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Netflix Awards $50,000 Progress Prize in Year Two of Multi-Year, Multi-National Netflix Prize Competition

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LOS GATOS, Calif., Dec. 10 /PRNewswire-FirstCall/ -- For a second consecutive year, Netflix, Inc. (Nasdaq: NFLX), the world's largest online movie rental service, did not give away $1 million as it had hoped. Instead, the company will award a second annual $50,000 Progress Prize to the computer scientists who came the closest in the multi-year contest to improve upon the complex Netflix movie recommendation system by 10 percent.

The team "BellKor in BigChaos" won the 2008 Progress Prize with a 9.44% improvement in the Netflix recommendation system. The team is actually a combination of two teams that previously competed against each other in their efforts to outpace more than 35,000 other teams from 180 countries vying for the $1 million grand prize.

A board of judges, including senior engineers at Netflix and well-known members of the machine learning community, validated BellKor in BigChaos's entry as the winner of the second annual Progress Prize.

Last year the BellKor team, then known as KorBell, won the $50,000 progress prize with an improvement of 8.43 percent. At that time BigChaos was in 81st place with a 5.51% improvement. BigChaos has since advanced to a leading position, vying with BellKor for 2nd place behind their winning combined solution.

The BellKor side of the team is comprised of three scientists, Chris Volinsky, Yehuda Koren, and Bob Bell, who until recently worked together at AT&T Labs in Florham Park, N.J. Recently, Koren left AT&T Labs to join Yahoo Research in Israel.

BigChaos members Andreas Toscher, Michael Jahrer, Georg Pressler and Michael Schrotter founded Commendo Research in Koflach, Austria earlier this year based on the notoriety they received in the Netflix Prize competition.

"Every day computer scientists and machine learning experts from around the world deploy creative and innovative strategies trying to pass the ten percent mark and win the Netflix Prize," said Netflix Chief Product Officer Neil Hunt. "The collaboration between BellKor and BigChaos was a smart move, but still not enough to hit the ten percent mark.

"This demonstrates just how tough this challenge is," said Dr. Hunt.

BellKor in BigChaos team members will travel to Netflix headquarters on December 17 to receive the $50,000 at a ceremony at which they will publicly present the team's results to an audience of Netflix executives, academicians, computer scientists and others. Netflix will publish a detailed description of BellKor in BigChaos's submission for the benefit of companies, entrepreneurs and academicians.

In the meantime, the competition for the grand prize continues until someone hits the 10 percent milestone and captures the $1 million purse.

"The gap to 10 percent is narrowing and familiar faces are still in the lead," Dr. Hunt said, referring to BellKor in BigChaos. The leaders have reached a 9.56 improvement since they submitted their Progress Prize data on October 2, which was the second anniversary of the Netflix Prize launch.

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"However, hitting that last .44 percent is less of a dash to the finish line and more of a tough slog to the peak of Mt. Everest," Dr. Hunt said.

When Netflix launched the Netflix Prize in October 2006 it made available to contestants 100 million anonymous movie ratings ranging from one to five stars, the largest such data set ever released. All personal information identifying individual Netflix customers was removed from the prize data, which contains only movie titles, star ratings and dates but no text reviews.

The Netflix recommendation engine spans the 100,000 DVD titles in the Netflix catalog and is an essential element of the company's movie subscription service. Each of the 8.7 million Netflix members enjoys a personalized member Web site that enables them to rate movies on a one to five star scale. Netflix combines those individual ratings into a database of more than two billion movie ratings and employs proprietary algorithms and software to identify movies that tend to be rated highly (or lowly) by people with similar tastes. The accuracy of this software has been praised by movie critics and members alike and enables Netflix to fulfill its goal of connecting people with movies they'll love.

Complete details for registering and competing for the Netflix Prize are available at http://www.netflixprize.com.

About Netflix, Inc.

Netflix, Inc. is the world's largest online movie rental service, with more than eight million subscribers. For one low monthly price, Netflix members can get DVDs delivered to their homes and can instantly watch movies and TV episodes streamed to their TVs and PCs, all in unlimited amounts. Members can choose from more than 100,000 DVD titles and a growing library of more than 12,000 choices that can be watched instantly. There are never any due dates or late fees. DVDs are delivered free to members by first class mail, with a postage-paid return envelope, from 55 U.S. distribution centers. More than 95 percent of Netflix members live in areas that generally receive shipments in one business day. Netflix is also partnering with leading consumer electronics companies to offer a range of devices that can instantly stream movies and TV episodes to members' TVs from Netflix. For more information, visit http://www.netflix.com/.

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