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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

The state-specific booklets set forth below were distributed.

THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN ALABAMA

[ECHOSTAR LOGO]

[HUGHES LOGO]

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FEBRUARY 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER  
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February 26, 2002

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV(R), today each transmit a total of MORE THAN 500 IDENTICAL CHANNELS. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this DUPLICATIVE PROGRAMMING. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast channels with digital-quality television picture and CD-quality sound IN EVERY ONE OF THE 210 TELEVISION MARKETS NATIONWIDE AND SPECIFICALLY ALL 9 MARKETS IN ALABAMA.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed a TECHNICALLY AND COMMERCIALY FEASIBLE PLAN to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

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New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available FREE OF CHARGE to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

CONTINUED...

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2 THE ECHOSTAR/HUGHES MERGER

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Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in Alabama, and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in Alabama to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

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3 THE ECHOSTAR/HUGHES MERGER

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CABLE FRANCHISE AREAS

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ALABAMA

- o Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Alabama.
- o About 1.2 million of the 1.7 million TV households in Alabama subscribe to a cable service, which equates to about 69% of all Alabama households.

[Map of the state of Alabama with portions in color.]

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LEGEND

[Colored box.] Cable Franchise Areas

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4 THE ECHOSTAR/HUGHES MERGER SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS  
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ALABAMA

- o In Alabama, only those DBS TV households within the Atlanta and Birmingham et al television markets have a fully competitive multi-channel alternative to cable -- WITH local channels.
- o Competitive alternatives to cable did not seriously take form until the launch of DIRECTV(R) in 1994, later joined by DISH Network in 1996.
- o DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.
- o In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in the two markets in Alabama in which DIRECTV and DISH Network began delivering local channels.

[Map of the state of Alabama and certain surrounding states with portions in color and with the phrase "423,000 DBS Subscribers" written across it.]

LEGEND

[Colored box.] Households With Access to DBS With Local Channels

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5 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;

SKYRESEARCH, FEB. 2002;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY  
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ALABAMA

- o As shown by this map, Alabama TV households outside the Atlanta and Birmingham et al television markets do not have a true competitive alternative to cable.
- o Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.

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- o Neither DIRECTV nor DISH Network have sufficient spectrum, alone, to provide all local channels as well as the national pay cable networks to viewers in every one of the 9 local channel markets in Alabama.

[Map of the state of Alabama and certain surrounding states with portions in color and the phrase "7 TV Markets Unserved" written across it.]

LEGEND

[Colored box.] Households With No Competitive Alternative Today

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 6 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
 SKYRESEARCH, FEB. 2002;  
 ECHOSTAR AND DIRECTV, JAN. 31, 2002

TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER  
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ALABAMA

- o DIRECTV and DISH Network engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.
- o The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including all 9 markets in Alabama.

[Map of the state of Alabama and certain surrounding states with portions in color and the phrase "All 9 Markets Served" written across it.]

LEGEND

[Colored box.] TV Households With Competitive Alternative After Merger

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 7 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
 ECHOSTAR, HUGHES, FEB. 2002

WITHOUT MERGER: INEFFICIENT SPECTRUM USE  
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- o The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
- o The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
- o The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

[119 degrees]

[Picture of satellite.]

[110 degrees]

[Picture of satellite.]

[101 degrees]

[Picture of satellite.]

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[Map of the United States with the phrase "Over 500 Duplicative Channels Today" written across it.]

8 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

ALABAMA

- o Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all 1.7 million TV households in Alabama.

[119 degrees] [110 degrees] [101 degrees]
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the state of Alabama and certain surrounding states with portions in color and the phrase "Local Channels, All 1.7 Million Households" written across it.]

LEGEND

[Colored box.] DBS Households Served by Local Channels After Merger

9 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001; ECHOSTAR, HUGHES, FEB. 2002

NATIONAL PRICING

- o Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
o For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

10 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL "HAVE NOTS"

ALABAMA

- o Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today.

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- o This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- o The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- o Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data services.

[Map of the state of Alabama with portions in color.]

LEGEND

[Colored box.] Households Without Broadband Access

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11 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT," JAN. 2002

MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"

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ALABAMA

- o The merger will bridge the digital divide in Alabama by providing consumers in every community with a competitively priced high-speed "broadband solution" available to them regardless of their location.
- o The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- o The merger will provide the technical and economic infrastructure to convert every household in Alabama and the country to a digital "have."

[Map of the state of Alabama filled entirely with color.]

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12 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY, "BROADBAND  
DEPLOYMENT," JAN. 2002

ONE NATION, ONE DISH

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- o Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.
- o An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
- o New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to

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consumers in all states.

- o Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirecTV satellite dish on the side of a house]

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13 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER

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- o Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- o Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.
- o The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- o The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

LEGEND

[Colored box.] Households With No Competitive Alternative

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14 THE ECHOSTAR/HUGHES MERGER SOURCE: FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002; "REPORT ON CABLE INDUSTRY PRICES, " FEDERAL COMMUNICATIONS COMMISSION, FEB. 14, 2001, P. 9, AND DEC. 15, 1997, P. 7

LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

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- o The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
- o The merger of EchoStar and HUGHES ensures that prices for video AND data services will be the same throughout the country, whether the market is rural or urban/suburban: "one nation, one rate card."
- o The merged company will bridge the "digital divide" by moving satellite high-speed Internet access from its current high-priced niche to being price-competitive with existing providers-- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available

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for years to come.

- o The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Alabama and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

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15 THE ECHOSTAR/HUGHES MERGER      FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002

THE ECHOSTAR/HUGHES MERGER  
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- o Local Channels, All Americans
- o One Nation, One Rate Card
- o Eliminates the "Digital Divide"

True Competition for 107 Million Households

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16 THE ECHOSTAR/HUGHES MERGER

SEC LEGEND  
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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



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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 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.

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17 THE ECHOSTAR/HUGHES MERGER

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THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN ALASKA

[ECHOSTAR LOGO]

[HUGHES LOGO]

February 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

February 26, 2002

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV(R), today each transmit a total of MORE THAN 500 IDENTICAL CHANNELS. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this DUPLICATIVE PROGRAMMING. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast channels with digital-quality television picture and CD-quality sound IN EVERY ONE OF THE 210 TELEVISION MARKETS NATIONWIDE AND SPECIFICALLY ALL 3 MARKETS IN ALASKA.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed a TECHNICALLY AND COMMERCIALY FEASIBLE PLAN to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available FREE OF CHARGE to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

CONTINUED...

2 THE ECHOSTAR/HUGHES MERGER

....CONTINUED

Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

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Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in Alaska, and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in Alaska to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

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### 3 THE ECHOSTAR/HUGHES MERGER

#### CABLE FRANCHISE AREAS

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##### ALASKA

- o Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Alaska.
- o About .1 million of the .2 million TV households in Alaska subscribe to a cable service, which equates to about 60% of all Alaska households.

[Map of the state of Alaska with portions in color.]

##### LEGEND

[Colored box.] Cable Franchise Areas

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### 4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

#### HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

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- o Today only 65 million TV households, those within the 42 television markets served by DIRECTV and DISH Network, have a fully competitive multi-channel alternative to cable -- with local channels.
- o Competitive alternatives to cable did not seriously take form until the launch of DIRECTV in 1994, later joined by DISH Network in 1996.
- o DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.
- o In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in those markets in which DIRECTV and DISH Network began delivering local channels.

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[Map of the United States with portions in color and with the phrase "65 Million Households" written across it.]

LEGEND

[Colored box.] Households With Access to DBS With Local Channels

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5 THE ECHOSTAR/HUGHES MERGER SOURCE: SKYRESEARCH, FEB. 2002; NIELSEN MEDIA RESEARCH, SEPT. 2001; ECHOSTAR AND DIRECTV, JAN. 31, 2002

HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY

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ALASKA

- o As shown by this map, Alaska TV households do not have a true competitive alternative to cable.
- o Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.
- o Neither DIRECTV nor DISH Network, alone, have sufficient spectrum to provide any local channels to any of the 3 local markets in Alaska.

[Map of the state of Alaska with portions in color and the phrase "3 TV Markets Unserved" written across it.]

LEGEND

[Colored box.] Households With No Competitive Alternative Today

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6 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001; SKYRESEARCH, FEB. 2002; ECHOSTAR AND DIRECTV, JAN. 31, 2002

TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER

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ALASKA

- o DIRECTV and DISH Network engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.

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- o The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including all 3 markets in Alaska.

[Map of the state of Alaska with portions in color and the phrase "All 3 Markets Served" written across it.]

LEGEND

[Colored box.] TV Households With Competitive Alternative After Merger

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 7 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
 ECHOSTAR, HUGHES, FEB. 2002

WITHOUT MERGER: INEFFICIENT SPECTRUM USE  
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- o The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
- o The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
- o The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

[119 degrees] [110 degrees] [101 degrees]  
 [Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the United States with the phrase "Over 500 Duplicative Channels Today" written across it.]

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 8 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED  
 -----

ALASKA

- o Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all .2 million TV households in Alaska.

[119 degrees] [110 degrees] [101 degrees]  
 [Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the state of Alaska with portions in color and the phrase "Local Channels, All .2 Million Households" written across it.]

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[LOCAL CHANNELS, ALL .2 MILLION HOUSEHOLDS]

### LEGEND

[Colored box.] DBS Households Served by Local Channels After Merger

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9 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

### NATIONAL PRICING

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- o Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
- o For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

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10 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

### BROADBAND: THE DIGITAL "HAVE NOTS"

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#### ALASKA

- o Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today.
- o This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- o The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- o Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data services.

[Map of the state of Alaska with portions in color.]

## Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

### LEGEND

[Colored box.] Households Without Broadband Access

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11 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY, "BROADBAND DEPLOYMENT," JAN. 2002

### MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"

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#### ALASKA

- o The merger will bridge the digital divide in Alaska by providing consumers in every community with a competitively priced high-speed "broadband solution" available to them regardless of their location.
- o The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- o The merger will provide the technical and economic infrastructure to convert every household in Alaska and the country to a digital "have."

[Map of the state of Alaska filled entirely with color.]

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12 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY, "BROADBAND DEPLOYMENT," JAN. 2002

### ONE NATION, ONE DISH

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- o Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.
- o An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
- o New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
- o Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirectTV satellite dish on the side of a house.]

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13 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

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CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER

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- o Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- o Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.
- o The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- o The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

LEGEND

[Colored box.] Households With No Competitive Alternative

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14 THE ECHOSTAR/HUGHES MERGER

SOURCE: FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002; "REPORT ON CABLE INDUSTRY PRICES," FEDERAL COMMUNICATIONS COMMISSION, FEB. 14, 2001, P. 9, AND DEC. 15, 1997, P. 7

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LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

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- o The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
- o The merger of EchoStar and HUGHES ensures that prices for video and data services will be the same throughout the country, whether the market is rural or urban/suburban: "one nation, one rate card."
- o The merged company will bridge the "digital divide" by moving satellite high-speed Internet access from its current high-priced niche to being price-competitive with existing providers -- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.



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- o The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Alaska and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

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15 THE ECHOSTAR/HUGHES MERGER      FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002

THE ECHOSTAR/HUGHES MERGER

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- o Local Channels, All Americans
- o One Nation, One Rate Card
- o Eliminates the "Digital Divide"

True Competition for 107 Million Households

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16 THE ECHOSTAR/HUGHES MERGER

SEC LEGEND

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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.

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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, 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 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.

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THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN ARIZONA

[ECHOSTAR LOGO]

[HUGHES LOGO]

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FEBRUARY 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER  
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February 26, 2002

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV(R), today each transmit a total of MORE THAN 500 IDENTICAL CHANNELS. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this DUPLICATIVE PROGRAMMING. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast

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channels with digital-quality television picture and CD-quality sound IN EVERY ONE OF THE 210 TELEVISION MARKETS NATIONWIDE AND SPECIFICALLY ALL 4 MARKETS IN ARIZONA.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed a TECHNICALLY AND COMMERCIALY FEASIBLE PLAN to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available FREE OF CHARGE to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

CONTINUED...

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2 THE ECHOSTAR/HUGHES MERGER  
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....CONTINUED

Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in Arizona, and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in Arizona to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

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3 THE ECHOSTAR/HUGHES MERGER

CABLE FRANCHISE AREAS

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ARIZONA

- o Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Arizona.
- o About 1.1 million of the 1.9 million TV households in Arizona subscribe to a cable service, which equates to about 60% of all Arizona households.

[Map of the state of Arizona with portions in color.]

LEGEND

[Colored box.] Cable Franchise Areas

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4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

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ARIZONA

- o In Arizona, only those DBS TV households within the Albuquerque-Santa Fe and Phoenix television markets have a fully competitive multi-channel alternative to cable --WITH local channels.
- o Competitive alternatives to cable did not seriously take form until the launch of DIRECTV(R) in 1994, later joined by DISH Network in 1996.
- o DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.
- o In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in the two markets in Arizona in which DIRECTV and DISH Network began delivering local channels.

[Map of the state of Arizona and certain surrounding states with portions in color and with the phrase "484,000 DBS Subscribers" written across it.]

LEGEND

[Colored box.] Households With Access to DBS With Local Channels

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5 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY  
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ARIZONA

- o As shown by this map, Arizona TV households outside the Albuquerque-Santa Fe and Phoenix television markets do not have a true competitive alternative to cable.
- o Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.
- o Neither DIRECTV nor DISH Network have sufficient spectrum, alone, to provide all local channels as well as the national pay cable networks to viewers in every one of the 4 local channel markets in Arizona.

[Map of the state of Arizona and certain surrounding states with portions in color and the phrase "2 TV Markets Unserved" written across it.]

LEGEND

[Colored box.] Households With No Competitive Alternative Today

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6 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER  
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ARIZONA

- o DIRECTV and DISH Network engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.
- o The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including all 4 markets in Arizona.

[Map of the state of Arizona and certain surrounding states with portions in color and the phrase "All 4 Markets Served" written across it.]

LEGEND

[Colored box.] TV Households With Competitive Alternative After Merger

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7 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

WITHOUT MERGER: INEFFICIENT SPECTRUM USE  
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- o The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
- o The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
- o The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

[119 degrees] [110 degrees] [101 degrees]  
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]  
[Map of the United States with the phrase "Over 500 Duplicative Channels Today"  
written across it.]

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8 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED  
-----

ARIZONA

- o Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all 1.9 million TV households in Arizona.

[119 degrees] [110 degrees] [101 degrees]  
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]  
[Map of the state of Arizona and certain surrounding states with portions in color and the phrase "Local Channels, All 1.9 Million Households" written across it.]

LEGEND

[Colored box.] DBS Households Served by Local Channels After Merger

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9 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

NATIONAL PRICING  
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- o Consumers across the country will pay the same price for their DBS

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subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.

- o For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

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10 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002  
BROADBAND: THE DIGITAL "HAVE NOTS"  
-----

### ARIZONA

- o Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today.
- o This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- o The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- o Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data services.

[Map of the state of Arizona with portions in color.]

LEGEND  
[Colored box.] Households Without Broadband Access

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11 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY, "BROADBAND  
DEPLOYMENT," JAN. 2002  
MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"  
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### ARIZONA

- o The merger will bridge the digital divide in Arizona by providing consumers in every community with a competitively priced high-speed



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"broadband solution" available to them regardless of their location.

- o The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- o The merger will provide the technical and economic infrastructure to convert every household in Arizona and the country to a digital "have."

[Map of the state of Arizona filled entirely with color.]

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 12 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY, "BROADBAND DEPLOYMENT," JAN. 2002

ONE NATION, ONE DISH

- 
- o Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.
  - o An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
  - o New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
  - o Equipment will be provided to existing DBS customers AT NO CHARGE-- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirecTV satellite dish on the side of a house.]

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 13 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER

- 
- o Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
  - o Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.

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- o The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
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[Map of the United States with portions in color.]

LEGEND

[Colored box.] Households With No Competitive Alternative

---

14 THE ECHOSTAR/HUGHES MERGER SOURCE: FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002; "REPORT ON CABLE INDUSTRY PRICES," FEDERAL COMMUNICATIONS COMMISSION, FEB. 14, 2001, P. 9, AND DEC. 15, 1997, P. 7

LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

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- o The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Arizona and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

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15 THE ECHOSTAR/HUGHES MERGER FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT

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OF THE STATUS OF COMPETITION IN THE MARKET  
FOR THE DELIVERY OF VIDEO PROGRAMMING,"  
JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND  
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### THE ECHOSTAR/HUGHES MERGER

- o Local Channels, All Americans
- o One Nation, One Rate Card
- o Eliminates the "Digital Divide"

True Competition for 107 Million Households

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### 16 THE ECHOSTAR/HUGHES MERGER

#### SEC LEGEND

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17 THE ECHOSTAR/HUGHES MERGER

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THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN ARKANSAS

[ECHOSTAR LOGO]

[HUGHES LOGO]

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FEBRUARY 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

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February 26, 2002

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CONTINUED...

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2 THE ECHOSTAR/HUGHES MERGER  
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....CONTINUED

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national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

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3 THE ECHOSTAR/HUGHES MERGER

CABLE FRANCHISE AREAS  
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ARKANSAS

- o Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Arkansas.
- o About .6 million of the 1 million TV households in Arkansas subscribe to a cable service, which equates to about 63% of all Arkansas households.

[Map of the state of Arkansas with portions in color.]

LEGEND

[Colored box.] Cable Franchise Areas

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4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS  
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ARKANSAS

- o In Arkansas, only those DBS TV households within the Memphis television market have a fully competitive multi-channel alternative to cable -- WITH local channels.
- o Competitive alternatives to cable did not seriously take form until the launch of DIRECTV(R) in 1994, later joined by DISH Network in 1996.
- o DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.
- o In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in the one market in Arkansas in which DIRECTV and DISH Network began delivering local channels.

[Map of the state of Arkansas and certain surrounding states with portions in color and with the phrase "314,000 DBS Subscribers" written across it.]

LEGEND

[Colored box.] Households With Access to DBS With Local Channels  
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Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

5 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002; ECHOSTAR  
AND DIRECTV, JAN. 31, 2002

HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY

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ARKANSAS

- o As shown by this map, Arkansas TV households outside the Memphis television market do not have a true competitive alternative to cable.
- o Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.
- o Neither DIRECTV nor DISH Network have sufficient spectrum, alone, to provide all local channels as well as the national pay cable networks to viewers in every one of the 8 local channel markets in Arkansas.

[Map of the state of Arkansas and certain surrounding states with portions in color and the phrase "7 TV Markets Unserved" written across it.]

LEGEND

[Colored box.] Households With No Competitive Alternative Today

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6 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002; ECHOSTAR  
AND DIRECTV, JAN. 31, 2002

TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER

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ARKANSAS

- o DIRECTV and DISH Network engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.
- o The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including all 8 markets in Arkansas.

[Map of the state of Arkansas and certain surrounding states with portions in color and the phrase "All 8 Markets Served" written across it.]

LEGEND

[Colored box.] TV Households With Competitive Alternative After Merger

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7 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001; ECHOSTAR, HUGHES, FEB. 2002

WITHOUT MERGER: INEFFICIENT SPECTRUM USE

- o The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
o The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
o The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

[119 degrees] [110 degrees] [101 degrees]
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the United States with the phrase "Over 500 Duplicative Channels Today" written across it.]

8 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

ARKANSAS

- o Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all 1 million TV households in Arkansas.

[119 degrees] [110 degrees] [101 degrees]
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the state of Arkansas and certain surrounding states with portions in color and the phrase "Local Channels, All 1 Million Households" written across it.]

LEGEND

[Colored box.] DBS Households Served by Local Channels After Merger

9 The EchoStar/HUGHES Merger Source: Nielsen Media Research, Sept. 2001; EchoStar, HUGHES, Feb. 2002

NATIONAL PRICING

- o Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
o For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in



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New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

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10 The EchoStar/HUGHES Merger Source: EchoStar, HUGHES, Feb. 2002

BROADBAND: THE DIGITAL "HAVE NOTS"  
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ARKANSAS

- o Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today.
- o This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- o The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- o Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data services.

[Map of the state of Arkansas with portions in color.]

LEGEND

[Colored box.] Households Without Broadband Access

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11 The EchoStar/HUGHES Merger Source: The Buxton Company, "Broadband Deployment," Jan. 2002

MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"  
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ARKANSAS

- o The merger will bridge the digital divide in Arkansas by providing consumers in every community with a competitively priced high-speed "broadband solution" available to them regardless of their location.
- o The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- o The merger will provide the technical and economic infrastructure to convert every household in Arkansas and the country to a digital "have."

[Map of the state of Arkansas filled entirely with color.]

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12 The EchoStar/HUGHES Merger Source: The Buxton Company, "Broadband Deployment," Jan. 2002

### ONE NATION, ONE DISH

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- o Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.
- o An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
- o New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
- o Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirectTV satellite dish on the side of a house.]

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13 The EchoStar/HUGHES Merger Source: EchoStar, HUGHES, Feb. 2002

### CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER

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- o Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- o Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.
- o The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- o The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

#### LEGEND

[Colored box.] Households With No Competitive Alternative

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14 The EchoStar/HUGHES Merger Source: FCC Eighth Annual Report, "Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming," Jan. 14, 2002, pp.

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11, 87; EchoStar and DIRECTV, Jan. 31, 2002; "Report on Cable Industry Prices," Federal Communications Commission, Feb. 14, 2001, p. 9, and Dec. 15, 1997, p. 7

### LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

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- o The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
- o The merger of EchoStar and HUGHES ensures that prices for video AND data services will be the same throughout the country, whether the market is rural or urban/suburban: "one nation, one rate card."
- o The merged company will bridge the "digital divide" by moving satellite high-speed Internet access from its current high-priced niche to being price-competitive with existing providers -- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.
- o The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Arkansas and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

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15	The EchoStar/HUGHES Merger	FCC Eighth Annual Report, "Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming," Jan. 14, 2002, pp. 11, 87; EchoStar and DIRECTV, Jan. 31, 2002
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### THE ECHOSTAR/HUGHES MERGER

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- o Local Channels, All Americans
- o One Nation, One Rate Card
- o Eliminates the "Digital Divide"

### TRUE COMPETITION FOR 107 MILLION HOUSEHOLDS

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16 The EchoStar/HUGHES Merger

### SEC LEGEND

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In connection with the proposed transactions, General Motors Corporation ("GM"), Hughes Electronics Corporation ("Hughes") and EchoStar Communications

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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 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

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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.

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17 The EchoStar/HUGHES Merger

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THE ECHOSTAR/HUGHES MERGER  
LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN CALIFORNIA

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[ECHOSTAR LOGO]

[HUGHES LOGO]

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER  
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February 26, 2002

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV(R), today each transmit a total of MORE THAN 500 IDENTICAL CHANNELS. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this DUPLICATIVE PROGRAMMING. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast channels with digital-quality television picture and CD-quality sound IN EVERY ONE OF THE 210 TELEVISION MARKETS NATIONWIDE AND SPECIFICALLY ALL 14 MARKETS IN CALIFORNIA.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed a TECHNICALLY AND COMMERCIALY FEASIBLE PLAN to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available FREE OF CHARGE to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

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2 THE ECHOSTAR/HUGHES MERGER

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....Continued

Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in California, and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in California to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

# # #

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3 THE ECHOSTAR/HUGHES MERGER

CABLE FRANCHISE AREAS

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CALIFORNIA

- o Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across California.
- o About 7.9 million of the 11.6 million TV households in California subscribe to a cable service, which equates to about 68% of all California households.

[Map of the state of California with portions in color.]

LEGEND

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[Colored box.] Cable Franchise Areas

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4 THE ECHOSTAR/HUGHES MERGER SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

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### CALIFORNIA

- o In California, only those DBS TV households within the Los Angeles, Sacramento et al, San Diego and San Francisco et al television markets have a fully competitive multi-channel alternative to cable -- with local channels.
- o Competitive alternatives to cable did not seriously take form until the launch of DIRECTV(R) in 1994, later joined by DISH Network in 1996.
- o DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.
- o In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in the four markets in California in which DIRECTV and DISH Network began delivering local channels.

[Map of the state of California and certain surrounding states with portions in color and with the phrase "2,299,000 DBS Subscribers" written across it.]

### LEGEND

[Colored box.] Households With Access to DBS With Local Channels

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5 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001; SKYRESEARCH, FEB. 2002; ECHOSTAR AND DIRECTV, JAN. 31, 2002

HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY

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### CALIFORNIA

- o As shown by this map, California TV households outside the Los Angeles, Sacramento et al, San Diego and San Francisco et al television markets do not have a true competitive alternative to cable.
- o Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.
- o Neither DIRECTV nor DISH Network have sufficient spectrum, alone, to provide all local channels as well as the national pay cable networks to viewers in every one of the 14 local channel markets in California.

[Map of the state of California and certain surrounding states with portions in color and the phrase "10 TV Markets Unserved" written across it.]

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LEGEND

[Colored box.] Households With No Competitive Alternative Today

6 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001; SKYRESEARCH, FEB. 2002; ECHOSTAR AND DIRECTV, JAN. 31, 2002

TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER

CALIFORNIA

- o DIRECTV and DISH Network engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.
o The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including all 14 markets in California.

[Map of the state of California and certain surrounding states with portions in color and the phrase "All 14 Markets Served" written across it.]

LEGEND

[Colored box.] TV Households With Competitive Alternative After Merger

7 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001; ECHOSTAR, HUGHES, FEB. 2002

WITHOUT MERGER: INEFFICIENT SPECTRUM USE

- o The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
o The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
o The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

[119 degrees] [110 degrees] [101 degrees]
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the United States with the phrase "Over 500 Duplicative Channels Today" written across it.]

8 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002



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WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

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CALIFORNIA

- o Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all 11.6 million TV households in California.

[119 degrees] [110 degrees] [101 degrees]  
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the state of California and certain surrounding states with portions in color and the phrase "Local Channels, All 11.6 Million Households" written across it.]

LEGEND

[Colored box.] DBS Households Served by Local Channels After Merger

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9 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

NATIONAL PRICING

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- o Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
- o For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

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10 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL "HAVE NOTS"

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CALIFORNIA

- o Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today.
- o This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- o The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes,

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particularly to those beyond the boundaries of urban and suburban markets.

- o Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data services.

[Map of the state of California and certain surrounding states with portions in color.]

### LEGEND

[Colored box.] Households Without Broadband Access

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11 THE ECHOSTAR/HUGHES MERGER

SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT,"  
JAN. 2002

MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"

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### CALIFORNIA

- o The merger will bridge the digital divide in California by providing consumers in every community with a competitively priced high-speed "broadband solution" available to them regardless of their location.
- o The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- o The merger will provide the technical and economic infrastructure to convert every household in California and the country to a digital "have."

[Map of the state of California filled entirely with color.]

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12 THE ECHOSTAR/HUGHES MERGER

SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT,"  
JAN. 2002

ONE NATION, ONE DISH

---

- o Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.
- o An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
- o New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.

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- o Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirectTV satellite dish on the side of a house.]

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13 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER

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- o Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- o Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.
- o The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- o The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

### LEGEND

[Colored box.] Households With No Competitive Alternative

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14 THE ECHOSTAR/HUGHES MERGER

SOURCE: FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002; "REPORT ON CABLE INDUSTRY PRICES," FEDERAL COMMUNICATIONS COMMISSION, FEB. 14, 2001, P. 9, AND DEC. 15, 1997, P. 7

LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

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- o The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
- o The merger of EchoStar and HUGHES ensures that prices for video and data services will be the same throughout the country, whether the market is rural or urban/suburban: "one nation, one rate card."
- o The merged company will bridge the "digital divide" by moving satellite

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high-speed Internet access from its current high-priced niche to being price-competitive with existing providers -- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.

- o The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of California and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

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15 THE ECHOSTAR/HUGHES MERGER                      FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002

THE ECHOSTAR/HUGHES MERGER

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- o Local Channels, All Americans
- o One Nation, One Rate Card
- o Eliminates the "Digital Divide"

TRUE COMPETITION FOR 107 MILLION HOUSEHOLDS

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16 THE ECHOSTAR/HUGHES MERGER

SEC LEGEND

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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.

## Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

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 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.

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17 THE ECHOSTAR/HUGHES MERGER

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THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN COLORADO

[ECHOSTAR LOGO]

[HUGHES LOGO]

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FEBRUARY 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

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February 26, 2002

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV(R), today each transmit a total of MORE THAN 500 IDENTICAL CHANNELS. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this DUPLICATIVE PROGRAMMING. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast channels with digital-quality television picture and CD-quality sound IN EVERY ONE OF THE 210 TELEVISION MARKETS NATIONWIDE AND SPECIFICALLY ALL 4 MARKETS IN COLORADO.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed a TECHNICALLY AND COMMERCIALY FEASIBLE PLAN to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available FREE OF CHARGE to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

CONTINUED...

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2 THE ECHOSTAR/HUGHES MERGER

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## Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in Colorado, and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in Colorado to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

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### 3 THE ECHOSTAR/HUGHES MERGER

#### CABLE FRANCHISE AREAS

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##### COLORADO

- o Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Colorado.
- o About 1 million of the 1.6 million TV households in Colorado subscribe to a cable service, which equates to about 62% of all Colorado households.

[Map of the state of Colorado with portions in color.]

#### LEGEND

[Colored box.] Cable Franchise Areas

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### 4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

#### HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

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##### COLORADO

## Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

- o In Colorado, only those DBS TV households within the Albuquerque-Santa Fe and Denver television markets have a fully competitive multi-channel alternative to cable -- WITH local channels.
- o Competitive alternatives to cable did not seriously take form until the launch of DIRECTV(R) in 1994, later joined by DISH Network in 1996.
- o DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.
- o In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in the two markets in Colorado in which DIRECTV and DISH Network began delivering local channels.

[Map of the state of Colorado and certain surrounding states with portions in color and with the phrase "427,000 DBS Subscribers" written across it.]

### LEGEND

[Colored box.] Households With Access to DBS With Local Channels

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5 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002; ECHOSTAR AND  
DIRECTV, JAN. 31, 2002

HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY

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### COLORADO

- o As shown by this map, Colorado TV households outside the Albuquerque-Santa Fe and Denver television markets do not have a true competitive alternative to cable.
- o Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.
- o Neither DIRECTV nor DISH Network have sufficient spectrum, alone, to provide all local channels as well as the national pay cable networks to viewers in every one of the 4 local channel markets in Colorado.

[Map of the state of Colorado and certain surrounding states with portions in color and the phrase "2 TV Markets Unserved" written across it.]

### LEGEND

[Colored box.] Households With No Competitive Alternative Today

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6 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002; ECHOSTAR AND  
DIRECTV, JAN. 31, 2002

TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER

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### COLORADO



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- o DIRECTV and DISH Network engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.
- o The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including all 4 markets in Colorado.

[Map of the state of Colorado and certain surrounding states with portions in color and the phrase "All 4 Markets Served" written across it.]

LEGEND

[Colored box.] TV Households With Competitive Alternative After Merger

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7 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

WITHOUT MERGER: INEFFICIENT SPECTRUM USE

- o The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
- o The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
- o The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

[119 degrees]

[110 degrees]

[101 degrees]

[Picture of satellite.]

[Picture of satellite.]

[Picture of satellite.]

[Map of the United States with the phrase "Over 500 Duplicative Channels Today" written across it.]

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8 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

COLORADO

- o Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all 1.6 million TV households in Colorado.

[119 degrees]

[110 degrees]

[101 degrees]

[Picture of satellite.]

[Picture of satellite.]

[Picture of satellite.]

[Map of the state of Colorado and certain surrounding states with portions in color and the phrase "Local Channels, All 1.6 Million Households" written across it.]

Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

LEGEND

[Colored box.] DBS Households Served by Local Channels After Merger

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9 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

NATIONAL PRICING

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- o Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
- o For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

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10 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL "HAVE NOTS"

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COLORADO

- o Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today.
- o This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- o The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- o Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data services.

[Map of the state of Colorado with portions in color.]

LEGEND

[Colored box.] Households Without Broadband Access

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11 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY, "BROADBAND  
DEPLOYMENT," JAN. 2002

MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"

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COLORADO

- o The merger will bridge the digital divide in Colorado by providing consumers in every community with a competitively priced high-speed "broadband solution" available to them regardless of their location.
- o The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- o The merger will provide the technical and economic infrastructure to convert every household in Colorado and the country to a digital "have."

[Map of the state of Colorado filled entirely with color.]

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12 THE ECHOSTAR/HUGHES MERGER

SOURCE: THE BUXTON COMPANY, "BROADBAND DEPLOYMENT," JAN. 2002

ONE NATION, ONE DISH  
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- o Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.
- o An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
- o New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
- o Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirecTV satellite dish on the side of a house.]

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13 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER  
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- o Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- o Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.

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- o The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- o The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

LEGEND

[Colored box.] Households With No Competitive Alternative

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14 THE ECHOSTAR/HUGHES MERGER SOURCE: FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002; "REPORT ON CABLE INDUSTRY PRICES," FEDERAL COMMUNICATIONS COMMISSION, FEB. 14, 2001, P. 9, AND DEC. 15, 1997, P. 7

LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

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- o The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
- o The merger of EchoStar and HUGHES ensures that prices for video AND data services will be the same throughout the country, whether the market is rural or urban/suburban: "one nation, one rate card."
- o The merged company will bridge the "digital divide" by moving satellite high-speed Internet access from its current high-priced niche to being price-competitive with existing providers -- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.
- o The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Colorado and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

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15 THE ECHOSTAR/HUGHES MERGER FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002

THE ECHOSTAR/HUGHES MERGER

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- o Local Channels, All Americans

## Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

- o One Nation, One Rate Card
- o Eliminates the "Digital Divide"

TRUE COMPETITION FOR 107 MILLION HOUSEHOLDS

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16 THE ECHOSTAR/HUGHES MERGER

SEC LEGEND

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17 THE ECHOSTAR/HUGHES MERGER

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THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN CONNECTICUT

[ECHOSTAR LOGO]

[HUGHES LOGO]

FEBRUARY 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

February 26, 2002

## Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV(R), today each transmit a total of MORE THAN 500 IDENTICAL CHANNELS. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this DUPLICATIVE PROGRAMMING. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast channels with digital-quality television picture and CD-quality sound IN EVERY ONE OF THE 210 TELEVISION MARKETS NATIONWIDE AND SPECIFICALLY ALL 2 MARKETS IN CONNECTICUT.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed a TECHNICALLY AND COMMERCIALY FEASIBLE PLAN to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available FREE OF CHARGE to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

CONTINUED...

2 THE ECHOSTAR/HUGHES MERGER

....CONTINUED

Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in Connecticut, and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

## Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in Connecticut to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

# # #

### 3 THE ECHOSTAR/HUGHES MERGER

#### CABLE FRANCHISE AREAS

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##### CONNECTICUT

- Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Connecticut.
- About 1.1 million of the 1.2 million TV households in Connecticut subscribe to a cable service, which equates to about 88% of all Connecticut households.

[Map of the state of Connecticut with portions in color.]

##### LEGEND

[Colored box.] CABLE FRANCHISE AREAS

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### 4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

#### HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

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##### CONNECTICUT

- In Connecticut, only those DBS TV households within the New York television market have a fully competitive multi-channel alternative to cable -- WITH local channels.
- Competitive alternatives to cable did not seriously take form until the launch of DIRECTV(R) in 1994, later joined by DISH Network in 1996.
- DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.
- In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in the one market in Connecticut in which DIRECTV and DISH Network began delivering local channels.



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[Map of the state of Connecticut and certain surrounding states with portions in color and with the phrase "112,000 DBS Subscribers" written across it.]

LEGEND

[Colored box.] HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

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5 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY  
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CONNECTICUT

- As shown by this map, Connecticut TV households outside the New York television market do not have a true competitive alternative to cable.
- Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.
- Neither DIRECTV nor DISH Network have sufficient spectrum, alone, to provide all local channels as well as the national pay cable networks to viewers in every one of the 2 local channel markets in Connecticut.

[Map of the state of Connecticut and certain surrounding states with portions in color and the phrase "1 TV Market Unserved" written across it.]

LEGEND

[Colored box.] HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY

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6 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER  
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CONNECTICUT

- DIRECTV and DISHNetwork engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.

Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

- The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including all 2 markets in Connecticut.

[Map of the state of Connecticut and certain surrounding states with portions in color and the phrase "All 2 Markets Served" written across it.]

LEGEND

[Colored box.] TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER

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7 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

WITHOUT MERGER: INEFFICIENT SPECTRUM USE  
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- The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
- The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
- The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

[119 degrees] [110 degrees] [101 degrees]  
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the United States with the phrase "Over 500 Duplicative Channels Today" written across it.]

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8 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED  
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CONNECTICUT

- Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all 1.2 million TV households in Connecticut.

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[119 degrees] [110 degrees] [101 degrees]  
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the state of Connecticut and certain surrounding states with portions in color and the phrase "Local Channels, All 1.2 Million Households" written across it.]

LEGEND

[Colored box.] DBS HOUSEHOLDS SERVED BY LOCAL CHANNELS AFTER MERGER

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9 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

NATIONAL PRICING

- 
- Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
  - For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

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10 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL "HAVE NOTS"

CONNECTICUT

- Another benefit of the EchoStar and HUGHES merger comes in the form of

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competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today.

- This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data services.

[Map of the state of Connecticut with portions in color.]

### LEGEND

[Colored box.] HOUSEHOLDS WITHOUT BROADBAND ACCESS

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11 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT," JAN. 2002

### MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"

#### CONNECTICUT

- The merger will bridge the digital divide in Connecticut by providing consumers in every community with a competitively priced high-speed "broadband solution" available to them regardless of their location.
- The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- The merger will provide the technical and economic infrastructure to convert every household in Connecticut and the country to a digital "have."

[Map of the state of Connecticut filled entirely with color.]

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12 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT," JAN. 2002

ONE NATION, ONE DISH

---

- Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.
- An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
- New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
- Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirectTV satellite dish on the side of a house.]

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13 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER

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- Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.
- The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

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[Map of the United States with portions in color.]

LEGEND

[Colored box.] HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE

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14 THE ECHOSTAR/HUGHES MERGER SOURCE: FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002; "REPORT ON CABLE INDUSTRY PRICES," FEDERAL COMMUNICATIONS COMMISSION, FEB. 14, 2001, P. 9, AND DEC. 15, 1997, P. 7

LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

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- The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
- The merger of EchoStar and HUGHES ensures that prices for video AND data services will be the same throughout the country, whether the market is rural or urban/suburban: "one nation, one rate card."
- The merged company will bridge the "digital divide" by moving satellite high-speed Internet access from its current high-priced niche to being price-competitive with existing providers -- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.
- The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Connecticut and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

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15 THE ECHOSTAR/HUGHES MERGER FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002

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THE ECHOSTAR/HUGHES MERGER

- LOCAL CHANNELS, ALL AMERICANS
- ONE NATION, ONE RATE CARD
- ELIMINATES THE "DIGITAL DIVIDE"

TRUE COMPETITION FOR 107 MILLION HOUSEHOLDS

16 THE ECHOSTAR/HUGHES MERGER

### SEC LEGEND

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

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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 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.

17 THE ECHOSTAR/HUGHES MERGER

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THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN DELAWARE

[ECHOSTAR LOGO]

[HUGHES LOGO]

FEBRUARY 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

February 26, 2002

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV(R), today each transmit a total of MORE THAN 500 IDENTICAL CHANNELS. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this DUPLICATIVE PROGRAMMING. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast channels with digital-quality television picture and CD-quality sound IN EVERY ONE OF THE 210 TELEVISION MARKETS NATIONWIDE AND SPECIFICALLY ALL 2 MARKETS IN DELAWARE.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed a TECHNICALLY AND COMMERCIALY FEASIBLE PLAN to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available FREE OF CHARGE to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

CONTINUED...

2 THE ECHOSTAR/HUGHES MERGER

....CONTINUED

Consumers across the country will pay the same price for services delivered by

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the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in Delaware, and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in Delaware to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

# # #

### 3 THE ECHOSTAR/HUGHES MERGER

#### CABLE FRANCHISE AREAS

##### DELAWARE

- Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Delaware.
- About .2 million of the .3 million TV households in Delaware subscribe to a cable service, which equates to about 82% of all Delaware households.

[Map of the state of Delaware filled entirely with color.]

##### LEGEND

[Colored box.] Cable Franchise Areas

### 4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

#### HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

##### DELAWARE

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- In Delaware, only those DBS TV households within the Philadelphia television market have a fully competitive multi-channel alternative to cable -- WITH local channels.
- Competitive alternatives to cable did not seriously take form until the launch of DIRECTV(R) in 1994, later joined by DISH Network in 1996.
- DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.
- In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in the one market in Delaware in which DIRECTV and DISH Network began delivering local channels.

[Map of the state of Delaware and certain surrounding states with portions in color and with the phrase "47,000 DBS Subscribers" written across it.]

LEGEND

[Colored box.] Households With Access to DBS With Local Channels

- 5 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY

DELAWARE

- As shown by this map, Delaware TV households outside the Philadelphia television market do not have a true competitive alternative to cable.
- Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.
- Neither DIRECTV nor DISH Network have sufficient spectrum, alone, to provide all local channels as well as the national pay cable networks to viewers in every one of the 2 local channel markets in Delaware.

[Map of the state of Delaware and certain surrounding states with portions in color and the phrase "1 TV Market Unserved" written across it.]

LEGEND

[Colored box.] Households With No Competitive Alternative Today

- 6 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER

DELAWARE

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- DIRECTV and DISH Network engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.
- The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including all 2 markets in Delaware.

[Map of the state of Delaware and certain surrounding states with portions in color and the phrase "All 2 Markets Served" written across it.]

LEGEND

[Colored box.] TV Households With Competitive Alternative After Merger

- 7 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

WITHOUT MERGER: INEFFICIENT SPECTRUM USE

- The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
- The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
- The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

[119 degrees]

[Picture of satellite.]

[110 degrees]

[Picture of satellite.]

[101 degrees]

[Picture of satellite.]

[Map of the United States with the phrase "Over 500 Duplicative Channels Today" written across it.]

- 8 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

DELAWARE

- Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all .3 million TV households in Delaware.

[119 degrees]

[Picture of satellite.]

[110 degrees]

[Picture of satellite.]

[101 degrees]

[Picture of satellite.]

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[Map of the state of Delaware and certain surrounding states with portions in color and the phrase "Local Channels, All .3 Million Households" written across it.]

### LEGEND

[Colored box.] DBS HOUSEHOLDS SERVED BY LOCAL CHANNELS AFTER MERGER

9 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

### NATIONAL PRICING

- Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
- For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

10 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

### BROADBAND: THE DIGITAL "HAVE NOTS"

#### DELAWARE

- Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today.
- This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data services.

[Map of the state of Delaware with portions in color.]

### LEGEND

[Colored box.] HOUSEHOLDS WITHOUT BROADBAND ACCESS

11 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT," JAN. 2002

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### MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"

#### DELAWARE

- The merger will bridge the digital divide in Delaware by providing consumers in every community with a competitively priced high-speed "broadband solution" available to them regardless of their location.
- The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- The merger will provide the technical and economic infrastructure to convert every household in Delaware and the country to a digital "have."

[Map of the state of Delaware filled entirely with color.]

12 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT," JAN. 2002

#### ONE NATION, ONE DISH

- Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.
- An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
- New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
- Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirecTV satellite dish on the side of a house.]

13 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

#### CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER

- Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.

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- The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

LEGEND

[Colored box.] HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE

- 14 THE ECHOSTAR/HUGHES MERGER SOURCE: FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002; "REPORT ON CABLE INDUSTRY PRICES," FEDERAL COMMUNICATIONS COMMISSION, FEB. 14, 2001, P. 9, AND DEC. 15, 1997, P. 7

LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

- The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
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- The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Delaware and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

- 15 THE ECHOSTAR/HUGHES MERGER FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002

THE ECHOSTAR/HUGHES MERGER

- Local Channels, All Americans
- One Nation, One Rate Card

## Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

- Eliminates the "Digital Divide"

TRUE COMPETITION FOR 107 MILLION HOUSEHOLDS

16 THE ECHOSTAR/HUGHES MERGER

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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 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)



## Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

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.

17 THE ECHOSTAR/HUGHES MERGER

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### THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN WASHINGTON, D.C.

[ECHOSTAR LOGO]

[HUGHES LOGO]

FEBRUARY 2002

### THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

February 26, 2002

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV(R), today each transmit a total of more than 500 identical channels. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this DUPLICATIVE PROGRAMMING. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast channels with digital-quality television picture and CD-quality sound IN EVERY ONE OF THE 210 TELEVISION MARKETS NATIONWIDE AND SPECIFICALLY THE ONE MARKET IN WASHINGTON, D.C.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed a TECHNICALLY AND COMMERCIALY FEASIBLE PLAN to build, launch and operate spot-beam spacecraft that will serve all 210 Designated

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Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available FREE OF CHARGE to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

CONTINUED...

### 2 THE ECHOSTAR/HUGHES MERGER

....CONTINUED

Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in Washington, D.C., and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in Washington, D.C. to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

# # #

### 3 THE ECHOSTAR/HUGHES MERGER

#### CABLE FRANCHISE AREAS

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##### WASHINGTON, D.C.

- Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Washington, D.C.
- About .1 million of the .2 million TV households in Washington, D.C.

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subscribe to a cable service, which equates to about 57% of all Washington, D.C. households.

[Map of Washington, D.C. with portions in color.]

LEGEND

[Colored box.] Cable Franchise Areas

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4 THE ECHOSTAR/HUGHES MERGER SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS  
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WASHINGTON, D.C.

- Unlike most states in the U.S., the Washington, D.C. area has a competitive multi-channel alternative to cable -- WITH local channels.
- Competitive alternatives to cable did not seriously take form until the launch of DIRECTV(R) in 1994, later joined by DISH Network in 1996.
- DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.
- In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in Washington, D.C. where DIRECTV and DISH Network began delivering local channels.

[Map of Washington, D.C. and certain surrounding states with portions in color and with the phrase "26,000 DBS Subscribers" written across it.]

LEGEND

[Colored box.] Households With Access to DBS With Local Channels

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5 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY  
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- But Washington, D.C. is one of the few lucky areas. 42 million TV households are not served with local channels by DBS. Residents in these markets do not have a true competitive alternative to cable.
- Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.
- Neither DIRECTV nor DISH Network have sufficient spectrum, alone, to provide all local channels as well as the national pay cable networks to viewers in every one of the country's 210 local channel markets.

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[Map of the United States with portions in color and with the phrase "42 Million TV Households Unserved" written across it.]

LEGEND

[Colored box.] Households With No Competitive Alternative Today

6 THE ECHOSTAR/HUGHES MERGER SOURCE: SKYRESEARCH, FEB. 2002; NIELSEN MEDIA RESEARCH, SEPT. 2001; ECHOSTAR AND DIRECTV, JAN. 31, 2002

TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER

- DIRECTV and DISH Network engineering teams have developed a system that is technologically feasible and economically viable for the merged company to deliver full local broadcast service, in all 210 television markets, including full compliance with federal must carry provisions.
- The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market in the country, including Alaska and Hawaii.

[Map of the United States filled entirely with color and with the phrase "107 Million Households" written across it.]

LEGEND

[Colored box.] TV Households With Competitive Alternative After Merger

7 THE ECHOSTAR/HUGHES MERGER SOURCE: FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR, HUGHES, FEB. 2002

WITHOUT MERGER: INEFFICIENT SPECTRUM USE

- The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
- The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
- The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

[119 degrees] [110 degrees] [101 degrees]
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the United States with the phrase "Over 500 Duplicative Channels Today"

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written across it.]

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8 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED  
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WASHINGTON, D.C.

- Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all .2 million TV households in Washington, D.C..

[119 degrees] [110 degrees] [101 degrees]  
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of Washington, D.C. and certain surrounding states with portions in color and the phrase "Local Channels, All .2 Million Households" written across it.]

LEGEND

[Colored box.] DBS Households Served by Local Channels After Merger

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9 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

NATIONAL PRICING  
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- Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
- For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

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10 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL "HAVE NOTS"  
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WASHINGTON, D.C.

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- Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today
- This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data services.

[Map of Washington, D.C. with portions in color.]

### LEGEND

[Colored box.] HOUSEHOLDS WITHOUT BROADBAND ACCESS

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11 THE ECHOSTAR/HUGHES MERGER

SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT," JAN. 2002

MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"

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WASHINGTON, D.C.

- The merger will bridge the digital divide in Washington, D.C. by providing consumers in every community with a competitively priced high-speed "broadband solution" available to them regardless of their location.
- The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- The merger will provide the technical and economic infrastructure to convert every household in Washington, D.C. and the country to a digital "have."

[Map of Washington, D.C. filled entirely with color.]

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12 THE ECHOSTAR/HUGHES MERGER

SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT," JAN. 2002

ONE NATION, ONE DISH

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- Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.

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- An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
- New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
- Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirectTV satellite dish on the side of a house.]

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13 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER  
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- Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.
- The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

LEGEND

[Colored box.] Households With No Competitive Alternative

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14 THE ECHOSTAR/HUGHES MERGER SOURCE: FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002; "REPORT ON CABLE INDUSTRY PRICES," FEDERAL COMMUNICATIONS COMMISSION, FEB. 14, 2001, P. 9, AND DEC. 15, 1997, P. 7

LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS  
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- The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.

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- The merger of EchoStar and HUGHES ensures that prices for video AND data services will be the same throughout the country, whether the market is rural or urban/suburban: "one nation, one rate card."
- The merged company will bridge the "digital divide" by moving satellite high-speed Internet access from its current high-priced niche to being price-competitive with existing providers -- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.
- The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Washington, D.C. and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

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15 THE ECHOSTAR/HUGHES MERGER FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002

THE ECHOSTAR/HUGHES MERGER

- Local Channels, All Americans
- One Nation, One Rate Card
- Eliminates the "Digital Divide"

TRUE COMPETITION FOR 107 MILLION HOUSEHOLDS

16 THE ECHOSTAR/HUGHES MERGER

SEC LEGEND

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.



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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, 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 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.

17 THE ECHOSTAR/HUGHES MERGER

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THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN FLORIDA

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[ECHOSTAR LOGO]

[HUGHES LOGO]

FEBRUARY 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

February 26, 2002

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV(R), today each transmit a total of MORE THAN 500 IDENTICAL CHANNELS. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this DUPLICATIVE PROGRAMMING. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast channels with digital-quality television picture and CD-quality sound IN EVERY ONE OF THE 210 TELEVISION MARKETS NATIONWIDE AND SPECIFICALLY ALL 11 MARKETS IN FLORIDA.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed a TECHNICALLY AND COMMERCIALY FEASIBLE PLAN to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available FREE OF CHARGE to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

CONTINUED...

2 THE ECHOSTAR/HUGHES MERGER

....CONTINUED

Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all

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of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in Florida, and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in Florida to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

# # #

### 3 THE ECHOSTAR/HUGHES MERGER

#### CABLE FRANCHISE AREAS

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##### FLORIDA

- Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Florida.
- About 4.7 million of the 6.2 million TV households in Florida subscribe to a cable service, which equates to about 75% of all Florida households.

[Map of the state of Florida with portions in color.]

##### LEGEND

[Colored box.] Cable Franchise Areas

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### 4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

#### HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

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##### FLORIDA

- In Florida, only those DBS TV households within the Miami-Ft. Lauderdale, Orlando et al, Tampa-St. Pete et al, and W. Palm Beach-Ft. Pierce television markets have a fully competitive multi-channel alternative to cable -- WITH local channels.
- Competitive alternatives to cable did not seriously take form until the launch of DIRECTV(R) in 1994, later joined by DISH Network in 1996.
- DBS offered more channels and superior picture and sound quality

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compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.

- In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in the four markets in Florida in which DIRECTV and DISH Network began delivering local channels.

[Map of the state of Florida and certain surrounding states with portions in color and with the phrase "1,333,000 DBS Subscribers" written across it.]

### LEGEND

[Colored box.] Households With Access to DBS With Local Channels

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5 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

### HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY

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#### FLORIDA

- As shown by this map, Florida TV households outside the Miami-Ft. Lauderdale, Orlando et al, Tampa-St. Pete et al, and W. Palm Beach-Ft. Pierce television markets do not have a true competitive alternative to cable.
- Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.
- Neither DIRECTV nor DISH Network have sufficient spectrum, alone, to provide all local channels as well as the national pay cable networks to viewers in every one of the 11 local channel markets in Florida.

[Map of the state of Florida and certain surrounding states with portions in color and the phrase "7 TV Markets Unserved" written across it.]

### LEGEND

[Colored box.] Households With No Competitive Alternative Today

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6 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

### TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER

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#### FLORIDA

- DIRECTV and DISH Network engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.

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- The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including all 11 markets in Florida.

[Map of the state of Florida and certain surrounding states with portions in color and the phrase "All 11 Markets Served" written across it.]

LEGEND

[Colored box.] TV Households With Competitive Alternative After Merger

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7 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

WITHOUT MERGER: INEFFICIENT SPECTRUM USE

- The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
- The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
- The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

[119 degrees] [110 degrees] [101 degrees]  
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the United States with the phrase "Over 500 Duplicative Channels Today" written across it.]

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8 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

FLORIDA

- Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all 6.2 million TV households in Florida.

[119 degrees] [110 degrees] [101 degrees]  
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the state of Florida and certain surrounding states with portions in color and the phrase "Local Channels, All 6.2 Million Households" written across it.]

LEGEND

[Colored box.] DBS Households Served by Local Channels After Merger

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9 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

NATIONAL PRICING  
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- Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
- For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

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10 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL "HAVE NOTS"  
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FLORIDA

- Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today.
- This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data services.

[Map of the state of Florida with portions in color.]

LEGEND

[Colored box.] Households Without Broadband Access

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11 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT," JAN. 2002

MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"  
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Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

FLORIDA

- The merger will bridge the digital divide in Florida by providing consumers in every community with a competitively priced high-speed "broadband solution" available to them regardless of their location.
- The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- The merger will provide the technical and economic infrastructure to convert every household in Florida and the country to a digital "have."

[Map of the state of Florida filled entirely with color.]

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12 THE ECHOSTAR/HUGHES MERGER

SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT," JAN. 2002

ONE NATION, ONE DISH

- 
- Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.
  - An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
  - New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
  - Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirecTV satellite dish on the side of a house.]

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13 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER

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- Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.

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- Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.
- The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

### LEGEND

[Colored box.] Households With No Competitive Alternative

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14 THE ECHOSTAR/HUGHES MERGER SOURCE: FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002; "REPORT ON CABLE INDUSTRY PRICES," FEDERAL COMMUNICATIONS COMMISSION, FEB. 14, 2001, P. 9, AND DEC. 15, 1997, P. 7

### LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

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- The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
- The merger of EchoStar and HUGHES ensures that prices for video AND data services will be the same throughout the country, whether the market is rural or urban/suburban: "one nation, one rate card."
- The merged company will bridge the "digital divide" by moving satellite high-speed Internet access from its current high-priced niche to being price-competitive with existing providers -- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.
- The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Florida and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

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15 THE ECHOSTAR/HUGHES MERGER FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002



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THE ECHOSTAR/HUGHES MERGER

- Local Channels, All Americans
- One Nation, One Rate Card
- Eliminates the "Digital Divide"

TRUE COMPETITION FOR 107 MILLION HOUSEHOLDS

16 THE ECHOSTAR/HUGHES MERGER

### SEC Legend

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 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

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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.

17 THE ECHOSTAR/HUGHES MERGER

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THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN GEORGIA

[ECHOSTAR LOGO]

[HUGHES LOGO]

FEBRUARY 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

February 26, 2002

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV(R), today each transmit a total of MORE THAN 500 IDENTICAL CHANNELS. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity

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that will result from the elimination of this DUPLICATIVE PROGRAMMING. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast channels with digital-quality television picture and CD-quality sound IN EVERY ONE OF THE 210 TELEVISION MARKETS NATIONWIDE AND SPECIFICALLY ALL 11 MARKETS IN GEORGIA.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed a TECHNICALLY AND COMMERCIALY FEASIBLE PLAN to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available FREE OF CHARGE to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

CONTINUED...

2 THE ECHOSTAR/HUGHES MERGER

....CONTINUED

Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in Georgia, and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow

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all consumers in Georgia to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

# # #

3 THE ECHOSTAR/HUGHES MERGER

### CABLE FRANCHISE AREAS

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#### GEORGIA

- Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Georgia.
- About 2.1 million of the 2.9 million TV households in Georgia subscribe to a cable service, which equates to about 70% of all Georgia households.

[Map of the state of Georgia with portions in color.]

#### LEGEND

[Colored box.] Cable Franchise Areas

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4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

### HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

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#### GEORGIA

- In Georgia, only those DBS TV households within the Atlanta and Greenville et al television markets have a fully competitive multi-channel alternative to cable- WITH local channels.
- Competitive alternatives to cable did not seriously take form until the launch of DIRECTV(R) in 1994, later joined by DISH Network in 1996.
- DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.
- In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in the two markets in Georgia in which DIRECTV and DISH DBS Network began delivering local channels.

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[Map of the state of Georgia and certain surrounding states with portions in color and with the phrase "825,000 DBS Subscribers" written across it.]

LEGEND

[Colored box.] Households With Access To DBS With Local Channels

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5 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY

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GEORGIA

- As shown by this map, Georgia TV households outside the Atlanta and Greenville et al television markets do not have a true competitive alternative to cable.
- Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna- and hope for good reception.
- Neither DIRECTV nor DISH Network have sufficient spectrum, alone, to provide all local channels as well as the national pay cable networks to viewers in every one of the 11 local channel markets in Georgia.

[Map of the state of Georgia and certain surrounding states with portions in color and the phrase "9 TV Markets Unserved" written across it.]

LEGEND

[Colored box.] Households With No Competitive Alternative Today

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6 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER

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GEORGIA

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- DIRECTV and DISHNetwork engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.
- The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative- DBS service with local channels- in EVERY television market across the country, including all 11 markets in Georgia.

[Map of the state of Georgia and certain surrounding states with portions in color and the phrase "All 11 Markets Served" written across it.]

LEGEND

[Colored box.] TV Households With Competitive Alternative After Merger

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7 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001; ECHOSTAR, HUGHES, FEB. 2002

WITHOUT MERGER: INEFFICIENT SPECTRUM USE

- 
- The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
  - The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
  - The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

[119 degrees]                      [110 degrees]                      [101 degrees]  
 [Picture of satellite.]              [Picture of satellite.]              [Picture of satellite.]

[Map of the United States with the phrase "Over 500 Duplicative Channels Today" written across it.]

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8 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

GEORGIA

- Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all 2.9 million TV households in Georgia.

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[119 degrees] [110 degrees] [101 degrees]  
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the state of Georgia and certain surrounding states with portions in color and the phrase "Local Channels, All 2.9 Million Households" written across it.]

LEGEND

[Colored box.] DBS Households Served By Local Channels After Merger

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9 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

NATIONAL PRICING

- 
- Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
  - For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

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10 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL "HAVE NOTS"

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GEORGIA

- Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today

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- This map clearly shows the areas where households do not have access to DSL or cable modem service- the digital "have nots".
- The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data services.

[Map of the state of Georgia with portions in color.]

LEGEND

[Colored box.] Households Without Broadband Access

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11 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT," JAN. 2002

MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"

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GEORGIA

- The merger will bridge the digital divide in Georgia by providing consumers in every community with a competitively priced high-speed "broadband solution" available to them regardless of their location.
- The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- The merger will provide the technical and economic infrastructure to convert every household in Georgia and the country to a digital "have."

[Map of the state of Georgia filled entirely with color.]

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12 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT," JAN. 2002

ONE NATION, ONE DISH

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- Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.
- An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
- New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
- Equipment will be provided to existing DBS customers AT NO CHARGE- including free service call and installation- to receive their new local channels.

[Photo of a man on a ladder installing a DirectTV satellite dish on the side of a house.]

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13 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

### CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER

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- Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.
- The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

#### LEGEND

[Colored box.] Households With No Competitive Alternative

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Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

14 THE ECHOSTAR/HUGHES MERGER SOURCE: FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002; "REPORT ON CABLE INDUSTRY PRICES," FEDERAL COMMUNICATIONS COMMISSION, FEB. 14, 2001, P. 9, AND DEC. 15, 1997, P. 7

LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

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- The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
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- The merged company will bridge the "digital divide" by moving satellite high-speed Internet access from its current high-priced niche to being price-competitive with existing providers- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.
- The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Georgia and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

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15 THE ECHOSTAR/HUGHES MERGER FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002

THE ECHOSTAR/HUGHES MERGER

- Local Channels, All Americans
- One Nation, One Rate Card
- Eliminates the "Digital Divide"

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TRUE COMPETITION FOR 107 MILLION HOUSEHOLD

16 THE ECHOSTAR/HUGHES MERGER

### SEC LEGEND

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17 THE ECHOSTAR/HUGHES MERGER

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THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN HAWAII

[ECHOSTAR LOGO]

[HUGHES LOGO]  
February 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

February 26, 2002

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV(R), today each transmit a total of MORE THAN 500 IDENTICAL CHANNELS. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this DUPLICATIVE PROGRAMMING. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast

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channels with digital-quality television picture and CD-quality sound IN EVERY ONE OF THE 210 TELEVISION MARKETS NATIONWIDE AND SPECIFICALLY THE ONE MARKET IN HAWAII.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed a TECHNICALLY AND COMMERCIALY FEASIBLE PLAN to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available FREE OF CHARGE to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

CONTINUED...

### 2 THE ECHOSTAR/HUGHES MERGER

....CONTINUED

Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in Hawaii, and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in Hawaii to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

# # #

### 3 THE ECHOSTAR/HUGHES MERGER

## Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

### CABLE FRANCHISE AREAS

#### HAWAII

- Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Hawaii.
- About .3 million of the .4 million TV households in Hawaii subscribe to a cable service, which equates to about 88% of all Hawaii households.

[Map of the state of Hawaii with portions in color.]

#### LEGEND

[Colored box.] Cable Franchise Areas

4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

### HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

- Today only 65 million TV households, those within the 42 television markets served by DIRECTV and DISH Network, have a fully competitive multi-channel alternative to cable -- with local channels.
- Competitive alternatives to cable did not seriously take form until the launch of DIRECTV in 1994, later joined by DISH Network in 1996.
- DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.
- In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in those markets in which DIRECTV and DISH Network began delivering local channels.

65 MILLION HOUSEHOLDS

[Map of the United States with portions in color.]

#### LEGEND

[Colored box.] Households With Access to DBS With Local Channels

5 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002;  
NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

### HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY

#### HAWAII

- As shown by this map, Hawaii TV households do not have a true competitive alternative to cable.
- Customers who live in markets in which DBS does not provide local

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channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.

- Neither DIRECTV nor DISH Network, alone, have sufficient spectrum, to provide any local channels to the one local market in Hawaii.

[Map of the state of Hawaii filled entirely with color and the phrase "1 TV Market Unserved" written across it.]

### LEGEND

[Colored box.] Households With No Competitive Alternative Today

- 6 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

### TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER

#### HAWAII

- DIRECTV and DISH Network engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.
- The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including the 1 market in Hawaii.

[Map of the state of Hawaii filled entirely with color and the phrase "1 Market Served" written across it.]

### LEGEND

[Colored box.] TV Households With Competitive Alternative After Merger

- 7 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

### WITHOUT MERGER: INEFFICIENT SPECTRUM USE

- The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
- The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
- The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

[119 degrees]

[Picture of satellite.]

[110 degrees]

[Picture of satellite.]

[101 degrees]

[Picture of satellite.]

[Map of the United States with the phrase "Over 500 Duplicative Channels Today" written across it.]

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8 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

HAWAII

- Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all .4 million TV households in Hawaii.

[119 degrees]

[110 degrees]

[101 degrees]

[Picture of satellite.]

[Picture of satellite.]

[Picture of satellite.]

[Map of the state of Hawaii with portions in color and the phrase "Local Channels, All .4 Million Households" written across it.]

LEGEND

[Colored box.] DBS Households Served by Local Channels After Merger

9 THE ECHOSTAR/HUGHES MERGER

SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

NATIONAL PRICING

- Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
- For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

10 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL "HAVE NOTS"

HAWAII

- Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today.
- This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data



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services.

[Map of the state of Hawaii with portions in color.]

### LEGEND

[Colored box.] HOUSEHOLDS WITHOUT BROADBAND ACCESS

- 11 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT," JAN. 2002

### MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"

#### HAWAII

- The merger will bridge the digital divide in Hawaii by providing consumers in every community with a competitively priced high-speed "broadband solution" available to them regardless of their location.
- The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- The merger will provide the technical and economic infrastructure to convert every household in Hawaii and the country to a digital "have."

[Map of the state of Hawaii filled entirely with color.]

- 12 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT," JAN. 2002

### ONE NATION, ONE DISH

- Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.
- An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
- New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
- Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirecTV satellite dish on the side of a house.]

- 13 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

### CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER

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- Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.
- The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

### LEGEND

[Colored box.] Households With No Competitive Alternative

- 14 THE ECHOSTAR/HUGHES MERGER                      SOURCE: FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002; "REPORT ON CABLE INDUSTRY PRICES," FEDERAL COMMUNICATIONS COMMISSION, FEB. 14, 2001, P. 9, AND DEC. 15, 1997, P. 7

### LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

- The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
- The merger of EchoStar and HUGHES ensures that prices for video AND data services will be the same throughout the country, whether the market is rural or urban/suburban: "one nation, one rate card."
- The merged company will bridge the "digital divide" by moving satellite high-speed Internet access from its current high-priced niche to being price-competitive with existing providers -- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.
- The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Hawaii and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

- 15 THE ECHOSTAR/HUGHES MERGER                      FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002

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### THE ECHOSTAR/HUGHES MERGER

- Local Channels, All Americans
- One Nation, One Rate Card
- Eliminates the "Digital Divide"

### TRUE COMPETITION FOR 107 MILLION HOUSEHOLDS

### 16 THE ECHOSTAR/HUGHES MERGER

#### SEC LEGEND

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 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)

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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.

17 THE ECHOSTAR/HUGHES MERGER

\* \* \* \*

THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN IDAHO

[ECHOSTAR LOGO]

[HUGHES LOGO]

February 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

February 26, 2002

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV(R), today each transmit a total of MORE THAN 500 IDENTICAL CHANNELS. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this DUPLICATIVE PROGRAMMING. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast channels with digital-quality television picture and CD-quality sound IN EVERY ONE OF THE 210 TELEVISION MARKETS NATIONWIDE AND SPECIFICALLY ALL 5 MARKETS IN IDAHO.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of a "Local Channels, All Americans" plan by which the

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merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed a TECHNICALLY AND COMMERCIALY FEASIBLE PLAN to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available FREE OF CHARGE to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

Continued...

### 2 The EchoStar/HUGHES Merger

...Continued

Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in Idaho, and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in Idaho to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

# # #

### 3 The EchoStar/HUGHES Merger

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### CABLE FRANCHISE AREAS

#### IDAHO

- Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Idaho.
- About .2 million of the .5 million TV households in Idaho subscribe to a cable service, which equates to about 50% of all Idaho households.

[Map of the state of Idaho with portions in color.]

#### LEGEND

[Colored box.] Cable Franchise Areas

Source: SkyResearch, Feb. 2002

- 4 The EchoStar/HUGHES Merger

### HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

#### IDAHO

- In Idaho, only those DBS TV households within the Salt Lake City television market have a fully competitive multi-channel alternative to cable -- with local channels.
- Competitive alternatives to cable did not seriously take form until the launch of DIRECTV(R) in 1994, later joined by DISH Network in 1996.
- DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.
- In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in the one market in Idaho in which DIRECTV and DISH Network began delivering local channels.

[Map of the state of Idaho and certain surrounding states with portions in color and with the phrase "145,000 DBS Subscribers" written across it.]

#### LEGEND

[Colored box.] Households With Access to DBS With Local Channels

- 5 The EchoStar/HUGHES Merger Source: Nielsen Media Research, Sept. 2001; SkyResearch, Feb. 2002; EchoStar and DIRECTV, Jan. 31, 2002

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### HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY

#### IDAHO

- As shown by this map, Idaho TV households outside the Salt Lake City television market do not have a true competitive alternative to cable.
- Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.
- Neither DIRECTV nor DISH Network have sufficient spectrum, alone, to provide all local channels as well as the national pay cable networks to viewers in every one of the 5 local channel markets in Idaho.

[Map of the state of Idaho and certain surrounding states with portions in color and the phrase "4 TV Markets Unserved" written across it.]

#### LEGEND

[Colored box.] Households With No Competitive Alternative Today

- 6            The EchoStar/HUGHES Merger    Source: Nielsen Media Research, Sept. 2001; SkyResearch, Feb. 2002; EchoStar and DIRECTV, Jan. 31, 2002

### TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER

#### IDAHO

- DIRECTV and DISH Network engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.
- The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including all 5 markets in Idaho.

[Map of the state of Idaho and certain surrounding states with portions in color and the phrase "All 5 Markets Served" written across it.]

#### LEGEND

[Colored box.] TV Households With Competitive Alternative After Merger

- 7            The EchoStar/HUGHES Merger    Source: Nielsen Media Research, Sept. 2001; EchoStar, HUGHES, Feb. 2002

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### WITHOUT MERGER: INEFFICIENT SPECTRUM USE

- The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
- The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
- The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

[119 degrees]

[Picture of satellite.]

[110 degrees]

[Picture of satellite.]

[101 degrees]

[Picture of satellite.]

[Map of the United States with the phrase "Over 500 Duplicative Channels Today" written across it.]

8 The EchoStar/HUGHES Merger Source: EchoStar, HUGHES, Feb. 2002

### WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

#### IDAHO

- Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all .5 million TV households in Idaho.

[119 degrees]

[Picture of satellite.]

[110 degrees]

[Picture of satellite.]

[101 degrees]

[Picture of satellite.]

[Map of the state of Idaho and certain surrounding states with portions in color and the phrase "Local Channels, All .5 Million Households" written across it.]

#### LEGEND

[Colored box.] DBS Households Served by Local Channels After Merger

9 The EchoStar/HUGHES Merger Source: Nielsen Media Research, Sept. 2001; EchoStar, HUGHES, Feb. 2002

### NATIONAL PRICING

- Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
- For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident



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of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

10            The EchoStar/HUGHES Merger            Source: EchoStar, HUGHES, Feb. 2002

### BROADBAND: THE DIGITAL "HAVE NOTS"

#### IDAHO

- Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today.
- This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data services.

[Map of the state of Idaho with portions in color.]

#### LEGEND

[Colored box.] Households Without Broadband Access

11            The EchoStar/HUGHES Merger            Source: The Buxton Company, "Broadband Deployment," Jan. 2002

### MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"

#### IDAHO

- The merger will bridge the digital divide in Idaho by providing consumers in every community with a competitively priced high-speed "broadband solution" available to them regardless of their location.
- The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- The merger will provide the technical and economic infrastructure to convert every household in Idaho and the country to a digital "have."

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[Map of the state of Idaho filled entirely with color.]

12            The EchoStar/HUGHES Merger            Source: The Buxton Company, "Broadband Deployment," Jan. 2002

### ONE NATION, ONE DISH

- Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.
- An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
- New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
- Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirecTV satellite dish on the side of a house.]

13            The EchoStar/HUGHES Merger            Source: EchoStar, HUGHES, Feb. 2002

### CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER

- Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.
- The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

#### LEGEND

[Colored box.] Households With No Competitive Alternative

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- 14            The EchoStar/HUGHES Merger            Source: FCC Eighth Annual Report, "Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming," Jan. 14, 2002, pp. 11, 87; EchoStar and DIRECTV, Jan. 31, 2002; "Report on Cable Industry Prices," Federal Communications Commission, Feb. 14, 2001, p. 9, and Dec. 15, 1997, p. 7

LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

- The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
- The merger of EchoStar and HUGHES ensures that prices for video and data services will be the same throughout the country, whether the market is rural or urban/suburban: "one nation, one rate card."
- The merged company will bridge the "digital divide" by moving satellite high-speed Internet access from its current high-priced niche to being price-competitive with existing providers -- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.
- The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Idaho and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

107 MILLION HOUSEHOLDS

- 15            The EchoStar/HUGHES Merger            FCC Eighth Annual Report, "Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming," Jan. 14, 2002, pp. 11, 87; EchoStar and DIRECTV, Jan. 31, 2002

THE ECHOSTAR/HUGHES MERGER

- Local Channels, All Americans
- One Nation, One Rate Card
- Eliminates the "Digital Divide"

TRUE COMPETITION FOR 107 MILLION HOUSEHOLDS

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16 The EchoStar/HUGHES Merger

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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 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

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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.

17           The EchoStar/HUGHES Merger

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### THE ECHOSTAR/HUGHES MERGER

#### LOCAL CHANNELS AND COMPETITIVE BROADBAND FOR ALL CONSUMERS IN ILLINOIS

[ECHOSTAR LOGO]

[HUGHES LOGO]

February 2002

### THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

February 26, 2002

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV(R), today each transmit a total of MORE THAN 500 IDENTICAL CHANNELS. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this DUPLICATIVE PROGRAMMING. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast channels with digital-quality television picture and CD-quality sound IN EVERY ONE OF THE 210 TELEVISION MARKETS NATIONWIDE AND SPECIFICALLY ALL 10 MARKETS IN ILLINOIS.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed a TECHNICALLY AND COMMERCIALY FEASIBLE PLAN to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

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New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available FREE OF CHARGE to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

Continued...

### 2 The EchoStar/HUGHES Merger

...Continued

Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in Illinois, and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in Illinois to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

# # #

### 3 The EchoStar/HUGHES Merger

#### CABLE FRANCHISE AREAS

##### ILLINOIS

- Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Illinois.
- About 2.9 million of the 4.4 million TV households in Illinois

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subscribe to a cable service, which equates to about 65% of all Illinois households.

[Map of the state of Illinois with portions in color.]

### LEGEND

[Colored box.] Cable Franchise Areas

Source: SkyResearch, Feb. 2002

## 4 The EchoStar/HUGHES Merger

### HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

#### ILLINOIS

- In Illinois, only those DBS TV households within the Chicago and St. Louis television markets have a fully competitive multi-channel alternative to cable -- WITH local channels.
- Competitive alternatives to cable did not seriously take form until the launch of DIRECTV(R) in 1994, later joined by DISH Network in 1996.
- DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.
- In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in the two markets in Illinois in which DIRECTV and DISH Network began delivering local channels.

[Map of the state of Illinois and certain surrounding states with portions in color and with the phrase "847,000 DBS Subscribers" written across it.]

### LEGEND

[Colored box.] Households With Access to DBS With Local Channels

Source: Nielsen Media Research, Sept. 2001; SkyResearch, Feb. 2002; EchoStar and DIRECTV, Jan. 31, 2002

## 5 The EchoStar/HUGHES Merger

### HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY

#### ILLINOIS

- As shown by this map, Illinois TV households outside the Chicago and St. Louis television markets do not have a true competitive alternative to cable.
- Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.
- Neither DIRECTV nor DISH Network have sufficient spectrum, alone, to provide all local channels as well as the national pay cable networks

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to viewers in every one of the 10 local channel markets in Illinois.

[Map of the state of Illinois and certain surrounding states with portions in color and the phrase "8 TV Markets Unserved" written across it.]

### LEGEND

[Colored box.] Households With No Competitive Alternative Today

Source: Nielsen Media Research, Sept. 2001; SkyResearch, Feb. 2002; EchoStar and DIRECTV, Jan. 31, 2002

## 6 The EchoStar/HUGHES Merger

### TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER

#### ILLINOIS

- DIRECTV and DISH Network engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.
- The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including all 10 markets in Illinois.

[Map of the state of Illinois and certain surrounding states with portions in color and the phrase "All 10 Markets Served" written across it.]

### LEGEND

[Colored box.] TV Households With Competitive Alternative After Merger

Source: Nielsen Media Research, Sept. 2001; EchoStar, HUGHES, Feb. 2002

## 7 The EchoStar/HUGHES Merger

### WITHOUT MERGER: INEFFICIENT SPECTRUM USE

- The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
- The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
- The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

[119 degrees]

[Picture of satellite.]

[110 degrees]

[Picture of satellite.]

[101 degrees]

[Picture of satellite.]

[Map of the United States with the phrase "Over 500 Duplicative Channels Today"]



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written across it.]

Source: EchoStar, HUGHES, Feb. 2002

8 The EchoStar/HUGHES Merger

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

ILLINOIS

- Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all 4.4 million TV households in Illinois.

[119 degrees]

[110 degrees]

[101 degrees]

[Picture of satellite.]

[Picture of satellite.]

[Picture of satellite.]

[Map of the state Illinois and certain surrounding states with portions in color and the phrase "Local Channels, All 4.4 Million Households" written across it.]

LEGEND

[Colored box.] DBS Households Served by Local Channels After Merger

Source: Nielsen Media Research, Sept. 2001; EchoStar, HUGHES, Feb. 2002

9 The EchoStar/HUGHES Merger

NATIONAL PRICING

- Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
- For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

10 The EchoStar/HUGHES Merger

Source: EchoStar, HUGHES, Feb. 2002

BROADBAND: THE DIGITAL "HAVE NOTS"

ILLINOIS

- Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the

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so-called "digital divide" that exists in the "wired" world today

- This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly- priced, bundled video and high-speed data services.

[Map of the state of Illinois with portions in color.]

### LEGEND

[Colored box.] Households Without Broadband Access

Source: The Buxton Company, "Broadband Deployment," Jan. 2002

## 11 The EchoStar/HUGHES Merger

### MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"

#### ILLINOIS

- The merger will bridge the digital divide in Illinois by providing consumers in every community with a competitively priced high- speed "broadband solution" available to them regardless of their location.
- The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- The merger will provide the technical and economic infrastructure to convert every household in Illinois and the country to a digital "have."

[Map of the state of Illinois filled entirely with color.]

Source: The Buxton Company, "Broadband Deployment," Jan. 2002

## 12 The EchoStar/HUGHES Merger

### ONE NATION, ONE DISH

- Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.
- An 18 x 22-inch dish will enable the receipt of signals from the merged

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company's three orbital slots.

- New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
- Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirectTV satellite dish on the side of a house.]

Source: EchoStar, HUGHES, Feb. 2002

### 13 The EchoStar/HUGHES Merger

#### CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER

- Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.
- The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

#### LEGEND

[Colored box.] Households With No Competitive Alternative

- 14 The EchoStar/HUGHES Merger
- Source: FCC Eighth Annual Report, "Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming," Jan. 14, 2002, pp. 11, 87; EchoStar and DIRECTV, Jan. 31, 2002; "Report on Cable Industry Prices," Federal Communications Commission, Feb. 14, 2001, p. 9, and Dec. 15, 1997, p. 7

#### LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

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- The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
- The merger of EchoStar and HUGHES ensures that prices for video and data services will be the same throughout the country, whether the market is rural or urban/suburban: "one nation, one rate card."
- The merged company will bridge the "digital divide" by moving satellite high-speed Internet access from its current high-priced niche to being price-competitive with existing providers -- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.
- The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Illinois and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

FCC Eighth Annual Report, "Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming," Jan. 14, 2002, pp. 11, 87; EchoStar and DIRECTV, Jan. 31, 2002

15 The EchoStar/HUGHES Merger

### THE ECHOSTAR/HUGHES MERGER

- Local Channels, All Americans
- One Nation, One Rate Card
- Eliminates the "Digital Divide"

TRUE COMPETITION FOR 107 MILLION HOUSEHOLDS

16 The EchoStar/HUGHES Merger

### SEC LEGEND

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.

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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.

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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 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.

\* \* \* \*

THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN INDIANA

[ECHOSTAR LOGO]

[HUGUES LOGO]

February 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

February 26, 2002

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV(R), today each transmit a total of MORE THAN 500 IDENTICAL CHANNELS. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this DUPLICATIVE PROGRAMMING. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast channels with digital-quality television picture and CD-quality sound IN EVERY ONE OF THE 210 TELEVISION MARKETS NATIONWIDE AND SPECIFICALLY ALL 10 MARKETS IN INDIANA.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed A TECHNICALLY AND COMMERCIALY

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FEASIBLE PLAN to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available FREE OF CHARGE to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

Continued...

### 2 The EchoStar/HUGHES Merger

...Continued

Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in Indiana, and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in Indiana to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

# # #

### 3 The EchoStar/HUGHES Merger

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### CABLE FRANCHISE AREAS

#### INDIANA

- Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Indiana.
- About 1.4 million of the 2.3 million TV households in Indiana subscribe to a cable service, which equates to about 63% of all Indiana households.

[Map of the state of Indiana with portions in color.]

#### Legend

[Colored box.] Cable Franchise Areas

4 The EchoStar/HUGHES Merger

Source: SkyResearch, Feb. 2002

### HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

#### INDIANA

- In Indiana, only those DBS TV households within the Chicago, Cincinnati and Indianapolis television markets have a fully competitive multi-channel alternative to cable -- WITH local channels.
- Competitive alternatives to cable did not seriously take form until the launch of DIRECTV(R) in 1994, later joined by DISH Network in 1996.
- DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.
- In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in the three markets in Indiana in which DIRECTV and DISH Network began delivering local channels.

[Map of the state of Indiana and certain surrounding states with portions in color and with the phrase "612,000 DBS Subscribers" written across it.]

#### LEGEND

[Colored box.] Households With Access to DBS With Local Channels

5 The EchoStar/HUGHES Merger

Source: Nielsen Media Research, Sept. 2001;  
SkyResearch, Feb. 2002; EchoStar and



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DIRECTV, Jan. 31, 2002

HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY

INDIANA

- As shown by this map, Indiana TV households outside the Chicago, Cincinnati and Indianapolis television markets do not have a true competitive alternative to cable.
- Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.
- Neither DIRECTV nor DISH Network have sufficient spectrum, alone, to provide all local channels as well as the national pay cable networks to viewers in every one of the 10 local channel markets in Indiana.

[Map of the state of Indiana and certain surrounding states with portions in color and the phrase "7 TV Markets Unserved" written across it.]

LEGEND

[Colored box.] Households With No Competitive Alternative Today

- 6 The EchoStar/HUGHES Merger Source: Nielsen Media Research, Sept. 2001; SkyResearch, Feb. 2002; EchoStar and DIRECTV, Jan. 31, 2002

TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER

INDIANA

- DIRECTV and DISH Network engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.
- The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including all 10 markets in Indiana.

[Map of the state of Indiana and certain surrounding states with portions in color and the phrase "All 10 Markets Served" written across it.]

Legend

[Colored box.] TV Households With Competitive Alternative After Merger

- 7 The EchoStar/HUGHES Merger Source: Nielsen Media Research, Sept. 2001; EchoStar, HUGHES, Feb. 2002

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WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

INDIANA

- Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all 2.3 million TV households in Indiana.

[119 degrees]                      [110 degrees]                      [101 degrees]  
[Picture of satellite.]            [Picture of satellite.]            [Picture of satellite.]

[Map of the state of Indiana and certain surrounding states with portions in color and the phrase "Local Channels, All 2.3 Million Households" written across it.]

LEGEND

[Colored box.] DBS Households Served by Local Channels After Merger

- 9    The EchoStar/HUGHES Merger                      Source: Nielsen Media Research, Sept. 2001; EchoStar, HUGHES, Feb. 2002

NATIONAL PRICING

- Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
- For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

- 10   The EchoStar/HUGHES Merger                      Source: EchoStar/HUGHES, Feb. 2002

BROADBAND: THE DIGITAL "HAVE NOTS"

INDIANA

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- Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today
- This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly- priced, bundled video and high-speed data services.

[Map of the state of Indiana with portions in color.]

### LEGEND

[Colored box.] Households Without Broadband Access

- 11 The EchoStar/HUGHES Merger                      Source: The Buxton Company, "Broadband Deployment," Jan. 2002

## MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"

### INDIANA

- The merger will bridge the digital divide in Indiana by providing consumers in every community with a competitively priced high- speed "broadband solution" available to them regardless of their location.
- The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- The merger will provide the technical and economic infrastructure to convert every household in Indiana and the country to a digital "have."

[Map of the state of Indiana filled entirely with color.]

- 12 The EchoStar/HUGHES Merger                      Source: The Buxton Company, "Broadband Deployment," Jan. 2002

## ONE NATION, ONE DISH

- Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one

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consumer-friendly mini-dish.

- An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
- New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
- Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirecTV satellite dish on the side of a house.]

13 The EchoStar/HUGHES Merger Source: EchoStar, HUGHES, Feb. 2002

### CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER

- Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.
- The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

#### LEGEND

[Colored box.] Households With No Competitive Alternative

14 The EchoStar/HUGHES Merger Source: FCC Eighth Annual Report, "Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming," Jan. 14, 2002, pp. 11, 87; EchoStar and DIRECTV, Jan. 31, 2002; "Report on Cable Industry Prices," Federal Communications Commission, Feb. 14, 2001, p. 9, and Dec. 15, 1997, p. 7

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### LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

- The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
- The merger of EchoStar and HUGHES ensures that prices for video AND data services will be the same throughout the country, whether the market is rural or urban/suburban: "one nation, one rate card."
- The merged company will bridge the "digital divide" by moving satellite high-speed Internet access from its current high-priced niche to being price-competitive with existing providers -- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.
- The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Indiana and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

- 15    The EchoStar/HUGHES Merger                    FCC Eighth Annual Report "Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming," Jan. 14, 2002, pp. 11, 87; EchoStar and DIRECTV, Jan. 31, 2002

### THE ECHOSTAR/HUGHES MERGER

- Local Channels, All Americans
- One Nation, One Rate Card
- Eliminates the "Digital Divide"

### TRUE COMPETITION FOR 107 MILLION HOUSEHOLDS

- 16    The EchoStar/HUGHES Merger

### SEC LEGEND

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.

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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 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.

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THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN IOWA

[ECHOSTAR LOGO]

[HUGHES LOGO]

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February 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

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February 26, 2002

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV(R), today each transmit a total of MORE THAN 500 IDENTICAL CHANNELS. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this DUPLICATIVE PROGRAMMING. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast channels with digital-quality television picture and CD-quality sound IN EVERY ONE OF THE 210 TELEVISION MARKETS NATIONWIDE AND SPECIFICALLY ALL 10 MARKETS IN IOWA.

Subsequent to the announcement of the merger agreement on October 28,

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2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed a TECHNICALLY AND COMMERCIALY FEASIBLE PLAN to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available FREE OF CHARGE to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

CONTINUED...

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2 THE ECHOSTAR/HUGHES MERGER

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...CONTINUED

Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in Iowa, and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in Iowa to receive their full complement of local channels and national entertainment



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networks, as well as provide a new source of meaningful satellite-based broadband competition.

# # #

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### 3 THE ECHOSTAR/HUGHES MERGER

#### CABLE FRANCHISE AREAS

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##### IOWA

- Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Iowa.
- About .7 million of the 1.1 million TV households in Iowa subscribe to a cable service, which equates to about 64% of all Iowa households.

[Map of the state of Iowa with portions in color.]

##### LEGEND

[Colored box.] Cable Franchise Areas

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### 4 THE ECHOSTAR/HUGHES MERGER SOURCE: SKYRESEARCH, FEB. 2002

#### HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

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- Today only 65 million TV households, those within the 42 television markets served by DIRECTV and DISH Network, have a fully competitive multi-channel alternative to cable -- with local channels.
- Competitive alternatives to cable did not seriously take form until the launch of DIRECTV in 1994, later joined by DISH Network in 1996.
- DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.
- In 1999, Congress changed the law, allowing satellite carriers to offer

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local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in those markets in which DIRECTV and DISH Network began delivering local channels.

65 MILLION HOUSEHOLDS

[Map of the United States with portions in color.]

LEGEND

[Colored box.] Households With Access to DBS With Local Channels

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5 THE ECHOSTAR/HUGHES MERGER SOURCE: SKYRESEARCH, FEB. 2002; NIELSEN MEDIA RESEARCH, SEPT. 2001; ECHOSTAR AND DIRECTV, JAN. 31, 2002

HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY

[IOWA]

- As shown by this map, Iowa TV households do not have a true competitive alternative to cable.
- Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.
- Neither DIRECTV nor DISH Network, alone, have sufficient spectrum to provide any local channels to any of the 10 local markets in Iowa.

[Map of the state of Iowa and certain surrounding states with portions in color and the phrase "10 TV Markets Unserved" written across it.]

LEGEND

[Colored box.] Households With No Competitive Alternative Today

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6 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001; SKYRESEARCH, FEB. 2002; ECHOSTAR AND DIRECTV, JAN. 31, 2002

TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER

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[IOWA]

- DIRECTV and DISH Network engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.
- The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including all 10 markets in Iowa.

[Map of the state of Iowa and certain surrounding states with portions in color and the phrase "All 10 Markets Served" written across it.]

LEGEND

[Colored box.] TV Households With Competitive Alternative After Merger

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7 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001; ECHOSTAR, HUGHES, FEB. 2002

WITHOUT MERGER: INEFFICIENT SPECTRUM USE

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- The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
- The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
- The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

[119 degrees]

[Picture of satellite.]

[110 degrees]

[Picture of satellite.]

[101 degrees]

[Picture of satellite.]

[Map of the United States with the phrase "Over 500 Duplicative Channels Today" written across it.]

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8 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

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[IOWA]

- Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all 1.1 million TV households in Iowa.

[119 degrees]

[Picture of satellite.]

[110 degrees]

[Picture of satellite.]

[101 degrees]

[Picture of satellite.]

[Map of the state of Iowa and certain surrounding states with portions in color and the phrase "Local Channels, All 1.1 Million Households" written across it.]

LEGEND

[Colored box.] DBS Households Served by Local Channels After Merger

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9 THE ECHOSTAR/HUGHES MERGER

SOURCE: NIELSEN MEDIA RESEARCH,  
SEPT. 2001; ECHOSTAR, HUGHES,  
FEB. 2002

NATIONAL PRICING

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- Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
- For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

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10 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL "HAVE NOTS"

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[IOWA]

- Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today.
- This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data services.

[Map of the state of Iowa with portions in color.]

LEGEND

[Colored box.] Households Without Broadband Access

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11 THE ECHOSTAR/HUGHES MERGER

SOURCE: THE BUXTON COMPANY, "BROADBAND DEPLOYMENT," JAN. 2002

MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"

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[IOWA]

- The merger will bridge the digital divide in Iowa by providing consumers in every community with a competitively priced high-speed "broadband solution" available to them regardless of their location.
- The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- The merger will provide the technical and economic infrastructure to convert every household in Iowa and the country to a digital "have."

[Map of the state of Iowa filled entirely with color.]

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12 THE ECHOSTAR/HUGHES MERGER

SOURCE: THE BUXTON COMPANY, "BROADBAND DEPLOYMENT," JAN. 2002

ONE NATION, ONE DISH

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- Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.
- An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
- New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
- Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local

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channels.

[Photo of a man on a ladder installing a DirectTV satellite dish  
on the side of a house.]

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13 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

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CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER

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- Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.
- The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

LEGEND

[Colored box.] Households With No Competitive Alternative

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14 THE ECHOSTAR/HUGHES MERGER

SOURCE: FCC EIGHTH ANNUAL REPORT,  
"ANNUAL ASSESSMENT OF THE STATUS  
OF COMPETITION IN THE MARKET FOR  
THE DELIVERY OF VIDEO  
PROGRAMMING," JAN. 14, 2002, PP.  
11, 87; ECHOSTAR AND DIRECTV,  
JAN. 31, 2002; "REPORT ON CABLE  
INDUSTRY PRICES," FEDERAL  
COMMUNICATIONS COMMISSION, FEB.  
14, 2001, P. 9, AND DEC. 15,  
1997, P. 7

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### LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

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- The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
- The merger of EchoStar and HUGHES ensures that prices for video and data services will be the same throughout the country, whether the market is rural or urban/suburban: "one nation, one rate card."
- The merged company will bridge the "digital divide" by moving satellite high-speed Internet access from its current high-priced niche to being price-competitive with existing providers -- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.
- The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Iowa and all Americans.

[Map of the United States with the phrase "107 Million Households"  
written across it.]

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15 THE ECHOSTAR/HUGHES MERGER

FCC EIGHTH ANNUAL REPORT, "ANNUAL  
ASSESSMENT OF THE STATUS OF COMPETITION  
IN THE MARKET FOR THE DELIVERY OF VIDEO  
PROGRAMMING," JAN. 14, 2002, PP. 11, 87;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

THE ECHOSTAR/HUGHES MERGER

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- Local Channels, All Americans
- One Nation, One Rate Card
- Eliminates the "Digital Divide"

TRUE COMPETITION FOR 107 MILLION HOUSEHOLDS

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16 THE ECHOSTAR/HUGHES MERGER



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### SEC LEGEND

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17 THE ECHOSTAR/HUGHES MERGER

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THE ECHOSTAR/HUGHES MERGER  
LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN KANSAS

[ECHOSTAR LOGO]

[HUGHES LOGO]

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February 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

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February 26, 2002

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Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of

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a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed a TECHNICALLY AND COMMERCIALY FEASIBLE PLAN to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

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CONTINUED...

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2 THE ECHOSTAR/HUGHES MERGER

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...CONTINUED

Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

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The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in Kansas to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

# # #

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3 THE ECHOSTAR/HUGHES MERGER

CABLE FRANCHISE AREAS  
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KANSAS

- Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Kansas.
- About .7 million of the 1 million TV households in Kansas subscribe to a cable service, which equates to about 69% of all Kansas households.

[Map of the state of Kansas with portions in color.]

LEGEND

[Colored box.] Cable Franchise Areas

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4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS  
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KANSAS

- In Kansas, only those DBS TV households within the Kansas City television market have a fully competitive multi-channel alternative to cable -- WITH local channels.
- Competitive alternatives to cable did not seriously take form until the launch of DIRECTV(R) in 1994, later joined by DISH Network in 1996.
- DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.
- In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in the one market in Kansas in which DIRECTV and DISH Network began delivering local channels.

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[Map of the state of Kansas and certain surrounding states with portions in color and with the phrase "217,000 DBS Subscribers" written across it.]

LEGEND

[Colored box.] Households With Access to DBS With Local Channels

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5 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY

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KANSAS

- As shown by this map, Kansas TV households outside the Kansas City television market do not have a true competitive alternative to cable.
- Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.
- Neither DIRECTV nor DISH Network have sufficient spectrum, alone, to provide all local channels as well as the national pay cable networks to viewers in every one of the 8 local channel markets in Kansas.

[Map of the state of Kansas and certain surrounding states with portions in color and the phrase "7 TV Markets Unserved" written across it.]

LEGEND

[Colored box.] Households With No Competitive Alternative Today

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6 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER

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KANSAS

Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

- DIRECTV and DISH Network engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.
- The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including all 8 markets in Kansas.

[Map of the state of Kansas and certain surrounding states with portions in color and the phrase "All 8 Markets Served" written across it.]

LEGEND

[Colored box.] TV Households With Competitive Alternative After Merger

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7 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

WITHOUT MERGER: INEFFICIENT SPECTRUM USE

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- The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
- The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
- The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

[119 degrees] [110 degrees] [101 degrees]  
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the United States with the phrase "Over 500 Duplicative Channels Today" written across it.]

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8 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

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Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

KANSAS

- Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all 1 million TV households in Kansas.

[119 degrees] [110 degrees] [101 degrees]  
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the state of Kansas and certain surrounding states with portions in color and the phrase "Local Channels, All 1 Million Households" written across it.]

LEGEND

[Colored box.] DBS Households Served by Local Channels After Merger

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9 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

NATIONAL PRICING

- 
- Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
  - For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

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10 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL "HAVE NOTS"

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KANSAS

- Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today.
- This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data services.

[Map of the state of Kansas with portions in color.]

LEGEND

[Colored box.] Households Without Broadband Access

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11 THE ECHOSTAR/HUGHES MERGER

SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT," JAN. 2002

MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"

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KANSAS

- The merger will bridge the digital divide in Kansas by providing consumers in every community with a competitively priced high-speed "broadband solution" available to them regardless of their location.
- The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- The merger will provide the technical and economic infrastructure to convert every household in Kansas and the country to a digital "have."

[Map of the state of Kansas filled entirely with color.]



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12 THE ECHOSTAR/HUGHES MERGER

SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT," JAN. 2002

ONE NATION, ONE DISH  
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- Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.
- An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
- New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
- Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirecTV satellite dish on the side of a house.]

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13 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER  
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- Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.
- The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.

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- The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

### LEGEND

[Colored box.] Households With No Competitive Alternative

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14 THE ECHOSTAR/HUGHES MERGER

SOURCE: FCC EIGHTH ANNUAL REPORT,  
"ANNUAL ASSESSMENT OF THE STATUS OF  
COMPETITION IN THE MARKET FOR THE  
DELIVERY OF VIDEO PROGRAMMING,"  
JAN. 14, 2002, PP. 11, 87;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002;  
"REPORT ON CABLE INDUSTRY PRICES,"  
FEDERAL COMMUNICATIONS COMMISSION,  
FEB. 14, 2001, P. 9, AND  
DEC. 15, 1997, P. 7

### LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

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- The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
- The merger of EchoStar and HUGHES ensures that prices for video AND data services will be the same throughout the country, whether the market is rural or urban/suburban: "one nation, one rate card."
- The merged company will bridge the "digital divide" by moving satellite high-speed Internet access from its current high-priced niche to being price-competitive with existing providers -- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.
- The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Kansas and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

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15 THE ECHOSTAR/HUGHES MERGER

FCC EIGHTH ANNUAL REPORT, "ANNUAL  
ASSESSMENT OF THE STATUS OF COMPETITION  
IN THE MARKET FOR THE DELIVERY OF VIDEO  
PROGRAMMING," JAN. 14, 2002, PP. 11, 87;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

THE ECHOSTAR/HUGHES MERGER  
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- Local Channels, All Americans
- One Nation, One Rate Card
- Eliminates the "Digital Divide"

TRUE COMPETITION FOR 107 MILLION HOUSEHOLDS

-----  
16 THE ECHOSTAR/HUGHES MERGER

SEC LEGEND  
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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

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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 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.

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17 THE ECHOSTAR/HUGHES MERGER

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THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN KENTUCKY

[ECHOSTAR LOGO]

[HUGHES LOGO]

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February 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

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February 26, 2002

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV(R), today each transmit a total of MORE THAN 500 IDENTICAL CHANNELS. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this DUPLICATIVE PROGRAMMING. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast channels with digital-quality television picture and CD-quality sound IN EVERY ONE OF THE 210 TELEVISION MARKETS NATIONWIDE AND SPECIFICALLY ALL 10 MARKETS IN KENTUCKY.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed A TECHNICALLY AND COMMERCIALY FEASIBLE plan to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available FREE OF CHARGE to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

CONTINUED...

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2 THE ECHOSTAR/HUGHES MERGER

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Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in Kentucky, and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in Kentucky to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

# # #

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3 THE ECHOSTAR/HUGHES MERGER

CABLE FRANCHISE AREAS

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KENTUCKY

- Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Kentucky.
- About 1.0 million of the 1.5 million TV households in Kentucky subscribe to a cable service, which equates to about 66% of all Illinois households.

[Map of the state of Kentucky with portions in color.]

LEGEND

[Colored box.] Cable Franchise Areas

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4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

KENTUCKY

- In Kentucky, only those DBS TV households within the Cincinnati and Nashville television markets have a fully competitive multi-channel alternative to cable --WITH local channels.
- Competitive alternatives to cable did not seriously take form until the launch of DIRECTV(R) in 1994, later joined by DISH Network in 1996.
- DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.
- In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in the two markets in Kentucky in which DIRECTV and DISH Network began delivering local channels.

[Map of the state of Kentucky and certain surrounding states with portions in color and with the phrase "420,000 DBS Subscribers" written across it.]

LEGEND

[Colored box.] Households With Access to DBS With Local Channels

5 THE ECHOSTAR/HUGHES MERGER

SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002; ECHOSTAR AND  
DIRECTV, JAN. 31, 2002

HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY

KENTUCKY

- As shown by this map, Kentucky TV households outside the Cincinnati and Nashville television markets do not have a true competitive alternative to cable.
- Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.
- Neither DIRECTV nor DISH Network have sufficient spectrum, alone, to provide all local channels as well as the national pay cable networks to viewers in every one of the 10 local channel markets in Kentucky.

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[Map of the state of Kentucky and certain surrounding states with portions in color and the phrase "8 TV Markets Unserved" written across it.]

LEGEND

[Colored box.] Households With No Competitive Alternative Today

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6 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002; ECHOSTAR AND DIRECTV,  
JAN. 31, 2002

TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER  
-----

KENTUCKY

- DIRECTV and DISH Network engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.
- The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including all 10 markets in Kentucky.

[Map of the state of Kentucky and certain surrounding states with portions in color and the phrase "All 10 Markets Served" written across it.]

LEGEND

[Colored box.] TV Households With Competitive Alternative After Merger

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7 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

WITHOUT MERGER: INEFFICIENT SPECTRUM USE  
-----

- The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
- The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
- The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.



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[119 degrees] [110 degrees] [101 degrees]  
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the United States with the phrase "Over 500 Duplicative Channels Today"  
written across it.]

-----  
8 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

-----  
KENTUCKY

- Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all 1.5 million TV households in Kentucky.

[119 degrees] [110 degrees] [101 degrees]  
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the state of Kentucky and certain surrounding states with portions in color and the phrase "Local Channels, All 1.5 Million Households" written across it.]

LEGEND

[Colored box.] DBS Households Served by Local Channels After Merger

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9 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

NATIONAL PRICING

- 
- Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
  - For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

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[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

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10 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL "HAVE NOTS"  
-----

KENTUCKY

- Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today.
- This map clearly shows the areas where households do not have access to DSL or cable modem service--the digital "have nots".
- The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data services.

[Map of the state of Kentucky with portions in color.]

LEGEND

[Colored box.] Households Without Broadband Access

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11 THE ECHOSTAR/HUGHES MERGER

SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT," JAN. 2002

MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"  
-----

KENTUCKY

- The merger will bridge the digital divide in Kentucky by providing consumers in every community with a competitively priced high-speed "broadband solution" available to them regardless of their location.
- The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- The merger will provide the technical and economic infrastructure to convert every household in Kentucky and the country to a digital "have."

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[Map of the state of Kentucky filled entirely with color.]

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12 THE ECHOSTAR/HUGHES MERGER

SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT," JAN. 2002

ONE NATION, ONE DISH  
-----

- Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.
- An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
- New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
- Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirectTV satellite dish on the side of a house.]

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13 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER  
-----

- Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.
- The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

LEGEND

[Colored box.] Households With No Competitive Alternative

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14 THE ECHOSTAR/HUGHES MERGER SOURCE: FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002; "REPORT ON CABLE INDUSTRY PRICES," FEDERAL COMMUNICATIONS COMMISSION, FEB. 14, 2001, P. 9, AND DEC. 15, 1997, P. 7

LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS  
-----

- The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
- The merger of EchoStar and HUGHES ensures that prices for video and data services will be the same throughout the country, whether the market is rural or urban/suburban: "one nation, one rate card."
- The merged company will bridge the "digital divide" by moving satellite high-speed Internet access from its current high-priced niche to being price-competitive with existing providers -- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.
- The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Kentucky and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

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15 THE ECHOSTAR/HUGHES MERGER FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002

THE ECHOSTAR/HUGHES MERGER  
-----

- Local Channels, All Americans
- One Nation, One Rate Card

## Edgar Filing: HUGHES ELECTRONICS CORP - Form 425

- Eliminates the "Digital Divide"

TRUE COMPETITION FOR 107 MILLION HOUSEHOLDS

-----  
16 THE ECHOSTAR/HUGHES MERGER

SEC LEGEND  
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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 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

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17 THE ECHOSTAR/HUGHES MERGER

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THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN LOUISIANA

[ECHOSTAR LOGO]

[HUGHES LOGO]

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FEBRUARY 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

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February 26, 2002

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV(R), today each transmit a total of MORE THAN 500 IDENTICAL CHANNELS. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this DUPLICATIVE PROGRAMMING. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast channels with digital-quality television picture and CD-quality sound IN EVERY ONE OF THE 210 TELEVISION MARKETS NATIONWIDE AND SPECIFICALLY ALL 8 MARKETS IN LOUISIANA.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed a TECHNICALLY AND COMMERCIALY FEASIBLE PLAN to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available FREE OF CHARGE to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

CONTINUED...

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2 THE ECHOSTAR/HUGHES MERGER

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...CONTINUED

Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as

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soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in Louisiana, and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in Louisiana to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

# # #

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3 THE ECHOSTAR/HUGHES MERGER

### CABLE FRANCHISE AREAS

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[LOUISIANA]

- Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Louisiana.
- About 1.2 million of the 1.6 million TV households in Louisiana subscribe to a cable service, which equates to about 73% of all Louisiana households.

[Map of the state of Louisiana with portions in color.]

#### LEGEND

[Colored box.] Cable Franchise Areas



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4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

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- Today only 65 million TV households, those within the 42 television markets served by DIRECTV and DISH Network, have a fully competitive multi-channel alternative to cable -- WITH local channels.
- Competitive alternatives to cable did not seriously take form until the launch of DIRECTV in 1994, later joined by DISH Network in 1996.
- DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.
- In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in those markets in which DIRECTV and DISH Network began delivering local channels.

[Map of the United States with portions in color and with the phrase "65 Million Households" written across it.]

LEGEND

[Colored box.] Households With Access to DBS With Local Channels

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5 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002; NIELSEN  
MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR AND DIRECTV,  
JAN. 31, 2002

HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY

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[LOUISIANA]

- As shown by this map, Louisiana TV households do not have a true competitive alternative to cable.
- Customers who live in markets in which DBS does not provide local channels

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are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.

- Neither DIRECTV nor DISH Network, alone, have sufficient spectrum to provide any local channels to any of the 8 local markets in Louisiana.

[Map of the state of Louisiana and certain surrounding areas with portions in color and the phrase "8 TV Markets Unserved" written across it.]

LEGEND

[Colored box.] Households With No Competitive Alternative Today

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6 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001; SKYRESEARCH, FEB. 2002; ECHOSTAR AND DIRECTV, JAN. 31, 2002

TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER

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[LOUISIANA]

- DIRECTV and DISH Network engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.
- The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including all 8 markets in Louisiana.

[Map of the state of Louisiana and certain surrounding states with portions in color and the phrase "All 8 Markets Served" written across it.]

LEGEND

[Colored box.] TV Households With Competitive Alternative After Merger

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7 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT.  
2001; ECHOSTAR, HUGHES,  
FEB. 2002

WITHOUT MERGER: INEFFICIENT SPECTRUM USE  
-----

- The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
- The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
- The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

[119 degrees] [110 degrees] [101 degrees]  
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the United States with the phrase "Over 500 Duplicative Channels Today" written across it.]

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8 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED  
-----

[LOUISIANA]

- Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all 1.6 million TV households in Louisiana.

[119 degrees] [110 degrees] [101 degrees]  
[Picture of satellite.] [Picture of satellite.] [Picture of satellite.]

[Map of the state of Louisiana and certain surrounding areas with portions in color and the phrase "Local Channels, All 1.6 Million Households" written across it.]

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LEGEND

[Colored box.] DBS Households Served by Local Channels After Merger

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9 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH,  
SEPT. 2001; ECHOSTAR, HUGHES,  
FEB. 2002

NATIONAL PRICING  
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- Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
- For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

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10 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL "HAVE NOTS"  
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[LOUISIANA]

- Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today.
- This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.

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- Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data services.

[Map of the state of Louisiana with portions in color.]

LEGEND

[Colored box.] Households Without Broadband Access

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11 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY, "BROADBAND DEPLOYMENT," JAN. 2002

MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"

[LOUISIANA]

- The merger will bridge the digital divide in Louisiana by providing consumers in every community with a competitively priced high-speed "broadband solution" available to them regardless of their location.
- The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- The merger will provide the technical and economic infrastructure to convert every household in Louisiana and the country to a digital "have."

[Map of the state of Louisiana filled entirely with color.]

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12 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY, "BROADBAND DEPLOYMENT," JAN. 2002

ONE NATION, ONE DISH

- Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.

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- An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
- New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
- Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirecTV satellite dish on the side of a house.]

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13 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

### CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER

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- Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.
- The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

#### LEGEND

[Colored box.] Households With No Competitive Alternative

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14 THE ECHOSTAR/HUGHES MERGER

SOURCE: FCC EIGHTH ANNUAL REPORT,  
"ANNUAL ASSESSMENT OF THE STATUS  
OF COMPETITION IN THE MARKET FOR  
THE DELIVERY OF VIDEO  
PROGRAMMING," JAN. 14, 2002, PP.  
11, 87; ECHOSTAR AND DIRECTV,  
JAN. 31, 2002; "REPORT ON CABLE  
INDUSTRY PRICES," FEDERAL  
COMMUNICATIONS COMMISSION, FEB.  
14, 2001, P. 9, AND DEC. 15,

LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

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- The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
- The merger of EchoStar and HUGHES ensures that prices for video AND data services will be the same throughout the country, whether the market is rural or urban/suburban: "one nation, one rate card."
- The merged company will bridge the "digital divide" by moving satellite high-speed Internet access from its current high-priced niche to being price-competitive with existing providers -- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.
- The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Louisiana and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

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15 THE ECHOSTAR/HUGHES MERGER                      FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002

THE ECHOSTAR/HUGHES MERGER

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- Local Channels, All Americans
- One Nation, One Rate Card
- Eliminates the "Digital Divide"

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TRUE COMPETITION FOR 107 MILLION HOUSEHOLDS

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16 THE ECHOSTAR/HUGHES MERGER

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17 THE ECHOSTAR/HUGHES MERGER

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THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN MAINE

[ECHOSTAR LOGO]

[HUGHES LOGO]

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February 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

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February 26, 2002

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CONTINUED...

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2 THE ECHOSTAR/HUGHES MERGER

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...CONTINUED

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The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in Maine, and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in Maine to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

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### 3 THE ECHOSTAR/HUGHES MERGER

#### CABLE FRANCHISE AREAS

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[MAINE]

- Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Maine.
- About .3 million of the .5 million TV households in Maine subscribe to a cable service, which equates to about 70% of all Maine households.

[Map of the state of Maine with portions in color.]

#### LEGEND

[Colored box.] Cable Franchise Areas

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4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

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- Today only 65 million TV households, those within the 42 television markets served by DIRECTV and DISH Network, have a fully competitive multi-channel alternative to cable -- WITH local channels.
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- In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in those markets in which DIRECTV and DISH Network began delivering local channels.

[Map of the United States and certain portions in color and with the phrase "65 Million Households" written across it.]

LEGEND

[Colored box.] Households With Access to DBS With Local Channels

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5 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002; NIELSEN  
MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR AND DIRECTV,  
JAN. 31, 2002

HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY

---

[MAINE]

- As shown by this map, Maine TV households do not have a true competitive alternative to cable.
- Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable

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service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.

- Neither DIRECTV nor DISH Network, alone, have sufficient spectrum to provide any local channels to any of the 3 local markets in Maine.

[Map of the state of Maine and certain surrounding states with portions in color and the phrase "3 TV Markets Unserved" written across it.]

LEGEND

[Colored box.] Households With No Competitive Alternative Today

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6 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001; SKYRESEARCH, FEB. 2002; ECHOSTAR AND DIRECTV, JAN. 31, 2002

TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER

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[MAINE]

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- The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including all 3 markets in Maine.

[Map of the state of Maine and certain surrounding states with portions in color and the phrase "All 3 Markets Served" written across it.]

LEGEND

[Colored box.] TV Households With Competitive Alternative After Merger

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7 THE ECHOSTAR/HUGHES MERGER

SOURCE: NIELSEN MEDIA RESEARCH, SEPT.  
2001; ECHOSTAR, HUGHES,  
FEB. 2002

WITHOUT MERGER: INEFFICIENT SPECTRUM USE

---

- The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.
- The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.
- The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

[119 degrees]

[Picture of satellite.]

[110 degrees]

[Picture of satellite.]

[101 degrees]

[Picture of satellite.]

[Map of the United States with the phrase "Over 500 Duplicative Channels Today" written across it.]

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8 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

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[MAINE]

- Implementation could begin immediately following merger approval, and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all .5 million TV households in Maine.

[119 degrees]

[Picture of satellite.]

[110 degrees]

[Picture of satellite.]

[101 degrees]

[Picture of satellite.]

[Map of the state of Maine and certain surrounding states with portions in color and the phrase "Local Channels, All .5 Million Households" written across it.]

LEGEND

[Colored box.] DBS Households Served by Local Channels After Merger

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9 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH,  
SEPT. 2001; ECHOSTAR, HUGHES,  
FEB. 2002

NATIONAL PRICING

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- Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and we will offer one rate card.
- For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

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10 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL "HAVE NOTS"

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[MAINE]

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- Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today.
- This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data services.

[Map of the state of Maine with portions in color.]

### LEGEND

[Colored box.] Households Without Broadband Access

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11 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY, "BROADBAND DEPLOYMENT," JAN. 2002

### MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"

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[MAINE]

- The merger will bridge the digital divide in Maine by providing consumers in every community with a competitively priced high-speed "broadband solution" available to them regardless of their location.
- The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- The merger will provide the technical and economic infrastructure to convert every household in Maine and the country to a digital "have."



[Map of the state of Maine filled entirely with color.]

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12 THE ECHOSTAR/HUGHES MERGER

SOURCE: THE BUXTON COMPANY, "BROADBAND  
DEPLOYMENT," JAN. 2002

ONE NATION, ONE DISH

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- Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.
- An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
- New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
- Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirecTV satellite dish on the side of a house.]

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13 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER

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- Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.
- The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

### LEGEND

[Colored box.] Households With No Competitive Alternative

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14 THE ECHOSTAR/HUGHES MERGER SOURCE: FCC EIGHTH ANNUAL REPORT,  
"ANNUAL ASSESSMENT OF THE STATUS  
OF COMPETITION IN THE MARKET FOR  
THE DELIVERY OF VIDEO  
PROGRAMMING," JAN. 14, 2002, PP.  
11, 87; ECHOSTAR AND DIRECTV,  
JAN. 31, 2002; "REPORT ON CABLE  
INDUSTRY PRICES," FEDERAL  
COMMUNICATIONS COMMISSION, FEB.  
14, 2001, P. 9, AND DEC. 15,  
1997, P. 7

### LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

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- The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
- The merger of EchoStar and HUGHES ensures that prices for video AND data services will be the same throughout the country, whether the market is rural or urban/suburban: "one nation, one rate card."
- The merged company will bridge the "digital divide" by moving satellite

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high-speed Internet access from its current high-priced niche to being price-competitive with existing providers -- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.

- The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Maine and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

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15 THE ECHOSTAR/HUGHES MERGER

FCC EIGHTH ANNUAL REPORT, "ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING," JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002

THE ECHOSTAR/HUGHES MERGER

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- Local Channels, All Americans
- One Nation, One Rate Card
- Eliminates the "Digital Divide"

TRUE COMPETITION FOR 107 MILLION HOUSEHOLDS

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16 THE ECHOSTAR/HUGHES MERGER

SEC LEGEND

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In connection with the proposed transactions, General Motors Corporation ("GM"),

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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 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,"

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"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.

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17 THE ECHOSTAR/HUGHES MERGER

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THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND  
FOR ALL CONSUMERS IN MARYLAND

[ECHOSTAR LOGO]

[HUGHES LOGO]

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FEBRUARY 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

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February 26, 2002

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV(R), today each transmit a total of MORE THAN 500 IDENTICAL CHANNELS. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this DUPLICATIVE PROGRAMMING. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast channels with digital-quality television picture and CD-quality sound IN EVERY ONE OF THE 210 TELEVISION MARKETS NATIONWIDE AND SPECIFICALLY ALL 4 MARKETS IN MARYLAND.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical feasibility of a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications

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Commission, EchoStar and HUGHES detailed a TECHNICALLY AND COMMERCIALY FEASIBLE PLAN to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas ("DMAs") in the United States, including full compliance with must carry requirements.

New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available FREE OF CHARGE to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

CONTINUED...

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### 2 THE ECHOSTAR/HUGHES MERGER

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...CONTINUED

Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., ONE NATION, ONE RATE CARD, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the nation, including every household in Maryland, and will have the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all consumers in Maryland to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

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### 3 THE ECHOSTAR/HUGHES MERGER

CABLE FRANCHISE AREAS

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MARYLAND

- Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Maryland.
- About 1.3 million of the 2.0 million TV households in Maryland subscribe to a cable service, which equates to about 70% of all Maryland households.

[Map of the state of Maryland with portions in color.]

LEGEND

[Colored box.] - Cable Franchise Areas

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4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS  
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MARYLAND

- In Maryland, only those DBS TV households within the Baltimore, Pittsburgh and Washington, D.C. television markets have a fully competitive multi-channel alternative to cable -- WITH local channels.
- Competitive alternatives to cable did not seriously take form until the launch of DIRECTV(R) in 1994, later joined by DISH Network in 1996.
- DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception; consumers were not able to receive their local channels via satellite.
- In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in the three markets in Maryland in which DIRECTV and DISH Network began delivering local channels.

[Map of the state of Maryland and certain surrounding states with portions in color and with the phrase "334,000 DBS Subscribers" written across it.]

LEGEND

[Colored box.] - Households With Access to DBS With Local Channels

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5 THE ECHOSTAR/HUGHES MERGER

SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

HOUSEHOLDS WITH NO COMPETITIVE ALTERNATIVE TODAY  
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MARYLAND

- As shown by this map, Maryland TV households outside the Baltimore, Pittsburgh and Washington, D.C. television markets do not have a true competitive alternative to cable.

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- Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna -- and hope for good reception.
- Neither DIRECTV nor DISH Network have sufficient spectrum, alone, to provide all local channels as well as the national pay cable networks to viewers in every one of the 4 local channel markets in Maryland.

[Map of the state of Maryland and certain surrounding states with portions in color and the phrase "1 TV Market Unserved" written across it.]

LEGEND

[Colored box.] - Households With No Competitive Alternative Today

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6 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
SKYRESEARCH, FEB. 2002; ECHOSTAR AND DIRECTV, JAN. 31, 2002

TV HOUSEHOLDS WITH COMPETITIVE ALTERNATIVE AFTER MERGER  
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MARYLAND

- DIRECTV and DISH Network engineering teams have developed a system that is TECHNOLOGICALLY FEASIBLE and ECONOMICALLY VIABLE for the merged company to deliver full local broadcast service, in all 210 U.S. television markets, including full compliance with federal must carry provisions.
- The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative -- DBS service with local channels -- in EVERY television market across the country, including all 4 markets in Maryland.

[Map of the state of Maryland and certain surrounding states with portions in color and the phrase "All 4 Markets Served" written across it.]

LEGEND

[Colored box.] - TV Households With Competitive Alternative After Merger

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7 THE ECHOSTAR/HUGHES MERGER SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001;  
ECHOSTAR, HUGHES, FEB. 2002

WITHOUT MERGER: INEFFICIENT SPECTRUM USE  
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- The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.





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same price for a basic 125-channel programming package as a customer in New York City.

[Map of the United States with the phrase "One Nation, One Rate Card" written across it.]

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10 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL "HAVE NOTS"  
-----

MARYLAND

- Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called "digital divide" that exists in the "wired" world today.
- This map clearly shows the areas where households do not have access to DSL or cable modem service -- the digital "have nots".
- The primary reason for this is simply the expense of rolling out "wired" technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.
- Both EchoStar and HUGHES believe many of the "have nots" would be interested in fairly-priced, bundled video and high-speed data services.

[Map of the state of Maryland with portions in color.]

LEGEND

[Colored box.] - Households Without Broadband Access

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11 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY,  
"BROADBAND DEPLOYMENT," JAN. 2002

MERGER BRIDGES THE BROADBAND "DIGITAL DIVIDE"  
-----

MARYLAND

- The merger will bridge the digital divide in Maryland by providing consumers in every community with a competitively priced high-speed "broadband solution" available to them regardless of their location.
- The efficiencies gained from the merged company's combined customer base will enable a high-speed Internet service to be offered that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.
- The merger will provide the technical and economic infrastructure to convert every household in Maryland and the country to a digital "have."

[Map of the state of Maryland filled entirely with color.]

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12 THE ECHOSTAR/HUGHES MERGER SOURCE: THE BUXTON COMPANY,

ONE NATION, ONE DISH

---

- Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services AND high-speed Internet access using one consumer-friendly mini-dish.
- An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.
- New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.
- Equipment will be provided to existing DBS customers AT NO CHARGE -- including free service call and installation -- to receive their new local channels.

[Photo of a man on a ladder installing a DirecTV satellite dish on the side of a house.]

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13 THE ECHOSTAR/HUGHES MERGER SOURCE: ECHOSTAR, HUGHES, FEB. 2002

CABLE INDUSTRY REMAINS DOMINANT MULTI-CHANNEL VIDEO PROVIDER

---

- Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.
- Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.
- The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.
- The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

[Map of the United States with portions in color.]

LEGEND

[Colored box.] - Households With No Competitive Alternative

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14 THE ECHOSTAR/HUGHES MERGER SOURCE: FCC EIGHTH ANNUAL REPORT,  
"ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION  
IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING,"  
JAN. 14, 2002, PP. 11, 87; ECHOSTAR AND DIRECTV, JAN. 31, 2002;  
"REPORT ON CABLE INDUSTRY PRICES," FEDERAL COMMUNICATIONS COMMISSION,  
FEB. 14, 2001, P. 9, AND DEC. 15, 1997, P. 7

LOCAL CHANNELS AND BROADBAND FOR ALL AMERICANS

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- The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.
- The merger of EchoStar and HUGHES ensures that prices for video AND data services will be the same throughout the country, whether the market is rural or urban/suburban: "one nation, one rate card."
- The merged company will bridge the "digital divide" by moving satellite high-speed Internet access from its current high-priced niche to being price-competitive with existing providers -- a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.
- The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring the residents of Maryland and all Americans.

[Map of the United States with the phrase "107 Million Households" written across it.]

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15 THE ECHOSTAR/HUGHES MERGER FCC EIGHTH ANNUAL REPORT,  
"ANNUAL ASSESSMENT OF THE STATUS OF COMPETITION  
IN THE MARKET FOR THE DELIVERY OF VIDEO PROGRAMMING,"  
JAN. 14, 2002, PP. 11, 87;  
ECHOSTAR AND DIRECTV, JAN. 31, 2002

THE ECHOSTAR/HUGHES MERGER

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- Local Channels, All Americans
- One Nation, One Rate Card
- Eliminates the "Digital Divide"

TRUE COMPETITION FOR 107 MILLION HOUSEHOLDS

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16 THE ECHOSTAR/HUGHES MERGER

SEC LEGEND

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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

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on how to obtain transaction-related documents for free from GM. Such documents are not currently 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 stat