



Circuit City to Sell Private-Label Credit Card Operation to Bank One

RICHMOND, Va. and CHICAGO, Jan. 20, 2004 - Circuit City Stores, Inc. (NYSE:CC) has agreed to sell its private-label credit card operation, including both its private-label Circuit City credit card accounts and its co-branded Circuit City Plus Visa credit card accounts, to Bank One Corporation (NYSE:ONE) for the par value of the receivables, and Circuit City and Bank One will enter into an ongoing arrangement under which Bank One will offer private-label and co-branded credit cards to both new and existing customers.

As part of the ongoing relationship, Bank One will compensate Circuit City for each new account opened and provide special financing terms for Circuit City customers. The two companies also plan to jointly develop and introduce new features, products and services to drive additional sales at Circuit City. At Nov. 30, 2003, the private-label operation included receivables and related cash reserves of \$1.8 billion and approximately 1.5 million active customers.

"This sale further simplifies the investment picture for Circuit City shareholders and allows us to focus our attention on the needed improvements in our retail business," said W. Alan McCollough, chairman, president and chief executive officer of Circuit City Stores, Inc. "At the same time, the agreement with Bank One recognizes the strategic importance of the private-label credit programs to our retail success and the need to ensure a seamless transition for our customers. Bank One supports our commitment to superior customer service and will support special promotional financing programs for qualified customers. Equally important, we are pleased that this agreement with Bank One will provide continued employment for a large number of our finance operation Associates."

"This purchase allows us to add receivables while efficiently acquiring the expertise and operating systems associated with private-label credit card lending," said William I. Campbell, chief executive officer of Bank One's Card Services unit. "We look forward to working closely with Circuit City to offer its customers products and services of compelling value."

Circuit City anticipates that the ongoing relationship with Bank One, with an initial term of seven years, will generate a pretax earnings contribution similar to the finance income the company would generate if the retailer maintained ownership of its private-label finance operation. Under the terms of the agreement, Circuit City would sell the private-label receivables to Bank One at par value. The retailer expects to incur an after-tax loss of approximately \$10 million, or approximately 5 cents per share, primarily driven by transition- and transaction-related expenses.

Circuit City previously estimated that it would incur an after-tax loss related to the sale of its bankcard operation announced in November. Approximately \$4.2 million of that estimated loss related primarily to lease termination and was expected to be

incurred in next fiscal year's first quarter. Bank One's expected use of Circuit City's real estate would eliminate that portion of the estimated loss.

Circuit City's net cash proceeds from the sale of the private-label operation will depend upon the retailer's retained interest in the receivables at the time of closing. Based upon receivable balances at Nov. 30, 2003, the after-tax net cash proceeds from the sale would be approximately \$355 million.

Bank One expects that the transaction, when completely integrated, will be slightly accretive to earnings in 2004.

The companies expect to close the transaction, which is subject to regulatory approvals and other consents, in the second calendar quarter of 2004. At closing, Bank One expects to assume control of the portfolio and the private-label credit card operation, including all of the operating center in Atlanta and part of the center in Richmond, Va.

First Annapolis Capital, Inc. is acting as advisor to Circuit City in connection with the transaction.

Circuit City Conference Call Information

Circuit City will host a conference call for investors at 2:00 p.m. ET today to discuss today's announcement. Domestic investors may access the call at (800) 299-0433 (passcode: Circuit City). International investors may access the call at (617) 801-9712 (passcode: Circuit City). A live Web cast of the conference call will be available on Circuit City's investor information home page at <http://investor.circuitcity.com> and at www.streetevents.com.

A replay of the call will be available beginning at approximately 4:00 p.m. ET today and will be available through midnight, January 27. Domestic investors may access the recording at (888) 286-8010, and international investors may dial (617) 801-6888. The access code for the replay is 35899435. A replay of the call also will be available on the Circuit City investor home page and at www.streetevents.com.

About Circuit City Stores, Inc.

With headquarters in Richmond, Va., Circuit City Stores, Inc. puts the customer first with high-quality service and more than 5,000 consumer electronics products available in its stores and online at www.circuitcity.com. Top-quality, low-priced products; detailed product information; and product specialists, who complete extensive online and in-store training programs, are all a part of Circuit City's promise to provide superior consumer electronics solutions to its customers. Circuit City's remodel and relocation program reflects the changing needs of consumer electronics shoppers; the stores are brighter and more open; the aisles are wider and virtually every product Circuit City sells is on the sales floor for easy customer access. Circuit City operates 618 Circuit City Superstores and five mall-based stores in 159 markets.

About Bank One Corporation

Bank One Corporation is the nation's sixth-largest bank holding company, with assets of \$290 billion. Bank One currently has more than 51 million credit cards issued, making it the largest Visa credit card issuer in the world. Bank One offers a full range of financial services to large corporate and middle market commercial customers and

retail consumers. This press release and additional information can be found on the Web at www.bankone.com.

Forward-Looking Statements

This release contains forward-looking statements, which are subject to risks and uncertainties, including without limitation (1) when or whether the sale of Circuit City's private-label operation to Bank One will be completed; (2) whether the sale will be completed on the terms announced, including without limitation the ultimate sale price for the private-label operation and the net cash proceeds to Circuit City from that sale; (3) regulatory approvals and other consents that may be required and the conditions that may be imposed in connection with obtaining those approvals or consents; (4) the timing and amount of any adjustments affecting the proceeds from the sale; transaction costs, including the costs associated with securing necessary consents, regulatory and other approvals; future levels of facility usage; and severance costs or post-closing adjustments to income that may be required; (5) future levels of sales activity and acceptance of the program by consumers on an ongoing basis and (6) the ability of the two companies to successfully integrate Circuit City's retail business with the third-party credit card program to be offered by Bank One. Additional discussion of factors that could cause actual results to differ materially from management's projections, forecasts, estimates and expectations is set forth under Management's Discussion and Analysis of Results of Operations and Financial Condition in the Circuit City Stores, Inc. Annual Report for fiscal 2003 and Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2003, and in the company's other SEC filings. A copy of the Annual Report is available on the company's Web site at www.circuitcity.com.

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