

BLOCKBUSTER INC  
 Form 144  
 December 21, 2005

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

**OMB APPROVAL**  
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**FORM 144**

4.47

**NOTICE OF PROPOSED SALE OF SECURITIES**

SEC USE ONLY  
 DOCUMENT SEQUENCE NO.

**PURSUANT TO RULE 144 UNDER THE SECURITIES ACT OF 1933**

**ATTENTION:** *Transmit for filing 3 copies of this form concurrently with either placing an order with a broker to execute sale or executing a sale directly with a market maker.*

CUSIP NUMBER

WORK LOCATION

1(a) NAME OF ISSUER <i>(Please type or print)</i>  (d) ADDRESS OF ISSUER Blockbuster Inc. STREET 1201 Elm Street 2(a) NAME OF PERSON FOR WHOSE ACCOUNT THE SECURITIES ARE TO BE SOLD Nicholas P. Shepherd	(b) IRS IDENT. NO.  (c) RELATIONSHIP TO ISSUER Officer	(c) S.E.C. FILE NO. 001-15153 (e) TELEPHONE NO. AREA CODE NUMBER 214 854-3000 (d) ADDRESS STREET CITY STATE ZIP CODE 1201 Elm Dallas TX 75270 Street
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*INSTRUCTION: The person filing this notice should contact the issuer to obtain the I.R.S. Identification Number and the S.E.C. File Number.*

3(a)	<i>(b)</i>	<b>SEC USE ONLY</b>	<i>(c)</i>	<i>(d)</i>	<i>(e)</i>	<i>(f)</i>	<i>(g)</i>	
<b>Name and Address of Each Broker</b>								
<b>Title of the Through Whom the Securities are</b>			<b>Number of Shares</b>		<b>Number of Shares</b>		<b>Approximate</b>	<b>Name of Each</b>
<b>Class of</b>	<b>to be Offered or Each Market</b>		<b>or Other Units</b>		<b>or Other Units</b>		<b>Date of Sale</b>	<b>Securities</b>
<b>Securities</b>	<b>Maker who is Acquiring</b>		<b>Broker-Dealer</b>		<b>Outstanding</b>		<i>(See Instr. 3(f))</i>	<b>Exchange</b>
<b>To Be Sold</b>	<b>the Securities</b>		<b>File Number</b>		<i>(See Instr. 3(e))</i>		<b>(MO. DAY YR.)</b>	<i>(See Instr. 3(g))</i>
Class A Common Stock	BNY Brokerage Inc. 1633 Broadway, 48th Floor New York, NY 10019		Up to approx. 34,000 (see Remarks)		Approx. \$128,520 (see Remarks)		119,458,360 12/21/05-12/23/05 (see Remarks)	NYSE

**INSTRUCTIONS:**

1. (a) Name of issuer  
(b) Issuer's I.R.S. Identification Number  
(c) Issuer's S.E.C. file number, if any  
(d) Issuer's address, including zip code  
  
(e) Issuer's telephone number, including area code
2. (a) Name of person for whose account the securities are to be sold  
(b) Such person's I.R.S. identification number, if such person is an entity  
(c) Such person's relationship to the issuer (e.g., officer, director, 10% stockholder, or member of immediate family of any of the foregoing)  
(d) Such person's address, including zip code
3. (a) Title of the class of securities to be sold  
(b) Name and address of each broker through whom the securities are intended to be sold  
(c) Number of shares or other units to be sold (if debt securities, give the aggregate face amount)  
(d) Aggregate market value of the securities to be sold as of a specified date within 10 days prior to the filing of this notice  
(e) Number of shares or other units of the class outstanding, or if debt securities the face amount thereof outstanding, as shown by the most recent report or statement published by the issuer  
  
(f) Approximate date on which the securities are to be sold  
(g) Name of each securities exchange, if any, on which the securities are intended to be sold

**TABLE I SECURITIES TO BE SOLD**

*Furnish the following information with respect to the acquisition of the securities to be sold and with respect to the payment of all or any part of the purchase price or other consideration therefor:*

Title of the Class	Date you Acquired	Nature of Acquisition Transaction	Name of Person from Whom Acquired	Amount of Securities Acquired	Date of Payment	Nature of Payment
Class A Common Stock	12/10/04 (see Remarks)	Receipt of restricted shares in exchange for eligible unexercised stock options (see Remarks)	Blockbuster Inc.	174,078	12/10/04 (see Remarks)	Tendered stock options (see Remarks)
Class A Common Stock	12/20/04 (see Remarks)	Grant of restricted shares (see Remarks)	Blockbuster Inc.	200,000	N/A (see Remarks)	N/A (see Remarks)

**INSTRUCTIONS:** If the securities were purchased and full payment therefor was not made in cash at the time of purchase, explain in the table or in a note thereto the nature of the consideration given. If the consideration consisted of any note or other obligation, or if payment was made in installments describe the arrangement and state when the note or other obligation was discharged in full or the last installment paid.

**TABLE II SECURITIES SOLD DURING THE PAST 3 MONTHS**

*Furnish the following information as to all securities of the issuer sold during the past 3 months by the person for whose account the securities are to be sold.*

Name and Address of Seller	Title of Securities Sold	Date of Sale	Amount of Securities Sold	Gross Proceeds
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**REMARKS:** The shares of class A common stock covered by this Form 144 are being sold pursuant to pre-arranged stock sales arrangements to allow the Seller to sell a portion of his vested shares of restricted stock to satisfy tax withholding obligations. The arrangements were put in place in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934, and the representation below regarding the Seller's knowledge of material information speaks as of the respective dates of adoption of the arrangements. The shares of restricted stock were received by the Seller in exchange for eligible unexercised stock options of the Seller and as part of a compensatory equity grant from the Issuer. The Aggregate Market Value set forth in Item 3(d) is based on the closing price of the Issuer's class A common stock on December 20, 2005.

**INSTRUCTIONS:**

See the definition of "person" in paragraph (a) of Rule 144. Information to be given not only as to the person for whose account the securities are to be sold but also as to all other persons included in that definition. In addition, information shall be given as to sales by all persons whose

**ATTENTION:**

*The person for whose account the securities to which this notice relates are to be sold hereby represents by signing this notice that he does not know any material adverse information in regard to the current and prospective operations of the Issuer of the securities to*

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sales are required by paragraph (e) of Rule 144 to be aggregated with sales for the account of the person filing this notice.

*be sold which has not been publicly disclosed.*

December 21, 2005

/s/ Nicholas P. Shepherd

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DATE OF NOTICE

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(SIGNATURE)

*The notice shall be signed by the person for whose account the securities are to be sold. At least one copy of the notice shall be manually signed.*

*Any copies not manually signed shall bear typed or printed signatures.*

**ATTENTION: Intentional misstatements or omission of facts constitute Federal Criminal Violations (See 18 U.S.C. 1001)**