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NETFLIX WILL SUPPORT HIGH-DEF DVD AT LAUNCH
Online DVD Rental Leader Embraces "Next Wave of Consumer Excitement"

LOS GATOS, Calif. – January 24, 2006 – Netflix Inc. (Nasdaq: NFLX), the world's largest online movie rental service, today announced it will carry the first movies available in HD DVD when the new high-definition format launches in late March, according to plans recently outlined by several major movie studios, and said it will similarly offer titles in the Blu-ray format when that product launches, expected to be later this year.

"High-definition DVD is the next wave of excitement in home entertainment and we'll be there at its inception," said Netflix Chairman and CEO Reed Hastings. "With far sharper images, better sound and more features, we expect high-def will greatly enhance DVD's consumer appeal and extend its popularity over the next decade or more."

With Toshiba's new high-def DVD player now available to be ordered for March delivery at several leading online and big-box retailers, a number of Hollywood studios have announced plans to launch both new and catalog titles on HD DVD beginning late that month. Warner Home Video said at the recent Consumer Electronics Show that it will introduce 24 titles in HD DVD on March 28. Universal Studios Home Entertainment, Paramount Pictures Home Entertainment and The Weinstein Company made similar announcements.

Sony Pictures Home Entertainment, 20th Century Fox Home Entertainment, Lionsgate and Paramount also said at the Consumer Electronics Show that they have each selected between 10 and 20 titles to launch concurrent with the debut of Blu-ray hardware later this year.

Netflix said it will make the high-def DVD titles available at launch as a way of supporting the next-generation DVD format and signaling its belief that while initial adoption may be limited the market will eventually migrate to high-definition.

"For those subscribers who have an immediate interest in renting movies in high-def, we're committed to making the full range of titles available at Netflix the moment they're introduced," said Mr. Hastings.

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About Netflix

Netflix (Nasdaq: NFLX) is the world's largest online movie rental service, providing more than three million subscribers access to over 55,000 DVD titles. Under the company's most popular program, for \$17.99 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 the USPS from regional shipping centers located throughout the United States. Netflix can reach more than 90 percent of its subscribers with generally one business-day delivery. Netflix offers personalized movie recommendations to its members and has more than 1 billion movie ratings. Netflix also allows members to share and recommend movies to one another through its Friends™ feature. For more information, visit www.netflix.com.

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