CIRCUIT CITY STORES, INC.

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction of incorporation or organization)
54-0493875
(I.R.S. Employer Identification No.)

9950 Mayland Drive
Richmond, Virginia
(804) 527-4000
23233
(Address of principal executive offices) (Zip Code)

N/A
(Former name, former address, and former fiscal year, if changed since last report)

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 whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes [X] No ___

Indicate the number of shares outstanding of each of the registrant’s classes of common stock, as of the latest practicable date.

Class Outstanding at December 31, 2004 Common Stock, par value $0.50 191,276,495

A Table of Contents is included on Page 2 and an Exhibit Index is included on Page 28.
ITEM 1. FINANCIAL STATEMENTS

Circuit City Stores, Inc. and Subsidiaries
Consolidated Statements of Operations (Unaudited)  
(Amounts in thousands except per share data)

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales and operating revenues</td>
<td>$2,493,389</td>
<td>$2,457,424</td>
<td>$6,905,003</td>
<td>$6,496,444</td>
</tr>
<tr>
<td>Cost of sales, buying and warehousing</td>
<td>1,866,360</td>
<td>1,872,600</td>
<td>5,219,994</td>
<td>5,025,935</td>
</tr>
<tr>
<td>Gross profit</td>
<td>627,039</td>
<td>534,824</td>
<td>1,685,009</td>
<td>1,470,509</td>
</tr>
<tr>
<td>Finance income</td>
<td>-</td>
<td>5,631</td>
<td>5,564</td>
<td>22,418</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>628,841</td>
<td>572,217</td>
<td>1,702,963</td>
<td>1,611,350</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>6,442</td>
<td>10,775</td>
<td>20,839</td>
<td>30,421</td>
</tr>
<tr>
<td>Interest expense</td>
<td>476</td>
<td>1,669</td>
<td>1,025</td>
<td>1,479</td>
</tr>
<tr>
<td>Loss from continuing operations before income taxes</td>
<td>(8,720)</td>
<td>(42,706)</td>
<td>(34,854)</td>
<td>(150,323)</td>
</tr>
<tr>
<td>Income tax benefit</td>
<td>-</td>
<td>(2,820)</td>
<td>(12,304)</td>
<td>(54,888)</td>
</tr>
<tr>
<td>Net loss from continuing operations</td>
<td>(5,900)</td>
<td>(28,055)</td>
<td>(22,550)</td>
<td>(95,455)</td>
</tr>
<tr>
<td>Net earnings (loss) from discontinued operations</td>
<td>-</td>
<td>25,546</td>
<td>(1,214)</td>
<td>(83,375)</td>
</tr>
<tr>
<td>Net loss</td>
<td>$ (5,900)</td>
<td>$ (2,509)</td>
<td>$ (23,764)</td>
<td>$ (178,830)</td>
</tr>
</tbody>
</table>

Weighted average common shares:

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>191,135</td>
<td>206,441</td>
<td>195,321</td>
<td>206,148</td>
</tr>
<tr>
<td>Diluted</td>
<td>191,135</td>
<td>206,441</td>
<td>195,321</td>
<td>206,148</td>
</tr>
</tbody>
</table>

Net (loss) earnings per share:

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
</table>
| Basic:
| Continuing operations     | $ (0.03)    | $ (0.14)    | $ (0.12)    | $ (0.46)    |
| Discontinued operations   | (0.12)      | (0.21)      | (0.12)      | (0.47)      |
|                          | $ (0.03)    | $ (0.1)     | $ (0.12)    | $ (0.87)    |
| Diluted:
| Continuing operations     | $ (0.03)    | $ (0.14)    | $ (0.12)    | $ (0.46)    |
| Discontinued operations   | 0.12        | (0.01)      | (0.12)      | (0.46)      |
|                          | $ (0.03)    | $ (0.01)    | $ (0.12)    | $ (0.87)    |

Cash dividends paid per share:

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.0175</td>
<td>0.0175</td>
<td>0.0525</td>
<td>0.0525</td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.

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Circuit City Stores, Inc. and Subsidiaries
Consolidated Balance Sheets  
(Amounts in thousands except per share data)

<table>
<thead>
<tr>
<th></th>
<th>Nov. 30, 2004 (Unaudited)</th>
<th>Feb. 29, 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$752,478</td>
<td>$783,471</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance for doubtful accounts of $429 and $347</td>
<td>126,932</td>
<td>154,039</td>
</tr>
<tr>
<td>Merchandise inventory</td>
<td>2,458,876</td>
<td>1,517,256</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>42,383</td>
<td>47,617</td>
</tr>
<tr>
<td>Total current assets</td>
<td>3,380,669</td>
<td>2,919,061</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>645,785</td>
<td>583,903</td>
</tr>
<tr>
<td>Goodwill</td>
<td>221,994</td>
<td>198,934</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>33,559</td>
<td>-</td>
</tr>
<tr>
<td>Other assets</td>
<td>15,814</td>
<td>29,102</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$4,380,480</td>
<td>$3,633,000</td>
</tr>
</tbody>
</table>
### Consolidated Statements of Cash Flows (Unaudited)

#### Nine Months Ended November 30

<table>
<thead>
<tr>
<th>Amounts in thousands</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss</td>
<td>$(23,764)</td>
<td>$(178,830)</td>
</tr>
<tr>
<td>Adjustments to reconcile net loss to net cash provided by (used in) operating activities of continuing operations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>113,559</td>
<td>143,078</td>
</tr>
<tr>
<td>Amortization of restricted stock awards</td>
<td>5,942</td>
<td>11,312</td>
</tr>
<tr>
<td>Loss on dispositions of property and equipment</td>
<td>2,262</td>
<td>549</td>
</tr>
<tr>
<td>Provision for deferred income taxes</td>
<td>14,939</td>
<td>9,443</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in accounts receivable</td>
<td>$14,939</td>
<td>$9,443</td>
</tr>
<tr>
<td>Decrease in accounts payable</td>
<td>$(1,806,028)</td>
<td>$(879,635)</td>
</tr>
<tr>
<td>Decrease in other assets</td>
<td>$(7,078)</td>
<td>$(66,780)</td>
</tr>
<tr>
<td>Decrease in accrued expenses and other current liabilities</td>
<td>$(7,327)</td>
<td>$(37,483)</td>
</tr>
<tr>
<td>Increase in other liabilities</td>
<td>$(555)</td>
<td>$(1,107)</td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities of continuing operations</td>
<td>$90,615</td>
<td>$(546,690)</td>
</tr>
<tr>
<td><strong>Investing Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from the sale of the private-label finance operation</td>
<td>475,857</td>
<td>-</td>
</tr>
<tr>
<td>Acquisitions, net of cash acquired of $30,615</td>
<td>268,668</td>
<td>-</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(207,755)</td>
<td>(134,251)</td>
</tr>
<tr>
<td>Net cash provided by (used in) investing activities of continuing operations</td>
<td>85,924</td>
<td>$(112,994)</td>
</tr>
<tr>
<td><strong>Financing Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from short-term debt, net</td>
<td>10,183</td>
<td>-</td>
</tr>
<tr>
<td>Repayment of long-term debt</td>
<td>(15,081)</td>
<td>(1,024)</td>
</tr>
<tr>
<td>Common stock, $0.50 par value</td>
<td>(210,052)</td>
<td>(13,941)</td>
</tr>
<tr>
<td>Issuance of common stock, net</td>
<td>20,849</td>
<td>9,610</td>
</tr>
<tr>
<td>Net cash used in financing activities of continuing operations</td>
<td>$(204,599)</td>
<td>$(16,323)</td>
</tr>
<tr>
<td>Net cash (used in) provided by discontinued bankcard finance operations</td>
<td>4,282</td>
<td>246,680</td>
</tr>
<tr>
<td>Decrease in cash and cash equivalents</td>
<td>$(3,249)</td>
<td>1,349</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>783,471</td>
<td>884,670</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period</td>
<td>$752,478</td>
<td>$455,343</td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.
1. Basis of Presentation

The consolidated financial statements of the company conform to accounting principles generally accepted in the United States of America. In the opinion of management, the accompanying unaudited financial statements contain all adjustments, which consist only of normal, recurring adjustments, necessary for a fair presentation. Due to the seasonal nature of the company's business, interim results are not indicative of results for the entire fiscal year. The company's consolidated financial statements included in this report should be read in conjunction with the notes to the audited financial statements incorporated by reference in the company's fiscal 2004 Annual Report on Form 10-K.

On May 12, 2004, the company acquired a controlling interest in InterTAN, Inc. and on May 19, 2004, completed its acquisition of 100 percent of the common stock of InterTAN for cash consideration of $259.3 million, which includes transaction costs and is net of cash acquired of $30.6 million. InterTAN is a leading consumer electronics retailer of both private-label and internationally branded products with headquarters in Barrie, Ontario, Canada. InterTAN operates through retail stores and dealer outlets in Canada under the trade names RadioShack(R), Roger Plus(R) and Battery Plus(R). In addition to enabling Circuit City to accelerate the offering of private-label merchandise to its customers, the acquisition of InterTAN gives Circuit City its first presence in the Canadian market. See Note 3 for additional discussion of the acquisition.

On May 25, 2004, the company completed the sale of its private-label finance operation, comprised of its private-label and co-branded Visa credit card programs, to Chase Card Services, formerly Bank One Corporation. Results from the private-label finance operation, including transition and transaction costs of approximately $6 million related to the sale of the operation, are included in finance income. The company also entered into a Consumer Credit Card Program Agreement under which Chase Card Services is offering private-label and co-branded credit cards to new and existing customers of the company. The company is compensated under the program agreement primarily based on the number of new accounts opened less promotional financing costs that exceed a negotiated base amount. After the sale date, the earnings contribution from the program agreement has been included in net sales and operating revenues on the consolidated statement of operations. See Note 12 for additional discussion concerning the sale of the private-label finance operation and the consumer credit agreement.

On November 18, 2003, the company completed the sale of its bankcard finance operation, which included Visa and MasterCard credit card receivables and related cash reserves. Results from the bankcard finance operation are presented as results from discontinued operations. See Note 2 for additional discussion concerning the sale of the bankcard finance operation.

Certain prior year amounts have been reclassified to conform to the current presentation.

2. Discontinued Operations

On November 18, 2003, the company completed the sale of its bankcard finance operation to FleetBoston Financial. Results from the bankcard finance operation are presented as results from discontinued operations. The sale agreement included a transition services agreement under which employees of the company's finance operation continued to service the bankcard accounts until final conversion of the bankcard portfolio to FleetBoston, which occurred on April 2, 2004. Through that date, FleetBoston reimbursed the company for operating costs incurred during the transition period. The company incurred severance costs ratably through the final conversion date.

The net earnings from discontinued operations totaled $25.5 million for the three months ended November 30, 2003. The total is comprised of $24.0 million of after-tax earnings from the discontinued bankcard operation and $1.5 million from the discontinued Divx operation due to a $2.3 million reduction in the provision for commitments under licensing agreements.

For the nine months ended November 30, 2004, the net loss from discontinued operations totaled $1.2 million, which is comprised of post-closing adjustments related to the sale of the bankcard operation. The net loss from discontinued operations for the nine months ended November 30, 2003, was $83.4 million and is comprised of an after-tax net loss of $84.9 million from the discontinued bankcard operation and after-tax earnings of $1.5 million from the discontinued Divx operation.

Cash flows related to the discontinued bankcard operation have been segregated on the consolidated statements of cash flows.

3. Acquisition of InterTAN, Inc.

On May 12, 2004, the company acquired a controlling interest in InterTAN, Inc. and on May 19, 2004, completed its acquisition of 100
percent of the common stock of InterTAN for cash consideration of $259.3 million, which includes transaction costs and is net of cash acquired of $30.6 million. This acquisition was accounted for using the purchase method in accordance with Statement of Financial Accounting Standards No. 141, "Business Combinations." Accordingly, the company recorded the net assets at their estimated fair values, and included operating results in the consolidated financial statements since May 12, 2004. The company allocated the purchase price to the acquired assets and liabilities using available information. The purchase price allocation includes goodwill of $186.3 million and identifiable intangible assets of $28.0 million. Goodwill is not deductible for tax purposes. SFAS No. 142, "Goodwill and Intangible Assets," requires that goodwill and other intangible assets be evaluated for impairment at least annually. The identifiable intangible assets consist of contract-based intangibles and will be amortized on a straight-line basis over their estimated useful lives, which range from 4.5 years to 20 years. The company evaluated goodwill and the identifiable intangible assets during the second quarter of this fiscal year and will perform the impairment evaluation annually during the second quarter of each fiscal year. See Note 9 and Note 13 for additional discussion of goodwill and other intangible assets.

Selected historical and pro forma financial information assuming the acquisition had been consummated at the beginning of fiscal 2004 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Nine Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>November 30</td>
<td>November 30</td>
</tr>
<tr>
<td></td>
<td>2004 Historical</td>
<td>2003 Pro Forma</td>
</tr>
<tr>
<td></td>
<td>2004 Pro Forma</td>
<td>2004 Pro Forma</td>
</tr>
<tr>
<td>Net sales and operating revenues</td>
<td>$2,493.4</td>
<td>$2,531.6</td>
</tr>
<tr>
<td>Net loss from continuing operations</td>
<td>$ 5.9</td>
<td>$ 25.8</td>
</tr>
<tr>
<td>Net loss per share from continuing operations</td>
<td>$ 0.03</td>
<td>$ 0.13</td>
</tr>
<tr>
<td>Net loss</td>
<td>$ 5.9</td>
<td>$ 0.3</td>
</tr>
<tr>
<td>Net loss per share</td>
<td>$ 0.03</td>
<td>$ -</td>
</tr>
</tbody>
</table>

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After Circuit City's March 31, 2004 announcement of its agreement to acquire InterTAN, RadioShack Corporation asserted early termination of its licensing and other agreements with InterTAN. On April 5, 2004, RadioShack filed suit against InterTAN, and amended that suit on April 27, 2004 (the "RadioShack litigation"). InterTAN disputes the termination scenarios alleged by RadioShack and is vigorously defending against those claims. On May 11, 2004, InterTAN asserted a counterclaim seeking a declaration under U.S. federal trademark law that the use of the RadioShack marks is proper. Circuit City was added as a necessary party to that litigation and removed the matter to Federal Court in the Northern District of Texas. On May 12, 2004, Circuit City filed its own suit in Federal Court in the Northern District of Texas seeking a declaration under U.S. federal trademark law that the use of the marks in Canada is proper (the "Circuit City litigation"). InterTAN has cross-claimed against RadioShack based on federal trademark law and remedies for business disparagement. On December 9, 2004, the federal court remanded the RadioShack litigation back to the Texas state court. On December 14, 2004, the federal court granted RadioShack's motion to dismiss the Circuit City litigation and the related InterTAN cross-claims.

Circuit City believes that RadioShack is not entitled to early termination of the agreements and that InterTAN has substantial defenses to the RadioShack claims. Circuit City and InterTAN intend to vigorously pursue all claims and defend the claims in the RadioShack litigation. Circuit City believes that this litigation will not have a material adverse effect on the company's financial condition or results of operations.

4. Finance Income

Finance income includes the results from the company's private-label finance operation, including transition and transaction costs of approximately $6 million related to the sale of the operation to Chase Card Services, through May 25, 2004, the date the company completed the sale.

For the three and nine months ended November 30, 2004 and 2003, the components of pretax finance income were as follows:

(Amounts in millions)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended November 30</th>
<th>Nine Months Ended November 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2003</td>
</tr>
<tr>
<td>Securitization income</td>
<td>$ -</td>
<td>$ 25.3</td>
</tr>
</tbody>
</table>

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Securitization income primarily is comprised of the gain on the sale of receivables generated by the company’s private-label finance operation, income from retained interests in the credit card receivables and income related to servicing the receivables, as well as the impact of increases or decreases in the fair value of the retained interests. Securitization income is reduced by payroll, fringe benefits and other costs directly associated with the management and securitization of the private-label receivables.

5. Stock-Based Compensation

Effective December 1, 2003, the company adopted the fair value based method of accounting for stock-based compensation in accordance with SFAS No. 123, "Accounting for Stock-Based Compensation." The adoption of this standard was applied using the retroactive restatement method as defined in SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure." The following table sets forth the effect of the retroactive restatement for adoption of SFAS No. 123.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss from continuing operations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Previously reported</td>
<td>$24,073</td>
<td>$83,321</td>
</tr>
<tr>
<td>Restated for adoption of SFAS No. 123</td>
<td>$28,055</td>
<td>$95,455</td>
</tr>
<tr>
<td>Net loss per share from continuing operations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Previously reported</td>
<td>$ 0.12</td>
<td>$ 0.40</td>
</tr>
<tr>
<td>Restated for adoption of SFAS No. 123</td>
<td>$ 0.14</td>
<td>$ 0.46</td>
</tr>
<tr>
<td>Diluted:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Previously reported</td>
<td>$ 0.12</td>
<td>$ 0.40</td>
</tr>
<tr>
<td>Restated for adoption of SFAS No. 123</td>
<td>$ 0.14</td>
<td>$ 0.46</td>
</tr>
</tbody>
</table>

The fair value of each stock option granted by the company is estimated as of the grant date using the Black-Scholes option-pricing model with the following weighted average assumptions.

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended November 30</th>
<th>Nine Months Ended November 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2003</td>
</tr>
<tr>
<td>Expected dividend yield</td>
<td>0.5%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Expected stock volatility</td>
<td>63%</td>
<td>76%</td>
</tr>
<tr>
<td>Risk-free interest rate</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Expected lives (in years)</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

Using these assumptions in the Black-Scholes model, the weighted average fair value of options granted was $8.25 per option for the three months ended November 30, 2004, and $6.61 per option for the nine months ended November 30, 2004. The weighted average fair value of options granted was $3.76 per option for the three months ended November 30, 2003, and $3.59 per option for the nine months ended November 30, 2003.

See Note 15 for a discussion of SFAS No. 123(R), which was issued by the Financial Accounting Standards Board in December 2004.

6. Comprehensive Income (Loss)

The components of the company’s comprehensive income (loss) consist of the net loss and other comprehensive income. Other comprehensive income is comprised of foreign currency translation adjustments and is recorded net of deferred income taxes directly to stockholders’ equity.

The components of comprehensive income (loss), net of taxes, were as follows:

<table>
<thead>
<tr>
<th>(Amounts in millions)</th>
<th>Three Months Ended November 30</th>
<th>Nine Months Ended November 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss</td>
<td>$(5.9)</td>
<td>$(2.5)</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>25.0</td>
<td>-</td>
</tr>
<tr>
<td>Comprehensive income (loss)</td>
<td>$19.1</td>
<td>$(2.5)</td>
</tr>
</tbody>
</table>

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7. Net (Loss) Earnings per Share

For the three and nine months ended November 30, 2004 and 2003, no options or restricted stock were included in the calculation of diluted net loss per share because the company reported a loss from continuing operations. Options to purchase 17.4 million shares of common stock with exercise prices ranging from $3.10 to $27.21 and restricted stock amounting to 2.3 million shares were outstanding at November 30, 2004. Options to purchase 18.6 million shares of common stock with exercise prices ranging from $5.61 to $27.21 per share and restricted stock amounting to 3.6 million shares were outstanding at November 30, 2003.

8. Restricted Cash

The sale of the private-label finance operation eliminated the company's obligation to restrict cash for settlement obligations. During the second quarter of fiscal 2005, the company settled the remaining liquidity restrictions on the cash of First North American National Bank, the company's wholly owned national bank subsidiary, as part of the liquidation of that subsidiary. As a result, the company did not have any cash or cash equivalents held by the company's regulated subsidiaries and thus all cash and cash equivalents were available for general corporate purposes at November 30, 2004. Cash and cash equivalents held by the company's regulated subsidiaries and not available for general corporate purposes were $61.6 million at February 29, 2004.

9. Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill by reportable segment for the nine months ended November 30, 2004, were as follows:

<table>
<thead>
<tr>
<th>(Amounts in millions)</th>
<th>Domestic Retail Operation</th>
<th>International Retail Operation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at February 29, 2004</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Goodwill resulting from acquisitions</td>
<td>2.5</td>
<td>189.3</td>
<td>191.8</td>
</tr>
<tr>
<td>Changes in foreign currency exchange rates</td>
<td>-</td>
<td>32.2</td>
<td>32.2</td>
</tr>
<tr>
<td>Balance at November 30, 2004</td>
<td>$2.5</td>
<td>$221.5</td>
<td>$224.0</td>
</tr>
</tbody>
</table>

Acquired intangible assets at November 30, 2004, were as follows:

<table>
<thead>
<tr>
<th>(Dollar amounts in millions)</th>
<th>At November 30, 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross Carrying Amount</td>
</tr>
<tr>
<td>Dealer-relationship contracts</td>
<td>$15.2</td>
</tr>
<tr>
<td>Vendor contract</td>
<td>11.7</td>
</tr>
<tr>
<td>Employment agreements</td>
<td>5.8</td>
</tr>
<tr>
<td>Other</td>
<td>2.9</td>
</tr>
<tr>
<td>Total</td>
<td>$35.6</td>
</tr>
</tbody>
</table>

Amortization expense for amortizing intangible assets was $1.0 million for the three months ended November 30, 2004, and $2.0 million for the nine months ended November 30, 2004. The company did not have any amortization expense in the first quarter of fiscal 2005. Estimated amortization expense for fiscal 2005 is $3.1 million. Estimated amortization expense for the next five fiscal years is $4.3 million in 2006, $4.1 million in 2007, $3.5 million in 2008, $2.9 million in 2009, and $1.9 million in 2010. These amortization expense estimates are subject to fluctuations in foreign currency exchange rates. See Note 3 and Note 13 for additional discussion of goodwill and other intangible assets.

10. Common Stock Repurchased

In January 2003, the company's board of directors authorized the repurchase of up to $200 million of common stock. In June 2004, the board authorized a $200 million increase in its stock repurchase authorization for an aggregate authorization of $400 million. During the three months ended November 30, 2004, the company repurchased and retired 4.5 million shares under that authorization at a cost of
$69.4 million. For the nine months ended November 30, 2004, the company repurchased and retired 15.6 million shares under that authorization at a cost of $210.1 million. As of November 30, 2004, the company had repurchased and retired 24.8 million shares of common stock under that authorization at a cost of $294.4 million. Based on the market value of the common stock at November 30, 2004, the remaining $105.6 million authorized would allow the company to repurchase up to approximately 4 percent of the 191.2 million shares then outstanding.

11. Pension Plans

The company provides a noncontributory defined benefit pension plan to eligible employees. Plan benefits generally are based on years of service and average compensation. The company also has an unfunded nonqualified benefit restoration plan that restores retirement benefits for senior executives who are affected by Internal Revenue Code limitations on benefits provided under the company's pension plan.

The components of the net pension expense for the plans were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended November 30</th>
<th>Nine Months Ended November 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2003</td>
</tr>
<tr>
<td>Service cost</td>
<td>$3,497</td>
<td>$3,968</td>
</tr>
<tr>
<td>Interest cost</td>
<td>3,898</td>
<td>3,316</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>(4,093)</td>
<td>(3,630)</td>
</tr>
<tr>
<td>Amortization of prior service cost</td>
<td>119</td>
<td>119</td>
</tr>
<tr>
<td>Amortization of recognized actuarial loss</td>
<td>1,255</td>
<td>818</td>
</tr>
<tr>
<td>Adjustment due to the freezing of the plans</td>
<td>243</td>
<td>-</td>
</tr>
<tr>
<td>Net pension expense</td>
<td>$4,919</td>
<td>$4,591</td>
</tr>
</tbody>
</table>

On October 18, 2004, the board of directors approved an amendment to freeze both the pension and benefit restoration plans, effective February 28, 2005. Once the pension plan is frozen, all eligible associates will retain any benefits accumulated to the effective date, but will no longer be eligible to increase their benefit. Eligible employees will continue to earn vesting credit toward the pension plan's vesting requirements. Employees who would be eligible to retire under both plans' early or normal retirement provisions on or before February 29, 2008, are considered grandfathered employees and are not subject to the plan changes.

Circuit City made no contributions to its defined benefit pension plan during the first nine months of fiscal 2005. The company intends to make any contributions to the defined benefit pension plan that would be necessary to meet ERISA minimum funding standards and any additional contributions as needed to ensure that the fair value of plan assets at February 28, 2005, exceeds the accumulated benefit obligation. The company expects to make a contribution of approximately $20 million in fiscal 2005. The company’s expected contribution for the restoration plan is $463,000, which is equal to the expected benefit payments for the plan.

12. Segment Information

The company has two reportable segments: its domestic retail operation and its international retail operation. The company identified these segments based on its management reporting structure and the nature of the products and services offered by each segment. The domestic retail operation segment is primarily engaged in the business of selling brand-name consumer electronics, personal computers and entertainment software in the United States. The international retail operation segment is primarily engaged in the business of selling private-label and internationally branded consumer electronics products in Canada. Prior to the second quarter of fiscal 2005, the company had a third reportable segment, its finance operation. The company completed the sale of its private-label finance operation, comprised of its private-label and Visa co-branded credit card programs, to Chase Card Services on May 25, 2004. Results from the private-label finance operation, including transition and transaction costs of approximately $6 million related to the sale of the operation, are included in finance income. See Note 4 for additional discussion of finance income. The company has entered into an arrangement under which Chase Card Services is offering private-label and co-branded credit cards to new and existing customers of the company and providing credit card services to all cardholders. After the sale date, the earnings contribution from that arrangement has been included in net sales and operating revenues on the consolidated statement of operations and is included in the domestic retail segment. Net credit revenues of $1.9 million for the third quarter include new account activation revenues of $13.3 million offset by promotional financing cost of $11.5 million. Net credit revenues of $8.3 million for the first nine months of the current fiscal year include new account activation revenues of $24.3 million offset by promotional financing cost of $16.1 million.
The accounting policies for the company's segments are the same as those set forth in Note 14 below and Note 2 to the company's audited consolidated financial statements incorporated by reference in the company's fiscal 2004 Annual Report on Form 10-K.

Revenue by reportable segment and the reconciliation to the consolidated statements of operations were as follows:

<table>
<thead>
<tr>
<th>Segment</th>
<th>Three Months Ended November 30</th>
<th>Nine Months Ended November 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2003</td>
</tr>
<tr>
<td>Domestic retail operation</td>
<td>$2,351.4</td>
<td>$2,407.4</td>
</tr>
<tr>
<td>International retail operation</td>
<td>142.0</td>
<td>-</td>
</tr>
<tr>
<td>Finance operation</td>
<td>-</td>
<td>25.3</td>
</tr>
<tr>
<td>Total revenue</td>
<td>2,493.4</td>
<td>2,432.7</td>
</tr>
<tr>
<td>Less: securitization income*</td>
<td>-</td>
<td>25.3</td>
</tr>
<tr>
<td>Net sales and operating revenues</td>
<td>$2,493.4</td>
<td>$2,407.4</td>
</tr>
</tbody>
</table>

*Securitization income is included in finance income, which is reported separately from net sales and operating revenues on the statements of operations.

The loss or earnings from continuing operations before income taxes by reportable segment and the reconciliation to the consolidated statements of operations were as follows:

<table>
<thead>
<tr>
<th>Segment</th>
<th>Three Months Ended November 30</th>
<th>Nine Months Ended November 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2003</td>
</tr>
<tr>
<td>Domestic retail operation</td>
<td>$(17.6)</td>
<td>$(48.3)</td>
</tr>
<tr>
<td>International retail operation</td>
<td>8.9</td>
<td>-</td>
</tr>
<tr>
<td>Finance operation</td>
<td>-</td>
<td>5.6</td>
</tr>
<tr>
<td>Loss from continuing operations</td>
<td>$ (8.7)</td>
<td>$(42.7)</td>
</tr>
</tbody>
</table>

Total assets by reportable segment and the reconciliation to the consolidated balance sheets were as follows:

<table>
<thead>
<tr>
<th>Segment</th>
<th>At November 30</th>
<th>At February 29</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2004</td>
</tr>
<tr>
<td>Domestic retail operation</td>
<td>$3,906.3</td>
<td>$3,031.7</td>
</tr>
<tr>
<td>International retail operation</td>
<td>474.2</td>
<td>-</td>
</tr>
<tr>
<td>Finance operation</td>
<td>-</td>
<td>601.3</td>
</tr>
<tr>
<td>Total assets</td>
<td>$4,380.5</td>
<td>$3,633.0</td>
</tr>
</tbody>
</table>

Goodwill and intangible assets by reportable segment were as follows:

<table>
<thead>
<tr>
<th>Segment</th>
<th>At November 30</th>
<th>At February 29</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2004</td>
</tr>
<tr>
<td>Domestic retail operation</td>
<td>$ 4.9</td>
<td>$ -</td>
</tr>
<tr>
<td>International retail operation</td>
<td>252.6</td>
<td>-</td>
</tr>
<tr>
<td>Total goodwill and intangible</td>
<td>$257.5</td>
<td>$ -</td>
</tr>
</tbody>
</table>

13. Supplemental Consolidated Statement of Cash Flows Information

The following table summarizes supplemental cash flow information for the nine months ended November 30, 2004.
Supplemental schedule of non-cash investing and financing activities:

Capital lease obligation.................................................. $ 2,754

 Acquisition of InterTAN:

Fair value of assets acquired:
Cash and cash equivalents............................................. $ 30,615
Merchandise inventory................................................. 88,837
Property and equipment, net........................................... 42,614
Goodwill.............................................................. 186,261
Other intangible assets............................................... 28,000
Other assets.......................................................... 12,744

Total fair value of assets acquired................................. 389,071

Less:
Liabilities assumed................................................... 92,638
Cash acquired......................................................... 30,615
Stock options issued.................................................. 6,498

Acquisition of InterTAN, net of cash acquired..................... $259,320

Other acquisitions:
Fair value of assets acquired............................................ $ 13,413
Less: liabilities assumed................................................ 4,065

Other acquisitions....................................................... $ 9,348

14. Foreign Currency Translation

The local currency of InterTAN, the Canadian dollar, is its functional currency. For reporting purposes, assets and liabilities are translated into U.S. dollars using the exchange rates in effect at the balance sheet date, income and expense items are translated using monthly average exchange rates. The effects of exchange rate changes on net assets of InterTAN are recorded in equity as accumulated other comprehensive income. See Note 6 for additional discussion of other comprehensive income. Gains and losses from foreign currency transactions are included in selling, general and administrative expenses in the consolidated statement of operations.

15. Recent Accounting Pronouncements

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based Payment." SFAS No. 123(R) requires companies to recognize the compensation cost relating to share-based payment transactions in the financial statements. SFAS No. 123(R) will be effective for the company's third quarter of fiscal 2006. The company has not yet determined the impact of adopting this standard. See Note 5 for information regarding the company's adoption of SFAS No. 123.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

On May 12, 2004, we acquired a controlling interest in InterTAN, Inc. and on May 19, 2004, completed the acquisition of 100 percent of the common stock of InterTAN for cash consideration of $259.3 million, which includes transaction costs and is net of cash acquired of $30.6 million. InterTAN is a leading consumer electronics retailer of both private-label and internationally branded products with headquarters in Barrie, Ontario, Canada. InterTAN operates through retail stores and dealer outlets in Canada under the trade names RadioShack(R), Rogers Plus(R) and Battery Plus(R). In addition to enabling us to accelerate the offering of private-label merchandise to our customers, the acquisition of InterTAN gives us our first presence in the Canadian market.
On May 25, 2004, we completed the sale of our private-label finance operation, comprised of our private-label and co-branded Visa credit card programs, to Chase Card Services, formerly Bank One Corporation. Results from the private-label finance operation, including transition and transaction costs of approximately $6 million related to the sale of the operation, are included in finance income. We also entered into a Consumer Credit Card Program Agreement under which Chase Card Services is offering private-label and co-branded credit cards to new and existing customers. As part of the program agreement, we plan to jointly develop and introduce new features, products and services to drive additional sales. We are compensated under the program primarily based on the number of new accounts opened less promotional financing costs that exceed a negotiated base amount. Chase Card Services is obligated to offer special promotional financing terms to our customers. We determine the frequency, volume and, subject to certain limits, the terms of these promotions. Chase Card Services is compensated for these promotions in accordance with a negotiated fee schedule. The program agreement has an initial seven-year term with automatic three-year renewals. The agreement has customary representations, warranties, covenants, events of default and termination rights for an agreement of this type. After the sale date, the earnings contribution from the program agreement has been included in net sales and operating revenues on the consolidated statement of operations. See Note 12 to the consolidated financial statements in this report for additional discussion concerning the sale of the private-label finance operation.

On November 18, 2003, we completed the sale of our bankcard finance operation, which included Visa and MasterCard credit card receivables and related cash reserves. Results from the bankcard finance operation are presented as results from discontinued operations. See Note 1 and Note 2 to the consolidated financial statements in this report for additional discussion concerning the sale of the bankcard finance operation.

CRITICAL ACCOUNTING POLICIES

For a discussion of our critical accounting policies, see Management's Discussion and Analysis of Results of Operations and Financial Condition, which is incorporated by reference in our fiscal 2004 Annual Report on Form 10-K. These policies relate to the calculation of the value of retained interests in securitization transactions, the calculation of the liability for lease termination costs, accounting for pension plans, accounting for stock-based compensation expense and accounting for cash consideration received from vendors.

During the first quarter of fiscal 2005, we recognized goodwill and other intangible assets related to our acquisition of InterTAN. We have added the following critical accounting policy.

Accounting for Goodwill and Other Intangible Assets

We account for goodwill and other intangible assets in accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 requires that goodwill and other intangible assets with indefinite useful lives be evaluated for impairment on an annual basis, or more frequently if certain events occur or circumstances exist. We evaluated goodwill and identifiable intangible assets during the second quarter of this fiscal year and will perform the impairment evaluation annually during the second quarter of each fiscal year. Through the impairment test, goodwill, other intangible assets, and tangible assets and liabilities are divided among reporting units. If the fair value of those reporting units is less than the carrying value, then the implied fair value of the goodwill of the reporting unit must be compared to the carrying value of that goodwill. In the instance that the fair value of the goodwill is less than the carrying value, goodwill is deemed to be impaired and an impairment loss, equal to the excess of the carrying value over the fair value, must be recorded.

The performance of the goodwill impairment test is subject to significant judgment in determining the fair value of reporting units, the estimation of future cash flows, the estimation of discount rates, and other assumptions. Changes in these estimates and assumptions could have a significant impact on the fair value and/or goodwill impairment of each reporting unit.

RESULTS OF OPERATIONS

Our operations, in common with other retailers in general, are subject to seasonal influences. Historically, we have realized more of our net sales and net earnings in the fourth quarter, which includes the majority of the holiday selling season, than in any other fiscal quarter. The net earnings for any particular quarter are seasonally disproportionate to net sales since administrative and certain operating expenses remain relatively constant during the year. Therefore, quarterly results should not be relied upon as indicative of results for the entire fiscal year.

Net Sales and Operating Revenues

Total sales for the third quarter of fiscal 2005 increased 3.6 percent to $2.49 billion from $2.41 billion in last fiscal year's third quarter with comparable store merchandise sales decreasing 4.3 percent. Decreases in music and movie software sales accounted for...
approximately 160 basis points of the overall comparable store sales decline. A decrease in digital video service sales, principally driven by a business model change, accounted for approximately 120 basis points of the overall comparable store sales decrease. A decrease in wireless sales, principally driven by a business model change, accounted for approximately 90 basis points of the overall comparable store sales decrease. Total sales for this year's third quarter include domestic segment sales of $2.35 billion and international segment sales of $142.0 million. Total sales for the first nine months of fiscal 2005 increased 6.3 percent to $6.91 billion from $6.50 billion for the first nine months of last fiscal year with comparable store merchandise sales increasing 1.2 percent. Total sales for this year's first nine months include domestic segment sales of $6.62 billion and international segment sales of $281.4 million. Comparable store merchandise sales include merchandise sales from domestic stores that have been open for 12 full calendar months and from all relocated stores, as well as web-originated merchandise sales.

The domestic segment generates credit revenues from an consumer credit arrangement under which Chase Card Services offers private-label and co-branded credit cards to our customers. Net credit revenues of $1.9 million for the third quarter include new account activation revenues of $13.3 million offset by promotional financing cost of $11.5 million. New account activation revenues exceeded our expectations, helping us to build a customer base to which we can direct specific marketing programs. However, the cost of promotional financing was also higher than anticipated as we responded to more competitive financing offers in the marketplace. As a result, third quarter net credit revenues were approximately $5 million below our initial expectations. Net credit revenues of $8.3 million for the first nine months of the current fiscal year include new account activation revenues of $24.3 million offset by promotional financing cost of $16.1 million. We expect the lower-than-anticipated third quarter results will reduce pretax credit revenues below the $30 million annualized level we anticipated when we sold the private-label credit operation.

Neither the arrangement with Chase Card Services nor the international segment was in place last fiscal year. Prior to this year's second fiscal quarter, private-label and co-branded credit cards were made available through our wholly owned subsidiary, First North American National Bank and the related income was reported as finance income on the consolidated statements of operations. The international segment consists of the operations of InterTAN, Inc., which we acquired in May 2004, and thus, comparable store merchandise sales for the current fiscal year's third quarter and first nine months and total sales for the same periods of last fiscal year reflect domestic sales only.

Sales by segment for the three and nine months ended November 30, 2004 and 2003 were as follows.

<table>
<thead>
<tr>
<th>(Dollar amounts in billions)</th>
<th>Three Months Ended November 30</th>
<th>Nine Months Ended November 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic segment sales</td>
<td>$2.35</td>
<td>$6.62</td>
</tr>
<tr>
<td>International segment sales</td>
<td>0.14</td>
<td>0.28</td>
</tr>
<tr>
<td>Net sales and operating revenues</td>
<td>$2.49</td>
<td>$6.91</td>
</tr>
</tbody>
</table>

The percent of merchandise sales represented by each major product category for the three and nine months ended November 30, 2004 and 2003, is shown below. International segment sales are not included in sales by merchandise category.

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Three Months Ended November 30</th>
<th>Nine Months Ended November 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Video</td>
<td>43%</td>
<td>42%</td>
</tr>
<tr>
<td>Information technology</td>
<td>29%</td>
<td>33%</td>
</tr>
<tr>
<td>Audio</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Comparable store sales for the third quarter in the video category were relatively unchanged. Triple-digit comparable store sales growth in plasma displays, double-digit comparable store sales growth of LCD displays and digital imaging products and single-digit comparable store sales growth in digital televisions were offset by double-digit declines in tube television, DVD player and digital video service comparable store sales and a single-digit decline in camcorder comparable store sales. During the second quarter, our business model for digital satellite services changed to substitute lower hardware cost for activation revenue.
For the third quarter, in the audio category, we produced a single-digit comparable store sales increase. Double-digit comparable store sales growth in both portable audio products, driven by digital audio products such as MP3 players, and mobile audio products, driven primarily by satellite radio, was partially offset by a double-digit comparable store sales decline in home audio products.

A single-digit comparable store sales decrease in the information technology category in the third quarter reflects single-digit comparable store sales declines in both personal computer hardware and accessories. In personal computer hardware, double-digit comparable store sales declines in desktop computers, monitors and printers were partially offset by double-digit comparable store sales growth in notebook computers. During the third quarter, we launched Verizon Wireless stores within more than 570 stores. Verizon Wireless operates the stores, and we receive revenue, which is included in total and comparable store sales, for each new handset activation. In the past, total and comparable store sales included sales of wireless handsets and accessories, and revenues received for upgrades and new subscribers.

In the entertainment category, we produced a double-digit comparable store sales decrease, reflecting double-digit comparable store sales declines in video software and music software and a single-digit comparable store sales decline in game products, for the third quarter.

The following table provides the numbers of our domestic segment stores:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Superstores</td>
<td>622</td>
<td>599</td>
</tr>
<tr>
<td>Mall-based</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Total domestic segment stores</td>
<td>627</td>
<td>604</td>
</tr>
</tbody>
</table>

In the third quarter of fiscal 2005, we opened 18 Superstores, fully remodeled one store and relocated a total of 12 Superstores. For the first nine months of fiscal 2005, we opened 22 new Superstores, fully remodeled one Superstore and relocated 22 Superstores, of which one Superstore was a replacement for a Superstore we closed in late fiscal 2004. We currently expect to relocate approximately seven more Superstores and open another nine new Superstores in the fourth quarter of the current fiscal year.

The following table provides the numbers of international segment stores and dealer outlets:

<table>
<thead>
<tr>
<th>November 30, 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company-operated stores</td>
</tr>
<tr>
<td>Dealer outlets</td>
</tr>
<tr>
<td>Rogers Wireless stores</td>
</tr>
<tr>
<td>Battery Plus stores</td>
</tr>
<tr>
<td>Total international segment stores</td>
</tr>
</tbody>
</table>

Company-operated stores operate under the trade name "RadioShack." Dealer outlets are independent retail businesses that operate...
under their own trade names but are permitted, under dealer agreements, to purchase any of the products sold by company-operated stores. Rogers Wireless stores are dedicated primarily to the sale of wireless services, including related hardware, offered by Rogers Wireless, Inc. Battery Plus stores retail batteries and other specialty consumer electronics products.

Our domestic retail operation sells extended warranty programs on behalf of unrelated third parties that are the primary obligors. Because the third parties are the primary obligors under these contracts, commission revenue for the unrelated-third-party extended warranty plans is recognized at the time of sale. For our domestic retail operation segment, the total extended warranty commission revenue included in total sales was $91.0 million, or 3.9 percent of domestic retail sales, in the third quarter of fiscal 2005, compared with $75.4 million, or 3.1 percent of sales, in last fiscal year's third quarter. The domestic extended warranty commission revenue included in total sales was $260.0 million, or 3.9 percent of domestic retail sales, in the first nine months of fiscal 2005, compared with $225.6 million, or 3.5 percent of sales, in the first nine months of last fiscal year. We believe that the increase primarily is due to better store-level execution. For our international retail operation segment, we are the primary obligor for our extended warranty programs. Accordingly, extended warranty revenue is deferred at point of sale and recognized as revenue over the life of the contract and was immaterial for the three and nine months ended November 30, 2004.

Gross Profit Margin

For the third quarter of fiscal 2005, the gross profit margin was 25.1 percent of sales, compared with 22.2 percent in the same period last fiscal year. The inclusion of the international segment's revenues and cost of sales, buying and warehousing contributed 87 basis points to this year's third quarter gross profit margin. The increase in the gross profit margin of our domestic segment of 207 basis points reflects

- an improvement in merchandise gross profit margins,
- an increase in extended warranty sales and
- continued increases in the efficiency of our product service and distribution operations.

The inclusion of net credit revenues in net sales and operating revenues had an immaterial impact on the third quarter gross profit margin.

For the first nine months of fiscal 2005, the gross profit margin was 24.4 percent of sales, compared with 22.6 percent for the same period last fiscal year. The inclusion of the international segment's revenues and cost of sales, buying and warehousing contributed 64 basis points to the gross profit margin for the first nine months of fiscal 2005. The increase in the gross profit margin of our domestic segment of 113 basis points for the first nine months of fiscal 2005 reflects

- continued increases in the efficiency of our product service and distribution operations and
- an increase in extended warranty commission sales.

The inclusion of net credit revenues in net sales and operating revenues had an immaterial impact on the gross profit margin for the first nine months of fiscal 2005.

Finance Income

We completed the sale of our private-label finance operation, comprised of our private-label and co-branded Visa credit card programs, to Chase Card Services on May 25, 2004. Results from the private-label finance operation through the date of the sale, including transition and transaction costs of approximately $6 million related to the sale of the operation, are included in finance income. See Note 1 and Note 12 to the consolidated financial statements in this report for additional discussion concerning the sale of our private-label finance operation.

For the three and nine months ended November 30, 2004 and 2003, the components of pretax finance income were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended November 30</th>
<th>Nine Months Ended November 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2003</td>
</tr>
<tr>
<td>Securitization income</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$25.3</td>
</tr>
<tr>
<td>Less: Payroll and fringe benefit expenses</td>
<td></td>
<td>7.0</td>
</tr>
<tr>
<td>Other direct expenses</td>
<td></td>
<td>12.7</td>
</tr>
<tr>
<td>Finance income</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ 5.6</td>
</tr>
</tbody>
</table>

Securitization income primarily is comprised of the gain on the sale of receivables generated by our private-label finance operation, income from retained interests in the credit card receivables and income related to servicing the receivables, as well as the impact of increases or decreases in the fair value of the retained interests. Securitization income is reduced by payroll, fringe benefits and other costs directly associated with the management and securitization of the private-label receivables.

Selling, General and Administrative Expenses

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended November 30</th>
<th>Nine Months Ended November 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

© 2005. EDGAR Online, Inc.
Selling, general and administrative expenses were 25.2 percent of total sales in the third quarter of this fiscal year, compared with 23.8 percent of total sales in the same period last year. The inclusion of the international segment's revenues and selling, general and administrative expenses increased this year's third quarter expense-to-sales ratio by 46 basis points.

Our domestic segment's expense-to-sales ratio rose 99 basis points. The increase was driven by:
- the impact of the domestic total sales decrease;
- an increase of approximately 40 basis points in advertising expense, which reflects the launch of our new branding campaign in October; and
- an increase of approximately 20 basis points in relocation and remodel costs.

Selling, general and administrative expenses were 24.7 percent of total sales for the first nine months of fiscal 2005, compared with 24.8 percent of total sales in the same period last year. The inclusion of the international segment's revenues and selling, general and administrative expenses increased the expense-to-sales ratio by 38 basis points for the first nine months of fiscal 2005.

During the first nine months of fiscal 2005, our domestic segment's expense-to-sales ratio declined 52 basis points. The improvement in our domestic segment's ratio was primarily driven by:
- a reduction of approximately 45 basis points in rent and occupancy costs as a percent of sales, largely driven by the closure of 19 underperforming stores in February 2004;
- a reduction of approximately 25 basis points in relocation and remodel expenses as a percent of sales, which reflects the large number of stores that were refixed in last year's second quarter; and
- a reduction of approximately 20 basis points in payroll and fringe benefit costs as a percent of sales.

These improvements were partially offset by an increase of approximately 25 basis points in advertising expenses as a percent of sales, which reflects the launch of our new branding campaign in October 2004.

Income Taxes

The estimated effective income tax rate applicable to results from continuing operations for our domestic retail operation segment for fiscal 2005 is expected to be 36.7 percent. The estimated effective income tax rate applicable to results from continuing operations for our international retail operation segment for fiscal 2005 is expected to be 38.5 percent. The consolidated effective income tax rate applicable to results from continuing operations will be the weighted average of our segments' rates.

Net Loss from Continuing Operations

The net loss from continuing operations was $5.9 million, or 3 cents per share, in the third quarter ended November 30, 2004, compared with the net loss from continuing operations of $28.1 million, or 14 cents per share, in the third quarter of last fiscal year. The international segment's results reduced the fiscal 2005 third quarter net loss from continuing operations by $5.5 million, or 3 cents per share.

For the nine months ended November 30, 2004, the net loss from continuing operations was $22.6 million, or 12 cents per share, compared with the net loss from continuing operations of $95.5 million, or 46 cents per share, for the same period last fiscal year. The international segment's results reduced the net loss from continuing operations for the first nine months of fiscal 2005 by $9.2 million, or 5 cents per share.

Net Earnings (Loss) from Discontinued Operations
On November 18, 2003, we completed the sale of our bankcard finance operation to FleetBoston Financial. Results from the bankcard finance operation are presented as results from discontinued operations. The sale agreement included a transition services agreement under which employees of our finance operation continued to service the bankcard accounts until final conversion of the bankcard portfolio to FleetBoston, which occurred on April 2, 2004. Through that date, FleetBoston reimbursed us for operating costs incurred during the transition period. We incurred severance costs ratably through the final conversion date.

The net earnings from discontinued operations totaled $25.5 million for the three months ended November 30, 2003. The total is comprised of $24.0 million of after-tax earnings from the discontinued bankcard operation and $1.5 million from the discontinued Divx operation due to a $2.3 million reduction in the provision for commitments under licensing agreements. For the nine months ended November 30, 2004, the after-tax net loss from discontinued operations totaled $1.2 million, which is comprised of post-closing adjustments related to the sale of the bankcard operation. The net loss from discontinued operations for the nine months ended November 30, 2003, was $83.4 million and is comprised of an after-tax net loss of $84.9 million from the discontinued bankcard operation and after-tax earnings of $1.5 million from the discontinued Divx operation.

Operations Outlook

Our attention is focused on building value for shareholders by providing superior consumer electronics solutions to families. We remain focused on four basic areas: 1) driving store revenue growth, 2) growing Web-based revenues, 3) stabilizing gross profit margins and 4) bringing our overall cost and expense structure in line with our current level of revenues. We believe we have the right plan in place to combine profitable revenue growth with improved in-store execution, and we have the resources to execute that plan.

Growing domestic store revenues requires a focused team effort among numerous functions including store operations, merchandising, Circuit City Direct, marketing, real estate and finance. An important component of driving sales growth is the ongoing store revitalization plan, which incorporates opening new locations in vibrant trade areas, relocating stores to better locations within existing trade areas and, to a lesser extent, improving the performance of existing stores through remodeling activities designed to improve the shopping experience.

From the beginning of fiscal 2001 through November 30, 2004, 176 Superstores, or 28 percent of our 622 domestic Superstores, had been newly constructed, relocated or fully remodeled to provide a contemporary shopping experience with easy product access and more powerful merchandising displays. We expect that ratio to reach approximately 30 percent by the end of this fiscal year.

To provide enhanced information regarding the performance of our relocated and incremental stores, we are introducing return on invested capital reporting. Beginning in fiscal 2006, return on invested capital will be the sole statistical performance measure reported for our relocated and incremental stores.

Relocated Stores. At the end of the third quarter, we had 39 relocated stores that have been open for more than six months. In their first full six months following grand opening, these 39 stores have

- an average sales change that was approximately 31 percentage points better than the sales pace of the remainder of the store base during the same time periods and
- an internal rate of return of approximately 17 percent.

The 27 relocated stores open more than 12 months have produced the following results for their 12-month periods after grand opening:

- an average sales change that was approximately 27 percentage points better than the sales pace of the remainder of the store base during the same time periods;
- a return on invested capital of approximately 11 percent; and
- a return on invested capital, excluding sublease costs on vacated stores, of approximately 19 percent.

Incremental Stores. Since initiation of the revitalization program, the company has opened 71 incremental stores. For the measured periods, incremental stores have produced the following results:

- a return on invested capital of approximately 14 percent measured at the end of the first full year after grand opening for the 42 stores that have been open for more than 12 months and
- a return on invested capital of approximately 19 percent measured at the end of the first two full years after grand opening for the 36 stores that have been more than 24 months.

We continue to anticipate that, as we add stores to the relocation base and incremental store base, the average results from relocated and incremental stores will vary.

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Fiscal 2006 Domestic Store Opening Plan. For the year ending February 28, 2006, we expect to open 30 to 40 domestic stores, of which approximately half will be relocations. We expect to open five of the stores in the first quarter. We anticipate that capital expenditures, net of sale leasebacks and tenant improvement allowances, for our domestic and international segments combined will total approximately $150 million in fiscal 2006 and that expenses related to domestic store relocations will total approximately $28 million in fiscal 2006.

RECENT ACCOUNTING PRONOUNCEMENTS

In December 2004, the Financial Accounting Standards Board issued SFAS No. 123 (revised 2004), "Share-Based Payment." SFAS No. 123(R) requires companies to recognize the compensation cost relating to share-based payment transactions in the financial statements. SFAS No. 123(R) will be effective for our third quarter of fiscal 2006. We have not yet determined the impact of adopting this standard.

FINANCIAL CONDITION

Liquidity and Capital Resources

At November 30, 2004, we had cash and cash equivalents of $752.5 million, compared with $783.5 million at February 29, 2004. The lower cash balance primarily reflects acquisition costs for InterTAN of $259.3 million, net of cash acquired, offset by net cash proceeds of $470.0 million from the sale of the private-label finance operation. During the first nine months of fiscal 2005, we also used $210.1 million of cash to repurchase common stock under our stock repurchase authorization.

At November 30, 2003, we had cash and cash equivalents of $455.3 million. The year-over-year change in the cash balance largely reflects the net cash proceeds of $470.0 million from the sale of the private-label finance operation and a $338.8 million reduction in domestic inventory, partly offset by acquisition costs for InterTAN of $259.3 million, net of cash acquired. Since the end of the third quarter of fiscal 2004 through November 30, 2004, we also used $280.5 million of cash to repurchase common stock under our stock repurchase authorization.

Operating Activities. For the nine months ended November 30, 2004, net cash provided by operating activities was $90.6 million, compared with net cash used in operating activities of $546.7 million for the nine months ended November 30, 2003. The increase in net cash provided by operating activities is primarily due to changes in merchandise inventory net of accounts payable and retained interests in securitized receivables.

Merchandise inventory increased by $832.1 million in the first nine months of fiscal 2005, compared with an increase of $1.24 billion in the first nine months of last fiscal year. The change in inventory begins to reflect an increased focus on working capital management, by more closely matching the timing of merchandise receipt into distribution centers and deployment to stores with expected sales levels, and selectively adjusting merchandise display quantities in some stores to reflect those individual store's sales.

Retained interests in securitized receivables decreased by $32.9 million in the first nine months of fiscal 2005, compared with an increase of $98.7 million in the first nine months of last fiscal year. The current year decrease relates to the sale of the private-label finance operation. The prior year increase reflects the completion of a $500 million private-label credit card securitization transaction to replace a maturing term securitization. During the third quarter of last fiscal year, we replaced a maturing term securitization with a variable funding program.

Investing Activities. For the nine months ended November 30, 2004, net cash provided by investing activities was $85.9 million compared with net cash used in investing activities of $113.0 million for the nine months ended November 30, 2003. The increase in net cash provided by investing activities is primarily due to cash proceeds of $475.9 million from the sale of the private-label finance operation offset by net acquisition costs for InterTAN of $259.3 million.

During the first nine months of fiscal 2005, we opened 44 of a planned for the year total of approximately 60 domestic Superstores, of which slightly less than half will be relocations. We anticipate that capital expenditures, net of sale leasebacks and tenant improvement allowances, for our domestic and international segments combined will total approximately $165 million this fiscal year, and will include approximately:

- $35 million related to domestic store openings,
- $60 million related to domestic relocations, one remodel and store resets to incorporate the new Verizon features and Cool Gadgets,
We anticipate that expenses related to domestic store relocations and one remodel will total approximately $41 million this fiscal year. Through the first nine months, we incurred 81 percent of the anticipated remodel and relocation expenses.

We remain committed to revitalizing our store base, but we also are committed to only accepting sites that meet our rigorous standards. In fiscal 2006, we expect to open 30 to 40 domestic Superstores, of which approximately half will be relocations. We expect to open five of the stores in the first quarter of fiscal 2006. We anticipate that capital expenditures, net of sale leasebacks and tenant improvement allowances, for its domestic and international segments combined will total approximately $150 million in fiscal 2006 and that expenses related to domestic store relocations will total approximately $28 million in fiscal 2006.

Financing Activities. For the nine months ended November 30, 2004, net cash used in financing activities was $204.6 million, compared with net cash used in financing activities of $16.3 million for the nine months ended November 30, 2003. The change primarily reflects $210.1 million used to repurchase common stock during the first nine months of this fiscal year compared with $13.9 million used during the same period last fiscal year. Based on the market value of the common stock at November 30, 2004, the remaining $105.6 million, of the $400 million total stock repurchase authorization, would allow for the repurchase of up to approximately 4 percent of the 191.2 million shares then outstanding.

We expect that available cash resources, our existing credit facility, sale-leaseback transactions, landlord reimbursements and cash generated by operations will be sufficient to fund capital expenditures and working capital for the foreseeable future.

FORWARD-LOOKING STATEMENTS

The provisions of the Private Securities Litigation Reform Act of 1995 provide companies with a "safe harbor" when making forward-looking statements. This "safe harbor" encourages companies to provide prospective information about their companies without fear of litigation. We wish to take advantage of the "safe harbor" provisions of the Act. Our statements that are not historical facts, including statements about management's expectations for fiscal 2005 and beyond, are forward-looking statements and involve various risks and uncertainties.

Forward-looking statements are estimates and projections reflecting our judgment and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Although we believe that the estimates and projections reflected in the forward-looking statements are reasonable, our expectations may prove to be incorrect. The retail industry, and the specialty retail industry in particular, are dynamic by nature and have undergone significant changes in recent years. Our ability to anticipate and successfully respond to the continuing challenges of our industry is key to achieving our expectations. Important factors that could cause actual results to differ materially from estimates or projections contained in our forward-looking statements include:

- Changes in the amount and degree of promotional intensity exerted by current competitors and potential new competition from competitors using either similar or alternative methods or channels of distribution such as online and telephone shopping services and mail order;
- Changes in general economic conditions including, but not limited to, consumer credit availability, interest rates, inflation, personal discretionary spending levels, trends in consumer retail spending, both in general and in our product categories, and consumer sentiment about the economy in general;
- The presence or absence of, or consumer acceptance of, new products or product features in the merchandise categories we sell and changes in our merchandise sales mix;
- Significant changes in retail prices for products we sell;
- Changes in availability or cost of financing for working capital and capital expenditures, including financing to support development of our business;
- Lack of availability or access to sources of inventory;
- The impact of inventory and supply chain management initiatives on inventory levels and profitability;
- Inability to liquidate excess inventory should excess inventory develop;
- Failure to successfully implement sales and profitability improvement programs for our Circuit City Superstores, including our store
revitalization plan;
o our ability to continue to generate strong sales growth through our Web site;
o availability of appropriate real estate locations for relocations and new stores;
o the cost and timeliness of new store openings and relocations;
o consumer reaction to new store locations and changes in our store design and merchandise;
o our ability and the ability of Chase Card Services to successfully integrate our retail business with the third party credit card program being offered by Chase Card Services;
o the extent to which customers respond to promotional financing offers and the types of promotional terms the company offers;
o future levels of sales activity and the acceptance of the Chase Card Services third party credit program, including the related rewards component, by consumers on an ongoing basis;
o our ability to attract and retain an effective management team or changes in the costs or availability of a suitable work force to manage and support our service-driven operating strategies;
o changes in production or distribution costs or costs of materials for our advertising;
o effectiveness of the company's brand awareness and marketing programs;
o successful implementation of our customer service initiatives;
o the imposition of new restrictions or regulations regarding the sale of products and/or services we sell, changes in tax rules and regulations applicable to us or our competitors, the imposition of new environmental restrictions, regulations or laws or the discovery of environmental conditions at current or future locations, or any failure to comply with such laws or any adverse change in such laws;
o our ability to integrate and operate InterTAN successfully and to realize the anticipated benefits of the transaction, including successfully introducing InterTAN's products in our domestic Superstores and realizing inventory purchasing synergies;
o timely production and delivery of private-label merchandise and level of consumer demand for those products;
o reduced investment returns in our pension plan;
o changes in our anticipated cash flow;
o adverse results in significant litigation matters, including the outcome and impact on InterTAN of litigation instituted by RadioShack Corporation to terminate InterTAN's right to use the RadioShack(R) name in Canada and related rights to purchase merchandise through RadioShack;
o currency exchange rate fluctuations between Canadian and U.S. dollars and other currencies; and
o the regulatory and trade environment in the U.S. and Canada.

We believe our forward-looking statements are reasonable; however, undue reliance should not be placed on forward-looking statements, which are based on current expectations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a result of the acquisition of InterTAN, we are exposed to market risk from potential changes in the U.S./Canadian currency exchange rates as they relate to inventory purchases and the translation of InterTAN's financial results.

Inventory Purchases

A portion of InterTAN's purchases are from vendors requiring payment in U.S. dollars. Accordingly, there is risk that the value of the Canadian dollar could fluctuate relative to the U.S. dollar from the time the goods are ordered until payment is made. InterTAN's management monitors the foreign exchange risk associated with its U.S. dollar open orders on a regular basis by reviewing the amount of such open orders, exchange rates, including forecasts from major financial institutions, local news and other economic factors. At November 30, 2004, U.S. dollar open purchase orders totaled approximately $18.8 million. A 10 percent decline in the value of the Canadian dollar would result in an increase in product cost of approximately $1.9 million for those orders. The incremental cost of such a decline in currency values, if incurred, would be reflected in higher cost of sales in future periods. In these circumstances, management would take product-pricing action, where appropriate.

Translation of Financial Results

Fluctuations in the value of the Canadian dollar have a direct effect on reported consolidated results due to the acquisition of InterTAN. We do not hedge against the possible impact of this risk. A 10 percent adverse change in the foreign currency exchange rate would not have a significant impact on our results of operations or financial position.

ITEM 4. CONTROLS AND PROCEDURES

Under the supervision and with the participation of the company's management, including the chief executive officer and chief financial officer, the company has evaluated the effectiveness of its "disclosure controls and procedures," as that term is defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this Quarterly Report on Form
10-Q. Based upon their evaluation, the chief executive officer and chief financial officer concluded that the company's disclosure controls and procedures are effective. There were no changes in the company's internal control over financial reporting in the quarter ended November 30, 2004, that have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On March 31, 2004, Circuit City announced a public tender offer to purchase the stock of InterTAN. Circuit City completed the acquisition and InterTAN became a wholly owned subsidiary of Circuit City on May 19, 2004. Among other things, InterTAN operates retail consumer electronics outlets under the RadioShack(R) name in Canada under a licensing agreement with a subsidiary of RadioShack Corporation. InterTAN also operates under two other agreements with RadioShack and its subsidiaries ("RadioShack"): a merchandising agreement and an advertising agreement.

After the March 31, 2004 announcement, RadioShack asserted early termination of all three agreements under a variety of theories and on a variety of proposed termination dates. RadioShack asserts that InterTAN failed to pay an annual fee in material breach of the advertising agreement and, alternatively, that a "without cause" termination of the advertising agreement triggers termination of the other agreements.

On April 5, 2004, RadioShack filed suit against InterTAN in Tarrant County, Texas, and amended that suit on April 27, 2004 (the "RadioShack litigation"). InterTAN disputes the various termination scenarios alleged by RadioShack and is vigorously defending against those claims. On May 11, 2004, InterTAN asserted a counterclaim seeking a declaration under U.S. federal trademark law that the use of the RadioShack marks is proper. Circuit City was added as a necessary party to that litigation and removed the matter to Federal Court in the Northern District of Texas. On May 12, 2004, Circuit City filed its own suit in Federal Court in the Northern District of Texas seeking a declaration under U.S. federal trademark law that the use of the marks in Canada is proper (the "Circuit City litigation"). InterTAN has cross-claimed against RadioShack based on federal trademark law and remedies for business disparagement. On December 9, 2004, the federal court remanded the RadioShack litigation back to the Texas state court. On December 14, 2004, the federal court granted RadioShack's motion to dismiss the Circuit City litigation and the related InterTAN cross-claims.

Circuit City believes that RadioShack is not entitled to early termination of the agreements and that InterTAN has substantial defenses to the RadioShack claims. Circuit City and InterTAN intend to vigorously pursue all claims and defend the claims in the RadioShack litigation. Circuit City believes that this litigation will not have a material adverse effect on the company's financial condition or results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides information about common stock repurchases by or on behalf of the company during the quarter ended November 30, 2004:

<table>
<thead>
<tr>
<th>(Amounts in millions except per share data)</th>
<th>Total Number of Shares Purchased</th>
<th>Average Price Paid per Share</th>
<th>Total Number of Shares Purchased as Part of Publicly Announced Program</th>
<th>Maximum Dollar Value of Shares that May Yet Be Purchased Under the Program*</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 1 - September 30, 2004.............</td>
<td>-</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
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<tr>
<td>October 1 - October 31, 2004..................</td>
<td>4.5</td>
<td>$15.43</td>
<td>4.5</td>
<td>$175.0</td>
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<td>November 1 - November 30, 2004...............</td>
<td>-</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Fiscal 2005 Third Quarter..............</td>
<td>4.5</td>
<td>$15.43</td>
<td>4.5</td>
<td>$175.0</td>
</tr>
</tbody>
</table>

*In January 2003, the company announced that the board of directors authorized the repurchase of up to $200 million of common stock. In June 2004, the company announced a $200 million increase in its stock repurchase authorization, raising the total repurchase capacity to $400 million. There is no expiration date under either authorization.

ITEM 6. EXHIBITS
3.1 Amended and Restated Articles of Incorporation of the company, effective February 3, 1997, as amended through October 1, 2002, filed as Exhibit 3(i) to the company's Quarterly Report on Form 10-Q for the quarter ended November 30, 2002 (File No. 1-5767), are expressly incorporated herein by this reference.

3.2 Bylaws of the company, as amended and restated June 17, 2003, filed as Exhibit 3 (iii) to the company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2003 (File No. 1-5767), are expressly incorporated herein by this reference.

4.1 Third Amended and Restated Rights Agreement, dated as of October 1, 2002, between the company and Wells Fargo Bank Minnesota, N.A., as Rights Agent, filed as Exhibit 1 to the company's Form 8-A/A filed on October 1, 2002 (File No. 1-5767), is expressly incorporated herein by this reference.

10.1 Circuit City Stores, Inc. Benefit Restoration Plan, As Amended and Restated Effective February 28, 2005, filed as Exhibit 10.1 to the company's Form 8-K filed on October 29, 2004 (File 1-5767), is expressly incorporated herein by this reference.*

10.2 Circuit City Stores, Inc. Supplemental 401(k) Plan, Effective March 1, 2005, filed as Exhibit 10.2 to the company's Form 8-K filed on October 29, 2004 (File 1-5767), is expressly incorporated herein by this reference.*

10.3 Circuit City Stores, Inc. Executive Deferred Compensation Plan, as Amended and Restated, Effective December 31, 2004, filed herewith.*

10.4 First Amendment to Amended and Restated Credit Agreement dated as of November 17, 2004, among Circuit City Stores, Inc., as Lead Borrower for the Borrowers, the Borrowers party thereto, the Lenders party thereto, and as Administrative Agent and Collateral Agent for the Lenders, filed herewith.*

10.5 Employment agreement between the company and Philip J. Schoonover effective October 4, 2004, filed as Exhibit 10.1 to the company's Form 8-K filed on October 4, 2004 (File 1-5767), is expressly incorporated herein by this reference.*

31.1 Rule 13a-14(a)/15d-14(a) Certification of CEO under Rule 13a-14(a) of the Securities Exchange Act of 1934, filed herewith.

31.2 Rule 13a-14(a)/15d-14(a) Certification of CFO under Rule 13a-14(a) of the Securities Exchange Act of 1934, filed herewith.

32.1 the Section 1350 Certification of CEO under Section 906 of Sarbanes-Oxley Act of 2002, filed herewith.

32.2 the Section 1350 Certification of CFO under Section 906 of Sarbanes-Oxley Act of 2002, filed herewith.

* Indicates management contracts, compensatory plans or arrangements of the company required to be filed as an exhibit.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CIRCUIT CITY STORES, INC.
(Registrant)

By: /s/ W. Alan McCollough

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January 7, 2005

EXHIBIT INDEX

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BACKGROUND

The Circuit City Stores, Inc. Executive Deferred Compensation Plan (the "Plan") has been adopted to promote the best interests of Circuit City Stores, Inc. (the "Company") and the stockholders of the Company by attracting and retaining key management employees possessing a strong interest in the successful operation of the Company and its subsidiaries and by encouraging their continued loyalty, service, and counsel to the Company and its subsidiaries. The Plan was originally effective October 1, 2002. Effective December 31, 2004, the Plan has been frozen and as of such date no additional deferrals or contributions may be credited under the Plan and no person who is not already a Participant as of December 31, 2004, may become a Participant in the Plan. The Plan is amended and restated effective December 31, 2004 to reflect these changes.

The Plan shall be maintained as an unfunded plan of deferred compensation for a select group of management or highly compensated employees. The Plan, therefore, is intended to be exempt from the participation, vesting, funding, and fiduciary requirements of Title I of the Employee Retirement Income Security Act of 1974.

NOW, THEREFORE, the Company agrees as follows:

ARTICLE I
DEFINITIONS

As used in the Plan, the following terms will have the meaning indicated.

1.1 Account - The record keeping account or accounts maintained to record the interest of each Participant under the Plan, pursuant to Articles IV, V, and
VI. An Account is established for record keeping purposes only and not to reflect the physical segregation of assets on the Participant's behalf, and may consist of such sub-accounts or balances as the Committee may determine to be necessary or appropriate.

1.2 Annual Bonus - Amounts payable to a Participant under the Circuit City Stores, Inc. Annual Performance-Based Bonus Plan or any other bonus plan or arrangement that provides the primary incentive to a Participant based on annual performance measures.

1.3 Base Salary - The base salary or wage payable by a Participating Employer for services performed prior to reduction for contributions by the Participant to this Plan or pre-tax or after-tax contributions by the Participant to any other employee benefit plan maintained by a Participating Employer, but exclusive of extraordinary payments such as overtime, bonuses, meal allowances, reimbursed expenses, termination pay, moving pay, commuting expenses, severance pay, non-elective deferred compensation payments or accruals, stock options, the value of employer-provided fringe benefits or coverage, all as determined in accordance with such uniform rules, regulations, or standards as may be prescribed by the Committee.

1.4 Beneficiary - The person(s) or trust(s) designated by a Participant in writing, pursuant to Article VIII, as being entitled to receive any benefit payable under the Plan by reason of the death of a Participant.

1.5 Change of Control - The occurrence of either of the following events:

a) a third person, including a "group" as defined in Rule 13d-3 of the Securities Exchange Act of 1934, becomes, or obtains the right to become, the beneficial owner of Company securities having 20% or more of the combined voting power of the then outstanding securities of the Company that may be cast for the election of directors to the Board of the Company (other than as a result of an issuance of securities initiated by the Company in the ordinary course of business); or

b) as the result of, or in connection with, any cash tender or exchange offer, merger, or other business combination, sale of assets or contested election, or any combination of the foregoing transactions, the persons who were directors of the Company before such transactions shall cease to constitute a majority of the Board or of the Board of Directors of any successor to the Company.

1.6 Code - The Internal Revenue Code of 1986, as amended, or any subsequently enacted federal revenue law. A reference to a particular section of the Code shall include a reference to any regulations issued under the section and to the corresponding section of any subsequently enacted federal revenue law.

1.7 Committee - The Compensation and Personnel Committee of the Board of Directors, unless the Board of Directors appoints a different committee. Members of the Committee may be Participants under the Plan.

1.8 Company - Circuit City Stores, Inc., a Virginia corporation.

1.9 Company Basic Match Credit - A matching amount on Participant deferrals credited by the Company to a Participant's Account pursuant to the provisions of Section 5.1.

1.10 Company Discretionary Match Credit - A matching amount on Participant deferrals credited by the Company to a Participant's Account pursuant to the provisions of Section 5.2.

1.11 Company Discretionary Enhanced Credit - An amount credited by the Company to a Participant's Account pursuant to the provisions of Section 5.3.

1.12 Deferral Election - An election by a Participant to have all or a portion of his Base Salary, Annual Bonus, or LTI Payment for a Plan Year deferred under the terms and conditions of the Plan.

1.13 Election Form - The form or forms produced by the Committee or its designees under which a Participant may record his or her Deferral Elections, Investment Options, distribution elections, and Beneficiary designation.

1.14 Employee - Any person employed by the Company as a common law employee on the Company's United States payroll.

1.15 Enrollment Period. - The time established by the Committee during which Deferral Elections may be made.
1.16 Investment Options - Any funds designated by the Committee as hypothetical investment options available to Participants for purposes of determining the amounts to be credited or debited to their Account under Section 4.2.

1.17 Retirement - A Participant's termination of employment for any reason other than death or Total Disability on or after age 65 or on or after attaining age 55 with ten (10) Years of Vesting Service.

1.18 Participant - Any Employee or former Employee for whom an Account is maintained under the Plan.

1.19 LTI Payment - Restricted stock shares awarded pursuant to the Circuit City Stores, Inc., Stock Incentive Plan which become vested and nonforfeitable under the terms of a long-term incentive award.

1.20 Plan - The Circuit City Stores, Inc., Executive Deferred Compensation Plan, as set forth in this document, as amended from time to time.

1.21 Plan Year - The twelve (12) consecutive-month period beginning January 1 and ending December 31. The first Plan Year shall begin on September 3, 2002 and end on December 31, 2002.

1.22 Related Company - Any corporation or business organization that is under common control with the Company (as determined under Code Section 414(b) or (c)), a member of an affiliated service group with the Company (as determined under Code Section 414(m)), or an entity required to be aggregated pursuant to Code Section 414(o) and the regulations thereunder.

1.23 Termination of Employment - A Participant's severance from employment with the Company for any reason, including death, retirement, resignation, discharge, or otherwise.

1.24 Total Disability - A physical or mental impairment that prevents the Participant from continuing to perform the principal functions of his or her position with the Company. The Committee shall have the complete discretion to determine if a Participant has a Total Disability.

1.25 Valuation Date - The date or dates as of which the Accounts are valued, as set forth in Section 4.4.

1.26 Year of Vesting Service - A Participant shall be credited with the same Years of Vesting Service for purposes of this Plan as the Participant is credited with under the Retirement Plan of Circuit City Stores, Inc.

ARTICLE II
ELIGIBILITY AND PARTICIPATION

2.1 Eligibility - The Committee, in its sole discretion, will select the management or highly compensated Employees eligible to become Participants in the Plan. The Committee may establish criteria for Participant status or make individual designations of Employees. Effective December 31, 2004, no Employee may be selected as a Participant in the Plan unless that individual is already a Participant on December 31, 2004.

2.2 Participation - An eligible Employee may elect to defer a portion of Base Salary, Annual Bonus and/or LTI Payment payable with respect to an upcoming Plan Year by making a Deferral Election subject to the provisions of this Plan.

ARTICLE III
PARTICIPANT DEFERRALS

3.1 Base Salary Deferrals - Each Participant may elect to defer in accordance with the terms of this Plan, up to 50% (such percentage to be a multiple of 1 %) of his or her Base Salary with respect to an upcoming Plan Year provided, however, that no deferrals may be made under the Plan with respect to Base Salary payable after December 31, 2004.

3.2 Annual Bonus Deferrals - Each Participant may elect to defer, in accordance with the terms of this Plan up to 100% (such percentage to be a multiple of 5%) of the amount payable with respect to a Plan Year to such Participant of his or her Annual Bonus, if any, provided, however, that no deferrals may be made with respect to Annual Bonus payable after December 31, 2004.

3.3 LTI Payment Deferrals - Each Participant may elect to defer, in accordance with the terms of this Plan up to 100% (such percentage to be a multiple of 5%) of the amount payable with respect to a Plan Year to such Participant of his or her LTI Payment, if any, provided, however, that no deferrals may be made with respect to any LTI Payment payable after December 31, 2004.
3.4 Maximum Deferral - Notwithstanding the deferrals elected under Sections 3.1, 3.2 and 3.3, the Company may reduce the total amount of the deferral if needed to provide for the cost of employee-paid benefits and government-mandated deductions under FICA and other programs.

3.5 First Plan Year - A Participant may make a Deferral Election for the Plan Year in which the Participant commences participation. The Deferral Election must be made on the Election Form, signed by the Participant and delivered to the Committee by the date and time established by the Committee.

3.6 Subsequent Plan Years - For each succeeding Plan Year, Deferral Elections must be made annually during the Enrollment Period established by the Committee. If no Deferral Election is made during the Enrollment Period, the Participant will not be eligible for deferrals during the next Plan Year.

3.7 Effect of Eligibility Status Change - If a Participant ceases to be an Employee or otherwise ceases to be eligible under Section 2.1, at a time when he or she has in effect for the Plan Year one or more Deferral Elections, the Deferral Election or elections will terminate with respect to any amount not yet paid at the time the individual ceases to be an Employee or otherwise ceases to be eligible under Section 2.1. Amounts already deferred into the Participant's Account will remain so credited and shall be distributed in accordance with the terms of this Plan.

3.8 Elections Irrevocable - A Deferral Election shall be irrevocable for the Plan Year for which it is made.

ARTICLE IV
ACCOUNTS

4.1 Maintenance of Participant Accounts - Bookkeeping Accounts will be established and maintained by the Plan Administrator for each Participant in which will be recorded the amounts deferred by the- Participant, any Company credits, and hypothetical earnings and losses, if any, on Account balances. The Account balance will be a bookkeeping entry only and the Company will have no obligation to set aside or hold assets to fund its obligations under this Plan.

4.2 Investment Options - At the time a Participant makes a Deferral Election, he or she will specify the Investment Options that are to be deemed to be applied to the amounts deferred pursuant to the election. No deferrals will be accepted under the Plan unless and until the Participant makes such an election. The following rules will apply to Investment Options:

a) The percentage of a Participant's current deferrals and/or Account balance to which a specified Investment Option is to be applied must be in whole percentage increments.

b) The chosen Investment Option or Options will apply to deferred amounts on and after the date on which such amounts, absent deferral, would have been paid to the Participant.

c) The Committee will have the authority to modify the rules and restrictions relating to Investment Options, including the authority to change such Investment Options prospectively, as it, in its sole discretion, deems necessary.

4.3 Investment Elections - A Participant's Account will be credited or debited with amounts equal to the amounts that would have been earned or lost with respect to the Participant's Account balance if amounts equal to that Account balance had been actually invested in the Investment Option specified by the Participant. A Participant may elect to change the manner in which Investment Options are applied to future deferrals and/or the existing Account balance, provided that notice of such election is filed in a manner and time specified by the Committee or its designee.

4.4 Valuation Date - A Participant's Account will be valued daily on each day that the New York Stock Exchange is open. The Committee may establish such other date or dates as Valuation Dates with respect to all Accounts, particular Investment Options in the Accounts or particular Accounts, with respect to which payment or another transaction is to occur.

ARTICLE V
COMPANY CREDITS
5.1 Company Basic Match Credits

a) The Company will credit a Company Basic Match Credit of 25% match on deferrals each Plan Year up to 10% of the total of the Participant’s Base Salary, Annual Bonus and LTI Payment. The Company Basic Match Credit shall be made effective as of the date of deferral, subject to forfeiture under Section 5.1(b). Effective for Plan Years after December 31, 2004, no Company Basic Match Credit shall be made to the Account of any Participant.

b) A Participant shall forfeit a Company Basic Match Credit and any related hypothetical return allocated to his or her Account for a Plan Year if the Participant is not an Employee on the last day of the Plan Year, unless the Participant:

i) terminated due to Retirement or Total Disability during the Plan Year; or

ii) died during the Plan Year.

5.2 Company Discretionary Match Credits - The Company may, in its sole discretion, credit a Company Discretionary Match Credit as an additional match based on achievement of Company performance goals or other factors during the previous Plan Year. The Company Discretionary Match Credits shall be made at such time as determined by the Committee. Effective for Plan Years after December 31, 2004, no Company Discretionary Match Credits may be made to the Account of any Participant.

5.3 Company Discretionary Enhanced Credits -

a) The Company may, in its sole discretion, credit a Company Discretionary Enhanced Credit as an additional amount to a Participant’s Account. The Company Discretionary Enhanced Credits may be in the form of additional Company contributions or in the form of enhanced hypothetical earnings on the Participant’s Account balance.

b) In the event of a Change of Control, the Company shall make a Company

Discretionary Enhanced Credit to the Accounts of all Participants. The Company Discretionary Enhanced Credit will be made no later than the effective time of the Change of Control. The amount of the Company Discretionary Enhanced Credit will be a percentage of the amount of the Participant’s Account determined for this purpose based on the following schedule. The Participant's Account balance will be determined for this purpose on a date established by the Committee no later than the effective time of the Change of Control.

<table>
<thead>
<tr>
<th>Years of Service at Time of Change of Control</th>
<th>Enhanced Credit of Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 years</td>
<td>20%</td>
</tr>
<tr>
<td>5 years to 10 years</td>
<td>30%</td>
</tr>
<tr>
<td>10 years to 15 years</td>
<td>50%</td>
</tr>
<tr>
<td>Over 15 years</td>
<td>75%</td>
</tr>
</tbody>
</table>

Notwithstanding the above, effective December 31, 2004, no Company Discretionary Enhanced Credit shall be made by the Company.

ARTICLE VI
VESTING

6.1 Participant Deferrals - Participant deferrals will at all times be 100% vested.

6.2 Company Basic Match Credits

a) Except as provided in Sections 6.5 and 6.6, Company Basic Match Credits, pursuant to Section 5.1 above, will vest according to the
following schedule:

<table>
<thead>
<tr>
<th>Years of Vesting Service</th>
<th>Vested Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 3 years</td>
<td>0%</td>
</tr>
<tr>
<td>3 or more years</td>
<td>100%</td>
</tr>
</tbody>
</table>

b) Notwithstanding the foregoing, a Participant's Company Basic Match Credit Account shall become fully vested on the first to occur of the following events, if he is then an Employee:

i) his Retirement;
ii) his Total Disability; or

iii) his death.

6.3 Company Discretionary Match Credits - Except as provided in Sections 6.5 and 6.6, vesting of Company Discretionary Match Credits will be determined by the Committee in its discretion, at the time the Company Discretionary Match Credit is awarded. All Company Discretionary Match Credits will be vested at the Participant's death or Total Disability while an Employee or at the Participant's Retirement.

6.4 Company Discretionary Enhanced Credits - Except as provided in Sections 6.5 and 6.6, Company Discretionary Enhanced Credits, pursuant to Section 5.3 above, will vest based on Years of Vested Service according to the following schedule at the Participant's Termination of Employment.

<table>
<thead>
<tr>
<th>Years of Vesting Service</th>
<th>Vested Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 years</td>
<td>0%</td>
</tr>
<tr>
<td>5 years to less than 10 years</td>
<td>50%</td>
</tr>
<tr>
<td>10 years to less than 15 years</td>
<td>75%</td>
</tr>
<tr>
<td>15 or more years</td>
<td>100%</td>
</tr>
<tr>
<td>Upon death or Total Disability</td>
<td>100%</td>
</tr>
</tbody>
</table>

6.5 Change of Control - In the event of a Change of Control, Participant Accounts, including all Company credits, will be 100% vested.

6.6 Forfeiture for Cause - If the Committee finds that the Participant was discharged by the Company for fraud, embezzlement, theft, commission of a felony, or for dishonesty in the course of his or her employment by the Company, the Participant's entire Account balance will be forfeited, except for the Participant's actual deferrals, without earnings, credits, or interest. The decision of the Committee as to the cause of the Participant's discharge will be final. No decision of the Committee will affect the finality of the discharge of the Participant by the Company in any manner.

ARTICLE VII
DISTRIBUTION ELECTIONS

7.1 Annual Elections - The Participant may elect, by type of deferral, a distribution option for the deferrals of Base Salary, Annual
Bonus or LTI Payment for each Plan Year. Subject to the provisions on Section 7.4 on the number of in-service distribution dates, a Participant may make separate elections for each type of deferral for each Plan Year.

7.2 Retirement Benefit - The Participant may elect, by type of deferral, to have his or her Account distribute benefits payable at Retirement or termination due to Total Disability. The Participant may select one of the following distribution options for benefits payable at Retirement or termination due to Total Disability:

a) Lump Sum - The payment of the full amount of the Participant's Account within 60 days of the start of the calendar year following the Participant's Retirement or termination due to Total Disability.

b) Installment Payments - Annual installments over a term of two to fifteen years, commencing within 60 days of the start of the calendar year following the Participant's Retirement or termination due to Total Disability. The Committee will determine the amount of the Participant's Account on the last business day of the Plan Year and each year thereafter. The Participant will receive an amount pursuant to the following formula:

\[
\text{Amount} = V \frac{N}{N}
\]

Where:
N represents the number of years remaining in the term, and V represents the amount of the Participant's Account as of the last day of the preceding year.

if the Participant's Account balance is less than $25,000, the Committee, at its discretion, may pay the remaining balance in a lump sum.

7.3 Rules Generally Applicable to Distributions

a) The Participant may change his or her distribution election, subject to the Committee's approval and in its sole discretion, by submitting a new Election Form to the Committee, provided that any such election must be made at least one year prior to the Participant's Retirement or termination due to Total Disability.

b) The Participant may elect to defer the lump sum payment or the starting date of installment payments for up to five years following Retirement or termination due to Total Disability. If so deferred, payment or payments will commence within 60 days of the start of the applicable calendar year.

c) The Participant's Account balance will be paid in a lump sum at Retirement or termination due to Total Disability if the Participant makes no election with respect to the benefit.

d) If the Participant dies after installment payments have commenced, the remaining Account balance will be paid to the Participant's Beneficiary over the remaining number of installments elected by the Participant. If no Beneficiary has been named, or if the Beneficiary predeceases the Participant, the remaining Account balance will be paid to the Participant's estate in a lump sum.

7.4 In-Service Distribution Election - A Participant may elect, by type of deferral, to have 100% of the Account balance (reduced by any Company Basic Match Credits or Company Discretionary Match Credits) paid in a lump sum in cash as of a specified future date set forth in the election. The future date must be at least two full years following the first day of the Plan Year for which the Deferral Election is being made. The Participant may elect a maximum of two such dates, and may continue to use those dates, as designated, with respect to future

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Deferral Elections. After an in-service distribution date has been reached and distribution has been made under an in-service election, at the next Enrollment Period the Participant may elect an additional date for an in-service distribution as long as there are no more than two such future dates. and subject to the provisions of this Section 7.4. If the Participant has a termination date prior to the time payments otherwise would commence under a payment election made under this Section 7.4, payment will commence as soon as reasonably practicable following the Participant's termination date in a lump sum in cash. Company Basic Matching Credits, Company Discretionary Match Credits and unvested Company Discretionary Enhanced Credits and related hypothetical returns not be available for in-service distribution elections.

7.5 Deferral of In-Service Distributions - A Participant may elect to defer the date of his or her in-service distribution provided that such election is made at least one year prior to the earliest date of (i) Retirement or Total Disability, or (ii) the date selected for
distribution to begin under a previously filed election. Such election may not provide for the receipt of such amounts earlier than one year from the date of election.

7.6 Termination of Employment - All benefits under the Plan will cease on the date of an Employee's Termination of Employment for reasons other than death, Total Disability or Retirement, and the Participant's vested Account balance, valued as of the date of Termination of Employment, will be paid in a lump sum as soon as practicable following Termination of Employment, subject to the terms of Section 6.6 above.

7.7 Change of Control Payment. Within 30 days after a Change of Control, a Participant may, but will not be required to, elect to have an immediate payout of all of his or her Account balances by notifying the Committee in writing. If a Participant elects to receive such a distribution, the Participant's Account will be reduced by ten percent (10%), determined immediately prior to the distribution. Payment will be made in a lump sum in cash.

7.8 Section 162(m) Limitation - If the Company determines, prior to a Change of Control, that distributions to the Participant would not be deductible by the Company as a result of the limitation under Code Section 162(m), then the Company may delay payment of all or any portion of a distribution under the Plan prior to a Change of Control to the extent necessary to insure that the distribution is deductible. Any amounts so delayed will continue to be credited or debited with hypothetical returns pursuant to Section 4.3. The amounts so delayed will be distributed to the Participant or his or her Beneficiary at the earliest possible date when deductibility of the distribution is no longer limited under Code Section 162(m). The limitation under this Section 7.8 will not apply following a Change of Control.

ARTICLE VIII

BENEFICIARY

8.1 Designation of Beneficiary - A Participant shall designate a Beneficiary to receive benefits under the Plan by submitting to the Committee a form acceptable to the Committee. If more than one Beneficiary is named, the share and precedence of each Beneficiary will be indicated. A Participant will have the right to change the Beneficiary, but no change of Beneficiary will be effective until accepted by the Committee or its designee.

8.2 Discharge of Obligations - Any payment made by the Company, in good faith and in accordance with this Plan, will fully discharge the Company from all further obligations with respect to that payment. If the Committee has any doubt as to the proper Beneficiary to receive payment hereunder, the Committee shall have the right to withhold such payment until the matter is finally adjudicated. The Committee will have no obligation to pay interest on any payment withheld under this Section 8.2.

8.3 Incompetent - If the Committee determines in its discretion that a benefit under this Plan is to be paid to a minor, or a person declared incompetent or to a person incapable of handling the disposition of property, the Committee may direct payment of the benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or incapable person. The Committee may require proof of minority, incompetence, incapacity or guardianship, as it may deem appropriate prior to distribution of the benefit. Any payment of a benefit will be a payment for the Account of the Participant and the Participant's Beneficiary, as the case may be, and will be a complete discharge of any liability under the Plan for such payment amount.

ARTICLE IX

NATURE OF COMPANY'S OBLIGATION

9.1 Unsecured Promise - The Company's obligation to the Participant under the Plan will be that of an unfunded and unsecured promise to pay money in the future. The rights of a Participant or Beneficiary under this Plan will be solely those of an unsecured general creditor of the Company. The Company will not be obligated under any circumstances to set aside or hold assets to fund its obligations under the Plan.

9.2 No Right to Specific Assets - Any assets which the Company may set aside, acquire or hold to help cover its financial liabilities under the Plan are and will remain general assets of the Company subject to the claims of its creditors. The Company does not give, and the Plan does not give, any beneficial ownership interest in any assets of the Company to a Participant or Beneficiary. All right of ownership in any assets are and remain in the Company. Any general asset used or acquired by the Company in connection with the liabilities it has assumed under the Plan will not be deemed to be held under any trust for the benefit of the Participant or any Beneficiary, and no general asset will be considered security for the performance of the obligations of the Company.

9.3 Plan Provisions - The Company's liability for payment of benefits will be determined only under the provisions of the Plan, as it may be amended from time to time.
ARTICLE X
TERMINATION, AMENDMENT OR MODIFICATION OF PLAN

10.1 Right to Terminate - The Committee may, with prospective or retroactive effect, suspend, discontinue or terminate the Plan by action of its Board of Directors at any time without the consent of Participants, stockholders or any other person, provided, however, that, without the consent of a Participant, no such action will materially and adversely affect the rights of such Participant with respect to any rights to payment of amounts credited to such Participant's Account. Notwithstanding the foregoing, the Committee may, in its sole discretion, terminate the Plan as of any date and distribute to the Participants an amount equal to the Account balances plus all vested credits, as of such date. The Committee may, in its sole discretion, also distribute to the Participants any unvested credits as of such date.

10.2 Suspension of Plan - The Company may suspend the Plan by instructing the Committee not to accept any additional Deferral Elections under the Plan. If such a suspension occurs, the Plan shall continue to operate and be effective with regard to Deferral Elections properly completed and filed prior to the effective date of such suspension.

10.3 Amendment or Modification - The Company may, at any time, amend or modify the Plan in whole or in part by the action of its Board of Directors. The amendment or modification of the Plan will not adversely affect any benefits to which a Participant or Beneficiary has become entitled under the Plan as of the date of the amendment or modification; provided, however, that the Company will have the right to accelerate installment payments by paying the Account balance in a lump sum.

ARTICLE XI
RESTRICTIONS ON ALIENATION OF BENEFITS

11.1 Non-Alienation of Benefits - Neither a Participant nor any other person will have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey in advance of actual receipt, the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are expressly declared to be, unassignable and non-transferable. No part of the amounts payable will, prior to actual payment, be subject to seizure, attachment, garnishment or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency or be transferable to a spouse as a result of a property settlement or otherwise.

ARTICLE XII
ADMINISTRATION

12.1 Powers of the Committee - The Committee will be responsible for the general administration and interpretation of the Plan and for carrying out its provisions, and will have such powers as may be necessary to discharge its duties hereunder, including, but not by way of limitation, the following powers and duties:

a) The full power and discretion to construe and interpret the Plan and to decide all questions relating to eligibility and payment of benefits hereunder.

b) To prescribe procedures to be followed by Participants in making Deferral Elections and in making distribution selections.

c) To request and receive from the Company and from Participants such information as will be necessary for the proper administration of the Plan.

d) To prepare and distribute, in such manner as it determines to be appropriate, information explaining the Plan.

e) To delegate any of its responsibilities to Company employees, and/or third parties to assist it in carrying out its duties.

f) To make, amend, interpret, and enforce all appropriate rules and regulations for the administration of the Plan; and

g) Decide or resolve any and all questions including interpretations of the Plan, as may arise in connection with the Plan.
12.2 Decisions are Binding - The determinations of the Committee and employees or agents to whom the Committee has delegated responsibilities will be final and binding on all persons for all purposes, and there will be no appeal from any ruling of the Committee that is within its authority, except as otherwise provided herein.

12.3 Expenses - All expenses that will arise in connection with the administration of the Plan, including but not limited to, the compensation and other expenses of any trustee, counsel, accountant, specialist, agent or other person who will be employed by the Committee in connection with the administration thereof, will be paid by the Company.

12.4 Effect an Other Employee Benefit Plans - Deferrals credited to a Participant's Account under this Plan shall not be considered "compensation" for the purpose of computing benefits under any qualified retirement plan maintained by the Company or a Related Company, but shall be considered compensation for welfare benefit plans, such as life and disability insurance programs, unless otherwise specifically provided by the terms of such plan.

12.5 Overpayments - If an overpayment of an Account is made under the Plan, (a) the amount of the overpayment may be set off against further amounts payable to or on account of the person who received the overpayment until the overpayment has been recovered in full, or (b) the recipient shall be required to return the amount of the overpayment to the Company. The foregoing remedy is not intended to be exclusive.

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ARTICLE XIII

CLAIMS PROCEDURE

13.1 Right to File Claim - Every Participant, former Participant, retired Participant, or Beneficiary of a Participant or former Participant will be entitled to file with the Committee a claim for benefits under the Plan. The claim must be in writing.

13.2 Denial of Claim - If the Committee denies a claim in whole or in part, the claimant will be furnished within 90 days after the Committee's receipt of the claim (or within 180 days after such receipt if special circumstances require an extension of time) a written notice of denial of the claim containing the following:

a) Specific reason or reasons for denial;

b) Specific reference to pertinent Plan provisions on which the denial is based;

c) A description of any additional material or information necessary for the claimant to perfect the claim, and an explanation of why the material or information is necessary; and

d) An explanation of the claim review procedure.

13.3 Claims Review Procedure

a) Review may be requested at any time within 90 days following the date the claimant received written notice of the denial of the claim. For purposes of this Article, a representative authorized in writing by the claimant to represent him or her may take any action required or authorized to be taken by the claimant. The Committee will afford the claimant a full and fair review of the decision denying the claim and, if so requested will:
i) Permit the claimant to review any documents that are pertinent to the claim; and

ii) Permit the claimant to submit to the Committee issues and comments in writing.

b) The decision on review by the Committee will be in writing and will be issued within 60 days following receipt of the request for review. The period for decision may be extended to a date not later than 120 days after such receipt if the Committee determines that special circumstances require extension. The decision on review will include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision of the Committee is based.

13.4 Exhaustion of Appeals - A Participant must exhaust his or her rights to file a claim and to request a review of the denial of the claim before bringing any civil action to recover benefits due under the terms of the Plan, to enforce his or her rights under the terms of the Plan, or to clarify his or her rights to future benefits under the terms of the Plan.

ARTICLE XIV
GENERAL PROVISIONS

14.1 Status of Plan - The Plan is intended to be a plan that is not qualified within the meaning of Code Section 401(a) and a plan that is unfunded within the meaning of ERISA Sections 201(2), 301(a)(3) and 401(a)(1). The Plan will be administered and interpreted to the extent possible in a manner consistent with that intent.

14.2 No Right to Employment - Nothing in this Plan will be deemed to give any person the right to remain employed by the Company, its subsidiaries or affiliates, or affect the right of the Company to terminate the Participant's employment with or without cause.

14.3 Insurance - The Company, on its own behalf or on behalf of the trustees of any trust, and, in its sole discretion, may apply for and procure insurance on the life of the Participant. The Participant will have no interest whatsoever in any such policy or policies. The Participant will cooperate in obtaining medical and other information that may be required to procure the insurance, subject to the condition that the insurance company's privacy provisions will be applicable.

14.4 Construction and Severability - For simplicity of expression, pronouns and other terms are sometimes expressed in a particular number and gender; however, where appropriate to the context, such terms will be deemed to include each of the other numbers and the other gender. Each provision of this Plan will be considered to be severable from all the other provisions so that if any provision or any part of a provision will be declared void, then the remaining provisions of the Plan that are not declared void will continue to be effective.

14.5 Delegation of Authority - Whenever the Company, under the terms of this Plan, is permitted or required to do or perform any act, the act may be done or performed by an officer of the Company, and such officer will be presumed to be duly authorized by the Board of Directors of the Company.

14.6 Captions - The captions of the articles, sections and paragraphs of this Plan are for convenience only and will not control or affect the meaning or construction of any of its provisions.
14.7 Notice - Any notice or filing required or permitted to be given to the Committee under this Plan will be sufficient if in writing and hand-delivered, or sent by registered or certified mail, to the address below:

Circuit City Stores, Inc. Senior Vice President of Human Resources 9950 Mayland Drive Richmond, VA 23233-1464

Such notice will be deemed given as of the date of delivery or, if delivery is made by mail, as of two business days following the date shown on the postmark on the receipt for registration or certification.

Any notice or filing required or permitted to be given to a Participant under this Plan will be sufficient if in writing and hand-delivered, or sent by mail, to the last known address of the Participant.

14.8 Governing Law - This Plan will be construed and administered in accordance with the laws of the Commonwealth of Virginia to the extent that Federal law does not preempt such laws.

This plan document has been executed on behalf of the Company this 7th date of January, 2005.

CIRCUIT CITY STORES, INC.

/s/ Philip J. Dunn

(Name)

Senior Vice President, Treasurer & Controller

(Title)
FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") dated as of November ___, 2004 among

CIRCUIT CITY STORES, INC., a corporation organized under the laws of the State of Virginia having a place of business at 9950 Mayland Drive, Richmond, Virginia, as Lead Borrower for the Borrowers, being

said CIRCUIT CITY STORES, INC.,

CIRCUIT CITY STORES WEST COAST, INC., a corporation organized under the laws of the State of California having a place of business at 680 S. Lemon Avenue, Walnut, California 91789;

ORBYX ELECTRONICS, LLC, a limited liability company organized under the laws of the State of Delaware, having a place of business at 501 Cheryl Lane, Walnut, California 91789; and

INTERTAN CANADA LTD., a corporation organized under the laws of the Province of Ontario, Canada having its head office at 279 Bayview Drive, Barrie, Ontario, Canada L4M 4W5; and

the LENDERS party hereto; and

FLEET RETAIL GROUP, INC., as Administrative Agent and Collateral Agent for the Lenders (the "Agent"), a Delaware corporation, having its principal place of business at 40 Broad Street, Boston, Massachusetts 02109; and

in consideration of the mutual covenants herein contained and benefits to be derived herefrom.

WITNESSETH:

WHEREAS, the Borrowers, Lenders and the Agent, among others, have entered into a certain Amended and Restated Credit Agreement dated as of July 8, 2004 (the "Credit Agreement"); and

WHEREAS, the Borrowers and the Required Lenders desire to amend and modify certain terms and provisions of the Credit Agreement to change certain defined terms contained therein;

NOW THEREFORE, in consideration of the mutual promises and agreements herein contained, the parties hereto hereby agree that the Credit Agreement is hereby amended as follows:

1. Incorporation of Terms and Conditions of Credit Agreement. All of the terms and conditions of the Credit Agreement (including, without limitation, all definitions set forth therein) are specifically incorporated herein by reference. All capitalized terms not otherwise defined herein shall have the same meaning as in the Credit Agreement.

2. Representations and Warranties. Each Borrower hereby represents and warrants that (i) no Default by any Borrower exists under the Credit Agreement or under any other Loan Document, and (ii) all representations and warranties contained in the Credit Agreement and the other Loan Documents are true and correct as of the date hereof.

3. Amendment to Article I of the Credit Agreement. Section 1.01 of the Credit Agreement is hereby amended as follows:

a. The definition of "Permitted Investments" is hereby deleted in its entirety and the following substituted in its stead:

"Permitted Investments" means each of the following:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) United States Government Obligations - Any obligation including Federal Agency Securities issued, sponsored or backed by the United States Government with a maturity of 365 days or less with a credit rating of at least "AAA" as used by S&P or "Aaa" as used by Moody's;
(c) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above (without regard to the limitation on maturity contained in such clause) and entered into with a financial institution satisfying the criteria described in clause (e) below or with one of the primary dealers regulated by the Federal Reserve that is at least 102% collateralized by US Government Obligations;

(d) Investments in commercial paper issued by a domestic corporation maturing within 270 days from the date of purchase and having, at such date of purchase, a credit rating of at least "A-2" or "P-2" from S&P or from Moody's;

(e) Investments in certificates of deposit, banker's acceptances and time deposits maturing within 365 days from the date of acquisition thereof issued or guaranteed by or placed with, and demand deposit and money market deposit accounts, and master notes issued or offered by, any domestic office of any commercial bank or financial institution organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than $500,000,000;

(f) Variable Rate Demand Obligations or Notes which have a rating of at least "A1" by S&P or "P1" by Moody's or which are backed by letters of credit, liquidity facilities or special purchaser's agreement with a financial institution satisfying the criteria described in clause (e) above and maturing not later than 365 days after purchase;

(g) Money Market Funds which comply with the provisions of Rule 2a-7 of the Securities and Exchange Commission or any investment fund regulated and advised by a Registered Investment Advisor under Rule 3c-7 or money market funds which comply with the provisions of Rule 3c-7 of the Securities and Exchange Commission;

(h) Shares of mutual funds which have a rating of at least "AA" as used by S&P or "Aa" as used by Moody's and have a weighted average maturity of 365 days or less when purchased;

(i) Auction Rate Securities or Auction Preferred Stock-ARS, SAVRS, having a rating of single A or better by one of the national rating agencies and with an auction period of no longer than 90 days;

(j) Asset-backed commercial paper which matures not later than 270 days following the date of purchase and which certificates are rated at least "A-2" from S&P or "P-2" from Moody's;

(k) Obligations of any corporation organized under the laws of any state of the United States of America or under the laws of any other nation, payable in the United States of America, maturing within 365 days from the date of purchase and having a rating of at least "A" by S&P or Moody's at the time of purchase;

provided that, notwithstanding the foregoing, after the occurrence and during the continuance of a Cash Dominion Event, no such Investments shall be made by a Borrower (and no Investments then existing shall be extended past the then maturity date thereof) unless (i) either (A) no Loans are then outstanding, or (B) the Investment is a temporary Investment pending expiration of an Interest Period for a LIBO Loan or a BA Equivalent Loan, the proceeds of which Investment will be applied to the Obligations after the expiration of such Interest Period, and (ii) such Investments are pledged by the applicable Borrower to the Collateral Agent as additional collateral for the Obligations and Other Liabilities pursuant to such agreements as may be reasonably required by the Agents.

4. No Further Modification. Except as expressly modified in the manner set forth above, the Credit Agreement and the other Loan Documents shall remain unmodified and in full force and effect.

5. No Claims; Waiver. Each Borrower acknowledges, confirms and agrees that as of the date hereof such Borrower has no knowledge of any offsets, defenses, claims or counterclaims against the Lender with respect to, under or relating to the Loan, the Loan Documents, or the transactions contemplated therein, and, to the extent that such Borrower has or has ever had any such offsets, defenses, claims or counterclaims arising on or before the date hereof, such Borrower hereby specifically WAIVES and RELEASES any and all rights to such offsets, defenses, claims or counterclaims.

6. Binding Agreement. The terms and provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their heirs, representatives, successors and assigns.

7. Multiple Counterparts. This Amendment may be executed in multiple counterparts, each of which shall constitute an original and together which shall constitute but one and the same instrument.

8. Governing Law; Sealed Instrument. This Amendment shall be construed, governed, and enforced pursuant to the laws of The Commonwealth of Massachusetts (except and as to the limited extent expressly provided in the Credit Agreement) and shall take effect as a sealed instrument.
IN WITNESS WHEREOF, this Amendment has been duly executed and delivered by each of the parties hereto as a sealed instrument as of the date first above written.

CIRCUIT CITY STORES, INC.
as Lead Borrower and Borrower

By:      /s/Philip J. Dunn
Name:  Philip J. Dunn
Title:  Senior Vice President,
Treasurer and Controller

CIRCUIT CITY STORES WEST COAST, INC.
as Borrower

By:      /s/Philip J. Dunn
Name:  Philip J. Dunn
Title:  Vice President and Treasurer

ORBYX ELECTRONICS,
LLC as Borrower By
its sole member
Circuit City Stores West Coast, Inc.

By:      /s/Philip J. Dunn
Name:  Philip J. Dunn
Title:  Vice President and Treasurer

INTERTAN CANADA LTD., as Canadian Borrower

By:      /s/Jeff Losch
Name:  Jeff Losch
Title:  Sen. V.P. General Counsel
FLEET RETAIL GROUP, INC.,
as Agent, and as Domestic Lender

By: /s/Kathleen Dimock
Name: Kathleen Dimock
Title: Managing Director

BANK OF AMERICA, N.A., [acting through its Canada branch], as Canadian Lender

By: /s/Nelson Lam
Name: Nelson Lam
Title: Vice President

GENERAL ELECTRIC CAPITAL CORPORATION, as Domestic Lender

By: /s/Todd Gromski
Name: Todd Gromski
Title: Duly Authorized Signer

GE CANADA FINANCE HOLDING COMPANY, as Canadian Lender

By: /s/Stephen B. Smith
Name: Stephen B. Smith
Title: President
CONGRESS FINANCIAL CORPORATION (CENTRAL), as Domestic Lender

By: /s/Laura Wheeland___________
    Name: Laura Wheeland_________
    Title: Vice President__________

CONGRESS FINANCIAL CORPORATION (CANADA), as Canadian Lender

By: /s/Laura Wheeland___________
    Name: Laura Wheeland_________
    Title: Vice President__________

WELLS FARGO FOOTHILL, LLC, as Domestic Lender

By: /s/Maged Glebrial______________
    Name: Maged Glebrial_________
    Title: Vice President__________

THE CIT GROUP/BUSINESS CREDIT, INC., as Domestic Lender

© 2005. EDGAR Online, Inc.
By: /s/Steven Schuit
    Name: Steven Schuit
    Title: Vice President

NATIONAL CITY BUSINESS CREDIT,
INC., as Domestic Lender

By: /s/Joseph L. Kwasny
    Name: Joseph L. Kwasny
    Title: Director

JP MORGAN CHASE BANK, N.A.,
formerly known as JP MORGAN CHASE
BANK, as Domestic Lender

By: /s/James M. Barbato
    Name: James M. Barbato
    Title: Vice President

FIFTH THIRD BANK, as
Domestic Lender

By: /s/David C. Melin
    Name: David C. Melin
    Title: Vice President

SIEMENS FINANCIAL SERVICES, INC.,
as Domestic Lender
Exhibit 31.1

I, W. Alan McCollough, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Circuit City Stores, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 7, 2005

/s/W. Alan McCollough
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W. Alan McCollough
Chairman, President
and
Chief Executive

Exhibit 31.2

I, Michael E. Foss, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Circuit City Stores, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervisions, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 7, 2005

/s/Michael E. Foss

Michael E. Foss
Senior Vice President and
Chief Financial Officer
CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Circuit City Stores, Inc. (the "Company") Quarterly Report on Form 10-Q for the quarter ended November 30, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, W. Alan McCollough, Chairman, President and Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1). The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2). The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 7, 2005
By: /s/ W. Alan McCollough

W. Alan McCollough
Chairman, President and
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Circuit City Stores, Inc. and will be retained by the company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Circuit City Stores, Inc. (the "Company") Quarterly Report on Form 10-Q for the quarter ended November 30, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael E. Foss, Senior Vice President and Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1). The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2). The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 7, 2005
By: /s/ Michael E. Foss

Michael E. Foss
Senior Vice President and
Chief Financial Officer

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A signed original of this written statement required by Section 906 has been provided to Circuit City Stores, Inc. and will be retained by the company and furnished to the Securities and Exchange Commission or its staff upon request.
End of Filing