



FOR IMMEDIATE RELEASE  
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## **Netflix Says Promotional Agreement With Walmart.com Not Material to Company's Financial Performance**

**LOS GATOS, Calif., May 19, 2005** – In connection with today's joint promotional announcement with Walmart.com, Netflix, Inc. (Nasdaq: NFLX) advised investors that it believed the agreement would not materially impact the company's current subscriber growth or financial performance and, as a result, the company is not revising the guidance it provided on April 21, 2005.

Netflix remarked that teaming with Walmart.com strengthens the Company's competitive position as the popularity of Walmart.com and the Web site's traffic offer an opportunity for increased awareness and referrals to the Netflix service.

Netflix CFO Barry McCarthy is expected to comment on today's announcement during his presentation at the JP Morgan 33<sup>rd</sup> Annual Technology Conference in San Francisco. As previously announced, Mr. McCarthy's presentation today at 9:45 a.m. Pacific Time, will be webcast live. The webcast will be available on the investor relations portion of the company's website: <http://ir.netflix.com>.

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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 40,000 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 nearly 90 percent of its subscribers with generally one business-day delivery. Netflix offers personalized movie recommendations to its members and has more than 500 million movie ratings. Netflix also allows members to share and recommend movies to one another through its Friends<sup>™</sup> feature. For more information, visit [www.netflix.com](http://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 the impact of the Walmart.com - Netflix promotional agreement on Netflix's financial performance and the opportunity for increased awareness and referrals from such agreement. The forward-looking statements in this release are subject to risks and uncertainties that could cause actual results and events to differ, including, factors associated with the implementation and execution of the promotional agreement, the willingness of existing Wal-Mart subscribers to convert to the Netflix service; the limited number of existing Wal-Mart subscribers; and the likelihood visitors to walmart.com will accept offers promoting the Netflix service. A detailed discussion of other risks and uncertainties that could impact Netflix's financial performance is included in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 15, 2005. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this press release.

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