

NETFLIX

Q1'09 Financial Highlights | April 23, 2009

Forward-Looking Statements and Non-GAAP Financial Measurements

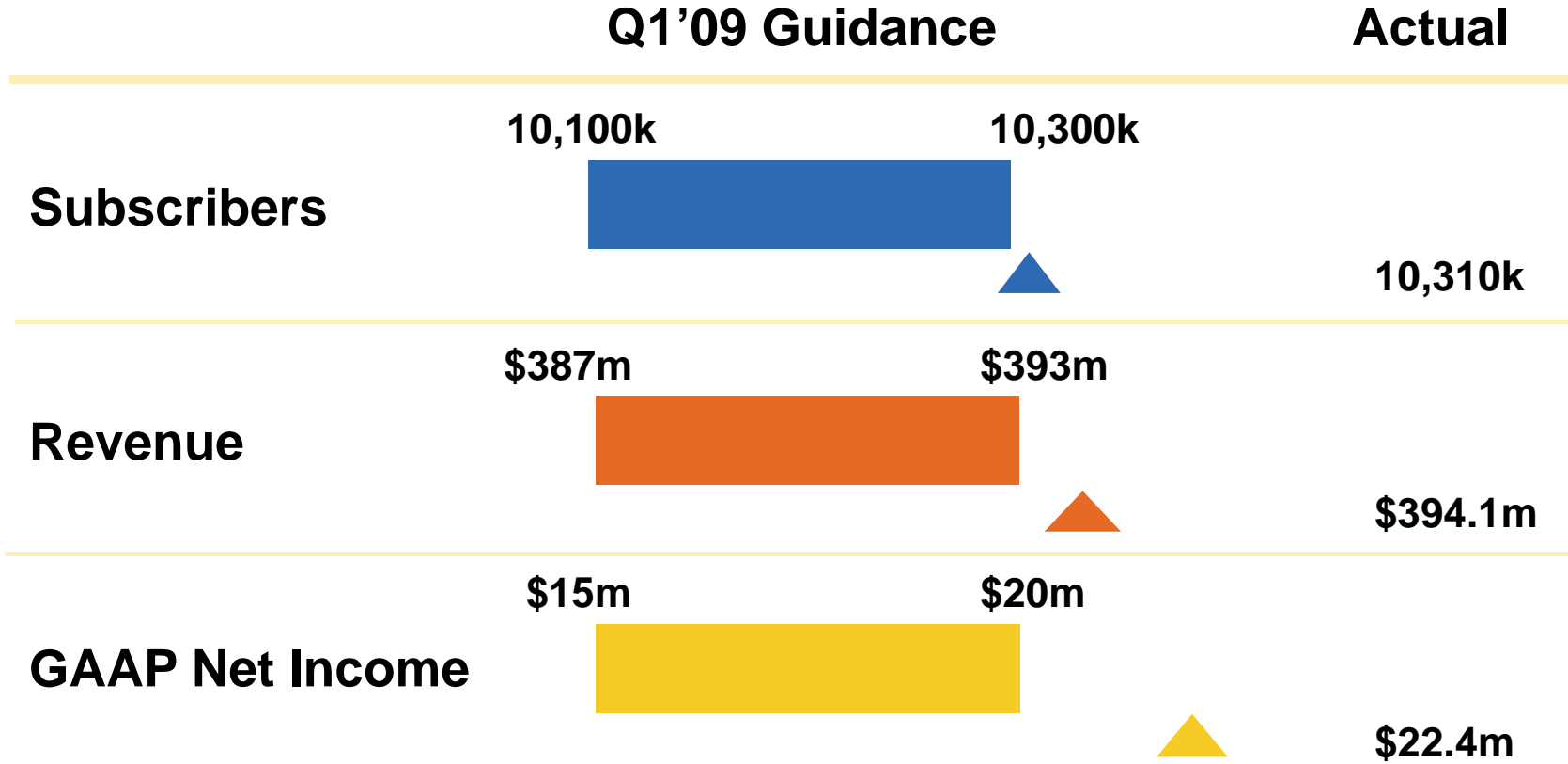
This presentation contains forward-looking statements relating to future events or future financial performance that involve risks and uncertainties. Actual results may differ materially from those anticipated in these statements based on a number of factors, including those identified in the company's annual report on Form 10-K filed with the SEC on February 25, 2009.

This presentation also contains references to non-GAAP financial measures. A presentation of and reconciliation to the most directly comparable GAAP financial measure, where such can be done without unreasonable effort, can be found on our Web site at <http://ir.netflix.com>.

Netflix Goals

- > Be a great Internet movie service by **combining DVD by mail** with **internet streaming**
- > Materially grow **subscribers** and **EPS** every year

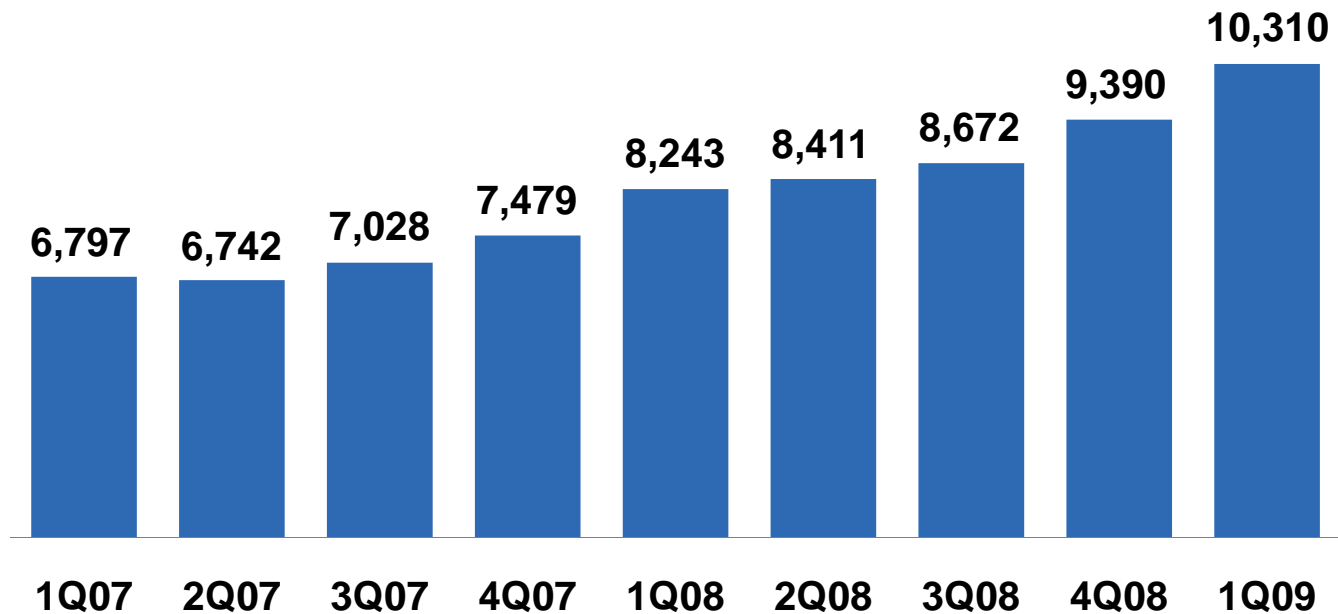
Q1 Results



Subscriber Growth

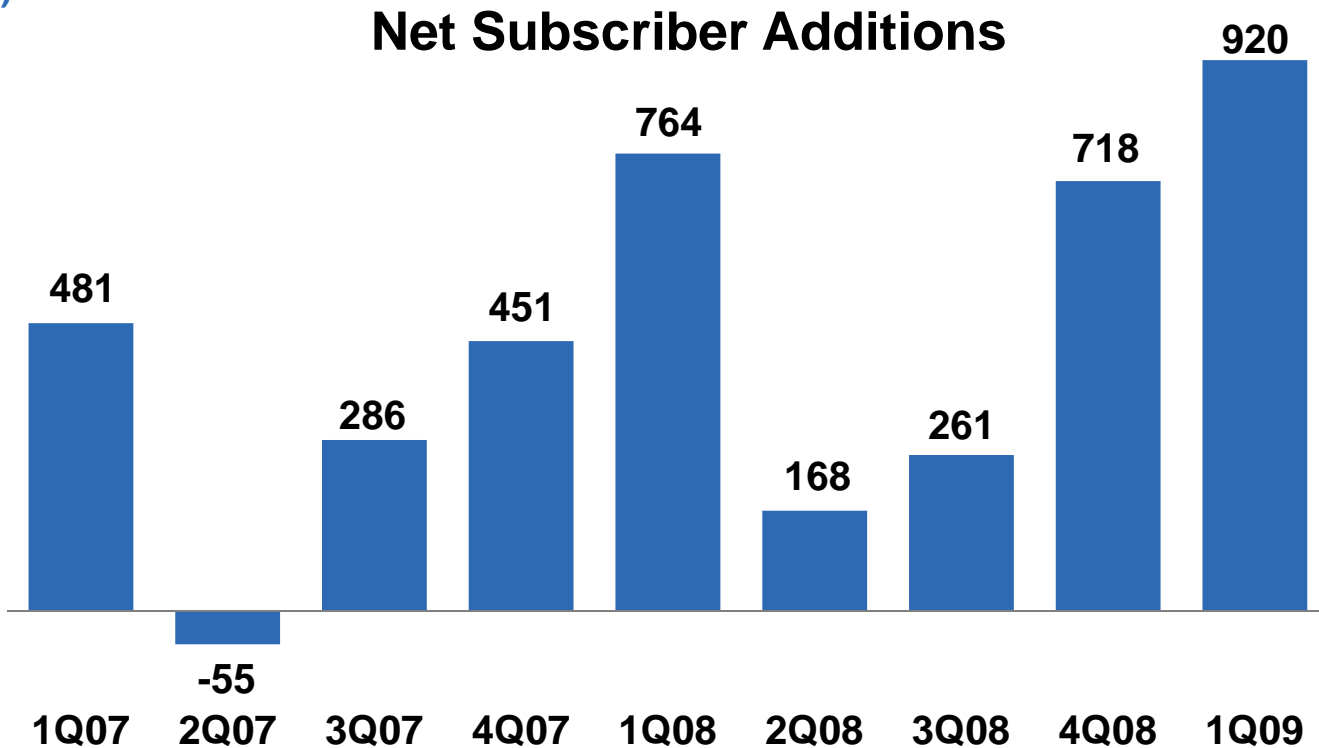
(in thousands)

Netflix Subscribers



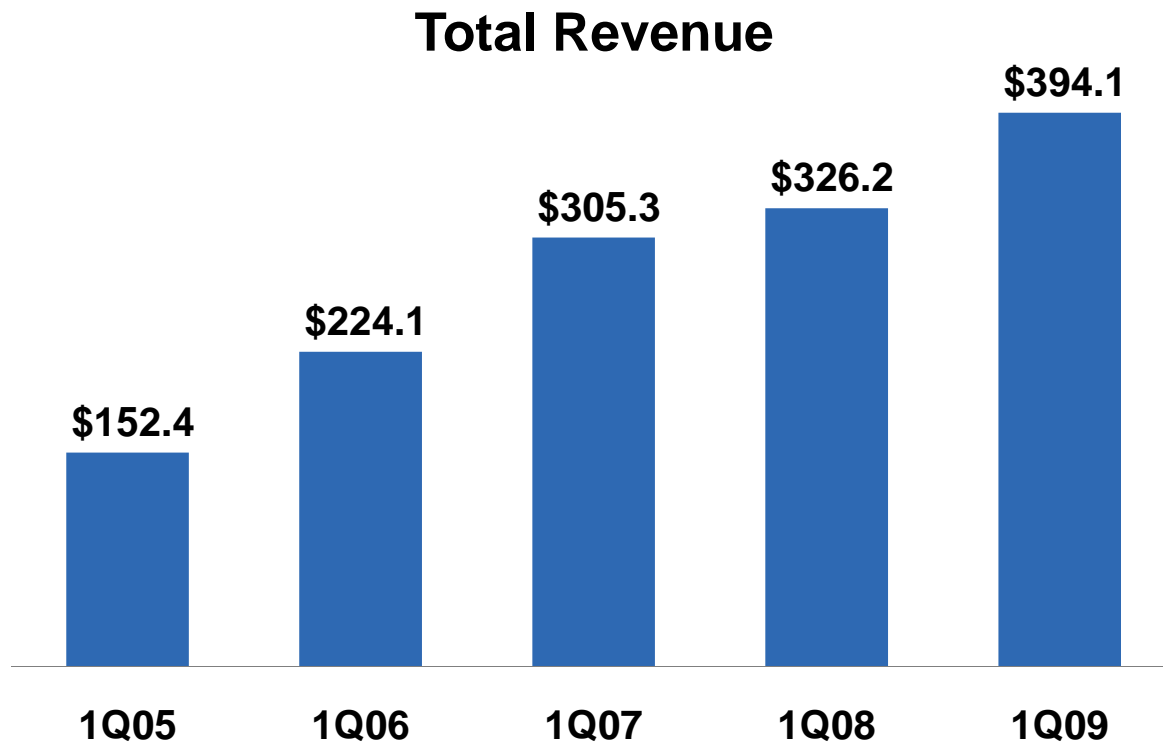
Net Additions

(in thousands)



Q1 Revenue

(in millions)

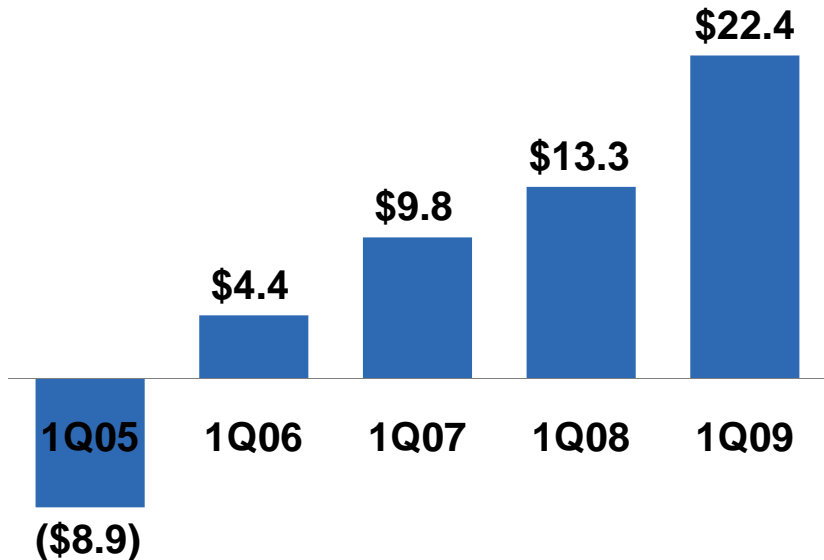


Note: Netflix implemented price reductions in July 2007

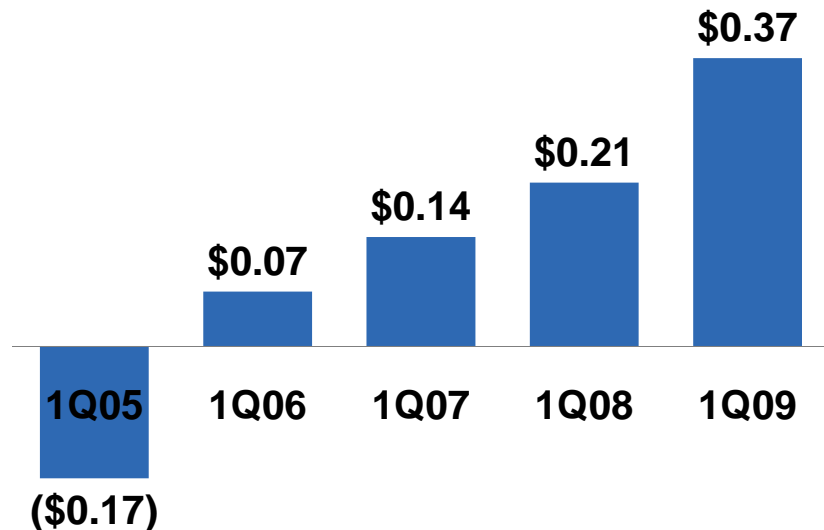
Q1 GAAP Net Income & Fully Diluted EPS

(in millions)

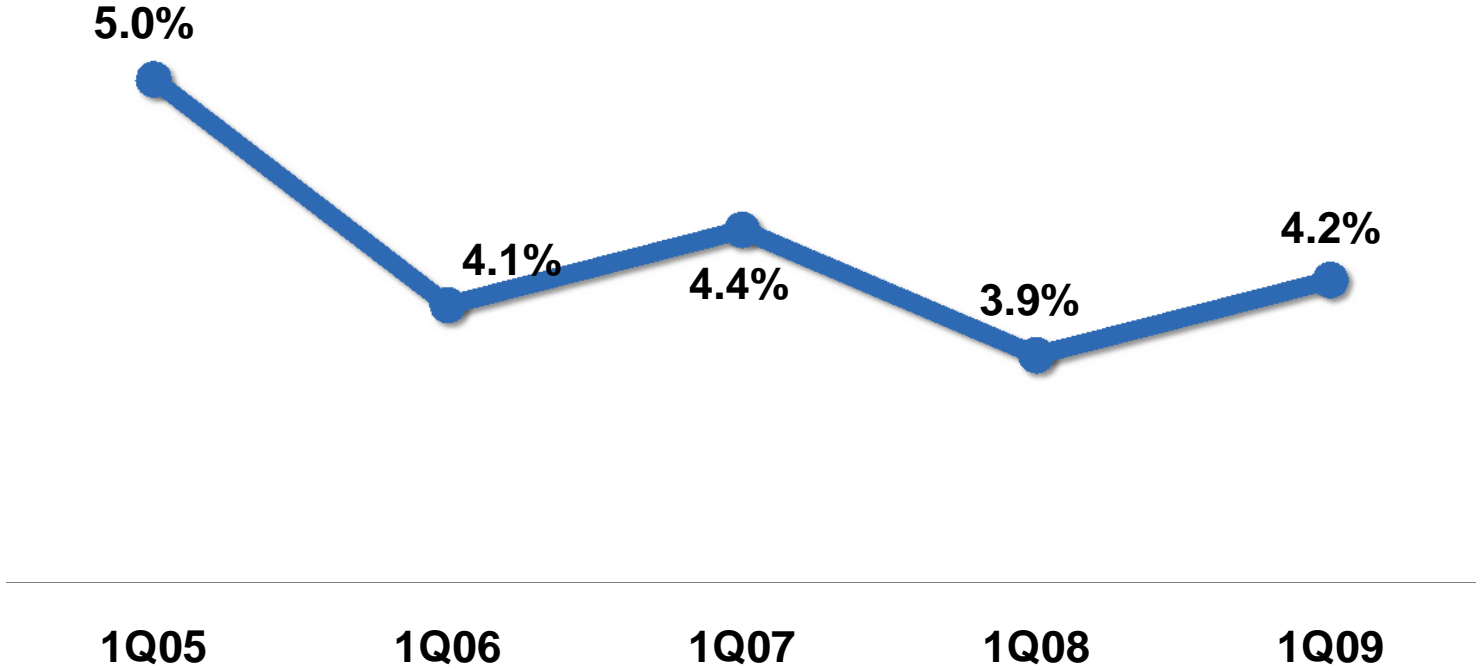
Net Income



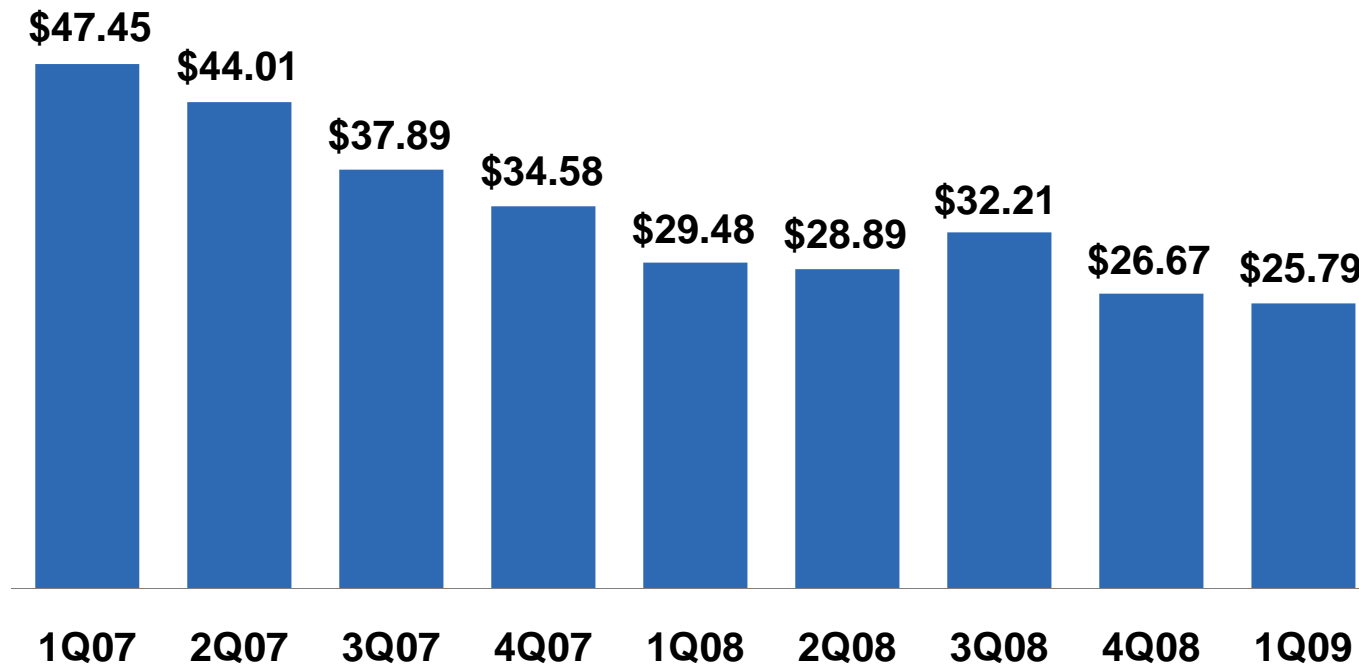
Earnings per Share



Q1 Churn



Subscriber Acquisition Cost



Free Cash Flow

	1Q08	2Q08	3Q08	4Q08	1Q09
Non-GAAP Free Cash Flow Reconciliation:					
Net cash provided by operating activities	\$64,062	\$67,380	\$60,495	\$92,100	\$65,633
Purchases of property and equipment	(12,431)	(14,662)	(9,226)	(7,471)	(6,572)
Acquisition of intangible asset	—	(1,000)	(62)	—	(200)
Acquisitions of content library	(51,316)	(44,410)	(28,828)	(38,295)	(46,499)
Proceeds from sale of DVDs	4,507	5,379	3,787	4,695	2,726
Other assets	8	20	3	(32)	(2)
Non-GAAP Free Cash Flow	\$4,830	\$12,707	\$26,169	\$50,997	\$15,086

Business Outlook

	2Q09	FY '09
Subscribers	10.4 – 10.6M	11.2 – 11.8M
Revenue	\$403 – 409M	\$1,630 – 1,670M
GAAP Net Income	\$27 – 32M	\$96 – 106M
GAAP EPS*	\$0.44 – 0.53	\$1.56 – 1.72

*Fully Diluted

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