

GENERAL MOTORS CORP

Form 425

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**GENERAL MOTORS EARNS \$1.5 BILLION OR \$2.63 PER SHARE IN
SECOND QUARTER, EXCLUDING SPECIAL ITEMS AND HUGHES**

REPORTED NET INCOME TOTALS \$1.3 BILLION OR \$2.43 PER SHARE

AUTOMOTIVE OPERATIONS GENERATE \$3.5 BILLION IN CASH

U.S. MARKET SHARE RISES TO 28.1 PERCENT

DETROIT General Motors Corp. (NYSE: GM, GMH) today reported earnings nearly doubled in the second quarter of 2002 compared with the prior-year period, reflecting improved retail sales performance, increased production in North America, and a continued focus on cost reduction.

GM earned \$1.5 billion, or \$2.63 per diluted share of GM \$1-2/3 par value common stock, in the second quarter of 2002, excluding Hughes and an after-tax charge of \$55 million, or \$0.10 per share, for costs associated with end-of-life vehicle recycling in Europe (see Highlights). That compares with \$766 million, or \$1.37 per share, in the year-ago period, excluding Hughes and a charge of \$133 million, or \$0.23 per share, related to the write-down of Isuzu Motors Ltd. Revenue in the second quarter of 2002 increased to \$46.0 billion from \$44.2 billion in the same period last year.

Including Hughes and the end-of-life vehicle charge, GM's second-quarter-2002 net income totaled \$1.3 billion, or \$2.43 per share, on revenue of \$48.3 billion. That compares with net income of \$477 million, or \$1.03 per share, including Hughes and the Isuzu write-down. Revenue in the second quarter of 2001 totaled \$46.2 billion.

GM financial results described throughout the remainder of this release exclude special items unless otherwise noted (see Highlights).

We are pleased by the strong performance of GM's North American operations in the second-quarter and the solid results at GMAC, said GM Chairman Jack Smith. We are determined to maintain our momentum in the second half of the year.

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The second-quarter results show that our strategy of bringing out great products, being aggressive in the marketplace, and intensely focusing on reducing costs and improving quality is working, said GM President and Chief Executive Officer Rick Wagoner. Because of our improved cost base, we are able to be competitive with our pricing and improve our financial performance at the same time.

GM's automotive operations generated \$3.5 billion of cash flow during the quarter, allowing us to improve net liquidity even as we took additional steps to strengthen the balance sheet, Wagoner added.

GM's net liquidity position improved by \$300 million during the quarter to \$2.6 billion even after taking into account cash contributions of \$3.2 billion during the quarter to fund pensions and other post-retirement benefits. GM previously announced a \$2.2 billion cash contribution to its U.S. hourly pension plan in April. In June, GM made a \$1 billion cash contribution to the long-term Voluntary Employees' Beneficiary Association (VEBA) Trust.

Cash, marketable securities, and assets of the VEBA trust invested in short-term fixed-income securities, excluding Hughes, increased to \$17.6 billion at June 30, 2002, from \$17.3 billion at March 31, 2002. Debt, excluding Hughes, remained unchanged at \$15.0 billion at the end of the second quarter of 2002.

Earlier this year, GM set a goal of raising \$10 billion in cash in 2002. As of June 30, 2002, GM has nearly achieved this annual objective by generating \$4.8 billion in cash from automotive operations and by executing \$4.6 billion in retail and convertible debt offerings.

GM AUTOMOTIVE OPERATIONS

GM's global automotive operations earned \$1.1 billion in the second quarter of 2002, compared with \$410 million in the prior-year period. Global production increased nearly 7 percent in the second quarter, compared with the same period in 2001. Strong performance in North America was partially offset by losses in Europe and Latin America.

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Income at GM North America (GMNA) more than doubled in the second quarter of 2002 to more than \$1.2 billion from \$521 million in the year-ago period. Production volume increased nearly 14 percent.

GM's overall U.S. market share increased to 28.1 percent in the second quarter of 2002, driven by gains in both passenger cars and trucks. That compares with 27.3 percent in the year-ago period. GM's quality of share continued to improve in the second quarter of 2002 with retail share rising to 27.4 percent from 26.7 percent in the year-ago quarter. Trucks as a percentage of total sales increased to 54 percent in the second quarter, up from 52.2 percent in the same period last year.

Wagoner attributed the market share gains to the successful introduction of new products such as the Cadillac CTS, Chevrolet TrailBlazer, GMC Envoy, Saturn VUE, and the Pontiac Vibe, as well as continued strong performance of GM's full-sized trucks and sport utility vehicles.

We continue to introduce a steady stream of new products, which are key to our success in the marketplace, Wagoner said. Right now, extended versions of our popular Chevy TrailBlazer and GMC Envoy are on their way to dealers, along with the all-new HUMMER H2.

Other key products on their way to showrooms later this year and in 2003 include the Saturn ION sedan and coupe, the Chevy SSR, all-new versions of the Saab 9-3 convertible, the Pontiac Grand Prix, the Chevy Malibu, the Cadillac XLR luxury high-performance roadster, the Cadillac SRX crossover vehicle, the Buick Rainier sport utility vehicle, the Opel Vectra Wagon, and new Meriva monocab in Europe and Brazil. In addition, there are enhanced versions of the Chevrolet Cavalier and Pontiac Sunfire, the Saturn L series, and restyled full-size Chevy and GMC pickup and utility models.

In addition to the momentum generated by these new products, GM continues to make important strides in quality and efficiency. In the just-released J.D. Power and Associates 2002 initial quality survey, GM was the best performing domestic automaker, becoming the first U.S.-based manufacturer ever to achieve a top-three ranking.

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GM was also recognized during the quarter for substantial improvements in productivity. According to an independent study by Harbour and Associates, GM outpaced all manufacturers with an overall productivity improvement of 4.5 percent in 2001. GM's Oshawa 1 car plant in Ontario, Canada, was rated the most efficient assembly plant in North America, the first time a GM plant has earned that distinction, and GM plants led in six of 13 assembly plant segments.

Our continued progress in quality and productivity shows our commitment to ongoing improvement in the fundamentals of our business, Wagoner said.

GM Europe (GME) reported a smaller loss in the second quarter of 2002 than the year-ago period, as the continued reduction in structural costs helped to partially offset a nearly 7-percent decline in production volume. GME had a loss of \$115 million in the second quarter of 2002, versus a loss of \$154 million in the prior-year period.

GM Europe's restructuring plan, Project Olympia, is showing results although the European market continues to weaken, Wagoner said. We are moving aggressively to cut costs and better manage capacity utilization. Our joint ventures with Fiat Auto have produced meaningful savings, especially in material costs.

GM Asia-Pacific reported a profit of \$39 million in the second quarter of 2002 compared with a profit of \$12 million a year ago, led by a strong performance from Shanghai GM. GM Latin America/Africa/Mid-East (GMLAAM) reported a loss of \$73 million in the second quarter of 2002 compared with a profit of \$31 million a year ago. Results were negatively affected by unfavorable economic conditions in Brazil, Venezuela and Argentina.

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GMAC

General Motors Acceptance Corporation (GMAC) earned \$431 million in the second quarter of 2002, down slightly from the record second-quarter earnings of \$449 million of a year ago. Income from Financing Operations was down slightly as higher credit losses and unfavorable borrowing spreads offset the positive effect of higher retail asset levels. Insurance Operations also reported lower earnings as the absence of capital gains more than offset continued improvements in underwriting results. Earnings from Mortgage Operations were higher, reflecting increased origination volumes in both the residential and commercial mortgage sectors. Overall, GMAC remains on track to achieve near-record earnings in 2002.

HUGHES

Hughes lost \$156 million in the second quarter of 2002, unchanged from the loss of \$156 million in the prior-year quarter. Revenue rose 11 percent to \$2.2 billion in the second quarter of 2002 from \$2.0 billion in the year-ago quarter, led by the growing subscriber base of DirecTV. Total DirecTV subscriptions increased approximately 202,000 from the first quarter of 2002 to 10.7 million. Regarding GM's plan to split off Hughes and merge the company with EchoStar Communications Corp., GM recently received a favorable private-letter ruling from the U.S. Internal Revenue Service confirming the transaction would be tax-free to GM and its stockholders for U.S. federal income-tax purposes.

Regulatory reviews with the U.S. Department of Justice and the Federal Communications Commission are progressing and GM expects to complete the transaction before the end of the year.

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LOOKING AHEAD

General Motors expects total U.S. industry vehicle sales for 2002 will be in the mid-to-high 16 million unit range. For 2003, GM expects total U.S. industry sales about the same as 2002, in line with trend volume. GM's forecast for North American production remains unchanged at about 1,245,000 vehicles in the third quarter of 2002 and more than 5.5 million vehicles in calendar year 2002.

General Motors is currently reviewing the appropriate carrying value of its investment in Fiat Auto Holdings, B.V. (FAH). FAH is the sole shareholder of Fiat Auto, S.p.A. GM acquired 20 percent of the common stock of FAH in July 2000 for \$2.4 billion. Following the acquisition, the European automotive market has experienced a continued decrease in sales volume and manufacturers have experienced increased pricing and general competitive pressures. Those market conditions and other factors have led to deterioration in the performance of Fiat Auto S.p.A. GM now believes that it is probable a significant write-down of its investment in FAH will be required in the third quarter of 2002, upon completion of the review.

For the third quarter of 2002, GM estimates its earnings, excluding Hughes and any special items, will be approximately \$0.90 per share, reflecting solid results in North America, partially offset by continued losses in Europe and Latin America.

GM continues to expect calendar-year-2002 earnings will be \$6.00 per share, excluding special items and Hughes. Including Hughes, but excluding special items, GM expects to earn about \$0.80 per share in the third quarter of 2002 and \$5.60 per share for the calendar year.

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In this press release and related comments by General Motors management, our use of the words outlook, expect, anticipate, estimate, forecast, project, likely, objective, plan, designed, goal, target, and similar expressions is intended to identify forward-looking statements. While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, actual results may differ materially due to numerous important factors that are described in GM's most recent report on SEC Form 10-K (at page II-15, 16) which may be revised or supplemented in subsequent reports on SEC Forms 10-Q and 8-K. Such factors include, among others, the following: changes in economic conditions, currency exchange rates or political stability; shortages of fuel or interruptions in transportation systems, labor strikes or work stoppages; market acceptance of the corporation's new products; significant changes in the competitive environment; changes in laws, regulations and tax rates; and the ability of the corporation to achieve reductions in cost and employment levels to realize production efficiencies and implement capital expenditures at levels and times planned by management.

In connection with the proposed transactions, General Motors Corporation (GM), HEC Holdings, Inc. (Hughes Holdings) and EchoStar Communications Corporation (EchoStar) have filed amended preliminary materials with the Securities and Exchange Commission (SEC), including a Registration Statement of Hughes Holdings on Form S-4 that contains a consent solicitation statement/information statement/prospectus. These materials are not yet final and will be further amended. Holders of GM \$1-2/3 and GM Class H common stock are urged to read the definitive versions of these materials, as well as any other relevant documents filed or that will be filed with the SEC, as they become available, because these documents contain or will contain important information. The preliminary materials, the definitive versions of these materials and other relevant materials (when they become available), and any other documents filed by GM, Hughes Electronics Corporation (Hughes), Hughes Holdings or EchoStar with the SEC may be obtained for free at the SEC's website, www.sec.gov, and GM stockholders will receive information at an appropriate time on how to obtain transaction-related documents for free from GM.

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 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 amended preliminary consent solicitation statement/information statement/prospectus filed with the SEC and the definitive consent solicitation statement/information statement/prospectus 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.

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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, Hughes Holdings 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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General Motors Corporation
List of Special Items After Tax
(dollars in millions except per share amounts)

| | Three Months Ended June 30, 2002 | | Year to Date June 30, 2002 | |
|------------------------------|-------------------------------------|----------------|-------------------------------|----------------|
| | Net Income | EPS | Net Income | EPS |
| Reported | \$ 1,292 | \$ 2.43 | \$ 1,520 | \$ 3.02 |
| GME End of Life | | | | |
| Vehicle Charge (A) | 55 | 0.10 | 55 | 0.10 |
| GME Restructuring Charge (B) | | | 407 | 0.72 |
| Hughes Space Shuttle | | | | |
| Settlement (C) | | | (59) | (0.04) |
| Hughes GECC Contractual | | | | |
| Dispute (D) | | | 51 | 0.03 |
| Hughes Loan Guarantee | | | | |
| Charge (E) | | | 18 | 0.01 |
| Adjusted | \$ 1,347 | \$ 2.53 | \$ 1,992 | \$ 3.84 |

- (A) During September 2000, the European Union adopted a directive requiring member states to enact legislation regarding end-of-life vehicles and the responsibility of manufacturers for dismantling and recycling vehicles they have sold. European Union member states were required to transform the concepts detailed in the directive into national law by April 2002. Under the directive, manufacturers are financially responsible for at least a portion of the cost of the take-back of vehicles placed into service after July 2002 and all vehicles placed in service prior to July 2002 that are still in operation in January 2007. The laws to be developed in the individual country legislatures throughout Europe will have a significant impact on the amount ultimately paid by the manufacturers. The after-tax charge of \$55 million relates to those member states that have passed national laws by June 30, 2002.
- (B) The GME Restructuring Charge relates to the previously announced restructuring to improve the competitiveness of GM's automotive operations in Europe.
- (C) The Space Shuttle Settlement relates to the favorable resolution of a lawsuit that was filed against the U.S. government on March 22, 1991, based upon the National Aeronautics and Space Administration's (NASA) breach of contract to launch ten satellites on the Space Shuttle.
- (D) The GECC Contractual Dispute relates to an expected loss associated with a contractual dispute with General Electric Capital Corporation.
- (E) The Loan Guarantee Charge relates to a loan guarantee for a Hughes Network Systems affiliate in India.

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General Motors Corporation
List of Special Items After Tax
(dollars in millions except per share amounts)

| | Three Months Ended June 30, 2001 | | Year to Date June 30, 2001 | |
|--------------------------|--|----------------|-------------------------------|----------------|
| | Net Income | EPS | Net Income | EPS |
| Reported | \$ 477 | \$ 1.03 | \$ 714 | \$ 1.56 |
| Adoption of SFAS 133 (F) | | | (12) | (0.03) |
| Isuzu Restructuring (G) | 133 | 0.23 | 133 | 0.24 |
| Adjusted | \$ 610 | \$ 1.26 | \$ 835 | \$ 1.77 |

- (F) The SFAS 133 adjustment represents the net income impact from initially adopting SFAS No. 133, Accounting for Derivatives and Hedging Activities as follows (*\$Millions*): GMNA \$(14); GME \$2; GMLAAM \$(1); GMAP \$(1); Hughes \$(8); and GMAC \$34.
- (G) The Isuzu restructuring charge includes General Motors' portion of severance payments and asset impairments that were part of the second quarter restructuring of its affiliate Isuzu Motors Ltd.

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General Motors Corporation
Adjusted Corporate Financial Results

| | Second Quarter | | Year to Date | |
|--|------------------|------------------|------------------|------------------|
| | 2002 (1) | 2001(1) | 2002 (1) | 2001(1) |
| Total net sales and revenues (\$Mil s) (2) | \$ 48,265 | \$ 46,220 | \$ 94,558 | \$ 88,843 |
| Excluding Hughes | \$ 46,024 | \$ 44,217 | \$ 90,276 | \$ 84,923 |
| Consolidated net income (\$Mil s) | \$ 1,347 | \$ 610 | \$ 1,992 | \$ 835 |
| Excluding Hughes | \$ 1,503 | \$ 766 | \$ 2,294 | \$ 1,087 |
| Net margin from consolidated net income | 2.8% | 1.3% | 2.1% | 0.9% |
| Excluding Hughes | 3.3% | 1.7% | 2.5% | 1.3% |
| GM \$1-2/3 par value earnings per share | | | | |
| Basic EPS | \$ 2.58 | \$ 1.29 | \$ 3.90 | \$ 1.80 |
| Diluted EPS | \$ 2.53 | \$ 1.26 | \$ 3.84 | \$ 1.77 |
| Diluted EPS excluding Hughes | \$ 2.63 | \$ 1.37 | \$ 4.04 | \$ 1.94 |
| GM Class H earnings per share | | | | |
| Basic EPS | \$ (0.14) | \$ (0.14) | \$ (0.27) | \$ (0.23) |
| Diluted EPS | \$ (0.14) | \$ (0.14) | \$ (0.27) | \$ (0.23) |
| Earnings attributable to GM \$1-2/3 par value (\$Mil s) | | | | |
| Consolidated net income | \$ 1,347 | \$ 610 | \$ 1,992 | \$ 835 |
| Preferred dividends | (23) | (23) | (47) | (51) |
| Losses attributable to GM Class H | 120 | 120 | 235 | 201 |
| Total earnings attributable to GM \$1-2/3 par value | \$ 1,444 | \$ 707 | \$ 2,180 | \$ 985 |
| GM \$1-2/3 par value average shares outstanding (Mil s) | | | | |
| Basic shares | 560 | 549 | 560 | 549 |
| Diluted shares | 572 | 559 | 568 | 559 |
| Cash dividends per share of common stocks | | | | |
| GM \$1-2/3 par value | \$ 0.50 | \$ 0.50 | \$ 1.00 | \$ 1.00 |
| GM Class H | | | | |
| Book value per share of common stocks at June 30 | | | | |
| GM \$1-2/3 par value | \$ 27.48 | \$ 38.85 | | |
| GM Class H | \$ 5.50 | \$ 7.77 | | |
| Total cash at June 30 | | | | |
| Excluding Hughes (\$Bil s) (3) | \$ 17.6 | \$ 11.1 | | |
| Automotive, Communications Services, and Other Operations (\$Mil s) | | | | |
| Depreciation | \$ 1,140 | \$ 1,137 | \$ 2,185 | \$ 2,168 |
| Amortization of special tools | 622 | 573 | 1,214 | 1,138 |
| Amortization of intangible assets | 3 | 85 | 12 | 158 |
| Total | \$ 1,765 | \$ 1,795 | \$ 3,411 | \$ 3,464 |

See footnotes on page 15.

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General Motors Corporation
Adjusted Segment Financial Results

| | Second Quarter | | Year to Date | |
|--|------------------|------------------|------------------|------------------|
| | 2002 (1) | 2001(1) | 2002 (1) | 2001(1) |
| <i>(dollars in millions)</i> | | | | |
| Total net sales and revenues | | | | |
| GMNA | \$ 30,208 | \$ 28,117 | \$ 59,225 | \$ 53,223 |
| GME | 6,001 | 6,231 | 11,585 | 12,499 |
| GMLAAM | 1,306 | 1,739 | 2,607 | 3,134 |
| GMAP | 1,129 | 1,128 | 2,186 | 2,138 |
| | <u>38,644</u> | <u>37,215</u> | <u>75,603</u> | <u>70,994</u> |
| Total GMA | 38,644 | 37,215 | 75,603 | 70,994 |
| Hughes | 2,241 | 2,003 | 4,282 | 3,920 |
| Other | 833 | 513 | 1,635 | 981 |
| | <u>41,718</u> | <u>39,731</u> | <u>81,520</u> | <u>75,895</u> |
| Total ACO | 41,718 | 39,731 | 81,520 | 75,895 |
| GMAC | 6,525 | 6,422 | 12,928 | 12,799 |
| Other Financing | 22 | 67 | 110 | 149 |
| | <u>6,547</u> | <u>6,489</u> | <u>13,038</u> | <u>12,948</u> |
| Total FIO | 6,547 | 6,489 | 13,038 | 12,948 |
| | <u>48,265</u> | <u>46,220</u> | <u>94,558</u> | <u>88,843</u> |
| Consolidated net sales and revenues | \$ 48,265 | \$ 46,220 | \$ 94,558 | \$ 88,843 |
| Pre-tax income (loss) | | | | |
| GMNA | \$ 1,735 | \$ 666 | \$ 2,626 | \$ 882 |
| GME | (159) | (194) | (316) | (347) |
| GMLAAM | (97) | 74 | (138) | 82 |
| GMAP | (31) | 35 | (44) | 35 |
| | <u>1,448</u> | <u>581</u> | <u>2,128</u> | <u>652</u> |
| Total GMA | 1,448 | 581 | 2,128 | 652 |
| Hughes (4) | (230) | (248) | (444) | (400) |
| Other | (42) | (113) | (230) | (259) |
| | <u>1,176</u> | <u>220</u> | <u>1,454</u> | <u>(7)</u> |
| Total ACO | 1,176 | 220 | 1,454 | (7) |
| GMAC | 698 | 714 | 1,434 | 1,432 |
| Other Financing | (8) | (9) | (10) | (23) |
| | <u>690</u> | <u>705</u> | <u>1,424</u> | <u>1,409</u> |
| Total FIO | 690 | 705 | 1,424 | 1,409 |
| | <u>1,866</u> | <u>925</u> | <u>2,878</u> | <u>1,402</u> |
| Consolidated pre-tax income | \$ 1,866 | \$ 925 | \$ 2,878 | \$ 1,402 |
| Net income (loss) | | | | |
| GMNA | \$ 1,248 | \$ 521 | \$ 1,873 | \$ 641 |
| GME | (115) | (154) | (240) | (240) |
| GMLAAM | (73) | 31 | (113) | 37 |
| GMAP | 39 | 12 | 46 | (8) |
| | <u>1,248</u> | <u>521</u> | <u>1,873</u> | <u>641</u> |

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| | | | | |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| Total GMA | 1,099 | 410 | 1,566 | 430 |
| Hughes (4)(5) | (156) | (156) | (302) | (252) |
| Other | (28) | (82) | (141) | (201) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total ACO | 915 | 172 | 1,123 | (23) |
| GMAC | 431 | 449 | 870 | 880 |
| Other Financing | 1 | (11) | (1) | (22) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total FIO | 432 | 438 | 869 | 858 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Consolidated net income | \$ 1,347 | \$ 610 | \$ 1,992 | \$ 835 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

See footnotes on page 15.

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General Motors Corporation
Supplementary Adjusted Segment Financial Results

| | Second Quarter | | Year to Date | |
|--|----------------|----------------|---------------|----------------|
| | 2002 (1) | 2001(1) | 2002 (1) | 2001(1) |
| <i>(dollars in millions)</i> | | | | |
| Income tax expense (benefit) | | | | |
| GMNA | \$ 501 | \$ 143 | \$ 755 | \$ 208 |
| GME | (21) | (36) | (47) | (100) |
| GMLAAM | (31) | 27 | (32) | 29 |
| GMAP | (9) | 21 | (9) | 19 |
| | | | | |
| Total GMA | \$ 440 | \$ 155 | \$ 667 | \$ 156 |
| | | | | |
| Equity income (loss) and minority interests | | | | |
| GMNA | \$ 14 | \$ (2) | \$ 2 | \$ (33) |
| GME | 23 | 4 | 29 | 7 |
| GMLAAM | (7) | (16) | (7) | (16) |
| GMAP | 61 | (2) | 81 | (24) |
| | | | | |
| Total GMA | \$ 91 | \$ (16) | \$ 105 | \$ (66) |
| | | | | |
| Effective income tax rate | | | | |
| GMNA | 28.9% | 21.5% | 28.8% | 23.6% |
| GME | 13.2% | 18.6% | 14.9% | 28.8% |
| GMLAAM | 32.0% | 36.5% | 23.2% | 35.4% |
| GMAP | 29.0% | 60.0% | 20.5% | 54.3% |
| Total ACO | 29.0% | 31.0% | 29.0% | |
| Net margins | | | | |
| GMNA | 4.1% | 1.9% | 3.2% | 1.2% |
| GME | (1.9%) | (2.5%) | (2.1%) | (1.9%) |
| GMLAAM | (5.6%) | 1.8% | (4.3%) | 1.2% |
| GMAP | 3.5% | 1.1% | 2.1% | (0.4%) |
| Total GMA | 2.8% | 1.1% | 2.1% | 0.6% |
| Hughes | (7.0%) | (7.8%) | (7.1%) | (6.4%) |
| Total ACO | 2.2% | 0.4% | 1.4% | (0.0%) |
| GMAC | 6.6% | 7.0% | 6.7% | 6.9% |
| Consolidated net income | 2.8% | 1.3% | 2.1% | 0.9% |

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General Motors Corporation
Operating Statistics

| | Second Quarter | | Year to Date | |
|----------------------------------|----------------|--------------|--------------|--------------|
| | 2002 | 2001 | 2002 | 2001 |
| <i>(units in thousands)</i> | | | | |
| Worldwide Wholesale Sales | | | | |
| United States Cars | 574 | 550 | 1,073 | 1,059 |
| United States Trucks | 750 | 647 | 1,417 | 1,218 |
| Total United States | 1,324 | 1,197 | 2,490 | 2,277 |
| Canada, Mexico, and Other | 233 | 186 | 429 | 336 |
| Total GMNA | 1,557 | 1,383 | 2,919 | 2,613 |
| GME | 437 | 495 | 861 | 963 |
| GMLAAM | 159 | 187 | 314 | 346 |
| GMAP | 86 | 100 | 194 | 239 |
| Total Worldwide | 2,239 | 2,165 | 4,288 | 4,161 |
| Vehicle Unit Deliveries | | | | |
| Chevrolet Cars | 213 | 227 | 399 | 459 |
| Chevrolet Trucks | 481 | 466 | 945 | 888 |
| Pontiac | 151 | 144 | 269 | 281 |
| GMC | 137 | 144 | 264 | 269 |
| Buick | 107 | 95 | 189 | 182 |
| Oldsmobile | 42 | 60 | 85 | 136 |
| Saturn | 88 | 85 | 146 | 151 |
| Cadillac | 50 | 41 | 90 | 79 |
| Other | 15 | 14 | 28 | 26 |
| Total United States | 1,284 | 1,276 | 2,415 | 2,471 |
| Canada, Mexico, and Other | 209 | 186 | 389 | 348 |
| Total GMNA | 1,493 | 1,462 | 2,804 | 2,819 |
| GME | 443 | 504 | 878 | 1,002 |
| GMLAAM | 156 | 175 | 309 | 339 |
| GMAP | 138 | 130 | 279 | 250 |
| Total Worldwide | 2,230 | 2,271 | 4,270 | 4,410 |
| Market Share | | | | |
| United States Cars | 26.3% | 26.2% | 25.6% | 27.5% |
| United States Trucks | 29.7% | 28.5% | 30.5% | 28.2% |
| Total United States | 28.1% | 27.3% | 28.2% | 27.9% |
| Total North America | 27.7% | 27.0% | 27.8% | 27.5% |
| Total Europe | 8.7% | 9.4% | 8.7% | 9.4% |
| Latin America (6) | 23.6% | 22.7% | 23.4% | 22.0% |
| Asia and Pacific | 4.0% | 4.0% | 4.0% | 3.7% |
| Total Worldwide | 15.1% | 15.1% | 14.7% | 14.9% |

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| | | | | | |
|--|--------|--------|--------|-------|-------|
| U.S. Retail/Fleet Mix | | | | | |
| % Fleet Sales | Cars | 29.3% | 24.5% | 27.4% | 28.7% |
| % Fleet Sales | Trucks | 13.7% | 15.8% | 12.0% | 15.0% |
| Total Vehicles | | 20.9% | 20.0% | 18.8% | 21.7% |
| Retail Lease as % of Retail Sales | | | | | |
| Total Smartlease and Smartbuy | | 15.3% | 16.0% | | |
| Days Supply of Inventory at June 30 | | | | | |
| United States | Cars | 57 | 57 | | |
| United States | Trucks | 78 | 84 | | |
| GMNA Capacity Utilization | | | | | |
| (2 shift rated) | | 89.3% | 81.0% | 85.1% | 75.9% |
| GMNA Net Price | | (1.9%) | (0.8%) | | |

See footnotes on page 15.

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**General Motors Corporation
Operating Statistics**

| | Second Quarter | | Year to Date | |
|--|-----------------|-----------------|------------------|------------------|
| | 2002 | 2001 | 2002 | 2001 |
| GMAC's U.S. Cost of Borrowing | 4.30% | 5.90% | | |
| Current Debt Spreads Over U.S. Treasuries | | | | |
| 2 Year | 165 bp | 105 bp | | |
| 5 Year | 185 bp | 150 bp | | |
| 10 Year | 230 bp | 178 bp | | |
| Worldwide Employment at June 30 (in 000's) | | | | |
| United States Hourly | 124 | 130 | | |
| United States Salary | 40 | 43 | | |
| Total United States | 164 | 173 | | |
| Canada, Mexico, and Other | 33 | 34 | | |
| GMNA | 197 | 207 | | |
| GME | 69 | 76 | | |
| GMLAAM | 23 | 25 | | |
| GMAP | 11 | 11 | | |
| Hughes | 12 | 11 | | |
| GMAC | 31 | 29 | | |
| Other | 12 | 13 | | |
| Total | 355 | 372 | | |
| Worldwide Payrolls (\$Mil's) | \$ 5,385 | \$ 5,164 | \$ 10,418 | \$ 10,166 |

Footnotes:

- (1) Adjusted amounts for all periods represent the reported amounts excluding the effects of special items as detailed on pages 9 and 10.
- (2) The reported total net sales and revenues totaled (\$Mil's): Q2 2002 \$48,265, Year-to-Date 2002 \$94,529, Q2 2001 \$46,220, and Year-to-Date 2001 \$88,835.
- (3) Represents total cash for Automotive, Communications Services, and Other Operations, excluding Hughes, which includes cash and marketable securities, as well as \$3.0 billion invested in short-term fixed income securities of the Corporation's Voluntary Employees Beneficiary Association Trust.
- (4) The Q2 2001 and Year-to-Date 2001 amounts exclude the effects of purchase accounting adjustments related to General Motors acquisition of Hughes in 1985. This purchase accounting adjustment is not recorded in 2002 because the related goodwill is no longer being amortized effective January 1, 2002 in accordance with SFAS No. 142, Goodwill and Other Intangible Assets.
- (5) Excludes Hughes Series A Preferred Stock dividends paid to General Motors.
- (6) Latin America excludes the Middle East and Africa.

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GENERAL MOTORS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|-----------|------------------------------|-----------|
| | 2002 | 2001 | 2002 | 2001 |
| (dollars in millions except per share amounts) | | | | |
| GENERAL MOTORS CORPORATION AND SUBSIDIARIES | | | | |
| Total net sales and revenues | \$ 48,265 | \$ 46,220 | \$ 94,529 | \$ 88,835 |
| Cost of sales and other expenses | 38,567 | 37,181 | 76,893 | 71,691 |
| Selling, general, and administrative expenses | 6,150 | 5,855 | 11,771 | 11,245 |
| Interest expense | 1,767 | 2,259 | 3,730 | 4,470 |
| Total costs and expenses | 46,484 | 45,295 | 92,394 | 87,406 |
| Income before income taxes and minority interests | 1,781 | 925 | 2,135 | 1,429 |
| Income tax expense | 563 | 304 | 688 | 512 |
| Equity income/(loss) and minority interests | 74 | (144) | 73 | (203) |
| Net income | 1,292 | 477 | 1,520 | 714 |
| Dividends on preference stocks | (23) | (23) | (47) | (51) |
| Earnings attributable to common stocks | \$ 1,269 | \$ 454 | \$ 1,473 | \$ 663 |
| Basic earnings (losses) per share attributable to common stocks | | | | |
| Earnings per share attributable to \$1-2/3 par value | \$ 2.48 | \$ 1.05 | \$ 3.06 | \$ 1.59 |
| Earnings per share attributable to Class H | \$ (0.14) | \$ (0.14) | \$ (0.27) | \$ (0.24) |
| Earnings (losses) per share attributable to common stocks assuming dilution | | | | |
| Earnings per share attributable to \$1-2/3 par value | \$ 2.43 | \$ 1.03 | \$ 3.02 | \$ 1.56 |
| Earnings per share attributable to Class H | \$ (0.14) | \$ (0.14) | \$ (0.27) | \$ (0.24) |

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**CONSOLIDATED STATEMENTS OF INCOME concluded
(Unaudited)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--|---------------|--------------------------------------|-----------------|
| | 2002 | 2001 | 2002 | 2001 |
| (dollars in millions) | | | | |
| AUTOMOTIVE, COMMUNICATIONS SERVICES, AND OTHER OPERATIONS | | | | |
| Total net sales and revenues | \$ 41,718 | \$ 39,731 | \$ 81,491 | \$ 75,895 |
| Cost of sales and other expenses | 36,461 | 35,182 | 72,672 | 67,676 |
| Selling, general, and administrative expenses | 3,818 | 4,091 | 7,508 | 7,730 |
| Total costs and expenses | 40,279 | 39,273 | 80,180 | 75,406 |
| Interest expense | 302 | 151 | 464 | 313 |
| Net expense from transactions with Financing and Insurance Operations | 46 | 87 | 136 | 218 |
| Income (loss) before income taxes and minority interests | 1,091 | 220 | 711 | (42) |
| Income tax expense (benefit) | 311 | 68 | 151 | (13) |
| Equity income/(loss) and minority interests | 80 | (113) | 91 | (149) |
| Net income (loss) Automotive, Communications Services, and Other Operations | \$ 860 | \$ 39 | \$ 651 | \$ (178) |
| FINANCING AND INSURANCE OPERATIONS | | | | |
| Total revenues | \$ 6,547 | \$ 6,489 | \$ 13,038 | \$ 12,940 |
| Interest expense | 1,465 | 2,108 | 3,266 | 4,157 |
| Depreciation and amortization expense | 1,353 | 1,443 | 2,714 | 2,952 |
| Operating and other expenses | 2,244 | 1,729 | 4,114 | 3,446 |
| Provision for financing and insurance losses | 841 | 591 | 1,656 | 1,132 |
| Total costs and expenses | 5,903 | 5,871 | 11,750 | 11,687 |
| Net income from transactions with Automotive, Communications Services, and Other Operations | (46) | (87) | (136) | (218) |
| Income before income taxes and minority interests | 690 | 705 | 1,424 | 1,471 |
| Income tax expense | 252 | 236 | 537 | 525 |
| Equity income/(loss) and minority interests | (6) | (31) | (18) | (54) |
| Net income Financing and Insurance Operations | \$ 432 | \$ 438 | \$ 869 | \$ 892 |

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CONSOLIDATED BALANCE SHEETS

| | June 30, 2002 (Unaudited) | Dec. 31, 2001 | June 30, 2001 (Unaudited) |
|---|--|--------------------------|--|
| (dollars in millions) | | | |
| GENERAL MOTORS CORPORATION AND SUBSIDIARIES | | | |
| ASSETS | | | |
| Automotive, Communications Services, and Other Operations | | | |
| Cash and cash equivalents | \$ 14,421 | \$ 8,432 | \$ 8,370 |
| Marketable securities | 1,014 | 790 | 795 |
| | <hr/> | <hr/> | <hr/> |
| Total cash and marketable securities | 15,435 | 9,222 | 9,165 |
| Accounts and notes receivable (less allowances) | 5,586 | 5,406 | 6,533 |
| Inventories (less allowances) | 9,757 | 10,034 | 11,072 |
| Equipment on operating leases net | 4,390 | 4,524 | 5,084 |
| Deferred income taxes and other current assets | 8,730 | 7,877 | 8,499 |
| | <hr/> | <hr/> | <hr/> |
| Total current assets | 43,898 | 37,063 | 40,353 |
| Equity in net assets of nonconsolidated associates | 5,115 | 4,950 | 4,934 |
| Property net | 35,248 | 34,908 | 33,922 |
| Intangible assets net | 13,763 | 13,721 | 7,743 |
| Deferred income taxes | 22,138 | 22,294 | 15,560 |
| Other assets | 16,797 | 17,274 | 31,226 |
| | <hr/> | <hr/> | <hr/> |
| Total Automotive, Communications Services, and Other Operations assets | 136,959 | 130,210 | 133,738 |
| Financing and Insurance Operations | | | |
| Cash and cash equivalents | 3,942 | 10,123 | 1,139 |
| Investments in securities | 12,575 | 10,669 | 10,614 |
| Finance receivables net | 106,838 | 99,813 | 89,608 |
| Investment in leases and other receivables | 35,477 | 34,618 | 35,701 |
| Other assets | 40,438 | 36,979 | 31,281 |
| Net receivable from Automotive, Communications Services, and Other Operations | 638 | 1,557 | 1,582 |
| | <hr/> | <hr/> | <hr/> |
| Total Financing and Insurance Operations assets | 199,908 | 193,759 | 169,925 |
| | <hr/> | <hr/> | <hr/> |
| Total assets | \$ 336,867 | \$ 323,969 | \$ 303,663 |
| LIABILITIES AND STOCKHOLDERS EQUITY | | | |
| Automotive, Communications Services, and Other Operations | | | |
| Accounts payable (principally trade) | \$ 19,459 | \$ 18,297 | \$ 19,177 |
| Loans payable | 1,545 | 2,402 | 2,430 |
| Accrued expenses | 36,413 | 34,090 | 34,512 |
| Net payable to Financing and Insurance Operations | 638 | 1,557 | 1,582 |
| | <hr/> | <hr/> | <hr/> |
| Total current liabilities | 58,055 | 56,346 | 57,701 |
| Long-term debt | 16,831 | 10,726 | 8,662 |
| Postretirement benefits other than pensions | 33,990 | 34,515 | 34,109 |
| Pensions | 9,410 | 10,790 | 3,111 |
| Other liabilities and deferred income taxes | 14,506 | 13,794 | 14,791 |
| | <hr/> | <hr/> | <hr/> |

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| | | | |
|---|-------------------|-------------------|-------------------|
| Total Automotive, Communications Services, and Other Operations liabilities | 132,792 | 126,171 | 118,374 |
| Financing and Insurance Operations | | | |
| Accounts payable | 8,236 | 7,900 | 6,348 |
| Debt | 158,659 | 153,186 | 133,088 |
| Other liabilities and deferred income taxes | 15,701 | 16,259 | 15,494 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Financing and Insurance Operations liabilities | 182,596 | 177,345 | 154,930 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities | 315,388 | 303,516 | 273,304 |
| Minority interests | 788 | 746 | 699 |
| Stockholders equity | | | |
| \$1-2/3 par value common stock (issued, 561,337,257; 559,044,427; and 549,606,968 shares) | 936 | 932 | 916 |
| Class H common stock (issued, 958,024,533; 877,505,382 and 876,465,865 shares) | 96 | 88 | 88 |
| Capital surplus (principally additional paid-in capital) | 21,557 | 21,519 | 21,114 |
| Retained earnings | 10,376 | 9,463 | 10,233 |
| | <u> </u> | <u> </u> | <u> </u> |
| Subtotal | 32,965 | 32,002 | 32,351 |
| Accumulated foreign currency translation adjustments | (2,770) | (2,919) | (2,814) |
| Net unrealized loss on derivatives | (188) | (307) | (187) |
| Net unrealized gains on securities | 268 | 512 | 355 |
| Minimum pension liability adjustment | (9,584) | (9,581) | (45) |
| | <u> </u> | <u> </u> | <u> </u> |
| Accumulated other comprehensive loss | (12,274) | (12,295) | (2,691) |
| | <u> </u> | <u> </u> | <u> </u> |
| Total stockholders equity | 20,691 | 19,707 | 29,660 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities and stockholders equity | <u>\$ 336,867</u> | <u>\$ 323,969</u> | <u>\$ 303,663</u> |

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

| | Six Months Ended June 30 | | | |
|--|---|-------------------------------|---|-------------------------------|
| | 2002 | | 2001 | |
| | Automotive, Comm.Serv. and Other | Financing and Insurance | Automotive, Comm.Serv. and Other | Financing and Insurance |
| | (dollars in millions) | | | |
| Net cash provided by operating activities | \$ 5,196 | \$ 3,030 | \$ 3,455 | \$ 1,278 |
| Cash flows from investing activities | | | | |
| Expenditures for property | (3,494) | (46) | (4,220) | (42) |
| Investments in marketable securities acquisitions | (802) | (20,311) | (773) | (15,691) |
| Investments in marketable securities liquidations | 578 | 18,455 | 1,139 | 14,734 |
| Mortgage servicing rights acquisitions | | (634) | | (813) |
| Mortgage servicing rights liquidations | | 1 | | 18 |
| Finance receivables acquisitions | | (122,714) | | (107,883) |
| Finance receivables liquidations | | 58,793 | | 68,560 |
| Proceeds from sales of finance receivables | | 57,034 | | 41,156 |
| Operating leases acquisitions | (2,748) | (9,205) | (3,182) | (6,448) |
| Operating leases liquidations | 2,898 | 7,168 | 3,576 | 5,138 |
| Investments in companies, net of cash acquired | (124) | (150) | (612) | (119) |
| Other | 744 | (567) | (351) | 129 |
| Net cash (used in) investing activities | (2,948) | (12,176) | (4,423) | (1,261) |
| Cash flows from financing activities | | | | |
| Net (decrease) increase in loans payable | (857) | 970 | 222 | (21,634) |
| Long-term debt borrowings | 9,821 | 12,306 | 3,451 | 28,904 |
| Long-term debt repayments | (3,818) | (11,243) | (2,225) | (7,703) |
| Repurchases of common and preference stocks | (97) | | (264) | |
| Proceeds from issuing common stocks | 69 | | 71 | |
| Proceeds from sales of treasury stocks | 19 | | | |
| Cash dividends paid to stockholders | (607) | | (600) | |
| Net cash provided by (used in) financing activities | 4,530 | 2,033 | 655 | (433) |
| Effect of exchange rate changes on cash and cash equivalents | 130 | 13 | (47) | 1 |
| Net transactions with Automotive/Financing Operations | (919) | 919 | (389) | 389 |
| Net increase (decrease) in cash and cash equivalents | 5,989 | (6,181) | (749) | (26) |
| Cash and cash equivalents at beginning of the period | 8,432 | 10,123 | 9,119 | 1,165 |
| Cash and cash equivalents at end of the period | \$ 14,421 | \$ 3,942 | \$ 8,370 | \$ 1,139 |

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The following charts were discussed with Wall Street analysts and media on Tuesday, July 16, 2002:

2002 Second Quarter Results

In the presentation that follows and in related comments by General Motors management, our use of the words expect, anticipate, estimate, forecast, objective, plan, goal, project and similar expressions is intended to identify forward looking statements. While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, actual results may differ materially due to numerous important factors that are described in GM's most recent report on SEC Form 10-K which may be revised or supplemented in subsequent reports on SEC Forms 10-Q and 8-K. Such factors include, among others, the following: changes in economic conditions, currency exchange rates or political stability; shortages of fuel, labor strikes or work stoppages; market acceptance of the corporation's new products; significant changes in the competitive environment; changes in laws, regulations and tax rates; and, the ability of the corporation to achieve reductions in cost and employment levels to realize production efficiencies and implement capital expenditures at levels and times planned by management. GM is recording the remarks and visuals presented today which are copyrighted by GM and may not be reproduced, transcribed, or distributed in any way without the express written consent of General Motors. Therefore, this conference may not be recorded by attendees. We consider your participation to constitute your consent to being recorded today.

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SEC Legend

In connection with the proposed transactions, General Motors Corporation (GM), HEC Holdings, Inc. (Hughes Holdings) and EchoStar Communications Corporation (EchoStar) have filed amended preliminary materials with the Securities and Exchange Commission (SEC), including a Registration Statement of Hughes Holdings on Form S-4 that contains a consent solicitation statement/information statement/prospectus. These materials are not yet final and will be further amended. Holders of GM \$1-2/3 and GM Class H common stock are urged to read the definitive versions of these materials, as well as any other relevant documents filed or that will be filed with the SEC, as they become available, because these documents contain or will contain important information. The preliminary materials, the definitive versions of these materials and other relevant materials (when they become available), and any other documents filed by GM, Hughes Electronics Corporation (Hughes), Hughes Holdings or EchoStar with the SEC may be obtained for free at the SEC's website, www.sec.gov, and GM stockholders will receive information at an appropriate time on how to obtain transaction-related documents for free from GM.

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 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 amended preliminary consent solicitation statement/information statement/prospectus filed with the SEC and the definitive consent solicitation statement/information statement/prospectus 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, Hughes Holdings 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, be, estimates, projects, potential, expects, plans, anticipates, intends, continues, forecast, designed, goal, or the negative of the comparable words to be uncertain and forward-looking. This cautionary statement applies to all forward-looking statements included in this document.

* * *