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Netflix Announces Pricing of \$400 Million Concurrent Common Stock and Convertible Notes Financing

LOS GATOS, Calif., November 21, 2011 – Netflix, Inc. (Nasdaq: NFLX) today announced the pricing of concurrent common stock and convertible notes financings totaling \$400 million. \$200 million was raised through the registered sale of common stock to certain mutual funds and accounts managed by T. Rowe Price Associates, Inc., and \$200 million was raised through the private placement of convertible notes to funds affiliated with Technology Crossover Ventures (TCV).

“With this additional capital from two long-term oriented investors, we have strengthened our balance sheet and remain focused on growing our streaming subscriptions and returning to global profitability after our launch of the U.K. in 2012,” said David Wells, Chief Financial Officer.

Netflix has agreed to sell approximately 2.86 million shares of common stock pursuant to an effective registration statement at a public offering price of \$70.00 per share, for a total of \$200 million gross proceeds. The offering is scheduled to close on or about November 28, 2011, subject to the satisfaction of customary closing conditions.

Concurrently, TCV has agreed to purchase \$200 million aggregate principal amount of Zero Coupon Convertible Senior Notes due 2018 (the "Notes") in a private placement. The Notes will be convertible into shares of Netflix common stock at an initial conversion rate of 11.6553 shares of common stock per \$1,000 principal amount of the Notes, which is equivalent to an initial conversion price of approximately \$85.80 per share of common stock, subject to adjustment upon the occurrence of certain events. This initial conversion price represents a premium of 12.5% relative to the average closing price of Netflix common stock on November 18 and 21, 2011. The Notes will mature on December 1, 2018, unless previously repurchased or converted in accordance with their terms. At any time following the six month anniversary of the closing, the Notes may be converted into shares of common stock at the option of the Company, subject to the satisfaction of certain conditions. The offering is scheduled to close on or about November 28, 2011, subject to the satisfaction of certain closing conditions.

Netflix estimates that the net proceeds from the concurrent offerings will be approximately \$397 million, after deducting offering expenses. Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC are acting as joint book-running managers for the common stock offering, and Morgan Stanley & Co. LLC is acting as the advisor to the Company in connection with the convertible notes financing.

The notes and shares of common stock issuable upon conversion of the notes have not been registered under the Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements.

This announcement is neither an offer to sell nor a solicitation to buy any of the foregoing securities, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

About Netflix, Inc.

With more than 20 million streaming members in the United States, Canada and Latin America, Netflix, Inc. [Nasdaq: NFLX] is the world's leading Internet subscription service for enjoying movies and TV shows. For about US\$7.99 a month, Netflix members can instantly watch unlimited movies and TV episodes streamed over the Internet to PCs, Macs and TVs. Among the large and expanding base of devices streaming from Netflix are Microsoft's Xbox 360, Nintendo's Wii and Sony's PS3 consoles; an array of Blu-ray disc players, Internet-connected TVs, home theater systems, digital video recorders and Internet video players; Apple's iPhone, iPad and iPod touch, as well as Apple TV and Google TV. In all, more than 700 devices that stream from Netflix are available.