GENERAL MOTORS CORP
Form DEFM14A
August 21, 2003

Table of Contents

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

AMENDMENT NO. 2

TO
SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
x Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Under Rule 14a-12

GENERAL MOTORS CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)
Payment of Filing Fee (Check the appropriate box):

x No fee required

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

Table of Contents

SOLICITATION OF WRITTEN CONSENT OF
GENERAL MOTORS CORPORATION
COMMON STOCKHOLDERS

PROSPECTUS OF
HUGHES ELECTRONICS CORPORATION
Common Stock,
par value $0.01 per share

PROSPECTUS OF
THE NEWS CORPORATION LIMITED
Preferred Limited Voting Ordinary Shares,
par value A$0.50 per share,
represented by Preferred American Depositary Shares

The Separation of Hughes from GM

and Acquisition by News Corporation of 34% of Hughes

General Motors is asking GM $1 2/3 par value common stockholders and GM Class H common stockholders to approve transactions that will result in the split-off of Hughes from GM through a redemption of all outstanding shares of GM Class H common stock in exchange for shares of Hughes common stock and the acquisition by News Corporation of 34% of the common stock of Hughes outstanding upon the completion of the transactions. As part of these transactions, up to 1,198,188,342 shares of Hughes common stock and up to 177,575,257 News Corporation Preferred ADSs will be issued to the GM Class H common stockholders.

Upon the completion of the transactions, as described in greater detail in this document:

GM will receive (1) a $275 million special cash dividend from Hughes and (2) for its retained economic interest in Hughes, approximately $3.84 billion from News Corporation, comprised of approximately $3.07 billion in cash and approximately $0.77 billion in News Corporation Preferred ADSs and/or cash; and

GM Class H common stockholders will receive for each share of GM Class H common stock that they own (1) approximately 0.82335 of a share of Hughes common stock and (2) approximately $2.47 worth of News Corporation Preferred ADSs and/or cash.

Application has been made to list the Hughes common stock offered by this document on the New York Stock Exchange under the symbol HS. The News Corporation preferred limited voting ordinary shares offered by this document will be represented by News Corporation Preferred ADSs, each of which will represent four News Corporation preferred limited voting ordinary shares. The News Corporation Preferred ADSs offered by this document will be listed on the New York Stock Exchange under the symbol NWS.A.

WE URGE YOU TO READ THIS DOCUMENT CAREFULLY, INCLUDING

THE SECTION ENTITLED RISK FACTORS THAT BEGINS ON PAGE 48.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these transactions or the securities to be issued in connection with these transactions. In addition, neither the Securities and Exchange Commission nor any state securities commission has passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

This document, which is dated August 21, 2003, is a combined Consent Solicitation Statement of GM, Prospectus of Hughes and Prospectus of News Corporation and is first being mailed to GM common stockholders on or about September 5, 2003.

Table of Contents

To the GM $1 2/3 par value common stockholders and the GM Class H common stockholders:

GM is proposing to engage in transactions that will result in the separation of its currently wholly owned subsidiary, Hughes Electronics, from GM and the acquisition by News Corporation of 34% of Hughes. If approved by GM common stockholders, the transactions will be accomplished through the following principal steps:

The Hughes split-off GM will distribute to the GM Class H common stockholders one share of Hughes common stock in exchange for and in redemption of each outstanding share of GM Class H common stock that they own. In the aggregate, the shares distributed in the Hughes split-off will constitute approximately 80.2% of the outstanding common stock of Hughes. GM and Hughes will enter into certain separation-related arrangements as part of the Hughes split-off, which will include the payment by Hughes to GM of a $275 million special cash dividend prior to the distribution.

The GM/News stock sale Simultaneously with the Hughes split-off, GM will sell the remaining approximately 19.8% of the outstanding common stock of Hughes to a subsidiary of News Corporation for approximately $3.07 billion in cash and additional consideration consisting of News Corporation Preferred ADSs and/or cash worth approximately $0.77 billion, subject to adjustment based on a collar mechanism that depends upon the trading price of News Corporation Preferred ADSs during a specified period of time prior to the completion of the transactions.

The News stock acquisition Immediately after the Hughes split-off and the GM/News stock sale, a subsidiary of News Corporation will acquire an additional approximately 14.2% of the equity of Hughes from the former GM Class H common stockholders who received shares of Hughes common stock in the Hughes split-off. The News stock acquisition will be accomplished by merging an indirect wholly owned subsidiary of News Corporation into Hughes. In this merger, holders of Hughes common stock immediately prior to the merger (*i.e.*, the former GM Class H common stockholders) will receive in the aggregate approximately $2.74 billion in consideration, subject to adjustment based on the collar mechanism, consisting of News Corporation Preferred ADSs and/or cash, in exchange for the Hughes common stock acquired by News Corporation, and will retain in the aggregate approximately 82.3% of the common stock of Hughes they received in the Hughes split-off.

As a result of the transactions, each holder of GM Class H common stock will receive for each share of GM Class H common stock approximately 0.82335 of a share of Hughes common stock and approximately $2.47 worth of News Corporation Preferred ADSs, cash or a combination of News Corporation Preferred ADSs and cash, at News Corporation s election, subject to adjustment based on the collar mechanism.

You should understand that the above-referenced percentages and amounts are based on certain assumptions described in this document. The terms of the transactions and the specific amounts that GM and the GM Class H common stockholders will receive as a result of the transactions as well as the various factors affecting such amounts are described in greater detail in this document.

Upon the completion of the transactions:

- the GM Class H common stock will be eliminated and GM will no longer have tracking stock ;
- the GM $1 2/3 par value common stock will remain outstanding and will be GM s only class of common stock;
- Hughes will become an independent public company;
- News Corporation will indirectly own 34% of the outstanding Hughes common stock; and
- the former GM Class H common stockholders will own the remaining 66% of the outstanding Hughes common stock.

THE BOARD OF DIRECTORS OF GENERAL MOTORS HAS APPROVED THE TRANSACTIONS AND UNANIMOUSLY RECOMMENDS THAT YOU VOTE TO APPROVE EACH OF THE PROPOSALS SUBMITTED FOR YOUR APPROVAL BY EXECUTING AND RETURNING THE ENCLOSED CONSENT CARD AS SOON AS POSSIBLE.

Table of Contents

GM, as the sole stockholder of Hughes, has already approved certain aspects of the transactions. However, other aspects of the transactions require GM common stockholder approval and, accordingly, none of the transactions will be completed unless GM common stockholder approval is obtained. If the GM $1 2/3 par value common stockholders and GM Class H common stockholders, each voting separately as a class and voting together as a single class based on their respective per share voting power, do not approve each of the proposals relating to the transactions, none of the transactions will occur. In that event, Hughes will remain a wholly owned subsidiary of GM and GM Class H common stock will remain outstanding as a tracking stock of GM reflecting the financial performance of Hughes. Therefore, your vote on these matters is very important. This document contains important information about each of the transactions. **We urge you to read this document carefully, including the section entitled Risk Factors that begins on page 48.**

Hughes strongly supports its separation from GM and the acquisition by a subsidiary of News Corporation of 34% of Hughes pursuant to the transactions. Hughes joins with the GM board of directors in enthusiastically recommending that you vote in favor of the transactions.

G. Richard Wagoner, Jr.	Jack A. Shaw
Chairman and Chief Executive Officer	*President and Chief Executive Officer*
General Motors Corporation	*Hughes Electronics Corporation*

August 21, 2003

Table of Contents

ADDITIONAL INFORMATION

This document incorporates important business and financial information about GM, Hughes and News Corporation from other documents that are not included in or delivered with this document. You may obtain these documents at the Securities and Exchange Commission s website, www.sec.gov , and you may also obtain certain of these documents at the following websites:

GM: Documents relating to GM are available at GM s website, www.gm.com by selecting Investor Information & Governance and then selecting SEC Filings ;

Hughes: Documents relating to Hughes are available at Hughes website, www.hughes.com by selecting Investor Relations and then selecting SEC Filings ; and

News Corporation: Documents relating to News Corporation are available at News Corporation s website, www.newscorp.com by selecting Investor & Financial and then selecting SEC.

We are not incorporating the contents of the websites of the SEC, GM, Hughes, News Corporation or any other person into this document. We are only providing information about how you can obtain certain documents that are incorporated by reference into this document at these websites for your convenience.

This information is also available to you without charge upon your written or oral request as described below. Written and telephone requests by GM common stockholders for any of the documents of GM, Hughes or News Corporation should be directed to GM as indicated below:

GM Fulfillment Center

MC 480-000-FC1
30200 Stephenson Hwy.
Madison Heights, Michigan 48071-1621
Telephone: (313) 667-1434

If you would like to request copies of any documents, please do so no later than September 26, 2003 in order to ensure timely delivery. This date is five business days prior to the estimated end of the minimum 20 business day consent solicitation period required by the SEC because information has been incorporated into this document by reference.

For additional information about where to obtain copies of documents, see Where You Can Find More Information beginning on page 297.

TABLE OF CONTENTS

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

You should rely only on the information contained in, or incorporated by reference into, this document. We have not authorized anyone to provide you with information different from that contained in, or incorporated by reference into, this document. This does not constitute an offer to sell, nor a solicitation of an offer to buy, the securities offered by this document in any jurisdiction where offers and sales are not permitted under the laws of such jurisdiction. In addition, this does not constitute a solicitation of a consent or vote to approve the transactions or any other matter in any jurisdiction where such a solicitation is not permitted under the laws of such jurisdiction. The information contained in, or incorporated by reference into, this document is accurate only as of the date of this document regardless of the time of delivery or of any sale of the securities offered by this document.

Table of Contents

In order to help you understand the effects of the transactions, we have set forth throughout this document certain illustrative calculations of share ownership percentages, values to be provided to GM and the GM Class H common stockholders and various other matters. You should understand that these calculations are for illustrative purposes only and the actual amounts will not be known until the time of the completion of the transactions because they depend upon certain variable factors that will not be determinable until such time. For the purposes of these calculations, we have made assumptions with respect to these variable factors. For information regarding the assumptions underlying these calculations, see The Transactions Description of the Transactions Certain Assumptions on page 79.

In addition, you should understand that the number of shares of Hughes common stock and News Corporation Preferred ADSs to be distributed or issued to GM Class H common stockholders in the transactions could differ from the estimates indicated on the cover of this document. The numbers of shares of Hughes common stock and News Corporation Preferred ADSs to be distributed or issued to GM Class H common stockholders in the transactions, as indicated on the cover of this document, are estimates of the maximum number of shares to be distributed or issued to such stockholders. The actual numbers to be distributed or issued will depend on certain variable factors that will not be known until the time of the completion of the transactions, such as the number of shares of GM Class H common stock outstanding as of such time, the exchange ratio and whether News Corporation elects to pay for shares of Hughes common stock to be acquired pursuant to the transactions with cash rather than News Corporation Preferred ADSs. Moreover, the number of News Corporation Preferred ADSs identified on the cover of this document does not include any News Corporation Preferred ADSs that may be issued to GM in the transactions.

QUESTIONS AND ANSWERS ABOUT THE TRANSACTIONS

Q1. What is the Hughes split-off?

A1. The Hughes split-off consists of proposed transactions that will result in the distribution of approximately 80.2% of the equity of Hughes to the GM Class H common stockholders.

There are two principal components to the Hughes split-off:

Hughes Special Dividend. First, Hughes will declare and pay to GM a $275 million special cash dividend.

Hughes Split-Off Share Exchange. GM will then distribute shares of Hughes common stock, representing approximately 80.2% of the equity of Hughes, to GM Class H common stockholders in redemption of all of the outstanding shares of GM Class H common stock. Shares of Hughes common stock will be exchanged for shares of GM Class H common stock on a one-share-for-one-share basis in the Hughes split-off share exchange.

Simultaneously with the Hughes split-off, GM and News Corporation will complete the proposed GM/News stock sale as described in the answer to Question 2 below.

For more information, see pages 13, 71 and 170.

Q2. What is the GM/News stock sale?

A2. The GM/News stock sale is the proposed transaction in which, simultaneously with the completion of the Hughes split-off, GM will sell to a wholly owned subsidiary of News Corporation all of the remaining equity of Hughes held by GM for approximately $3.84 billion, comprised of approximately $3.07 billion in cash with the balance of approximately $0.77 billion paid in News Corporation Preferred ADSs and/or cash at News Corporation s election. You should note, however, that GM could receive less or more than the approximately $3.84 billion if there are changes in the assumptions described elsewhere in this document. The answer to Question 6 below describes in greater detail what GM will receive in exchange for these shares in the GM/News stock sale. Upon the completion of the GM/News stock sale, News Corporation will indirectly own approximately 19.8% of the outstanding equity of Hughes.

As a result of the Hughes split-off and the GM/News stock sale, Hughes will become an independent public company, separate from and no longer owned by GM.

Immediately after the simultaneous completion of the Hughes split-off and the GM/News stock sale, Hughes and News Corporation will complete the proposed News stock acquisition as described in the answer to Question 3 below.

For more information, see pages 13, 72 and 171.

Q3. What is the News stock acquisition?

A3. The News stock acquisition is the proposed merger in which, immediately after the completion of the Hughes split-off and the GM/News stock sale, a wholly owned subsidiary of News Corporation will merge with and into Hughes. In the merger, a subsidiary of News Corporation will acquire approximately 14.2% of the outstanding equity of Hughes from the former GM Class H common stockholders through the conversion of a portion of the shares of Hughes common stock they will receive in the Hughes split-off share exchange into News Corporation Preferred ADSs and/or cash, at News Corporation s election, as described in the answer to Question 4 below. As a result, News Corporation will indirectly own exactly 34% of the Hughes common stock outstanding upon the completion of the transactions, and the remaining 66% of the Hughes common stock outstanding upon the completion of the transactions will be held by the former holders of GM Class H common stock.

For more information, see pages 13, 74 and 183.

Q4. What will I receive if the transactions occur?

A4. *GM Class H Common Stockholders.* Upon the completion of the transactions, based on certain assumptions described elsewhere in this document, GM Class H common stockholders will receive for each share of GM Class H common stock held immediately prior to the transactions:

- approximately 0.82335 of a share of Hughes common stock; and
- approximately $2.47 worth of News Corporation Preferred ADSs and/or cash, subject to adjustment based on a collar mechanism that depends upon the trading price of News Corporation Preferred ADSs during a specified period of time prior to the completion of the transactions.

As a result of the transactions, all outstanding shares of GM Class H common stock will be redeemed and cancelled and GM Class H common stockholders will no longer be holders of the Class H tracking stock of GM. Instead, the former GM Class H common stockholders will be holders of an asset-based stock of Hughes. This asset-based stock will represent a direct equity interest in Hughes rather than the current tracking stock s direct equity interest in GM with its financial returns based on the financial performance of Hughes. GM Class H common stockholders also will receive News Corporation Preferred ADSs and/or cash for a portion of their interest in Hughes. While for U.S. federal income tax purposes the Hughes split-off share exchange generally will be tax-free to GM and its stockholders, the GM/News stock sale and the receipt by the former GM Class H common stockholders of News Corporation Preferred ADSs and/or cash in the News stock acquisition will be taxable transactions.

As described in greater detail elsewhere in this document, the number of shares of Hughes common stock and the number of News Corporation Preferred ADSs and/or the amount of cash that GM Class H common stockholders will receive in the transactions for each share of GM Class H common stock cannot be definitively determined until the time of the completion of the transactions because these amounts will depend upon variable factors that will not be known until that time.

GM $1 2/3 Par Value Common Stockholders. Upon the completion of the transactions, GM $1 2/3 par value common stockholders will retain their shares of GM $1 2/3 par value common stock. The GM $1 2/3 par value common stock will then be GM s only class of common stock, and GM will be a company focused primarily on its core automotive and related businesses. GM will no longer own any shares of Hughes common stock. GM $1 2/3 par value common stockholders will, however, have an indirect interest in the financial performance of News Corporation and Hughes to the extent that GM acquires any News Corporation Preferred ADSs pursuant to the GM/News stock sale, as described in the answer to Question 6 below, and continues to hold such shares.

For more information, see pages 13, 18, 24, 25, 72 and 159.

Q5. What is a share identification election?

A5. The receipt of Hughes common stock by GM Class H common stockholders is expected to be tax-free for U.S. federal income tax purposes, but the receipt of News Corporation Preferred ADSs and/or cash by the former GM Class H common stockholders in exchange for a portion of their Hughes common stock is expected to result in the recognition of gain (or loss) for U.S. federal income tax purposes. The share identification election is intended to provide GM Class H common stockholders the opportunity to associate the receipt of News Corporation Preferred ADSs and/or cash with specific shares of Hughes common stock received as a result of the conversion of particular shares of GM Class H common stock pursuant to one of the election methods described elsewhere in this document, which may affect the amount of taxable gain or loss recognized by them in connection with the taxable portion of the transactions.

You should understand that if a share identification election is not made in a timely manner, *each share* of GM Class H common stock will be exchanged for one share of Hughes common stock, and a portion of *each share* of Hughes common stock will then be converted into the appropriate amount of News Corporation Preferred ADSs and/or cash. As an alternative, GM Class H common stockholders have the option to make a share identification election that would result in their shares being treated on an aggregate basis such that certain *specific shares* of Hughes common stock would be converted into the appropriate amount of News Corporation Preferred ADSs and/or cash. Further information about the three alternative share identification methods that GM Class H common stockholders may elect is provided elsewhere in this document.

Making a share identification election will not change the total amount of Hughes common stock and News Corporation Preferred ADSs and/or cash that an electing stockholder will receive as a result of the transactions.

Each GM Class H common stockholder should consult with his or her own tax advisor as to the particular tax consequences of the Hughes split-off, the GM/News stock sale and the News stock acquisition. None of GM, Hughes or News Corporation is providing any assurance with respect to the tax effects of making a share identification election.

For more information, see page 287.

Q6. What will GM receive if the transactions occur?

A6. The transactions are designed to provide significant liquidity and value to GM in respect of GM s approximately 19.8% retained economic interest in Hughes. If the transactions occur, GM will receive:

- a $275 million special cash dividend from Hughes; and
- based on certain assumptions described elsewhere in this document, approximately $3.84 billion from News Corporation, comprised of approximately $3.07 billion in cash and approximately $0.77 billion in News Corporation Preferred ADSs and/or cash, subject to adjustment based on the collar mechanism.

The $275 million special cash dividend from Hughes to GM will provide additional liquidity to GM in the context of the transactions and is designed to compensate GM for the value enhancement arising from the exchange of asset-based stock of Hughes (in the form of Hughes common stock) for the GM Class H common stock, a tracking stock of GM, on a one-share-for-one-share basis.

The amount of cash and the number of News Corporation Preferred ADSs that GM will receive in the transactions cannot be definitively determined until the time of the completion of the GM/News stock sale because these amounts will depend upon variable factors that will not be known until that time.

For more information, see pages 13, 17, 72 and 171.

Q7. What are News Corporation Preferred ADSs?

A7. News Corporation Preferred ADSs are preferred American depositary shares of News Corporation, which are traded on the NYSE under the symbol NWS.A. Each News Corporation Preferred ADS represents four preferred limited voting ordinary shares of News Corporation (which we sometimes refer to as Preferred Ordinary Shares), which are traded on the Australian Stock Exchange under the symbol NCPDP. News Corporation also has outstanding ordinary American depositary shares (which we sometimes refer to as News Corporation Ordinary ADSs), which are traded on the NYSE under the symbol NWS. Each News Corporation Ordinary ADS represents four ordinary shares of News Corporation (which we sometimes refer to as Ordinary Shares). Although holders of Ordinary Shares and News Corporation Ordinary ADSs have full voting rights, holders of Preferred Ordinary Shares and News Corporation Preferred ADSs have no voting rights except in limited circumstances. Unless News Corporation elects to pay cash, both GM and GM Class H common stockholders will receive News Corporation Preferred ADSs in the transactions.

For more information, see pages 27, 229 and 246.

Q8. Why will GM receive cash for most (and possibly all) of the interest in Hughes that GM will sell to News Corporation in the transactions as well as the $275 million special cash dividend from Hughes while the GM Class H common stockholders will receive mainly Hughes common stock (and some News Corporation Preferred ADSs and/or cash) in the transactions for their GM Class H common stock?

A8. One reason for the separation of Hughes from GM is to better position the businesses of Hughes to compete within their industries by enabling Hughes to have greater flexibility in accessing capital and to benefit from an affiliation with News Corporation and its affiliates. Another reason is to enable GM to meet its own liquidity objectives over the near term and support its credit rating by monetizing its retained economic interest in Hughes and thus enhance GM s ability to focus on its core automotive and related businesses. To meet these objectives, GM will receive cash for a significant portion, and possibly all, of its retained economic interest in Hughes. In addition, the $275 million special cash dividend GM will receive from Hughes will provide additional liquidity to GM in the context of the transactions and is designed to compensate GM for the value enhancement arising to GM Class H common stockholders from the exchange of Hughes common stock (an asset-based stock of Hughes) for GM Class H common stock (a tracking stock of GM) on a one-share-for-one-share basis.

As a result of the transactions, the GM Class H common stockholders will continue to have an interest in the business of Hughes, but this interest will be in the form of common stock issued directly by Hughes rather than a tracking stock of GM reflecting the financial performance of Hughes. GM and Hughes believe that a principal reason why GM Class H common stockholders own shares of GM Class H common stock is that they seek to benefit from an investment in the business of Hughes. The transactions will permit these stockholders to retain most of that investment interest through a direct asset-based ownership interest in Hughes common stock. In addition, the GM Class H common stockholders will receive News Corporation Preferred ADSs and/or cash for the portion of their interest in Hughes that will be exchanged in the News stock acquisition in order to increase News Corporation s ownership of Hughes.

The structure of the transactions, including the type and amount of consideration to be paid to GM and the GM Class H common stockholders in the transactions, was the result of negotiations among GM, Hughes and News Corporation. In light of GM s objectives and the interests of Hughes and the GM Class H common stockholders, the structure of the proposed transactions and the form and amount of consideration negotiated for the various interests was determined to be fair and appropriate in the context of the proposed transactions.

For more information, see pages 22, 70 and 83.

Q9. When will the transactions be completed?

A9. We are working diligently to complete the transactions as soon as reasonably possible. We will, however, not complete the transactions unless the conditions set forth in the transaction agreements are satisfied or waived. These conditions include, among other things, the requisite GM common stockholder approval of the proposals relating to the transactions, the receipt of an IRS private letter ruling regarding the tax-free status of the Hughes split-off share exchange and the receipt of antitrust and other regulatory approvals of the transactions. Assuming that all of the conditions are satisfied or waived within the time frame we currently anticipate, we expect to complete the transactions by late 2003 or early 2004.

For more information, see page 67.

Q10. Will News Corporation combine its business with the Hughes business in the merger?

A10. No. As a result of the transactions, Hughes will become a publicly owned company, independent from GM, with 34% of its outstanding common stock owned by a subsidiary of News Corporation and the remaining 66% owned by the former GM Class H common stockholders. Immediately after the completion of the transactions, the News Corporation subsidiary that acquired 34% of the outstanding

Hughes common stock in the transactions will transfer all of the shares of Hughes common stock that it owns to Fox Entertainment, another subsidiary of News Corporation. Although News Corporation s Fox Entertainment subsidiary will own a significant minority interest in Hughes as a result of the transactions, News Corporation s and its subsidiaries businesses will not be combined with the businesses of Hughes as part of the transactions.

For more information, see pages 21, 74 and 183.

Q11. What are GM common stockholders being asked to approve?

A11. GM $1 2/3 par value common stockholders and GM Class H common stockholders, each voting separately as a class and voting together as a single class based on their respective per share voting power, are being asked to approve an amendment to the GM restated certificate of incorporation and to ratify four matters relating to the transactions. The transactions will not take place unless each of these five matters is approved or ratified, as applicable, by GM $1 2/3 par value common stockholders and GM Class H common stockholders. In addition, GM common stockholders are being asked to approve a further amendment to the GM restated certificate of incorporation to reflect the elimination of the GM Class H common stock after the completion of the transactions, but the transactions are not conditioned upon approval of this further GM charter amendment by GM $1 2/3 par value common stockholders and GM Class H common stockholders.

Proposals 1 through 5, all of which relate to the transactions, are separate matters to be voted upon by GM common stockholders but are expressly conditioned upon the approval of each of the other proposals (but not proposal 6). This means that ALL FIVE of these proposals must be approved or ratified, as applicable, by GM $1 2/3 par value common stockholders and GM Class H common stockholders in order for GM to obtain the requisite GM common stockholder approval of the transactions. The transactions described in this document will not be completed, even if all of the other conditions are satisfied or waived, if the requisite GM common stockholder approval of these five proposals is not received.

The proposals are as follows:

Proposal 1: Approval of the First GM Charter Amendment. This proposal is to approve an amendment to the GM restated certificate of incorporation that would provide GM the ability to implement the Hughes split-off share exchange.

The amendment would add two important provisions to the GM restated certificate of incorporation and make certain other clarifying changes to facilitate the transactions. As a result of these changes:

- GM will be able to split off Hughes by exchanging one share of Hughes common stock for, and in redemption of, each outstanding share of GM Class H common stock; and

- the provisions of the GM restated certificate of incorporation that provide for a recapitalization of GM Class H common stock into GM $1 2/3 par value common stock at a 120% exchange rate under certain circumstances will not apply to the Hughes split-off share exchange.

These provisions will have effect only if the transactions are completed.

Proposal 2: Ratification of the New Hughes Certificate of Incorporation, Including the Excess Stock Provision. This proposal is to ratify the new Hughes certificate of incorporation, which would establish, among other things, the terms of the Hughes common stock after the transactions.

The new Hughes certificate of incorporation will contain a number of important provisions, including a provision that we sometimes refer to as the excess stock provision. The excess stock provision will provide that no person may acquire any shares of Hughes capital stock during the first year after the completion of the transactions if the acquisition would result in any such person (together with other persons treated as related to such person under the new Hughes certificate of incorporation) holding 10% or more of Hughes. This restriction will not apply to News Corporation s acquisition of 34% of the outstanding Hughes common stock in the transactions but will prevent News Corporation (and other persons treated as related to News Corporation under the new Hughes certificate of incorporation) from acquiring additional shares of Hughes capital stock for one year after completion of the transactions. This provision is designed to protect Hughes and its stockholders from liability for potential adverse tax effects from certain changes in the ownership of Hughes after the transactions and from the potential adverse impact of a third party seeking to acquire control of Hughes at a lower price than might be available due to the fact that News Corporation (which will be Hughes largest stockholder after the transactions) and its affiliates, in order to preserve the tax-free status of the Hughes split-off share exchange, would not be permitted to acquire additional shares of Hughes during the one-year duration of the excess stock provision and thus would not be able to offer a higher price or cause the third party to offer a higher price to Hughes stockholders. In addition, the excess stock provision was included in the new Hughes certificate of incorporation in order to induce News Corporation to enter into the agreements relating to the transactions since, during the negotiation of the transaction agreements, News Corporation informed GM and Hughes that it was not willing to agree to the transactions unless the transaction agreements prohibited third parties from acquiring substantial blocks of Hughes capital stock during the period that News Corporation was contractually prohibited from acquiring additional shares of Hughes capital stock. However, you should understand that this provision could have the effect of delaying, deferring or preventing a change of control of Hughes during the first year after the completion of the transactions.

Proposal 3: Ratification of the Hughes Split-Off, Including the Special Dividend. This proposal is to ratify the Hughes split-off, including the $275 million special cash dividend from Hughes to GM, as described in this document.

By approving this proposal, you are consenting to an asset transfer from Hughes to GM (the $275 million special cash dividend) in accordance with the GM board policy statement regarding certain capital stock matters and you are also approving certain other separation-related arrangements between GM and Hughes, including new tax sharing arrangements between GM and Hughes that will become effective upon the completion of the transactions.

Proposal 4: Ratification of the GM/News Stock Sale. This proposal is to ratify the GM/News stock sale as described in this document.

Proposal 5: Ratification of the News Stock Acquisition. This proposal is to ratify the News stock acquisition as described in this document.

Proposal 6: Approval of the Second GM Charter Amendment. This proposal is to approve a further amendment to the GM restated certificate of incorporation to eliminate certain provisions relating to the GM Class H common stock that will no longer be necessary after the completion of the transactions.

The completion of the transactions is NOT conditioned upon the approval by GM $1 2/3 par value common stockholders and GM Class H common stockholders of proposal 6. Proposal 6, however, will not be implemented unless proposals 1 through 5 are approved and the transactions are completed.

For more information, see pages 153 and 272.

Q12. Will GM Class H common stockholders be forgoing any rights that they have now by approving the matters being submitted to them?

A12. Yes. By approving the proposals relating to the transactions, GM Class H common stockholders will forgo important rights that would otherwise be available to them if the transactions were completed without their approval:

First, the GM restated certificate of incorporation currently provides for the recapitalization of GM Class H common stock into GM $1 2/3 par value common stock at a 120% exchange rate under certain circumstances. GM is asking both classes of its common stockholders to approve a charter amendment that will provide that the 120% recapitalization provision will not apply to the transactions described in this document. If the transactions were completed without that charter amendment, the 120% recapitalization provision would apply. If the 120% recapitalization provision applied, each share of GM Class H common stock would be valued for purposes of that provision at $13.42, representing a premium of 20% to the GM Class H common stockholders based on the average of the closing prices of GM Class H common stock for the 15 consecutive trading days ending one trading day prior to April 9, 2003, the date of the public announcement of the transactions. If the 120% recapitalization provision applied, each share of GM Class H common stock would be exchanged for 0.38977 of a share of GM $1 2/3 par value common stock, which would have been valued at $34.42 per share, based on the average of the closing prices of GM $1 2/3 par value common stock for the same 15 consecutive trading days. You should understand, however, that GM is not proposing the transactions on terms that would involve the 120% recapitalization provision of the GM restated certificate of incorporation.

Second, GM s board of directors has previously adopted a policy statement that generally calls for a proportionate dividend to be paid to GM Class H common stockholders in accordance with their tracking stock interest in Hughes whenever GM receives a dividend from Hughes, unless the transaction where the dividend is paid receives the consent of both classes of GM common stockholders. GM is asking both classes of its common stockholders to approve the $275 million special cash dividend from Hughes to GM without the payment of a proportionate dividend to the holders of GM Class H common stock. If the transactions were completed without this approval (and without any other action by the GM board of directors to cause the policy statement to be inapplicable), GM would have been required to pay a dividend to GM Class H common stockholders in an aggregate amount of approximately $220.4 million (or approximately $0.20 per share of GM Class H common stock), representing approximately 80.2% of the $275 million special cash dividend to be paid to GM by Hughes. You should understand, however, that GM is not proposing the transactions on terms that would involve the requirement to pay proportionate dividends to the GM Class H common stockholders under the GM board policy statement.

The terms of the transactions as proposed in this document provide that the 120% recapitalization provision and the payment of a proportionate dividend to GM Class H common stockholders will not be applicable. If the requisite GM common stockholder approval is not obtained, the transactions described in this document will not occur. In that event, the charter and policy statement provisions will continue in effect but there will be no recapitalization of GM Class H common stock into GM $1 2/3 par value common stock at a 120% exchange rate and there will be no proportionate dividend paid to GM Class H common stockholders.

For more information, see pages 49, 156, 157, 275 and 276.

Q13. What is the effect of ratification of certain matters as proposed in proposals 2, 3, 4 and 5?

A13. Ratification is an expression of approval by stockholders of one or more matters for which their approval is not necessarily required as a matter of law. In general, ratification by stockholders is effective to approve actions taken by a corporation and its board of directors, even if the actions are challenged by some of the stockholders, provided that such actions are not against public policy (such as actions involving waste, fraud or similar egregious misconduct).

GM believes, therefore, that ratification by GM common stockholders of the new Hughes certificate of incorporation (including the excess stock provision), the Hughes split-off (including the $275 million special cash dividend from Hughes to GM), the GM/News stock sale and the News stock acquisition should extinguish any claim by such stockholders (other than for waste, fraud or similar egregious misconduct or based on lack of proper disclosure) against GM and its directors based on these transactions, including a claim alleging unfairness of these transactions to either or both classes of GM common stockholders or alleging any deficiency in the process of developing the terms of these transactions or the GM board of directors consideration or approval of these transactions.

For more information, see pages 23, 67, 156 and 274.

Q14. What is the GM board of directors recommendation regarding the proposals being submitted to GM common stockholders?

A14. The GM board of directors approved the transactions by unanimous vote of all those directors present at the applicable GM board meeting, and the GM board of directors unanimously recommends that GM $1 2/3 par value common stockholders and GM Class H common stockholders vote to approve each of the proposals described in this document by executing and returning the enclosed consent card as soon as possible.

For more information, see pages 23, 82, 105, 113, 159 and 277.

Q15. Did the Hughes board of directors consider the transactions?

A15. Yes. The Hughes board of directors unanimously approved the transactions and recommended that GM approve the transactions.

For more information, see page 105.

Q16. Which GM common stockholders are entitled to vote on the transactions?

A16. Only GM $1 2/3 par value common stockholders and GM Class H common stockholders who held shares on the record date, August 1, 2003, are entitled to vote on the transactions.

For more information, see page 278.

Q17. What should I do now?

A17. GM $1 2/3 par value common stockholders and GM Class H common stockholders whose shares are not held in street name through a broker should complete, date, sign and return the enclosed consent card as directed in this document and in the related materials as soon as possible.

If you are a GM $1 2/3 par value common stockholder or GM Class H common stockholder and you participate in certain employee savings plans identified elsewhere in this document, your consent will serve as a voting instruction for the plan trustees, plan committees or independent fiduciaries of those plans, who will vote your shares of GM common stock held in any of these employee savings plans in accordance with your instructions. You may submit your consent for shares held in any of these employee savings plans by executing and returning the enclosed consent card.

If your shares of GM $1 2/3 par value common stock and/or GM Class H common stock are held in street name by a broker, your broker will vote your shares only if you provide instructions to your broker on how to vote. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Without your instructions, your shares of GM common stock will not be voted in connection with the transactions, which will have the same effect as voting against the transactions.

Before submitting your consent or instructing your broker on how to vote, we urge all GM common stockholders to review and carefully consider the information contained in and incorporated by reference into this document, including the factors described in the section entitled Risk Factors beginning on page 48.

In addition, any GM Class H common stockholder who is the holder of record of his, her or its GM Class H common stock and who wishes to identify certain of such holder s shares of Hughes common stock to be received in the Hughes split-off share exchange as the shares to be converted into the right to receive News Corporation Preferred ADSs and/or cash in the News stock acquisition (instead of having a portion of each share so converted) should contact the exchange agent who will provide an election form to be completed and returned in accordance with the instructions accompanying such form. GM Class H common stockholders whose shares are held in street name through one or more brokers or through one or more custodial accounts should contact their broker(s) or other agent(s) if they wish to make such an election; whether such opportunity is available will be determined by the broker(s) or other agent(s). You should be aware, however, that making such an election will not change the aggregate number of shares of Hughes common stock or the aggregate amount of News Corporation Preferred ADSs and/or cash that an electing GM Class H common stockholder will receive in the transactions.

For more information, see pages 278, 279, 287 and 288.

Q18. What happens if a GM common stockholder does not submit a consent?

A18. If a GM $1 2/3 par value common stockholder or a GM Class H common stockholder does not submit a consent, it will have the same effect as a vote against the proposals relating to the transactions. We urge all GM $1 2/3 par value common stockholders and GM Class H common stockholders to please complete, date, sign and return the enclosed consent card as soon as possible. However, with respect to shares held through employee savings plans, procedures differ among the plans with respect to the voting of shares for which no consent is received. These procedures are explained in greater detail elsewhere in this document. Your vote is important regardless of the number of shares that you own.

For more information, see pages 278 and 279.

Q19. Can GM common stockholders revoke their approval once the consent is submitted?

A19. Yes. Any GM $1 2/3 par value common stockholder or GM Class H common stockholder can revoke his, her or its consent, or any withholding of consent, at any time prior to the requisite GM common stockholder approval of the transactions. GM common stockholder approval of the proposals relating to the transactions will occur as soon as consents representing the requisite GM common stockholder approval described above in the answer to Question 11 are delivered to GM in accordance with Delaware corporation law but no sooner than 20 business days after the date this document is mailed to GM common stockholders. The mailing of this document to GM common stockholders is currently expected to be completed on or about September 5, 2003, but could be completed sooner. However, if GM does not receive the number of consents required within 60 days of the earliest dated consent delivered to GM in accordance with Delaware corporation law, the requisite GM common stockholder approval of the proposals relating to the transactions will not have occurred.

You can revoke your consent by filing with the Secretary of GM a written notice stating that you would like to revoke your consent. You can also revoke your consent, or any withholding of consent, by filing with the Secretary of GM another consent bearing a later date. You should send any written revocations to the Secretary of GM at the following address:

General Motors Corporation
Renaissance Center
P.O. Box 300
Mail Code 482-C38-B71
Detroit, Michigan 48265-3000
Attention: Secretary

For more information, see page 278.

Q20. Should I send in my stock certificates now?

A20. No. You should NOT send in your stock certificates at this time. You will receive further correspondence regarding the exchange of shares of GM Class H common stock after the transactions have been completed.

Q21. What should I do if I have other questions?

A21. If you are a GM $1 2/3 par value common stockholder or GM Class H common stockholder and you have any questions about any of the transactions or how to complete and submit your consent card, or if you would like to request additional copies of this document, please contact the GM consent solicitation agent as indicated below:

Morrow & Co., Inc.
445 Park Avenue
5th Floor
New York, New York 10022
(800) 206-5881 (Toll-Free) for calls in the United States, Canada and Mexico
(877) 807-8895(Collect) for calls outside the United States, Canada and Mexico

You may also obtain free copies of documents publicly filed by GM, Hughes and News Corporation at the SEC s website at www.sec.gov , and you may also obtain certain of these documents at GM s website at www.gm.com or at Hughes website at www.hughes.com or at News Corporation s website at www.newscorp.com . We are not incorporating the contents of the websites of the SEC, GM, Hughes, News Corporation or any other person into this document, but we are providing this information for your convenience.

For more information on how to obtain copies of documents, see Where You Can Find More Information on page 297.

SUMMARY

In this summary, we highlight selected information that we describe in greater detail elsewhere in this document. This summary does not contain all of the important information contained in this document. You should read carefully this entire document and the other documents to which we refer you for a more complete understanding of the Hughes split-off, the GM/News stock sale, the News stock acquisition and other related matters. In addition, we incorporate by reference into this document important business and financial information about GM, Hughes and News Corporation that is set forth in other documents that these companies have filed publicly with the SEC. You may obtain the information incorporated by reference into this document without charge from GM by following the instructions in the section entitled Where You Can Find More Information that begins on page 297.

The Companies

General Motors Corporation (See page 193)

General Motors is primarily engaged in the automotive and, through its wholly owned Hughes subsidiary, the telecommunications and media industries. Additional information about Hughes is included below. GM is the world s largest manufacturer of automotive vehicles. GM also has financing and insurance operations and, to a lesser extent, is engaged in other industries. GM s other operations include the designing, manufacturing and marketing of locomotives and heavy-duty transmissions.

As a result of the transactions that are the subject of this document, Hughes will be separated from GM.

GM s principal executive offices are located at 300 Renaissance Center, Detroit, Michigan 48265-3000, and GM s telephone number is (313) 556-5000.

Hughes Electronics Corporation (See page 201)

Hughes is a world-leading provider of digital television entertainment, broadband satellite networks and services, and global video and data broadcasting. Hughes provides advanced communications services on a global basis and has developed a wide range of entertainment, information and communications services for home and business use, including video, data, voice, multimedia and Internet services.

Hughes is currently a wholly owned subsidiary of General Motors. As a result of the transactions that are the subject of this document, Hughes will be separated from GM.

Hughes principal executive offices are located at 200 North Sepulveda Boulevard, El Segundo, California 90245, and Hughes telephone number is (310) 662-9688. Hughes currently expects to relocate its principal executive offices to 2250 E. Imperial Highway, El Segundo, California 90245 by September 30, 2003.

The News Corporation Limited and Certain Affiliates (See page 202)

News Corporation. News Corporation is a diversified international media and entertainment company with operations in a number of industry segments, including filmed entertainment, television, cable network programming, magazines and inserts, newspapers and book publishing. The activities of News Corporation are conducted principally in the United States, the United Kingdom, Italy, Asia, Australia and the Pacific Basin.

News Corporation s principal executive offices are located at 2 Holt Street, Surry Hills, New South Wales, 2010 Australia, and News Corporation s telephone number is 61-2-9-288-3000.

NPAL. News Publishing Australia Limited, a wholly owned subsidiary of News Corporation, engages, through its subsidiaries, in News Corporation s businesses conducted in the United States. NPAL is the subsidiary of News Corporation that is acquiring 34% of Hughes in the GM/News stock sale and the News stock acquisition. NPAL s principal executive offices are located at 1211 Avenue of the Americas, New York, New York 10036, and NPAL s telephone number is (212) 852-7000.

Fox Entertainment. News Corporation, through NPAL, holds approximately 80.6% of the equity of Fox Entertainment Group, Inc. and approximately 97% of its voting power. Immediately after the completion of the transactions, NPAL will transfer all of the shares of Hughes common stock that it owns to Fox Entertainment. In connection with this transfer, News Corporation s indirect ownership of Fox Entertainment will be increased to approximately 82% and its voting power will remain at approximately 97%. For more information about this transfer, see The Transactions Description of the Transactions Related Transactions. Fox Entertainment is principally engaged in the development, production and worldwide distribution of feature films and television programs, television broadcasting and cable network programming. Fox Entertainment s principal executive offices are located at 1211 Avenue of the Americas, New York, New York, 10036, and Fox Entertainment s telephone number is (212) 852-7111.

Background Regarding GM s Retained Economic Interest in Hughes

(See pages 68 and 213)

As part of the transactions that are the subject of this document, GM will sell all of its retained economic interest in Hughes to NPAL, a wholly owned subsidiary of News Corporation. While GM owns 100% of Hughes, its retained economic interest represents its notional interest in the financial performance of Hughes in accordance with the provisions of the GM restated certificate of incorporation. The GM restated certificate of incorporation allocates the earnings of Hughes between the two classes of GM common stock: GM $1 2/3 par value common stock and GM Class H common stock. The percentage of Hughes earnings that is allocable to the GM $1 2/3 par value common stock represents what we sometimes refer to as GM s retained economic interest in Hughes. The remaining percentage of Hughes earnings is allocable to the GM Class H common stock. Currently, GM s retained economic interest in Hughes is approximately 19.8% and the remaining approximately 80.2% economic interest in Hughes is represented by the outstanding GM Class H common stock. GM s retained economic interest in Hughes will be represented by all of the outstanding shares of Hughes Class B common stock at the time of the completion of the transactions.

GM s retained economic interest in Hughes is subject to adjustment from time to time in accordance with the provisions of the GM restated certificate of incorporation. For example, GM s retained economic interest in Hughes is subject to reduction as a result of the exercise of stock options in respect of GM Class H common stock and is subject to increase as a result of repurchases by GM of shares of GM Class H common stock. You should understand that, as a result of the operation of these provisions of the GM restated certificate of incorporation, the size of GM s retained economic interest in Hughes may change from time to time between now and the time of the completion of the transactions and, accordingly, may differ from the 19.8% amount calculated as of the date of this document. However, notwithstanding any changes in the size of GM s retained economic interest in Hughes, News Corporation will indirectly own exactly 34% of the outstanding Hughes common stock upon the completion of the transactions. This is because the merger agreement provides that News Corporation will acquire in the News stock acquisition an amount of Hughes common stock that results in its ownership upon the completion of the transactions equaling exactly 34%. This means that if GM s retained economic interest in Hughes decreases between now and the time of the completion of the transactions, the number of shares of Hughes common stock that will be exchanged in the merger described below at Description of the Transactions The News Stock Acquisition will increase from the amounts used in the illustrative calculations set forth in this document. Similarly, if GM s retained economic interest in Hughes increases during such period, the number of shares of Hughes common stock that will be exchanged in the merger will decrease from the amounts used in the illustrative calculations set forth in this document.

GM s receipt of the $275 million special cash dividend from Hughes pursuant to the transactions will not have any affect on GM s retained economic interest in Hughes.

Description of the Transactions

(See pages 66 and 170)

The transactions that are the subject of this document principally consist of the Hughes split-off, the GM/ News stock sale and the News stock acquisition but also include other related transactions contemplated by the agreements among GM, Hughes and News Corporation. The obligations of the companies to complete the transactions are subject to the satisfaction or waiver of certain conditions, which are discussed below at Conditions to Completing the Transactions. The transactions are structured so that the Hughes split-off will occur simultaneously with the GM/ News stock sale, and the News stock acquisition will occur immediately after the completion of those two transactions.

Let us tell you more about the transactions:

The Hughes Split-Off (See pages 71 and 170)

The Hughes split-off will be accomplished in two related steps the payment of the Hughes special dividend and the Hughes split-off share exchange.

Hughes Special Dividend. The first step of the Hughes split-off is the declaration and payment by Hughes to GM of a $275 million special cash dividend. The special cash dividend will provide additional liquidity to GM in the context of the transactions and is designed to compensate GM for the value enhancement to GM Class H common stockholders arising from the exchange of Hughes common stock, an asset-based stock of Hughes, for the GM Class H common stock, a tracking stock of GM, on a one-share-for-one-share basis.

Hughes Split-Off Share Exchange. The second step of the Hughes split-off is the Hughes split-off share exchange. Simultaneously with the GM/ News stock sale, GM will distribute, on a one-share-for-one-share basis, shares of Hughes common stock to the holders of GM Class H common stock in exchange for and in redemption of all of the outstanding shares of GM Class H common stock. The distributed shares will represent approximately 80.2% of the outstanding equity in Hughes. All of the formerly outstanding shares of GM Class H common stock will be cancelled, and no shares of GM Class H common stock will be outstanding after the Hughes split-off share exchange.

GM does not currently have the ability to exchange shares of Hughes common stock in redemption of shares of GM Class H common stock. One principal effect of the proposed amendment to the GM restated certificate of incorporation pursuant to proposal 1 of GM s consent solicitation is to enable the GM board of directors to make this exchange on the terms described in this document.

The GM/ News Stock Sale (See pages 72 and 171)

Immediately prior to the Hughes split-off, GM will own a number of shares of Hughes Class B common stock representing GM s approximately 19.8% retained economic interest in Hughes. Simultaneously with the Hughes split-off, GM will sell all of the shares of Hughes Class B common stock that it owns to NPAL in the GM/News stock sale.

News Corporation will pay $14.00 per share in cash for 80% of the shares of Hughes Class B common stock purchased from GM (which we sometimes refer to as the fixed price shares). Based on certain assumptions described elsewhere in this document, the aggregate amount of this payment will be approximately $3.07 billion.

News Corporation may elect to pay for the other 20% of the shares of Hughes Class B common stock purchased from GM (which we sometimes refer to as the variable price shares) in News Corporation Preferred ADSs, cash or a combination of News Corporation Preferred ADSs and cash, as described below at The Exchange Ratio Optional Cash Payment for Shares. For each variable price share purchased with News Corporation Preferred ADSs, News Corporation will deliver a number of News Corporation Preferred ADSs equal to the exchange ratio. Based on certain assumptions described elsewhere in the document, the aggregate value of this payment will be $0.77 billion.

The News Stock Acquisition (See pages 74 and 183)

Following NPAL s purchase of approximately 19.8% of the outstanding equity in Hughes from GM in the GM/News stock sale, News Corporation will increase its indirect ownership in Hughes to exactly 34% through NPAL s acquisition of an additional approximately 14.2% of the equity of Hughes from the former GM Class H common stockholders that received Hughes common stock in the Hughes split-off share exchange. NPAL will acquire these additional shares pursuant to a merger of GMH Merger Sub, a wholly owned subsidiary of NPAL, with and into Hughes. Hughes will be the surviving company in the merger.

Based on certain assumptions described elsewhere in this document, upon the completion of the merger the former GM Class H common stockholders will retain approximately 82.3% of the Hughes common stock received in the Hughes split-off share exchange. The other approximately 17.7% of the Hughes common stock received in the Hughes split-off share exchange will be exchanged in the merger. For these shares (which we sometimes refer to as the exchanged shares), the former GM Class H common stockholders will receive a number of News Corporation Preferred ADSs equal to the exchange ratio described below at The Exchange Ratio. News Corporation, however, may elect to pay an amount of cash instead of News Corporation Preferred ADSs for all or some of the exchanged shares, as described below at The Exchange Ratio Optional Cash Payment for Shares.

The Exchange Ratio (See pages 72, 75, 171 and 184)

General. The exchange ratio applicable to the variable price shares acquired from GM for News Corporation Preferred ADSs in the GM/News stock sale and the exchange ratio applicable to the exchanged shares acquired from the former GM Class H common stockholders for News Corporation Preferred ADSs in the News stock acquisition will be the same. The exchange ratio will be based on the average of the volume weighted average prices per News Corporation Preferred ADS over the 20 consecutive trading days ending on and including the fifth business day prior to the completion of the transactions and will vary depending upon whether such average price per share falls within or outside a negotiated collar range of $17.92 to $26.88. We sometimes refer to this per share average as the average closing price of News Corporation Preferred ADSs.

The collar mechanism is designed to provide that, based on certain assumptions described elsewhere in this document:

- at average closing prices of News Corporation Preferred ADSs within the collar range, GM and the former GM Class H common stockholders will receive $14.00 worth of News Corporation Preferred ADSs for each variable price share or exchanged share, as applicable, acquired by News Corporation for News Corporation Preferred ADSs;

- at average closing prices of News Corporation Preferred ADSs above $26.88, the high end of the collar range, GM and the former GM Class H common stockholders will receive more than $14.00 worth of News Corporation Preferred ADSs for each variable price share or exchanged share, as applicable, acquired by News Corporation for News Corporation Preferred ADSs; and

- at average closing prices of News Corporation Preferred ADSs below $17.92, the low end of the collar range, GM and the former GM Class H common stockholders will receive less than $14.00 worth of News Corporation Preferred ADSs for each variable price share or exchanged share, as applicable, acquired by News Corporation for News Corporation Preferred ADSs, subject in certain cases to a minimum value of $11.00.

If the average closing price of News Corporation Preferred ADSs is:

- within the collar, the exchange ratio will be determined by dividing $14.00 by the average closing price of News Corporation Preferred ADSs, which results in a minimum exchange ratio of 0.52083 ($14.00 divided by $26.88) and a maximum exchange ratio of 0.78125 ($14.00 divided by $17.92), and, assuming that the value of each News Corporation Preferred ADS at the closing of the transactions is equal to the average closing price of News Corporation Preferred ADSs, GM and the former GM Class H common stockholders will receive $14.00 of News Corporation Preferred ADSs for each variable price share or exchanged share, as applicable, acquired by News Corporation for News Corporation Preferred ADSs;

- above the high end of the collar, the exchange ratio will stay the same as it would be at the high end of the collar, or 0.52083 ($14.00 divided by $26.88), and, assuming that the value of each News Corporation Preferred ADS at the closing of the transactions is equal to the average closing price of

Table of Contents

News Corporation Preferred ADSs, GM and the former GM Class H common stockholders will receive a number of News Corporation Preferred ADSs with a financial value greater than $14.00 for each variable price share or exchanged share, as applicable, acquired by News Corporation for News Corporation Preferred ADSs; and

below the low end of the collar, the exchange ratio will stay the same as it would be at the low end of the collar, or 0.78125 ($14.00 divided by $17.92), and, assuming that the value of each News Corporation Preferred ADS at the closing of the transactions is equal to the average closing price of News Corporation Preferred ADSs, GM and the former GM Class H common stockholders will receive a number of News Corporation Preferred ADSs with a financial value less than $14.00 for each variable price share or exchanged share, as applicable, acquired by News Corporation for News Corporation Preferred ADSs.

The amount of News Corporation Preferred ADSs and/or cash to be received by the former GM Class H common stockholders is described above and throughout this document at times with reference to each whole share of Hughes common stock that News Corporation will acquire. News Corporation, however, will, based on certain assumptions described elsewhere in this document, only acquire approximately 0.17665 of each share of Hughes common stock received by the former GM Class H common stockholders in the Hughes split-off share exchange, with the former GM Class H common stockholders retaining the other 0.82335 of each share of Hughes common stock. In order to determine the amount of News Corporation Preferred ADSs and/or cash the GM Class H common stockholders will receive for the 0.17665 of each share of Hughes common stock, the amount News Corporation pays per whole share must be multiplied by 0.17665. For example, $14.00 worth of News Corporation Preferred ADSs and/or cash for each whole exchanged share would result in GM Class H common stockholders receiving approximately $2.47 (calculated by multiplying $14.00 by 0.17665) for the 0.17665 of each share of Hughes common stock acquired by News Corporation. In addition, GM Class H common stockholders who are the holders of record of their GM Class H common stock may elect the method to identify certain shares (instead of a portion of each share as described above) of Hughes common stock that they will hold immediately after the Hughes split-off share exchange that they wish to convert into the right to receive News Corporation Preferred ADSs and/or cash in the News stock acquisition. This may permit electing GM Class H common stockholders to identify for U.S. federal income tax purposes certain shares to be converted into the right to receive News Corporation Preferred ADSs and/or cash as a result of the transactions. Each GM Class H common stockholder whose shares are held in street name through one or more brokers or through one or more custodial accounts may be provided the opportunity to make a similar election with such stockholder s broker(s) or other agent(s) on an account-by-account basis; whether such opportunity is available will be determined by the broker(s) or other agent(s). You should contact your broker(s) or other agent(s) if you wish to make an election. You should understand that such an election will not change the aggregate number of News Corporation Preferred ADSs and/or the amount of cash that an electing GM Class H common stockholder will receive in the News Stock acquisition.

Termination and Top-Off Election. If, at any time prior to the completion of the transactions, the average of the volume weighted average prices per News Corporation Preferred ADS over any 20 consecutive trading day period is below $14.08, GM will have the right to terminate the stock purchase agreement, and therefore, the transactions contemplated by this document. If GM exercises this right, News Corporation will have seven business days to avoid termination by agreeing to provide a minimum value of $11.00 for each variable price share and exchanged share. If News Corporation makes this election (which we sometimes refer to as an election to top-off) and the average closing price of News Corporation Preferred ADSs determined at the completion of the transactions is below $17.92, the exchange ratio will be the greater of (1) 0.78125 and (2) $11.00 divided by the average closing price of News Corporation Preferred ADSs. As a result, if News Corporation elects to top-off, GM and the former GM Class H common stockholders will receive not less than $11.00 of News Corporation Preferred ADSs for each variable price share or exchanged share, as applicable, acquired by News Corporation for News Corporation Preferred ADSs.

You should understand, however, that there can be no assurance either that GM would exercise its right to terminate the transactions if the average of the volume weighted average prices per News Corporation Preferred ADS over any 20 consecutive trading day period falls below $14.08, or, if GM does exercise its right to terminate the transactions under such circumstances, that News Corporation will elect to top-off rather than allow the transactions to terminate and pay the $150 million termination fee to GM. Any such determination by GM whether or not to terminate the transactions and any such determination by News Corporation whether or not to elect to top-off rather than allow the transactions to terminate will be made by the applicable company in its sole discretion based on the facts and circumstances existing at that time. **Finally, you should understand that a determination by GM not to exercise its termination right under such circumstances could result in GM and the former GM Class H common stockholders receiving less than $11.00 worth of News Corporation Preferred ADSs for each variable price share and exchanged share, as applicable, acquired by News Corporation for News Corporation Preferred ADSs.**

Optional Cash Payment for Shares. News Corporation will have the right to pay cash instead of News Corporation Preferred ADSs for some or all of the variable price shares acquired from GM in the GM/News stock sale. If News Corporation elects to pay cash for some or all of the variable price shares, News Corporation also will be obligated to pay the former GM Class H common stockholders cash instead of News Corporation Preferred ADSs for that percentage of exchanged shares equal to the percentage of variable price shares acquired for cash.

If News Corporation elects to pay cash for some or all of the variable price shares and exchanged shares, it must pay $14.00 per share, regardless of whether the average closing price of News Corporation Preferred ADSs is within or below the collar. However, if News Corporation elects to pay cash and the average closing price of News Corporation Preferred ADSs is greater than $26.88, the high end of the collar, News Corporation must pay GM and the former GM Class H common stockholders the greater value that they would have received if News Corporation had paid with News Corporation Preferred ADSs. As a result, if the average closing price of News Corporation Preferred ADSs is greater than $26.88 and News Corporation elects to pay cash for any variable price shares and exchanged shares, it must pay an amount per share for which such election is made equal to (1) the average closing price of News Corporation Preferred ADSs multiplied by (2) 0.52083, which would be greater than $14.00 per variable price share and exchanged share.

Certain Assumptions ***(See page 79)***

In order to help you to understand the effects of the transactions, we have set forth throughout this document certain illustrative calculations of share ownership percentages, values to be provided to GM and the GM Class H common stockholders and various other matters. You should understand that these calculations are for illustrative purposes only. **The actual amounts will not be known until the time of the completion of the transactions as such calculations will depend upon certain variable factors that will not be determinable until that time.**

Certain assumptions with respect to these variable factors were required in order to provide these illustrative calculations. Changes in any of these assumptions, as well as other factors, could materially affect the share ownership percentages, values to be provided to GM and the GM Class H common stockholders and various other matters set forth throughout this document for illustrative purposes.

Table of Contents

Examples of Value to be Received by GM and Former GM Class H Common Stockholders

GM. The following table sets forth illustrative calculations of the aggregate value GM will receive for its shares of Hughes Class B common stock (including approximately 219.5 million fixed price shares and approximately 54.9 million variable price shares) in the GM/News stock sale. The box in the table represents the exchange ratio collar mechanism described above. This collar represents a range of prices 20% above and below the $22.40 closing price of News Corporation Preferred ADSs on April 4, 2003, the fifth day prior to the public announcement of the transactions. The values presented in the table represent the value to be provided to GM for the sale of its retained economic interest in Hughes and are in addition to the $275 million special cash dividend GM will receive from Hughes pursuant to the Hughes split-off.

		Aggregate Value of Consideration Provided by News Corporation to GM		
Average Closing Price of News Corporation Preferred ADSs	Exchange Ratio	Value if 100% of Variable Price Shares Acquired for News Corporation Preferred ADSs	Value if 50% of Variable Price Shares Acquired for News Corporation Preferred ADSs and 50% Acquired for Cash	Value if 100% of Variable Price Shares Acquired for Cash
		(in millions, except for per share amounts)		
$ 32.00	0.52083	$ 3,987	$ 3,987	$ 3,987
$ 31.00	0.52083	$ 3,958	$ 3,958	$ 3,958
$ 30.00	0.52083	$ 3,930	$ 3,930	$ 3,930
$ 29.00	0.52083	$ 3,901	$ 3,901	$ 3,901
$ 28.00	0.52083	$ 3,872	$ 3,872	$ 3,872
$ 27.00	0.52083	$ 3,844	$ 3,844	$ 3,844
$ 26.88	0.52083	$ 3,840	$ 3,840	$ 3,840
$ 26.00	0.53846	$ 3,840	$ 3,840	$ 3,840
$ 25.00	0.56000	$ 3,840	$ 3,840	$ 3,840
$ 24.00	0.58333	$ 3,840	$ 3,840	$ 3,840
$ 23.00	0.60870	$ 3,840	$ 3,840	$ 3,840
$ 22.40	0.62500	$ 3,840	$ 3,840	$ 3,840
$ 22.00	0.63636	$ 3,840	$ 3,840	$ 3,840
$ 21.00	0.66667	$ 3,840	$ 3,840	$ 3,840
$ 20.00	0.70000	$ 3,840	$ 3,840	$ 3,840
$ 19.00	0.73684	$ 3,840	$ 3,840	$ 3,840
$ 18.00	0.77778	$ 3,840	$ 3,840	$ 3,840
$ 17.92	0.78125	$ 3,840	$ 3,840	$ 3,840
$ 17.00	0.78125	$ 3,801	$ 3,821	$ 3,840
$ 16.00	0.78125	$ 3,758	$ 3,799	$ 3,840
$ 15.00	0.78125	$ 3,715	$ 3,778	$ 3,840
$ 14.08	0.78125	$ 3,676	$ 3,758	$ 3,840
$ 14.00	0.78571	$ 3,676*	$ 3,758*	$ 3,840*
$ 13.00	0.84615	$ 3,676*	$ 3,758*	$ 3,840*
$ 12.00	0.91667	$ 3,676*	$ 3,758*	$ 3,840*
$ 11.00	1.00000	$ 3,676*	$ 3,758*	$ 3,840*

* Assumes that GM has given notice of its intent to terminate the transactions because the average of the volume weighted average prices of News Corporation Preferred ADSs over any 20 consecutive trading day period is below $14.08 and News Corporation has elected to top-off rather than allow the transactions to terminate and pay the termination fee to GM.

The average of the volume weighted average prices per News Corporation Preferred ADS over the 20 consecutive trading days ending on and including August 18, 2003 was $26.1647, which is within the collar. However, we note that the closing price of News Corporation Preferred ADSs on August 18, 2003 was $27.66, which is above the high end of the collar.

Table of Contents

GM Class H Common Stockholders. The following table sets forth illustrative calculations of the value the former GM Class H common stockholders will receive for each exchanged share in the News stock acquisition. The box in the table represents the exchange ratio collar mechanism described above. This collar represents a range of prices 20% above and below the $22.40 closing price of News Corporation Preferred ADSs on April 4, 2003, the fifth day prior to the public announcement of the transactions. The table does not give effect to the treatment of fractional shares of Hughes common stock and News Corporation Preferred ADSs in the merger. Any fractional shares of Hughes common stock and News Corporation Preferred ADSs will be sold by the exchange agent for cash, with the proceeds distributed to the owners of such fractional shares.

		Value of Consideration Provided by News Corporation to Former GM Class H Common Stockholders for Each Exchanged Share		
Average Closing Price of News Corporation Preferred ADSs	**Exchange Ratio**	**Value if 100% of Exchanged Shares Acquired for News Corporation Preferred ADSs**	**Value if 50% of Exchanged Shares Acquired for News Corporation Preferred ADSs and 50% of Exchanged Shares Acquired for Cash**	**Value if 100% of Exchanged Shares Acquired for Cash**
$ 32.00	0.52083	$ 16.67	$ 16.67	$ 16.67
$ 31.00	0.52083	$ 16.15	$ 16.15	$ 16.15
$ 30.00	0.52083	$ 15.62	$ 15.62	$ 15.62
$ 29.00	0.52083	$ 15.10	$ 15.10	$ 15.10
$ 28.00	0.52083	$ 14.58	$ 14.58	$ 14.58
$ 27.00	0.52083	$ 14.06	$ 14.06	$ 14.06
$ 26.88	0.52083	$ 14.00	$ 14.00	$ 14.00
$ 26.00	0.53846	$ 14.00	$ 14.00	$ 14.00
$ 25.00	0.56000	$ 14.00	$ 14.00	$ 14.00
$ 24.00	0.58333	$ 14.00	$ 14.00	$ 14.00
$ 23.00	0.60870	$ 14.00	$ 14.00	$ 14.00
$ 22.40	0.62500	$ 14.00	$ 14.00	$ 14.00
$ 22.00	0.63636	$ 14.00	$ 14.00	$ 14.00
$ 21.00	0.66667	$ 14.00	$ 14.00	$ 14.00
$ 20.00	0.70000	$ 14.00	$ 14.00	$ 14.00
$ 19.00	0.73684	$ 14.00	$ 14.00	$ 14.00
$ 18.00	0.77778	$ 14.00	$ 14.00	$ 14.00
$ 17.92	0.78125	$ 14.00	$ 14.00	$ 14.00
$ 17.00	0.78125	$ 13.28	$ 13.64	$ 14.00
$ 16.00	0.78125	$ 12.50	$ 13.25	$ 14.00
$ 15.00	0.78125	$ 11.72	$ 12.86	$ 14.00
$ 14.08	0.78125	$ 11.00	$ 12.50	$ 14.00
$ 14.00	0.78571	$ 11.00*	$ 12.50*	$ 14.00*
$ 13.00	0.84615	$ 11.00*	$ 12.50*	$ 14.00*
$ 12.00	0.91667	$ 11.00*	$ 12.50*	$ 14.00*
$ 11.00	1.00000	$ 11.00*	$ 12.50*	$ 14.00*

* Assumes that GM has given notice of its intent to terminate the transactions because the average of the volume weighted average prices per News Corporation Preferred ADSs over any 20 consecutive trading day period is below $14.08 and News Corporation has elected to top-off rather than allow the transactions to terminate and pay the termination fee to GM.

18

The average of the volume weighted average prices per News Corporation Preferred ADS over the 20 consecutive trading days ending on and including August 18, 2003 was $26.1647, which is within the collar. However, we note that the closing price of News Corporation Preferred ADSs on August 18, 2003 was $27.66, which is above the high end of the collar.

For more information about the assumptions used to calculate the values set forth in the tables above, see The Transactions Description of the Transactions Certain Assumptions.

GM Termination Fee (See pages 82 and 182)

GM will be required to pay News Corporation a $300 million termination fee if:

News Corporation or GM terminates the stock purchase agreement because the transactions are not completed by April 9, 2004 (as that date may be extended pursuant to the stock purchase agreement), and (1) GM common stockholders have not voted on the proposals relating to the transactions, (2) the GM board of directors has determined to change or revoke its recommendation that GM common stockholders approve the proposals relating to the transactions and (3) within 12 months of such termination either (A) a competing transaction has been proposed and GM or Hughes enters into an agreement with respect to a competing transaction to the proposed transactions with the party that made the initial competing transaction proposal or (B) a Hughes spin-off distribution is either publicly announced by GM or completed. A competing transaction generally means an alternative strategic transaction involving Hughes and any third party other than News Corporation, and a Hughes spin-off distribution generally means a distribution of Hughes capital stock to GM stockholders either alone or in connection with the sale of up to 5% of Hughes outstanding capital stock in a negotiated transaction;

News Corporation or GM terminates the stock purchase agreement because GM fails to obtain the requisite GM common stockholder approval of the transactions at such time as a competing transaction has been disclosed, GM continued to recommend the transactions to its stockholders and, within 12 months of such termination, GM or Hughes enters into an agreement with respect to a competing transaction with the party that made the initial competing transaction proposal;

GM terminates the stock purchase agreement because GM proposes to enter into a competing transaction that constitutes a superior proposal. A superior proposal generally means a bona fide, written proposal by a third party for a competing transaction that is on terms that the GM board of directors determines in good faith would, if completed, result in a transaction that would be more favorable to GM and its stockholders than the transactions described in this document, taking into account such factors as the GM board of directors in good faith deems to be relevant; or

News Corporation terminates the stock purchase agreement because GM enters into, or the GM or Hughes board of directors approves or recommends, a competing transaction.

GM will be required to pay News Corporation a $150 million termination fee if News Corporation or GM terminates the stock purchase agreement because the GM board of directors notifies News Corporation that it cannot or will not be able to recommend the transactions or is required to change or revoke its recommendation of the transactions to GM common stockholders for their approval. After that termination, GM will be required to pay News Corporation another $150 million termination fee if GM or Hughes enters into an agreement with respect to a competing transaction or GM publicly announces or completes a Hughes spin-off distribution within 12 months of such termination.

News Corporation Termination Fee (See pages 74 and 183)

News Corporation will be required to pay GM a $150 million termination fee if GM provides notice to News Corporation that it is terminating the stock purchase agreement because the average of the volume weighted average prices per News Corporation Preferred ADS over any 20 consecutive trading day period between now and the completion of the transactions is less than $14.08 and News Corporation does not elect to provide a minimum value of $11.00 per share to GM for the variable price shares in the GM/News stock sale and to the former GM Class H common stockholders for the exchanged shares in the News stock acquisition, as described in greater detail elsewhere in this document.

Table of Contents

Structure of the Transactions

In order to help you better understand the Hughes split-off, the GM/News stock sale and the News stock acquisition and how they will affect GM, Hughes and News Corporation, the charts below illustrate, in simplified form, the organizational structures of GM, Hughes and News Corporation *before* and *after* the transactions. You should note that the illustration of the organizational structure of the companies after the transactions gives effect to the transfer by NPAL to Fox Entertainment of all if its shares of Hughes common stock immediately following the completion of the transactions.

***BEFORE* THE TRANSACTIONS**

Table of Contents

AFTER THE TRANSACTIONS

* This chart assumes that News Corporation elects to pay for 100% of the variable price shares in the GM/News stock sale and 100% of the exchanged shares in the News stock acquisition with News Corporation Preferred ADSs and that the average closing price of News Corporation Preferred ADSs is $26.1647, which was the average of the volume weighted average prices per News Corporation Preferred ADS over the 20 consecutive trading days ending on and including August 18, 2003. This percentage reflects the approximate aggregate equity ownership of Preferred Ordinary Shares, including shares represented by News Corporation Preferred ADSs, and Ordinary Shares, including shares represented by News Corporation Ordinary ADSs, and is based on there being outstanding 3,230,788,604 Preferred Ordinary Shares and 2,097,411,050 Ordinary Shares, which were the respective numbers of outstanding shares on August 18, 2003.

Purposes of the Transactions

(See page 83)

There are two principal purposes for the transactions from the perspective of GM and Hughes. One is that the separation of Hughes from GM and News Corporation s affiliation with Hughes are expected to better position Hughes to compete in the distribution of multi-channel video programming and, overall, in the telecommunications and media industries. The other is that the transactions are expected to provide significant value to GM and its common stockholders and significant liquidity to GM.

Separation of Hughes from GM and Affiliation with News Corporation

As a result of the transactions, Hughes will become a publicly traded company that is separate from and no longer wholly owned by GM. Hughes believes that, as a public company independent from GM, it will have greater flexibility in accessing capital for operations and expansion, including through the use of its own publicly traded stock as currency for future strategic acquisitions or alliances. The transactions also will more closely align the investments of GM Class H common stockholders with Hughes business prospects by providing those stockholders with an asset-based stock of Hughes in exchange for their GM tracking stock interest in the financial performance of Hughes.

In addition, Hughes believes that its affiliation with News Corporation and its affiliates will benefit Hughes. News Corporation holds interests in a number of satellite direct-to-home television platforms outside the United States, which will allow it both to share with Hughes the benefits of its experience with diverse service offerings and business practices and to achieve economies of scope and scale in research and development and equipment procurement. News Corporation also owns and has interests in a number of entertainment and media businesses that are complementary to Hughes businesses. Moreover, News Corporation has demonstrated efficient decision-making, strategic vision, innovation and willingness to commit capital and take risks to achieve superior returns. Hughes believes that the addition of News Corporation representatives to the Hughes board of directors and management, as well as the strategic opportunities that are expected to be associated with News Corporation s significant equity interest in Hughes after the transactions, should enhance Hughes ability to develop and deploy new services and technologies, to expand its business and enhance its competitiveness in the markets in which it competes.

Value and Liquidity to GM and GM Class H Common Stockholders

As measured at the time of the public announcement of the transactions, the transactions offer a premium to GM for its retained economic interest in Hughes and to the GM Class H common stockholders for a portion of their economic interests in Hughes. They also will provide significant liquidity and value to GM from the proceeds GM will receive from the sale of its retained economic interest in Hughes and the special cash dividend.

From GM s perspective, the transactions present an opportunity to meet its own liquidity objectives over the near term and support its credit rating. Based on certain assumptions described elsewhere in this document, GM will receive approximately $3.07 billion in cash and up to approximately $0.77 billion in News Corporation Preferred ADSs and/or cash, at News Corporation s election, subject to adjustment based on a collar mechanism that depends upon the trading price of News Corporation Preferred ADSs during a specified period of time prior to the completion of the transactions, for the sale of its retained economic interest in Hughes to News Corporation pursuant to the GM/News stock sale. Also, as part of the transactions, GM will receive a $275 million special cash dividend from Hughes in connection with the Hughes split-off. Because GM will exit its investment in Hughes pursuant to the transactions, after the transactions GM will be able to focus its management and other resources primarily on its core automotive and related businesses.

In addition, GM Class H common stockholders will receive, for a portion of the Hughes common stock they will receive in the Hughes split-off share exchange, News Corporation Preferred ADSs and/or cash. Based on certain assumptions described elsewhere in this document, upon the completion of the transactions, GM Class H common stockholders will receive, in exchange for each share of GM Class H common stock held immediately prior to the transactions, approximately 0.82335 of a share of Hughes common stock and approximately $2.47 worth of News Corporation Preferred ADSs and/or cash, at News Corporation s election, subject to adjustment based on the collar mechanism.

Fairness of the Transactions;

Recommendation of the GM Board of Directors

(See pages 82, 105, 113, 114, 159 and 277)

After careful consideration, based on the factors and other matters described elsewhere in this document, the GM board of directors has determined that the transactions that are the subject of this document, taken as a whole, are advisable, desirable and in the best interests of, GM and its common stockholders and that those transactions, taken as a whole, on the terms and conditions of the transaction agreements, are fair to the holders of GM $1 2/3 par value common stock and to the holders of GM Class H common stock. By voting to approve or ratify the proposals relating to the transactions, GM common stockholders will be ratifying the transactions, including the Hughes split-off (including the $275 million special cash dividend from Hughes), the GM/News stock sale, the News stock acquisition and the new Hughes certificate of incorporation (including the excess stock provision). As further described elsewhere in this document, GM believes that ratification by GM common stockholders should extinguish any claim by such stockholders (other than for waste, fraud or similar egregious misconduct or based on lack of proper disclosure) against GM and its directors based on these transactions, including a claim alleging unfairness of these transactions to the holders of either or both classes of GM common stock or alleging any deficiency in the process of developing the terms of these transactions or the GM board of directors consideration or approval of these transactions.

In connection with its review of the transactions and its consideration of the fairness of the transactions, the GM board of directors has received opinions from several investment banking firms. Two independent investment banking firms, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Bear, Stearns & Co. Inc., financial advisors to GM in connection with the transactions, have provided opinions to the GM board of directors to the effect that, as of the date of the opinions and based upon and subject to the assumptions, conditions, limitations and other matters described in those opinions, taking into account all relevant financial aspects of the transactions taken as a whole, the consideration to be provided to GM and to the holders of GM Class H common stock, as applicable, in the transactions is fair, from a financial point of view, to the holders of GM $1 2/3 par value common stock as a class and to the holders of GM Class H common stock as a class, respectively.

Both the Hughes board of directors and the GM board of directors have received opinions from two other independent investment banking firms, Credit Suisse First Boston LLC and Goldman, Sachs & Co., financial advisors to Hughes, to the effect that, based upon and subject to the matters described in those opinions and based upon such other matters as Credit Suisse First Boston and Goldman Sachs considered relevant, as of the date of their opinions and based on market conditions as of that date, the consideration to be received by the holders of Hughes common stock in the merger is fair, from a financial point of view, to the holders of Hughes common stock (other than News Corporation and its affiliates) as of immediately prior to the merger.

We have included the full text of the fairness opinions received by the GM board of directors on August 5, 2003 in Appendix E to this document. We urge you to read each of these opinions carefully. In addition, you should understand that a significant portion of the fees to be paid to the financial advisors of GM and Hughes is contingent upon the completion of the transactions.

The GM board of directors has approved the transactions by unanimous vote of all those directors present at the applicable GM board meeting, and the GM board of directors unanimously recommends that the GM $1 2/3 par value common stockholders and GM Class H common stockholders vote to approve each of the proposals described in this document by executing and returning the enclosed consent card as soon as possible.

Interests of Directors and Executive Officers of GM and Hughes

(See page 283)

You should be aware that some of the directors and executive officers of GM and Hughes have interests in connection with the transactions that are different from, or in addition to, the interests of other stockholders of GM. In particular, certain executive officers of Hughes are participants in some of the Hughes retention and key employee severance arrangements and certain directors and executive officers of Hughes will remain or become directors and executive officers of Hughes following the completion of the transactions.

As of July 31, 2003, the directors and executive officers of GM, individually and the group as a whole, held less than one percent of the outstanding shares and voting power of each class of GM common stock.

The GM board of directors was aware of these interests and considered them, among other matters, in approving the transactions.

Advantages and Disadvantages of the Transactions to GM Common Stockholders

(See page 159)

The following is a description of certain important advantages and disadvantages of the transactions to GM common stockholders. As described below, the transactions will have differing effects on and consequences for holders of GM $1 2/3 par value common stock and holders of GM Class H common stock.

GM Class H Common Stockholders

Following completion of the transactions, Hughes will be independent from GM and affiliated with News Corporation, a diversified international media and entertainment company that has demonstrated its ability to support, develop and operate direct-to-home television businesses.

As a result of the transactions, all outstanding shares of GM Class H common stock will be cancelled and the former GM Class H common stockholders will no longer be holders of a tracking stock of GM, but instead will be holders of an asset-based stock of Hughes and, under certain circumstances, News Corporation Preferred ADSs. Holders of News Corporation Preferred ADSs have only limited voting rights. If and to the extent that News Corporation elects, the former GM Class H common stockholders will receive cash instead of News Corporation Preferred ADSs. While most aspects of the transactions will be tax-free, the receipt of News Corporation Preferred ADSs and/or cash will be taxable to GM Class H common stockholders, as described further at Material U.S. Federal Income Tax Consequences Relating to the Transaction.

If the requisite GM common stockholder approval of the proposals relating to the transactions is obtained and the transactions are completed, the GM Class H common stockholders will not have their shares of GM Class H common stock exchanged for shares of GM $1 2/3 par value common stock at a 120% exchange rate in connection with the transactions, as currently provided for under certain circumstances by the GM restated certificate of incorporation.

In addition, if the requisite GM common stockholder approval of the proposals relating to the transactions is obtained, GM common stockholders will be approving and consenting to the $275 million special cash dividend from Hughes to GM without the distribution of a portion of that amount to GM Class H common stockholders that is currently provided for under certain circumstances pursuant to a policy statement of the GM board of directors and without any adjustment of GM s retained economic interest in Hughes. If the transactions were completed without the approval of GM common stockholders (and without any other action by the GM board of directors to cause the policy statement to be inapplicable), GM would have been required to pay a dividend to GM Class H common stockholders in an aggregate amount of approximately $220.4 million (or approximately $0.20 per share of GM Class H common stock), representing about 80.2% of the special cash dividend to be paid to GM by Hughes.

However, if the requisite GM common stockholder approval of the transactions is not obtained, the transactions will not occur. If that happens, GM Class H common stockholders will have no right to exchange their shares for shares of GM $1 2/3 par value common stock at a 120% exchange rate or to receive any dividend distribution from GM in connection with the transactions.

Pursuant to the transaction agreements, Hughes may be required to indemnify GM for certain liabilities, including with respect to certain tax matters and the historical operation of Hughes, and News Corporation for certain liabilities.

GM $1 2/3 Par Value Common Stockholders

As a result of the transactions, GM will have only one class of outstanding common stock, the GM $1 2/3 par value common stock. GM will then no longer have tracking stock and will be focused primarily on its core automotive and related businesses. After the transactions, the GM $1 2/3 par value common stockholders will continue to hold their shares of GM $1 2/3 par value common stock. However, their shares will reflect only the financial performance of GM s core automotive and related businesses, which will not include the Hughes business.

As part of the Hughes split-off, GM will receive a $275 million special cash dividend from Hughes, and no portion of this dividend payment will be distributed to the GM Class H common stockholders.

Based on certain assumptions described elsewhere in this document, upon the completion of the GM/News stock sale, GM will receive approximately $3.84 billion from News Corporation, comprised of approximately $3.07 billion in cash and approximately $0.77 billion in News Corporation Preferred ADSs and/or cash, subject to adjustment based on the collar mechanism. The amount of cash and the number of News Corporation Preferred ADSs that GM will receive in the transactions, however, cannot be definitively determined until the time of the completion of the GM/News stock sale because each will depend upon certain factors that will not be known until that time. As a result of the transactions, through and to the extent of any GM ownership of News Corporation Preferred ADSs after the transactions, the GM $1 2/3 par value common stockholders will have an indirect interest in News Corporation and Hughes following the transactions.

Pursuant to the transaction agreements, GM may be required to indemnify Hughes for certain liabilities, including with respect to the historical operation of GM s core automotive and related businesses, and News Corporation for certain liabilities.

Regulatory Requirements

(See page 160)

U.S. Antitrust Requirements

Under U.S. antitrust laws, the transactions may not be completed until GM, Hughes and News Corporation have filed the necessary report forms with the Antitrust Division of the Department of Justice and the Federal Trade Commission and the required waiting period has terminated or expired. We filed the notifications required by the Hart-Scott-Rodino Act on May 2, 2003. On June 2, 2003, the Antitrust Division of the Department of Justice issued requests for additional information to Hughes and News Corporation. The Department of Justice s Antitrust Division may fail to permit the completion of the transactions on a timely basis, bring an action seeking to prevent the transactions or impose onerous conditions in connection with its clearance.

FCC Approval

To complete the transactions, we must also obtain the approval of the Federal Communications Commission for the transfer of control over the FCC licenses held by Hughes. We filed an application for the requisite FCC approval on May 2, 2003. The FCC placed the application on public notice on May 16, 2003 and invited petitions, oppositions and other comments by third parties in respect of the application by June 16, 2003. A number of third parties have filed comments on, or petitions to deny, our application, asking the FCC to impose conditions on its grant of approval, designate the application for a formal hearing before deciding the merits, and/or deny the application. On July 1, 2003, GM, Hughes and News Corporation filed a consolidated opposition and reply. On July 8, 2003, GM, Hughes and News Corporation received a request for information from the FCC, and our responses were filed on or before August 6, 2003. GM, Hughes and News Corporation believe that the issues raised by third parties with respect to our application are without merit. However, there can be no assurance that the FCC will grant its consent in a timely manner or that the FCC will not agree with the views of those third parties opposing the application and deny its approval or impose onerous conditions in connection with granting its approval.

Foreign and Certain Other Regulatory Matters

The transactions may be subject to regulatory requirements of other state, federal and foreign governmental agencies and authorities, including clearances for the transactions from competition and communications authorities in foreign jurisdictions and requirements relating to the regulation of the offer and sale of securities. We are currently working to evaluate and comply in all material respects with these requirements, as appropriate, and do not currently anticipate that they will delay completion of the transactions.

Although we currently expect to receive all governmental approvals and clearances required in order to complete the transactions, we cannot assure you that we will obtain all such governmental approvals and clearances or that the granting of these approvals and clearances will be timely. In addition, any approval or clearance could impose conditions on the completion of the transactions or require changes to the terms of the transactions. These conditions or changes could result in the conditions to the transactions not being satisfied.

No Appraisal Rights

(See page 162)

GM common stockholders and, immediately after the Hughes split-off share exchange, Hughes common stockholders are not entitled to appraisal rights in connection with the transactions that are the subject of this document.

Hughes Common Stock

(See pages 224 and 246)

Upon the completion of the transactions, Hughes common stock will be the only outstanding class of Hughes capital stock. Each share of Hughes common stock will entitle the holder to one vote on all matters submitted for stockholder approval. Holders of Hughes common stock will have no redemption, conversion or preemptive rights. Following completion of the transactions, Hughes does not expect to pay dividends on the Hughes common stock in the foreseeable future.

The new Hughes certificate of incorporation will contain an excess stock provision that will provide for restrictions on the transfer of Hughes capital stock during the first year after completion of the transactions. These restrictions are designed to protect Hughes and its stockholders from, among other things:

- liability for potential adverse tax effects that could result in the event that the Hughes split-off share exchange is taxable to GM; and

- the potential adverse impact of third-party attempts to gain control of Hughes at a time when News Corporation and its affiliates, in order to preserve the tax-free status of the Hughes split-off share exchange, may be prohibited or substantially delayed in their ability to acquire additional Hughes capital stock and, as a result, not be in a position to defend against a third party attempting to gain control, possibly provide greater consideration to Hughes common stockholders or cause any third party to offer greater consideration than would otherwise be the case.

The excess stock provision of the new Hughes certificate of incorporation will provide that, subject to certain exceptions, during the first year after completion of the transactions, no person may acquire, actually or constructively by virtue of certain of the attribution provisions of the Internal Revenue Code of 1986, as amended (which we sometimes refer to as the Code), any shares of Hughes capital stock that would cause such person to own, actually or constructively, 10% or more of any class of Hughes capital stock. This restriction will not apply to News Corporation s acquisition of 34% of the outstanding Hughes common stock in the transactions but will prevent News Corporation (and other persons treated as related to News Corporation under the new Hughes certificate of incorporation) from acquiring additional shares of Hughes capital stock for one year after completion of the transactions. After completion of the transactions, News Corporation and those parties from whom ownership of Hughes capital stock would be attributed to News Corporation, may continue to own 34% of Hughes outstanding capital stock. They may not, however, acquire any additional shares, actually or constructively by virtue of certain of the attribution provisions of the Code, during the one-year period after completion of the transactions. For purposes of the excess stock provision, those persons from whom ownership of Hughes capital stock will be attributed to News Corporation under the new Hughes certificate of incorporation could include holders of Hughes common stock that do not have a formal affiliation with News Corporation, such as persons in whom News Corporation has made an investment.

The new Hughes certificate of incorporation also will prohibit a group of stockholders, including News Corporation, K. Rupert Murdoch and certain related persons and entities, which we sometimes refer to as the News group, from collectively owning 50% or more of Hughes voting securities. This prohibition will not apply if:

any member of the News group commences a tender or exchange offer for all of Hughes voting securities or enters into an agreement to acquire all of such voting securities pursuant to a merger or other business combination transaction with Hughes;

a majority of the independent directors of the Hughes board consent to such acquisition; or

a person not affiliated with any member of the News group acquires, or announces an intention to acquire, 25% or more of Hughes or announces its intention to effect a merger or other business combination transaction with Hughes that will result in such person owning 25% or more of the corporation surviving the merger or business combination, and the Hughes board of directors approves that merger or business combination.

These standstill provisions will no longer apply if:

a majority of the independent directors of the Hughes board so determines;

the News group acquires 50% or more of Hughes under the circumstances described in the first two bullets of the preceding paragraph;

the News group acquires 80% or more of Hughes; or

any of Mr. Murdoch, Chase Carey, Peter Chernin or David DeVoe (or any of their successors) is not nominated for re-election to the Hughes board of directors, or any of these persons ceases to be a director and the nominating/ corporate governance committee of the Hughes board of directors fails to fill their vacancy with a person specified by a majority of these four directors (or their successors), unless, at that time:

- the News group owns less than 17% of Hughes; or
- News Corporation (or its subsidiaries) has disposed of 25% or more of the Hughes common stock it will acquire in the transactions.

News Corporation Preferred ADSs

(See pages 229 and 246)

News Corporation Preferred ADSs are preferred American depositary shares of News Corporation and are traded on the New York Stock Exchange under the symbol NWS.A. Each News Corporation Preferred ADS represents four Preferred Ordinary Shares of News Corporation. These shares are traded on the

Australian Stock Exchange under the symbol NCPDP. News Corporation also has outstanding News Corporation Ordinary ADSs, which are traded on the NYSE under the symbol NWS. Each News Corporation Ordinary ADS represents four Ordinary Shares. Unlike the holders of Ordinary Shares and News Corporation Ordinary ADSs, the holders of the Preferred Ordinary Shares and News Corporation Preferred ADSs have no voting rights except in limited circumstances.

Hughes Directors and Executive Officers

(See page 204)

GM, Hughes and News Corporation have agreed that the Hughes board of directors upon the completion of the transactions will initially have eleven members. At least a majority of the members of the Hughes board of directors will be independent directors as determined under the new Hughes certificate of incorporation and by-laws until such time as the standstill provisions in the new Hughes certificate of incorporation described above at Hughes Common Stock no longer apply.

K. Rupert Murdoch, the current Chairman of the board of directors and Chief Executive of News Corporation, will be the Chairman of Hughes. Chase Carey, a current director of and advisor to News Corporation, will be the President and Chief Executive Officer of Hughes. Eddy Hartenstein, the current Senior Executive Vice President of Hughes, will serve as the Vice Chairman of Hughes. Other persons who will serve as directors or executive officers of Hughes immediately after the transactions are identified at Hughes Directors and Executive Officers.

Conditions to Completing the Transactions

(See pages 68, 177 and 187)

The obligations of the companies to complete the transactions are subject to a number of conditions that must be satisfied or waived before the transactions can be completed. One important condition to the companies obligations to complete the GM/News stock sale is that GM, Hughes and News Corporation must be prepared to simultaneously complete the Hughes split-off. In addition, unless the companies are prepared to complete the News stock acquisition immediately after the completion of the Hughes split-off and the GM/News stock sale, the transactions will not occur. Other important conditions include the following:

- the receipt of the requisite GM common stockholder approval of each of the five proposals relating to the transactions;
- the expiration or termination of the waiting periods applicable to the transactions under the Hart-Scott-Rodino Act and any similar law of foreign jurisdictions;
- the absence of any effective injunction or order that prevents the completion of the transactions;
- the receipt of FCC approval for the transfer of control over licenses and other authorizations in connection with the transactions;
- the receipt of all other approvals of, or the making of all other filings with, governmental authorities required to complete the transactions, other than approvals and filings, the absence of which, in the aggregate, would not reasonably be expected to have a material adverse effect on Hughes;
- the receipt and continued effectiveness of a ruling from the IRS to the effect that the Hughes split-off share exchange will be tax-free to GM and its stockholders for U.S. federal income tax purposes;
- the approval for listing on the NYSE of the Hughes common stock that will be issued in the transactions;
- the approval for listing on the NYSE of any News Corporation Preferred ADSs that may be issued in the transactions;
- the accuracy, in all material respects, of each company s representations and warranties contained in the stock purchase agreement, as applicable, as of the completion of the transactions;

the performance, in all material respects, of each company s obligations under the stock purchase agreement and the merger agreement; and

the absence of a continuing material adverse effect on Hughes.

Considerations Relating to the Time Interval Between GM Common Stockholder Approval and Completion of the Transactions

(See page 114)

The GM board of directors has determined that the transactions that are the subject of this document, taken as a whole, are in the best interests of GM and its common stockholders and are fair to the holders of both classes of GM common stock and has approved the transactions by unanimous vote of all those directors present at the applicable GM board meeting and the GM board of directors unanimously recommends that the GM common stockholders of each class vote to approve each of the proposals described in this document. However, even if the requisite GM common stockholder approval is obtained, it is possible that the transactions would not be completed for a significant period of time after that approval if other applicable conditions to the transactions are not satisfied or waived at that time. It is possible that the business or financial condition of News Corporation or Hughes or financial, economic or other circumstances could change significantly during that time period and in a manner not considered at the time that the GM board of directors approved the transactions. You should understand that, despite any such change in circumstances that might occur during this time interval, it is not a condition to completion of the transactions that the GM board of directors update its determination that the transactions are fair to both classes of GM common stockholders. However, until the requisite GM common stockholder approval has been received, the GM board of directors may change or revoke its recommendation that GM common stockholders approve the proposals relating to the transactions if it determines in good faith and upon advice of legal counsel that it is required to do so in accordance with its fiduciary duties. In such event, GM or News Corporation may terminate the transaction agreements (in which event GM would be required to pay News Corporation a $150 million termination fee plus, under certain circumstances in which GM or Hughes enters into an agreement with respect to a competing transaction or GM publicly announces or completes a Hughes spin-off distribution, an additional $150 million termination fee).

Under the terms of the transaction agreements, GM and Hughes have agreed not to solicit any proposals from third parties, or engage in discussions with or furnish information to any third party, with respect to a competing transaction. However, until the requisite GM common stockholder approval of the proposals relating to the transactions has been received, GM and Hughes are permitted to engage in such discussions and provide such information (but not solicit proposals) with regard to a superior proposal, subject to certain conditions described at Description of Principal Transaction Agreements Stock Purchase Agreement Covenants No Solicitation of Competing Transactions Involving Hughes, if the GM board of directors determines that it is necessary for GM to do so in order to comply with its fiduciary duties.

GM common stockholders should understand that, if they vote to approve the proposals recommended by the GM board of directors, such approval will result in the termination of GM s ability to engage in discussions regarding superior proposals. That would mean that GM would have no practical ability to enter into any agreement or arrangement with respect to a competing transaction without breaching the non-solicitation covenant. However, if GM common stockholders fail to approve the proposals recommended by the GM board of directors, the transactions could not be completed and GM common stockholders would not have the opportunity to participate in the benefits of the transactions as described in this document and, under certain circumstances in which GM or Hughes enters into a competing transaction, GM would be required to pay News Corporation a $300 million termination fee. Further, in either case, there can be no assurance that any proposal for a competing transaction would be available to Hughes and GM or, if available, would result in any agreement or arrangement for a competing transaction.

Accordingly, for all of the reasons described elsewhere in this document, the GM board of directors unanimously recommends that GM common stockholders vote to approve each of the proposals.

Material U.S. Federal Income Tax Consequences Relating to the Transactions

(See page 163)

GM has applied for an IRS private letter ruling to the effect that the Hughes split-off share exchange will be treated as a tax-free distribution for U.S. federal income tax purposes. Receipt of this ruling is a condition to the completion of the transactions. If the ruling is issued and remains in effect, then, for U.S. federal income tax purposes, neither the GM Class H common stockholders nor GM (except as to certain prior intercompany transactions that will be taken into income) will recognize gain or loss as a result of the Hughes split-off share exchange.

The receipt of News Corporation Preferred ADSs and/or cash by the former GM Class H common stockholders in exchange for shares of Hughes common stock in the News stock acquisition will be a taxable transaction for U.S. federal income tax purposes (and also may be a taxable transaction under applicable state, local or other income tax laws).

The GM/News stock sale will be a taxable sale to GM, in which GM will recognize gain or loss for U.S. federal income tax purposes (and also possibly under applicable state, local or other income tax laws).

Accounting Treatment

(See page 162)

GM will record the $275 million special cash dividend from Hughes to GM as a reduction in GM s investment in Hughes. GM will record the exchange of Hughes common stock for all the outstanding shares of GM Class H common stock in the Hughes split-off share exchange at book value. Simultaneously with the Hughes split-off, based on certain assumptions described elsewhere in this document, GM will sell all of its retained economic interest in Hughes (in the form of the Hughes Class B common stock) to News Corporation for approximately $3.07 billion in cash and up to an additional approximately $0.77 billion in News Corporation Preferred ADSs and/or cash, subject to adjustment based on the collar mechanism, pursuant to the GM/News stock sale. Based on a price of $14.00 per share of GM Class H common stock, the net book value of Hughes at June 30, 2003, and certain other assumptions, the transactions would have resulted in a gain of approximately $1.25 billion, net of tax. In addition, GM currently anticipates that as a result of the transactions, there will be a net reduction of GM stockholders equity of approximately $7.13 billion. The financial results of Hughes for all periods prior to the completion of the transactions will be reported as discontinued operations in GM s consolidated financial statements. GM will record any News Corporation Preferred ADSs received at their fair market value at the time of the transactions, and will account for them using the cost method.

For Hughes, the transactions represent an exchange of equity interests by investors. As such, Hughes will continue to account for its assets and liabilities at historical cost and will not apply purchase accounting. Hughes will record the $275 million special cash dividend payment to GM as a reduction to additional paid-in capital. Any difference between the Hughes consolidated tax liability or receivable as determined on a separate return basis and the cash payment to or from GM resulting from the income tax allocation agreement described below at Description of Principal Transaction Agreements Ancillary Separation Agreements Tax Agreement, also will be reflected as a reduction or increase in additional paid-in capital. Upon the completion of the transactions, Hughes will expense related costs that include investment advisor fees of approximately $50 million and retention and severance benefits to certain employees of approximately $62 million and approximately $5 million, respectively, determined as if the transactions had been completed on June 30, 2003. In addition, certain employees of Hughes may earn up to $45 million in additional retention benefits during the 12-month period subsequent to the completion of the transactions, and additional severance payments may be payable as described below at GM Consent Solicitation Matters Interests of Executive Officers and Directors of GM and Hughes Hughes Retention Bonus Plan; Hughes Executive Change in Control Severance Agreements; Other Employee Severance Benefits; Hughes Stock Options.

Comparative Market Price Data

(See page 269)

Except as otherwise noted, presented below are the per share closing prices for the GM $1 2/3 par value common stock (symbol: GM), as quoted on the NYSE, the GM Class H common stock (symbol: GMH), as quoted on the NYSE, and the News Corporation Preferred ADSs (symbol: NWS.A), as quoted on the NYSE, on the following dates:

April 9, 2003, the last trading day before the public announcement of the signing of the transaction agreements among GM, Hughes and News Corporation relating to the transactions that are the subject of this document; and

August 18, 2003, the latest practicable date before the filing of this document.

Also presented below are implied equivalent per share prices on each of those dates for GM Class H common stock calculated (1) for April 9, 2003, by multiplying the closing price per News Corporation Preferred ADS on that date by an exchange ratio of 0.62167 and (2) for August 18, 2003, by multiplying the average of the volume weighted average prices per News Corporation Preferred ADS over the 20 consecutive trading days ending on and including August 18, 2003 by an exchange ratio of 0.53507. These exchange ratios represent the number of News Corporation Preferred ADSs a former Class H common stockholder would receive for each exchanged share acquired by News Corporation for News Corporation Preferred ADSs in the News stock acquisition, calculated as described above at Description of the Transactions The Exchange Ratio and assuming (a) for April 9, 2003, that the average closing price of News Corporation Preferred ADSs is $22.52, which was the closing price of News Corporation Preferred ADSs on that date and (b) for August 18, 2003, that the average closing price of News Corporation Preferred ADSs is equal to $26.1647, which is the average of the volume weighted average prices per News Corporation Preferred ADS over the 20 consecutive trading days ending on and including August 18, 2003 and which is within the collar.

	GM $1 2/3 Par Value Common Stock Price	GM Class H Common Stock Price	News Corporation Preferred ADS Price	Share Price Equivalent for GM Class H Common Stock
April 9, 2003	$ 34.48	$ 11.48	$ 22.52	$ 14.00
August 18, 2003	$ 38.05	$ 13.80	$ 26.1647(1)	$ 14.00

(1) Represents the average of the volume weighted average prices per News Corporation Preferred ADS over the 20 consecutive trading days ending on and including August 18, 2003. The closing price of News Corporation Preferred ADSs on August 18, 2003 was $27.66, which is above the high end of the collar.

Currencies and Exchange Rates

(See page 289)

Unless otherwise stated or the context otherwise requires, all references in this document to A$ are to Australian dollars and all references to $ or US$ are to U.S. dollars.

For your convenience, this document contains translations of A$ amounts into US$ amounts at specified exchange rates. These translations of A$ into US$ and of US$ into A$ have been made at the indicated Noon Buying Rate in New York City for cable transfers in Australian dollars as certified for customs purposes by The Federal Reserve Bank of New York. On August 18, 2003, the latest practicable date for which exchange rate information was available before the filing of this document, the Noon Buying Rate was US$0.6562 per A$1.00. These translations should not be construed as representations that the A$ amounts actually represent such US$ amounts or could be converted to US$ at the rates indicated.

For a five-year history of relevant exchange rates, see Currency of Presentation, Exchange Rates and Certain Definitions.

Table of Contents

SELECTED HISTORICAL AND PRO FORMA FINANCIAL DATA

GM Selected Historical Financial Data

The following statements of operations data for each of the three years in the period ended December 31, 2002 and the balance sheet data as of December 31, 2002 and 2001 have been derived from GM s consolidated financial statements incorporated into this document by reference, which have been audited by Deloitte & Touche LLP, independent auditors. The statement of operations data for the years ended December 31, 1999 and 1998 and the balance sheet data as of December 31, 2000, 1999 and 1998 have been derived from GM s audited consolidated financial statements, which have not been incorporated into this document by reference.

The statements of operations data for each of the six-month periods ended June 30, 2003 and 2002 and the balance sheet data as of June 30, 2003 have been derived from GM s unaudited consolidated financial statements that have been incorporated into this document by reference.

You should read the data below in conjunction with GM s consolidated financial statements (including the notes thereto) in GM s Annual Report on Form 10-K for the year ended December 31, 2002, Management s Discussion and Analysis of Financial Condition and Results of Operations in GM s Current Report on Form 8-K dated June 6, 2003 and GM s Quarterly Report on Form 10-Q for the quarter ended June 30, 2003, which are incorporated into this document by reference. Certain amounts for 2001 and prior years have been reclassified to conform with the 2002 classifications.

	For the six months ended June 30,		For the year ended December 31,				
	2003	2002	2002	2001	2000	1999	1998
	(in millions, except per share amounts)						
Statement of Operations Data:							
Total net sales and revenues	$ 97,673	$ 94,553	$ 186,763	$ 177,260	$ 184,632	$ 176,558	$ 155,445
Total costs and expenses	94,505	92,418	184,683	175,742	177,468	167,511	150,501
Income from continuing operations before income taxes and minority interests	3,168	2,135	2,080	1,518	7,164	9,047	4,944
Income tax expense	921	688	533	768	2,393	3,118	1,636
Equity income (loss) from minority interests	137	73	189	(149)	(319)	(353)	(259)
Income from continuing operations	2,384	1,520	1,736	601	4,452	5,576	3,049
Income (loss) from discontinued operations						426	(93)
Net Income	2,384	1,520	1,736	601	4,452	6,002	2,956
Dividends on preference stocks		(47)	(47)	(99)	(110)	(80)	(63)
Earnings attributable to common stocks	$ 2,384	$ 1,473	$ 1,689	$ 502	$ 4,342	$ 5,922	$ 2,893
Earnings (losses) Per Share:							
GM $1 2/3 par value common stock(1)							
Basic earnings per share (EPS) from continuing operations	$ 4.30	$ 3.06	$ 3.37	$ 1.78	$ 6.80	$ 8.70	$ 4.40
Diluted EPS from continuing operations	4.29	3.02	3.35	1.77	6.68	8.53	4.32
	1.00	1.00	2.00	2.00	2.00	2.00	2.00

Cash dividends declared per share

Table of Contents

	For the six months ended June 30,		For the year ended December 31,				
	2003	2002	2002	2001	2000	1999	1998
	(in millions, except per share amounts)						
GM Class H common stock(1)(2)							
Basic EPS from continuing operations	$ (0.02)	$ (0.27)	$ (0.21)	$ (0.55)	$ 0.56	$ (0.26)	$ 0.23
Diluted EPS from continuing operations	(0.02)	(0.27)	(0.21)	(0.55)	0.55	(0.26)	0.23
Cash dividends declared per share							

	As of June 30,	As of December 31,				
	2003	2002	2001	2000	1999	1998
	(in millions, except per share amounts)					
Balance Sheet Data:						
Cash and cash equivalents	$ 31,009	$ 21,449	$ 18,555	$ 10,284	$ 10,442	$ 9,874
Total assets	410,845	368,996	322,412	301,129	273,729	245,872
Notes and loans payable	232,150	201,940	166,314	144,655	131,688	116,075
Minority interests	991	834	746	707	596	563
GM-obligated mandatorily redeemable preferred securities of subsidiary trusts				139	218	220
Stockholders equity	10,381	6,814	19,707	30,175	20,644	15,052

33

Table of Contents

	For the six months ended June 30,		For the year ended December 31,		
	2003	2002	2002	2001	2000
	(in millions, except per share amounts)				
Transitional Disclosures Under Statement of Financial Accounting Standards No. 142(3):					
Reported net income	$ 2,384	$ 1,520	$ 1,736	$ 601	$ 4,452
Add:					
Goodwill amortization				327	318
Amortization of intangibles with indefinite lives				7	7
Adjusted net income	$ 2,384	$ 1,520	$ 1,736	$ 935	$ 4,777
Basic earnings (losses) per share attributable to GM common stocks					
EPS attributable to GM $1 2/3 par value common stock:					
Reported	$ 4.30	$ 3.06	$ 3.37	$ 1.78	$ 6.80
Amortization of goodwill and other intangibles				0.33	0.36
Adjusted	$ 4.30	$ 3.06	$ 3.37	$ 2.11	$ 7.16
EPS attributable to GM Class H common stock:					
Reported	$ (0.02)	$ (0.27)	$ (0.21)	$ (0.55)	$ 0.56
Amortization of goodwill and other intangibles				0.17	0.18
Adjusted	$ (0.02)	$ (0.27)	$ (0.21)	$ (0.38)	$ 0.74
Earnings (losses) per share attributable to GM common stocks assuming dilution					
EPS attributable to GM $1 2/3 par value common stock:					
Reported	$ 4.29	$ 3.02	$ 3.35	$ 1.77	$ 6.68
Amortization of goodwill and other intangibles				0.33	0.35
Adjusted	$ 4.29	$ 3.02	$ 3.35	$ 2.10	$ 7.03
EPS attributable to GM Class H common stock:					
Reported	$ (0.02)	$ (0.27)	$ (0.21)	$ (0.55)	$ 0.55
Amortization of goodwill and other intangibles				0.17	0.17
Adjusted	$ (0.02)	$ (0.27)	$ (0.21)	$ (0.38)	$ 0.72

(1) Earnings per share (EPS) attributable to each class of GM common stock was determined based on the attribution of earnings to each such class of common stock for the period divided by the weighted-average number of common shares for each such class outstanding during the period. Diluted EPS attributable to each class of GM common stock considers the effect of potential common shares, unless the inclusion of the potential common shares would have an antidilutive effect.

Earnings attributable to GM $1 2/3 par value common stock for the period represent the earnings attributable to all GM common stocks, adjusted for the losses/ earnings attributable to GM Class H common stock for the respective period.

Losses/ earnings attributable to GM Class H common stock represent the net loss/income of Hughes, adjusted to exclude: (1) the effects of GM purchase accounting adjustments arising from GM s acquisition of Hughes Aircraft Company, prior to 2002, and (2) the write-off of goodwill for DIRECTV Latin America and DIRECTV Broadband recorded in Hughes stand alone financial statements as of June 30, 2002 and other adjustments. In accordance with Statement of Financial Accounting Standards (SFAS) No. 142, Goodwill and Other Intangible Assets, GM evaluated the carrying value of goodwill associated with its Direct-to-Home Broadcast reporting unit in the aggregate and determined the goodwill was not impaired. In addition, the calculated losses adjusted for these items are reduced by the amount of dividends accrued on the Series A Preferred Stock of Hughes (as an equivalent measure of the effect that GM s payment of dividends on the GM Series H 6.25% Automatically Convertible Preference Stock would have if paid by Hughes).

The calculated losses/ earnings are then multiplied by a fraction, the numerator of which is equal to the weighted-average number of shares of GM Class H common stock outstanding, and the denominator of which is a number equal to the weighted-average number of shares of GM Class H common stock that if issued and outstanding would represent a 100% interest in the earnings of Hughes. The GM Class H dividend base may be adjusted as described at GM Capital Stock GM s Dual-Class Common Stock Capital Structure Dividends.

(2) The amounts for GM Class H common stock have been adjusted to reflect a three-for-one stock split, in the form of a 200% stock dividend, paid on June 30, 2000.

(3) Pursuant to paragraph 61 of SFAS No. 142 Goodwill and Other Intangible Assets, referred to as SFAS 142, amounts shown are GM s reported net income exclusive of amortization expense recognized related to goodwill and amortization of intangibles with indefinite lives required under previous accounting standards, on an after-tax basis.

SFAS 142 changes the accounting for goodwill and indefinite lived intangible assets from an amortization method to an impairment-only approach. Goodwill, including goodwill recorded in past business combinations, is no longer amortized, but is tested for impairment at least annually at the reporting unit level. GM implemented SFAS 142 on January 1, 2002.

Table of Contents

GM Selected Pro Forma Financial Data

The tables below present pro forma operating results for the six months ended June 30, 2003 and the year ended December 31, 2002, giving effect to the transactions as if they had occurred on January 1, 2002, and balance sheet data as of June 30, 2003, giving effect to the transactions as if they had occurred as of that date.

The pro forma financial data are not intended to be indicative of either future results of operations or results that might have been achieved had the transactions occurred on the dates specified. In the opinion of GM s management, all adjustments necessary to fairly present such pro forma condensed financial data have been made based upon the proposed terms of the transactions.

	As of and for the six months ended June 30, 2003	For the year ended December 31, 2002
	Pro Forma Giving Effect to the Transactions	Pro Forma Giving Effect to the Transactions
	(in millions, except per share amounts)	
Statements of Operations Data:		
Total net sales and revenues	$ 93,057	$ 177,276
Total costs and expenses	89,928	174,938
Income before income taxes and minority interests	3,129	2,338
Income tax expense	926	644
Equity income (loss) and minority interests	213	281
Net Income	$ 2,416	$ 1,975
Earnings Per Share:		
GM $1 2/3 par value common stock		
Basic earnings per share (EPS)	$ 4.31	$ 3.53
Diluted EPS	4.31	3.51
Cash dividends declared per share	1.00	2.00
GM Class H common stock		
Basic EPS		
Diluted EPS		
Balance Sheet Data:		
Cash and cash equivalents	$ 49,995	
Total assets	394,600	
Notes and loans payable	227,141	
Minority interests	414	
Stockholders equity	3,252	

Hughes Selected Historical Financial Data

The following selected historical financial data have been derived from, and should be read in conjunction with (1) the revised consolidated financial statements and supplementary data (including the notes thereto) for the three years ended December 31, 2002 in Hughes Current Report on Form 8-K dated July 24, 2003, (2) the revised Management s Discussion and Analysis of Financial Condition and Results of Operations for the three years ended December 31, 2002 in Hughes Current Report on Form 8-K dated June 20, 2003 and (3) the consolidated financial statements (including the notes thereto) and Management s Discussion and Analysis of Financial Condition and Results of Operations in Hughes Quarterly Report on Form 10-Q for the quarter ended June 30, 2003, which are incorporated into this document by reference.

The following consolidated statements of operations data for each of the three years in the period ended December 31, 2002 and the consolidated balance sheet data as of December 31, 2002 and 2001 have been derived from Hughes revised consolidated financial statements incorporated into this document by reference, which have been audited by Deloitte & Touche LLP, independent auditors. The consolidated statement of operations data for the years ended December 31, 1999 and 1998 and the consolidated balance sheet data as of December 31, 2000, 1999 and 1998 have been derived from Hughes audited consolidated financial statements, which have not been incorporated into this document by reference.

On February 28, 2003, Hughes completed the shut-down of the DIRECTV Broadband high-speed Internet service business. On October 6, 2000, Hughes completed the sale of its satellite systems manufacturing businesses to The Boeing Company. As a result, the financial results for those businesses are treated as discontinued operations. Revenues, operating costs and expenses, and other non-operating results for DIRECTV Broadband and the satellite systems manufacturing businesses are excluded from Hughes results from continuing operations for all periods presented herein.

	As of and for the six months ended June 30,		As of and for the years ended December 31,				
	2003	2002	2002	2001	2000	1999	1998
				(in millions)			
Consolidated Statements of Operations Data:							
Total revenues	$ 4,598	$ 4,217	$ 8,863	$ 8,237	$ 7,288	$ 5,560	$ 3,481
Total operating costs and expenses	4,416	4,404	9,015	8,852	7,642	5,975	3,522
Operating profit (loss)	182	(187)	(152)	(615)	(354)	(415)	(41)
Other income (expense), net	(192)	(219)	115	(231)	(462)	(246)	(62)
Income tax benefit	4	154	28	276	406	237	142
Minority interests in net (earnings) losses of subsidiaries	(15)	(10)	(22)	50	55	33	25
Income (loss) from continuing operations before cumulative effect of accounting changes	(21)	(262)	(31)	(520)	(355)	(391)	64
Income (loss) from discontinued operations, net of taxes	(8)	(50)	(182)	(94)	36	100	196
Gain on sale of discontinued operations, net of taxes					1,132		
Income (loss) before cumulative effect of accounting changes	(29)	(312)	(213)	(614)	813	(291)	260
Cumulative effect of accounting changes, net of taxes(4)		(681)	(681)	(7)			(9)
Net income (loss)	(29)	(993)	(894)	(621)	813	(291)	251

3

Adjustment to exclude the effect of GM purchase accounting	