

MOVIE GALLERY FILES FOR CHAPTER 11 REORGANIZATION

Company Cites Plan to Use Cash on Hand to Continue Normal Operations, Emerge With New and Sustainable Business Model

WILSONVILLE, Ore., February 3, 2010 -- Movie Gallery, Inc. today announced that it and all of its subsidiaries, with the exception of its Canadian subsidiary, filed voluntary petitions for Chapter 11 reorganization in the U.S. Bankruptcy Court for the Eastern District of Virginia, Richmond Division, to address the company's capital structure and reorganize its business operations.

The restructuring will include the immediate liquidation and closure of approximately 760 stores in the U.S. Store locator tools on the Movie Gallery, Hollywood Video and Game Crazy Web sites can be used to confirm the status of individual stores. After these initial store closings, the company will operate 1,906 stores in the U.S., including 1,111 Movie Gallery, 545 Hollywood Video and 250 Game Crazy locations. The company anticipates closing additional stores during the Chapter 11 process.

In the Chapter 11 filing, the company cited the economic and competitive realities facing its business. Over the past two years, Movie Gallery took a number of steps to respond to its business challenges and position the company for future success, including closing several hundred underperforming stores across the country; however, these actions were not sufficient. After consideration of all available alternatives, the company determined that a Chapter 11 filing was the appropriate next step in its ongoing restructuring. Movie Gallery's goal is to emerge from the restructuring process with a new and sustainable business model centered on a smaller base of profitable stores.

Movie Gallery will continue to operate during the Chapter 11 process and will maintain its focus on providing ongoing value and service to millions of customers across North America.

Additional information about the Chapter 11 filing and restructuring is available on special restructuring pages of the [Movie Gallery \(www.moviegallery.com/restructure\)](http://www.moviegallery.com/restructure) and [Hollywood Video \(www.hollywoodvideo.com/restructure\)](http://www.hollywoodvideo.com/restructure) Web sites. The company has also established the following restructuring information lines:

- **Media:** 503-570-5233
- **Customers:** 877-244-6684
- **Landlords:** 503-570-3006

About Movie Gallery Inc.

Based in Wilsonville, Ore., Movie Gallery, Inc. is the second largest North American video and game rental company, operating stores in the U.S. and Canada under the Movie Gallery, Hollywood Video and Game Crazy brands.

Contact:

Media Information Line
503-570-5233

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