EXHIBIT D

LIQUIDATION ANALYSIS

Movie Gallery Inc.
Chapter 7 Liquidation Analysis Summary
($ Thousands)

	ASSETS	MGUS Balance	HEC Balance	Consolidated Balance	Estimated Recovery %	Total Estimated Recovery
	Current Assets					
(1)	Cash and cash equivalents	$ 41,664	$ 34,089	$ 75,753	100%	$ 75,753
(2)	Merchandise inventory	28,921	124,105	153,025	39%	59,221
(3)	Prepaid expenses	11,434	39,503	50,937	74%	37,919
(4)	Accounts Receivable	1,403	4,832	6,235	57%	3,534
(5)	Store supplies and other	4,018	3,348	7,366	48%	3,504
	Assets held for sale	-	-	-	0%	-
	Total Current Assets	**87,440**	**205,876**	**293,316**	***61%***	**179,931**
(2)	Rental inventory, net	96,586	130,134	226,721	39%	87,741
(6)	Property, furnishings and equipment, net	53,402	69,867	123,269	9%	11,616
	Goodwill, net	-	-	-	0%	-
(7)	Other intangibles, net	30,152	20,323	50,475	0%	-
(8)	Deferred income tax asset, net	1,774	-	1,774	0%	-
(9)	Deposits and other assets	3,826	3,563	7,389	84%	6,223
	Investment in subsidiaries	-	-	-	0%	-
	Total Non-Current Assets	**185,740**	**223,887**	**409,628**	***26%***	**105,580**
	Total Assets/Proceeds	**273,180**	**429,764**	**702,944**	***41%***	**285,511**
	Chapter 7 Liquidation Expenses					
(10)	Wind-down Costs					(55,200)
(11)	Professional Fees					(6,000)
(11)	Trustee Fees and Commissions					(7,726)
	Total Liquidation Expense					**(68,926)**
	Net Proceeds Available for Distribution					**216,585**

	DISTRIBUTIONS	Total Estimated Claim	Total Distribution %	Total Estimated Distribution
	Less: Secured Claims			
(12)	DIP Term Loan	101,993	100%	101,993
(12)	LT Debt Facility (1st Lien)	598,374	19%	114,592
(12)	Outstanding LCs (1st Lien)	25,030	0%	-
(12)	LT Debt Facility (2nd Lien)	189,576	0%	-
	Total Secured Claims	**914,973**	***24%***	**216,585**
	Remaining Distributable Value			-
(13)	**Less: Chapter 11 Admin & Priority Claims**	**103,287**	*0%*	**-**
	Remaining Distributable Value			-
	Less: General Unsecured Claims			
(14)	Subordinated Debt	341,861	0%	-
(14)	Other General Unsecured Claims	207,000	0%	-
	Total Unsecured Non-Priority Claims	**548,861**	***0%***	**-**
	Distributable Value Available for Equity			-
	Total Estimated Claims/Distribution	**$ 1,567,121**	***14%***	**$ 216,585**

ASSUMPTIONS AND FOOTNOTES TO ACCOMPANY HYPOTHETICAL LIQUIDATION ANALYSIS

The Debtors with the assistance of their restructuring and financial advisors, have prepared this hypothetical liquidation analysis (the "Liquidation Analysis") in connection with the Disclosure Statement. The Liquidation Analysis indicates the estimated values that may be obtained by Classes of Claims upon disposition of assets, pursuant to a chapter 7 liquidation, as an alternative to continued operation of the Debtors' business under the Plan. Accordingly, asset values discussed herein may be different than amounts referred to in the Plan. The Liquidation Analysis is based upon the assumptions discussed herein and in the Disclosure Statement. All capitalized terms not defined in this Liquidation Analysis have the meanings ascribed to them in the Disclosure Statement.

The Liquidation Analysis has been prepared assuming that the Debtors' current Chapter 11 Cases convert to chapter 7 cases on or about December 31, 2007 (the "Liquidation Date"), the Debtors' operations are wound down in an orderly manner and their assets are liquidated. The Liquidation Analysis is based on the unaudited book values as of December 2, 2007, unless otherwise stated. These book values are assumed to be representative of the Debtors' assets and liabilities as of the Liquidation Date. The Liquidation Analysis represents an estimate of recovery values and percentages based upon a hypothetical liquidation of the Debtors if a chapter 7 trustee (the "Trustee") were appointed by the Bankruptcy Court to convert assets into cash. The determination of the hypothetical proceeds from the liquidation of assets is an uncertain process involving the extensive use of estimates and assumptions that, although considered reasonable by the Debtors' management, are inherently subject to significant business, economic and competitive uncertainties and contingencies beyond the control of the Debtors and their management. ACCORDINGLY, NEITHER THE DEBTORS NOR THEIR ADVISORS MAKE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS OF A LIQUIDATION OF THE DEBTORS WOULD OR WOULD NOT APPROXIMATE THE ASSUMPTIONS REPRESENTED HEREIN. ACTUAL RESULTS COULD VARY MATERIALLY.

In preparing the Liquidation Analysis, the Debtors have estimated an amount of allowed claims for each class of claimants based upon a review of the Debtors' Schedules. Additional claims were estimated to include certain post-petition obligations. The estimate of all allowed claims in the Liquidation Analysis is based on the book value of those claims. No order or finding has been entered or made by the Bankruptcy Court estimating or otherwise fixing the amount of Claims at the projected amounts of allowed claims set forth in the Liquidation Analysis. The estimate of the amount of allowed claims set forth in the Liquidation Analysis should not be relied upon for any other purpose, including, without limitation, any determination of the value of any distribution to be made on account of allowed claims under the Plan. The actual amount of allowed claims could be materially different from the amount of claims estimated in the Liquidation Analysis. The Liquidation Analysis envisions the orderly wind-down and liquidation of substantially all of the Debtors' U.S. operations over a six month period (the "Wind-Down Period").

The Liquidation Analysis does not include estimates for the tax consequences that may be triggered upon the liquidation and sale events of assets in the manner described above. Such tax consequences may be material. In addition, the Liquidation Analysis does not include recoveries resulting from any potential preference, fraudulent transfer or other litigation or avoidance actions.

The following notes describe the significant assumptions that were made with respect to assets and wind-down expenses.

ASSET RECOVERY

1. **Cash**
    a. Represents forecasted cash held at store depository accounts and corporate accounts as of 12/31/07. This balance was obtained from the Debtors' latest financial projections. A 100% recovery is assumed.

2. **Inventory**
    a. Inventory recovery was based on analysis of the Debtors' recent store closing and inventory liquidation history. Based on such history, the Debtors have determined to apply a 44.7% "Net Recovery Value", assuming an orderly liquidation. The "Net Recovery Value" indicates the cash recovery percentage of inventory book cost after all liquidation expenses and agent fees.
    b. The Net Recovery Value was applied to the book value of rental and merchandise inventory less an estimate for ineligibles (6%), which primarily consists of shrink and damaged (return to vendor) merchandise. The inventory balances were obtained from the unaudited Period 12 Trial Balance.
    c. The Net Recovery Value assumes all normal-course operations would cease immediately and all owned inventory as of the commencement of the liquidation would be liquidated in the retail stores over a period of approximately six months.

3. **Prepaid Expenses**
    a. Prepaid operating expenses (i.e., prepaid advertising, insurance, postage, computer maintenance) comprise approximately 10% of the total prepaid expenses. These prepaid expenses are assumed to have either no value in a liquidation or are offset in full by the corresponding wind-down expense.
    b. Prepaid Rent comprises approximately 70% of the balance and is assumed fully recoverable as rent expense is reflected in the operating wind-down costs and inventory Net Recovery Value.
    c. Prepaid Games and Movie Products comprise approximately 20% of the total prepaid expenses. Recovery is assumed at 38.7% (including estimate for ineligibles), which is consistent with the net inventory recovery percentage.

4. **Net Accounts Receivable**
    a. Approximately 60% of the accounts receivable balance consists of 3rd party business customer and store receivables. Recovery was assumed at 85% which is consistent with a typical accounts receivable advance rate.
    b. Approximately 30% of the accounts receivable balance consists of "other" items such as, vendor rebates, lease claims, and litigation receivables and is assumed to be 50% recoverable in a liquidation.
    c. A small percentage of the accounts receivable balance consists of non-cash receivables and balances due from employees. No recovery was assumed for these balances.

5. **Store Supplies and Other**
    a. The "store supplies and other" balance is comprised primarily of prepaid shipping and various office supplies (i.e., tape supplies, signage, forms, plastic gift cards, etc.). These prepaid expenses (excluding gift card supplies) are assumed to be 50% recoverable and utilizable to offset the wind-down costs.

6. **Property, Furniture and Equipment**
    a. The "property, furniture and equipment" category is comprised primarily of store furniture and fixtures, computer hardware, owned store real estate, leasehold improvements, and capitalized asset retirement obligations.
    b. Leasehold improvements net book values predominantly represent Movie Gallery and Hollywood Video improvements in leased stores. No recovery is assumed (0%).
    c. Owned Store real estate and equipment (i.e., Land and Buildings) are assumed recoverable at 50% of net book value, excluding commissions.
    d. Store furniture and fixture recovery was based on analysis of the Debtors' recent store closing and property liquidation history. Assuming an orderly liquidation, the total recovery on store furniture

and fixtures was based on the average per store recovery multiplied by the total numbers of stores liquidated. All liquidation expenses and agent fees were included in the net recovery on inventory and, therefore, were not deducted from this amount.

e. Asset retirement obligations are assumed to have no recovery value.

7. Intangibles

a. The Hollywood Video and Game Crazy Trademark, customer lists, and non-compete agreement were assigned an estimated value of $0.

b. Approximately 60% of "intangible and other assets" balance is comprised of deferred financing costs. It is assumed that these will have no value in a liquidation scenario.

8. Deferred Income Tax Asset

a. The "deferred income tax asset" balance is comprised primarily of temporary differences in the income tax provision. It is assumed that this will have no value in a liquidation scenario.

9. Deposits and Other Assets

a. The "deposits and other assets" category primarily includes leased store security and utility deposits and vendor deposits. These deposits are assumed fully recoverable as the expense is already included in the wind-down costs and Net Recovery Value on inventory. Non-utilities' vendor deposits (i.e. concessions) are assumed to be non-recoverable.

<u>CHAPTER 7 COSTS</u>

The Liquidation Analysis assumes an orderly wind-down of the Debtors' operations during a six-month period. The proceeds from a chapter 7 liquidation would be reduced by administrative costs incurred during the wind-down of operations, the disposition of assets and the reconciliation of claims. These costs include professional and trustee fees, commissions, salaries, severance, interest payable under the DIP Credit Agreement, retention costs, and certain occupancy costs. If the wind-down of operations, disposition of assets and reconciliation of claims takes longer than the assumed liquidation period, actual administrative costs may exceed the estimate included in this Liquidation Analysis.

10. Wind-Down Expenses

a. General and Administrative: These expenses are based on the Debtors' detailed monthly 2008 expense budgets. As compared to normal going-concern operating expense levels, the liquidation scenario assumes administrative expenses at 100% in month 1, gradually reduced by one-sixth of this amount for the five subsequent months. A higher level of expense was assumed necessary during the initial months to support the in-store liquidation. Thereafter, administrative expenses would be required to principally support other asset sales, collection of receivables and administration of claims. No provision has been made within the operations budget for a formal severance plan, which could increase the wind-down expenses.

b. Operating and Selling: All of the store-related expenses required to support the liquidation of inventory were included in the Net Recovery Value and therefore presumed to be recovered from the liquidating agent, including the payment of certain liquidation and closure performance bonuses to various district and store-level employees. Any other store related costs not included in the Net Recovery Value were included in the wind-down budget, for the first three months (January through March), at a contingency amount of 5% of the Debtors' forecasted going-concern levels.

c. Professional Fee Carve Out: Also included in the wind-down expenses are accrued but unpaid professional fees that are subject to the professional fee carve out under the DIP Credit Agreement through the Liquidation Date.

11. Commissions, and Professional and Trustee fees

i. Commissions:

1. The Debtors assume they would pay commissions equal to 15% of gross proceeds for Land and Building sales.

ii. Trustee Fees
   1. The Debtors assume they would pay commissions equal to 3% of gross proceeds (less cash) for chapter 7 liquidating trustee.
   2. The Debtors assume they would pay the maximum U.S. Trustee Fee of $10,000 per quarter for 2 entities (Movie Gallery US, LLC and Hollywood Entertainment Corporation), and the minimum quarterly fee of $250 for the remaining 4 entities (Movie Gallery, Inc., M.G.A. Realty I, LLC, M.G. Digital, LLC and M.G. Automation LLC).

iii. Professional Fees
   1. The Debtors assume they would pay approximately $1 million a month over the liquidation period for legal and consulting fees.

CLAIMS

12. Secured Claims

a. The Debtors project borrowings of approximately $100 million under the DIP Credit Agreement at the beginning of the liquidation period. In addition, the analysis assumes that the $50 million revolving loan facility under the DIP Credit Agreement will not be drawn upon, which is consistent with the cash balance in this Liquidation Analysis. This Liquidation Analysis indicates that DIP Credit Agreement Claims would receive a full recovery in a chapter 7 liquidation scenario.
b. This Liquidation Analysis assumes all outstanding letters of credit would be drawn as of the Liquidation Date. These letter of credit amounts are reflected in the balance shown for First Lien Claims under the First Lien Credit Facilities. This Liquidation analysis indicates that First Lien Claims would receive a partial recovery, and that Second Lien Claims would receive no recovery in a chapter 7 liquidation scenario.
c. The balances shown for the various secured claims against the Debtors include forecasted accrued interest as of the Liquidation Date.

13. Chapter 11 Administrative and Priority Claims

The "chapter 11 administrative and priority claims" balance is comprised of the following:

a. a projected balance as of December 31, 2007 of postpetition trade accounts payable, using the Debtors' latest financial projections and excludes prepetition Studio/Game vendor accounts payable, which were included in 2007 projections as postpetition accounts payable due to the expected execution of Accommodation Agreements;
b. the Debtors' estimated obligations for customer programs, including postpetition merchandise gift cards, trade credits, pre-sales, subscriptions, and warranty claims;
c. the Debtors' estimate of claims arising from postpetition executory contracts or contract termination fees, if applicable;
d. the Debtors' estimated liability for postpetition and other priority taxes and other miscellaneous administrative expenses, including accrued professional fees; and
e. the Debtors' estimate of claims for merchandise shipped 20 days prior to Commencement Date.

14. General Unsecured Claims

This balance includes estimates for all unsecured non-priority claims arising prior to the commencement of the Chapter 11 Cases. The most significant claims in this category include claims related to the 9.625% Senior Subordinated Notes and the 11% Senior Notes. Also included within the "General and Unsecured Claims" balance are the Debtors' estimates of prepetition trade accounts payable, accrued liabilities, lease rejection claims, litigation claims, employee claims, other executory rejection claims, and studio revenue sharing audit claims.