Radio" shall mean a radio that, at a minimum, (a) receives and processes the audio portion of both the Sirius Radio System signal and the XM Radio System signal, either as a result of an Interoperable Chipset contained in the unit itself or as a result of an Interoperable Chipset contained in an outboard location which interfaces directly with the unit, and (b) which is capable of providing the user interface for both Sirius Radio System broadcasts and XM Radio System broadcasts, including displaying the artist and title information transmitted as part of such broadcasts, in each case, without the consumer purchasing additional hardware or software.

"Interoperability Technology" shall mean the technology, including the technology which is jointly funded and developed by Sirius and XM pursuant to this Agreement or owned and/or licensed by either party, which is required to design, develop and/or manufacture an Interoperable Radio, as well as any enhancements and modifications jointly funded and developed for such technology pursuant to this Agreement (including the industry standards jointly developed by the parties pursuant to Section 3.03), but shall not include Non-core Technology.

"JV" shall have the meaning specified in Article XI.

[*****] shall have the meaning specified in Section 6.02(a).

[*****] shall have the meaning specified in Section 6.04(a).

"Non-core Technology" shall have the meaning specified in Section 5.02.

"Non-owning Party" shall have the meaning specified in Section 8.05.

"OEM Automobile Partners" shall mean an original equipment manufacturer of vehicles (including trucks and/or other specialty vehicles), such as General Motors Corporation, Ford Motor Company, DaimlerChrysler AG, Honda Motor Company, Toyota, BMW AG and their respective divisions, affiliates and subsidiaries.

"Owning Party" shall have the meaning specified in Section 8.05.

"Project Leader" shall have the meaning specified in Section 3.02(d).

"Project Plan" shall have the meaning specified in Section 3.02(b).

"Radio Manufacturing Partners" shall have the meaning specified in Section 5.04.

"Recipient" shall have the meaning specified in Section 9.01.

"RFP" shall have the meaning specified in Section 3.02(e).

"SDARS Mark" shall have the meaning specified in Section 4.04(a).

***** Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

"Single Mode Radio" shall mean a radio that (a) receives and processes the Sirius Radio System signal or the XM Radio System signal, but not both, and (b) which is capable of providing the user interface for either Sirius Radio System broadcasts or XM Radio System broadcasts, but not both.

"Sirius" shall have the meaning specified in the first paragraph of this Agreement.

"Sirius Radio System" shall have the meaning specified in the recitals to this Agreement.

"Specifications" shall have the meaning specified in Section 3.02(c).

[*****]

"Third Party Technology" shall mean any patents, know-how or other intellectual property rights owned or controlled by any person or entity other than Sirius, XM and their respective affiliates that may be included within the XM Radio System or the Sirius Radio System or in Interoperability Technology from time to time.

"XM" shall have the meaning specified in the first paragraph of this

Agreement.

"XM Radio System" shall have the meaning specified in the recitals to this Agreement.

1.02. Other Definitional Matters. Definitions in this Agreement apply equally to the singular and plural forms of the defined terms. The words "include" and "including" shall be deemed to be followed by the phrase "without limitation" or "but not limited to" when such phrase does not otherwise appear. The terms "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision. All article, section, paragraph, clause, exhibit or schedule references not attributed to a particular document shall be references to such parts of this Agreement.

ARTICLE II

Term of this Agreement

Unless terminated in accordance with Section 12.01, this Agreement shall commence on the Effective Date and continue until the termination of each of the parties' respective FCC Licenses, and shall be automatically renewed upon the renewal or extension of the FCC Licenses.

ARTICLE III

Joint Technology Development.

3.01. Interoperability Technology Development. XM and Sirius hereby agree to develop Interoperability Technology for the purpose of producing (or having produced by others) Interoperable Radios.

3.02. Project Plan. Unless otherwise agreed by the parties in writing:

(a) As soon as practicable, the parties shall exchange, on a mutually agreed date, appropriate technical documentation relating to the XM Radio System and the Sirius Radio System, as the case may be.

(b) The parties shall use commercially reasonable efforts to execute, within 90 days following the Effective Date, a consulting agreement (the "Consulting Agreement") with a third party consultant reasonably acceptable to both parties (the "Consultant") to manage the project development activities relating to the Interoperability Technology. The Consultant shall have responsibility for creating a budget and project plan for developing the Interoperability Technology (the "Project Plan").

(c) The Consultant shall work with representatives of the parties to develop the Project Plan, including the development and preparation of a written document containing agreed upon engineering and other specifications for the Interoperable Chipset (the "Specifications"). The Specifications shall be in form and substance acceptable to both Sirius and XM.

(d) The parties shall negotiate in good faith to determine the Project Plan and Specifications. Each party agrees to use commercially reasonable efforts to meet any deliverables and/or timetables set forth in the Project Plan. Each party shall provide commercially reasonable support to facilitate the exchange of information during the development of the Project Plan and Specifications, as well as during the development of the Interoperability Technology. In addition, each party shall designate a project leader (each, a "Project Leader"), who shall be designated in the Project Plan, and who shall coordinate such party's development activities.

(e) As part of the Project Plan, upon completion of the Specifications, the Consultant shall issue to chipset design and fabrication firms reasonably acceptable

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to XM and Sirius, a request for (the "RFP") to design, develop and manufacture Interoperable Chipsets. However, the Consultant shall [*****] Similarly, the Consultant shall [*****]. As soon as practicable after responses to the RFP have been received by the Consultant and reviewed by XM and Sirius, the Consultant, with the consent of Sirius and XM (which shall not be unreasonably withheld, delayed or conditioned), shall use commercially reasonable efforts to negotiate one or more agreements to design and develop Interoperable Chipsets.

(f) The parties shall use commercially reasonable efforts to develop an antenna or series of antennas which function with both the Sirius Radio System and the XM Radio System for deployment with Interoperable Radios.

(g) Nothing contained in this Agreement shall be interpreted or construed to limit in any way Sirius' or XM's ability to continue its existing integrated circuit development efforts for Single Mode Radios.

(h) XM and Sirius shall each use commercially reasonable efforts to design and develop Interoperable Radios that are backward compatible with then existing Single Mode Radios.

(i) XM and Sirius agree that [*****], as the case may be.

3.03. SDARS Industry Standards Publication. In order to direct that the development work performed pursuant to this Agreement results in the quality of reception on Interoperable Radios of either party's programming being comparable to the quality of reception of such party's programming on a Single Mode Radio, XM and Sirius shall jointly develop and publish industry standards for Interoperable Radios. Such standards shall contain parameters relating to Interoperable Radios, including, but not limited to user-interface and communication protocols.

3.04. Enhancement and Support of the Interoperability Technologies. Each party agrees to use commercially reasonable efforts to maintain and enhance the Interoperability Technology to ensure its proper functioning and commercial usefulness.

3.05. Implementation of Non-core Technologies. Nothing in this Agreement shall prevent the development, manufacturing, marketing, sale and distribution of Interoperable Radios with respect to which the Non-core Technologies, if any, used by or relating to customers of one of the parties differ from the Non-core Technologies, if any, used by or relating to customers of the other party.

ARTICLE IV

Intellectual Property Rights and Ownership

4.01. XM Radio System. The parties agree that XM owns, or has license rights to, the XM Radio System and shall at all times continue to retain full and exclusive right, title and ownership and/or license, as the case may be, in and to the XM Radio System, and in any and all intellectual property rights therein, including, but not limited to, all rights in related patents, trademarks, copyrights, derivative works and proprietary and trade secret rights and know-how.

4.02. Sirius Radio System. The parties agree that Sirius owns, or has license rights to, the Sirius Radio System and shall at times continue to retain full and exclusive right, title and ownership and/or license, as the case may be, in and to the Sirius Radio System, and in any and all intellectual property rights therein, including, but not limited to, all rights in related patents, trademarks, copyrights, derivative works and proprietary and trade secret rights and know-how.

4.03. Interoperability Technology. (a) Subject to each party's rights set forth in Sections 4.01 and 4.02, the parties agree that XM and Sirius shall jointly own the Interoperability Technology jointly developed by the parties and jointly funded hereunder, and any and all intellectual property rights therein, including, but not limited to, all rights in related patents, trademarks, copyrights, derivative works and proprietary and trade secret rights and know- how. Each party shall give the other party all reasonable assistance and shall, at the other party's request and expense, execute and deliver all documents and assignments which may be necessary to establish the joint ownership rights in the Interoperability Technology.

(b) If any patentable inventions are created as a result of the parties' joint development activities hereunder, the parties agree to cooperate in the filing and prosecution of patent applications for such inventions with the costs to be shared equally by the parties. Any resulting patent shall be jointly owned by Sirius and XM.

(c) Each party agrees to require each of its employees to assign to such party all of such employee's right, title and interest in and to Interoperability Technology and all related intellectual property rights, including patents, patent applications, copyright, derivative works, trademarks, trade secrets, know-how and other proprietary rights.

4.04. Logo or Service Mark for Interoperability Technology. (a) Sirius and XM shall jointly select and file for federal trademark protection a new name, logo and/or service mark (collectively, the "SDARS Mark") relating to digital satellite radios for the purposes of promoting and identifying Interoperable Radios and Single Mode Radios, and the parties shall share equally in any profits relating to the SDARS Mark. The parties will work cooperatively to design the SDARS Mark(s) so as to minimize consumer confusion regarding whether a given radio is a Single Mode Radio or Interoperable Radio.

(b) From and after the joint selection thereof, Sirius and XM shall prominently use and/or display the SDARS Mark in all communications that mention XM or Sirius.

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(c) Each of the parties agrees not to change its name to, or adopt the use of a trade name or trademark that is likely to cause confusion with (i) the corporate name, trade names and trademarks employed by the other party hereto, or (ii) following the joint selection thereof, the SDARS Mark.

(d) Each party shall license the SDARS Mark to its Radio Manufacturing Partners, Distribution Partners and OEM Automobile Partners for use on Single Mode Radios and Interoperable Radios. Each party shall require, as part of any agreement, arrangement or understanding entered into with any Radio Manufacturing Partner, Distribution Partner or OEM Automobile Partner after the Effective Date, the use of the SDARS Mark on the face or another static component of the user interface of all Single Mode Radios and Interoperable Radios; provided that such requirement shall not apply to any radio if no logo, trade name or trademark relating to XM, Sirius or satellite digital audio radio service is displayed on the face or any other static component of the user interface thereof. In addition, each party shall use commercially reasonable efforts to require its [*****] Partners and [*****] Partners to use the SDARS Mark on the face or another static component of the user interface of all Single Mode Radios and Interoperable Radios; provided that such requirement shall not apply to any radio if no logo, trade name or trademark relating to XM, Sirius or satellite digital audio radio service is displayed on the face or any other static component of the user interface thereof.

(e) Each party acknowledges that the quality of use of the SDARS Mark will have an important effect on goodwill associated with the SDARS Mark and on the resulting value of the SDARS Mark and each party agrees that the nature and quality of all uses of the SDARS Mark shall be of high quality, and be adequately suited to exploitation of the SDARS Mark to the best advantage and enhancement of the SDARS Mark and consistent with quality control standards mutually established by the parties.

ARTICLE V

Licensing Matters

5.01. Independent Developments. (a) In the event that either party independently develops technology, including any technology existing on the Effective Date, that is included in Interoperability Technology, such party shall retain full right, title and interest in and to such technology, including any and all intellectual property rights therein; however, each party hereby grants to the other party, to the fullest extent possible, subject to any Third Party Technology restrictions as described in Section 5.03, a perpetual, non- exclusive, royalty-free, worldwide license to use, copy, distribute, sublicense and allow its Distribution Partners and Radio Manufacturing Partners to sublicense such technology for the purpose of manufacturing Interoperable Radios and marketing and distributing Interoperable Radios in North America.

(b) In addition, each party shall retain full right, title and interest in and to its technology included in the digital satellite radio system of such party as of the Effective Date, including any and all intellectual property rights therein; however, each party hereby grants to the other party, to the fullest extent possible, subject to any Third Party

Technology restrictions as described in Section 5.03, a perpetual, non- exclusive, royalty-free, worldwide license to use, copy, distribute, sublicense and allow such other party's Distribution Partners and Radio Manufacturing Partners to sublicense such technology (including any other technology relevant to a satellite digital audio radio system that such party, or any officer, employee or affiliate of such party, may own or have a license to use) for the purpose of manufacturing, marketing and distributing such other party's satellite digital audio radio system in North America, including any Single Mode Radios used in connection therewith; provided that the technology covered by such license shall exclude all Non-core Technology.

5.02. Independent Development of Non-core Technology. In the event that either party independently develops or licenses technology that is not included in the definition of Interoperability Technology ("Non-core Technology"), such Non-core Technology shall remain the property of the developing or licensing party; and all right, title and interest in and to such Non-core Technology, including any intellectual property rights therein, shall reside with the developing or licensing party. In such event, the developing or licensing party shall make available (or, in the case of licensed technology, use commercially reasonable efforts (which shall not include the payment of additional license fees) to make available) to the other party, upon written request, a license for such Non-core Technology on commercially reasonable terms. In the event that the non-developing party does not accept such commercially reasonable terms, no license shall be granted. In no event shall either party be entitled to any equitable relief with regard to Non-core Technology.

5.03. Third Party Technology. Each party shall be responsible, at its cost, for licensing any Third Party Technology to the extent that such Third Party Technology is used in the digital satellite radio system of such party. All licenses granted hereunder shall be subject to existing agreements entered into by the parties for such Third Party Technology. A listing of the Third Party Technology included within each party's satellite digital audio radio system as of the Effective Date shall be provided to the other party within 30 days of the Effective Date. Each party shall, within 30 days of the Effective Date, provide to the other party copies of any agreements executed by such party relating to Third Party Technology, to the extent such party is legally entitled to disclose such agreement. Each party shall use commercially reasonable efforts to obtain all consents necessary to disclose such agreements to the other party in accordance with the terms of this Agreement.

5.04. Licensing of the Interoperability Technology to Third Parties. Subject to any restrictions in the Third Party Technology agreements, as joint owners of the Interoperability Technology, the parties shall each have authority to license (and permit the sublicense of) the Interoperability Technology to third parties, including, but not limited to, manufacturers of integrated circuits and receivers ("Radio Manufacturing Partners"), for the purpose of manufacturing, marketing, distributing and/or selling Interoperable Radios. The parties shall share equally in any licensing, technical assistance or other revenue recognized from such third party licensing of, or technical or other assistance relating to, Interoperability Technology.

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ARTICLE VI

Marketing Matters

6.01. Distribution Partners. Commencing on the Effective Date, neither party shall enter into any agreement, arrangement or understanding with any
[*****] distribution partner (collectively, "Distribution Partners") for the distribution of either the XM Radio System or Sirius Radio System that [*****]. In addition, commencing on the Effective Date neither party shall enter into any agreement, arrangement or understanding which [*****].

6.02. [*****] Deals. (a) Notwithstanding anything to the contrary in this Agreement, XM and Sirius each agree that, other than their respective [*****] Deals, all agreements, arrangements and understandings made by either party after the Effective Date that [*****] shall specify the [*****]; provided that, in the period before [*****]; and provided further, that neither party shall enter into any agreement, arrangement or understanding to [*****].

(b) Neither party shall after the Effective Date enter into any agreement, arrangement or understanding with [*****] in circumvention of the terms of this Agreement and neither party shall [*****], other than in accordance with the terms of this Agreement.

6.03. [*****] Deals. (a) Notwithstanding anything to the contrary in Section 6.02, both XM and Sirius shall be free to [*****]. The parties acknowledge that any [*****] Deals. After the Effective Date, each of the parties shall work cooperatively with one another and with its [*****], enter into any agreement relating to Interoperable Radios with any [*****] Deal unless such agreement (i) is either (A) [*****]

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[*****] and (ii) shall become effective as soon as practicable after [*****]; provided, that until such an agreement is established with a given [*****] of a party, the other party shall not [*****].

(b) Notwithstanding Sections 6.02(a) and 6.03(a), in the period [*****].

6.04. [*****] Partners. (a) Notwithstanding anything to the contrary in this Agreement, XM and Sirius each agree that all agreements, arrangements and understandings made by either party after the Effective Date that contemplate [*****]; provided that, for the avoidance of doubt, it is understood that each of the parties may [*****].

(b) Notwithstanding Section 6.04(a), in the period [*****].

(c) Neither party shall [*****] Deal in circumvention of the terms of this Agreement nor shall it [*****] in violation of the terms of Section 6.04(a).

6.05. [*****] Partners. (a) Notwithstanding anything to the contrary in Section 6.04, the parties agree that each may [*****]. The parties acknowledge that [*****]. Nothing in this Agreement shall, or shall be construed to, require either party to [*****].

(b) XM and Sirius shall each [*****].

6.06. New Content Arrangements. (a) Commencing on the Effective Date, neither party shall enter into any agreement, arrangement or understanding with any provider of content or programming, including celebrity talent (a "Content Provider") that (i) [*****]

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[*****] or (ii) rewards any such Content Provider for [*****]. This Section 6.06(a) shall not apply to contracts between either party and its employees, other than celebrity talent. To implement this provision, each party agrees, [*****].

(b) Commencing on the Effective Date, neither party shall enter into any agreement, arrangement or understanding [*****].

ARTICLE VII

Consideration

7.01. Resources. Each party agrees to devote its resources to the joint development of the Interoperability Technology in accordance with the Project Plan, or as mutually agreed by the parties in writing.

7.02. Existing Technology. Each party shall negotiate in good faith the financial value of the intellectual property licenses granted hereunder for the technology of such party that is included in (a) the Interoperability Technology; and/or (b) the satellite digital audio radio system of the other party. The applicability, validity, value, use, importance and available alternatives of each party's intellectual property rights with respect to (i) the Interoperability Technology; and (ii) the other party's satellite digital audio radio system shall be considered in determining the financial value of such intellectual property licenses. In the event that the parties fail to reach agreement regarding the financial value of such intellectual property licenses within ninety days of the Effective Date, the parties shall resolve the dispute through binding arbitration in accordance with Section 13.02. The financial value agreed by the parties or determined by arbitration to be attributed to each party's existing technology licenses granted hereunder shall be set forth on a schedule which shall be approved in writing by both parties. Each party shall receive a credit against its contribution to fees, costs and expenses that this Agreement may require equal to the value attributed to its technology pursuant to this Section.

7.03. Fees, Costs and Expenses. Subject to Section 7.02, each party shall share equally in the fee, costs and expenses associated with the following activities:

(a) contracting with the Consultant pursuant to the Consulting Agreement, as further described in Section 3.02(b);

(b) publication of the industry standards set forth in Section 3.03;

(c) joint trademark activities set forth in Section 4.04;

(d) development, enhancement and support of the Interoperability Technology as described in Section 3.04.

(e) royalties, if applicable, due after the Effective Date for Third Party Technology that the parties mutually agree shall be included in Interoperability Technology;

(f) the parties' activities pursuant to this Agreement to jointly market the Interoperability Technology;

(g) the parties' activities relating to the filing and prosecution of patent applications for the jointly owned Interoperability Technology; and

(h) any other joint activities undertaken in furtherance of this Agreement as mutually agreed by the parties in writing.

7.04. Stipulation of Dismissal of Patent Litigation. Subject to the terms of this Agreement, XM and Sirius shall cause to be to filed, within five business days of the Effective Date, a stipulation substantially in the form set forth in Exhibit A for dismissal, without prejudice, of the patent litigation currently pending between XM and Sirius.

ARTICLE VIII

Infringement Action Defense and General Indemnity

8.01. XM Defense. (a) Subject to Section 8.03 and 8.04, XM shall defend at its expense any action brought against Sirius, or any of its officers or directors, to the extent such action is based upon the claim that the XM Radio System, including the technology contributed pursuant to Section 5.01, constitutes direct infringement of any duly issued United States patent, copyright, trademark or trade secret and will pay any reasonable expenses and settlements or judgments to the extent based thereon, provided that (i) XM has sole control of any such action or settlement negotiations, (ii) Sirius notifies XM promptly in writing of such claim, suit or proceeding, and (iii) Sirius uses commercially reasonable efforts, at XM's expense, to assist in the settlement and/or defense of any such claim, suit or proceeding. Sirius may, at its option and expense, elect to participate in such settlement and/or defense with its own counsel. Neither party shall be liable for any costs or expenses incurred by the other party without its prior written authorization.

(b) In the event that the XM Radio System is likely to result in, or is subject to, a claim hereunder, XM shall, at its option, modify the XM Radio System so that it becomes non-infringing, or procure the right to continue using the XM Radio System without modification. Notwithstanding the foregoing, XM shall not be liable for any claim arising from or based upon the combination of the XM Radio System with another system, including the Sirius Radio System, unless Sirius establishes that the modifications or combination of the systems did not contribute to the infringement, except to the extent XM knew, or reasonably should have known, that such modifications or combination could give rise to such claim and failed to so inform Sirius.

8.02. Sirius Defense. (a) Subject to Section 8.03 and 8.04, Sirius shall defend at its expense any action brought against XM, or any of its officers or directors, to the extent such action is based upon the claim that the Sirius Radio System, including the technology contributed pursuant to Section 5.01, constitutes direct infringement of any duly issued United States patent, copyright, trademark or trade secret and will pay any reasonable expenses and settlements or judgments to the extent based thereon, provided that (i) Sirius has sole control of any such action or settlement negotiations, (ii) XM notifies Sirius promptly in writing of such claims, suit or proceeding, and (iii) XM uses commercially reasonable efforts, at Sirius' expense, to assist in the settlement and/or defense of any such claim, suit or proceeding. XM may, at its option and expense, elect to participate in such settlement, and/or defense with its own counsel. Neither party shall be liable for any costs or expenses incurred by the other party without its prior written authorization.

(b) In the event that the Sirius Radio System is likely to result in, or is subject to, a claim hereunder, Sirius shall, at its option, modify the Sirius Radio System so that it becomes non-infringing, or procure the right to continue using the Sirius Radio System without modification. Notwithstanding the foregoing, Sirius shall not be liable for any claim arising from or based upon the combination of the Sirius Radio System with another system, including the XM Radio System, unless XM establishes that the modifications or combination of the systems did not contribute to the infringement, except to the extent Sirius knew, or reasonably should have known, that such modification or combination could give rise to such claim and failed to so inform XM.

8.03. No Indemnification for Interoperability Technology. Except to the extent indemnification is available pursuant to Section 8.01 or 8.02, neither party shall be liable to the other for any intellectual property infringement claim, action, proceeding or suit brought against such party relating to the Interoperability Technology.

8.04. Non-Core Technology. In the event that either party licenses Non- core Technology to the other party, any indemnification rights and obligations shall be as set forth in the licensing agreement between the parties relating to such Non-core Technology.

8.05. General Indemnity for Third Party Actions Based on Use of the Other Party's System. Subject to Section 8.01 through 8.04, each party (in such context, the "Owning Party") owns a satellite digital radio system and such Owning Party shall defend, indemnify and hold harmless the other party (in such context, the "Non-owning Party") from all damages, liabilities and expenses, including reasonable attorney's fees, arising out of, connected with, or resulting in any way from a claim or action by a third party against the Non- owning Party due to the performance or use of the satellite digital radio system of the Owning Party.

ARTICLE IX

Confidential Information.

9.01. General. Each party acknowledges that in the course of performance of this Agreement, either of them may disclose to the other (such other party, together with its directors, officers, employees, agents and other representatives, a "Recipient") information

about the disclosing party's technology, products, business or activities which such party considers proprietary and confidential, including, without limitation, information regarding the XM Radio System, the Sirius Radio System, Interoperability Technology, other trade secrets and information concerning the existence and terms of this Agreement and the joint development arrangements contemplated hereunder, as well as the characterization and use of any of the intellectual property rights of the parties described in this Agreement, and any financial valuations, determinations, or settlements relating to either party's intellectual property rights in any patent or other disputes between the parties, in any form, including, without limitation, oral, written, graphic, demonstrative, machine recognizable or sample form (all of such proprietary and confidential information, and all summaries, analyses and other material and data generated by Recipient from any such information, is hereinafter referred to as "Confidential Information"). Confidential Information shall be retained in confidence and shall not be disclosed or caused or permitted to be disclosed directly or indirectly to any third party without the prior written approval of the disclosing party, and shall not be used by Recipient for any reason other than in accordance with the terms of this Agreement. Notwithstanding the foregoing, in no event shall either party exchange information on the subjects as to which the parties compete, and nothing in this Section 9.01 shall be construed to require the sharing of any information other than information necessary to effectuate the purposes of this Agreement. The obligation of Recipient to retain Confidential Information in confidence shall not apply to Confidential Information which is (a) now in or hereafter enters the public domain beyond the control of Recipient and without its violation of this Agreement; (b) rightfully known to Recipient prior to the time of disclosure by the disclosing party hereunder, or independently developed by Recipient personnel without access to Confidential Information; (c) disclosed in good faith to Recipient by a third party legally entitled to disclose the same; or
(d) which Recipient discloses under operation of law, rule or legal process; provided, that (i) the burden shall be on Recipient to prove the applicability of one or more of the foregoing exceptions by documentary evidence should the disclosing party question the applicability of such exceptions; (ii) as to exception (b), Recipient makes known to the disclosing party within five (5) days of receipt of information from the disclosing party that such information was already known to Recipient and (iii) as to exception (d), Recipient provides the disclosing party with prompt written notice of any request or legal proceeding through which Recipient may be required to disclose such Confidential Information.

9.02. Transmission of Confidential Information. Recipient agrees to transmit Confidential Information only to those of its directors, officers, employees, agents or other representatives who need access to the Confidential Information for the purposes of this Agreement, and who are informed by Recipient of the confidential nature of such Confidential Information, and who agree to be bound by the terms of this Agreement or an agreement containing substantially similar terms in regards to Confidential Information. Recipient further agrees to be responsible for any breach of this Agreement by any director, officer, employee or other representative of Recipient.

9.03. Return or Destruction of Confidential Information. Recipient agrees that all Confidential Information disclosed to Recipient hereunder shall be and remain the property of the disclosing party, unless otherwise agreed hereunder. Any tangible form of such Confidential Information including, but not limited to, documents, papers, computer diskettes and electronically transmitted information shall be destroyed by Recipient or returned, together with all copies thereof, to the disclosing party upon request. If such tangible

form of Confidential Information is destroyed, a certification of such destruction executed by a duly authorized officer of Recipient shall be delivered to the disclosing party.

9.04. Survival of Confidentiality Obligations. Recipient's obligations under this Article IX shall survive the termination of this Agreement, regardless of the manner of such termination, and shall be binding upon its successors and assigns.

9.05. Publicity. (a) Each party agrees that it shall not make any public statement concerning the existence of this Agreement, the contemplated joint development efforts, the intellectual property rights of either party relating to the development of Interoperable Radios or statements regarding the settlement of any patent or other disputes between the parties, without the prior written consent of the other party.

(b) The parties shall promptly issue a press release announcing this Agreement, in the form attached hereto as Exhibit B.

(c) The parties hereby agree to cooperate with one another with regard to any disclosures required by the Securities and Exchange Commission ("SEC") and the FCC relating to this Agreement, and each shall afford the other party as much advance notice as practicable for such party's review and comment prior to the filing of such SEC or FCC disclosure document.

ARTICLE X

Warranty; Disclaimers; Limitation of Liability

10.01. Warranties. Each party hereby represents and warrants to the other that (subject to agreements for Third Party Technology as set forth in Section 5.03):

(a) it has the right and power to enter into this Agreement;

(b) to the best of its knowledge, the information which it may disclose to the other party, and the process of disclosure and the use of such information in accordance with the provisions of this Agreement, will not violate any trade secret right, trademark, issued United States patent, copyright or other proprietary right of any third party; and

(c) it holds good title or right, free and clear of all liens and encumbrances, to technology or other information which it is providing under this Agreement.

In addition to the foregoing, each party warrants that its development efforts relating to the Interoperability Technology shall be performed in accordance with those standards of care, skill and diligence, and those practices and procedures, which are commonly accepted in connection with the performance of the same or similar services, and that any development work performed by such party pursuant to this Agreement shall substantially conform to the Specifications.

10.02. DISCLAIMER. EXCEPT AS SPECIFICALLY SET FORTH HEREIN, NEITHER PARTY MAKES ANY OTHER WARRANTY TO THE OTHER PARTY UNDER THIS AGREEMENT, EITHER EXPRESS, IMPLIED, OR ARISING BY COURSE OF CONDUCT OR PERFORMANCE, CUSTOM OR USAGE IN THE TRADE, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

10.03 LIMITATION OF LIABILITY. EACH PARTY SHALL BE LIABLE TO THE OTHER IN THE EVENT OF A MATERIAL BREACH OF THIS AGREEMENT IN AN AMOUNT EQUAL TO DIRECT DAMAGES ACTUALLY SUFFERED BY THE OTHER PARTY. EXCEPT FOR WILLFUL MISCONDUCT AND/OR LACK OF GOOD FAITH, NEITHER PARTY HEREUNDER SHALL BE LIABLE FOR ANY LOST PROFITS, LOST SAVINGS, OR INCIDENTAL DAMAGES, OR OTHER ECONOMIC CONSEQUENTIAL DAMAGES RESULTING FROM THIS AGREEMENT. WHERE A PARTY IS LIABLE FOR CONSEQUENTIAL DAMAGES UNDER THIS PROVISION, SUCH PARTY'S LIABILITY THEREFOR SHALL NOT EXCEED $100 MILLION.

ARTICLE XI

Establishment of Joint Venture

The parties contemplate that they may form a joint venture or limited liability corporation ("JV") to pursue the development of the Interoperability

Technology. If a JV is established, the parties agree that any agreements between the parties relating to establishing the JV and/or addressing any of the terms or conditions included in this Agreement shall supersede the terms of this Agreement. The parties anticipate that the JV may contract with the Consultant to undertake the parties' activities pursuant to this Agreement to jointly develop the Interoperability Technology, including preparing the RFP for third parties and licensing the Interoperability Technology to third parties, including, but not limited to, chipset manufacturers, OEM Automobile Partners, Distribution Partners and Radio Manufacturing Partners. The parties further anticipate that all development and other costs of such JV will be split equally between XM and Sirius. In the event that the parties elect not to form such JV, this Agreement shall continue in full force and effect.

ARTICLE XII

Termination

12.01. Termination Events. Either party may terminate this Agreement upon the occurrence of any of the following events:

(a) the other party becomes the subject of a bankruptcy petition filed in a court in any jurisdiction, whether voluntary or involuntary, and, in the case of an involuntary proceeding, is not dismissed within 90 days; or

(b) a receiver or a trustee is appointed for all or a substantial portion of the other party's assets; or

(c) the other party makes an assignment for the benefit of its creditors; or

(d) Sirius Radio and XM agree in writing that the design and development of an Interoperable Receiver is technically impracticable; or

(e) the other party fails to begin digital audio broadcasting for sale to consumers using the XM Radio System or the Sirius Radio System, as applicable, on or before June 30, 2002 and is not reasonably likely to commence such broadcasts on or before December 31, 2002; or

(f) the other party or any of its subsidiaries defaults in the payment of principal of or premium, if any, on any indebtedness aggregating $25 million or more, when the same becomes due and payable, and such default or defaults shall have continued after any applicable grace period and shall not have been cured or waived; or

(g) the other party fails to perform any material covenant or obligation contained in this Agreement, and such failure continues unremedied for a period of ninety days following receipt of written notice describing in reasonable detail such failure.

12.02. Effects of Termination. Upon termination of this Agreement pursuant to Section 12.01, the licenses granted to each party pursuant to Section 5.01 shall survive such termination and each party shall continue to maintain joint ownership rights in the Interoperability Technology; provided that if this Agreement is terminated by a party pursuant to Section 12.01(g) prior to the time that the value of the intellectual property licensed under Section 5.01 shall have been determined, either through negotiated agreement or decision of an arbitrator, then the licenses granted to the other party under Section 5.01 shall terminate.

12.03. Mutual Covenant Prior to Termination. Other than a party which has terminated this Agreement pursuant to Section 12.01(g), neither party shall take any legal action, including, but not limited to, arbitration, that seeks to enjoin the other party's use of any intellectual property rights which relate to or are useful in a digital satellite radio system or any enhancements, modifications, and derivative works thereof.

ARTICLE XIII

Dispute Resolution and Arbitration

13.01. Dispute Resolution. The parties shall attempt to settle any dispute between them amicably and agree to exercise their commercially reasonable efforts to resolve such controversy or dispute prior to seeking an arbitrated resolution. To invoke the dispute resolution process, the invoking party shall give to the other party written notice of its decision to do so, including a description of the issues subject to the controversy or dispute and a proposed resolution thereof. Designated representatives of both parties with the closest responsibility for this Agreement shall attempt to resolve the controversy or dispute within five business days after receipt of such notice. If those designated representatives

cannot resolve the controversy or dispute, the parties shall describe their controversy or dispute and their respective proposals for resolution to their respective Chief Executive Officers or other designated persons with comparable authority who shall meet in good faith to resolve the controversy or dispute. Except as provided in Section 7.02, if any controversy or dispute is not resolved within ten business days after such meeting, the parties shall seek a resolution through arbitration as set forth in Section 13.02.

13.02. Arbitration. Any controversy or claim arising out of or relating to this Agreement shall be settled by arbitration in Washington, DC, by one or more arbitrators, as mutually agreed by the parties, and such arbitrator(s) will be persons with sufficient expertise to evaluate the subject of the dispute. In the event that the dispute relates to intellectual property, such arbitrators shall have sufficient technical, engineering and legal knowledge to evaluate the applicability, validity and value of the intellectual property that is the subject of the dispute. The arbitration shall be conducted in accordance with the Expedited Arbitration Rules of JAMS/Endispute ("Expedited Rules"). In the event that the parties do not agree on the arbitrators, or other procedures or standards concerning the arbitration, such choice of arbitrator(s) or other procedures shall be determined under the Expedited Rules. The award of the arbitrator shall be binding upon the parties. The arbitrator(s) shall be entitled to award reasonable attorneys' fees and expenses to the prevailing party.

ARTICLE XIV

Miscellaneous

14.01. Non-Solicitation. During the term of this Agreement, and for a period of twelve months following termination of this Agreement, neither party shall, without the prior written consent of the other party, directly or indirectly solicit for employment, employ or otherwise engage the services of employees or individual consultants of the other party.

14.02. Catastrophic Loss Backup. XM and Sirius shall negotiate in good faith with respect to an agreement to provide service to the other's subscribers in the event of a catastrophic failure of the XM Radio System or the Sirius Radio System.

14.03. Governing Law. This Agreement shall be governed by, and interpreted in accordance with, the laws of the State of New York, without giving effect to any provisions which would require the application of the laws of another jurisdiction.

14.04. Assignment. Any assignment of this Agreement by either party (except to an entity controlling, controlled by or in common control with such party) without the written consent of the other party shall be void. Subject to the foregoing, this Agreement will be binding upon and will inure to the benefit of the respective successors and assigns of the parties.

14.05. Entire Agreement. This Agreement and all exhibits hereto shall constitute the entire agreement between the parties with regard to the subject matter of this Agreement and supersede all previous communications, whether oral or written, between the parties with respect to such subject matter. No modification of any provision of this Agreement

shall be binding unless in writing and signed by duly authorized representatives of XM and Sirius.

14.06. Severability. Each party agrees that, in the event any court shall determine that any provision of this Agreement is invalid, such determination shall not affect the validity of any other provisions of this Agreement, which shall remain in full force and effect and shall be construed so as to be valid under applicable law only to the extent that such construction maintains the economic balance of the parties under this Agreement.

14.07. Waiver. Each party agrees that no failure or delay by any party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof.

14.08. Notices. Any notice required or permitted to be sent under this Agreement shall be sent by certified mail, overnight mail with receipt requested or telefax with written confirmation to the following addresses:

For XM:

XM Satellite Radio Inc.
1250 23rd Street, N.W.
Washington, DC 20037
Attention: General Counsel Telecopier: 202-969-7050

For Sirius:

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

14.09. Independent Parties. The parties hereto are independent parties, and neither shall be liable for the performance or failure to perform of the other party.

14.10. Records and Audits. Either party may, up to twice within any twelve month period at such party's expense and upon five (5) days written notice to the other party, hire an independent audit firm or other independent representative reasonably acceptable to the other party ("Auditor"), to inspect or audit any or all of the other party's records solely relating to this Agreement, for the purposes of verifying the other party's compliance with its obligations hereunder. Such Auditor shall not disclose any information relating to the business of the other party other than that information required to determine the other party's compliance, and in such event, only to those employees, agents or representatives of the other party having a need-to-know for the purpose of the verification.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

Accepted by XM Satellite Radio Inc.

By: /s/ Stephen R. Cook

Name: Stephen R. Cook
Title: SVP Sales and Marketing President

Accepted by Sirius Satellite Radio Inc.

By: /s/ Patrick L. Donnelly

Name: Patrick L. Donnelly
Title: Senior Vice and General Counsel

EXHIBIT A

STIPULATION OF DISMISSAL

James David Jacobs (JJ 7731)
Robert B. Davidson (RD 7158)
Jonathan S. Caplan (JC 1039)
BAKER & MCKENZIE
805 Third Avenue
New York, New York 10022
Tel.: (212) 751-5700

Attorneys for Plaintiff
Sirius Radio Inc.

Robert C. Morgan (RM 0245)
Mark H. Bloomberg (MB 5614)
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New York, New York 10020
Tel.: (212) 596-9000

Attorneys for Defendant
XM Satellite Radio, Inc.

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

SIRIUS RADIO INC.,	)	
	)	
Plaintiff,	)	Civ. No. 99-0230 (LMM)
	)	
v.	)	
	)	
XM SATELLITE RADIO, INC.,	)	
	)	

Defendant.)

STIPULATION OF DISMISSAL

Pursuant to Rule 41, Fed. R. Civ. P., Plaintiff Sirius Radio Inc. and Defendant XM Satellite Radio, Inc., by their undersigned attorneys, stipulate that this action be dismissed, without prejudice, each party bearing its own costs and attorney fees.

Respectfully submitted,

By_____
James David Jacobs (JJ 7731)
Robert B. Davidson (RD 7158)
Jonathan S. Caplan (JC 1039)
BAKER & MCKENZIE
805 Third Avenue
New York, New York 10022
Tel.: (212) 751-5700

Attorneys for Plaintiff,
Sirius Radio Inc.

Dated:_____

Respectfully submitted,

By_____
Robert C. Morgan (RM 0245)
Mark H. Bloomberg (MB 5614)
FISH & NEAVE
1251 Avenue of the Americas
New York, New York 10020
Tel.: (212) 596-9000

Attorneys for Defendant,
XM Satellite Radio Inc.

Dated:_____

EXHIBIT B

PRESS RELEASE

PRESS RELEASE

For Immediate Release

Sirius Radio and XM Radio Form Alliance to Develop Unified Standard for Satellite Radios

New York, NY and Washington, DC -- February 16, 2000 -- Sirius Satellite Radio (Nasdaq: SIRI) and XM Satellite Radio (Nasdaq: XMSR) today announced an agreement to develop a unified standard for satellite radios.

The standard is expected to accelerate growth of the satellite radio category by enabling consumers to purchase one radio capable of receiving both companies' broadcasts. XM Radio and Sirius will jointly fund development of the technology and work together to proliferate the new standard by creating a service mark for satellite radio. As part of the agreement, each company will contribute its intellectual property to the initiative and have agreed to resolve any pending patent litigation.

"This standard is good news both for consumers and for the category," said David Margolese, Sirius Chairman and CEO, and High Panero, XM President and CEO, in a joint statement. "This will allow for reduced subscriber acquisition costs, more satellite radios in the marketplace, and a simplified choice for consumers."

The unified standard will represent a second generation of satellite radios. At the time of the commercial launches of XM Radio and Sirius, consumers will be able to purchase radios capable of receiving one of the two companies' broadcasts. These radios are already being developed by leading electronics and automotive manufacturers. XM and Sirius will work with their existing automobile and radio manufacturing partners to integrate the new standard under the terms of their existing agreements. All future agreements with automakers and radio partners will specify the new satellite radio standard.

XM Radio and Sirius are each building a digital satellite radio service for consumers, offering up to 100 channels of audio entertainment for a monthly subscription fee of $9.95. For more information about the companies, visit XM Satellite Radio at www.xmradio.com and Sirius Satellite Radio at www.siriusradio.com.

continues...

Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, future events or performance with respect to Sirius Satellite Radio Inc. or XM Satellite Radio Inc. are not historical facts and may be forward-looking and, accordingly, such statements involve estimates, assumptions and uncertainties which could cause actual results to differ materially from those expressed in the forward-looking statements. Accordingly, any such statements are qualified in their entirety by reference to the factors discussed, as the case may be, in XM Satellite Radio Inc.'s registration statement on Form S-1 (File No. 333-93529) filed with the Securities and Exchange Commission or Sirius Satellite Radio Inc.'s Annual Report on Form 10-K for the year ended December 31, 1998, filed under the company's former name, CD Radio Inc. Among the key factors that have a direct bearing on the companies' results of operations are the potential risk of delay in implementing the companies' business plans; increased costs of construction and launch of necessary satellites; dependence on satellite construction and launch contractors; dependence on third-party technology partners; risk of launch failure; unproven market and unproven applications of existing technology; unavailability of satellite radio receivers; and the companies' need for additional financing.

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For more information, please call:

Sirius Satellite Radio:	XM Satellite Radio:
Mindy Kramer	Vicki Stearn
212-584-5138	202-969-7070

ARTICLE 5
MULTIPLIER: 1,000

PERIOD TYPE	3 MOS
FISCAL YEAR END	DEC 31 2000
PERIOD START	JAN 01 2000
PERIOD END	MAR 31 2000
CASH	65,316
SECURITIES	419,108
RECEIVABLES	0
ALLOWANCES	0
INVENTORY	0
CURRENT ASSETS	553,519
PP&E	730,683
DEPRECIATION	1,224
TOTAL ASSETS	1,397,338
CURRENT LIABILITIES	70,982
BONDS	497,710
PREFERRED MANDATORY	426,277
PREFERRED	0
COMMON	39
OTHER SE	343,578
TOTAL LIABILITY AND EQUITY	1,397,338
SALES	0
TOTAL REVENUES	0
CGS	0
TOTAL COSTS	0
OTHER EXPENSES	26,776
LOSS PROVISION	0
INTEREST EXPENSE	5,866
INCOME PRETAX	(24,811)
INCOME TAX	0
INCOME CONTINUING	(24,811)
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	(24,811)
EPS BASIC	(0.77)
EPS DILUTED	(0.77)

End of Filing