

# NETFLIX

NASDAQ: NFLX

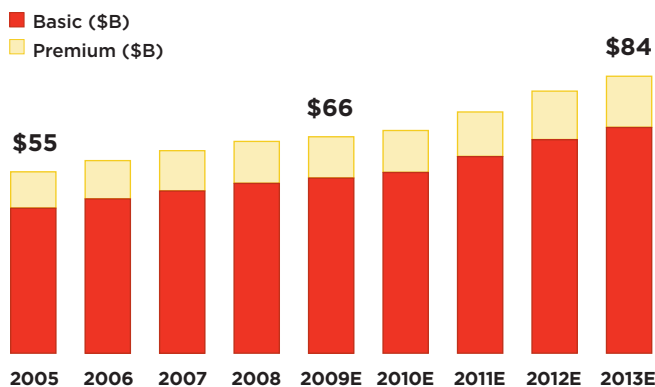
With more than 13 million members, Netflix, Inc. is the world's largest subscription service streaming movies and TV episodes over the Internet and sending DVDs by mail. For \$8.99 a month, Netflix members can instantly watch unlimited TV episodes and movies streamed to their TVs and computers and can receive unlimited DVDs delivered quickly to their homes. With Netflix, there are never any due dates or late fees. Members can select from a growing library of titles that can be watched instantly and a vast array of titles on DVD. Among the large and expanding base of devices that can stream movies and TV episodes from Netflix right to members' TVs are Microsoft's Xbox 360 and Sony's PS3 game consoles and Nintendo's Wii console; Blu-ray disc players from Samsung, LG and Insignia; Internet TVs from LG, Sony and VIZIO; the Roku digital video player and TiVo digital video recorders; and Apple's iPad tablet.

## Netflix is a leader in an attractive market

- As we **broaden our service** offering to include Internet distribution, we overlap more and more with the **\$66B market** for subscription-based home entertainment.
- With more than **13 million subscribers**, Netflix is the world's largest subscription service streaming movies and TV episodes over the Internet and sending DVDs by mail.

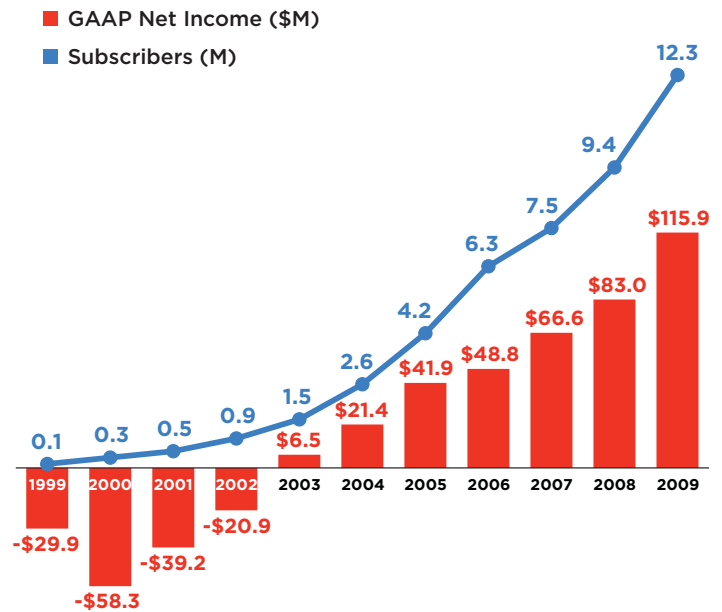


## U.S. Subscription Home Entertainment Market Offers Large Market Opportunity



Source: PriceWaterhouseCoopers report, 2009

## 11 Years of Strong Subscriber and Earnings Growth



Our customers love us

Outrageously Positive Word of Mouth



MORE THAN **90%** of subscribers have evangelized Netflix

MORE THAN **70%** of subscribers had an existing subscriber recommend Netflix

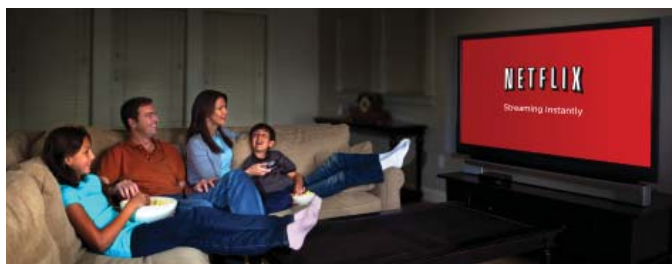
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## Best selection, best website, best customer experience, compelling value

- An easy-to-use Web site that **offers personalized movie recommendations** that lead subscribers to movies they will love.
- A robust selection of content with a **vast array of titles on DVD** and a separate and **growing library** of titles that can be **instantly streamed** to computers and TVs.
- A subscription model combining convenience and selection that results in a **strong consumer value proposition**.
- A hybrid offering, enabling subscribers to watch content two ways – instant streaming to their computer or TV and DVDs by mail.
  - **58 distribution centers** enable us to deliver DVDs by mail to more than 97 percent of our subscribers in about one business day.
  - Steady growth of streaming content choices and a growing array of **hardware partnerships** that enable **instant streaming** to the TV.



## Financial Highlights

	2007	2008	2009	5 Year CAGR
<b>Revenue</b>	\$1,205.3	\$1,364.7	\$1,670.3	20%
<b>GAAP Net Income</b>	\$66.6	\$83.0	\$115.9	23%
<b>EPS</b>	\$0.97	\$1.32	\$1.98	25%
<b>FCF*</b>	\$45.9	\$94.7	\$97.1	32%

(In millions, except per share amounts.)

\* Free cash flow is defined as cash provided by operating activities and investing activities excluding the nonoperational cash flows from purchases and sales of short-term investments and cash flows from investment in business.

## Our competitive advantages position Netflix for long-term success in Internet delivery

- Netflix is uniquely positioned to offer a hybrid service – **Internet streaming and DVDs by mail, for one low price** – giving our subscribers access to a broad content selection and offering a **compelling value proposition**.



- We have built an **iconic and widely admired brand** that consumers have come to associate with an outstanding home entertainment experience.
- We have a large and **loyal subscriber base** that loves us for our selection, recommendations, convenience and an excellent customer experience.

## For more information, contact Netflix Investor Relations:

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Forward looking statements in this fact sheet, such as those about the growth of online DVD rentals and our expansion into Internet delivery, are subject to risks and uncertainties. For a discussion of these and for more information see the Netflix Annual Report and the company's filings with the Securities and Exchange Commission.