

# Netflix unveils video service in UK, Ireland

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(AP) -- Netflix's Internet video service made its debut in the United Kingdom and Ireland Monday as part of a previously announced expansion that is expected to saddle the company with its first annual loss in a decade.

The [subscription service](#) will stream [TV shows](#) and movies on devices with [high-speed Internet connections](#).

[Netflix Inc.](#) is charging 5.99 pounds per month in the U.K. and 6.99 euros per month in Ireland. That translates into about \$9 per month. Netflix charges \$8 per month for Internet video in the U.S.

Lovefilm, an Internet [video service](#) that already has about 2 million European subscribers, said last month that it will charge 4.99 pounds per month to stream movies and TV episodes. Lovefilm is owned by Amazon.com Inc., which introduced a U.S. video service last year.

Netflix has more than 20 million U.S. subscribers. It also has picked up about 1.5 million subscribers outside the U.S. since it expanded into Canada in 2010 and more than 40 Latin American countries last year.

The push into the U.K. and Ireland comes while Netflix is still trying to recover from a damaging customer revolt in the U.S. Netflix infuriated [subscribers](#) with a 60 percent increase in its combined price for Internet video and DVD rentals through the mail.

After announcing the higher prices last summer, Netflix lost about

800,000 U.S. customers from the end of June through the end of September. Netflix has said the defections continued into October and November. More specifics won't be provided until the company reports its fourth-quarter earnings Jan. 25.

The subscriber exodus and the costs of the international expansion are expected to cause Netflix to lose money this year. The company has posted an annual profit since 2002.

Disillusioned investors bailed out of Netflix's stock after it became apparent that the higher U.S. prices had alienated customers, causing the company's market value to plummet by 75 percent from mid-July through the end of the year.

Netflix shares have rallied in 2012, boosted by encouraging trends in customers' usage of the Internet video service and speculation that the company could receive a lucrative buyout offer.

The stock price surged \$11.89, or nearly 14 percent, to close Monday at \$98.18. Shares of the Los Gatos, Calif., [company](#) have gained 42 percent in just five trading sessions this year. They remain well below their high of nearly \$305 reached in July.

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