

Exhibit 3 Netflix's Consolidated Statements of Operations, 2000–2009 (\$ millions, except per share data)

	2000	2005	2006	2007	2008	2009
Revenues	\$ 35.9	\$682.2	\$996.7	\$1,205.3	\$1,364.7	\$1,670.3
Cost of revenues:						
Subscription costs	24.9	393.8	532.6	664.4	761.1	905.5
Fulfillment expenses	10.2	72.0	94.4	121.3	149.1	165.8
Total cost of revenues	35.1	465.8	627.0	786.2	910.2	1,071.3
Gross profit	0.8	216.4	369.7	419.2	454.4	599.0
Operating expenses						
Technology and development	16.8	35.4	48.4	71.0	89.9	114.5
Marketing	25.7	144.6	225.5	218.2	199.7	257.7
General and administrative	7.0	35.5	36.2	52.4	49.7	51.0
Stock-based compensation*	9.7	—	—	—	—	—
Gain (loss) on disposal of DVDs	—	(2.0)	(4.8)	(7.2)	(6.3)	(4.6)
Gain on legal settlement	—	—	—	(7.0)	—	—
Total operating expenses	59.2	213.4	305.3	327.4	332.9	398.7
Operating income	(58.4)	3.0	64.4	91.8	121.5	191.8
Interest and other income (expense)	(0.2)	5.3	15.9	20.1	10.0	0.0
Income before income taxes	—	8.3	80.3	110.9	131.5	192.2
Provision for (benefit from) income taxes	—	(33.7)	31.2	44.3	48.5	76.3
Net income	\$(58.5)	\$42.0	\$49.1	\$66.7	\$83.0	\$115.9
Net income per share:						
Basic	\$(20.61)	\$0.79	\$0.78	\$0.99	\$1.36	\$2.05
Diluted	(20.61)	0.64	0.71	0.97	1.32	1.98
Weighted-average common shares outstanding:						
Basic	2.8	53.5	62.6	67.1	61.0	56.6
Diluted	2.8	65.5	69.1	68.9	62.8	58.4

Note: Totals may not add due to rounding.

*Stock-based compensation costs for 2005–2009 totaled \$14.3 million in 2005, \$12.7 million in 2006, \$12.0 million in 2007, \$12.3 million in 2008, and \$12.6 million in 2009; these costs were allocated to fulfillment expenses, technology and development, marketing, and general and administrative based on the area of Netflix's business in which the personnel receiving the stock option awards were employed. Thus, the amounts shown in the line-item expenses for fulfillment, technology and development, marketing, and general and administrative for 2005–2009 include their respective allocation of stock-based compensation costs.

Source: Netflix, 10-K reports for 2003, 2006, and 2009.

stock in April 2007. A second stock repurchase program involving the expenditure of \$100 million was announced in January 2008, and in March 2008 Netflix's board of directors authorized a third repurchase program to spend an additional \$150 million to buy back shares during the remainder of 2008. A fourth program to repurchase shares was announced in January 2009; it resulted in expenditures of \$175 million. In August 2009, the company's board of directors authorized expenditures of up to \$300 million to

repurchase shares of common stock through the end of 2010. As of early 2010, these programs had resulted in the repurchase of more than 20 million shares; the net reduction in shares outstanding was less than 20 million shares because of the issuance of new shares under the company's stock-based compensation program for executives and employees. In June 2010, Netflix's Board of Directors approved a stock repurchase program authorizing the repurchase of up to \$300 million in common stock through the end of 2012.