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HUGHES ELECTRONICS CORP  
Form 425  
February 27, 2002

Filed by Echostar Communications Corporation  
Pursuant to Rule 425 under the Securities Act of 1933  
and deemed filed pursuant to Rule 14a-12  
of the Securities Exchange Act of 1934

Subject Companies: Hughes Electronics Corporation  
Commission File No. 0-26035  
General Motors Corporation  
Commission File No. 1-00143  
Date: February 27, 2002

Set forth below are certain materials that are available on EchoStar's website at [www.echostar.com](http://www.echostar.com), the script for a video news release, a media advisory related to the video news release, and an e-mail that was sent to EchoStar employees.

OVERVIEW & SUMMARY

Now that the merger's opponents have aired their objections, the Commission may confidently conclude that New EchoStar will provide consumers with numerous benefits, including:

- o giving all Americans access by satellite to their local broadcast stations;
- o creating a true broadband alternative when in many areas of the country there is no true broadband service whatsoever; and
- o doubling (or better) the programming choices each company provides today, including moving to 12 or more High Definition Television channels.

These benefits translate directly into effective competition to cable systems, which have continued to raise their prices unrestrained by either EchoStar or DIRECTV standing alone, all to the benefit of consumers. The merger's pro-competitive potential is recognized by the constituency with the most direct stake in matters of competition and consumer choice - the consumers themselves. Under the guise of promoting the public interest, the handful of powerful organizations opposing the merger are pursuing rather obvious agendas that have nothing to do with the public interest: seeking to improve bargains they have struck; trying to preserve their competitive position or ability to continue overcharging rural customers, as they do today; and airing other unrelated grievances.

Many of the merger benefits will flow from the massive increase in Direct Broadcast Satellite ("DBS") capacity that will result from the elimination of duplicative

programming - a total of more than 500 identical channels - from the DIRECTV and EchoStar satellite systems once the companies merge. And as the Applicants announce here for the first time, the merger will bring consumers across the

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United States access to local broadcast channels via satellite with digital-quality television picture and CD-quality sound in every one of the 210 television Designated Markets Areas in the United States.

Subsequent to the announcement of the merger agreement on October 28, 2001, as part of the pre-merger transition process, EchoStar and DIRECTV have been analyzing the technical and economic feasibility of a "Local Channels, All Americans" plan by which every U.S. consumer can have access to satellite-delivered local television signals. Today, in an Application being filed contemporaneously with this Opposition, New EchoStar will make that plan a reality by applying for Commission authority to launch and operate a new spot-beam satellite that, when combined with other existing and under-construction EchoStar and DIRECTV satellites, will allow the merged company to serve all 210 Designated Market Areas ("DMAs"), equaling all Americans, with local television stations.

New EchoStar will deploy new set-top boxes and satellite dishes capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available, free of charge, to all existing EchoStar and DIRECTV subscribers who will require new equipment in order to receive their local channels. Consumers across the country will pay the same price for this DBS service, i.e., one nation, one rate card, regardless of a subscriber's location. This means that whether for a town of 5 people or a city of 5 million people, the New EchoStar will provide the same

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service for the same rate. And implementation of the plan will begin immediately upon regulatory approval of the merger, becoming fully operational as soon as 24 months thereafter.

This "Local Channels, All Americans" service vision, however, is premised entirely upon the EchoStar-Hughes merger being successfully consummated. Neither company standing alone could achieve the tremendous public interest benefit of being able to serve every television market in the country. Certain Petitioners speculate that each company alone might be able to replicate the merger benefits by building satellites of the Petitioners' own design. These proposals suffer from two fundamental defects: (i) they make invalid assumptions about technical feasibility, and (ii) they disregard entirely the question of commercial feasibility. Even if these super-satellites looked good on paper, no Petitioner has explained why no one in the world has deployed anything like them, or how it could be profitable for each company on a stand-alone basis. As Dr. Robert Willig explains in the attached Declaration, expansion of local channel service to every DMA would not be economically feasible absent the merger.

The merger will also create the first true broadband satellite alternative. For urban areas, this will translate into meaningful satellite-based competition to cable modem and DSL offerings. For tens of millions of other Americans, it will translate into their first affordable advanced service - a true move from zero to one provider. The "digital divide" in the United States is real: as many as 40 million households in the United States today do not have access to high-speed Internet and data services, in large part due to the high cost of delivering these services to homes in less densely populated

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areas. New EchoStar will create a more robust satellite platform that will liberate these digital "have nots" by offering them a more affordable, viable broadband service.

Here too, the Petitioners are wrong that each company could achieve these benefits on its own. The two companies' current broadband offerings are expensive "niche" products that are hampered by several constraints, do not even satisfy the Commission's definition of an "advanced service," and have attracted fewer than 150,000 subscribers combined. The merger will allow New EchoStar to integrate these products and achieve a more competitive price point. As for the future deployment of satellite service in the Ka-band, neither company standing alone would be able to achieve early and affordable service to consumers. The merger, on the other hand, will give New EchoStar the spectrum capacity, subscriber base and economies of scale needed to ensure that next-generation residential broadband service becomes a reality everywhere in the United States, rapidly and inexpensively enough to matter.

In addition to the consumers, many other parties have supported the EchoStar-Hughes merger. The most vociferous opposition comes from a handful of entities, including the National Rural Telecommunications Cooperative ("NRTC"), Pegasus Communications ("Pegasus"), the American Cable Association ("ACA") and the National Association of Broadcasters ("NAB").<sup>1</sup> The Commission should recognize the narrow self-interests of NRTC and Pegasus, who have been in active litigation against

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1 In contrast, businesses with an interest in greater competition and output in the MVPD market, such as television equipment manufacturers and electronics retailers, strongly support the merger. See Comments of Circuit City Stores, Inc. and Thomson Multimedia.

DIRECTV for years in a contractual dispute over distribution rights. Equally important, while lamenting the future fate of rural consumers, NRTC and Pegasus do not explain why they overcharge rural consumers today: in reselling DIRECTV's service, they charge \$3.00 a month more than DIRECTV charges for the same service in other areas and than EchoStar charges for the equivalent package in the same areas. The sincerity of Pegasus's concerns about competition is further impeached by reported statements of a Pegasus executive to the press that a buy-out of Pegasus by EchoStar would make the most financial sense for both companies.<sup>2</sup> As for the American Cable Association, it expresses candidly its fear that the merger will result in price competition in rural areas.<sup>3</sup> This is the sort of harm to competitors that the Commission should not take into account in its analysis, except as a benefit to competition and consumers.

The "Local Channels, All Americans" plan also disposes completely of the concerns expressed by NRTC and NAB with respect to local service. NRTC has alleged that New EchoStar "does not contemplate expanding local television service to rural America in DMAs beyond the top 100," which the NRTC states "is no consolation to the millions of rural Americans who most need local service."<sup>4</sup> For its part, the NAB's principal stated concern is that competition between the nation's two DBS providers "has driven the expansion of local-into-local" and "will lead to more carriage of local

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- 2 See Ted Hearn, "Pegasus: Contract Bars Post-Merger Competition," Multichannel News (Feb. 18, 2002).
  - 3 See ACA Petition at 14-16 ("EchoStar would have every incentive to [set its uniform national price] below small cable systems' costs of providing similar services...")
  - 4 NRTC Petition at 60.

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stations."<sup>5</sup> New EchoStar's commitment to serve all 210 DMAs could not answer those complaints more dispositively, leaving the NAB with no principled basis for continuing its opposition.<sup>6</sup> The Applicants stand ready to achieve with one stroke what NAB's members have not achieved in decades - extending the coverage of local broadcast stations to all areas of the country.

The "Local Channels, All Americans" plan will uniquely benefit rural subscribers, who without it might never enjoy digitally-delivered local channels via any distribution medium. And, because of New EchoStar's one nation, one rate card plan, consumers in rural areas will reap an additional benefit - they will take advantage of the increased competition in the most populous areas of the country.<sup>7</sup> Contrary to the claims of some Petitioners, national pricing makes economic sense. It has been the Applicants' past practice and it is a common practice for other national providers in network industries, such as Internet Service Providers and cellular telephone companies. Local promotions may continue to be a useful tool to the limited extent they have been in the past, and the Applicants are willing to commit to reasonable requirements in that regard.

New EchoStar has every incentive to set its national price at strongly competitive levels instead of extracting additional profits from its existing subscriber

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- 5 NAB Petition at iii.
  - 6 Id. at 7 (opining that "if the merger is approved, it would still leave markets 101-210, in which 14 percent of the country's population resides, with no hope of receiving local-to-local service.") (emphasis added).
  - 7 Pegasus and NRTC vastly exaggerate the number of homes not served by cable operators, in a stilted effort to argue that the merger would harm rural consumers.

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base as some parties allege. New EchoStar would be "leaving money on the table" if it restricted itself to existing subscribers. Instead, as Dr. Willig shows, New EchoStar will have to set the national price low to compete for new subscribers in the most densely populated and most heavily contested areas of the country. The one nation, one rate card plan will therefore be a more effective constraint on MVPD prices in rural areas than EchoStar is on

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NRTC's and Pegasus's prices today. Finally, the fears of collusion raised by Petitioners are equally unwarranted: this particular tango would require EchoStar to dance with 9 or 10 cable MSO partners at the same time or forego huge pools of potential subscribers. In the final analysis, the net benefits to consumers from the creation of New EchoStar far outweigh any anticompetitive concerns.

There are other miscellaneous attempts by certain parties to litigate particular disputes or raise parochial concerns that have little bearing on the Commission's public interest inquiry here. The Applicants urge the Commission to restrict its analysis to merger-specific issues and remedies, to the extent applicable, and promptly approve the Application, so that New EchoStar may begin delivering on its promise of dramatic consumer and competitive benefits to all Americans, including the carriage of local broadcast channels in all 210 television markets and true broadband services to all Americans.

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In connection with the proposed transactions, General Motors Corporation ("GM"), Hughes Electronics Corporation ("Hughes") and EchoStar Communications Corporation ("EchoStar") intend to file relevant materials with the Securities and Exchange Commission, including one or more Registration Statement(s) on Form S-4 that contain a prospectus and proxy/consent solicitation statement. Because those documents will contain important information, holders of GM \$1-2/3 and GM Class H common stock are urged to read them, if and when they become available. When filed with the SEC, they will be available for free at the SEC's website, [www.sec.gov](http://www.sec.gov), and GM stockholders will receive information at an appropriate time on how to obtain transaction-related documents for free from GM. Such documents are not currently available.

GM and its directors and executive officers, Hughes and certain of its officers, and EchoStar and certain of its executive officers may be deemed to be participants in GM's solicitation of proxies or consents from the holders of GM \$1-2/3 common stock and GM Class H common stock in connection with the proposed transactions. Information regarding the participants and their interests in the solicitation was filed pursuant to Rule 425 with the SEC by EchoStar on November 1, 2001 and by each of GM and Hughes on November 16, 2001. Investors may obtain additional information regarding the interests of the participants by reading the prospectus and proxy/consent solicitation statement if and when it becomes available.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Materials included in this document contain "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 our actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. The factors that could cause actual results of GM, EchoStar, Hughes, or a combined EchoStar and Hughes to differ materially, many of which are beyond the control of EchoStar, Hughes or GM include, but are not

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limited to, the following: (1) the businesses of EchoStar and Hughes may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (2) expected benefits and synergies from the combination may not be realized within the expected time frame or at all; (3) revenues following the transaction may be lower than expected; (4) operating costs, customer loss and business disruption including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers, may be greater than expected following the transaction; (5) generating the incremental growth in the subscriber base of the combined company may be more costly or difficult than expected; (6) the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule; (7) the effects of legislative and regulatory changes; (8) an inability to obtain certain retransmission consents; (9) an inability to retain necessary authorizations from the FCC; (10) an increase in competition from cable as a result of digital cable or otherwise, direct broadcast satellite, other satellite system operators, and other providers of subscription television services; (11) the introduction of new technologies and competitors into the subscription television business; (12) changes in labor, programming, equipment and capital costs; (13) future acquisitions, strategic partnership and divestitures; (14) general business and economic conditions; and (15) other risks described from time to time in periodic reports filed by EchoStar, Hughes or GM with the Securities and Exchange Commission. You are urged to consider statements that include the words "may," "will," "would," "could," "should," "believes," "estimates," "projects," "potential," "expects," "plans," "anticipates," "intends," "continues," "forecast," "designed," "goal," or the negative of those words or other comparable words to be uncertain and forward-looking. This cautionary statement applies to all forward-looking statements included in this document.

SATELLITE NEWSFEED: TUESDAY, FEBRUARY 26, 2002

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MERGED ECHOSTAR AND HUGHES  
WILL DELIVER LOCAL BROADCAST CHANNELS  
TO ALL 210 U.S. TELEVISION MARKETS

(February 26, 2002 - Washington, D.C.) Watching television is easily one of the great American past times and until D.B.S. (or Direct Broadcast Satellite) was introduced, cable was the only option for multi-channel programming. The only catch is, 42 million homes and thousands of communities can't get their local TV stations via D.B.S. That all may change real soon if the federal government approves it.

This morning, EchoStar Communications and Hughes Electronics, parent companies of Dish Network and DirecTV D.B.S. services, which announced a proposed merger late last year, announced they have filed an application with the Federal Communications Commission to launch and operate a new satellite. This will allow them to deliver local broadcast channels in all 210 television markets throughout the United States. Currently, local channels delivered by satellite are only available in 42 of these markets.

The new satellite will work in concert with four other DirecTV and EchoStar spacecraft in three orbital slots. This, combined with efficiencies gained through the merger, will make it possible to deliver local channels to every household in every television market in the country, including rural and under-served areas. The combined company will also bridge the proverbial digital divide by offering affordable high-speed satellite internet access to people in every market in the country. People living in rural areas, who do not now have access to DSL and cable modems, will soon have access to high-speed Internet

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service via satellite and at affordable rates.

The delivery of local channels in 210 markets is contingent upon the proposed Hughes-EchoStar merger receiving approvals from the Federal Communications Commission and the Department of Justice, as well as the successful launch of the new spot-beam satellite. Only if this proposed merger is approved, will households in small and rural television markets in every state finally have a competitive alternative to Cable Operators who have had virtual local monopolies on service.

B-ROLL FOOTAGE INCLUDES: Satellite in space animation, rocket launch, installation of DBS in home, family and various people watching television and on the internet, homes in rural areas, soundbites with: Jack Shaw, President and CEO, Hughes Electronics; Charlie Ergen, Chairman, CEO, Echostar; Eddy Hartenstein, Chairman, CEO, DirecTV.

SATELLITE COORDINATES: TUESDAY, FEBRUARY 26, 2002  
C-BAND, GALAXY 11, TRANSPONDER 8, 3860 (V)  
  
FEED: 9:30AM EST (6:30 AM PST)  
RE-FEED: 2:00PM EST (11:00AM PST)

FOR MORE INFO, CONTACT: RICHARD DORE, HUGHES ELECTRONICS, (310) 662-9670

DISH Network is a trademark of EchoStar Communications Corporation. DISH Network is EchoStar's state-of-the-art direct broadcast satellite TV system that is capable of offering over 500 channels of digital video and CD-quality audio programming, as well as advanced satellite TV receiver hardware and installation. EchoStar is included in the Nasdaq-100 Index (NDX). DISH Network currently serves over 6.43 million customers. For more information, contact 1-800/333-DISH (3474) or visit [www.dishnetwork.com](http://www.dishnetwork.com).

DIRECTV is the nation's leading digital satellite television service provider with more than 10.7 million customers. DIRECTV and the Cyclone Design logo are registered trademarks of DIRECTV, Inc., a unit of Hughes Electronics Corporation. HUGHES is the world's leading provider of digital television entertainment, broadband services, satellite-based private business networks, and global video and data broadcasting. The earnings of HUGHES, a unit of General Motors Corporation, are used to calculate the earnings per share attributable to the General Motors Class H common stock (NYSE: GMH). Visit DIRECTV on the World Wide Web at [www.DIRECTV.com](http://www.DIRECTV.com).

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of GM \$1-2/3 common stock and GM Class H common stock in connection with the proposed transactions. Information regarding the participants and their interests in the solicitation was filed pursuant to Rule 425 with the SEC by EchoStar on November 1, 2001 and by each of GM and Hughes on November 16, 2001. Investors may obtain additional information regarding the interests of the participants by reading the prospectus and proxy/consent solicitation statement if and when it becomes available.

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VIDEO

DRAFT: February 26, 2002 FINAL

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NEWS  
RELEASE

TITLE: HUGHES FEB. 26 CORPORATE  
ANNOUNCEMENT  
CLIENT: HUGHES  
TIME: VNR(2:16) B-ROLL(4:02) TRT: (7:07)

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F O R R E L E A S E FEBRUARY 26, 2002  
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EDITOR'S NOTE:  
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Watching television is easily one of the great American pastimes and until DBS (or Direct Broadcast Satellite) was introduced, cable was the only option for multi-channel programming. The only catch is, 42 million homes and thousands of communities can't get their local TV stations via DBS. That all may change real soon if the federal government approves it.

This morning, EchoStar Communications and Hughes Electronics, parent companies of Dish Network and DIRECTV DBS services, which announced a proposed merger late last year, announced they have filed an application with the Federal Communications Commission to launch and operate a new satellite. This will allow them to deliver local broadcast channels in all 210 television markets throughout the United States. Currently, local channels delivered by satellite are only available in 42 of these markets.

The new satellite will work in concert with four other DIRECTV and EchoStar spacecraft in three orbital slots. This, combined with efficiencies gained through the merger, will make it possible to deliver local channels to every household in every television market in the country, including rural and under-served areas. The combined company will also bridge the proverbial "digital divide" by offering affordable high-speed satellite Internet access to people in every market in the country. People living in rural areas, who do not now have access to DSL and cable modems, will soon have access to high-speed Internet service via satellite and at affordable rates.

The delivery of local channels in all 210 markets is contingent upon the proposed Hughes-EchoStar merger receiving approvals from the Federal Communications Commission and the Department of Justice, as well as the successful launch of new spot-beam satellites. Only if this proposed merger is approved, will households in small and rural television markets in every state finally have a competitive alternative to cable operators, who have had virtual local monopolies on service.

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SUGGESTED ANCHOR LEAD  
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Studio Anchor on-camera

STUDIO ANCHOR O/C: TODAY, ROUGHLY 42 MILLION HOMES CAN NO  
RECEIVE LOCAL TV PROGRAMMING VIA DBS, OR DIRECT BROADCAST  
SATELLITE TELEVISION., WELL, THE WONDERFUL WORLD OF  
TELEVISION MIGHT BE EXPANDING ITS UNIVERSE - AS SOON AS T  
FEDERAL GOVERNMENT APPROVES IT. MARIANNE SCHWAB REPORTS..

FEBRUARY 26, 2002 - HUGHES CORP. ANNOUNCEMENT" (HUGHES)

(PAGE 2 of 5)

VIDEO	TIME	AUDIO
1. INT. - People/Family watching local TV (2)		REPORTER V/O: WATCHING TELEVISION IS EASILY ONE OF THE GREAT AMERICAN PAST TIMES. AND UNTIL DBS WAS INTRODUCED CABLE WAS THE ONLY OPTION FOR MULTI-CHANNEL PROGRAMMING.
2. EXT - DBS installation		THE ONLY CATCH IS, 42 MILLION HOMES AND THOUSANDS OF COMMUNITIES CAN'T GET THEIR LOCAL TV STATIONS VIA SATELLITE.. THAT ALL MAY CHANGE REAL SOON.
3. EXT - Rural Homes (2)		
4. INT. - Person watching program		
5. EXT. - ECHOSTAR DishTV Satellite Dish		REPORTER V/O: TODAY, ECHOSTAR COMMUNICATIONS AND HUGHES ELECTRONICS, PARENT COMPANIES OF THE DISH NETWORK AND DIRECTV DBS SERVICES, WHICH ANNOUNCED A PROPOSED MERGER LATE LAST YEAR, ANNOUNCED THEY HAVE FILED AN APPLICATION WITH THE FEDERAL COMMUNICATIONS COMMISSION TO LAUNCH AND OPERATE A NEW SATELLITE.
6. EXT. - DIRECTV buildings		
7. EXT. - Rocket launch		
8. GRAPHIC - Satellite Animation		
9.		
10. Spokesperson on-camera ----- SUPER: Jack Shaw, President, CEO Hughes Electronics -----		SHAW O/C: "This proposal is new from the standpoint that we are going to be able to provide local channels to all 210 television markets in the United States. That's really a big change from where we're providing maybe 42 markets with these local channels."
11. GRAHPIC - US Map: Future- 210 Local Current-42 Local Markets -----		
12. DISSOLVE TO: GRAPHIC U.S. Map - Current-42 Local Markets -----		
13. EXT. Rocket launch control center		REPORTER V/O: THE NEW SATELLITE WILL WORK IN CONCERT WITH FOUR OTHER DIRECTV AND ECHOSTAR SPACECRAFT IN THREE ORBITAL SLOTS. THIS, COMBINED WITH EFFICIENCIES GAINED THROUGH THE MERGER, WILL MAKE IT POSSIBLE TO DELIVER LOCAL CHANNELS TO EVERY HOUSEHOLD IN EVERY TELEVISION MARKET IN THE COUNTRY, INCLUDING RURAL AND UNDER-SERVED AREAS. THE COMBINED COMPANY WILL ALSO BRIDGE THE PROVERBIAL DIGITAL DIVIDE BY OFFERING AFFORDABLE HIGH-SPEED SATELLITE INTERNET ACCESS TO PEOPLE IN EVERY MARKET IN THE COUNTRY.
14. EXT. Rocket launch sequence		
15. Satellite - Animation		
16. EXT. Homes in rural location		
17. INT. Man working on internet/ PC laptop		

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18. GRAPHIC: U.S. Map "Broadband:  
The digital "Haves" (67  
Million Households)

19. DISSOLVE TO: GRAPHIC: U.S.  
Map Merger Bridges the  
"Digital Divide" (107  
Million Households)

20. Spokesperson on-camera  
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ERGEN C: "We realize that unless we combine our subscribe  
bases, we can never ever effectively offer broadband  
services to rural America.."

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(PAGE 3 of 5)

SUPER  
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CHARLES Ergen, Chairman, CEO,  
EchoStar  
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21. EXT. Rural landscape

REPORTER V/O: PEOPLE LIVING IN RURAL AREAS, WHO DO NOT NO  
HAVE ACCESS TO DSL AND CABLE MODEMS, WILL SOON HAVE ACCES  
TO DSL AND CABLE MODEMS, WILL SOON HAVE ACCESS TO HIGH-  
SPEED INTERNET SERVICE VIA SATELLITE AND AT AFFORDABLE RA

22. EXT. Man working in garden  
at rural home

23. INT. Man on DSL internet  
connection at iMac

24. INT. CU on mouse

25. EXT. Building exterior pan  
to Satellite Dish

REPORTER V/O: THE DELIVERY OF LOCAL CHANNELS IN THE 210  
MARKETS IS CONTINGENT UPON THE PROPOSED HUGHES-ECHOSTAR  
MERGER RECEIVING APPROVALS FROM THE FEDERAL COMMUNICATION  
COMMISSION AND THE DEPARTMENT OF JUSTICE, AS WELL AS THE  
SUCCESSFUL LAUNCH OF THE NEW SPOT-BEAM SATELLITE.

26. INT. Merger Conference

27. EXT. DirecTV Satellite dish

28. EXT. Rocket launch

29. GRAPHIC - Satellite launch  
animation

30. GRAPHIC - satellite in  
space animation

23. Spokesperson on-camera  
-----  
SUPER: Eddy Hartenstein,  
Chairman, CEO, DirectTV  
-----

HARTENSTEIN O/C: - "Together Hughes and EchoStar will  
have the spectrum and the technical prowess to deliver  
ubiquitous broadband services for customers for both  
nationwide and enterprise customers worldwide."

31. INT. Merger Conference

REPORTER V/O: ONLY IF THIS PROPOSED MERGER IS APPROVED,  
WILL HOUSEHOLDS, IN SMALL AND RURAL TELEVISION MARKETS  
IN EVERY STATE FINALLY HAVE A COMPETITIVE ALTERNATIVE  
TO CABLE OPERATORS WHO HAVE HAD VIRTUAL LOCAL MONOPOLIES  
ON SERVICE. THIS IS MARIANNE SCHWAB.

32. EXT. Rural home

33. EXT. DishTV Satellite

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34. INT. Pan family watching  
TV

SUGGESTED ANCHOR TAG

Studio Anchor on-camera

STUDIO ANCHOR O/C: ONCE THE MERGER AND SATELLITE LAUNCH ARE AUTHORIZED, THE ROLLOUT OF LOCAL CHANNELS CAN BE COMPLETED AS SOON AS 24 MONTHS LATER.

B-ROLL (4:02)

ADDITIONAL SOUNDBITES

1. Spokesperson on-camera

SUPER:

Jack Shaw, President, CEO,  
Hughes Electronics

SHAW O/C: "This proposal is new from the standpoint that are going to be able to provide local channels to all 210 television markets in the United States. That's really a big change from where we're providing maybe 42 markets with these local channels. So for the first time, people in rural communities won't be disadvantaged relative to their counterparts in metropolitan cities."

2. Spokesperson on-camera

SHAW O/C: "The day after the merger, people have the ability to have the same services, the same inner connection to the internet, the same

FEBRUARY 26, 2002 - HUGHES CORP. ANNOUNCEMENT" (HUGHES)

(PAGE 4 of 5)

SUPER

Jack Shaw, President, CEO,  
Hughes Electronics

inner connection to the world via the internet that their counterparts have in every city that has a large population. So, to benefit the rural community is every important to me personally because I believe that's the heartland of our country."

3. Spokesperson on-camera

CHARLES Ergen, Chairman, CEO,  
EchoStar

ERGEN O/C: "We realize that unless we combine our subscriber bases, we can never ever effectively offer broadband service to rural America. And we say, 'Why should people in rural America not have the same broadband service that people have where there's a cable or phone company?'"

23. Spokesperson on-camera

HARTENSTEIN O/C: "Together Direct TV and Dish Network have over 16 million customers and today representing one out of every six households in the United States. And together have an unprecedented technological resources for interactive services over the television, high definition television and personal video recording capabilities. Together Hughes and EchoStar will have the spectrum and the technical prowess to deliver ubiquitous broadband services for customers from both nationwide and enterprise customers worldwide."

ADDITIONAL B-ROLL

1. GRAPHIC - US Map Future-210  
Local Markets

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2. GRAPHIC OF U.S. Map Current-  
42 Local Markets
  3. GRAPHIC: U.S. Map "Broadband:  
The digital "Haves" (67 Million  
Households)
  4. GRAPHIC: U.S. Map Merger  
Bridges the "Digital Divide"  
(107 Million Households)
  5. Push from WS - house with DishTV
  6. Pan from rocks to house
  7. Pull from house CU to WS with  
fence
  8. CU little boy eating cooking
  9. OTS boy watching TV
  10. OTS family watching TV
- 

FEBRUARY 26, 2002 - HUGHES CORP. ANNOUNCEMENT" (HUGHES)

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DISH Network is a trademark of EchoStar Communications Corporation. DISH Network is EchoStar's state-of-the-art direct broadcast satellite TV system that is capable of offering over 500 channels of digital video and CD-quality audio programming, as well as advanced satellite TV receiver hardware and installation. EchoStar is included in the Nasdaq-100 Index (NDX). DISH Network currently serves over 6.43 million customers. For more information, contact 1-800/333-DISH (3474) or visit [www.dishnetwork.com](http://www.dishnetwork.com).

DIRECTV is the nation's leading digital satellite television service provider with more than 10.7 million customers. DIRECTV and the Cyclone Design logo are registered trademarks of DIRECTV, Inc., a unit of Hughes Electronics Corporation. HUGHES is the world's leading provider of digital television entertainment, broadband services, satellite-based private business networks, and global video and data broadcasting. The earnings of HUGHES, a unit of General Motors Corporation, are used to calculate the earnings per share attributable to the General Motors Class H common stock (NYSE: GMH). Visit DIRECTV on the World Wide Web at [www.DIRECTV.com](http://www.DIRECTV.com).

In connection with the proposed transactions, General Motors Corporation ("GM"), Hughes Electronics Corporation ("Hughes") and EchoStar Communications Corporation ("EchoStar") intend to file relevant materials with the Securities and Exchange Commission, including one or more Registration Statement(s) on Form S-4 that contain a prospectus and proxy/consent solicitation statement. Because those documents will contain important information, holders of GM \$1-2/3 and GM Class H common stock are urged to read them, if and when they become available. When filed with the SEC, they will be available for free at the SEC's website, [www.sec.gov](http://www.sec.gov), and GM stockholders will receive information at an appropriate time on how to obtain transaction-related documents for free from General Motors. Such documents are not currently available.

General Motors and its directors and executive officers, Hughes and certain of its officers, and EchoStar and certain of its executive officers may be deemed to be participants in GM's solicitation of proxies or consents from the holders of GM \$1-2/3 common stock and GM Class H common stock in connection with the proposed transactions. Information regarding the participants and their interests in the solicitation was filed pursuant to Rule 425 with the SEC by EchoStar on November 1, 2001 and by each of GM and Hughes on November 16, 2001. Investors may obtain additional information regarding the interests of the participants by reading the prospectus and proxy/consent solicitation statement if and when it becomes available.

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This communication shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Materials included in this document contain "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 our actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. The factors that could cause actual results of GM, Hughes, EchoStar, or a combined EchoStar and Hughes, to differ materially, many of which are beyond the control of EchoStar, Hughes or GM include, but are not limited to, the following: (1) the businesses of EchoStar and Hughes may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (2) expected benefits and synergies from the combination may not be realized within the expected time frame or at all; (3) revenues following the transaction may be lower than expected; (4) operating costs, customer loss and business disruption including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers, may be greater than expected following the transaction; (5) generating the incremental growth in the subscriber base of the combined company may be more costly or difficult than expected; (6) the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule; (7) the effects of legislative and regulatory changes; (8) an inability to obtain certain retransmission consents; (9) an inability to retain necessary authorizations from the FCC; (10) an increase in competition from cable as a result of digital cable or otherwise, direct broadcast satellite, other satellite system operators, and other providers of subscription television services; (11) the introduction of new technologies and competitors into the subscription television business; (12) changes in labor, programming, equipment and capital costs; (13) future acquisitions, strategic partnership and divestitures; (14) general business and economic conditions; and (15) other risks described from time to time in periodic reports filed by EchoStar, Hughes or GM with the Securities and Exchange Commission. You are urged to consider statements that include the words "may," "will," "would," "could," "should," "believes," "estimates," "projects," "potential," "expects," "plans," "anticipates," "intends," "continues," "forecast," "designed," "goal," or the negative of those words or other comparable words to be uncertain and forward-looking. This cautionary statement applies to all forward-looking statements included in this document.

To All EchoStar Employees:

Today, EchoStar and HUGHES Electronics have announced a plan for the merged company to deliver local broadcast channels in every one of the 210 television markets in the United States.

Since the merger was announced, a small team of DIRECTV and EchoStar employees have worked together to develop a technical plan to offer local channels in all 210 television markets nationwide. After an exhaustive examination of each company's spectrum and satellite assets, the team determined the plan could become a reality. The plan would consist of 5 satellites, 3 orbital slots coupled together with efficiencies gained from the merger of the companies.

This technical solution will eliminate 500 channels of duplicative programming

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that EchoStar and DIRECTV each offer today. By combining our spectrum, existing and planned satellites, and by adding another spot-beam spacecraft, along with other efficiencies created by the merger, we will be able to offer all consumers in all 50 states access to all of their local broadcast channels.

The merged company will also establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings. Combined, EchoStar and DIRECTV will create a more robust satellite platform, positioned to "bridge the digital divide" by delivering affordable high-speed Internet access to all U.S. households, including the 42 million households that do not have access to such services today.

EchoStar and HUGHES have filed a joint application with the FCC that details the "All Channels, All Americans" plan, whose rollout can be completed within 24 months of merger approval. As part of this plan consumers who live in a town of five people or a city of five million will pay the same price for their DBS service. We are one nation, and the combined EchoStar-HUGHES will offer one rate card. The plan has been summarized in detailed booklets being disseminated to key lawmakers on Capitol Hill, and the national version and press release are attached for your information.

Sincerely,

Mike Dugan  
President

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