

Netflix adds 1.1M customers, 4Q profit up 36 pct

January 27 2010, By MICHAEL LIEDTKE , AP Technology Writer

(AP) -- Netflix Inc.'s fourth-quarter profit surged 36 percent as its DVD-by-mail service surpassed 12 million subscribers, and the company announced an upbeat outlook for 2010 that sent its shares soaring Wednesday.

The results reflect the growing popularity of Netflix plans that bundle DVD rentals with unlimited video streaming over the Internet for as little as \$9 per month.

Netflix added more than 1.1 million customers during the quarter - the most in any three-month period during its 11-year history.

Management is expecting an even bigger beginning to this year. The company projects an additional 1.2 million to 1.5 million customers by the end of March. And Netflix provided forecasts for the first-quarter and the full year that exceeded analysts' current estimates.

Netflix shares soared \$5.31, or more than 10 percent, in extended trading after finishing Wednesday's regular session at \$50.07, up \$1.02.

The company earned \$30.9 million, or 56 cents per share, in its latest quarter. That compared to \$22.7 million, 38 cents per share, in the same period of 2008. The performance topped the average estimate of 45 cents per share among analysts surveyed by Thomson Reuters.

Fourth-quarter climbed 24 percent to \$444.5 million, falling about \$1

million below analyst forecasts.

Netflix, based in Los Gatos, Calif, got a big boost in the fourth quarter from Sony Corp.'s [PlayStation 3 video game](#) console, which became an outlet for showing the company's roughly 17,000 streaming titles. The company already had a similar deal with [Microsoft Corp.'s Xbox 360](#) and in the spring will begin to link up with Nintendo's [Wii](#) console.

The streaming technology is being embraced by more [Netflix](#) subscribers as they wait for their DVDs to be delivered through the mail. About 48 percent of the customers streamed at least 15 minutes of Internet video in the fourth quarter, up from 28 percent in the prior year.

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