

# **EXHIBIT A.1**

**SELECTIONS FROM THE DIRECTV GROUP, INC.  
FORM 10-K  
2005**

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549-1004

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2005

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-31945

THE DIRECTV GROUP, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

52-1106564
(I.R.S. Employer
Identification No.)

2230 East Imperial Highway
El Segundo, California 90245
(310) 964-5000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive office)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Name of Exchange on Which Registered

Common, \$0.01 par value

New York Stock Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [X] No [ ]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [ ] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [X] Accelerated filer [ ] Non-accelerated filer [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

As of June 30, 2005, the aggregate market value of the registrant's voting and non-voting common equity held by non-affiliates was \$14,228,528,986. This amount excludes Fox Entertainment Group, Inc.'s approximately 34% ownership interest in our outstanding common stock as of such date.

As of March 7, 2006, the registrant had outstanding 1,281,527,492 shares of common stock.

Documents incorporated by reference are as follows:

Document

Part and Item Number of Form 10-K
into which Incorporated



Information regarding compensation plans under which our equity securities may be issued is included in Item 12 through incorporation by reference to our Proxy Statement for the Annual Meeting of Stockholders scheduled to be held on June 6, 2006.

**ITEM 6. SELECTED FINANCIAL DATA**

Years Ended and As of December 31,

	2005	2004	2003	2002	2001
(Dollars in Millions, Except Per Share Amounts)					
<b>Consolidated Statements of Operations Data:</b>					
Revenues	\$ 13,164.5	\$ 11,360.0	\$ 9,372.2	\$ 8,185.4	\$ 7,498.3
Total Operating Costs and Expenses	12,531.9	13,479.4	9,509.7	8,595.0	8,293.0
Operating Profit (Loss)	\$ 632.6	\$ (2,119.4)	\$ (137.5)	\$ (409.6)	\$ (794.7)
Income (loss) from continuing operations before cumulative effect of accounting changes	\$ 304.6	\$ (1,056.4)	\$ (375.3)	\$ (114.9)	\$ (565.2)
Income (loss) from discontinued operations, net of taxes	31.3	(582.3)	78.1	(97.6)	(49.0)
Cumulative effect of accounting changes, net of taxes	—	(310.5)	(64.6)	(681.3)	(7.4)
Net Income (Loss)	335.9	(1,949.2)	(361.8)	(893.8)	(621.6)
Preferred stock dividends	—	—	—	(46.9)	(96.4)
Net Income (Loss) Attributable to Common Stockholders	\$ 335.9	\$ (1,949.2)	\$ (361.8)	\$ (940.7)	\$ (718.0)
<b>Basic and Diluted Income (Loss) Per Common Share:</b>					
Income (loss) from continuing operations before cumulative effect of accounting changes	\$ 0.22	\$ (0.77)	\$ (0.27)	\$ (0.12)	\$ (0.51)
Weighted average number of common shares outstanding (in millions):					
Basic	1,388.4	1,384.8	1,382.5	1,343.1	1,300.0
Diluted	1,394.8	1,384.8	1,382.5	1,343.1	1,300.0
<b>Consolidated Balance Sheet Data:</b>					
Total Assets	\$ 15,630.2	\$ 14,324.4	\$ 19,037.4	\$ 17,986.7	\$ 21,015.0
Long-Term Debt	3,405.3	2,409.5	2,434.8	40.0	238.8
Preferred Stock	—	—	—	914.1	1,498.4
Total Stockholders' Equity	7,940.0	7,507.1	9,631.1	9,977.1	11,071.9

The cumulative effect of accounting change of \$681.3 million recorded in the year ended December 31, 2002 relates to the adoption of Statement of Financial Accounting Standards No 142, "Goodwill and Other Intangible Assets" in 2002. See the Notes to the Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations for additional information regarding the accounting changes in 2004 and 2003 and other significant transactions during each of the three years in the period ended December 31, 2005.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SUMMARY DATA

	Years Ended December 31,		
	2005	2004	2003
	(Dollars in Millions, Except Per Share Amounts)		
<b>Consolidated Statements of Operations:</b>			
Revenues	\$ 13,164.5	\$ 11,360.0	\$ 9,372.2
Operating Costs and Expenses, exclusive of depreciation and amortization expense shown separately below			
Broadcast programming and other costs of sale	5,485.3	4,996.5	4,510.5
Subscriber service expenses	981.9	779.9	656.5
Subscriber acquisition costs:			
Third party customer acquisitions	2,053.9	2,009.8	1,439.6
Direct customer acquisitions	697.7	694.0	395.4
Upgrade and retention costs	1,117.0	1,002.4	412.0
Broadcast operations expenses	254.1	196.7	197.3
General and administrative expenses	1,133.9	1,268.9	1,143.5
(Gain) loss from asset sales and impairment charges, net	(45.1)	1,693.2	—
Depreciation and amortization	853.2	838.0	754.9
	<u>12,531.9</u>	<u>13,479.4</u>	<u>9,509.7</u>
Operating Profit (Loss)	632.6	(2,119.4)	(137.5)
Interest income	150.3	50.6	28.4
Interest expense	(237.6)	(131.9)	(156.3)
Reorganization income (expense)	—	43.0	(212.3)
Other, net	(65.0)	397.6	—
	<u>480.3</u>	<u>(1,760.1)</u>	<u>(477.7)</u>
Income (Loss) From Continuing Operations Before Income Taxes, Minority Interests and Cumulative Effect of Accounting Changes	480.3	(1,760.1)	(477.7)
Income tax (expense) benefit	(173.2)	690.6	104.3
Minority interests in net (earnings) losses of subsidiaries	(2.5)	13.1	(1.9)
	<u>304.6</u>	<u>(1,056.4)</u>	<u>(375.3)</u>
Income (loss) from continuing operations before cumulative effect of accounting changes	304.6	(1,056.4)	(375.3)
Income (loss) from discontinued operations, net of taxes	31.3	(582.3)	78.1
	<u>335.9</u>	<u>(1,638.7)</u>	<u>(297.2)</u>
Income (loss) before cumulative effect of accounting changes	335.9	(1,638.7)	(297.2)
Cumulative effect of accounting changes, net of taxes	—	(310.5)	(64.6)
	<u>335.9</u>	<u>(1,949.2)</u>	<u>(361.8)</u>
Net Income (Loss)	\$ 335.9	\$ (1,949.2)	\$ (361.8)
<b>Basic and Diluted Income (Loss) Per Common Share:</b>			
Income (loss) from continuing operations before cumulative effect of accounting changes	\$ 0.22	\$ (0.77)	\$ (0.27)
Income (loss) from discontinued operations, net of taxes	0.02	(0.42)	0.06
Cumulative effect of accounting changes, net of taxes	—	(0.22)	(0.05)
	<u>0.24</u>	<u>(1.41)</u>	<u>(0.26)</u>
Net Income (Loss)	\$ 0.24	\$ (1.41)	\$ (0.26)
<b>Weighted average number of common shares outstanding (in millions)</b>			
Basic	1,388.4	1,384.8	1,382.5
Diluted	1,394.8	1,384.8	1,382.5

December 31,		
2005	2004	
(Dollars in Millions)		
Cash and cash equivalents	\$ 3,701.3	\$ 2,307.4
Total Current Assets	6,096.4	4,771.1
Total Assets	15,630.2	14,324.4
Total Current Liabilities	2,828.1	2,694.5
Long-Term Debt	3,405.3	2,409.5
Total Stockholders' Equity	7,940.0	7,507.1

**Consolidated Balance Sheet Data:**

Cash and cash equivalents	\$ 3,701.3	\$ 2,307.4
Total Current Assets	6,096.4	4,771.1
Total Assets	15,630.2	14,324.4
Total Current Liabilities	2,828.1	2,694.5
Long-Term Debt	3,405.3	2,409.5
Total Stockholders' Equity	7,940.0	7,507.1

Reference should be made to the Notes to the Consolidated Financial Statements.

**SUMMARY DATA—(continued)**

	Years Ended December 31,		
	2005	2004	2003
	(Dollars in Millions)		
<b>Other Data:</b>			
Operating Profit (Loss)	\$ 632.6	\$ (2,119.4)	\$ (137.5)
Add: Depreciation and amortization expense	853.2	838.0	754.9
Operating Profit (Loss) Before Depreciation and Amortization (1)	\$ 1,485.8	\$ (1,281.4)	\$ 617.4
Operating Profit Before Depreciation and Amortization—Margin (1)	11.3%	N/A	6.6%
Capital expenditures (2)	\$ 923.7	\$ 1,023.1	\$ 747.4
Cash flows from operating activities	1,171.9	228.6	787.2
Cash flows from investing activities	(723.3)	886.8	(1,084.7)
Cash flows from financing activities	945.3	(242.7)	1,767.1
Cash used in discontinued operations	—	—	(429.5)

(1) Operating Profit (Loss) Before Depreciation and Amortization, which is a financial measure that is not determined in accordance with accounting principles generally accepted in the United States of America, or GAAP, can be calculated by adding amounts under the caption "Depreciation and amortization expense" to "Operating Profit (Loss)." This measure should be used in conjunction with GAAP financial measures and is not presented as an alternative measure of operating results, as determined in accordance with GAAP. Our management and our Board of Directors use Operating Profit (Loss) Before Depreciation and Amortization to evaluate our operating performance and to allocate resources and capital to business segments. This metric is also used to measure income generated from operations that could be used to fund capital expenditures, service debt or pay taxes. Depreciation and amortization expense primarily represents an allocation to current expense of the cost of historical capital expenditures and for acquired intangible assets. To compensate for the exclusion of depreciation and amortization expense from operating profit, our management and Board of Directors separately measure and budget for capital expenditures and business acquisitions.

We believe this measure is useful to investors, along with GAAP measures (such as revenues, operating profit and net income), to compare our operating performance to other communications, entertainment and media service providers. We believe that investors use current and projected Operating Profit (Loss) Before Depreciation and Amortization and similar measures to estimate our current or prospective enterprise value and make investment decisions. This metric provides investors with a means to compare operating results exclusive of depreciation and amortization expense. Our management believes this is useful given the significant variation in depreciation and amortization expense that can result from the timing of capital expenditures, the capitalization of intangible assets, potential variations in expected useful lives when compared to other companies and periodic changes to estimated useful lives.

Operating Profit Before Depreciation and Amortization—Margin is calculated by dividing Operating Profit (Loss) Before Depreciation and Amortization by Revenues.

(2) Capital expenditures include cash paid and amounts accrued during the period for property, equipment and satellites.

**SUMMARY DATA—(concluded)**

**Selected Segment Data**

	Years Ended December 31,		
	2005	2004	2003
	(Dollars in Millions)		
<b>DIRECTV U.S.</b>			
Revenues	\$ 12,216.1	\$ 9,763.9	\$ 7,695.6
% of Total Revenues	92.8%	85.9%	82.1%
Operating Profit	\$ 802.0	\$ 21.9	\$ 458.8
Add: Depreciation and Amortization	698.2	561.2	497.0
Operating Profit Before Depreciation and Amortization	\$ 1,500.2	\$ 583.1	\$ 955.8
Operating Profit Margin	6.6%	0.2%	6.0%
Operating Profit Before Depreciation and Amortization—Margin	12.3%	6.0%	12.4%
Segment Assets	\$ 10,525.0	\$ 8,994.2	\$ 7,285.2
Capital Expenditures(1)	782.0	671.5	389.0
<b>DIRECTV Latin America</b>			
Revenues	\$ 742.1	\$ 675.2	\$ 597.7
% of Total Revenues	5.6%	5.9%	6.4%
Operating Loss	\$ (18.7)	\$ (142.0)	\$ (284.6)
Add: Depreciation and Amortization	160.2	187.9	199.3
Operating Profit (Loss) Before Depreciation and Amortization	\$ 141.5	\$ 45.9	\$ (85.3)
Operating Profit Before Depreciation and Amortization—Margin	19.1%	6.8%	N/A
Segment Assets	\$ 1,147.9	\$ 1,086.7	\$ 682.9
Capital Expenditures(1)	90.4	81.7	57.9
<b>Network Systems</b>			
Revenues	\$ 211.4	\$ 1,099.1	\$ 1,271.0
% of Total Revenues	1.6%	9.7%	13.6%
Operating Loss	\$ (60.8)	\$ (1,778.5)	\$ (103.4)
Add: Depreciation and Amortization	—	95.6	70.8
Operating Loss Before Depreciation and Amortization	\$ (60.8)	\$ (1,682.9)	\$ (32.6)
Segment Assets	—	\$ 521.1	\$ 2,555.3
Capital Expenditures(1)	\$ 18.1	132.1	159.6
<b>Eliminations and Other</b>			
Revenues	\$ (5.1)	\$ (178.2)	\$ (192.1)
Operating Loss	\$ (89.9)	\$ (220.8)	\$ (208.3)
Add: Depreciation and Amortization	(5.2)	(6.7)	(12.2)
Operating Loss Before Depreciation and Amortization	\$ (95.1)	\$ (227.5)	\$ (220.5)
Segment Assets	\$ 3,957.3	\$ 3,722.4	\$ 8,514.0
Capital Expenditures(1)	33.2	137.8	140.9
<b>Total</b>			
Revenues	\$ 13,164.5	\$ 11,360.0	\$ 9,372.2
Operating Profit (Loss)	\$ 632.6	\$ (2,119.4)	\$ (137.5)
Add: Depreciation and Amortization	853.2	838.0	754.9
Operating Profit (Loss) Before Depreciation and Amortization	\$ 1,485.8	\$ (1,281.4)	\$ 617.4
Operating Profit Margin	4.8%	N/A	N/A
Operating Profit Before Depreciation and Amortization—Margin	11.3%	N/A	6.6%
Total Assets	\$ 15,630.2	\$ 14,324.4	\$ 19,037.4
Capital Expenditures(1)	923.7	1,023.1	747.4

# **EXHIBIT A.2**

**SELECTIONS FROM THE DIRECTV GROUP, INC.  
FORM 10-K  
2004**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549-1004  
**FORM 10-K**

FOR ANNUAL AND TRANSITION REPORTS PURSUANT TO SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2004

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-31945

**THE DIRECTV GROUP, INC.**

(Exact name of registrant as specified in its charter)

**DELAWARE**  
(State or other jurisdiction of  
incorporation or organization)

52-1106564  
(I.R.S. Employer  
Identification No.)

2250 East Imperial Highway  
El Segundo, California 90245  
(310) 964-5000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive office)  
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Exchange on Which Registered
Common, \$0.01 par value	New York Stock Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes  No

As of June 30, 2004, the aggregate market value of the registrant's voting and non-voting common equity held by non-affiliates was \$15,639,586,966. This amount excludes Fox Entertainment Group, Inc.'s 34% ownership interest in our outstanding common stock as of such date.

As of February 23, 2005, the registrant had outstanding 1,385,848,330 shares of common stock.

Documents incorporated by reference are as follows:

Document	Part and Item Number of Form 10-K into which Incorporated
The DIRECTV Group, Inc. Notice of Annual Meeting of Stockholders and Proxy Statement for Annual Meeting of Stockholders to be held on June 1, 2005	Part III, Items 10 through 14

THE DIRECTV GROUP, INC.

ITEM 6. SELECTED FINANCIAL DATA

	Years Ended and As of December 31,				
	2004	2003	2002	2001	2000
	(Dollars in Millions, Except Per Share Amounts)				
<b>Consolidated Statements of Operations Data:</b>					
Revenues	\$ 11,360.0	\$ 9,372.2	\$ 8,185.4	\$ 7,498.3	\$ 6,381.0
Total operating costs and expenses	13,479.4	9,509.7	8,595.0	8,293.0	7,078.7
Operating loss	\$ (2,119.4)	\$ (137.5)	\$ (409.6)	\$ (794.7)	\$ (697.7)
Loss from continuing operations before cumulative effect of accounting changes	\$ (1,056.4)	\$ (375.3)	\$ (114.9)	\$ (565.2)	\$ (447.0)
Income (loss) from discontinued operations, net of taxes	(582.3)	78.1	(97.6)	(49.0)	1,260.0
Cumulative effect of accounting changes, net of taxes	(310.5)	(64.6)	(681.3)	(7.4)	—
Net income (loss)	(1,949.2)	(361.8)	(893.8)	(621.6)	813.0
Preferred stock dividends	—	—	(46.9)	(96.4)	(97.0)
Net Income (Loss) Attributable to Common Stockholders	\$ (1,949.2)	\$ (361.8)	\$ (940.7)	\$ (718.0)	\$ 716.0
<b>Consolidated Balance Sheet Data:</b>					
Total assets	\$ 14,324.4	\$ 19,037.4	\$ 17,986.7	\$ 21,015.0	\$ 21,111.6
Long-term debt	2,409.5	2,434.8	40.0	238.8	495.0
Preferred stock	—	—	914.1	1,498.4	1,495.7
Total stockholders' equity	7,507.1	9,631.1	9,977.1	11,071.9	12,326.1
<b>Basic and Diluted Loss Per Common Share:</b>					
Loss from continuing operations before cumulative effect of accounting changes	\$ (0.77)	\$ (0.27)	\$ (0.12)	\$ (0.51)	\$ (0.42)
Weighted average number of common shares outstanding (in millions)	1,384.8	1,382.5	1,343.1	1,300.0	1,297.0

Reference should be made to the Notes to the Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations.

THE DIRECTV GROUP, INC.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SUMMARY DATA

	Years Ended December 31,		
	2004	2003	2002
	(Dollars in Millions, Except Per Share Amounts)		
<b>Consolidated Statements of Operations Data:</b>			
Revenues	\$11,360.0	\$ 9,372.2	\$ 8,185.4
Operating Costs and Expenses, exclusive of depreciation and amortization expense shown separately below			
Broadcast programming and other costs of sale	4,996.5	4,510.5	4,214.3
Subscriber service expenses	779.9	656.5	643.7
Subscriber acquisition costs:			
Third party customer acquisitions	2,009.8	1,439.6	1,385.7
Direct customer acquisitions	694.0	395.4	189.8
Upgrade and retention costs	1,002.4	412.0	277.5
Broadcast operations expenses	196.7	197.3	131.3
General and administrative expenses	1,268.9	1,143.5	1,076.0
Asset impairment charges	1,693.2	—	—
Depreciation and amortization expense	838.0	754.9	676.7
<b>Total Operating Costs and Expenses</b>	<b>13,479.4</b>	<b>9,509.7</b>	<b>8,595.0</b>
Operating Loss	(2,119.4)	(137.5)	(409.6)
Other income (expense)	359.3	(340.2)	254.4
Income tax benefit	690.6	104.3	42.2
Minority interests in net (earnings) losses of subsidiaries	13.1	(1.9)	(1.9)
Loss from continuing operations before cumulative effect of accounting changes	(1,056.4)	(375.3)	(114.9)
Income (loss) from discontinued operations, net of taxes	(582.3)	78.1	(97.6)
Loss before cumulative effect of accounting changes	(1,638.7)	(297.2)	(212.5)
Cumulative effect of accounting changes, net of taxes	(310.5)	(64.6)	(681.3)
Net Loss	(1,949.2)	(361.8)	(893.8)
Preferred stock dividends	—	—	(46.9)
<b>Net Loss Attributable to Common Stockholders</b>	<b>\$ (1,949.2)</b>	<b>\$ (361.8)</b>	<b>\$ (940.7)</b>
<b>Basic and Diluted Loss Per Common Share:</b>			
Loss from continuing operations before cumulative effect of accounting changes	\$ (0.77)	\$ (0.27)	\$ (0.12)
Income (loss) from discontinued operations, net of taxes	(0.42)	0.06	(0.07)
Cumulative effect of accounting changes, net of taxes	(0.22)	(0.05)	(0.51)
Net Loss	\$ (1.41)	\$ (0.26)	\$ (0.70)
Weighted average number of common shares outstanding (in millions)—Basic and Diluted	1,384.8	1,382.5	1,343.1

December 31,

	December 31,	
	2004	2003
	(Dollars in Millions)	
<b>Consolidated Balance Sheet Data:</b>		
Cash and cash equivalents	\$ 2,830.0	\$ 1,779.5
Total current assets	4,771.1	10,415.6
Total assets	14,324.4	19,037.4
Total current liabilities	2,694.5	5,899.3
Long-term debt	2,409.5	2,434.8
Total stockholders' equity	7,507.1	9,631.1

Reference should be made to the Notes to the Consolidated Financial Statements.

**THE DIRECTV GROUP, INC.**  
**SUMMARY DATA — (continued)**

	Years Ended December 31,		
	2004	2003	2002
	(Dollars in Millions)		
<b>Other Data:</b>			
Operating Loss	\$(2,119.4)	\$ (137.5)	\$ (409.6)
Add: Depreciation and amortization expense	838.0	754.9	676.7
<b>Operating Profit (Loss) Before Depreciation and Amortization(1)</b>	<b>\$(1,281.4)</b>	<b>\$ 617.4</b>	<b>\$ 267.1</b>
<b>Operating Profit Before Depreciation and Amortization Margin(1)</b>	N/A	6.6%	3.3%
Capital expenditures	\$ 1,023.1	\$ 747.4	\$ 954.5
Cash flows from operating activities	228.6	787.2	711.9
Cash flows from investing activities	1,033.1	(739.9)	1,066.2
Cash flows from financing activities	(211.2)	1,767.1	(1,524.9)
Cash used in discontinued operations	—	(429.5)	(155.0)

- (1) Operating Profit (Loss) Before Depreciation and Amortization, which is a financial measure that is not determined in accordance with accounting principles generally accepted in the United States of America, or GAAP, can be calculated by adding amounts under the caption "Depreciation and amortization expense" to "Operating Profit (Loss)." This measure should be used in conjunction with GAAP financial measures and is not presented as an alternative measure of operating results, as determined in accordance with GAAP. Our management and our Board of Directors use Operating Profit (Loss) Before Depreciation and Amortization to evaluate our operating performance and to allocate resources and capital to business segments. This metric is also used as a measure of performance for incentive compensation purposes and to measure income generated from operations that could be used to fund capital expenditures, service debt or pay taxes. Depreciation and amortization expense primarily represents an allocation to current expense of the cost of historical capital expenditures and for acquired intangible assets. To compensate for the exclusion of depreciation and amortization expense from operating profit, our management and Board of Directors separately measure and budget for capital expenditures and business acquisitions.

We believe this measure is useful to investors, along with GAAP measures (such as revenues, operating profit and net income), to compare our operating performance to other communications, entertainment and media service providers. We believe that investors use current and projected Operating Profit (Loss) Before Depreciation and Amortization and similar measures to estimate our current or prospective enterprise value and make investment decisions. This metric provides investors with a means to compare operating results exclusive of depreciation and amortization expense. Our management believes this is useful given the significant variation in depreciation and amortization expense that can result from the timing of capital expenditures, the capitalization of intangible assets, potential variations in expected useful lives when compared to other companies and periodic changes to estimated useful lives.

Operating Profit Before Depreciation and Amortization Margin is calculated by dividing Operating Profit Before Depreciation and Amortization by Revenues.

**THE DIRECTV GROUP, INC.**  
**SUMMARY DATA — (concluded)**  
**Selected Segment Data**

	Years Ended December 31,		
	2004	2003	2002
	(Dollars in Millions)		
<b>DIRECTV U.S.</b>			
Revenues	\$ 9,763.9	\$ 7,695.6	\$ 6,444.6
% of Total Revenues	85.9%	82.1%	78.7%
Operating Profit	\$ 21.9	\$ 458.8	\$ 192.7
Add: Depreciation and Amortization	561.2	497.0	405.6
Operating Profit Before Depreciation and Amortization	<u>\$ 583.1</u>	<u>\$ 955.8</u>	<u>\$ 598.3</u>
Operating Profit Margin	0.2%	6.0%	3.0%
Operating Profit Before Depreciation and Amortization Margin	6.0%	12.4%	9.3%
Segment Assets	\$ 8,994.2	\$ 7,285.2	\$ 8,007.2
Capital Expenditures	671.5	389.0	375.0
<b>DIRECTV Latin America</b>			
Revenues	\$ 675.2	\$ 597.7	\$ 679.6
% of Total Revenues	5.9%	6.4%	8.3%
Operating Loss	\$ (142.0)	\$ (284.6)	\$ (415.1)
Add: Depreciation and Amortization	187.9	199.3	213.2
Operating Profit (Loss) Before Depreciation and Amortization	<u>\$ 45.9</u>	<u>\$ (85.3)</u>	<u>\$ (201.9)</u>
Operating Profit Before Depreciation and Amortization Margin	6.8%	N/A	N/A
Segment Assets	\$ 1,086.7	\$ 682.9	\$ 1,080.8
Capital Expenditures	81.7	57.9	95.0
<b>Network Systems</b>			
Revenues	\$ 1,099.1	\$ 1,271.0	\$ 1,140.0
% of Total Revenues	9.7%	13.6%	13.9%
Operating Loss	\$ (1,778.5)	\$ (103.4)	\$ (169.8)
Add: Depreciation and Amortization	95.6	70.8	70.1
Operating Loss Before Depreciation and Amortization	<u>\$ (1,682.9)</u>	<u>\$ (32.6)</u>	<u>\$ (99.7)</u>
Segment Assets	\$ 696.9	\$ 2,555.3	\$ 2,526.9
Capital Expenditures	132.1	159.6	397.8
<b>Eliminations and Other</b>			
Revenues	\$ (178.2)	\$ (192.1)	\$ (78.8)
Operating Loss	\$ (220.8)	\$ (208.3)	\$ (17.4)
Add: Depreciation and Amortization	(6.7)	(12.2)	(12.2)
Operating Loss Before Depreciation and Amortization	<u>\$ (227.5)</u>	<u>\$ (220.5)</u>	<u>\$ (29.6)</u>
Segment Assets	\$ 3,546.6	\$ 8,514.0	\$ 6,371.8
Capital Expenditures	137.8	140.9	86.7
<b>Total</b>			
Revenues	\$11,360.0	\$ 9,372.2	\$ 8,185.4
Operating Loss	\$ (2,119.4)	\$ (137.5)	\$ (409.6)
Add: Depreciation and Amortization	838.0	754.9	676.7
Operating Profit (Loss) Before Depreciation and Amortization	<u>\$ (1,281.4)</u>	<u>\$ 617.4</u>	<u>\$ 267.1</u>
Operating Profit Before Depreciation and Amortization Margin	N/A	6.6%	3.3%
Total Assets	\$14,324.4	\$19,037.4	\$17,986.7
Capital Expenditures	1,023.1	747.4	954.5

# **EXHIBIT A.3**

**SELECTIONS FROM THE DIRECTV GROUP, INC.  
FORM 10-K  
2003**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549-1004

**FORM 10-K**

FOR ANNUAL AND TRANSITION REPORTS PURSUANT TO SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2003

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-26035

**THE DIRECTV GROUP, INC.**

(Exact name of registrant as specified in its charter)

STATE OF DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

52-1106564  
(I.R.S. Employer  
Identification No.)

2250 East Imperial Highway  
El Segundo, California 90245  
(310) 964-0808

(Address, including zip code, and telephone number, including area code, of registrants' principal executive office)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Exchange on Which Registered
Common, \$0.01 par value	New York Stock Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes  No

As of June 30, 2003, the aggregate market value of the registrant's voting and non-voting common equity held by non-affiliates was \$0. At such date, the registrant was a wholly-owned subsidiary of General Motors Corporation.

As of March 11, 2004, the registrant had outstanding 1,384,112,120 shares of common stock.

Documents incorporated by reference are as follows:

Document	Part and Item Number of Form 10-K into which Incorporated
The DIRECTV Group, Inc. Notice of Annual Meeting of Stockholders and Proxy Statement for the Annual Meeting of Stockholders to be held June 2, 2004	Part III, Items 10 through 14

**THE DIRECTV GROUP, INC.**

dividend paid in connection with the split-off, no dividends were declared by the Company's Board of Directors in 2003 and 2002. The convertible preferred stock did not accrue dividends.

Our subsidiaries, DIRECTV U.S. and PanAmSat, are subject to restrictive covenants under their debt and credit facilities. These covenants limit the ability of DIRECTV U.S., PanAmSat and their respective subsidiaries to, among other things, make restricted payments, including dividends, loans or advances to the Company.

Information regarding compensation plans under which our equity securities may be issued is included in Item 12 by incorporation by reference to the Proxy Statement for the Annual Meeting of Stockholders of the Company scheduled to be held on June 2, 2004.

**ITEM 6. SELECTED FINANCIAL DATA**

	For Years Ended and As of December 31,				
	2003	2002	2001	2000	1999
	(Dollars in Millions, Except Per Share Amounts)				
<b>Consolidated Statements of Income Data:</b>					
Total revenues	\$ 10,121.2	\$ 8,862.5	\$ 8,237.2	\$ 7,287.6	\$ 5,560.3
Total operating costs and expenses	9,975.4	9,014.8	8,851.7	7,641.7	5,974.8
Operating profit (loss)	<u>\$ 145.8</u>	<u>\$ (152.3)</u>	<u>\$ (614.5)</u>	<u>\$ (354.1)</u>	<u>\$ (414.5)</u>
Loss from continuing operations before cumulative effect of accounting changes	\$ (292.5)	\$ (30.8)	\$ (520.2)	\$ (355.4)	\$ (391.1)
Income (loss) from discontinued operations, net of taxes	(4.7)	(181.7)	(94.0)	36.1	99.8
Gain on sale of discontinued operations, net of taxes	—	—	—	1,132.3	—
Cumulative effect of accounting changes, net of taxes	(64.6)	(681.3)	(7.4)	—	—
Net income (loss)	<u>(361.8)</u>	<u>(893.8)</u>	<u>(621.6)</u>	<u>813.0</u>	<u>(291.3)</u>
Preferred stock dividends	—	(46.9)	(96.4)	(97.0)	(50.9)
Net Loss Attributable to Common Stockholders	<u>\$ (361.8)</u>	<u>\$ (940.7)</u>	<u>\$ (718.0)</u>	<u>\$ 716.0</u>	<u>\$ (342.2)</u>
<b>Consolidated Balance Sheet Data:</b>					
Cash and cash equivalents	\$ 2,263.3	\$ 1,128.6	\$ 700.1	\$ 1,508.1	\$ 238.2
Total assets	18,954.2	17,885.1	19,210.1	19,279.3	18,597.0
Long-term debt	4,131.3	2,390.0	988.8	1,292.0	1,586.0
Minority interests	592.4	555.3	531.3	553.7	544.3
Preferred stock	—	914.1	1,498.4	1,495.7	1,487.5
Total stockholders' equity	<u>9,631.1</u>	<u>9,977.1</u>	<u>11,071.9</u>	<u>12,326.1</u>	<u>11,681.3</u>
<b>Other Data:</b>					
Net cash flows from continuing operations:					
Cash flows from operating activities	\$ 1,275.4	\$ 1,227.0	\$ 332.0	\$ 1,090.7	\$ 379.5
Cash flows from investing activities	(629.1)	(833.1)	(1,700.5)	2,210.8	(3,941.8)
Cash flows from financing activities	917.9	189.6	742.9	(849.6)	2,577.5
Capital expenditures	857.8	1,244.0	1,702.8	1,716.1	1,665.3
Depreciation and amortization	1,082.8	1,020.2	1,110.6	948.1	678.9
Basic and diluted loss per common share from continuing operations before cumulative effect of accounting changes	\$ (0.21)	\$ (0.06)	\$ (0.47)	\$ (0.35)	\$ (0.35)
Weighted average number of common shares outstanding (in millions)	<u>1,382.5</u>	<u>1,343.1</u>	<u>1,300.0</u>	<u>1,297.0</u>	<u>1,255.5</u>

Reference should be made to the Notes to the Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations.

THE DIRECTV GROUP, INC.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SUMMARY DATA

	Years Ended December 31,		
	2003	2002	2001
	(Dollars in Millions, Except Per Share Amounts)		
<b>Consolidated Statements of Income Data:</b>			
Total revenues	\$ 10,121.2	\$ 8,862.5	\$ 8,237.2
Total operating costs and expenses	9,975.4	9,014.8	8,851.7
Operating profit (loss)	145.8	(152.3)	(614.5)
Other income (expenses), net	(482.1)	115.5	(231.5)
Income tax benefit	71.9	27.6	275.9
Minority interests in net (earnings) losses of subsidiaries	(28.1)	(21.6)	49.9
Loss from continuing operations before cumulative effect of accounting changes	(292.5)	(30.8)	(520.2)
Loss from discontinued operations, net of taxes	(4.7)	(181.7)	(94.0)
Loss before cumulative effect of accounting changes	(297.2)	(212.5)	(614.2)
Cumulative effect of accounting changes, net of taxes	(64.6)	(681.3)	(7.4)
Net loss	(361.8)	(893.8)	(621.6)
Preferred stock dividends	—	(46.9)	(96.4)
Net Loss Attributable to Common Stockholders	\$ (361.8)	\$ (940.7)	\$ (718.0)
<b>Basic and Diluted Loss Per Common Share:</b>			
Loss from continuing operations before cumulative effect of accounting changes	\$ (0.21)	\$ (0.06)	\$ (0.47)
Loss from discontinued operations, net of taxes	—	(0.13)	(0.07)
Cumulative effect of accounting changes, net of taxes	(0.05)	(0.51)	(0.01)
Loss Per Common Share	\$ (0.26)	\$ (0.70)	\$ (0.55)
Weighted average number of common shares outstanding (in millions)	1,382.5	1,343.1	1,300.0

	December 31,	
	2003	2002
	(Dollars in Millions)	
<b>Consolidated Balance Sheet Data:</b>		
Cash and cash equivalents	\$ 2,263.3	\$ 1,128.6
Total current assets	4,934.9	3,656.4
Total assets	18,954.2	17,885.1
Total current liabilities	2,860.4	3,203.1
Long-term debt	4,131.3	2,390.0
Minority interests	592.4	555.3
Convertible preferred stock	—	914.1
Total stockholders' equity	9,631.1	9,977.1

Reference should be made to the Notes to the Consolidated Financial Statements.

**THE DIRECTV GROUP, INC.**  
**SUMMARY DATA — (continued)**

	Years Ended December 31,		
	2003	2002	2001
	(Dollars in Millions)		
<b>Other Data:</b>			
Operating Profit (Loss)	\$ 145.8	\$ (152.3)	\$ (614.5)
Add: Depreciation and amortization	1,082.8	1,020.2	1,110.6
<b>Operating Profit Before Depreciation and Amortization(1)</b>	<b>\$ 1,228.6</b>	<b>\$ 867.9</b>	<b>\$ 496.1</b>
Operating Profit Margin	1.4%	N/A	N/A
Operating Profit Before Depreciation and Amortization Margin(1)	12.1%	9.8%	6.0%
Capital expenditures	\$ 857.8	\$ 1,244.0	\$ 1,702.8
Cash flows from operating activities	1,275.4	1,227.0	332.0
Cash flows from investing activities	(629.1)	(833.1)	(1,700.5)
Cash flows from financing activities	917.9	189.6	742.9
Cash used in discontinued operations	(429.5)	(155.0)	(182.4)

- (1) Operating Profit (Loss) Before Depreciation and Amortization, which is a financial measure that is not determined in accordance with accounting principles generally accepted in the United States of America, or GAAP, can be calculated by adding amounts under the caption "Depreciation and amortization" to "Operating Profit (Loss)." This measure should be used in conjunction with GAAP financial measures and is not presented as an alternative measure of operating results, as determined in accordance with GAAP. The Company's management and its Board of Directors use Operating Profit Before Depreciation and Amortization to evaluate the operating performance of the Company and its business segments and to allocate resources and capital to business segments. This metric is also used as a measure of performance for incentive compensation purposes and to measure income generated from operations that could be used to fund capital expenditures, service debt or pay taxes. Depreciation and amortization expense primarily represents an allocation to current expense of the cost of historical capital expenditures and for intangible assets resulting from prior business acquisitions. To compensate for the exclusion of depreciation and amortization from operating profit, the Company's management and Board of Directors separately measure and budget for capital expenditures and business acquisitions.

The Company believes this measure is useful to investors, along with GAAP measures (such as revenues, operating profit and net income), to compare the Company's operating performance to other communication, entertainment and media service providers. The Company believes that investors use current and projected Operating Profit Before Depreciation and Amortization and similar measures to estimate the Company's current or prospective enterprise value and make investment decisions. This metric provides investors with a means to compare operating results exclusive of depreciation and amortization. The Company's management believes this is useful given the significant variation in depreciation and amortization expense that can result from the timing of capital expenditures, the capitalization of intangible assets in purchase accounting, potential variations in expected useful lives when compared to other companies and periodic changes to estimated useful lives.

Operating Profit Before Depreciation and Amortization Margin is calculated by dividing Operating Profit Before Depreciation and Amortization by total revenues.

**THE DIRECTV GROUP, INC.**  
**SUMMARY DATA — (concluded)**  
**Selected Segment Data**

	Years Ended December 31,		
	2003	2002	2001
	(Dollars in Millions)		
<b>Direct-To-Home Broadcast</b>			
Total Revenues	\$ 8,291.9	\$ 7,120.9	\$ 6,279.6
% of Total Revenues	81.9%	80.3%	76.2%
Operating Profit (Loss)	\$ 187.8	\$ (212.8)	\$ (546.6)
Add: Depreciation and Amortization	696.3	619.1	638.0
Operating Profit Before Depreciation and Amortization	\$ 884.1	\$ 406.3	\$ 91.4
Operating Profit Margin	2.3%	N/A	N/A
Operating Profit Before Depreciation and Amortization Margin	10.7%	5.7%	1.5%
Segment Assets	\$ 7,941.9	\$ 7,957.2	\$ 9,484.1
Capital Expenditures	446.9	470.0	693.6
<b>Satellite Services</b>			
Total Revenues	\$ 831.0	\$ 812.3	\$ 870.1
% of Total Revenues	8.2%	9.2%	10.6%
Operating Profit	\$ 278.2	\$ 255.9	\$ 165.3
Add: Depreciation and Amortization	312.8	335.7	414.7
Operating Profit Before Depreciation and Amortization	\$ 591.0	\$ 591.6	\$ 580.0
Operating Profit Margin	33.5%	31.5%	19.0%
Operating Profit Before Depreciation and Amortization Margin	71.1%	72.8%	66.7%
Segment Assets	\$ 5,734.9	\$ 6,487.7	\$ 6,296.8
Capital Expenditures	104.1	294.3	338.2
<b>Network Systems</b>			
Total Revenues	\$ 1,322.0	\$ 1,169.9	\$ 1,325.8
% of Total Revenues	13.1%	13.2%	16.1%
Operating Loss	\$ (73.7)	\$ (150.5)	\$ (149.0)
Add: Depreciation and Amortization	76.2	73.7	60.0
Operating Profit (Loss) Before Depreciation and Amortization	\$ 2.5	\$ (76.8)	\$ (89.0)
Operating Profit Before Depreciation and Amortization Margin	0.2%	N/A	N/A
Segment Assets	\$ 2,555.3	\$ 2,526.9	\$ 2,339.1
Capital Expenditures	165.9	400.4	664.6
<b>Eliminations and Other</b>			
Total Revenues	\$ (323.7)	\$ (240.6)	\$ (238.3)
Operating Loss	\$ (246.5)	\$ (44.9)	\$ (84.2)
Add: Depreciation and Amortization	(2.5)	(8.3)	(2.1)
Operating Loss Before Depreciation and Amortization	\$ (249.0)	\$ (53.2)	\$ (86.3)
Segment Assets	\$ 2,722.1	\$ 913.3	\$ 1,090.1
Capital Expenditures	140.9	79.3	6.4
<b>Total</b>			
Total Revenues	\$ 10,121.2	\$ 8,862.5	\$ 8,237.2
Operating Profit (Loss)	\$ 145.8	\$ (152.3)	\$ (614.5)
Add: Depreciation and Amortization	1,082.8	1,020.2	1,110.6
Operating Profit Before Depreciation and Amortization	\$ 1,228.6	\$ 867.9	\$ 496.1
Operating Profit Margin	1.4%	N/A	N/A
Operating Profit Before Depreciation and Amortization Margin	12.1%	9.8%	6.0%
Total Assets	\$ 18,954.2	\$ 17,885.1	\$ 19,210.1
Capital Expenditures	857.8	1,244.0	1,702.8

# **EXHIBIT A.4**

**SELECTIONS FROM HUGHES ELECTRONICS  
CORPORATION  
FORM 10-K  
2002**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549-1004

**FORM 10-K**

FOR ANNUAL AND TRANSITION REPORTS PURSUANT TO SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-26035

**HUGHES ELECTRONICS CORPORATION**

(Exact name of registrant as specified in its charter)

STATE OF DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

52-1106564  
(I.R.S. Employer  
Identification No.)

200 North Sepulveda Boulevard  
El Segundo, California 90245  
(310) 662-9688

(Address, including zip code, and telephone number, including area code, of registrants' principal executive office)

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:

Common stock, par value \$0.01 per share

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes  No

As of December 31, 2002, there were outstanding 200 shares of the issuer's \$0.01 par value common stock.

The registrant has met the conditions set forth in General Instructions I (1)(a) and (b) of Form 10-K and is therefore filing this Annual Report on Form 10-K with the reduced disclosure format.

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HUGHES ELECTRONICS CORPORATION

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SUMMARY DATA

	Years Ended December 31,		
	2002	2001	2000
	(Dollars in Millions)		
<b>Consolidated Statements of Operations Data:</b>			
Total revenues	\$ 8,934.9	\$ 8,264.0	\$ 7,287.6
Total operating costs and expenses	9,334.0	9,021.8	7,641.7
Operating loss	(399.1)	(757.8)	(354.1)
Other income (expenses), net	113.8	(231.9)	(461.5)
Income tax benefit	94.4	325.6	406.1
Minority interests in net (earnings) losses of subsidiaries	(21.6)	49.9	54.1
Loss from continuing operations before cumulative effect of accounting changes	(212.5)	(614.2)	(355.4)
Income from discontinued operations, net of taxes	—	—	36.1
Gain on sale of discontinued operations, net of taxes	—	—	1,132.3
Cumulative effect of accounting changes, net of taxes	(681.3)	(7.4)	—
Net income (loss)	(893.8)	(621.6)	813.0
Adjustment to exclude the effect of GM purchase accounting	—	3.3	16.9
Preferred stock dividends	(46.9)	(96.4)	(97.0)
Earnings (Loss) Used for Computation of Available Separate Consolidated Net Income (Loss)	\$ (940.7)	\$ (714.7)	\$ 732.9

	December 31,	
	2002	2001
	(Dollars in Millions)	
<b>Consolidated Balance Sheet Data:</b>		
Cash and cash equivalents	\$ 1,128.6	\$ 700.1
Total current assets	3,656.4	3,341.1
Total assets	17,885.1	19,210.1
Total current liabilities	3,203.1	4,406.5
Long-term debt	2,390.0	988.8
Minority interests	555.3	531.3
Preferred stock	914.1	1,498.4
Total stockholder's equity	9,977.1	11,071.9

HUGHES ELECTRONICS CORPORATION

SUMMARY DATA — (continued)

	Years Ended December 31,		
	2002	2001	2000
	(Dollars in Millions)		
<b>Other Data:</b>			
EBITDA(1)	\$ 668.0	\$ 389.9	\$ 594.0
EBITDA Margin(1)	7.5%	4.7%	8.2%
Cash flows from operating activities	\$ 1,126.1	\$ 190.3	\$ 1,090.7
Cash flows from investing activities	(887.2)	(1,741.2)	2,210.8
Cash flows from financing activities	189.6	742.9	(849.6)
Depreciation and amortization	1,067.1	1,147.7	948.1
Capital expenditures	1,298.1	1,743.5	1,716.1

- (1) EBITDA is defined as operating profit (loss), plus depreciation and amortization. EBITDA is not presented as an alternative measure of operating results or cash flow from operations, as determined in accordance with accounting principles generally accepted in the United States of America. Hughes management uses EBITDA to evaluate the operating performance of Hughes and its business segments, to allocate resources and capital to its business segments and as a measure of performance for incentive compensation purposes. Hughes believes EBITDA is a measure of performance used by some investors, equity analysts and others to make informed investment decisions. EBITDA is used as an analytical indicator of income generated to service debt and fund capital expenditures. In addition, multiples of current or projected EBITDA are used to estimate current or prospective enterprise value. Hughes management believes that EBITDA is a common measure used to compare Hughes' operating performance and enterprise value to other communications, entertainment and media service providers. EBITDA does not give effect to cash used for debt service requirements consisting of interest payments of \$398.0 million, \$268.4 million and \$312.9 million for the years ended December 31, 2002, 2001 and 2000, respectively. As a result, EBITDA does not reflect funds available for investment in the business of Hughes, dividends or other discretionary uses. EBITDA margin is calculated by dividing EBITDA by total revenues. EBITDA and EBITDA margin as presented herein may not be comparable to similarly titled measures reported by other companies.

HUGHES ELECTRONICS CORPORATION

SUMMARY DATA — (concluded)

Selected Segment Data

Years Ended December 31,

	2002	2001	2000
	(Dollars in Millions)		
<b>Direct-To-Home Broadcast</b>			
Total Revenues	\$ 7,193.3	\$ 6,306.4	\$ 5,238.0
% of Total Revenues	80.5%	76.3%	71.9%
Operating Loss	\$ (505.2)	\$ (749.9)	\$ (557.9)
EBITDA	160.8	(74.8)	(24.5)
EBITDA Margin	2.2%	N/A	N/A
Depreciation and Amortization	\$ 666.0	\$ 675.1	\$ 533.4
Segment Assets	7,957.2	9,484.1	9,278.3
Capital Expenditures	524.1	734.3	913.5
<b>Satellite Services</b>			
Total Revenues	\$ 812.3	\$ 870.1	\$ 1,023.6
% of Total Revenues	9.1%	10.5%	14.0%
Operating Profit	\$ 255.9	\$ 165.3	\$ 356.6
Operating Profit Margin	31.5%	19.0%	34.8%
EBITDA	\$ 591.6	\$ 580.0	\$ 694.0
EBITDA Margin	72.8%	66.7%	67.8%
Depreciation and Amortization	\$ 335.7	\$ 414.7	\$ 337.4
Segment Assets	6,487.7	6,296.8	6,178.4
Capital Expenditures	294.3	338.2	449.5
<b>Network Systems</b>			
Total Revenues	\$ 1,169.9	\$ 1,325.8	\$ 1,409.8
% of Total Revenues	13.1%	16.0%	19.3%
Operating Loss	\$ (160.7)	\$ (171.8)	\$ (63.5)
EBITDA	(87.0)	(111.8)	0.1
Depreciation and Amortization	73.7	60.0	63.6
Segment Assets	2,526.9	2,339.1	1,789.9
Capital Expenditures	400.4	664.6	369.5
<b>Eliminations and Other</b>			
Total Revenues	\$ (240.6)	\$ (238.3)	\$ (383.8)
Operating Profit (Loss)	10.9	(1.4)	(89.3)
EBITDA	2.6	(3.5)	(75.6)
Depreciation and Amortization	(8.3)	(2.1)	13.7
Segment Assets	913.3	1,090.1	2,032.7
Capital Expenditures	79.3	6.4	(16.4)
<b>Total</b>			
Total Revenues	\$ 8,934.9	\$ 8,264.0	\$ 7,287.6
Operating Loss	(399.1)	(757.8)	(354.1)
EBITDA	668.0	389.9	594.0
EBITDA Margin	7.5%	4.7%	8.2%
Depreciation and Amortization	\$ 1,067.1	\$ 1,147.7	\$ 948.1
Total Assets	17,885.1	19,210.1	19,279.3
Capital Expenditures	1,298.1	1,743.5	1,716.1

# **EXHIBIT A.5**

**SELECTIONS FROM HUGHES ELECTRONICS  
CORPORATION  
FORM 10-K  
2001**

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549-1004

**FORM 10-K**

**FOR ANNUAL AND TRANSITION REPORTS PURSUANT TO  
SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2001

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-26035

**HUGHES ELECTRONICS CORPORATION**

(Exact name of registrant as specified in its charter)

STATE OF DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

52-1106564  
(I.R.S. Employer  
Identification No.)

200 North Sepulveda Boulevard  
El Segundo, California 90245  
(310) 662-9688

(Address, including zip code, and telephone number,  
including area code, of registrants' principal executive office)

**Securities registered pursuant to Section 12(b) of the Act:**

None

**Securities registered pursuant to Section 12(g) of the Act:**

**Common stock, par value \$0.01 per share**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

As of December 31, 2001, there were outstanding 200 shares of the issuer's \$0.01 par value common stock.

The registrant has met the conditions set forth in General Instructions I (1)(a) and (b) of Form 10-K and is therefore filing this Annual Report on Form 10-K with the reduced disclosure format.

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HUGHES ELECTRONICS CORPORATION

ITEM 6. SELECTED FINANCIAL DATA

Years Ended December 31,

	2001	2000	1999	1998	1997
(Dollars in Millions)					
<b>Consolidated Statements of Operations Data:</b>					
Total revenues	\$ 8,262.0	\$ 7,287.6	\$ 5,560.3	\$ 3,480.6	\$ 2,838.3
Total operating costs and expenses	9,019.8	7,641.7	5,974.8	3,521.7	2,823.7
Operating profit (loss)	\$ (757.8)	\$ (354.1)	\$ (414.5)	\$ (41.1)	\$ 14.6
Income (loss) from continuing operations before extraordinary item and cumulative effect of accounting change	\$ (614.2)	\$ (355.4)	\$ (391.1)	\$ 63.5	\$ 236.9
Income from discontinued operations, net of taxes	—	36.1	99.8	196.4	170.6
Gain on sale of discontinued operations, net of taxes	—	1,132.3	—	—	62.8
Extraordinary item, net of taxes	—	—	—	—	(20.6)
Cumulative effect of accounting change, net of taxes	(7.4)	—	—	(9.2)	—
Net income (loss)	(621.6)	813.0	(291.3)	250.7	449.7
Adjustment to exclude the effect of GM purchase accounting	3.3	16.9	21.0	21.0	21.0
Preferred stock dividends	(96.4)	(97.0)	(50.9)	—	—
Earnings (Loss) Used for Computation of Available Separate Consolidated Net Income (Loss)	\$ (714.7)	\$ 732.9	\$ (321.2)	\$ 271.7	\$ 470.7
<b>Consolidated Balance Sheet Data:</b>					
Cash and cash equivalents	\$ 700.1	\$ 1,508.1	\$ 238.2	\$ 1,342.0	\$ 2,783.7
Total current assets	3,341.1	4,153.7	3,858.0	4,075.2	5,179.1
Total assets	19,210.1	19,279.3	18,597.0	12,617.4	12,141.5
Total current liabilities	4,406.5	2,690.9	2,642.1	1,346.0	1,007.4
Long-term debt	988.8	1,292.0	1,586.0	778.7	637.6
Minority interests	531.3	553.7	544.3	481.7	607.8
Total stockholder's equity	11,071.9	12,326.1	11,681.3	8,412.2	8,340.2
<b>Other Data:</b>					
EBITDA (1)	\$ 389.9	\$ 594.0	\$ 264.4	\$ 372.0	\$ 297.0
Cash flows from operating activities	190.3	1,090.7	379.5	612.1	90.6
Cash flows from investing activities	(1,741.2)	2,210.8	(3,941.8)	(2,128.5)	(2,115.6)
Cash flows from financing activities	742.9	(849.6)	2,577.5	(63.6)	5,014.0
Depreciation and amortization	1,147.7	948.1	678.9	413.1	282.4
Capital expenditures	1,743.5	1,716.1	1,665.3	1,328.8	712.7

(1) EBITDA is defined as operating profit (loss), plus depreciation and amortization. EBITDA is not presented as an alternative measure of operating results or cash flow from operations, as determined in accordance with accounting principles generally accepted in the United States of America. Hughes management believes it is a meaningful measure of performance and is commonly used by other communications, entertainment and media service providers. EBITDA does not give effect to cash used for debt service requirements and thus does not reflect funds available for investment in the business of Hughes, dividends or other discretionary uses. EBITDA as presented herein may not be comparable to similarly titled measures reported by other companies.

HUGHES ELECTRONICS CORPORATION

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	2001	2000	1999
	(Dollars in Millions)		
<b>Consolidated Statements of Operations Data:</b>			
Total revenues	\$ 8,262.0	\$ 7,287.6	\$ 5,560.3
Total operating costs and expenses	9,019.8	7,641.7	5,974.8
Operating loss	(757.8)	(354.1)	(414.5)
Other expenses, net	(231.9)	(461.5)	(245.5)
Income tax benefit	325.6	406.1	236.9
Minority interests in net losses of subsidiaries	49.9	54.1	32.0
Loss from continuing operations before cumulative effect of accounting change	(614.2)	(355.4)	(391.1)
Income from discontinued operations, net of taxes	—	36.1	99.8
Gain on sale of discontinued operations, net of taxes	—	1,132.3	—
Cumulative effect of accounting change, net of taxes	(7.4)	—	—
Net income (loss)	(621.6)	813.0	(291.3)
Adjustment to exclude the effect of GM purchase accounting	3.3	16.9	21.0
Preferred stock dividends	(96.4)	(97.0)	(50.9)
Earnings (Loss) Used for Computation of Available Separate Consolidated Net Income (Loss)	\$ (714.7)	\$ 732.9	\$ (321.2)

**HUGHES ELECTRONICS CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS—(continued)**

**SELECTED SEGMENT DATA**

	Years Ended December 31,		
	2001	2000	1999
	(Dollars in Millions)		
<b>Direct-To-Home Broadcast</b>			
Total Revenues	\$ 6,304.4	\$ 5,238.0	\$ 3,785.0
Operating Loss	(749.9)	(557.9)	(289.6)
EBITDA(1)	(74.8)	(24.5)	22.4
Depreciation and Amortization	675.1	533.4	312.0
Segment Assets	9,484.1	9,278.3	8,452.2
Capital Expenditures	734.3	913.5	516.9
<b>Satellite Services</b>			
Total Revenues	\$ 870.1	\$ 1,023.6	\$ 810.6
Operating Profit	165.3	356.6	338.3
Operating Profit Margin	19.0%	34.8%	41.7%
EBITDA(1)	\$ 580.0	\$ 694.0	\$ 618.8
EBITDA Margin(1)	66.7%	67.8%	76.3%
Depreciation and Amortization	\$ 414.7	\$ 337.4	\$ 280.5
Segment Assets	6,296.8	6,178.4	5,984.7
Capital Expenditures	338.2	449.5	956.4
<b>Network Systems</b>			
Total Revenues	\$ 1,325.8	\$ 1,409.8	\$ 1,384.7
Operating Loss	(171.8)	(63.5)	(234.1)
EBITDA(1)	(111.8)	0.1	(156.7)
Depreciation and Amortization	60.0	63.6	77.4
Segment Assets	2,339.1	1,789.9	1,167.3
Capital Expenditures	664.6	369.5	175.0
<b>Eliminations and Other</b>			
Total Revenues	\$ (238.3)	\$ (383.8)	\$ (420.0)
Operating Loss	(1.4)	(89.3)	(229.1)
EBITDA(1)	(3.5)	(75.6)	(220.1)
Depreciation and Amortization	(2.1)	13.7	9.0
Segment Assets	1,090.1	2,032.7	2,992.8
Capital Expenditures	6.4	(16.4)	17.0
<b>Total</b>			
Total Revenues	\$ 8,262.0	\$ 7,287.6	\$ 5,560.3
Operating Loss	(757.8)	(354.1)	(414.5)
EBITDA(1)	389.9	594.0	264.4
EBITDA Margin(1)	4.7%	8.2%	4.8%
Depreciation and Amortization	\$ 1,147.7	\$ 948.1	\$ 678.9
Total Assets	19,210.1	19,279.3	18,597.0
Capital Expenditures	1,743.5	1,716.1	1,665.3

- (1) EBITDA is defined as operating profit (loss), plus depreciation and amortization. EBITDA is not presented as an alternative measure of operating results or cash flow from operations, as determined in accordance with accounting principles generally accepted in the United States of America. Hughes management believes it is a meaningful measure of performance and is commonly used by other communications, entertainment and media service providers. EBITDA does not give effect to cash used for debt service requirements and thus does not reflect funds available for investment in the business of Hughes, dividends or other discretionary uses. EBITDA margin is calculated by dividing EBITDA by total revenues. EBITDA and EBITDA margin as presented herein may not be comparable to similarly titled measures reported by other companies.

# **EXHIBIT B**



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## THE DIRECTV GROUP ANNOUNCES 2005 RESULTS

### ***DIRECTV U.S. Reports Strong Financial Results:***

- ***Generated Over \$3.4 Billion in Revenues in the Fourth Quarter Bringing Full Year Revenues to \$12.2 Billion, or 25% Greater than the Prior Year***
- ***Operating Profit before Depreciation and Amortization Increased to \$442 Million Leading to Full Year Results of over \$1.5 Billion, or Nearly 3 Times 2004 Results***
- ***Generated Free Cash Flow of \$155 Million in the Fourth Quarter Driving a Record \$536 Million for the Full Year of 2005***
- ***Board of Directors Authorizes Share Repurchase Program of up to \$3 Billion***

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El Segundo, Calif., February 8, 2006 – The DIRECTV Group, Inc. (NYSE:DTV) today reported full year 2005 net income of \$336 million compared with a net loss of \$1.95 billion in 2004 and operating profit of \$633 million improved from an operating loss of \$2.12 billion. Full year revenues increased nearly 16% to \$13.16 billion and operating profit before depreciation and amortization<sup>1</sup> improved to \$1.49 billion from an operating loss before depreciation and amortization of \$1.28 billion last year. In addition, DIRECTV's Board of Directors has authorized up to a \$3 billion share repurchase program. DIRECTV expects these repurchases to occur from time to time, in the open market or in private transactions, subject to market conditions.

In the fourth quarter of 2005, net income was \$121 million compared with a net loss of \$289 million in the fourth quarter of 2004 and operating profit of \$219 million improved from an operating loss of \$445 million. In addition, revenues increased 7% to \$3.60 billion and operating profit before depreciation and amortization improved to \$441 million from an operating loss before depreciation and amortization of \$164 million in the fourth quarter of last year.

"Fourth quarter results for DIRECTV U.S. reflect our strategy to improve the quality of our subscriber base and reduce customer churn while at the same time, drive significant revenue and earnings growth. Quarterly revenues increased 15% to \$3.4 billion due to our larger subscriber base and a solid 5% ARPU increase in the quarter to \$75.53," said Chase Carey, president and CEO. "Operating profit before depreciation and amortization of \$442 million was up nearly 4 times over last year's fourth quarter primarily due to the revenue growth and higher operating margin related to improved scale and operating efficiencies. Importantly, these improvements drove free cash flow to \$155 million in the quarter and \$536 million for the full year—a nearly \$1 billion increase in DIRECTV U.S. free cash flow compared to 2004."

Carey continued, "Subscriber growth in the quarter—although below expectations—was consistent with our initiatives to improve the quality of new subscribers and drive lower churn. In fact, even though gross subscriber additions of 965,000 were 13% below last year's fourth quarter additions, the number of high-quality subscriber additions actually increased about 14% over the prior year. These significant improvements were due to a stricter credit policy and changes made to our distribution network—including dealer terminations and new incentive plans—designed to better align dealers with our objective to improve the overall credit quality of DIRECTV customers. With these changes, our average monthly churn rate is starting to decline – monthly

churn was 1.70% in the fourth quarter compared to 1.89% in the third quarter, resulting in net subscriber additions of 200,000. A key priority in 2006 is to continue improving the quality of new subscribers while driving further reductions in churn.”

Carey continued, "Just as 2004 was an important year for DIRECTV in terms of restructuring the business and selling non-core assets, 2005 was important because we built out critical infrastructure that will provide us with the foundation for future growth. For example, we launched three new satellites including two that will broadcast high-definition local channels, and we also introduced the industry’s first MPEG-4 high-definition receiver and one of the most advanced digital video recorders. With these assets, we believe we are in an excellent position to extend our video leadership in 2006 through the introduction of more high-definition programming, original and compelling content, a video-on-demand service, new interactive services and an enhanced NFL Sunday Ticket™ package.”

Carey concluded, “We are pleased to announce a share repurchase program of up to \$3 billion. This repurchase program reflects our strong balance sheet and confidence in continued strong DIRECTV revenue, earnings and free cash flow growth, as well as our belief that our stock price is far below the intrinsic value of our company.”

## THE DIRECTV GROUP’S OPERATIONAL REVIEW

### Fourth Quarter Review

In the fourth quarter of 2005, The DIRECTV Group’s revenues of \$3.60 billion increased 7% compared to the fourth quarter of 2004 primarily due to strong DIRECTV U.S. subscriber growth and higher average monthly revenue per subscriber (ARPU). These changes were partially offset by the deconsolidation of the results of Hughes Network Systems (HNS) due its sale.

<b>The DIRECTV Group</b>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2005	2004	2005	2004
Revenues (\$M)	\$3,596	\$3,362	\$13,165	\$11,360
Operating Profit (Loss) Before Depreciation and Amortization (\$M)	441	(164)	1,486	(1,281)
Operating Profit (Loss) (\$M)	219	(445)	633	(2,119)
Net Income (Loss) (\$M)	121	(289)	336	(1,949)
Net Income (Loss) Per Common Share (\$)	0.09	(0.21)	0.24	(1.41)
Free Cash Flow <sup>(1)</sup>	195	(64)	283	(795)

The fourth quarter change in operating profit before depreciation and amortization to \$441 million was primarily due to the aforementioned increased revenues combined with higher DIRECTV U.S. operating margin resulting from lower subscriber acquisition costs and the stabilizing of expenses in key areas such as upgrade and retention marketing and general and administrative (G&A). The comparison was also impacted by fourth quarter 2004 charges of \$191 million for the sale of HNS and \$45 million related to the shut-down of DIRECTV Latin America’s Mexico operations. Operating profit of \$219 million improved due to the higher operating profit before depreciation and amortization, as well as the absence of depreciation and amortization expense at HNS.

Net income of \$121 million in the fourth quarter of 2005 improved due to the increased operating profit and higher interest income due to larger average cash balances, partially offset by higher income tax expense associated with the pre-tax income.

## Full Year Review

The DIRECTV Group's full year 2005 revenues of \$13.16 billion increased 16% from 2004 primarily due to strong DIRECTV U.S. subscriber and ARPU growth, as well as the consolidation of the full economics of the former National Rural Telecommunications Cooperative (NRTC) and Pegasus subscribers purchased by DIRECTV U.S. in mid-2004. These changes were partially offset by lower revenues at HNS due to the sale of its businesses in 2004 and 2005.

Operating profit before depreciation and amortization of \$1.49 billion and operating profit of \$633 million in 2005 improved primarily due to the \$1.47 billion SPACEWAY impairment charge<sup>2</sup> taken in 2004, increased DIRECTV U.S. revenues in 2005 combined with higher operating margins resulting primarily from the stabilizing of costs in key areas such as subscriber acquisition and upgrade and retention marketing, and a \$191 million fourth quarter 2004 charge related to the sale of HNS. Also impacting the comparison were charges in the 2004 period of \$170 million related to severance, pension benefits and employee retention plans and a \$70 million non-cash gain in 2005 from the sale of DIRECTV Latin America subscribers in Mexico.

The change in 2005 net income to \$336 million was due to the higher operating profit and two non-cash after-tax charges included in the 2004 results: \$724 million related to the sale of PanAmSat (reflected in "Income (loss) from discontinued operations, net of taxes" in the Consolidated Statements of Operations) and \$311 million resulting from a change in the DIRECTV U.S. method of accounting for subscriber acquisition, upgrade and retention costs (reflected in "Cumulative effect of accounting change, net of taxes" in the Consolidated Statements of Operations). These changes were partially offset by higher 2005 income tax expense related to the pre-tax earnings and a first quarter 2004 pre-tax gain of \$387 million for the sale of approximately 19 million shares of XM Satellite Radio (recorded in "Other, net" in the Consolidated Statements of Operations).

## SEGMENT FINANCIAL REVIEW

### DIRECTV U.S. Segment

DIRECTV U.S.	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2005	2004	2005	2004
Revenue (\$M)	\$3,406	\$2,960	\$12,216	\$9,764
Average Monthly Revenue per Subscriber (ARPU) (\$)	75.53	71.92	69.61	66.95
Operating Profit Before Depreciation and Amortization (\$M)	442	118	1,500	583
Operating Profit (Loss) (\$M)	260	(65)	802	22
Free Cash Flow <sup>(1)</sup> (\$M)	155	(23)	536	(247) <sup>(2)</sup>
Subscriber Data <sup>(3)</sup> :				
Gross Platform Subscriber Additions (000's)	965	1,103	4,170	4,218
Average Monthly Platform Subscriber Churn	1.70%	1.60%	1.70%	1.59%
Net Platform Subscriber Additions (000's)	200	444	1,193	1,728
Cumulative Subscribers (000's)	15,133	13,940	15,133	13,940

(1) See footnote 3 on page 7 of this release for the definition of free cash flow.

(2) Includes \$200 million of cash received for a set-top receiver supply and development agreement with Thomson.

(3) The amounts presented for 2004 and 2005 include the results from the former NRTC and Pegasus territories.

## **Fourth Quarter Review**

DIRECTV U.S. gross subscriber additions of 965,000 were 13% lower than the same period a year ago primarily due to a more stringent credit policy implemented during the second quarter of 2005. Average monthly churn in the quarter increased to 1.70% principally due to higher involuntary churn from customers with lower credit scores attained in 2004 and early 2005, a more competitive marketplace and 10,000 disconnected subscribers associated with Hurricane Katrina. After accounting for this churn, DIRECTV U.S. added 200,000 net subscribers in the quarter. Over the past twelve months, the cumulative number of DIRECTV subscribers increased 9% to 15.13 million.

Fourth quarter revenues increased 15% to \$3.41 billion due to continued strong subscriber and ARPU growth. ARPU increased 5% to \$75.53 from the same period last year principally due to programming package price increases and higher mirroring fees from an increase in the average number of set-top receivers per customer.

Operating profit before depreciation and amortization nearly quadrupled to \$442 million and operating profit increased to \$260 million due to the revenue increase combined with higher operating margins primarily resulting from lower subscriber acquisition costs due to a decline in gross subscriber additions and lower acquisition costs per subscriber. Also contributing to the margin improvement was the stabilizing of costs in key areas such as upgrade and retention marketing and general and administrative (G&A) costs. These improvements were partially offset by a \$10 million charge related to Hurricanes Katrina, Wilma and Rita.

## **Full Year Review**

DIRECTV U.S. gross subscriber additions in 2005 of 4,170,000 were slightly lower than a year ago primarily due to more stringent credit policies implemented during the second quarter of 2005. Average monthly churn during the year increased to 1.70% principally due to higher involuntary churn from customers with lower credit scores attained in 2004 and early 2005, and a more competitive marketplace. After accounting for this churn, DIRECTV U.S. added 1,193,000 net subscribers in 2005.

DIRECTV U.S. generated annual revenues of \$12.22 billion in 2005, an increase of 25% compared to the prior year's revenues. The increase was due to continued strong subscriber and ARPU growth, as well as the consolidation of the full economics of the former NRTC and Pegasus subscribers purchased in late 2004. ARPU increased 4% to \$69.61 from last year principally due to programming package price increases and higher mirroring fees from an increase in the average number of set-top receivers per customer. Excluding the dilutive impact from the consolidation of the former NRTC and Pegasus subscribers primarily due to the lower ARPU received from these subscribers, ARPU would have increased approximately 6%.

Operating profit before depreciation and amortization nearly tripled to \$1.50 billion and operating profit increased to \$802 million due to the revenue increase combined with higher operating margins primarily resulting from the stabilizing of costs in key areas such as subscriber acquisition and upgrade and retention marketing. This improvement was partially offset by charges of \$24 million related to Hurricanes Katrina, Wilma and Rita. Operating profit was negatively impacted by higher amortization expense resulting from intangible assets recorded as part of the NRTC and Pegasus transactions.

## **DIRECTV Latin America Segment**

On October 11, 2004, The DIRECTV Group announced a series of transactions with News Corporation, Grupo Televisa, Globo and Liberty Media that are designed to strengthen the operating and financial performance of DIRECTV Latin America by consolidating the Direct-To-Home (DTH) platforms of DIRECTV Latin America and Sky into a single platform in each of the major territories served in the region. In aggregate, The DIRECTV Group is paying approximately \$580 million in cash for the News Corporation and Liberty Media equity stakes in the Sky platforms, of which approximately \$398 million was paid in October 2004 with the remaining amount expected to be paid in 2006.

In Mexico, as of December 31, 2005, DIRECTV Latin America had completed the migration of 144,000 subscribers to the Sky Mexico platform and ceased operations. During 2005, DIRECTV Latin America recorded a non-cash gain of \$70 million, \$12 million of which was recorded in the fourth quarter, related to the successful migration and retention of a portion of the Mexico subscribers. At the close of the transaction – which is expected to occur in the first quarter 2006 – an additional non-cash gain of approximately \$58 million is expected to be recognized.

In Brazil, DIRECTV Brazil and Sky Brazil have agreed to merge, with DIRECTV Brazil customers migrating to the Sky Brazil platform. The transactions in Brazil are subject to local regulatory approval, which has not yet been granted. In the rest of the region, The DIRECTV Group began consolidating Sky's DTH satellite platforms in Colombia and Chile, resulting in the addition of approximately 89,000 subscribers beginning in the fourth quarter of 2004. During 2005, DIRECTV Latin America completed the migration of the majority of these subscribers to the DIRECTV Latin America platform.

DIRECTV Latin America	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2005	2004	2005	2004
Revenue (\$M)	\$190	\$182	\$742	\$675
Operating Profit (Loss) Before Depreciation and Amortization <sup>(1)</sup> (\$M)	19	(25)	142	46
Operating Loss <sup>(1)</sup> (\$M)	(21)	(76)	(19)	(142)
Net Subscriber Additions <sup>(2)</sup> (000's)	39	57	149	124
Cumulative Subscribers <sup>(3)</sup> (000's)	1,593	1,646	1,593	1,646

(1) The fourth quarter and full year 2005 results include a non-cash gain of \$12 million and \$70 million, respectively, due to the successful migration of a portion of DIRECTV Latin America subscribers in Mexico to Sky Mexico.

(2) Excludes Mexico and the one-time impact from the Sky Chile and Sky Colombia acquisitions.

(3) Includes Mexico, however, as of June 30 2005, there were no remaining DIRECTV Latin America subscribers in Mexico.

## Fourth Quarter Review

In the fourth quarter of 2005, DIRECTV Latin America added 39,000 net subscribers. Revenues for DIRECTV Latin America increased 4% to \$190 million compared to last year's fourth quarter due to a larger subscriber base in Argentina, Venezuela and Puerto Rico and higher ARPU, driven primarily by select price increases in the region and the appreciation of the Brazilian real. These improvements were partially offset by lower revenues due to the shut-down of DIRECTV Latin America's operations in Mexico. The improvement in fourth quarter 2005 operating profit before depreciation and amortization to \$19 million and operating loss to \$21 million was primarily attributable to a \$45 million charge recorded in 2004 related to the shut-down of DIRECTV Latin America's operations in Mexico, principally for asset write-downs, severance and other shut-down related costs, as well the \$12 million gain recorded in 2005 for the sale of DIRECTV Latin America's subscribers in Mexico. This improvement was partially offset by charges in 2005 totaling \$15 million for transaction-related costs in Colombia, the change from a lease model to a sales model in Puerto Rico, and foreign exchange costs in Venezuela.

## Full Year Review

In 2005, DIRECTV Latin America added 149,000 net subscribers. Revenues for DIRECTV Latin America increased 10% to \$742 million compared to last year driven primarily by a larger subscriber base in Argentina, Venezuela and Puerto Rico, higher ARPU due to select price increases in the region and by the appreciation of the Brazilian real, as well as the consolidation of Sky Chile and Sky Colombia. These improvements were partially offset by lower revenues due to the shut-down of DIRECTV Latin America's operations in Mexico. The improvement in 2005 operating profit before depreciation and amortization to \$142 million and operating loss to \$19 million was primarily attributable to the \$70 million gain recorded for the sale

of DIRECTV Latin America's subscribers in Mexico, as well as \$45 million in 2004 charges primarily for asset write-downs, severance and other shut-down related costs in Mexico. This improvement was partially offset by charges in 2005 totaling \$25 million associated with the change from a lease model to a sales model in Puerto Rico and transaction-related costs in Colombia.

## Network Systems Segment

HNS	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2005	2004	2005	2004
Revenue (\$M)	\$0	\$223	\$211	\$1,099
Operating Loss Before Depreciation and Amortization (\$M)	0	(184)	(61)	(1,683)
Operating Loss (\$M)	0	(232)	(61)	(1,779)

On April 22, 2005, The DIRECTV Group completed the sale of a 50% interest in HNS LLC, an entity that owns substantially all of the assets of HNS, to SkyTerra Communications, Inc., an affiliate of Apollo Management, L.P. which is a New York-based private equity firm. At the close of the transaction, The DIRECTV Group received \$246 million in cash and 300,000 shares of SkyTerra common stock valued at about \$11 million. As of the date of this sale, The DIRECTV Group no longer consolidated the results of HNS and accounted for 50% of HNS' net income or loss as an equity investment in "Other, net" in the Consolidated Statements of Operations. In January 2006, The DIRECTV Group completed the sale of the remaining 50% interest in HNS LLC to SkyTerra and received \$110 million in cash. A gain of approximately \$25 million related to this sale is expected to be recorded in the first quarter of 2006.

The fourth quarter 2004 operating loss before depreciation and amortization and operating loss was principally due to a \$191 million impairment write-down of HNS assets to their fair value based on the sales price agreed upon with SkyTerra for the initial 50% sale of HNS and an \$13 million severance charge also associated with the sale. The full year 2004 operating loss before depreciation and amortization and operating loss also includes an impairment charge of \$1.47 billion for the SPACEWAY assets.

## CONSOLIDATED BALANCE SHEET AND CASH FLOW

The DIRECTV Group	December 31, 2005	December 31, 2004
Cash, Cash Equivalents & Short-Term Investments (\$B)	\$4.38	\$2.83
Total Debt (\$B)	3.42	2.43
Net Debt (Cash) (\$B)	(0.96)	(0.40)
Free Cash Flow <sup>(1)</sup> (\$M)	283	(795)

(1) See footnote 3 on page 7 of this release for the definition of free cash flow.

The DIRECTV Group's consolidated cash and short-term investment balance increased by \$1.55 billion to \$4.38 billion and total debt increased by \$986 million to \$3.42 billion compared to the December 31, 2004 balances due primarily to the debt refinancings discussed below. Also impacting the change in the cash balance was cash generated from operations and the proceeds from the sale of businesses and investments, which were partially offset by cash paid for property, equipment and satellites.

In April 2005, DIRECTV U.S. entered into a new senior secured credit facility. The new facility consists of a \$1.5 billion eight-year Term Loan B (subsequently reduced to \$1.0 billion, as described below) and a \$500 million six-year Term Loan A (both of which are fully funded), as well as a \$500 million undrawn six-year revolving credit facility. The interest rate on each of the term loans is currently LIBOR plus 1.50% and 1.25%,

respectively, per annum. The proceeds of the term loans were used to repay an existing \$1.0 billion senior secured loan and pay related financing costs, with the remaining proceeds to be used for general corporate purposes.

In addition, DIRECTV U.S. redeemed \$490 million, plus interest and a redemption premium, of its 8 3/8% senior notes in May 2005. In June, DIRECTV U.S. raised an additional \$1 billion in 6 3/8% senior notes, of which \$500 million of the proceeds was used to pay down the new Term Loan B discussed above and \$500 million remains available for general corporate purposes.

## **CONTACT INFORMATION**

Media Contact: Robert Mercer (310) 964-4683. Investor Relations: (212) 462-5200.

## **CONFERENCE CALL INFORMATION**

A live webcast of The DIRECTV Group's fourth quarter 2005 earnings call will be available on the company's website at [www.directv.com](http://www.directv.com). The call will begin at 11:00 a.m. ET, today February 8, 2006. The dial in number for the call is (973) 582-2751. The webcast will be archived on our website and a replay of the call will be available (dial in number: 973-341-3080, code: 6921009) beginning at 3:30 p.m. ET today through 11:59 p.m. ET Wednesday, February 15, 2006.

## **FOOTNOTES**

(1) Operating profit (loss) before depreciation and amortization, which is a financial measure that is not determined in accordance with accounting principles generally accepted in the United States of America, or GAAP, should be used in conjunction with other GAAP financial measures and is not presented as an alternative measure of operating results, as determined in accordance with accounting principles generally accepted in the United States of America. Please see each of The DIRECTV Group's and DIRECTV Holdings LLC's Annual Reports on Form 10-K for the year ended December 31, 2005 for further discussion of operating profit (loss) before depreciation and amortization. Operating profit before depreciation and amortization margin is calculated by dividing operating profit before depreciation and amortization by total revenues.

(2) In 2004, The DIRECTV Group announced plans to significantly expand its programming capacity for local and national high-definition channels by launching four new satellites over a 3 year period. The first two of these satellites, SPACEWAY 1 and SPACEWAY 2, were reconfigured during 2004 to offer video services as their primary application for DIRECTV U.S. This decision triggered a requirement to test the SPACEWAY assets for impairment. A valuation analysis showed that the assets were impaired and their book value exceeded fair value for use in the Company's U.S. direct-to-home broadcast business by approximately \$1.47 billion (\$903 million after-tax), which was recorded as a non-cash charge in the third quarter of 2004 (reflected in "(Gain) loss from asset sales and impairment charges, net" in the Consolidated Statements of Operations).

(3) Free cash flow, which is a financial measure that is not determined in accordance with GAAP, is calculated by deducting amounts under the captions "Cash paid for property and equipment" and "Cash paid for satellites" from "Net cash provided by operating activities" on the Consolidated Statements of Cash Flows. This financial measure should be used in conjunction with other GAAP financial measures and is not presented as an alternative measure of cash flows from operating activities, as determined in accordance with GAAP. The DIRECTV Group and DIRECTV U.S. management use free cash flow to evaluate the cash generated by DIRECTV U.S.' current subscriber base, net of capital expenditures, for the purpose of allocating resources to activities such as adding new subscribers, retaining and upgrading existing subscribers and for additional capital expenditures. The DIRECTV Group and DIRECTV U.S. believe this measure is useful to investors, along with other GAAP measures (such as cash flows from operating and investing activities), to compare DIRECTV U.S.' operating performance to other communications, entertainment and media companies. We believe that investors also use current and projected free cash flow to determine the ability of our current and projected subscriber base to fund required and discretionary spending and to help determine the financial value of the company.

## CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

NOTE: This release may include or incorporate by reference certain statements that we believe are, or may be considered to be, "forward-looking statements" within the meaning of various provisions of the Securities Act of 1933 and of the Securities Exchange Act of 1934. These forward-looking statements generally can be identified by use of statements that include phrases such as "believe," "expect," "estimate," "anticipate," "intend," "plan," "foresee," "project" or other similar words or phrases. Similarly, statements that describe our objectives, plans or goals also are forward-looking statements. All of these forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or from those expressed or implied by the relevant forward-looking statement. Such risks and uncertainties include, but are not limited to: economic conditions; product demand and market acceptance; ability to simplify aspects of our business model, improve customer service, create new and desirable programming content and interactive features and achieve anticipated economies of scale; government action; local political or economic developments in or affecting countries where we have operations, including political, economic and social uncertainties in many Latin American countries in which DTVLA operates; foreign currency exchange rates; competition; the outcome of legal proceedings; ability to achieve cost reductions; ability to renew programming contracts under favorable terms; technological risk; limitations on access to distribution channels; the success and timeliness of satellite launches; in-orbit performance of satellites, including technical anomalies; loss of uninsured satellites; theft of satellite programming signals; and our ability to access capital to maintain our financial flexibility. We urge you to consider these factors carefully in evaluating the forward-looking statements.

### NON-GAAP FINANCIAL RECONCILIATION SCHEDULES

(Numbers may not add due to rounding)

The following table reconciles Operating Profit Before Depreciation and Amortization to Operating Profit (Loss).\*

Dollars in Millions	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2005	2004	2005	2004
<b>The DIRECTV Group</b>				
Operating Profit (Loss)	\$219	\$(445)	\$633	\$(2,119)
Plus: Depreciation & Amortization (D&A)	<u>222</u>	<u>281</u>	<u>853</u>	<u>838</u>
Operating Profit (Loss) Before D&A	<u>\$441</u>	<u>\$(164)</u>	<u>\$1,486</u>	<u>\$(1,281)</u>

\*For a reconciliation of this non-GAAP financial measure for each of our segments, please see the Notes to the Consolidated Financial Statements which will be included in The DIRECTV Group's Annual Report on Form 10-K for the year ended December 31, 2005, which is expected to be filed with the SEC in March 2006. Additional DIRECTV U.S. non-GAAP financial reconciliation schedules are included with the DIRECTV Holdings LLC's stand-alone financial statements included in this earnings release.

The following tables reconcile Free Cash Flow to "Net Cash Provided by Operating Activities."

Dollars in Millions	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2005	2004	2005	2004
<b>The DIRECTV Group</b>				
Free Cash Flow	\$195	\$(64)	\$283	\$(795)
Plus: Cash paid for property & equipment	152	153	489	476
Plus: Cash paid for satellites	<u>121</u>	<u>106</u>	<u>400</u>	<u>547</u>
Net Cash Provided by Operating Activities	<u>468</u>	<u>196</u>	<u>\$1,172</u>	<u>\$229</u>

Dollars in Millions	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2005	2004	2005	2004
<b>DIRECTV U.S.</b>				
Free Cash Flow	\$155	\$(23)	\$536	\$(247)
Plus: Cash paid for property & equipment	130	76	381	249
Plus: Cash paid for satellites	<u>120</u>	<u>87</u>	<u>367</u>	<u>423</u>
Net Cash Provided by Operating Activities	<u>\$406</u>	<u>\$140</u>	<u>\$1,283</u>	<u>\$425</u>

DIRECTV is the nation's leading digital multichannel television service provider with over 15.1 million customers. DIRECTV and the Cyclone Design logo are registered trademarks of DIRECTV Inc. DIRECTV is a world-leading provider of digital multichannel television entertainment. (NYSE: DTV) DIRECTV is approximately 34% owned by News Corporation. For more information visit [www.directv.com](http://www.directv.com).

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**THE DIRECTV GROUP, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Dollars in Millions, Except Per Share Amounts)  
(Unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2005	2004	2005	2004
<b>Revenues</b>	<b>\$3,595.5</b>	<b>\$3,362.1</b>	<b>\$13,164.5</b>	<b>\$11,360.0</b>
<b>Operating Costs and Expenses, exclusive of depreciation and amortization expense shown separately below</b>				
Broadcast programming and other costs of sale	1,594.9	1,532.4	5,485.3	4,996.5
Subscriber service expenses	267.8	231.0	981.9	779.9
Subscriber acquisition costs:				
Third party customer acquisitions	448.2	559.3	2,053.9	2,009.8
Direct customer acquisitions	189.7	194.3	697.7	694.0
Upgrade and retention costs	342.5	334.2	1,117.0	1,002.4
Broadcast operations expenses	63.3	52.8	254.1	196.7
General and administrative expenses	260.5	395.1	1,133.9	1,268.9
(Gain) loss from asset sales and impairment charges, net	(12.0)	227.1	(45.1)	1,693.2
Depreciation and amortization expense	221.8	281.3	853.2	838.0
<b>Total Operating Costs and Expenses</b>	<b>3,376.7</b>	<b>3,807.5</b>	<b>12,531.9</b>	<b>13,479.4</b>
<b>Operating Profit (Loss)</b>	<b>218.8</b>	<b>(445.4)</b>	<b>632.6</b>	<b>(2,119.4)</b>
Interest income	52.4	17.6	150.3	50.6
Interest expense	(57.7)	(61.6)	(237.6)	(131.9)
Reorganization income	-	0.1	-	43.0
Other, net	6.3	-	(65.0)	397.6
<b>Income (Loss) From Continuing Operations Before Income Taxes, Minority Interests and Cumulative Effect of Accounting Change</b>	<b>219.8</b>	<b>(489.3)</b>	<b>480.3</b>	<b>(1,760.1)</b>
Income tax (expense) benefit	(99.6)	193.3	(173.2)	690.6
Minority interests in net (earnings) losses of subsidiaries	1.0	7.6	(2.5)	13.1
Income (loss) from continuing operations before cumulative effect of accounting change	121.2	(288.4)	304.6	(1,056.4)
Income (loss) from discontinued operations, net of taxes	-	(0.1)	31.3	(582.3)
Income (loss) before cumulative effect of accounting change	121.2	(288.5)	335.9	(1,638.7)
Cumulative effect of accounting change, net of taxes	-	-	-	(310.5)
<b>Net Income (Loss)</b>	<b>\$121.2</b>	<b>\$(288.5)</b>	<b>\$335.9</b>	<b>\$(1,949.2)</b>
<b>Basic and Diluted Earnings (Loss) Per Common Share:</b>				
Income (loss) from continuing operations before cumulative effect of accounting change	\$0.09	\$(0.21)	\$0.22	\$(0.77)
Income (loss) from discontinued operations, net of taxes	-	-	0.02	(0.42)
Cumulative effect of accounting change, net of taxes	-	-	-	(0.22)
Net Income (Loss)	\$0.09	\$(0.21)	\$0.24	\$(1.41)
Weighted average number of common shares outstanding (in millions)				
Basic	1,390.9	1,385.7	1,388.4	1,384.8
Diluted	1,397.0	1,385.7	1,394.8	1,384.8

**THE DIRECTV GROUP, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(Dollars in Millions)  
(Unaudited)

	December 31, 2005	December 31, 2004
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$3,701.3	\$2,307.4
Short-term investments	683.2	522.6
Accounts and notes receivable, net of allowances of \$114.9 and \$121.7	1,033.2	918.6
Inventories, net	283.1	124.4
Prepaid expenses and other	395.6	377.0
Assets of business held for sale	-	521.1
<b>Total Current Assets</b>	<b>6,096.4</b>	<b>4,771.1</b>
<b>Satellites, net</b>	<b>1,875.5</b>	<b>1,560.4</b>
<b>Property and Equipment, net</b>	<b>1,199.2</b>	<b>1,135.1</b>
<b>Goodwill</b>	<b>3,045.3</b>	<b>3,044.1</b>
<b>Intangible Assets, net</b>	<b>1,878.0</b>	<b>2,227.1</b>
<b>Investments and Other Assets</b>	<b>1,535.8</b>	<b>1,586.6</b>
<b>Total Assets</b>	<b>\$15,630.2</b>	<b>\$14,324.4</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$1,607.0	\$1,290.9
Accrued liabilities and other	934.8	881.7
Unearned subscriber revenue and deferred credits	276.6	261.5
Short-term borrowings and current portion of long-term debt	9.8	19.8
Liabilities of business held for sale	-	240.6
<b>Total Current Liabilities</b>	<b>2,828.2</b>	<b>2,694.5</b>
<b>Long-Term Debt</b>	<b>3,405.2</b>	<b>2,409.5</b>
<b>Other Liabilities and Deferred Credits</b>	<b>1,407.6</b>	<b>1,665.4</b>
<b>Commitments and Contingencies</b>		
<b>Minority Interests</b>	<b>49.2</b>	<b>47.9</b>
<b>Stockholders' Equity</b>	<b>7,940.0</b>	<b>7,507.1</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$15,630.2</b>	<b>\$14,324.4</b>

**THE DIRECTV GROUP, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Dollars in Millions)  
(Unaudited)

	Twelve Months Ended December 31,	
	2005	2004
<b>Cash Flows from Operating Activities</b>		
Income (Loss) from continuing operations before cumulative effect of accounting change	\$ 304.6	\$ (1,056.4)
Adjustments to reconcile income (loss) from continuing operations before cumulative effect of accounting change to net cash provided by operating activities:		
Depreciation and amortization	853.2	838.0
(Gain) loss from asset sales and impairment charges, net	(45.1)	1,693.2
Net (gain) loss from sale of investments	0.6	(396.5)
Loss on disposal of fixed assets	2.5	24.9
Stock-based compensation expense	40.6	57.1
Write-off of debt issuance costs	19.0	-
Deferred income taxes and other	188.1	(850.4)
Accounts receivable credited against Pegasus purchase price	-	(220.2)
Change in other operating assets and liabilities		
Accounts and notes receivable	(129.5)	18.8
Inventories	(158.7)	23.2
Prepaid expenses and other	(34.7)	(20.8)
Accounts payable	281.3	(46.7)
Accrued liabilities	30.8	(101.7)
Unearned subscriber revenue and deferred credits	15.1	60.7
Other	(195.9)	205.4
<b>Net Cash Provided by Operating Activities</b>	<b>1,171.9</b>	<b>228.6</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of short-term investments	(4,672.7)	(4,255.3)
Sale of short-term investments	4,512.1	4,077.5
Investment in companies, net of cash acquired	(1.1)	(388.5)
Cash paid for acquired assets	(3.3)	(965.8)
Cash paid for property and equipment	(489.2)	(476.4)
Cash paid for satellites	(399.5)	(546.7)
Proceeds from sale of investments	113.1	510.5
Proceeds from sale of businesses	246.0	2,918.4
Other, net	(28.7)	13.1
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(723.3)</b>	<b>886.8</b>
<b>Cash Flows from Financing Activities</b>		
Net decrease in short-term borrowings	(2.5)	(6.2)
Long-term debt borrowings	3,003.3	1.2
Repayment of long-term debt	(2,005.5)	(214.8)
Debt issuance costs	(4.7)	(2.4)
Repayment of other long-term obligations	(90.5)	(43.5)
Stock options exercised	45.2	23.0
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>945.3</b>	<b>(242.7)</b>
Net increase in cash and cash equivalents	1,393.9	872.7
Cash and cash equivalents at beginning of the year	2,307.4	1,434.7
Cash and cash equivalents at the end of the year	\$ 3,701.3	\$ 2,307.4
<b>Supplemental Cash Flow Information</b>		
Interest paid	\$ 239.5	\$ 128.5
Income taxes paid (refunded)	13.2	(49.2)

**THE DIRECTV GROUP, INC.**  
**SELECTED SEGMENT DATA**  
(Dollars in Millions)  
(Unaudited)

	Three Months		Twelve Months	
	Ended December 31,		Ended December 31,	
	2005	2004	2005	2004
<b>DIRECTV U.S.</b>				
Revenues	\$ 3,406.4	\$ 2,959.7	\$ 12,216.1	\$ 9,763.9
Operating Profit Before Depreciation and Amortization (1)	442.2	117.9	1,500.2	583.1
Operating Profit Before Depreciation and Amortization Margin (1)	13.0%	4.0%	12.3%	6.0%
Operating Profit (Loss)	\$ 259.8	\$ (65.3)	\$ 802.0	\$ 21.9
Operating Profit Margin	7.6%	N/A	6.6%	0.2%
Depreciation and Amortization	\$ 182.4	\$ 183.2	\$ 698.2	\$ 561.2
Capital Expenditures (2)	235.1	162.9	782.0	671.5
<b>DIRECTV LATIN AMERICA</b>				
Revenues	\$ 189.5	\$ 182.0	\$ 742.1	\$ 675.2
Operating Profit (Loss) Before Depreciation and Amortization (1)	19.4	(25.2)	141.5	45.9
Operating Profit Before Depreciation and Amortization Margin (1)	10.2%	N/A	19.1%	6.8%
Operating Loss	\$ (21.2)	\$ (76.4)	\$ (18.7)	\$ (142.0)
Depreciation and Amortization	40.6	51.2	160.2	187.9
Capital Expenditures (2)	21.6	21.7	90.4	81.7
<b>NETWORK SYSTEMS</b>				
Revenues	\$ -	\$ 223.3	\$ 211.4	\$ 1,099.1
Operating Loss Before Depreciation and Amortization (1)	-	(184.1)	(60.8)	(1,682.9)
Operating Loss	-	(231.7)	(60.8)	(1,778.5)
Depreciation and Amortization	-	47.6	-	95.6
Capital Expenditures (2)	-	49.5	18.1	132.1
<b>ELIMINATIONS and OTHER</b>				
Revenues	\$ (0.4)	\$ (2.9)	\$ (5.1)	\$ (178.2)
Operating Loss Before Depreciation and Amortization (1)	(21.0)	(72.7)	(95.1)	(227.5)
Operating Loss	(19.8)	(72.0)	(89.9)	(220.8)
Depreciation and Amortization	(1.2)	(0.7)	(5.2)	(6.7)
Capital Expenditures (2)	1.0	25.3	33.2	137.8
<b>TOTAL</b>				
Revenues	\$ 3,595.5	\$ 3,362.1	\$ 13,164.5	\$ 11,360.0
Operating Profit (Loss) Before Depreciation and Amortization (1)	440.6	(164.1)	1,485.8	(1,281.4)
Operating Profit Before Depreciation and Amortization Margin (1)	12.3%	N/A	11.3%	N/A
Operating Profit (Loss)	\$ 218.8	\$ (445.4)	\$ 632.6	\$ (2,119.4)
Operating Profit Margin	6.1%	N/A	4.8%	N/A
Depreciation and Amortization	\$ 221.8	\$ 281.3	\$ 853.2	\$ 838.0
Capital Expenditures (2)	257.7	259.4	923.7	1,023.1

(1) See footnote 1 on page 7.

(2) Capital expenditures include cash paid and amounts accrued during the period for property, equipment and satellites.

The Following Pages Reflect DIRECTV U.S.' Financial Statements and  
Other Data as a Stand Alone Entity

**DIRECTV HOLDINGS LLC**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Dollars in Millions)  
(Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2005	2004	2005	2004
<b>Revenues</b>	<b>\$ 3,406.4</b>	<b>\$ 2,959.7</b>	<b>\$ 12,216.1</b>	<b>\$ 9,763.9</b>
<b>Operating Costs and Expenses, exclusive of depreciation and amortization expense shown separately below</b>				
Programming and other costs	1,522.1	1,320.3	5,050.1	4,010.5
Subscriber service expenses	255.3	220.2	935.4	740.2
Subscriber acquisition costs:				
Third party customer acquisitions	431.9	549.4	1,999.4	1,960.8
Direct customer acquisitions	184.7	188.6	676.4	684.1
Upgrade and retention costs	339.8	332.0	1,106.5	993.2
Broadcast operations expenses	35.7	31.3	145.8	129.7
General and administrative expenses	194.7	200.0	802.3	662.3
Depreciation and amortization expense	182.4	183.2	698.2	561.2
<b>Total Operating Costs and Expenses</b>	<b>3,146.6</b>	<b>3,025.0</b>	<b>11,414.1</b>	<b>9,742.0</b>
<b>Operating Profit (Loss)</b>	<b>259.8</b>	<b>(65.3)</b>	<b>802.0</b>	<b>21.9</b>
Interest expense, net	(39.3)	(55.6)	(201.9)	(192.1)
Other expense	(0.3)	—	(66.7)	—
<b>Income (Loss) Before Income Taxes and Cumulative Effect of Accounting Change</b>	<b>220.2</b>	<b>(120.9)</b>	<b>533.4</b>	<b>(170.2)</b>
Income tax (expense) benefit	(87.9)	43.4	(208.1)	61.3
Income (loss) before cumulative effect of accounting change	132.3	(77.5)	325.3	(108.9)
Cumulative effect of accounting change, net of taxes	—	—	—	(311.5)
<b>Net Income (Loss)</b>	<b>\$ 132.3</b>	<b>\$ (77.5)</b>	<b>\$ 325.3</b>	<b>\$ (420.4)</b>

**DIRECTV HOLDINGS LLC**  
**CONSOLIDATED BALANCE SHEETS**  
(Dollars in Millions)  
(Unaudited)

<b>ASSETS</b>	December 31,	
	2005	2004
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,164.8	\$ 34.5
Accounts receivable, net of allowances of \$75.0 and \$86.4	995.9	885.0
Inventories, net	281.4	122.0
Prepaid expenses and other	285.0	289.8
<b>Total Current Assets</b>	2,727.1	1,331.3
<b>Satellites, net</b>	1,907.9	1,597.4
<b>Property and Equipment, net</b>	848.3	686.1
<b>Goodwill</b>	3,031.7	3,031.7
<b>Intangible Assets, net</b>	1,875.0	2,224.9
<b>Other Assets</b>	135.0	122.8
<b>Total Assets</b>	\$ 10,525.0	\$ 8,994.2
<b>LIABILITIES AND OWNER'S EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 2,362.9	\$ 1,771.7
Unearned subscriber revenue and deferred credits	259.0	255.9
Current portion of long-term debt	7.8	10.2
<b>Total Current Liabilities</b>	2,629.7	2,037.8
<b>Long-Term Debt</b>	3,405.3	3,276.6
<b>Other Liabilities and Deferred Credits</b>	989.2	1,128.6
<b>Deferred Income Taxes</b>	204.4	172.3
<b>Commitments and Contingencies</b>		
<b>Owner's Equity</b>		
Capital stock and additional paid-in capital	4,050.9	3,458.7
Accumulated deficit	(754.5)	(1,079.8)
<b>Total Owner's Equity</b>	3,296.4	2,378.9
<b>Total Liabilities and Owner's Equity</b>	\$ 10,525.0	\$ 8,994.2

**DIRECTV HOLDINGS LLC**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Dollars in Millions)  
(Unaudited)

	Twelve Months Ended December 31,	
	2005	2004
<b>Cash Flows from Operating Activities</b>		
Income (Loss) Before Cumulative Effect of Accounting Change	\$ 325.3	\$ (108.9)
Adjustments to reconcile income (loss) before cumulative effect of change to net cash provided by operating activities:		
Depreciation and amortization expense	698.2	561.2
Net loss on sale or disposal of property	—	15.8
Stock-based compensation expense	27.1	28.0
Amortization of debt issuance costs	6.2	8.9
Write-off of debt issuance costs	19.0	—
Deferred income taxes and other	10.6	(21.6)
Accounts receivable credited against Pegasus purchase price	—	(220.2)
Change in other operating assets and liabilities		
Accounts receivable, net	(130.9)	(115.7)
Inventories	(159.4)	(21.4)
Prepaid expenses and other	28.1	(125.2)
Other assets	(15.6)	(23.3)
Accounts payable and accrued liabilities	575.9	200.0
Unearned subscriber revenue and deferred credits	3.1	61.3
Other liabilities and deferred credits	(104.4)	185.6
<b>Net Cash Provided by Operating Activities</b>	<b>1,283.2</b>	<b>424.5</b>
<b>Cash Flows from Investing Activities</b>		
Cash paid for property and equipment	(380.5)	(249.0)
Cash paid for satellites	(366.6)	(422.5)
Cash paid for acquired assets	(3.3)	(965.8)
Proceeds from sale of property	0.5	3.7
<b>Net Cash Used in Investing Activities</b>	<b>(749.9)</b>	<b>(1,633.6)</b>
<b>Cash Flows from Financing Activities</b>		
Cash proceeds from refinancing transactions	3,003.3	—
Cash contribution from Parent	538.3	200.0
Repayment of debt	(2,001.8)	(213.2)
Borrowing from Parent	—	875.0
Repayment of borrowing from Parent	(875.0)	—
Payments for other long-term obligations	(63.1)	(31.5)
Debt issuance costs	(4.7)	(2.4)
<b>Net Cash Provided by Financing Activities</b>	<b>597.0</b>	<b>827.9</b>
Net increase (decrease) in cash and cash equivalents	1,130.3	(381.2)
Cash and cash equivalents at beginning of the year	34.5	415.7
<b>Cash and cash equivalents at end of the year</b>	<b>\$ 1,164.8</b>	<b>\$ 34.5</b>

**Supplemental Cash Flow Information**

Interest paid	\$ 229.3	\$ 201.8
Income taxes paid	36.1	0.6

**DIRECTV HOLDINGS LLC****Non-GAAP Financial Reconciliation and Other Data****(Unaudited)**

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2005	2004	2005	2004
	(Dollars in Millions)			
Operating Profit (Loss)	\$ 259.8	\$ (65.3)	\$ 802.0	\$ 21.9
Add back: Subscriber acquisition costs:				
Third party customer acquisitions	431.9	549.4	1,999.4	1,960.8
Direct customer acquisitions	184.7	188.6	676.4	684.1
Depreciation and amortization expense	182.4	183.2	698.2	561.2
Subtotal	<u>799.0</u>	<u>921.2</u>	<u>3,374.0</u>	<u>3,206.1</u>
Pre-SAC margin (1)	<u>\$ 1,058.8</u>	<u>\$ 855.9</u>	<u>\$ 4,176.0</u>	<u>\$ 3,228.0</u>
Pre-SAC margin as a percentage of revenue (1)	31.1%	28.9%	34.2%	33.1%

<b>Other Data</b>				
	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2005	2004	2005	2004
Average monthly revenue per subscriber (ARPU)	\$ 75.53	\$ 71.92	\$ 69.61	\$ 66.95
Average monthly churn % (2)	1.70%	1.60%	1.70%	1.59%
Average subscriber acquisition costs-per subscriber (SAC)	\$ 639	\$ 669	\$ 642	\$ 643
Total number of subscribers-platform (000's) (2)	15,133	13,940	15,133	13,940
Capital expenditures (millions) (3)	\$ 235.1	\$ 162.9	\$ 782.0	\$ 671.5

(1) Pre-SAC Margin, which is a financial measure that is not determined in accordance with accounting principles generally accepted in the United States of America, or GAAP, is calculated by adding amounts under the captions "Subscriber acquisition costs" and "Depreciation and amortization expense" to "Operating Profit (Loss)." This financial measure should be used in conjunction with other GAAP financial measures and is not presented as an alternative measure of operating results, as determined in accordance with GAAP. The DIRECTV Group and DIRECTV U.S. management use Pre-SAC Margin to evaluate the profitability of DIRECTV U.S.' current subscriber base for the purpose of allocating resources to discretionary activities such as adding new subscribers, upgrading and retaining existing subscribers and for capital expenditures. To compensate for the exclusion of "Subscriber acquisition costs," management also uses operating profit and operating profit before depreciation and amortization expense to measure profitability.

The DIRECTV Group and DIRECTV U.S. believe this measure is useful to investors, along with other GAAP measures (such as revenues, operating profit and net income), to compare DIRECTV U.S.' operating performance to other communications, entertainment and media companies. The DIRECTV Group and DIRECTV U.S. believe that investors also use current and projected Pre-SAC Margin to determine the ability of DIRECTV U.S.' current and projected subscriber base to fund discretionary spending and to determine the financial returns for subscriber additions.

(2) The amounts presented for 2004 include the results from the former NRTC and Pegasus subscribers.

(3) Capital expenditures represent cash paid and amounts accrued during the period for property, equipment and satellites.

# **EXHIBIT C**



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### DIRECTV Programming Packages

Just received your DIRECTV hardware? Interested in upgrading your package? You've come to the right place! We're here to help you select the right package for your needs and learn more about our services.

- Overview
- Base Packages
- Package Comparison
- Premium Services
- Sports Subscriptions
- Additional Services
- DIRECTV PARA TODOS™ Service
- International Services
- DIRECTV for Business

Base Packages	Premium Movie Services	Sports Services	More from DIRECTV
<a href="#">Package Comparison</a>	HBO®	<a href="#">SPORTS PACK</a>	<a href="#">Additional Services</a>
<a href="#">TOTAL CHOICE®</a>	<a href="#">Starz® Super Pack</a>	<a href="#">Sports Subscriptions</a>	<a href="#">Adult programming</a>
<a href="#">TOTAL CHOICE PLUS</a>	<a href="#">SHOWTIME UNLIMITED®</a>		<a href="#">DIRECTV PARA TODOS®</a>
<a href="#">TOTAL CHOICE PREMIER</a>	<a href="#">Cinemax®</a>		<a href="#">DIRECTV for Hawaii Residents</a>
			<a href="#">DIRECTV for Multi-Dwelling Units</a>
			<a href="#">DIRECTV for Business</a>
			<a href="#">DIRECTV® for RV/Commercial Trucks</a>



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And get a sneak peak at  
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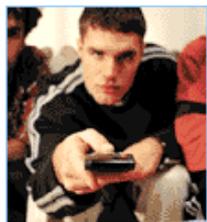
DIRECTV offers local channels in many areas nationwide. [Details.](#)

## PACKAGES

Base Packages

### BASE PACKAGES

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- [TOTAL CHOICE® PLUS](#)
- [TOTAL CHOICE® PREMIER](#)
- [Package Comparison](#)



For your convenience, we offer a range of base packages all with local channels included.

#### THE FIRST STEP TO BETTER TV

[TOTAL CHOICE®](#) - Over 155 Channels, \$44.99/mo

**Want a great introduction to DIRECTV® service?** Our TOTAL CHOICE package delivers over 155 quality channels of movies, sports, family and music programming, plus you'll get your local channels. Enjoy your favorites and a whole lot more — all at one low price!

#### MORE VARIETY FOR ALL

[TOTAL CHOICE® PLUS](#) - Over 185 Channels, \$49.99/mo.

**Want something for everyone?** Our TOTAL CHOICE PLUS package has you covered with over 185 quality channels. You'll enjoy family and children's programming, the best sports networks, a variety of news and entertainment channels, commercial-free music stations, your local channels and more of the great programming you love.

#### EXPERIENCE MAXIMUM ENTERTAINMENT

[TOTAL CHOICE® PREMIER](#) - Over 250 Channels, \$99.99/mo.

**Want the ultimate entertainment experience?** With TOTAL CHOICE PREMIER, you'll get all the benefits of having our best package. That's over 250 channels — with all of our great base programming and the most comprehensive movie channel lineup, plus a variety of sports and your local channels.

#### Please note:

All channel counts included in our Base Packages section are based on the use of the Triple LNB DIRECTV® Multi-Satellite Dish.

#### LOCAL CHANNELS

Local channels are available for customers in designated areas. Find out if you [qualify](#).

STILL NOT SURE? THEN [COMPARE OUR BASE PACKAGES SIDE BY SIDE.](#)  
OR, [DOWNLOAD A PRINTABLE PACKAGE COMPARISON GUIDE.](#)

And when you're done choosing the base package that's right for you, don't forget to check out all our [PREMIUM SERVICES.](#)

In select markets, programming and pricing may vary. If local channels are not available in your area, you can still enjoy TOTAL CHOICE programming for \$3 less than the listed prices.



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## DIRECTV® CHANNEL LINEUP AND PACKAGE COMPARISON

Local channels vary by area and are not listed here. To find your local channels lineup, simply [click here](#) and enter your ZIP code.

Click here for a [printable channel lineup](#).

CHANNEL NAME ▲▼	CHANNEL NUMBER ▲▼	TOTAL CHOICE® \$44.99/mo.	TOTAL CHOICE® PLUS \$49.99/mo.	TOTAL CHOICE® PREMIER \$99.99/mo.
<a href="#">A&amp;E</a>	265	x	x	x
<a href="#">ABC Family</a>	311	x	x	x
<a href="#">Altitude Sports &amp; Entertainment</a>	644			x
<a href="#">America's Store</a>	243	x	x	x
<a href="#">American Movie Classics (AMC)</a>	254	x	x	x
<a href="#">Animal Planet</a>	282	x	x	x
<a href="#">BBC America</a>	264	x	x	x
<a href="#">BET 1</a>	330		x	x
<a href="#">The Biography Channel</a>	266		x	x
<a href="#">Black Entertainment Television (BET)</a>	329	x	x	x
<a href="#">Bloomberg Television</a>	353	x	x	x
<a href="#">Boomerang</a>	297		x	x
<a href="#">Bravo</a>	273	x	x	x
<a href="#">BYU TV</a>	374	x	x	x
<a href="#">C-SPAN</a>	350	x	x	x
<a href="#">C-SPAN2</a>	351	x	x	x
<a href="#">Cartoon Network</a>	296	x	x	x
<a href="#">The Church Channel</a>	371	x	x	x
<a href="#">Cinemax (East)</a>	512			x
<a href="#">Cinemax (West)</a>	514			x
<a href="#">CNBC</a>	355	x	x	x
<a href="#">CNBC World</a>	357	x	x	x
<a href="#">CNN</a>	202	x	x	x
<a href="#">Comcast SportsNet (Chicago)</a>	640			x
<a href="#">Comcast SportsNet (Mid-Atlantic)</a>	629			x
<a href="#">Comcast SportsNet (West)</a>	656			x
<a href="#">Comedy Central</a>	249	x	x	x
<a href="#">Country Music Television (CMT)</a>	327	x	x	x
<a href="#">Court TV</a>	203	x	x	x
<a href="#">CSTV: College Sports Television</a>	610			x

<a href="#">Current TV</a>	366	x	x	x
<a href="#">Daystar</a>	369	x	x	x
<a href="#">DIRECTV Channel 101</a>	101	x	x	x
<a href="#">Discovery Channel</a>	278	x	x	x
<a href="#">Discovery Health Channel</a>	279	x	x	x
<a href="#">Discovery Home</a>	286		x	x
<a href="#">Discovery Kids</a>	294	x	x	x
<a href="#">Discovery Times Channel</a>	285		x	x
<a href="#">Disney Channel (East)</a>	290	x	x	x
<a href="#">Disney Channel (West)</a>	291	x	x	x
<a href="#">DIY Network</a>	230		x	x
<a href="#">E! Entertainment Television</a>	236	x	x	x
<a href="#">ESPN</a>	206	x	x	x
<a href="#">ESPN CLASSIC</a>	208	x	x	x
<a href="#">ESPN2</a>	209	x	x	x
<a href="#">ESPNEWS</a>	207	x	x	x
<a href="#">ESPNU</a>	609			x
<a href="#">EWTN</a>	422	x	x	x
<a href="#">FINE LIVING</a>	232	x	x	x
<a href="#">FitTV</a>	368	x	x	x
<a href="#">FLIX</a>	547			x
<a href="#">Food Network</a>	231	x	x	x
<a href="#">Fox Movie Channel</a>	258	x	x	x
<a href="#">Fox News Channel</a>	360	x	x	x
<a href="#">Fox Reality</a>	250	x	x	x
<a href="#">Fox Soccer Channel</a>	613			x
<a href="#">FSN ARIZONA</a>	649			x
<a href="#">FSN BAY AREA</a>	654			x
<a href="#">FSN CINCINNATI</a>	638			x
<a href="#">FSN DETROIT</a>	636			x
<a href="#">FSN FLORIDA</a>	634			x
<a href="#">FSN MIDWEST</a>	647			x
<a href="#">FSN NEW ENGLAND</a>	620			x
<a href="#">FSN NEW YORK</a>	624			x
<a href="#">FSN NORTH</a>	641			x
<a href="#">FSN NORTHWEST</a>	651			x
<a href="#">FSN OHIO</a>	637			x
<a href="#">FSN PITTSBURGH</a>	628			x
<a href="#">FSN PRIME TICKET</a>	652			x
<a href="#">FSN ROCKY MOUNTAIN</a>	645			x
<a href="#">FSN SOUTH</a>	630			x
<a href="#">FSN SOUTHWEST</a>	643			x
<a href="#">FSN WEST</a>	653			x
<a href="#">FUEL TV</a>	612		x	x
<a href="#">Fuse</a>	339	x	x	x
<a href="#">FX</a>	248	x	x	x
<a href="#">G4 videogame tv</a>	354	x	x	x
<a href="#">Galavision</a>	404	x	x	x
<a href="#">The Golf Channel</a>	605		x	x
<a href="#">GoITV</a>	614			x
<a href="#">Great American Country</a>	326		x	x
<a href="#">GSN, the network for games</a>	309	x	x	x

<a href="#">Hallmark Channel</a>	312	x	x	x
<a href="#">HBO (East)</a>	501			x
<a href="#">HBO (West)</a>	504			x
<a href="#">HBO Family (East)</a>	507			x
<a href="#">HBO Family (West)</a>	508			x
<a href="#">HBO HDTV</a>	509			x
<a href="#">HBO Latino</a>	511			
<a href="#">HBO Signature</a>	503			x
<a href="#">HBO2 (East)</a>	502			x
<a href="#">HBO2 (West)</a>	505			x
<a href="#">Headline News</a>	204	x	x	x
<a href="#">The History Channel</a>	269	x	x	x
<a href="#">History International</a>	271		x	x
<a href="#">HITN-TV</a>	438	x	x	x
<a href="#">Home &amp; Garden Television</a>	229	x	x	x
<a href="#">Home Shopping Network</a>	240	x	x	x
<a href="#">i Independent Television</a>	255	x	x	x
<a href="#">Independent Film Channel</a>	550	x	x	x
<a href="#">The Learning Channel (TLC)</a>	280	x	x	x
<a href="#">Lifetime</a>	252	x	x	x
<a href="#">Lifetime Movie Network</a>	253	x	x	x
<a href="#">Lifetime Real Women</a>	261		x	x
<a href="#">Link TV</a>	375	x	x	x
<a href="#">Logo</a>	263		x	x
<a href="#">Madison Square Garden (MSG)</a>	621			x
<a href="#">Military Channel</a>	287		x	x
<a href="#">MoreMAX</a>	513			x
<a href="#">The Movie Channel (East)</a>	544			x
<a href="#">The Movie Channel (West)</a>	545			x
<a href="#">MSNBC</a>	356	x	x	x
<a href="#">MTV</a>	331	x	x	x
<a href="#">MTV2</a>	333	x	x	x
<a href="#">NASA TV</a>	376	x	x	x
<a href="#">National Geographic Channel</a>	276	x	x	x
<a href="#">NBA TV</a>	601			x
<a href="#">New England Sports Network</a>	623			x
<a href="#">NFL Network</a>	212	x	x	x
<a href="#">Nickelodeon/Nick at Nite (East)</a>	299	x	x	x
<a href="#">Nickelodeon/Nick at Nite (West)</a>	300	x	x	x
<a href="#">Nicktoons</a>	302		x	x
<a href="#">Noggin/The N</a>	298	x	x	x
<a href="#">NRB Network</a>	378	x	x	x
<a href="#">QLN</a>	608	x	x	x
<a href="#">The Outdoor Channel</a>	606			x
<a href="#">Oxygen</a>	251	x	x	x
<a href="#">PBS Kids Sprout</a>	295		x	x
<a href="#">QVC</a>	317	x	x	x
<a href="#">RFD-TV</a>	379	x	x	x
<a href="#">SCI FI Channel</a>	244	x	x	x
<a href="#">The Science Channel</a>	284		x	x
<a href="#">Shop At Home</a>	234	x	x	x

<a href="#">ShopNBC</a>	370	x	x	x
<a href="#">SHOWTIME (East)</a>	537			x
<a href="#">SHOWTIME (West)</a>	540			x
<a href="#">SHOWTIME Extreme</a>	542			x
<a href="#">SHOWTIME HDTV</a>	543			x
<a href="#">SHOWTIME Showcase</a>	539			x
<a href="#">SHOWTIME TOO</a>	538			x
<a href="#">SOAPnet</a>	262	x	x	x
<a href="#">Speed</a>	607	x	x	x
<a href="#">Spike TV</a>	325	x	x	x
<a href="#">SportsNet New York</a>	625			x
<a href="#">SportsTime Ohio</a>	657			x
<a href="#">Starz (East)</a>	520			x
<a href="#">Starz (West)</a>	521			x
<a href="#">Starz - Encore (East)</a>	526			x
<a href="#">Starz - Encore (West)</a>	527			x
<a href="#">Starz - Encore Action</a>	532			x
<a href="#">Starz - Encore Drama</a>	531			x
<a href="#">Starz - Encore Love</a>	528			x
<a href="#">Starz - Encore Mystery</a>	530			x
<a href="#">Starz - Encore Wam</a>	533			x
<a href="#">Starz - Encore Westerns</a>	529			x
<a href="#">Starz Edge</a>	522			x
<a href="#">Starz InBlack</a>	523			x
<a href="#">Sun Sports</a>	632			x
<a href="#">Sundance Channel</a>	549			x
<a href="#">Superstation WGN</a>	307	x	x	x
<a href="#">TBS</a>	247	x	x	x
<a href="#">TCT Network</a>	377	x	x	x
<a href="#">TNT</a>	245	x	x	x
<a href="#">Toon Disney</a>	292	x	x	x
<a href="#">Travel Channel</a>	277	x	x	x
<a href="#">Trinity Broadcasting Network (TBN)</a>	372	x	x	x
<a href="#">Turner Classic Movies (TCM)</a>	256	x	x	x
<a href="#">Turner South</a>	631	x	x	x
<a href="#">TV Guide Channel</a>	224	x	x	x
<a href="#">TV Land</a>	301	x	x	x
<a href="#">TV One</a>	241	x	x	x
<a href="#">TVG - The Interactive Horseracing Network</a>	602			x
<a href="#">Univision</a>	402	x	x	x
<a href="#">USA Network</a>	242	x	x	x
<a href="#">VH1</a>	335	x	x	x
<a href="#">VH1 Classic</a>	337		x	x
<a href="#">WE: Women's Entertainment</a>	260	x	x	x
<a href="#">The Weather Channel</a>	362	x	x	x
<a href="#">The Word</a>	373	x	x	x
<a href="#">World Harvest Television</a>	321	x	x	x
<a href="#">XM: America</a>	808	x	x	x
<a href="#">XM: Audio Visions</a>	856	x	x	x
<a href="#">XM: Beyond Jazz</a>	852	x	x	x
<a href="#">XM: Big Tracks</a>	837		x	x

<a href="#">XM: Bluegrass Junction</a>	812	x	x	x
<a href="#">XM: Bluesville</a>	854	x	x	x
<a href="#">XM: Boneyard - XL</a>	830		x	x
<a href="#">XM: BPM</a>	859	x	x	x
<a href="#">XM: Caliente</a>	872		x	x
<a href="#">XM: Chrome</a>	861	x	x	x
<a href="#">XM: Cinemagic</a>	822	x	x	x
<a href="#">XM: Deep Tracks</a>	840	x	x	x
<a href="#">XM: Enlighten</a>	828		x	x
<a href="#">XM: Escape</a>	820	x	x	x
<a href="#">XM: Ethel</a>	834	x	x	x
<a href="#">XM: Fine Tuning</a>	855		x	x
<a href="#">XM: Flight 26</a>	818	x	x	x
<a href="#">XM: Frank's Place</a>	853	x	x	x
<a href="#">XM: Fred</a>	839		x	x
<a href="#">XM: Fuego</a>	870		x	x
<a href="#">XM: Hank's Place</a>	811	x	x	x
<a href="#">XM: Highway 16</a>	814	x	x	x
<a href="#">XM: Liquid Metal</a>	841		x	x
<a href="#">XM: Lucy</a>	838	x	x	x
<a href="#">XM: On Broadway</a>	823		x	x
<a href="#">XM: Radio Disney</a>	867		x	x
<a href="#">XM: RAW - XL</a>	846	x	x	x
<a href="#">XM: Real Jazz</a>	850	x	x	x
<a href="#">XM: Soul Street</a>	842	x	x	x
<a href="#">XM: Special X</a>	848	x	x	x
<a href="#">XM: Spirit</a>	827	x	x	x
<a href="#">XM: Squizz - XL</a>	835	x	x	x
<a href="#">XM: Suite 62</a>	843	x	x	x
<a href="#">XM: The 40s</a>	801	x	x	x
<a href="#">XM: The 50s</a>	802	x	x	x
<a href="#">XM: The 60s</a>	803	x	x	x
<a href="#">XM: The 70s</a>	804	x	x	x
<a href="#">XM: The 80s</a>	805	x	x	x
<a href="#">XM: The 90s</a>	806	x	x	x
<a href="#">XM: The Blend</a>	821	x	x	x
<a href="#">XM: The City</a>	847	x	x	x
<a href="#">XM: The Groove</a>	844		x	x
<a href="#">XM: The Heart</a>	819	x	x	x
<a href="#">XM: The Heat</a>	825		x	x
<a href="#">XM: The Joint</a>	863	x	x	x
<a href="#">XM: The Loft</a>	836	x	x	x
<a href="#">XM: The Message</a>	826	x	x	x
<a href="#">XM: The Move</a>	858	x	x	x
<a href="#">XM: The Rhyme - XL</a>	845	x	x	x
<a href="#">XM: The System</a>	860	x	x	x
<a href="#">XM: The Torch</a>	829		x	x
<a href="#">XM: The Village</a>	813		x	x
<a href="#">XM: Top 20 on 20</a>	816	x	x	x
<a href="#">XM: Top Tracks</a>	833	x	x	x
<a href="#">XM: U-Pop</a>	824		x	x
<a href="#">XM: US Country</a>	809	x	x	x

<a href="#">XM: VOX</a>	865	x	x	x
<a href="#">XM: Watercolors</a>	851	x	x	x
<a href="#">XM: World Zone</a>	862	x	x	x
<a href="#">XM: X Country</a>	810	x	x	x
<a href="#">XM: XM Café</a>	832	x	x	x
<a href="#">XM: XM Chill</a>	857	x	x	x
<a href="#">XM: XM Classics</a>	864	x	x	x
<a href="#">XM: XM Hitlist</a>	817	x	x	x
<a href="#">XM: XM Kids</a>	868		x	x
<a href="#">XM: XM Pops</a>	866	x	x	x
<a href="#">XM: XMU</a>	831		x	x
<a href="#">YES Network</a>	622			x

Programming and pricing subject to change.  
In select markets programming and pricing may vary.

TOTAL CHOICE PREMIER, Starz<sup>®</sup> and LOCAL CHANNELS are not available to Hawaii residents.



SEARCH  GO

The DIRECTV Group, Inc. Companies >
Program Guide: Eastern =
=




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Enjoy over 155 digital-quality channels for just \$44.99/mo. For the same price with cable you'll typically get 60-90 analog channels. That's a lot more TV to enjoy with unbeatable picture and sound. Plus your local channels are included!

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#### FOR SPORTS FANS

**If you're into sports, we've got you covered.** ESPN, ESPN2, Speed Channel and OLN are just the beginning of the great sports networks you'll enjoy. You'll also score your local regional sports network (where available).

#### FOR MOVIE BUFFS

**Want movies that will keep you on the edge of your seat?**

You'll always find a great movie to watch with The Independent Film Channel, Lifetime Movie Network, Fox Movie Channel, Turner Classic Movies and American Movie Classics.

#### FOR FAMILIES

**There's so much you can watch with your kids.** With an incredible selection of family and children networks, it's easy to make education entertaining. Just imagine what having Disney Channel, Toon Disney, Nickelodeon, Nick at Nite, Cartoon Network, Noggin, Animal Planet and American Movie Classics will do for your family.

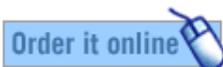
#### FOR MUSIC LOVERS

**Want to dive into an amazing audio experience?** Enjoy 50 [XM Satellite Radio](#) music channels and the best in music videos from MTV, VH1 and Country Music Television.

#### LOCAL CHANNELS

Most of our customers can now receive networks (such as ABC, CBS, FOX, NBC, PBS, UPN and WB) broadcast in their area. [Find out if you qualify.](#)

**TOTAL CHOICE® delivers a big entertainment value — you'll enjoy over 155 channels including local channels for just \$44.99 a month.**

**HERE'S THE CHANNEL LINEUP:**

[A&E](#)  
[ABC Family](#)  
[America's Store](#)  
[American Movie Classics \(AMC\)](#)  
[Animal Planet](#)  
[BBC America](#)  
[Black Entertainment Television \(BET\)](#)  
[Bloomberg Television](#)  
[Bravo](#)  
[BYU TV](#)  
[C-SPAN](#)  
[C-SPAN2](#)  
[Cartoon Network](#)  
[CNBC](#)  
[CNBC World](#)  
[CNN](#)  
[Comedy Central](#)  
[Country Music Television \(CMT\)](#)  
[Court TV](#)  
[Current TV](#)  
[Daystar](#)  
[DIRECTV Channel 101](#)  
[Discovery Channel](#)  
[Discovery Health Channel](#)  
[Discovery Kids](#)  
[Disney Channel \(East\)](#)  
[Disney Channel \(West\)](#)  
[E! Entertainment Television](#)  
[ESPN](#)  
[ESPN CLASSIC](#)  
[ESPN2](#)  
[ESPNEWS](#)  
[EWTN](#)  
[FINE LIVING](#)  
[FitTV](#)  
[Food Network](#)  
[Fox Movie Channel](#)  
[Fox News Channel](#)  
[Fox Reality](#)  
[Fuse](#)  
[FX](#)  
[G4 videogame tv](#)  
[Galavision](#)  
[GSN, the network for games](#)  
[Hallmark Channel](#)  
[Headline News](#)  
[HITN-TV<sup>2</sup>](#)  
[Home & Garden Television](#)  
[Home Shopping Network](#)  
[i Independent Television](#)  
[Independent Film Channel](#)  
[Lifetime](#)  
[Lifetime Movie Network](#)  
[Link TV](#)  
[MSNBC](#)  
[MTV](#)  
[MTV2](#)  
[NASA TV](#)  
[National Geographic Channel](#)  
[NFL Network](#)  
[Nickelodeon/Nick at Nite \(East\)](#)  
[Nickelodeon/Nick at Nite \(West\)](#)  
[Noqin/The N](#)  
[NRB Network](#)  
[OLN](#)  
[Oxygen](#)  
[QVC](#)  
[RFD-TV](#)  
[SCI FI Channel](#)  
[Shop At Home](#)  
[ShopNBC](#)  
[SOAPnet](#)  
[Speed](#)  
[Spike TV](#)

[Superstation WGN](#)  
[TBS](#)  
[TCT Network](#)  
[The Church Channel](#)  
[The History Channel](#)  
[The Learning Channel \(TLC\)](#)  
[The Weather Channel](#)  
[The Word](#)  
[TNT](#)  
[Toon Disney](#)  
[Travel Channel](#)  
[Trinity Broadcasting Network \(TBN\)](#)  
[Turner Classic Movies \(TCM\)](#)  
[Turner South<sup>✕</sup>](#)  
[TV Guide Channel](#)  
[TV Land](#)  
[TV One](#)  
[Univision](#)  
[USA Network](#)  
[VH1](#)  
[WE: Women's Entertainment](#)  
[World Harvest Television](#)  
[XM: America](#)  
[XM: Audio Visions](#)  
[XM: Beyond Jazz](#)  
[XM: Bluegrass Junction](#)  
[XM: Bluesville](#)  
[XM: BPM](#)  
[XM: Chrome](#)  
[XM: Cinemagic](#)  
[XM: Deep Tracks](#)  
[XM: Escape](#)  
[XM: Ethel](#)  
[XM: Flight 26](#)  
[XM: Frank's Place](#)  
[XM: Hank's Place](#)  
[XM: Highway 16](#)  
[XM: Lucy](#)  
[XM: RAW - XL](#)  
[XM: Real Jazz](#)  
[XM: Soul Street](#)  
[XM: Special X](#)  
[XM: Spirit](#)  
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[XM: The 90s](#)  
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[XM: The City](#)  
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[XM: XM Café](#)  
[XM: XM Chill](#)  
[XM: XM Classics](#)  
[XM: XM Hitlist](#)  
[XM: XM Pops](#)

✕ Blackout restrictions apply to Turner South. Available only in AL, GA, MS, TN, SC and sections of NC as determined by ZIP code.

Programming and pricing subject to change. In select markets, programming and pricing may vary. If local channels are not available in your area, you can still enjoy TOTAL CHOICE programming for \$3 less than the listed price.

