

SECURITIES AND EXCHANGE COMMISSION

FORM 424B3

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FILER

BLOCKBUSTER ENTERTAINMENT CORP

CIK: **710979** | IRS No.: **751849418** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **424B3** | Act: **33** | File No.: **033-68674** | Film No.: **94541278**
SIC: **7841** Video tape rental

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FT LAUDERDALE FL 33301
3058323000

PROSPECTUS SUPPLEMENT NO. 1,
 DATED JULY 29, 1994, TO PROSPECTUS
 DATED MAY 11, 1994

BLOCKBUSTER ENTERTAINMENT CORPORATION

COMMON STOCK

This Prospectus Supplement is part of the Prospectus dated May 11, 1994 and should be read in conjunction therewith.

SELLING STOCKHOLDERS

Up to 3,891,955 of the shares (the "Shares") of common stock, \$.10 par value per share (the "Common Stock"), of Blockbuster Entertainment Corporation (the "Company") covered by this Prospectus may be offered from time to time by the persons set forth in the table below (collectively, the "Sellers"). The Sellers acquired such Shares in connection with the acquisition by the Company of an aggregate of 6,567,716 of the outstanding ordinary shares, L0.008 par value per share (the "VIE Ordinary Shares"), of Virgin Interactive Entertainment plc, a United Kingdom public limited company ("VIE"), and certain options to acquire additional Ordinary Shares.

The Sellers are comprised of individuals, trustees of foreign trusts and a corporation. The following table sets forth information regarding the Sellers:

<TABLE>
 <CAPTION>

NAME OF SELLER	NUMBER OF SHARES HELD(1)
<S>	<C>
TRUSTEES:	
Abacus (C.I.) Limited (as trustee for the Aquarius, Aries, Capricorn, Pisces and Saturn trusts).....	1,070,440
Morgan Grenfell Trustee Services (C.I.) Limited (as trustee for the Virgo and Libra trusts).....	438,314
Morgan Grenfell Trustee Services (Guernsey) Limited (as trustee for the Jupiter, Mars, Venus, Gemini, Leo, Laver and McEnroe trusts).....	741,811
INDIVIDUALS: (2)	
Richard C. N. Branson.....	88,051
Trevor M. Abbott.....	1,219
Robert H. F. Devereux.....	259,038 (3)
CORPORATION:	
Hasbro, Inc.....	1,293,082

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- (1) Each Seller may offer any or all Shares held by him or it at any time and from time to time from and after the date of this Prospectus Supplement, except that Hasbro, Inc. has agreed that it will not sell or otherwise dispose of 50% of the Shares held by it until October 27, 1994.
- (2) Mr. Abbott and Mr. Devereux are directors of VIE. Mr. Branson resigned as a director of VIE simultaneously with the acquisition of the VIE Ordinary Shares by the Company.
- (3) In the event that, during the 28 consecutive trading hours on the New York Stock Exchange following notice to Mr. Devereux that the Shares indicated above were issued to him, Mr. Devereux receives net proceeds on the sale of 184,733 of such Shares which is less than \$26.20 per share, Mr. Devereux will be entitled to receive, within ten business days, the aggregate amount of such deficit, payable, at the Company's option, in cash or additional

Common Stock. If additional Common Stock is issued to Mr. Devereux, he may offer such Common Stock for sale in addition to the number of Shares indicated above.

None of the proceeds from any sale of the Shares by the Sellers will be received by the Company. The Shares constitute all of the Common Stock owned by the Sellers.

In addition to their direct and beneficial ownership interest in VIE, certain of the Sellers are affiliates of Virgin Retail Group Limited ("Virgin"). Except for the "Megastores" joint venture agreement between the Company and Virgin, there are no other material relationships between the Sellers and the Company. See "The Company -- Music Retailing."

All of the information as to Share ownership of each Seller has been furnished by Seller.

The Company has agreed with the Sellers to use its reasonable best efforts to maintain the continuous effectiveness of the Registration Statement of which the Prospectus forms a part on behalf of the Sellers until the earlier of three years after the date of final issuance of Common Stock to the Sellers under the documents relating to the acquisition of VIE Ordinary Shares and options by the Company or the date on which all shares of such Common Stock have been resold.

The Company will pay all expenses of preparing and reproducing this Prospectus.