



FOR IMMEDIATE RELEASE
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Netflix Sees Rapid Subscriber Growth; Company Updates Guidance for Fourth Quarter 2003

LOS GATOS, CA — December 17, 2003 — Netflix, Inc. (Nasdaq: NFLX) today raised guidance for the fourth quarter ending December 31, 2003.

Revised Guidance

The Company revised guidance for the fourth quarter as follows:

- Ending subscribers of 1,470,000 to 1,495,000, from 1,425,000 to 1,475,000
- Average monthly subscriber churn of 4.7 percent to 5.0 percent, from 4.9 percent to 5.4 percent
- Subscriber acquisition cost of \$32.50 to \$33.50, from \$30 to \$33
- Revenue of \$80 million to \$82 million, from \$77 million to \$81 million
- Non-GAAP net income of \$4.5 million to \$6.5 million, from \$3 million to \$6 million
- GAAP net income of \$0.9 million to \$2.6 million, from (\$0.2) million to \$2.3 million

Fourth Quarter Earnings Release

Netflix will release its fourth quarter 2003 financial results on Wednesday, January 21, 2004 after the market close. The release will include the Company's full-year guidance for 2004. A web cast of the quarterly earnings conference call will begin at 2:00 p.m. Pacific Time and can be accessed via the web at ir.netflix.com or at www.prnewswire.com. On the web cast the Company will discuss its financial results, including the results of its Q4 advertising testing.

About Netflix

Netflix (Nasdaq: NFLX) is the world's largest online movie rental service, providing more than one million subscribers access to over 15,000 DVD titles. For \$19.95 a month, Netflix subscribers rent as many DVDs as they want, and keep them as long as they want, with three movies out at a time. There are no due dates, no late fees and no shipping fees. DVDs are delivered for free by first-class mail from regional shipping centers located throughout the United States. Netflix can reach more than 80 percent of its subscribers with generally next-day delivery. The company provides subscribers extensive information about DVD movies, including critic reviews, member reviews, online trailers, ratings, and personalized movie recommendations. For more information, visit www.netflix.com.

Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of the federal securities laws, including statements regarding our subscriber growth, revenues, GAAP net income, Non-GAAP net income, subscriber acquisition cost and churn for the fourth quarter of 2003. These statements are subject to risks and uncertainties that could cause actual results and events to differ, including, without limitation: unanticipated seasonal fluctuations in subscriber growth and customer usage, adjustments to our stock-based compensation expense, managing our subscriber acquisition cost as well as the mix between revenue sharing titles and titles not subject to revenue sharing that are delivered to our subscribers; our ability to attract new subscribers and retain existing subscribers; customer spending on DVD players, DVDs and related products; competition; disruption in service on our website or with our computer systems; and conditions that effect our delivery through the U.S. Postal Service;. A detailed discussion of these and other risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K filed with the SEC on March 31, 2003. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this press release.

Non-GAAP Guidance Reconciliation Schedule

	Fourth Quarter, 2003 Guidance Range	
Non-GAAP net income reconciliation:		
Net income	\$ 900	\$ 2,600
Add back:		
Stock-based compensation	3,600	3,900
Non-GAAP net income	\$ 4,500	\$ 6,500