UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(MARK ONE)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 1998

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______________ to ________________.

Commission file number 333-31929

ECHOSTAR DBS CORPORATION
(Exact Name of Registrant as Specified in its Charter)

COLORADO	84-1328967
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
5701 S. SANTA FE DRIVE LITTLETON, COLORADO	80120
(Address of principal executive offices)	(Zip code)

(303) 723-1000
(Registrant's telephone number, including area code)

NOT APPLICABLE
(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 ___

AS OF MAY 8, 1998, REGISTRANT'S OUTSTANDING COMMON STOCK CONSISTED OF 1,000 SHARES OF COMMON STOCK.

THE REGISTRANT MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION (H)(1)(a) AND (b) OF FORM 10-Q AND IS THEREFORE FILING THIS FORM 10-Q WITH THE REDUCED DISCLOSURE FORMAT.

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PART I - FINANCIAL INFORMATION

DISH NETWORK-SM- IS A SERVICE MARK OF ECHOSTAR COMMUNICATIONS CORPORATION.

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(*) This item has been omitted pursuant to the reduced disclosure format as set forth in General Instruction (H)(1)(a) and (b) of Form 10-Q.

ECHOSTAR DBS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	December 31, 1997	March 31, 1998 (Unaudited)
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 62,058	$ 28,051
Marketable investment securities	3,906	5,868
Trade accounts receivable, net of allowance for uncollectible accounts of $1,347 and $1,673, respectively	66,045	82,553
Inventories	22,993	34,643
Subscriber acquisition costs, net	18,819	7,848
Other current assets	8,654	8,217
Total current assets	182,475	167,180
Restricted Cash and Marketable Investment Securities:		
Satellite escrow	73,233	71,246
Interest escrow	112,284	89,347
Other	2,245	2,245
Total restricted cash and marketable investment securities	187,762	162,838
Property and equipment, net	569,271	589,988
FCC authorizations, net	80,716	82,939
Advances to affiliates, net	230,227	238,731
Other noncurrent assets	101,004	98,566
Total assets	$1,351,455	$1,340,242
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)		
Current Liabilities:		
Trade accounts payable	$ 68,491	$ 63,453
Deferred revenue	122,215	113,066
Accrued expenses	97,090	120,239
Current portion of long-term debt	14,924	15,174
Total current liabilities	302,720	311,932
Long-term obligations, net of current portion:		
1994 Notes	499,863	516,829
1996 Notes	438,512	452,405
1997 Notes	375,000	375,000
Mortgages and other notes payable, net of current portion	40,495	36,821
Long-term deferred satellite services revenue and other long-term liabilities	19,500	22,464
Total long-term obligations, net of current portion	1,373,370	1,403,519
Total liabilities	1,676,090	1,715,451
Commitments and Contingencies (Note 4)		
Stockholder's Equity (Deficit):		
Common Stock, $.01 par value, 1,000 shares authorized, issued and outstanding	-	-
Additional paid-in capital	108,839	108,839
Unrealized holding losses on available-for-sale securities, net of deferred taxes	(8)	-
Accumulated deficit	(433,466)	(484,048)
Total stockholder's equity (deficit)	(324,635)	(375,209)
Total liabilities and stockholder's equity (deficit)	$1,351,455	$1,340,242

See accompanying Notes to Condensed Consolidated Financial Statements.

ECHOSTAR DBS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)
(Unaudited)

	Three Months Ended March 31, 1997	Three Months Ended March 31, 1998
REVENUE:		
DISH Network:		
Subscription television services	$ 48,050	$128,541
Other	8,206	6,184
Total DISH Network	56,256	134,725
DTH equipment sales and integration services	1,958	66,816
Satellite services	2,165	4,595
C-band and other	8,588	7,888
Total revenue	68,967	214,024
COSTS AND EXPENSES:		
DISH Network Operating Expenses:		
Subscriber-related expenses	23,040	63,809
Customer service center and other	6,445	11,733
Satellite and transmission	2,785	5,252
Total DISH Network operating expenses	32,270	80,794
Cost of sales - DTH equipment and integration services	2,228	47,251
Cost of sales - C-band and other	6,008	5,942
Marketing:		
Subscriber promotion subsidies	12,777	44,835
Advertising and other	3,276	8,250
Total marketing expenses	16,053	53,085
General and administrative	15,031	19,296
Amortization of subscriber acquisition costs	28,062	10,971
Depreciation and amortization	12,643	13,377
Total costs and expenses	112,295	230,716
Operating loss	(43,328)	(16,692)
Other Income (Expense):		
Interest income	1,649	3,359
Interest expense, net of amounts capitalized	(20,090)	(36,985)
Other	(162)	(93)
Total other income (expense)	(18,603)	(33,719)
Loss before income taxes	(61,931)	(50,411)
Income tax provision, net	(19)	(171)
Net loss	$(61,950)	$ (50,582)

See accompanying Notes to Condensed Consolidated Financial Statements.

ECHOSTAR DBS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended March 31, 1997	Three Months Ended March 31, 1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(61,950)	$(50,582)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Depreciation and amortization	12,643	13,377
Amortization of subscriber acquisition costs	28,062	10,971
Amortization of debt discount and deferred financing costs	18,542	27,803
Change in reserve for excess and obsolete inventory	(2,302)	(33)
Change in long-term deferred satellite services revenue and other long-term liabilities	3,090	3,015
Other, net	(125)	(51)
Changes in current assets and current liabilities	(28,325)	(37,363)
Net cash flows from operating activities	(30,365)	(32,863)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of marketable investment securities	-	(1,970)
Sales of marketable investment securities	15,279	-
Purchases of restricted marketable investment securities	(1,995)	-
Funds released from escrow and restricted cash and marketable investment securities	30,000	27,219
Investment earnings placed in escrow	(416)	(2,275)
Purchases of property and equipment	(17,369)	(19,900)
Other	(453)	(794)
Net cash flows from investing activities	25,046	2,280
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of mortgage indebtedness and notes payable	(3,130)	(3,424)
Net cash flows from financing activities	(3,130)	(3,424)
Net decrease in cash and cash equivalents	(8,449)	(34,007)
Cash and cash equivalents, beginning of period	38,438	62,058
Cash and cash equivalents, end of period	$ 29,989	$ 28,051
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest, net of amounts capitalized	$ 612	$ 25,347
Cash paid for income taxes	-	171
Capitalized interest, including amounts due from affiliates	8,013	7,943
Accrued capital expenditures	-	10,653

See accompanying Notes to Condensed Consolidated Financial Statements.

1. ORGANIZATION AND BUSINESS ACTIVITIES

PRINCIPAL BUSINESS

EchoStar DBS Corporation and subsidiaries ("DBS Corp" or the "Company") is a wholly-owned subsidiary of EchoStar Communications Corporation ("ECC," and together with its subsidiaries "EchoStar"). EchoStar is a publicly traded company on the Nasdaq National Market. Unless otherwise stated herein, or the context otherwise requires, references herein to EchoStar shall include ECC, DBS Corp and all direct and indirect wholly-owned subsidiaries thereof. DBS Corp's management refers readers of this Quarterly Report on Form 10-Q to EchoStar's Quarterly Report on Form 10-Q for the three months ended March 31, 1998. Substantially all of EchoStar's operations are conducted by subsidiaries of DBS Corp. The operations of EchoStar include three interrelated business units:

- THE DISH NETWORK - a DBS subscription television service in the United States. As of March 31, 1998, EchoStar had approximately 1.2 million DISH Network subscribers.

- TECHNOLOGY - the design, manufacture, distribution and sale of DBS set-top boxes, antennae and other digital equipment for the DISH Network ("EchoStar Receiver Systems"), and the design, manufacture and distribution of similar equipment for direct-to-home ("DTH") projects of others internationally, together with the provision of uplink center design, construction oversight and other project integration services for international DTH ventures.

- SATELLITE SERVICES - the turn-key delivery of video, audio and data services to business television customers and other satellite users. These services include satellite uplink services, satellite transponder space usage, and other services.

Since 1994, EchoStar has deployed substantial resources to develop the "EchoStar DBS System." The EchoStar DBS System consists of EchoStar's FCC-allocated DBS spectrum, DBS satellites ("EchoStar I," "EchoStar II," "EchoStar III," and "EchoStar IV"), digital satellite receivers, digital broadcast operations center, customer service facilities, and other assets utilized in its operations. EchoStar's principal business strategy is to continue developing its subscription television service in the U.S. to provide consumers with a fully competitive alternative to cable television service.

RECENT DEVELOPMENTS

EchoStar IV was launched on May 8, 1998 from the Baikonur Cosmodrome, Kazakhstan. While initial data indicates the launch was successful, the ultimate success of the launch and in-orbit operation of EchoStar IV will not be established for approximately 60 days. Subject to final agreement between the United States and Mexican administration, EchoStar IV will be tested at the 127DEG. West Longitude ("WL") orbital location for approximately two months, and will then be moved to its operational orbital location at 119.2DEG. WL. Together with EchoStar II, it will provide video, audio and data services throughout the continental United States. EchoStar IV also will provide video, audio and data services to Alaska and Hawaii.

Provided EchoStar IV is successfully deployed at 119.2DEG. WL, EchoStar plans to relocate EchoStar I, a 16 transponder DBS satellite, from 119DEG. WL to 148DEG. WL. EchoStar has a permit, issued by the Federal Communications Commission (the "FCC"), for the use of 24 frequencies at the 148DEG. WL orbital slot. The FCC conditionally approved the relocation of EchoStar I to 148DEG. WL in April 1998. To retain its remaining eight frequencies at 148DEG. WL, EchoStar must, in accordance with its FCC license, complete construction of an additional DBS satellite by December 20, 2000, and that satellite must be operational by December 20, 2002.

Once EchoStar I is operational at the 148DEG. WL orbital location, EchoStar plans to expand its local programming initiative to include certain of the largest television markets in the Mountain and Pacific time zones, and to provide expanded international, niche, educational, business television and data services.

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles and with the instructions to Form 10-Q and Article 10 of Regulation S-X for interim financial information. Accordingly, these statements do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. All significant intercompany accounts and transactions have been eliminated in consolidation. Operating results for the three months ended March 31, 1998 are not necessarily indicative of the results that may be expected for the year ending December 31, 1998. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1997. Certain prior year amounts have been reclassified to conform with the current year presentation.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for each reporting period. Actual results could differ from those estimates.

3. INVENTORIES

Inventories consist of the following (in thousands):

	December 31, 1997	March 31, 1998
		(Unaudited)
DBS receiver components	$12,506	$13,565
EchoStar Receiver Systems	7,649	17,917
Consigned DBS receiver components	3,122	4,073
Finished goods - analog DTH equipment	2,116	1,614
Spare parts and other	1,440	1,281
Reserve for excess and obsolete inventory . .	(3,840)	(3,807)
	$22,993	$34,643

4. COMMITMENTS AND CONTINGENCIES

During February 1997, EchoStar and The News Corporation Limited ("News") announced an agreement (the "News Agreement") pursuant to which, among other things, News agreed to acquire approximately 50% of the outstanding capital stock of EchoStar. News also agreed to make available for use by EchoStar the DBS permit for 28 frequencies at 110DEG. West Longitude purchased by MCI Communications Corporation for over $682 million following a 1996 FCC auction. During late April 1997, substantial disagreements arose between the parties regarding their obligations under the News Agreement.

In May 1997, EchoStar filed a Complaint requesting that the Court confirm EchoStar's position and declare that News is obligated pursuant to the News Agreement to lend $200 million to EchoStar without interest and upon such other terms as the Court orders. EchoStar also filed a First Amended Complaint significantly expanding the scope of the litigation, to include breach of contract, failure to act in good faith, and other causes of action. EchoStar seeks specific performance of the News Agreement and damages, including lost profits based on, among other things, a jointly prepared ten-year business plan showing expected profits for EchoStar in excess of $10 billion based on consummation of the transactions contemplated by the News Agreement.

In June 1997, News filed an answer and counterclaims seeking unspecified damages. News' answer denies all of the material allegations in the First Amended Complaint and asserts numerous defenses, including bad faith, misconduct and failure to disclose material information on the part of EchoStar and its Chairman and Chief Executive Officer, Charles W. Ergen. The counterclaims, in which News is joined by its subsidiary American Sky Broadcasting, L.L.C., assert that EchoStar and Ergen breached their agreements with News and failed to act and negotiate with News in good faith. EchoStar has responded to News' answer and denied the allegations in their counterclaims. EchoStar also has asserted various affirmative defenses. EchoStar intends to vigorously defend against the counterclaims. Discovery commenced on July 3, 1997 and depositions are currently being taken. The case has been set for trial commencing November 1998, but that date could be postponed.

While EchoStar is confident of its position and believes it will ultimately prevail, the litigation process could continue for many years and there can be no assurance concerning the outcome of the litigation.

EchoStar is subject to various other legal proceedings and claims which arise in the ordinary course of its business. In the opinion of management, the amount of ultimate liability with respect to those actions will not materially affect the financial position or results of operations of EchoStar.

In November 1998 and 1999, certain meteoroid events will occur as the earth's orbit passes through the particulate trail of Comet 55P (Tempel-Tuttle). These meteoroid events pose a potential threat to all in-orbit geosynchronous satellites, including EchoStar's DBS satellites. EchoStar is presently evaluating the potential effects that these meteoroid events may have on its DBS satellites. At this time, it is not possible to determine what impact, if any, these meteoroid events could have on EchoStar's DBS satellites.

ITEM 2. MANAGEMENT'S NARRATIVE ANALYSIS OF RESULTS OF OPERATIONS

ALL STATEMENTS CONTAINED HEREIN, AS WELL AS STATEMENTS MADE IN PRESS RELEASES AND ORAL STATEMENTS THAT MAY BE MADE BY THE COMPANY OR BY OFFICERS, DIRECTORS OR EMPLOYEES OF THE COMPANY ACTING ON ITS BEHALF, THAT ARE NOT STATEMENTS OF HISTORICAL FACT CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT COULD CAUSE THE ACTUAL RESULTS OF THE COMPANY TO BE MATERIALLY DIFFERENT FROM HISTORICAL RESULTS OR FROM ANY FUTURE RESULTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. AMONG THE FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY ARE THE FOLLOWING: THE UNAVAILABILITY OF SUFFICIENT CAPITAL ON SATISFACTORY TERMS TO FINANCE THE COMPANY'S BUSINESS PLAN; INCREASED COMPETITION FROM CABLE, DIRECT BROADCAST SATELLITE ("DBS"), OTHER SATELLITE SYSTEM OPERATORS AND OTHER PROVIDERS OF SUBSCRIPTION TELEVISION SERVICES; THE INTRODUCTION OF NEW TECHNOLOGIES AND COMPETITORS INTO THE SUBSCRIPTION TELEVISION BUSINESS; INCREASED SUBSCRIBER ACQUISITION COSTS AND SUBSCRIBER PROMOTION SUBSIDIES; THE INABILITY OF THE COMPANY TO OBTAIN NECESSARY SHAREHOLDER AND BONDHOLDER APPROVAL OF ANY STRATEGIC TRANSACTIONS; THE INABILITY OF THE COMPANY TO OBTAIN AND RETAIN NECESSARY AUTHORIZATIONS FROM THE FEDERAL COMMUNICATION COMMISSION ("FCC"); THE OUTCOME OF ANY LITIGATION IN WHICH THE COMPANY MAY BE INVOLVED; GENERAL BUSINESS AND ECONOMIC CONDITIONS; AND OTHER RISK FACTORS DESCRIBED FROM TIME TO TIME IN THE COMPANY'S REPORTS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC"). IN ADDITION TO STATEMENTS THAT EXPLICITLY DESCRIBE SUCH RISKS AND UNCERTAINTIES, READERS ARE URGED TO CONSIDER STATEMENTS THAT INCLUDE THE TERMS "BELIEVES," "BELIEF," "EXPECTS," "PLANS," "ANTICIPATES," "INTENDS" OR THE LIKE TO BE UNCERTAIN AND FORWARD-LOOKING. ALL CAUTIONARY STATEMENTS MADE HEREIN SHOULD BE READ AS BEING APPLICABLE TO ALL FORWARD-LOOKING STATEMENTS WHEREVER THEY APPEAR. IN THIS CONNECTION, INVESTORS SHOULD CONSIDER THE RISKS DESCRIBED HEREIN.

THREE MONTHS ENDED MARCH 31, 1998 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 1997.

REVENUE. Total revenue for the three months ended March 31, 1998 was $214 million, an increase of $145 million or 210%, as compared to total revenue for the three months ended March 31, 1997 of $69 million. The increase in total revenue was primarily attributable to DISH Network subscriber growth combined with increased revenue from the Company's Technology business unit. The number of DISH Network subscribers increased from 1,040,000 at December 31, 1997 to 1.2 million subscribers at March 31, 1998. Comparatively, the number of DISH Network subscribers increased from 350,000 at December 31, 1996 to 479,600 at March 31, 1997. The Company expects that its revenues will continue to increase as the number of DISH Network subscribers increases. Consistent with the increases in total revenue and the number of DISH Network subscribers during the three months ended March 31, 1998, the Company experienced a corresponding increase in trade accounts receivable at March 31, 1998. During the three months ended March 31, 1998 and 1997, the Company's subscriber churn (which represents the number of subscriber disconnects during the period divided by the weighted-average number of subscribers during the period) approximated 1% per month.

DISH Network subscription television services revenue totaled $129 million for the three months ended March 31, 1998, an increase of $81 million compared to the same period in 1997. This increase was directly attributable to the increase in the number of DISH Network subscribers. Monthly revenue per subscriber approximated $38 during each of the three-month periods ended March 31, 1998 and 1997. DISH Network subscription television services revenue principally consists of revenue from basic, premium and pay-per-view subscription television services. DISH Network subscription television services revenue will continue to increase as the Company adds DISH Network subscribers.

For the three months ended March 31, 1998, DTH equipment sales and integration services totaled $67 million, an increase of $65 million compared to the three months ended March 31, 1997. DTH equipment sales consist of sales of digital set-top boxes and other digital satellite broadcasting equipment by the Company to international DTH service operators. EchoStar currently has agreements to provide equipment to DTH service operators in Spain and Canada. Sales pursuant to these agreements totaled $59 million for the three months ended March 31, 1998. DBS accessory and other sales totaled $8 million during the three months ended March 31, 1998, a $6 million increase compared to the same period in 1997.

While EchoStar continues to actively pursue other distribution and integration service opportunities, no assurance can be given that any such additional negotiations will be successful. EchoStar's future revenue from the sale of DTH equipment and integration services in international markets depends largely on the success of the DTH operator in that country, which, in turn, depends on other factors, such as the level of consumer acceptance of DBS products and the intensity of competition for international subscription television subscribers. No assurance can be given regarding the level of expected future revenues that may be generated from EchoStar's alliances with foreign DTH operators.

Satellite services revenue totaled $5 million for the three months ended March 31, 1998, an increase of $3 million as compared to the same period in 1997. These revenues include, among other things, fees charged to content providers for signal carriage and revenues earned from business television (BTV) customers for the broadcast of organizationally specific programming. The increase in satellite services revenue was primarily attributable to increased usage by the Company's BTV customers.

DISH NETWORK OPERATING EXPENSES. DISH Network operating expenses totaled $81 million for the three months ended March 31, 1998, an increase of $49 million as compared to the same period in 1997. The increase in DISH Network operating expenses was primarily attributable to the increase in the number of DISH Network subscribers. For the three months ended March 31, 1998, DISH Network operating expenses represented 63% of subscription television services revenue compared to 67% of subscription television revenue during the corresponding period in 1997.

Subscriber-related expenses totaled $64 million for the three months ended March 31, 1998, an increase of $41 million compared to the same period in 1997. Such expenses, which include programming expenses, copyright royalties, residuals payable to retailers and distributors, and billing, lockbox and other variable subscriber expenses, totaled 50% of subscription television services revenues for the three months ended March 31, 1998, compared to 48% of subscription television services revenues for the three months ended March 31, 1997. The increase in subscriber-related expenses as a percentage of subscription television services revenue resulted primarily from an increase in copyright royalties payable by satellite providers for the transmission of distant broadcast network and superstation signals. This increase in copyright royalties accounted for approximately $3 million of the increase in subscriber-related expenses.

Customer service center and other expenses principally consist of costs incurred in the operation of the Company's DISH Network customer service center, such as personnel and telephone expenses, as well as subscriber equipment installation and other operating expenses. Customer service center and other expenses totaled $12 million for the three months ended March 31, 1998, an increase of $6 million as compared to the three months ended March 31, 1997. Customer service center and other expenses totaled 9% of subscription television services revenue during the three months ended March 31, 1998, compared to 13% of subscription television services revenue during the same period of the prior year. The increase in customer service center and other expenses resulted from increased personnel expenses to support the growth of the DISH Network. While there can be no assurance that customer service center and other expenses as a percentage of subscription television services revenue will not increase, the Company expects this expense to revenue ratio to remain near first quarter levels for the remainder of 1998.

Satellite and transmission expenses include expenses associated with the operation of EchoStar's digital broadcast center, contracted satellite tracking, telemetry and control ("TT&C") services, and in-orbit insurance on EchoStar's DBS satellites. Satellite and transmission expenses increased $2 million during the three months ended March 31, 1998, as compared to the same period during 1997. This increase resulted from an increase in the number of EchoStar's operational DBS satellites. The Company expects DISH Network operating expenses to continue to increase in the future as subscribers are added. However, as its DISH Network subscriber base continues to expand, the Company expects that such costs as a percentage of DISH Network revenue may decline.

COST OF SALES - DTH EQUIPMENT AND INTEGRATION SERVICES. Cost of sales - - DTH equipment and integration services totaled $47 million for the three months ended March 31, 1998, an increase of $45 million, as compared to the three months ended March 31, 1997. This increase is consistent with the increase in DTH equipment revenue. During the three months ended March 31, 1998, cost of sales - DTH equipment and integration services principally included costs associated with digital set-top boxes and related components sold to international DTH operators. For the three months ended March 31, 1997, cost of sales - DTH equipment and integration services totaled $2 million and consisted almost entirely of costs of DBS accessories sold.

MARKETING EXPENSES. Marketing expenses totaled $53 million for the three months ended March 31, 1998, an increase of $37 million as compared to the same period in 1997. The increase in marketing expenses was primarily attributable to the increase in subscriber promotion subsidies. Subscriber promotion subsidies include the excess of transaction costs over transaction proceeds at the time of sale of EchoStar Receiver Systems, activation allowances paid to retailers, and other promotional incentives. The Company recognizes subscriber promotion subsidies as incurred. These expenses totaled $45 million for the three months ended March 31, 1998, an increase of $32 million over the same period in 1997. This increase principally resulted from the immediate recognition of all subscriber promotion subsidies incurred in 1998, whereas during the three-month period ended March 31, 1997, a portion of such expenses were initially deferred and amortized over the related prepaid subscription term (generally one year). This accelerated expense recognition resulted from the introduction of the "1997 Promotion" in June 1997. The 1997 Promotion maintained the suggested retail price for a standard EchoStar Receiver System at $199, but eliminated the requirement for the coincident purchase of an extended subscription commitment. For the three months ended March 31, 1998, the Company's subscriber acquisition costs, inclusive of acquisition marketing expenses, totaled $51 million (approximately $250 per new subscriber activation). Comparatively, the Company's subscriber acquisition costs, inclusive of acquisition marketing expenses and deferred subscriber acquisition costs, totaled $58 million (in excess of $400 per new subscriber activation) during the same period in 1997. The decrease in the Company's subscriber acquisition costs, on a per new subscriber activation basis, principally resulted from decreases in the manufactured cost of EchoStar Receiver Systems. Advertising and other expenses totaled $8 million for the three months ended March 31, 1998, an increase of $5 million over the same period in 1997, as a result of increased marketing activity.

GENERAL AND ADMINISTRATIVE EXPENSES. General and administrative ("G&A") expenses totaled $19 million for the three-month period ended March 31, 1998, an increase of $4 million as compared to the same period in 1997. The increase in G&A expenses was principally attributable to increased personnel expenses to support the growth of the DISH Network. G&A expenses as a percentage of total revenue decreased to 9% for the three months ended March 31, 1998 compared to 22% for the corresponding period in 1997. While there can be no assurance that G&A expenses as a percentage of total revenue will not increase, the Company expects this expense to revenue ratio to remain near first quarter levels for the remainder of 1998.

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION ("EBITDA"). EBITDA for the three months ended March 31, 1998 improved to $8 million compared to negative EBITDA of $3 million for the same period in 1997. This improvement in EBITDA principally resulted from increases in DISH Network and Technology revenues. The Company believes that its EBITDA results may continue to improve in future periods as the number of DISH Network subscribers increases. However, in the event that new subscriber activations exceed expectations or subscriber acquisition costs materially increase, the Company's EBITDA results may be negatively impacted in the near-term because subscriber acquisition costs are expensed as incurred.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization expenses for the three months ended March 31, 1998 (including amortization of subscriber acquisition costs of $11 million) aggregated $24 million, a decrease of $17 million as compared to the corresponding period in 1997. The decrease in depreciation and amortization expenses principally resulted from the decrease in amortization of subscriber acquisition costs. Beginning in October 1997, net subscriber acquisition costs are expensed as incurred. Consequently, no additional subscriber acquisition costs are being deferred. The unamortized balance of such costs is expected to be fully amortized by September 1998.

OTHER INCOME AND EXPENSE. Other expense, net totaled $34 million for the three months ended March 31, 1998, an increase of $15 million as compared to the same period in 1997. The increase in other expense resulted primarily from interest expense associated with the Company's 12 1/2% Senior Secured Notes due 2002, which were issued subsequent to the first quarter of 1997, and increases in interest expense associated with increased accreted balances on the Company's 12 7/8% Senior Secured Discount Notes due 2004 and the Company's 13 1/8% Senior Secured Discount Notes due 2004.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

During February 1997, EchoStar and The News Corporation Limited ("News") announced an agreement (the "News Agreement") pursuant to which, among other things, News agreed to acquire approximately 50% of the outstanding capital stock of EchoStar. News also agreed to make available for use by EchoStar the DBS permit for 28 frequencies at 110DEG. West Longitude purchased by MCI Communications Corporation for over $682 million following a 1996 FCC auction. During late April 1997, substantial disagreements arose between the parties regarding their obligations under the News Agreement.

In May 1997, EchoStar filed a Complaint requesting that the Court confirm EchoStar's position and declare that News is obligated pursuant to the News Agreement to lend $200 million to EchoStar without interest and upon such other terms as the Court orders. EchoStar also filed a First Amended Complaint significantly expanding the scope of the litigation, to include breach of contract, failure to act in good faith, and other causes of action. EchoStar seeks specific performance of the News Agreement and damages, including lost profits based on, among other things, a jointly prepared ten-year business plan showing expected profits for EchoStar in excess of $10 billion based on consummation of the transactions contemplated by the News Agreement.

In June 1997, News filed an answer and counterclaims seeking unspecified damages. News' answer denies all of the material allegations in the First Amended Complaint and asserts numerous defenses, including bad faith, misconduct and failure to disclose material information on the part of EchoStar and its Chairman and Chief Executive Officer, Charles W. Ergen. The counterclaims, in which News is joined by its subsidiary American Sky Broadcasting, L.L.C., assert that EchoStar and Ergen breached their agreements with News and failed to act and negotiate with News in good faith. EchoStar has responded to News' answer and denied the allegations in their counterclaims. EchoStar also has asserted various affirmative defenses. EchoStar intends to vigorously defend against the counterclaims. Discovery commenced on July 3, 1997 and depositions are currently being taken. The case has been set for trial commencing November 1998, but that date could be postponed.

While EchoStar is confident of its position and believes it will ultimately prevail, the litigation process could continue for many years and there can be no assurance concerning the outcome of the litigation.

EchoStar is subject to various other legal proceedings and claims which arise in the ordinary course of its business. In the opinion of management, the amount of ultimate liability with respect to those actions will not materially affect the financial position or results of operations of EchoStar.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS.

27+	Financial Data Schedule.
99.1*	Condensed Consolidated Financial Statements of EchoStar Communications Corporation for the quarterly period ended March 31, 1998 (incorporated by reference to EchoStar's Form 10-Q for the quarterly period ended March 31, 1998).
99.2*	Condensed Consolidated Financial Statements of EchoStar Satellite Broadcasting Corporation for the quarterly period ended March 31, 1998 (incorporated by reference to ESBC's Form 10-Q for the quarterly period ended March 31, 1998).
99.3*	Condensed Consolidated Financial Statements of Dish, Ltd. for the quarterly period ended March 31, 1998 (incorporated by reference to Dish, Ltd.'s Form 10-Q for the quarterly period ended March 31, 1998)

+ Filed herewith.

* Incorporated by reference.

(b) REPORTS ON FORM 8-K.

No reports on Form 8-K were filed during the first quarter of 1998.

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.

ECHOSTAR DBS CORPORATION

By: /S/ DAVID K. MOSKOWITZ

David K. Moskowitz
Senior Vice President, General Counsel,
Secretary and Director

By: /S/ JOHN R. HAGER

John R. Hager
Vice President - Controller
(PRINCIPAL ACCOUNTING OFFICER)

Date: May 15, 1998

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF ECHOSTAR DBS CORPORATION AS OF AND FOR THE QUARTER ENDED MARCH 31, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THOSE FINANCIAL STATEMENTS.

1,000

3-MOS
DEC-31-1998
JAN-01-1998
MAR-31-1998
28,051
5,868
84,226
1,673
34,643
167,180
689,037
99,049
1,340,242
311,932
1,381,055
0
0
0
(375,209)
1,340,242
209,429
214,024
133,987
230,716
33,719
1,678
36,985
(50,411)
171
(50,582)
0
0
0
(50,582)
(50,582)
(50,582)

INCLUDES SALES OF PROGRAMMING.
INCLUDES COSTS OF PROGRAMMING.
NET OF AMOUNTS CAPITALIZED.