

Edgar Filing: BLOCKBUSTER INC - Form SC 13D

BLOCKBUSTER INC
Form SC 13D
December 14, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. ___) *

Blockbuster, Inc.
(Name of Issuer)

Class A Common Stock
Class B Common Stock
(Title of Class of Securities)

Class A: 093679108
Class B: 093679207
(CUSIP Number)

Marc Weitzen, Esq.
General Counsel
Icahn Associates Corp. & affiliated companies
767 Fifth Avenue, 47th Floor
New York, New York 10153
(212) 702-4388

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

December 14, 2004
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ' ' 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box / /.

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

Class A CUSIP No. 093679108; Class B CUSIP No. 093679207

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1 NAME OF REPORTING PERSON
High River Limited Partnership
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) / /
(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS*
OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) /X/

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7 SOLE VOTING POWER
Class A 1,266,100; Class B 729,380

8 SHARED VOTING POWER
0

9 SOLE DISPOSITIVE POWER
Class A 1,266,100; Class B 729,380

10 SHARED DISPOSITIVE POWER
0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
Class A 1,266,100; Class B 729,380

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
//

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
Class A 1.16%; Class B 1.01%

14 TYPE OF REPORTING PERSON*
PN

SCHEDULE 13D

Class A CUSIP No. 093679108; Class B CUSIP No. 093679207

NAME OF REPORTING PERSON
Hopper Investments LLC
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) / /
(b) / /

3 SEC USE ONLY

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4 SOURCE OF FUNDS*
OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2 (d) or 2 (e) /X/

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7 SOLE VOTING POWER
0

8 SHARED VOTING POWER
Class A 1,266,100; Class B 729,380

9 SOLE DISPOSITIVE POWER
0

10 SHARED DISPOSITIVE POWER
Class A 1,266,100; Class B 729,380

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
Class A 1,266,100; Class B 729,380

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
//

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
Class A 1.16%; Class B 1.01%

14 TYPE OF REPORTING PERSON*
OO

SCHEDULE 13D

Class A CUSIP No. 093679108; Class B CUSIP No. 093679207

NAME OF REPORTING PERSON
Barberry Corp.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a) / /
(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS*
OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2 (d) or 2 (e) /X/

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7 SOLE VOTING POWER

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0

- 8 SHARED VOTING POWER
Class A 1,266,100; Class B 729,380
- 9 SOLE DISPOSITIVE POWER
0
- 10 SHARED DISPOSITIVE POWER
Class A 1,266,100; Class B 729,380
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
Class A 1,266,100; Class B 729,380
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
//
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
Class A 1.16%; Class B 1.01%
- 14 TYPE OF REPORTING PERSON*
CO

SCHEDULE 13D

Class A CUSIP No. 093679108; Class B CUSIP No. 093679207

NAME OF REPORTING PERSON
Icahn Partners Master Fund L.P.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a) / /
(b) / /
- 3 SEC USE ONLY

4 SOURCE OF FUNDS*
OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) /X/

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Cayman Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

- 7 SOLE VOTING POWER
Class A 1,998,328; Class B 1,155,115
- 8 SHARED VOTING POWER
0
- 9 SOLE DISPOSITIVE POWER
Class A 1,998,328; Class B 1,155,115
- 10 SHARED DISPOSITIVE POWER
0
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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Class A 1,998,328; Class B 1,155,115

- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
//
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
Class A 1.83%; Class B 1.61%
- 14 TYPE OF REPORTING PERSON*
PN

SCHEDULE 13D

Class A CUSIP No. 093679108; Class B CUSIP No. 093679207

NAME OF REPORTING PERSON
Icahn Offshore L.P.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) / /
(b) / /
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS*
OO
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) /X/
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

- 7 SOLE VOTING POWER
0
- 8 SHARED VOTING POWER
Class A 1,998,328; Class B 1,155,115
- 9 SOLE DISPOSITIVE POWER
0
- 10 SHARED DISPOSITIVE POWER
Class A 1,998,328; Class B 1,155,115
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
Class A 1,998,328; Class B 1,155,115
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
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- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
Class A 1.83%; Class B 1.61%
- 14 TYPE OF REPORTING PERSON*
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SCHEDULE 13D

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Class A CUSIP No. 093679108; Class B CUSIP No. 093679207

NAME OF REPORTING PERSON
CCI Offshore LLC

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) / /
(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS*
OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) /X/

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7 SOLE VOTING POWER
0

8 SHARED VOTING POWER
Class A 1,998,328; Class B 1,155,115

9 SOLE DISPOSITIVE POWER
0

10 SHARED DISPOSITIVE POWER
Class A 1,998,328; Class B 1,155,115

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
Class A 1,998,328; Class B 1,155,115

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
//

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
Class A 1.83%; Class B 1.61%

14 TYPE OF REPORTING PERSON*
OO

SCHEDULE 13D

Class A CUSIP No. 093679108; Class B CUSIP No. 093679207

NAME OF REPORTING PERSON
Icahn Partners L.P.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) / /
(b) / /

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3 SEC USE ONLY
4 SOURCE OF FUNDS*
OO
5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) /X/
6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7 SOLE VOTING POWER
Class A 3,066,072; Class B 1,762,405
8 SHARED VOTING POWER
0
9 SOLE DISPOSITIVE POWER
Class A 3,066,072; Class B 1,762,405
10 SHARED DISPOSITIVE POWER
0
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
Class A 3,066,072; Class B 1,762,405
12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
//
13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
Class A 2.81%; Class B 2.45%
14 TYPE OF REPORTING PERSON*
PN

SCHEDULE 13D

Class A CUSIP No. 093679108; Class B CUSIP No. 093679207

NAME OF REPORTING PERSON
Icahn Onshore L.P.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a) / /
(b) / /

3 SEC USE ONLY
4 SOURCE OF FUNDS*
OO
5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) /X/
6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

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7 SOLE VOTING POWER
0

8 SHARED VOTING POWER
Class A 3,066,072; Class B 1,762,405

9 SOLE DISPOSITIVE POWER
0

10 SHARED DISPOSITIVE POWER
Class A 3,066,072; Class B 1,762,405

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
Class A 3,066,072; Class B 1,762,405

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
//

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
Class A 2.81%; Class B 2.45%

14 TYPE OF REPORTING PERSON*
PN

SCHEDULE 13D

Class A CUSIP No. 093679108; Class B CUSIP No. 093679207

NAME OF REPORTING PERSON
CCI Onshore LLC

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a) / /
(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS*
OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) /X/

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7 SOLE VOTING POWER
0

8 SHARED VOTING POWER
Class A 3,066,072; Class B 1,762,405

9 SOLE DISPOSITIVE POWER
0

10 SHARED DISPOSITIVE POWER
Class A 3,066,072; Class B 1,762,405

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11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
Class A 3,066,072; Class B 1,762,405

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
//

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
Class A 2.81%; Class B 2.45%

14 TYPE OF REPORTING PERSON*
OO

SCHEDULE 13D

Class A CUSIP No. 093679108; Class B CUSIP No. 093679207

1 NAME OF REPORTING PERSON
Carl C. Icahn

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a) / /
(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS*
OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) /X/

6 CITIZENSHIP OR PLACE OF ORGANIZATION
United States of America

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7 SOLE VOTING POWER
0

8 SHARED VOTING POWER
Class A 6,330,500; Class B 3,646,900

9 SOLE DISPOSITIVE POWER
0

10 SHARED DISPOSITIVE POWER
Class A 6,330,500; Class B 3,646,900

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
Class A 6,330,500; Class B 3,646,900

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
//

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
Class A 5.80%; Class B 5.07%

14 TYPE OF REPORTING PERSON*

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IN

SCHEDULE 13D

Item 1. Security and Issuer

This Schedule 13D relates to the Class A Common Stock, par value \$.01 per share, (the "Class A Shares") and the Class B Common Stock, par value \$.01 per share, (the "Class B Shares" and collectively with Class A Shares, the "Shares"), of Blockbuster, Inc., a Delaware corporation (the "Issuer"). The address of the principal executive offices of the Issuer is 1201 Elm Street, Dallas, Texas 75270.

Item 2. Identity and Background

The persons filing this statement are Barberry Corp., a Delaware corporation ("Barberry"), Hopper Investments, LLC, a Delaware limited liability company, High River Limited Partnership, a Delaware limited partnership ("High River"), Icahn Partners Master Fund L.P., a Cayman Islands limited partnership ("Icahn Master"), Icahn Offshore L.P., a Delaware limited partnership ("Icahn Offshore"), CCI Offshore LLC, a Delaware limited liability company ("CCI Offshore"), Icahn Partners L.P., a Delaware limited partnership ("Icahn Partners"), Icahn Onshore L.P., a Delaware limited partnership ("Icahn Onshore"), CCI Onshore LLC, a Delaware limited liability company ("CCI Onshore") and Carl C. Icahn, a citizen of the United States of America (collectively, the "Registrants"). The principal business address and the address of the principal office of the Registrants is c/o Icahn Associates Corp., 767 Fifth Avenue, 47th Floor, New York, New York 10153, except that (i) the principal business address of each of Barberry, Hopper and High River is 100 South Bedford Road, Mount Kisco, New York 10549 and (ii) the principal business address of Icahn Master is c/o Walkers SPV Limited, P.O. Box 908GT, 87 Mary Street, George Town, Grand Cayman, Cayman Islands.

Barberry is the sole member of Hopper, which is the general partner of High River. CCI Offshore is the general partner of Icahn Offshore, which is the general partner of Icahn Master. CCI Onshore is the general partner of Icahn Onshore, which is the general partner of Icahn Partners. Each of Barberry, CCI Offshore and CCI Onshore is 100 percent owned by Carl C. Icahn. As such, Mr. Icahn is in a position directly and indirectly to determine the investment and voting decisions made by Registrants.

Each of Icahn Master, Icahn Partners, Barberry and High River is primarily engaged in the business of investing in securities. Hopper is primarily engaged in the business of serving as the general partner of High River. Icahn Offshore and Icahn Onshore are primarily engaged in the business of serving as the general partner of Icahn Master and Icahn Partners, respectively. CCI Offshore and CCI Onshore are primarily engaged in the business of serving as the general partner of Icahn Offshore and Icahn Onshore, respectively. Carl C. Icahn's present principal occupation or employment is (i) owning all of the interest in CCI Onshore and CCI Offshore, through which Mr. Icahn indirectly directs and manages the investments of Icahn Master and Icahn Partners and (ii) acting as President and a director of Starfire, and as the Chairman of the Board and a director of various of Starfire's subsidiaries. Starfire is primarily engaged in the business of investing in and holding securities of various entities.

The name, citizenship, present principal occupation or employment and business address of each director and executive officer of High River and Barberry, are set forth in Schedule A attached hereto.

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Except as set forth on Schedule B, no member of any of the Registrants nor any manager or executive officer of Registrants, has, during the past five years, (a) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or (b) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting, or mandating activities subject to, Federal or State securities laws or a finding of any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration

As of 2:15pm, Standard Eastern Time, on December 14, 2004, the aggregate purchase price of 6,330,500 Class A Shares and 3,646,900 Class B Shares purchased by High River, Icahn Master and Icahn Partners, collectively, was \$54,034,298.85 (including commissions) and \$29,877,611.50 (including commissions), respectively. The source of funding for the purchase of these Shares was the respective general working capital of the purchasers, and, with respect to High River, pursuant to margin accounts in the regular course of business.

Item 4. Purpose of Transaction

Registrants acquired the Shares believing them to be undervalued, especially in light of the possibility that Issuer may acquire Hollywood Entertainment Corporation ("Hollywood").

Registrants believe that they are holders of the largest number of outstanding shares of Issuer in the aggregate and are also the largest holder of Hollywood's outstanding shares. Registrants support the effort of Issuer to obtain due diligence from Hollywood with a view to making a firm offer to acquire Hollywood. Registrants believe that because of the synergies that would be involved in a combination of Issuer and Hollywood, Issuer would be in a position to offer the greatest amount of consideration to Hollywood's shareholders. Additionally, Registrants believe these synergies would importantly contribute to the profitability of Issuer. Registrants support the proposed combination of Issuer and Hollywood as most beneficial for both entities and their respective shareholders. To this end, Registrants have contacted the chief executive officers of each of the entities to express Registrants' views in this matter and will continue to seek to facilitate a combination of Issuer and Hollywood.

Registrants reserve the right to acquire additional Shares at any time and from time to time in the open market or otherwise. In addition, Registrants may dispose of all or any portion of the Shares at any time or from time to time in the open market or otherwise. Registrants may seek to participate in, and influence the outcome of any proxy solicitation and the bidding process involving Issuer and Hollywood, as a bidder or otherwise.

Item 5. Interest in Securities of the Issuer

(a) As of 2:15pm, Standard Eastern Time, on December 14, 2004, Registrants may be deemed to beneficially own, in the aggregate, 6,330,500 Class A Shares and 3,646,900 Class B Shares, representing approximately 5.80% of the Issuer's outstanding Class A Shares and approximately 5.07% of the Issuer's outstanding Class B Shares (based upon the 109,122,848 Class A Shares and 72,000,000 Class B Shares stated to be outstanding as of November 2, 2004 by the Issuer in the Issuer's Form 10Q for the period ending on June 30, 2004, filed with the Securities and Exchange Commission on November 8, 2004).

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(b) High River has sole voting power and sole dispositive power with regard to 1,266,100 Class A Shares and 729,380 Class B Shares. Each of Barberry, Hopper and Carl C. Icahn has shared voting power and shared dispositive power with regard to such Shares. Icahn Master has sole voting power and sole dispositive power with regard to 1,998,328 Class A Shares and 1,155,115 Class B Shares. Each of Icahn Offshore, CCI Offshore and Carl C. Icahn has shared voting power and shared dispositive power with regard to such Shares. Icahn Partners has sole voting power and sole dispositive power with regard to 3,066,072 Class A Shares and 1,762,405 Class B Shares. Each of Icahn Onshore, CCI Onshore and Carl C. Icahn has shared voting power and shared dispositive power with regard to such Shares.

Each of Hopper, Barberry and Mr. Icahn, by virtue of their relationships to High River (as disclosed in Item 2), may be deemed to beneficially own (as that term is defined in Rule 13d-3 under the Act) the Shares which High River directly beneficially owns. Each of Hopper, Barberry and Mr. Icahn disclaims beneficial ownership of such Shares for all other purposes. Each of Icahn Offshore, CCI Offshore and Mr. Icahn, by virtue of their relationships to Icahn Master (as disclosed in Item 2), may be deemed to beneficially own (as that term is defined in Rule 13d-3 under the Act) the Shares which Icahn Master directly beneficially owns. Each of Icahn Offshore, CCI Offshore and Mr. Icahn disclaims beneficial ownership of such Shares for all other purposes. Each of Icahn Onshore, CCI Onshore and Mr. Icahn, by virtue of their relationships to Icahn Partners (as disclosed in Item 2), may be deemed to beneficially own (as that term is defined in Rule 13d-3 under the Act) the Shares which Icahn Partners directly beneficially owns. Each of Icahn Onshore, CCI Onshore and Mr. Icahn disclaims beneficial ownership of such Shares for all other purposes.

(c) The following tables set forth all transactions with respect to Class A Shares and Class B Shares, respectively, effected during the past sixty (60) days by any of the Registrants, inclusive of the transaction effected through 2:15pm, Standard Eastern Time, on December 14, 2004. All such transactions were effected in the open market, and the tables include commissions paid in per share prices.

Name	Date	No. of Class A Shares Purchased	Price Per CL
High River	11/11/04	34,300	7.8273
High River	11/12/04	120,000	8.5313
High River	11/15/04	49,000	8.3535
High River	11/16/04	100,000	8.3069
High River	11/17/04	124,000	8.3226
High River	11/18/04	40,000	8.4381

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High River	11/19/04	162,000	8.1402
High River	11/22/04	17,000	8.2367
High River	11/23/04	15,000	8.2527
High River	11/24/04	40,000	8.2630
High River	11/26/04	22,000	8.2856
High River	11/29/04	80,000	8.2059
High River	11/30/04	55,800	8.3801
High River	12/01/04	56,000	8.9076
High River	12/02/04	138,000	9.2319
High River	12/03/04	30,000	9.2234
High River	12/14/04	183,000	8.9407
Icahn Master	11/11/04	54,880	7.8273
Icahn Master	11/12/04	192,000	8.5313
Icahn Master	11/15/04	76,440	8.3535
Icahn Master	11/16/04	156,000	8.3069
Icahn Master	11/17/04	193,440	8.3226
Icahn Master	11/18/04	62,400	8.4381
Icahn Master	11/19/04	252,720	8.1402
Icahn Master	11/22/04	26,520	8.2367
Icahn Master	11/23/04	23,400	8.2527
Icahn Master	11/24/04	62,400	8.2630

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Icahn Master	11/26/04	34,320	8.2856
Icahn Master	11/29/04	124,800	8.2059
Icahn Master	11/30/04	87,048	8.3801
Icahn Master	12/01/04	87,360	8.9076
Icahn Master	12/02/04	215,280	9.2319
Icahn Master	12/03/04	49,200	9.2234
Icahn Master	12/14/04	300,120	8.9407
Icahn Partners	11/11/04	82,320	7.8273
Icahn Partners	11/12/04	288,000	8.5313
Icahn Partners	11/15/04	119,560	8.3535
Icahn Partners	11/16/04	244,000	8.3069
Icahn Partners	11/17/04	302,560	8.3226
Icahn Partners	11/18/04	97,600	8.4381
Icahn Partners	11/19/04	395,280	8.1402
Icahn Partners	11/22/04	41,480	8.2367
Icahn Partners	11/23/04	36,600	8.2527
Icahn Partners	11/24/04	97,600	8.2630
Icahn Partners	11/26/04	53,680	8.2856
Icahn Partners	11/29/04	195,200	8.2059
Icahn Partners	11/30/04	136,152	8.3801
Icahn Partners	12/01/04	136,640	8.9076

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Icahn Partners	12/02/04	336,720	9.2319
Icahn Partners	12/03/04	70,800	9.2234
Icahn Partners	12/14/04	431,880	8.9407

Name	Date	No. of Class B Shares Purchased	Price Per CL
High River	11/15/04	94,000	8.0089
High River	11/16/04	26,000	7.8445
High River	11/17/04	31,960	7.9405
High River	11/18/04	40,000	8.0186
High River	11/19/04	80,000	7.7137
High River	11/22/04	12,000	7.7760
High River	11/23/04	6,000	7.8244
High River	11/24/04	17,000	7.8702
High River	11/26/04	7,400	7.8742
High River	11/29/04	24,000	7.6955
High River	11/30/04	52,000	7.9100
High River	12/01/04	35,000	8.4154
High River	12/02/04	88,000	8.7069
High River	12/03/04	38,080	8.7239

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High River	12/06/04	16,000	8.5705
High River	12/07/04	40,900	8.5653
High River	12/08/04	42,000	8.5018
High River	12/09/04	31,300	8.3586
High River	12/10/04	35,000	8.3582
High River	12/14/04	12,740	8.4097
Icahn Master	11/15/04	146,640	8.0089
Icahn Master	11/16/04	40,560	7.8445
Icahn Master	11/17/04	49,858	7.9405
Icahn Master	11/18/04	62,400	8.0186
Icahn Master	11/19/04	124,800	7.7137
Icahn Master	11/22/04	18,720	7.7760
Icahn Master	11/23/04	9,360	7.8244
Icahn Master	11/24/04	26,520	7.8702
Icahn Master	11/26/04	11,544	7.8742
Icahn Master	11/29/04	37,440	7.6955
Icahn Master	11/30/04	81,120	7.9100
Icahn Master	12/01/04	54,600	8.4154
Icahn Master	12/02/04	137,280	8.7069
Icahn Master	12/03/04	62,451	8.7239
Icahn Master	12/06/04	26,240	8.5705

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Icahn Master	12/07/04	67,076	8.5653
Icahn Master	12/08/04	68,880	8.5018
Icahn Master	12/09/04	51,332	8.3586
Icahn Master	12/10/04	57,400	8.3582
Icahn Master	12/14/04	20,894	8.4097
Icahn Partners	11/15/04	229,360	8.0089
Icahn Partners	11/16/04	63,440	7.8445
Icahn Partners	11/17/04	77,982	7.9405
Icahn Partners	11/18/04	97,600	8.0186
Icahn Partners	11/19/04	195,200	7.7137
Icahn Partners	11/22/04	29,280	7.7760
Icahn Partners	11/23/04	14,640	7.8244
Icahn Partners	11/24/04	41,480	7.8702
Icahn Partners	11/26/04	18,056	7.8742
Icahn Partners	11/29/04	58,560	7.6955
Icahn Partners	11/30/04	126,880	7.9100
Icahn Partners	12/01/04	85,400	8.4154
Icahn Partners	12/02/04	214,720	8.7069
Icahn Partners	12/03/04	89,869	8.7239
Icahn Partners	12/06/04	37,760	8.5705

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Icahn Partners	12/07/04	96,524	8.5653
Icahn Partners	12/08/04	99,120	8.5018
Icahn Partners	12/09/04	73,868	8.3586
Icahn Partners	12/10/04	82,600	8.3582
Icahn Partners	12/14/04	30,066	8.4097

Item 6. Contracts, Arrangements, Understandings or Relationship with Respect to Securities of the Issuer

Except as described herein, none of the Registrants has any contracts, arrangements, understandings or relationships (legal or otherwise) with any person with respect to any securities of the Issuer, including but not limited to the transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or losses, or the giving or withholding of proxies.

Item 7. Material to be Filed as Exhibits

- 1 Joint Filing Agreement of the Registrants

SIGNATURE

After reasonable inquiry and to the best of each of the undersigned knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: December 14, 2004

HOPPER INVESTMENTS LLC

By: Barberrry Corp.

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

BARBERRY CORP.

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

HIGH RIVER LIMITED PARTNERSHIP

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By: Hopper Investments LLC, General Partner

By: Barberry Corp., member

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

ICAHN PARTNERS MASTER FUND L.P.

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

[Signature Page of Schedule 13D - Blockbuster, Inc.]

ICAHN OFFSHORE L.P.

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

CCI OFFSHORE LLC

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

ICAHN PARTNERS L.P.

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

ICAHN ONSHORE L.P.

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

CCI ONSHORE LLC

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

/s/ Carl C. Icahn
CARL C. ICAHN

[Signature Page of Schedule 13D - Blockbuster, Inc.]

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JOINT FILING AGREEMENT

In accordance with Rule 13d-1(f) under the Securities Exchange Act of 1934, as amended, the persons named below agree to the joint filing on behalf of each of them of a statement on Schedule 13D (including amendments thereto) with respect to the Class A Common Stock and Class B Common Stock of Blockbuster, Inc. and further agree that this Joint Filing Agreement be included as an Exhibit to such joint filings. In evidence thereof, the undersigned, being duly authorized, have executed this Joint Filing Agreement this 14th day of December 2004.

HOPPER INVESTMENTS LLC

By: Barberrry Corp.

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

BARBERRY CORP.

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

HIGH RIVER LIMITED PARTNERSHIP

By: Hopper Investments LLC, General Partner

By: Barberrry Corp., member

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

ICAHN PARTNERS MASTER FUND L.P.

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

ICAHN OFFSHORE L.P.

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

[Signature Page of Joint Filing Agreement to Schedule 13D - Blockbuster, Inc.]

CCI OFFSHORE LLC

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

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ICAHN PARTNERS L.P.

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

ICAHN ONSHORE L.P.

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

CCI ONSHORE LLC

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

/s/ Carl C. Icahn
CARL C. ICAHN

[Signature Page of Joint Filing Agreement to Schedule 13D - Blockbuster, Inc.]

SCHEDULE A

DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANTS

Name, Business Address and Principal Occupation of Each Executive Officer and Director of High River and Barberrry.

The following sets forth the name, position, and principal occupation of each director and executive officer of each of High River and Barberrry. Each such person is a citizen of the United States of America. Except as otherwise indicated, the business address of each director and officer is c/o Icahn Associates Corp., 767 Fifth Avenue, 47th Floor, New York, New York 10153. To the best of Registrants' knowledge, except as set forth in this statement on Schedule 13D, none of the directors or executive officers of the Registrants own any shares of the Issuer.

HIGH RIVER LIMITED PARTNERSHIP

Name Position
Hopper Investments LLC General Partner

BARBERRY CORP.

Name Position
Carl C. Icahn Chairman, President and Secretary
Jordan Bleznick Vice President - Taxes

SCHEDULE B

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On January 5, 2001, Reliance Group Holdings, Inc. ("Reliance") commenced an action in the United States District Court for the Southern District of New York against "Carl C. Icahn, Icahn Associates Corp. and High River Limited Partnership" alleging that High River's tender offer for Reliance 9% senior notes violated Section 14(e) of the Exchange Act. Reliance sought a temporary restraining order and preliminary and permanent injunctive relief to prevent defendants from purchasing the notes. The Court initially imposed a temporary restraining order. Defendants then supplemented the tender offer disclosures. The Court conducted a hearing on the disclosures and other matters raised by Reliance. It then denied plaintiffs' motion for a preliminary injunction and ordered dissolution of its temporary restraining order following dissemination of the supplement.

Reliance took an immediate appeal to the United States Court of Appeals for the Second Circuit and sought a stay to restrain defendants from purchasing notes during the pendency of the appeal. On January 30, 2001, the Court of Appeals denied plaintiff's stay application. On January 30, Reliance also sought a further temporary restraining order from the District Court. The Court considered the matter and reimposed its original restraint until noon the next day, at which time the restraint was dissolved. The appeal was argued on March 9 and denied on March 22, 2001.