



FOR IMMEDIATE RELEASE
Thursday, July 1, 2004

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**NETFLIX ANNOUNCES SECOND QUARTER 2004
ENDING SUBSCRIBERS OF 2,093,000, UP 82 PERCENT
OVER THE PRIOR YEAR**

LOS GATOS, CA — July 1, 2004 — Netflix, Inc. (Nasdaq: NFLX) ended the second quarter of 2004 with approximately 2,093,000 total subscribers, in the high-end of the Company's guidance range of 1,935,000 to 2,140,000. Subscribers grew 82 percent year-over-year from 1,147,000 total subscribers at the end of the second quarter of 2003 and 8 percent sequentially from 1,932,000 total subscribers at the end of the first quarter of 2004.

Paid Subscribers

Of the 2,093,000 total subscribers at quarter end, 97 percent or 2,024,000 were paying subscribers. The other 3 percent, or 69,000 subscribers, were new trial subscribers. Paying subscribers represented 96 percent of total subscribers at the end of the second quarter of 2003 and 95 percent of total subscribers at the end of the first quarter of 2004.

Household Penetration

Household penetration in the San Francisco Bay Area rose to 7.6 percent of households at the end of the second quarter of 2004, up from 5.0 percent at the end of the second quarter of 2003 and up from 7.2 percent at the end of the first quarter of 2004. Household penetration in the rest of the country reached 1.8 percent at the end of the second quarter of 2004, up from 1.0 percent at the end of the second quarter of 2003 and up from 1.7 percent at the end of the first quarter of 2004.

Second Quarter Earnings Release

Netflix will release its second quarter 2004 financial results on Thursday, July 15, 2004 after the market close. A web cast of the quarterly conference call will begin at 2 PM PDT and can be accessed via the web at <http://ir.netflix.com>.

About Netflix

Netflix (Nasdaq: NFLX) is the world's largest online movie rental service, providing more than two million subscribers access to over 20,000 DVD titles. For \$21.99 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 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.