

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): June 15, 1999

CD RADIO INC.

(Exact Name of Registrant as Specified in Charter)

DELAWARE
(State or other Jurisdiction
of Incorporation)

0-24710
(Commission File Number)

52-1700207
(I.R.S. Employer
Identification No.)

1221 AVENUE OF THE AMERICAS, 36TH FL., NEW YORK, NY
(Address of Principal Executive Offices)
Code)

10020
(Zip

Registrant's telephone number, including area code: (212) 584-5100

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"), CD Radio ("us", "we" and occasionally, the "Company") is hereby providing cautionary statements identifying important factors that could cause our actual results to differ materially from those projected in forward-looking statements (as such term is defined in the Reform Act) made in this Current Report on Form 8-K. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, 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") are not historical facts and may be forward-looking. Such statements involve estimates, assumptions and uncertainties that 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 in our Annual Report on Form 10-K for the year ended December 31, 1998, and investors should not place undue reliance on any such forward-looking statements. Among the significant factors that have a direct bearing on our results of operations are the potential risk of delay in implementing our business plan; increased costs of construction and launch of necessary satellites; our dependence on Space Systems/Loral, Inc.; risk of launch failure; unproven market and unproven applications of existing technology; our dependence on Lucent Technologies, Inc.; unavailability of receivers and antennas; and our need for additional financing.

Management 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. Further, any forward-looking statement speaks 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 management to predict all of such factors.

ITEM 5. OTHER EVENTS.

On June 15, 1999, we announced an agreement with Ford Motor Company ("Ford") which anticipates Ford manufacturing, marketing and selling vehicles that include receivers capable of receiving the CD Radio broadcasts. As part of this agreement, Ford will be entitled to participate in a portion of the revenues derived by us from new Ford vehicles equipped to receive CD Radio broadcasts ("Ford Enabled Vehicles"), will be reimbursed for certain hardware costs of Ford Enabled Vehicles, and has received warrants to purchase 4,000,000 shares our common stock at an exercise price of \$30 per share. These warrants are exercisable based upon the number of Ford Enabled Vehicles that Ford elects to manufacture, and are fully exercisable upon 4,000,000 Ford Enabled Vehicles being manufactured.

A copy of the press release announcing this agreement is attached as Exhibit 99.1 to this Report and is incorporated by reference herein.

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

(a) Not applicable.

(b) Not applicable.

(c) Exhibits.

99.1 Press release dated June 15, 1999.

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SIGNATURES

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

CD RADIO INC.

By: /s/ Patrick L. Donnelly

*Patrick L. Donnelly
Executive Vice President, General
Counsel and Secretary*

Dated: June 15, 1999

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EXHIBIT INDEX

Exhibit	Description of Exhibit

99.1	Press release, dated June 15, 1999.

EXHIBIT 99.1

FORD MOTOR COMPANY AND CD RADIO ANNOUNCE ALLIANCE Auto Maker and Satellite Radio Broadcaster To Revolutionize In-Vehicle Entertainment

DETROIT, -- June, 15 1999 -- Ford Motor Company (NYSE: F) and CD Radio (NASDAQ: CDRD) today announced an alliance to bring digital satellite radio to Ford customers. Ford is partnering with CD Radio to bring customers a revolutionary in-vehicle entertainment service that will include commercial-free music and seamless, coast-to-coast US coverage.

Ford vehicles are expected to be the first cars and trucks in the nation to have factory-installed satellite radio receivers. The exclusive agreement includes all seven Ford brands -- Ford, Lincoln, Mercury, Mazda, Jaguar, Aston Martin and Volvo.

"CD Radio has a unique system which will offer our customers customized, commercial-free listening choices across the country at any time. This partnership is all about Ford Motor Company being the leader in bringing new value and services to our customers," said Jac Nasser, Ford president and chief executive officer. "Our objective is to become the world's leading consumer company that provides automotive products and services."

Ford intends to begin installing CD Radio receivers starting as early as first quarter 2001. Under terms of the agreement, Ford will also have access to individually-addressed bandwidth and will work with CD Radio to develop specialized programming and innovative telematic/infotronic functions exclusively for Ford customers.

"CD Radio service will bring to radio what cable networks have brought to television, and we will deliver it to our customers first," said Mike Ledford, executive director, Telematics at Ford Motor Company.

"We're extremely pleased that the world's most respected auto maker has chosen CD Radio as its satellite radio partner. Our objective is to have every car already on the road and every car coming off an assembly line capable of receiving the CD Radio signal. Ford's decision today is a significant step toward achieving that goal," said David Margolese, CD Radio's chairman and chief executive. "With this agreement Ford and CD Radio usher in a new era of commercial-free music and innovative news, talk and entertainment radio programming for motorists across the US."

For additional information regarding this agreement see CD Radio's Current Report on Form 8-K dated June 15, 1999.

CD Radio is building a digital satellite radio system that will broadcast up to 100 channels of music and other programming to motorists throughout the United States. The company plans to offer 50 channels of commercial-free music and up to 50 channels of news, sports and entertainment programming for a monthly subscription fee of \$9.95. Commercial operations are scheduled to commence at the end of the fourth quarter of 2000. The first of CD Radio's three satellites, which are currently under construction by Space Systems/Loral, is scheduled for launch in January.

Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, future events or performance 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 forward-looking statements are qualified in their entirety by reference to the factors discussed in CD Radio's Annual Report on Form 10-K for the year ended December 31, 1998. Among the key factors that have a direct bearing on CD Radio's results of operations are the potential risk of delay in implementing CD Radio's business plan; increased costs of construction and launch of necessary satellites; dependence on satellite construction and launch contractors; dependence on Lucent Technologies; risk of launch failure; unproven market and unproven applications of existing technology; unavailability of CD Radio receivers; and CD Radio's need for additional financing.

For Further Information, Please Contact:

Wes Sherwood for Ford Motor Company
Radio
313-248-4901

Jesse Stone or Gayle Berkowitz, for CD
212-453-2021

NOTE 1: For digitized images of the CD Radio transmission system and receiver equipment please go to www.media.ford.com.

NOTE 2: A live teleconference to announce this alliance will be webcast at 9:30 EDT at www.cdradio.com.

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End of Filing