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Blockbuster and Enron Select Motorola's StreamasterTM 5000 for Entertainment On-Demand Service Launch

AUSTIN, Texas -- January 3, 2001 - Blockbuster Inc. (NYSE: BBI) and Enron Broadband Services, a subsidiary of Enron Corp. (NYSE: ENE), today announced that they are using Motorola's Streamaster 5000 advanced set top box to provide access to the Blockbuster Entertainment On-Demand service during its launch.

Enron Broadband Services and Blockbuster recently announced that they have begun delivering movies to consumers' televisions via the Blockbuster Entertainment On-Demand service over Enron's broadband network in Seattle, Portland, Ore., and Salt Lake City. The companies also announced that a technical trial of the service had commenced in New York City.

In this implementation, the Streamaster 5000 is providing subscribers access to movies on-demand. Currently, consumers are able to start, stop, pause, rewind, and view movies on-demand with VHS visual and sound quality.

"We are proud to be a part of this innovative venture that will open up a new world of entertainment options for the consumer," said Jackie Beauchamp, director and general manager, Multimedia Systems Division, Motorola's Semiconductor Products Sector. "Motorola's leadership position in enabling the broadband multimedia services market, combined with Blockbuster's powerful entertainment brand and access to customers and Enron's high-speed network, will enable broadband distribution companies to quickly deliver movie services to consumers."

"We're very pleased to be working with Motorola for the launch of our Entertainment On-Demand service. We were especially pleased with the quality of output of the Streamaster system, which we certainly expect to enhance the experience of our subscribers," said Mark Gilman, Blockbuster president New Media. "The Enron and Blockbuster alliance, now with the addition of Motorola, is starting to deliver on the promise of the broadband home entertainment experience."

"Through our relationships with Blockbuster and our distribution providers, we have created a unique and robust technical platform for delivering video on-demand, which will enable the service to be scaled into other markets," said David Cox, Managing Director at Enron Broadband Services. "We are achieving superior levels of quality and security that entertainment on-demand can now deliver."

About Streamaster 5000

The software-enabled Streamaster 5000 serves as an in-home "gateway" to a wide-range of interactive multimedia services. The Streamaster system is designed to give broadband distribution providers the ability to offer additional services to consumers such as digital-quality broadcast television services, web access, email, 3D and network games, karaoke, music ondemand, on-line shopping and more. Streamaster 5000 gains its intelligence, like the ability to add new features through remote software upgrades, through DigitalDNATM technology.

About Motorola

Motorola, Inc. is a global leader in providing integrated communications and embedded electronic solutions. Sales in 1999 were \$33.1 billion. For more information, please visit the Motorola Web site at http://www.motorola.com/.

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About Enron

Enron Broadband Services is a leading provider of high quality, high bandwidth application services. The company's business model combines the power of the Intelligent Network, Enron's Broadband Operating System, bandwidth trading and intermediation services, and high-bandwidth applications to fundamentally improve experience and functionality of the Internet. Enron's Broadband Operating System application enables developers to dynamically

provision bandwidth for the quality service necessary to deliver broadband content. Enron is also creating a market in bandwidth that will allow network providers to meet the demands of increasingly complex applications at the most competitive price. Enron Broadband Services can be found on www.enron.net.

Enron is one of the world's leading electricity, natural gas and communications companies. The company, which owns approximately \$37 billion in energy and communications assets, produces electricity and natural gas; develops, constructs and operates energy facilities worldwide; delivers physical commodities and financial and risk management services to customers around the world; and is developing an intelligent network platform to facilitate online business. Fortune magazine has named Enron "Most Innovative Company" for five consecutive years, the top company for "Quality of Management" and the second best company for "Employee Talent." In addition, Enron ranks in the top quarter of Fortune's "Best 100 Companies to Work for in America." Enron's Internet address is www.enron.com. The stock is traded under the ticker symbol "ENE."

About Blockbuster

Blockbuster Inc. (NYSE: BBI) is a publicly traded subsidiary of Viacom Inc. (NYSE: VIA, VIA.B) and is the world's leading renter of videos, DVDs, and video games with approximately 7,500 stores throughout the Americas, Europe, Asia and Australia. Viacom is the No. 1 platform in the world for advertisers, with preeminent positions in broadcast and cable television, radio, outdoor advertising, and online. With programming that appeals to audiences in every demographic category across virtually all media, the company is a leader in the creation, promotion, and distribution of entertainment, news, sports, and music. Viacom's well-known brands include CBS, MTV, Nickelodeon, VH1, Paramount Pictures, Infinity Broadcasting, UPN, TNN, CMT, Showtime, and Simon & Schuster. More information about Viacom and its businesses is available at www.viacom.com.

This news release contains forward-looking statements relating to Blockbuster's operations, including, without limitation, statements relating to business strategy and objectives, growth opportunities and expectations, new initiatives such as entertainment on-demand, pay-per-view and other home entertainment opportunities, marketing plans and results of operations, including revenue and other financial expectations. These forward-looking statements are based on Blockbuster's current intent, expectations, estimates, and projections and are not guarantees of future performance. These statements involve risks, uncertainties, assumptions, and other factors that could cause actual results to vary materially from those expressed in or indicated by them. Factors include, among others: comsumer interest in, and demand for, newly released videos and other Blockbuster product offerings; the impact of competitive product and service offerings and pricing; the effect of game platform cycles; the impact of technological shifts on Blockbuster's business strategy; consumer acceptance of, and demand for, new technologies; Blockbuster's ability to reach agreements with service, product, and content providers on acceptable commercial

terms and the success of these alliances and agreements in developing new products and services; the application of laws relating to intellectual property rights; and other factors, as set forth under the heading "Cautionary Statements" in Blockbuster's annual report on Form 10-K for the fiscal year ended December 31, 1999.

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Editorial Contacts:

Blockbuster

Randy Hargrove

214-854-3721

Enron Broadband Services

Shelly Mansfield

713-853-4589

Motorola:

US and the Americas

Bill Schnell, Motorola, Inc.

Tel: 512-996-5495 Fax: 512-996-7874

Email: b.schnell@motorola.com

Public Relations Agency – US

Tabitha Bailey/Audrey Armstrong

Funky Puppy Inc.

Tel: 805-241-2532/408-354-9053

Fax: 805-241-2534/408-395-8063

Email: tabitha@funkypuppypr.com

audrey@funkypuppypr.com

Europe Press Contact:

Regina Cirmonova

Motorola, Inc.

Tel: +41-22-799-1258

Email: r48996@email.sps.mot.com

Steven Sloan Motorola, Inc.

Tel: +41-22-799-1329

Email: r19283@email.sps.mot.com

Japan

Koichi Yoshimura, Motorola Japan Ltd.

Tel: 81-3-3280-8672 Fax: 81-3-3440-0338

Email: rty490@email.sps.mot.com

Asia

Gloria Shiu (Hong Kong) Motorola Semiconductors

Tel: 852-2666-8237 Fax: 852-2666-5709

Email: r42970@email.sps.mot.com