

Netflix's stock soars on big 4Q subscriber gains (Update)

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This image released by Netflix shows Kevin Spacey in a scene from the Netflix original series, "House of Cards," an adaptation of a British classic. (AP Photo/Netflix, Melinda Sue Gordon)

Netflix's Internet video service warded off stiffer competition to add 2 million U.S. subscribers during the final three months of the year to produce an unexpected profit for the company.

The fourth-quarter performance announced Wednesday validates

investors' recent confidence in Netflix Inc., whose volatile stock had surged by more than 30 percent since early December. The stock soared another \$34.49, or 33 percent, to \$137.75 in extended trading after the numbers came out. If the shares trade similarly in Thursday's regular trading session, it will propel Netflix's stock a new 52-week high.

The surge in new customers left Netflix with 27.1 million U.S. subscribers to its service that streams movies and TV shows to Internet-connected devices.

Netflix's expansion also gathered more momentum as the company ended the quarter with an additional 1.8 million subscribers outside the U.S.

That means Netflix entered this year with 33.3 million video-streaming subscribers worldwide.

Netflix also still has 8.2 million customers signed up for the DVD-by-mail rental plans that launched the company's early success. Although Netflix is phasing out the disc service, the company hung on to more of the DVD subscribers than it anticipated during the fourth quarter. Netflix lost 382,000 DVD subscribers during the quarter.

Netflix earned nearly \$8 million, or 13 cents per share. That was a 78 percent plunge from net income of \$35.2 million, or 64 cents per share, at the same time last year.

Taking their cue from Netflix's own projections in October, analysts polled by FactSet had predicted the company's would lose 12 cents per share as expenses for the international expansion and video-licensing rises outpaced revenue growth.

Revenue climbed 8 percent from the previous year to \$945 million.

Netflix appears confident that its recent momentum will carry into the current quarter, which will be highlight by the Feb. 1 debut of a much-anticipated TV series called "House of Cards" produced exclusively for the video streaming service. The series stars Academy Award-winning actor Kevin Spacey.

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