

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF INTERTAN CANADA LTD. AND
TOURMALET CORPORATION

APPLICANTS

**AFFIDAVIT OF PETER TETI
(Sworn January 12, 2009)**

I, Peter Teti, of the Town of Oakville, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am a Director of N M Rothschild & Sons Canada Securities Limited ("Rothschild Canada"). Rothschild Canada and Rothschild, Inc. ("RINC" and together with Rothschild Canada "Rothschild") are providing investment banking services to the Applicant, InterTAN Canada Ltd. ("InterTAN") with respect to a sale of the business of InterTAN in conjunction with its CCAA proceeding (the "CCAA Sale Process"). As such, I have personal knowledge of the matters deposed to herein. Where I have relied on other sources for information, I have specifically referred to such sources and verily believe them to be true.

2. On November 10, 2008, the Applicants commenced an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), and were granted an Initial Order which provided, *inter alia*, a stay of proceedings in favour of the Applicants until and including December 9, 2008, or such later date as the Court may order (the "Initial Order"). On December 5, 2008, the Court granted an order approving the proposed CCAA Sale Process (the "December 5 Order"). A copy of the December 5 Order is attached as Exhibit "A".

3. The December 5 Order authorized and directed InterTAN, Rothschild Canada and the Monitor to “take such actions as are required to complete the CCAA Sale Process”. It also stipulated the following timeline for the CCAA Process:

THIS COURT ORDERS that pursuant to and in accordance with the terms of the CCAA Sale Process:

- (a) preliminary non-binding indications of interest (the “Indicative Bids”) shall be provided by potential purchasers by no later than 5:00 pm Toronto time on December 17, 2008;
- (b) potential purchasers who are invited to participate in the next phase of the sale process, and wish to proceed, shall provide firm proposals, together with a mark-up of the draft purchase and sale agreement, by no later than 5:00 pm Toronto time January 15, 2009; and
- (c) the Applicants will then seek any further relief necessary from this Court to implement any sale transaction [emphasis added].

4. The CCAA Sale Process has been implemented by the Applicants and Rothschild. Upon notice to all potential bidders and after consulting with the Monitor, the Applicants extended the deadline for the delivery of indicative bids until 5:00 p.m. on Friday, December 19, 2008 in an effort to maximize the number of potential purchasers submitting these initial expressions of interest. InterTAN received a total of 9 Indicative Bids from prospective purchasers on December 19, 2008. Rothschild Canada reviewed all of the Indicative Bids and discussed them with RINC and InterTAN’s shareholder. Subsequently, in consultation with the Monitor, Rothschild has chosen to continue negotiations with certain potential purchasers (the “Potential Purchasers”) to continue on in the CCAA Sale Process.

5. On January 9, 2009, I sent a letter via email to the Potential Purchasers (the “January 9 Letter”) including a copy of a Proposed Sale Agreement and the schedules thereto. The Proposed Sale Agreement was developed by the Applicants, Rothschild and the Monitor. One Potential Purchaser was provided with the January 9 Letter and the Proposed Sale Agreement on January 12, 2009. A copy of the January 9 Letter is attached as Exhibit “B”.

6. The January 9 Letter advised the Potential Purchasers that while the December 5 Order requires all Potential Purchasers to submit firm proposals together with a mark-up of the Proposed Sale Agreement, by no later than January 15, 2009 at 5:00 pm, InterTAN would be

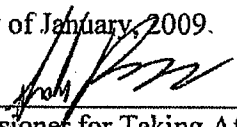
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bringing a motion to request an extension of that deadline to January 23, 2009 at 5:00 pm (the "Formal Bid Date Extension").

7. Rothschild has been informed by the Potential Purchasers that they require additional time to provide proper mark-ups of the Proposed Sale Agreement and to formulate firm proposals based on their diligence review and response to the Proposed Sale Agreement. It is my belief that the eight day Formal Bid Date Extension would provide the Potential Purchasers with this necessary time and would not place the CCAA Sale Process at risk.


8. I believe that the Formal Bid Date Extension is required in order to maintain the integrity of the CCAA Sale Process, to obtain the best possible result for a restructuring, and to maximize the value of InterTAN for the benefit of InterTAN's stakeholders.

SWORN BEFORE ME at the CITY of
Barrie, in the Province of Ontario, this
12th day of January, 2009.




Commissioner for Taking Affidavits

Sachin Lalit Kanabar,
a Commissioner, etc.,
Province of Ontario,
while a Student-at-Law.
Expires March 27, 2010



PETER TETI

This is Exhibit "B" referred to in the
Affidavit of Peter Teti, sworn
before me on January 12, 2009.



Sachin Kanabar
A Commissioner for Taking Affidavits

Sachin Lalit Kanabar,
a Commissioner, etc.,
Province of Ontario,
while a Student-at-Law.
Expires March 27, 2010

January 9, 2009

[Name]
[Title]
[Address]

Re: InterTAN Canada Ltd.

Dear [Name],

I am writing to you on behalf of InterTAN Canada Ltd. ("InterTAN Canada") and Circuit City Stores, Inc. (Circuit City") in connection with the interest you have expressed with respect to a possible acquisition of the assets and assumption of the liabilities of the business carried on by InterTAN Canada (a "Transaction").

Firm Proposals

As indicated in my letter of December 2008 describing the sale process with respect to the Transaction, InterTAN Canada and Rothschild Canada have had an opportunity to consider the expressions of interest received to date (and have consulted with the CCAA Court-appointed Monitor in respect thereof) and I am pleased to invite you to continue to the next step in the sale process. I have attached a copy of the definitive purchase and sale agreement and certain ancillary agreements (collectively, the "Agreement") proposed for use in connection with the Transaction. As you will see, the Agreement contemplates:

- the sale to the purchaser of all of the assets of InterTAN Canada other than the excluded assets, as more particularly described in the Agreement;
- the assumption by the purchaser of all of the liabilities of InterTAN Canada other than the excluded liabilities (such as inter-company balances and bank debt), as more particularly described in the Agreement;
- the assignment to the purchaser of rights to "The Source" name, trademarks and other related intellectual property;
- the license (for a period not to exceed twelve months) to the purchaser of the right to use, in Canada and only in connection with the ongoing operation of the business presently conducted by InterTAN Canada, the "Circuit City" name and trademark in such manner as it was used by InterTAN Canada immediately prior to the closing of the Transaction; and
- the sale to the purchaser of all of the shares in the capital of Circuit City Global Sourcing, Limited ("CCGS").

N M Rothschild & Sons Canada Ltd.
BCE Place, Canada Trust Tower
161 Bay Street, Suite 3150, P.O. Box 206
Toronto, Ontario M5J 2S1

Peter Teti
Director
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The Sale Process Order made by the Ontario Superior court of Justice (Commercial List) on December 5, 2008 in InterTAN Canada's CCAA Proceedings (as defined below) (the "Sale Process Order") provides that persons who are interested in continuing to pursue a Transaction must submit a firm proposal (a "Proposal") setting out all of the terms and conditions for a Transaction (including as to price), together with a mark-up of the Agreement, by no later than **5:00 pm Toronto time on January 15, 2009**. Please forward your Proposal and mark-up to:

Peter Teti, Director
 N M Rothschild & Sons Canada Ltd.
 BCE Place, Canada Trust Tower
 161 Bay Street, Suite 3150, P.O. Box 206
 Toronto, Ontario M5J 2S1
 Tel: +1 416 369 2656
 Email: peter.teti@ca.rothschild.com

Please note, however, that InterTAN Canada currently intends to bring a motion before the CCAA Court (defined below) on January 14, 2009 seeking, among other things, to extend the sale process deadline to 5:00 pm Toronto time on January 23, 2009. We will provide you with updated information in this regard directly as it is available.

We would be pleased to arrange for you and members of your team to meet with members of InterTAN Canada's management team in connection with your ongoing due diligence. As you will also be aware, InterTAN Canada continues to post updated information to the Data Site. As noted in the December 2008 sale process letter and the Management Communication Protocol dated November 2008, a copy of which was previously circulated to you (and which is available upon request), all communications relating to a potential Transaction involving InterTAN Canada should be addressed directly to Peter Teti at Rothschild Canada.

Sale Process

As you will be aware, InterTAN Canada commenced, on November 10, 2008, a voluntary proceeding (the "CCAA Proceeding") under the *Companies' Creditors Arrangement Act* (the "CCAA") in the Province of Ontario and together with Rothschild Canada is conducting the sale process previously communicated to you and further described in this letter, all under the supervision of a judge of the Ontario Superior Court of Justice, Commercial List (the "CCAA Court"). The closing of the Transaction will be subject to receiving the prior approval of the CCAA Court.

As you will also be aware, InterTAN Canada's indirect U.S. parent, Circuit City, commenced a voluntary bankruptcy proceeding under Chapter 11 of the U.S. Bankruptcy Code on November 10, 2008 (the "Chapter 11 Proceeding"). While InterTAN Canada is not a party to the Chapter 11 Proceeding, any Transaction that involves rights to the trademarks "The Source" and "Circuit City" and/or the shares in the capital of CCGS may involve approval of the U.S. Bankruptcy Court (as to that aspect of such a Transaction).

Circuit City and its advisors are currently conducting a sales process in conjunction with the Chapter 11 proceeding and it is possible that that sales process could result in a purchase offer

that includes the assets of InterTAN Canada. Any such sale that involves the assets of InterTAN Canada will require CCAA Court approval.

We currently anticipate that, once Proposals are received, we will review those Proposals with the CCAA Court-appointed Monitor. If InterTAN Canada and Rothschild Canada, in their sole discretion, determine that there is a superior Proposal, then InterTAN Canada will proceed to finalize and execute a definitive Agreement with such bidder. It may also transpire, however, that Rothschild Canada and InterTAN Canada will pursue negotiations with one or more than one bidder after receipt of all the Proposals or that they may seek to enter into a definitive Agreement with one bidder, which would then be the "stalking-horse" bidder. Instructions concerning the next phase of the sale process will be communicated by Rothschild Canada at a later date.

As previously communicated to you, each party will bear all costs of its own investigation and evaluation of InterTAN Canada in connection with the sale process, including the fees and disbursements of its own counsel and financial advisor. Further, the terms of the Non-Disclosure Agreement which you have already signed continue to apply pursuant to the terms of that agreement. InterTAN Canada reserves the right to amend any written material furnished, or information orally transmitted, to any party.

As set out in the Sale Process Order and also in our December 2008 sale process letter, neither InterTAN Canada nor Rothschild Canada shall have any obligation to continue negotiations or discussions with any interested party, regardless of whether its Proposal contains the highest purchase price, and each reserves the right to modify or terminate these procedures, to negotiate with one or more parties at any time, to terminate discussions with any party, to enter into a definitive agreement for any Transaction and to reject any or all Proposals, in each case without prior notice and without assigning any reasons therefor. By submitting a Proposal, you acknowledge the foregoing and agree not to make any claims against InterTAN Canada, Rothschild Canada or any of their affiliates or advisors if you are not selected or invited to participate in any further stage, if any, in the process.

Unless and until a definitive agreement has been executed with respect to a Transaction, neither InterTAN Canada or Circuit City, nor any of their respective affiliates or representatives, including Rothschild Canada, will have any liabilities or obligations to any party. No representation or warranty, other than those to be made to any party in a definitive agreement, is made as to the accuracy or completeness of any information furnished, either written or oral. By submitting a Proposal, you acknowledge and agree that you are relying solely upon your own independent investigation and evaluation of InterTAN Canada.

We appreciate your interest in the business of InterTAN Canada to date and look forward to continuing to discuss the opportunity with you.

Yours sincerely,

Peter Teti
Director

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT
ACT, R.S.C. 1985, c. C-36, AS AMENDED

Court File No: 08-CL-7841

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF INTERTAN CANADA LTD. AND
TOURMALET CORPORATION

APPLICANTS

Ontario
SUPERIOR COURT OF JUSTICE
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Proceeding commenced at Toronto

AFFIDAVIT OF PETER TETI
(Sworn January 12, 2009)

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