

Netflix shares surge as membership numbers climb (Update)

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The Netflix company logo is seen at headquarters in Los Gatos, CA on, April 13, 2011

Netflix shares jumped Wednesday after the streaming television and film service reported strong earnings and a surge in membership.

Shares of California-based Netflix were up more than 17 percent to \$391.39 in after-market trades that followed release of earnings figures

for the final quarter of last year.

The number of Netflix members grew by 2.33 million to top 44 million and the rate at which it climbed was expected to continue in the opening months of 2014.

Netflix ended last year with 33.42 million members in the United States and a total of 10.93 million members in other countries, according to a letter to investors.

"Our domestic growth is very strong, much of which should be attributed to the tailwind of Internet video growth in general," Netflix said.

"We plan later this year to embark on a substantial European expansion," the company continued, pointing to a "big international opportunity for Netflix."

The company reported net income of \$48 million on revenue of about \$1.17 billion as compared with \$8 million in profit on \$945 million in revenue in the closing quarter of 2012.

Netflix said that it will expand investments on original programming given the success of shows such as "House of Cards" and "Orange is the New Black."

The company is exploring the potential of tiered pricing plans, but stressed that existing members would get "generous grandfathering" of deals already in place.

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