

BLOCKBUSTER INC
Form 8-K
September 02, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported) August 28, 2009

BLOCKBUSTER INC.

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE
(State or other jurisdiction

of incorporation)

001-15153
(Commission File Number)

52-1655102
(IRS Employer

Identification No.)

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1201 Elm Street

Dallas, Texas
(Address of principal executive offices)

(214) 854-3000

75270
(Zip Code)

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry Into a Material Definitive Agreement.

On August 28, 2009, Blockbuster Inc. (the Company) and its subsidiary Blockbuster Entertainment (Ireland) (BEI) entered into an agreement (the Purchase Agreement) with Birchhall Investments Limited, an affiliate company of NCB Group Limited (Buyer), pursuant to which the Buyer acquired all of the outstanding capital stock of Blockbuster Holdings Ireland, a subsidiary of the Company (BHI), from the Company and BEI (the Sale). The Purchase Agreement calls for a total cash purchase price of up to 32 million, or approximately \$45million based on recent exchange rates, structured as follows: 20 million paid at closing on August 28 and up to 12 million payable in the first fiscal quarter of 2010, with the amount of such payment based upon achievement by Xtra-Vision of certain operating targets for the remainder of fiscal 2009.

As of the sale date BHI operated approximately 186 XTRA-VISION® video and home entertainment stores throughout Ireland and Northern Ireland through its affiliate company, Xtra-Vision Limited (Xtra-vision).

The Purchase Agreement contains customary representations and warranties of the parties and an agreement of the Company and its affiliates not to compete against Xtra-Vision under terms set out in the Purchase Agreement.

The foregoing description of the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Purchase Agreement, which will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for its next fiscal quarter.

Item 7.01 Regulation FD Disclosure.

On August 28, 2009, the Company issued a press release announcing the completion of the Sale, a copy of which is furnished as Exhibit 99.1 hereto.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit No. | Description |
|--------------------|--------------------|
|--------------------|--------------------|

| | |
|------|--------------------------------------|
| 99.1 | Press Release dated August 28, 2009. |
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In accordance with general instruction B.2 to Form 8-K, the information in this Form 8-K under Item 7.01 (Regulation FD Disclosure), including the press release furnished as an exhibit hereto, shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or Securities Exchange Act of 1934.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BLOCKBUSTER INC.

Date: **September 2, 2009**

By: /s/ Thomas M. Casey
Thomas M. Casey
Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

| Exhibit No. | Description |
|--------------------|-------------------------------------|
| 99.1 | Press Release dated August 28, 2009 |