

**MOVIE GALLERY RECEIVES COURT APPROVAL
OF FIRST DAY MOTIONS AS PART OF ITS VOLUNTARY CHAPTER 11 FILING**

Court Authorizes Company to Utilize Cash On Hand to Maintain Operations

**Employee Wages, Benefits and Customer Programs to Continue; Vendors to Receive Payment for
Goods and Services Provided Post-Petition**

WILSONVILLE, Ore., February 4, 2010 -- Movie Gallery, Inc., today announced that it has received interim court approval to utilize its cash on hand to maintain ongoing operations pending a final hearing. The approval from the U.S. Bankruptcy Court for the Eastern District of Virginia, Richmond Division, means that Movie Gallery can continue to pay employee wages, salaries and benefits; continue to honor customer programs, including memberships, gift cards and store credits; and pay vendors for goods and services which the company purchases after the Chapter 11 filing.

In addition, Movie Gallery received court approval to retain DJM Realty to assist the company in its evaluation and renegotiation of the company's current leases in order to help improve the profitability of the store base going forward. Movie Gallery encourages landlords to respond immediately to the lease restructuring requests by contacting DJM Realty at www.djmrealty.com or 631-752-1100.

The company has also retained Gordon Brothers Group to handle its store closing sales associated with the immediate closure of approximately 760 locations.

The motions were submitted as part of its February 2, 2010, voluntary filing for reorganization under Chapter 11 of the U.S. Bankruptcy Code.

As previously announced, the filing does not include the company's Canadian operations, which will continue business as normal.

Movie Gallery is using this proven, court-supervised process to address its capital structure and reorganize its business operations. Movie Gallery believes it can continue to play a productive role in connecting consumers with the best and most personalized entertainment and intends to emerge from this process with a new and sustainable business model.

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.

Contacts

Media Information Line
503-570-5233

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