



## **ANSWERS TO COMMON QUESTIONS ABOUT CIRCUIT CITY'S CHAPTER 11 FILING**

For additional information, please read the press release regarding this announcement. You can find it by visiting <http://investor.circuitcity.com> and clicking on the link for "Breaking News".

Statements made in this document, other than those concerning historical financial information, may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are subject to risks and uncertainties. These forward-looking statements include, without limitation, statements regarding the company's expectations concerning the bankruptcy process, the continuation of day-to-day operations and payments to vendors and employees in the ordinary course. Actual results may differ materially from those included in the forward-looking statements due to a number of factors. Discussion of factors that could cause actual results to differ materially from management's projections, forecasts, estimates and expectations is set forth in the press release issued November 10, 2008 that can be found on the company's investor information Web site at <http://investor.circuitcity.com>. Discussion of additional factors is set forth under Management's Discussion and Analysis of Results of Operations and Financial Condition in the Circuit City Stores, Inc. annual report on Form 10-K for the fiscal year ended February 29, 2008, the quarterly report on Form 10-Q for the fiscal quarter ended August 31, 2008, and in the company's other SEC filings. A copy of the annual report is available on the company's investor information Web site at <http://investor.circuitcity.com>.

### **1. What does this announcement mean for Circuit City?**

Chapter 11 refers to the chapter in the U.S. Bankruptcy Code that contains provisions for court-supervised reorganizations of businesses. An organization that files for protection under Chapter 11 is allowed to continue to operate and maintain business that is "in the ordinary course" – or business as usual. The Chapter 11 filing provides the company with time – and protection from its creditors – while it develops a plan to restructure its debt and reorganize its operations.

During this process, the company operates as a debtor-in-possession and can continue its normal business operations.

Circuit City is focused on developing and executing a comprehensive corporate restructuring plan. We will continue to operate under "business as usual" conditions throughout this process.

### **2. Is Circuit City going out of business?**

This is *not* a closing or liquidation. Chapter 11 of the Bankruptcy Code allows a company to reorganize its business affairs so that it can continue to operate. It is a process through which the company can strengthen its balance sheet, create a more efficient expense structure and, we believe, ensure that we are better positioned to compete more effectively. We hope to emerge as a stronger, more competitive company.

### **3. Will Circuit City continue to offer the same types of sales and promotions?**

We remain committed to making it much easier to shop with Circuit City and **promise to put you first**. This commitment will not change. In fact, we believe our continued ability to deliver exciting products and services at great values to our guests is critical to our future success.

### **4. Will the remaining Circuit City stores honor warranties?**

Circuit City Advantage Protection Plans® are provided to customers by unrelated third-party companies and, as a result, are not impacted by the company's Chapter 11 filing.



**5. Will gift cards still be honored?**

Yes. We have received authority from the bankruptcy court to honor customer programs such as returns, exchanges and gift cards.

**6. Will you still accept my Circuit City-branded credit card?**

Yes. Circuit City co-branded credit cards are offered through Chase Card Services and will not be impacted by this filing.

**7. Why should I continue shopping with Circuit City?**

We remain committed to making it much easier to shop with Circuit City and **promise to put you first**. Remember, it will be “business as usual.”

**8. Why does Circuit City have to file for Chapter 11 protection?**

Filing under Chapter 11 provides the legal framework that allows us to keep the business running normally while we restructure our financial obligations. Operating under the protection of Chapter 11 will provide the company’s vendors with assurances that they will be paid for merchandise the company receives post-filing so we can be sufficiently stocked for the holiday selling season. A restructuring also should allow us to strengthen our balance sheet, create a more efficient expense structure and, we believe, position the company to compete more effectively. We hope to emerge as a stronger business with an improved national distribution channel for our vendors and a more compelling offering for our customers.

**9. How will the filing affect day-to-day operations?**

It will be “business as usual” at Circuit City with stores, Web and call centers operating as normal.

- We have received Court authority to honor our commitments to our associates, pay them in the normal course and continue various benefits.
- We will continue to provide our guests with great consumer electronics products and services and exceptional guest service.
- We expect to pay vendors in full for goods delivered after our filing date.

**10. Where do I call if I have additional questions?**

There is additional information available at our investor information home page at <http://investor.circuitcity.com>. Click on the link for “Breaking News”. Guests may call us at 1-800-THE-CITY (1-800-843-2489) or email [Consumer\\_Affairs@circuitcity.com](mailto:Consumer_Affairs@circuitcity.com).