



NEWS RELEASE

General Motors

FOR RELEASE: February 1, 2000

CONTACT(S): Toni Simonetti
(212) 418-6380

Mark Tanner
(313) 665-3146

Important Information

The historical information included or referred to in this document or in any linked documents pertains to Motors Liquidation Company (formerly named "General Motors Corporation"), which on June 1, 2009 filed a voluntary petition under chapter 11 of the Bankruptcy Code. On July 10, 2009, General Motors Corporation under its new name, "Motors Liquidation Company", sold substantially all of its assets to General Motors Company, a separate independent company, pursuant to the provisions of section 363 of the Bankruptcy Code. The information in this document does not refer to the new General Motors Company.

GM WILL OFFER TO REPURCHASE GM \$1-2/3 STOCK IN EXCHANGE FOR \$8 BILLION OF CLASS H STOCK, AND MAKE \$7 BILLION IN CLASS H STOCK CONTRIBUTIONS TO BENEFIT PLANS

TRANSACTIONS WILL REDUCE GM'S ECONOMIC INTEREST IN HUGHES TO APPROXIMATELY 35 PERCENT, AND SIGNIFICANTLY INCREASE EPS FOR GM \$1-2/3 STOCK

DETROIT - General Motors Corp. (NYSE: GM, GMH) today announced plans for a broad restructuring of its economic interest in Hughes Electronics (Hughes), including an offer to its current shareholders to repurchase GM \$1-2/3 par value common stock in exchange for approximately \$8 billion of GM Class H common stock, and contributions of approximately \$7 billion of Class H stock to GM benefit plans.

"The GM Board of Directors today authorized this series of transactions that continue GM's efforts to deliver significant value to its shareholders and further strengthen the corporation's financial position," said GM Chairman and Chief Executive Officer John F. Smith, Jr.

Exchange offer to be made

GM will offer to exchange approximately \$8 billion of Class H stock for GM \$1-2/3 stock. This exchange would significantly reduce the number of shares of GM \$1-2/3 stock outstanding. Specifically, GM will offer to holders of GM \$1-2/3 stock an opportunity to voluntarily tender any portion of their holdings of GM \$1-2/3 stock in order to acquire Class H stock. The exchange generally will be tax-free to GM and its U.S. stockholders for U.S. income tax purposes. Shares tendered will be subject to pro-ration if the exchange offer is oversubscribed. A Form S-4 registration statement detailing the terms and conditions of the proposed exchange offer will be filed shortly with the Securities and Exchange Commission. GM expects to complete the proposed transaction during the second quarter of this year. The per-share exchange ratio for the offering will be determined immediately prior to the commencement of the offer. No offering of Class H stock will be made except by means of a prospectus to be included in the Form S-4 registration statement.

Contributions to benefit plans

GM plans to contribute up to \$7 billion of Class H stock to certain of its benefit plans in the second quarter, including a significant amount to its U.S. Hourly-Rate Employees Pension Plan, and the balance to its voluntary employees' beneficiary association (VEBA) trust. The VEBA trust was set up in 1997 to fund the corporation's other post-retirement employee benefit (OPEB) obligations for hourly employees. The pension plan contribution will help to ensure that GM's U.S. pension plans remain fully funded on an SFAS-87 basis for the foreseeable future. The contributions to the benefit plans, which are not subject to any regulatory approvals, will significantly reduce annual pension and OPEB expense, and will strengthen the company's overall financial position.

"These actions enable GM to realize \$15 billion of the value of Hughes, and improve GM's financial flexibility to pursue business and growth initiatives in our automotive and financial services businesses," said Smith. "We will improve net income through reduced pension and OPEB expense while substantially reducing the number of GM \$1-2/3 shares outstanding. This will translate to a significant increase in GM's earnings per share."

In connection with these transactions, GM will issue approximately \$15 billion of Class H stock. However, the proposed transactions will not have any dilutive effect on the earnings per share attributable to the outstanding Class H stock. The issuance of additional Class H shares in connection with these transactions will substantially increase the liquidity of that stock in the securities market, which should benefit trading of Class H stock over time.

Upon completion of a fully subscribed exchange offer and contributions to the benefit plans, GM will retain approximately a 35 percent, or \$18 billion, economic interest in Hughes (based on yesterday's NYSE closing price of Class H stock) and Hughes will remain a wholly owned subsidiary of GM. Consequently, GM \$1-2/3

