

GENERAL MOTORS CORP

Form 425

August 08, 2002

Edgar Filing: GENERAL MOTORS CORP - Form 425

Filed by HEC Holdings, Inc.
Subject Company - General Motors Corporation
and Hughes Electronics Corporation
and EchoStar Communications Corporation
Pursuant to Rule 425 under the Securities Act of 1933
and Deemed Filed Pursuant to Rule 14a-12
under the Securities Exchange Act of 1934
Commission File No.: 333-84472

The documents set forth below are available at Hughes' merger support website beginning August 8, 2002.

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.

Arizona

Total TV Households: 1,892,010

Cable Subscribers: 1,129,900 (59.72%)

Satellite Subscribers: 454,191 (24.01%)

Current local broadcast markets served:

Markets that consumers will see added if the merger is approved:

Yuma El Centro, AZ, CA

State Access to Broadband Internet

Pre-Merger: 92%

Post-Merger: 100%

Colorado

Total TV Households: 1,645, 010

Cable Subscribers: 1,027,300 (62.45%)

Satellite Subscribers: 400,418 (24.34%)

Current local broadcast markets served:

Denver, CO

Albuquerque- Santa Fe, NM (EchoStar Only)

Markets that consumers will see added if the merger is approved:

Colorado Springs- Pueblo, CO

Grand Junction et al, CO

State Access to Broadband Internet

Pre-Merger: 85%

Post-Merger: 100%

DELAWARE

Total TV Households: 290,470

Cable Subscribers: 237,120 (81.63%)

Satellite Subscribers: 45,121 (15.53%)

Current local broadcast markets served:

Philadelphia, PA

Markets that consumers will see added if the merger is approved:

Salisbury, MD

State Access to Broadband Internet

Pre-Merger: 100%

Post-Merger: 100%

Kansas

Total TV Households: 1,017,970

Cable Subscribers: 703,540 (69.11%)

Satellite Subscribers: 212,615 (20.89%)

Current local broadcast markets served:

Kansas City, MO

Tulsa, OK (EchoStar Only)

Markets that consumers will see added if the merger is approved:

Wichita-Hutchinson, KS Plus

Lincoln-Hastings-Kearney, NE

Topeka, KS

St. Joseph, MO

Joplin-Pittsburg, MO-KS

Amarillo, TX

State Access to Broadband Internet

Pre-Merger: 65%

Post-Merger: 100%

Michigan

Total TV Households: 3,699,480

Cable Subscribers: 2,440,320 (65.96%)

Satellite Subscribers: 718,480 (19.42%)

Current local broadcast markets served:

Detroit, MI

Grand Rapids-Kalamazoo-Battle Creek, MI

Markets that consumers will see added if the merger is approved:

Flint Saginaw Bay City, MI

Toledo, OH

Green Bay-Appleton, WI

South Bend- Elkhart, IN

Lansing, MI

Traverse City-Cadillac, MI

Duluth-Superior, MN-WI

Marquette, MI

Alpena, MI

State Access to Broadband Internet

Pre-Merger: 90%

Post-Merger: 100%

New Hampshire

Total TV Households: 459,220

Cable Subscribers: 373,870 (81.41%)

Satellite Subscribers: 78,030 (16.99%)

Current local broadcast markets served:

Boston, MA (Manchester, NH)

Burlington, VT; Plattsburgh, NY (EchoStar Only)

Markets that consumers will see added if the merger is approved:

Portland- Auburn, ME

State Access to Broadband Internet

Pre-Merger: 92%

Post-Merger: 100%

New Mexico

Total TV Households: 620,020

Cable Subscribers: 357,740 (57.70%)

Satellite Subscribers: 159,204 (25.68%)

Current local broadcast markets served:

Albuquerque Santa Fe, NM (EchoStar Only)

Markets that consumers will see added if the merger is approved:

Amarillo, TX

Odessa- Midland, TX

El Paso, TX

State Access to Broadband Internet

Pre-Merger: 66%

Post-Merger: 100%

New York

Total TV Households: 6,613,410

Cable Subscribers: 4,757,290 (71.93%)

Satellite Subscribers: 918,661 (13.89%)

Current local broadcast markets served:

New York, NY

Buffalo, NY (DIRECTV Only)

Burlington, VT; Plattsburgh, NY (EchoStar Only)

Markets that consumers will see added if the merger is approved:

Albany Schenectady- Troy, NY

Rochester, NY

Syracuse, NY

Watertown, NY

Utica, NY

Binghamton, NY

Elmira, NY

State Access to Broadband Internet

Pre-Merger: 92%

Post-Merger: 100%

Oklahoma

Total TV Households: 1,288,600

Cable Subscribers: 792,240 (61.48%)

Satellite Subscribers: 311,736 (24.19%)

Current local broadcast markets served:

Oklahoma City, OK

Tulsa, OK (EchoStar Only)

Markets that consumers will see added if the merger is approved:

Shreveport, LA

Ft. Smith-Fayetteville, Springdale-Rogers, AR

Amarillo, TX

Joplin-Pittsburg, MO-KS

Sherman-Ada, TX-OK

Wichita Falls et.al., TX-OK

State Access to Broadband Internet

Pre-Merger: 71%

Post-Merger: 100%

Pennsylvania

Total TV Households: 4,559,840

Cable Subscribers: 3,548,830 (77.83%)

Satellite Subscribers: 577,754 (12.67%)

Current local broadcast markets served:

Markets that consumers will see added if the merger is approved:

Harrisburg-Lancaster-Lebanon-York, PA

Wilkes Barre-Scranton, PA

Johnstown Altoona, PA

Youngstown, OH

Erie, PA

Elmira, NY

State Access to Broadband Internet

Pre-Merger: 78%

Post-Merger: 100%

Vermont

Total TV Households: 227,350

Cable Subscribers: 132,070 (58.09%)

Satellite Subscribers: 94,059 (41.37%)

Current local broadcast markets served:

Boston, MA (Manchester, NH)

Burlington, VT; Plattsburgh, NY (EchoStar Only)

Markets that consumers will see added if the merger is approved:

Albany-Schenectady-Troy, NY

State Access to Broadband Internet

Pre-Merger: 75%

Post-Merger: 100%

West Virginia

Total TV Households: 706,080

Cable Subscribers: 513,930 (72.79%)

Satellite Subscribers: 186,305 (26.39%)

Current local broadcast markets served:

Washington, DC (Hagerstown, MD)

Pittsburgh, PA

Markets that consumers will see added if the merger is approved:

Charleston-Huntington, WV

Roanoke-Lynchburg, VA

Wheeling et.al., WV-OH

Parkersburg, WV

Clarksburg-Weston, WV

Harrisonburg, VA

Beckley et al, WV

State Access to Broadband Internet

Pre-Merger: 42%

Post-Merger: 100%

THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND
FOR ALL AMERICANS

AUGUST 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®, 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 COVERING THE COUNTRY.

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 and economic 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

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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 within about 24-36 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 haves nots by serving every household in the country, including every household in every state. Efficiencies from the combined companies will provide 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 Americans 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

TOTAL TELEVISION VIEWING HOUSEHOLDS

In the pages that follow, you will see that the merger of HUGHES and EchoStar benefits consumers and serves the public interest.

4 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

CABLE FRANCHISE AREAS

Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services throughout the country.

Over 104 million of the 107 million TV households are located in a cable franchise area.

5 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; NIELSEN MEDIA RESEARCH, SEPT. 2001

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

Today only 71 million TV households, those within the 52 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.

6 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

36 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.

7 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.

8 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.

9 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

Implementation could begin immediately following merger approval and the rollout can be completed within about 24-36 months thereafter, allowing delivery of local channels to all Americans.

10 THE ECHOSTAR/HUGHES MERGER

SOURCE: 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 the combined EchoStar-HUGHES 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.

11 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL DIVIDE

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.

12 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, 22, 87; THE BUXTON COMPANY, BROADBAND DEPLOYMENT, JAN. 2002

BROADBAND: THE DIGITAL HAVES

Approximately 67 million households have access to a terrestrial high-speed Internet service.

These represent the digital haves who are located primarily in the major metropolitan areas.

13 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, P. 22; THE BUXTON COMPANY, BROADBAND DEPLOYMENT, JAN. 2002

BROADBAND: THE DIGITAL HAVE NOTS

40 million households, located primarily in rural areas, have no access to wired broadband services.

This map clearly shows the number of digital have nots those households with no access to DSL or cable modem service.

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.

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, P. 22; THE BUXTON COMPANY, BROADBAND DEPLOYMENT, JAN. 2002

MERGER BRIDGES THE DIGITAL DIVIDE

The merger will bridge the digital divide 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 the offering of a high-speed Internet service 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 the country to a digital home.

15 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, 22, 87; ECHOSTAR AND DIRECTV, JAN. 31, 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.

16 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.

17 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 to all Americans.

18 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 HUGHES, 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

19 THE ECHOSTAR/HUGHES MERGER

SEC LEGEND

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20 THE ECHOSTAR/HUGHES MERGER

THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND
FOR ALL CONSUMERS IN ARIZONA

AUGUST 2002

THE BENEFITS OF THE ECHOSTAR/HUGHES MERGER

February 26, 2002

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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 within about 24-36 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

ARIZONA

Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Arizona.

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.

4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

ARIZONA

In Arizona, only those DBS TV households within the Albuquerque-Santa Fe, Phoenix and Tucson (Sierra Vista) 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® 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 Arizona in which DIRECTV and DISH Network began delivering 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

ARIZONA

As shown by this map, Arizona TV households outside the Albuquerque-Santa Fe, Phoenix and Tucson (Sierra Vista) 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 4 local channel markets in Arizona.

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

ARIZONA

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 Arizona.

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.

8 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

ARIZONA

Implementation could begin immediately following merger approval, and the rollout can be completed within about 24-36 months thereafter, allowing delivery of local channels to all 1.9 million TV households in Arizona.

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.

10 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR,
HUGHES, FEB. 2002

BROADBAND: THE DIGITAL HAVE NOTS

ARIZONA

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.

11 THE ECHOSTAR/HUGHES MERGER

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

MERGER BRIDGES THE BROADBAND DIGITAL DIVIDE

ARIZONA

The merger will bridge the digital divide in Arizona 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 Arizona and the country to a digital have.

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.

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.

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 Arizona and all Americans.

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), 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.

17 THE ECHOSTAR/HUGHES MERGER

THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND
FOR ALL CONSUMERS IN CALIFORNIA

AUGUST 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®, 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.

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 within about 24-36 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 haves 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

CALIFORNIA

Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across California.

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.

4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

CALIFORNIA

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® 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 four markets in California in which DIRECTV and DISH Network began delivering 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

CALIFORNIA

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.

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 14 local channel markets in California.

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

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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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.

8 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

CALIFORNIA

Implementation could begin immediately following merger approval, and the rollout can be completed within about 24-36 months thereafter, allowing delivery of local channels to all 11.6 million TV households in California.

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.

10 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL HAVE NOTS

CALIFORNIA

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.

11 THE ECHOSTAR/HUGHES MERGER

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

MERGER BRIDGES THE BROADBAND DIGITAL DIVIDE

CALIFORNIA

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.

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 California and the country to a digital have.

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.

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.

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 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 California and all Americans.

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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

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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 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.

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17 THE ECHOSTAR/HUGHES MERGER

THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND
FOR ALL CONSUMERS IN KANSAS

AUGUST 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®, 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 KANSAS.

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 within about 24-36 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 Kansas, 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 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

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.

4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

KANSAS

In Kansas, only those DBS TV households within the Kansas City and Tulsa 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® 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 Kansas in which DIRECTV and DISH Network began delivering 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

KANSAS

As shown by this map, Kansas TV households outside the Kansas City and Tulsa 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 8 local channel markets in Kansas.

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

KANSAS

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.

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.

8 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

KANSAS

Implementation could begin immediately following merger approval, and the rollout can be completed within about 24-36 months thereafter, allowing delivery of local channels to all 1 million TV households in Kansas.

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.

10 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL HAVE NOTS

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.

11 THE ECHOSTAR/HUGHES MERGER

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

MERGER BRIDGES THE BROADBAND DIGITAL DIVIDE

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.

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.

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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.

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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 Kansas and all Americans.

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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), 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.

17 THE ECHOSTAR/HUGHES MERGER

THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND
FOR ALL CONSUMERS IN MICHIGAN

AUGUST 2002

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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®, 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 MICHIGAN.

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CONTINUED...

2 THE ECHOSTAR/HUGHES MERGER

...CONTINUED

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3 THE ECHOSTAR/HUGHES MERGER

CABLE FRANCHISE AREAS

MICHIGAN

Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Michigan.

About 2.4 million of the 3.7 million TV households in Michigan subscribe to a cable service, which equates to about 66% of all Michigan households.

4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

MICHIGAN

In Michigan, only those DBS TV households within the Detroit and Grand Rapids et al television markets have a fully competitive multi-channel alternative to cable WITH local channels.

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SOURCE: NIELSEN MEDIA
RESEARCH, SEPT. 2001;
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2002; ECHOSTAR AND
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As shown by this map, Michigan TV households outside the Detroit and Grand Rapids et al television markets do not have a true competitive alternative to cable.

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

WITHOUT MERGER: INEFFICIENT SPECTRUM USE

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SOURCE: ECHOSTAR, HUGHES, FEB. 2002

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MICHIGAN

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

BROADBAND: THE DIGITAL HAVE NOTS

MICHIGAN

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SOURCE: THE BUXTON
COMPANY,
BROADBAND
DEPLOYMENT,
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MERGER BRIDGES THE BROADBAND DIGITAL DIVIDE

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SOURCE: ECHOSTAR, HUGHES, FEB. 2002

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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 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.

17 THE ECHOSTAR/HUGHES MERGER

THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND
FOR ALL CONSUMERS IN NEW HAMPSHIRE

AUGUST 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®, 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 NEW HAMPSHIRE.

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 within about 24-36 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 New Hampshire, 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 New Hampshire 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

NEW HAMPSHIRE

Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across New Hampshire.

About .4 million of the .5 million TV households in New Hampshire subscribe to a cable service, which equates to about 81% of all New Hampshire households.

4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

NEW HAMPSHIRE

In New Hampshire, only those DBS TV households within the Boston and Burlington 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® 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 New Hampshire in which DIRECTV and DISH Network began delivering 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

NEW HAMPSHIRE

As shown by this map, New Hampshire TV households outside the Boston and Burlington 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 3 local channel markets in New Hampshire.

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

NEW HAMPSHIRE

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 3 markets in New Hampshire.

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.

8 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

NEW HAMPSHIRE

Implementation could begin immediately following merger approval, and the rollout can be completed within about 24-36 months thereafter, allowing delivery of local channels to all .5 million TV households in New Hampshire.

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.

10 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR,
HUGHES, FEB. 2002

BROADBAND: THE DIGITAL HAVE NOTS

NEW HAMPSHIRE

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.

11 THE ECHOSTAR/HUGHES MERGER

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

MERGER BRIDGES THE BROADBAND DIGITAL DIVIDE

NEW HAMPSHIRE

The merger will bridge the digital divide in New Hampshire 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 New Hampshire and the country to a digital have.

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.

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.

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 New Hampshire and all Americans.

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), 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.

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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, 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.

17 THE ECHOSTAR/HUGHES MERGER

THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND
FOR ALL CONSUMERS IN NEW YORK

AUGUST 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®, 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 NEW YORK.

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 within about 24-36 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 haves nots by serving every household in the nation, including every household in New York, 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 New York 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

NEW YORK

Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across New York.

About 4.8 million of the 6.6 million TV households in New York subscribe to a cable service, which equates to about 72% of all New York households.

4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

NEW YORK

In New York, only those DBS TV households within the Buffalo, Burlington et al and New York 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® 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 New York in which DIRECTV and DISH Network began delivering 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

NEW YORK

As shown by this map, New York TV households outside the Buffalo, Burlington et al and New York 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 New York.

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

NEW YORK

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 New York.

7 THE ECHOSTAR/HUGHES MERGER

SOURCE: NIELSEN MEDIA RESEARCH, SEPT. 2001; 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.

8 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

NEW YORK

Implementation could begin immediately following merger approval, and the rollout can be completed within about 24-36 months thereafter, allowing delivery of local channels to all 6.6 million TV households in New York.

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.

10 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL HAVE NOTS

NEW YORK

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.

11 THE ECHOSTAR/HUGHES MERGER

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

MERGER BRIDGES THE BROADBAND DIGITAL DIVIDE

NEW YORK

The merger will bridge the digital divide in New York 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 New York and the country to a digital have.

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.

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. o 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.

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 New York and all Americans.

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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 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), 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 those 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 OHIO

AUGUST 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®, 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 12 MARKETS IN OHIO.

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 within about 24-36 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 Ohio, 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 Ohio 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

OHIO

Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Ohio.

About 3 million of the 4.3 million TV households in Ohio subscribe to a cable service, which equates to about 70% of all Ohio households.

4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

OHIO

In Ohio, only those DBS TV households within the Cincinnati, Cleveland and Columbus 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® 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 Ohio in which DIRECTV and DISH Network began delivering 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

OHIO

As shown by this map, Ohio TV households outside the Cincinnati, Cleveland and Columbus 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 12 local channel markets in Ohio.

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

OHIO

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 12 markets in Ohio.

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.

8 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

OHIO

Implementation could begin immediately following merger approval, and the rollout can be completed within about 24-36 months thereafter, allowing delivery of local channels to all 4.3 million TV households in Ohio.

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.

10 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR,
HUGHES, FEB. 2002

BROADBAND: THE DIGITAL HAVE NOTS

OHIO

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.

11 THE ECHOSTAR/HUGHES MERGER

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

MERGER BRIDGES THE BROADBAND DIGITAL DIVIDE

OHIO

The merger will bridge the digital divide in Ohio 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 Ohio and the country to a digital have.

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.

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.

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 Ohio and all Americans.

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.
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THE ECHOSTAR/HUGHES MERGER

Local Channels, All Americans
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TRUE COMPETITION FOR 107 MILLION HOUSEHOLDS

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17 THE ECHOSTAR/HUGHES MERGER

THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND
FOR ALL CONSUMERS IN OKLAHOMA

AUGUST 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®, 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 OKLAHOMA.

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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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 within about 24-36 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 Oklahoma, 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 Oklahoma 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

OKLAHOMA

Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Oklahoma.

About .8 million of the 1.3 million TV households in Oklahoma subscribe to a cable service, which equates to about 61% of all Oklahoma households.

4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

OKLAHOMA

In Oklahoma, only those DBS TV households within the Oklahoma City and Tulsa 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® 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 Oklahoma in which DIRECTV and DISH Network began delivering 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

OKLAHOMA

As shown by this map, Oklahoma TV households outside the Oklahoma City and Tulsa 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 8 local channel markets in Oklahoma.

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

OKLAHOMA

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 Oklahoma.

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.

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The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

8 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

OKLAHOMA

Implementation could begin immediately following merger approval, and the rollout can be completed within about 24-36 months thereafter, allowing delivery of local channels to all 1.3 million TV households in Oklahoma.

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SEPT. 2001; ECHOSTAR,
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SOURCE: ECHOSTAR,
HUGHES, FEB. 2002

BROADBAND: THE DIGITAL HAVE NOTS

OKLAHOMA

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.

11 THE ECHOSTAR/HUGHES MERGER

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

MERGER BRIDGES THE BROADBAND DIGITAL DIVIDE

OKLAHOMA

The merger will bridge the digital divide in Oklahoma by providing consumers in every community with a competitively priced high-speed broadband solution available to them regardless of their location.

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The merger will provide the technical and economic infrastructure to convert every household in Oklahoma and the country to a digital have.

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

ONE NATION, ONE DISH

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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.

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 Oklahoma and all Americans.

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), 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.

17 THE ECHOSTAR/HUGHES MERGER

THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND
FOR ALL CONSUMERS IN PENNSYLVANIA

AUGUST 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®, 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 PENNSYLVANIA.

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 within about 24-36 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 haves nots by serving every household in the nation, including every household in Pennsylvania, 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 Pennsylvania 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

PENNSYLVANIA

Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Pennsylvania.

About 3.5 million of the 4.6 million TV households in Pennsylvania subscribe to a cable service, which equates to about 78% of all Pennsylvania households.

4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

PENNSYLVANIA

In Pennsylvania, only those DBS TV households within the Buffalo, New York, Philadelphia, 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® 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 five markets in Pennsylvania in which DIRECTV and DISH Network began delivering 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

PENNSYLVANIA

As shown by this map, Pennsylvania TV households outside the Buffalo, New York, Philadelphia, Pittsburgh and Washington, D.C. 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 Pennsylvania.

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

PENNSYLVANIA

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 11 markets in Pennsylvania.

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.

8 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

PENNSYLVANIA

Implementation could begin immediately following merger approval, and the rollout can be completed within about 24-36 months thereafter, allowing delivery of local channels to all 4.6 million TV households in Pennsylvania.

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.

10 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

BROADBAND: THE DIGITAL HAVE NOTS

PENNSYLVANIA

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.

11 THE ECHOSTAR/HUGHES MERGER

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

MERGER BRIDGES THE BROADBAND DIGITAL DIVIDE

PENNSYLVANIA

The merger will bridge the digital divide in Pennsylvania 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 Pennsylvania and the country to a digital have.

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.

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.

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 Pennsylvania and all Americans.

15 THE ECHOSTAR/HUGHES MERGER

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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 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

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17 THE ECHOSTAR/HUGHES MERGER

THE ECHOSTAR/HUGHES MERGER

LOCAL CHANNELS AND COMPETITIVE BROADBAND
FOR ALL CONSUMERS IN VERMONT

AUGUST 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®, 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 VERMONT.

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 within about 24-36 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 Vermont, 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 Vermont 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

VERMONT

Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services across Vermont.

About .1 million of the .2 million TV households in Vermont subscribe to a cable service, which equates to about 58% of all Vermont households.

4 THE ECHOSTAR/HUGHES MERGER

SOURCE: SKYRESEARCH, FEB. 2002

HOUSEHOLDS WITH ACCESS TO DBS WITH LOCAL CHANNELS

VERMONT

In Vermont, only those DBS TV households within the Boston and Burlington 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® 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 Vermont in which DIRECTV and DISH Network began delivering 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

VERMONT

As shown by this map, Vermont TV households outside the Boston and Burlington 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 3 local channel markets in Vermont.

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

VERMONT

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 3 markets in Vermont.

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.

8 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR, HUGHES, FEB. 2002

WITH MERGER: SPECTRUM EFFICIENCIES ACHIEVED

VERMONT

Implementation could begin immediately following merger approval, and the rollout can be completed within about 24-36 months thereafter, allowing delivery of local channels to all .2 million TV households in Vermont.

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.

10 THE ECHOSTAR/HUGHES MERGER

SOURCE: ECHOSTAR,
HUGHES, FEB. 2002

BROADBAND: THE DIGITAL HAVE NOTS

VERMONT

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.

11 THE ECHOSTAR/HUGHES MERGER

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

MERGER BRIDGES THE BROADBAND DIGITAL DIVIDE

VERMONT

The merger will bridge the digital divide in Vermont 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 Vermont and the country to a digital have.

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.

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.

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 Vermont and all Americans.

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), 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.

17 THE ECHOSTAR/HUGHES MERGER