

**MOVIE GALLERY, INC.**  
**Letter to Vendors/Suppliers**

To Our Vendors/Suppliers:

As a valued business partner, we wanted to make you aware that, on February 2, 2010, Movie Gallery, Inc. filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code. This was a difficult, but necessary, decision that resulted from changes in the economic and competitive realities we face. This action will allow us to realign our cost structure in a controlled, court-supervised environment while continuing to operate our business. The filing does not include our Canadian operations, which will continue business as normal.

Our restructuring unfortunately includes the immediate liquidation and closure of approximately 760 Movie Gallery, Hollywood Video and Game Crazy stores. We are closing these because they are not profitable and because funds from liquidating them can help us moving forward. The store locator tool on our Movie Gallery, Hollywood Video and Game Crazy Web sites can be used to confirm the status of individual stores. There will be further store closures, but we cannot speculate on the exact number.

As you know, Chapter 11 does not mean we are going out of business. To that end:

- **We received interim Court approval to utilize our cash on hand to maintain ongoing operations pending a final hearing.**
- **We will work closely with you to ensure that there is no interruption in your provision of goods and services, and you can expect to receive payment for all goods and services you provide us after our filing.**
- **Unfortunately, federal law prohibits us from paying for goods or services received or performed on or before the date on which we filed for Chapter 11, February 2, 2010. We regret any hardship this causes you, and we are committed to working with you throughout the process.**
- **You will also receive the opportunity to file a proof of claim.** Please visit the Web site of our claims agent: [www.kccllc.net/moviegallery](http://www.kccllc.net/moviegallery). You can also email the claims agent at [moviegalleryinfo@kccllc.com](mailto:moviegalleryinfo@kccllc.com), or call them at 888-647-1730.
- **We intend to emerge from the restructuring process with a new and sustainable business model centered on a smaller base of profitable stores, enabling us to be a valuable business partner for many years to come.** We strongly believe we can continue to play a productive role in connecting consumers with content.

For additional information about the Chapter 11 filing and restructuring, please feel free to visit restructuring Web pages on the Movie Gallery ([www.moviegallery.com/restructure](http://www.moviegallery.com/restructure)) and Hollywood Video ([www.hollywoodvideo.com/restructure](http://www.hollywoodvideo.com/restructure)) sites, or call your direct contact with any questions you may have.

We thank you for your support, and look forward to continuing to work with you.