

MANSOUR NED  
Form 4  
February 22, 2011

# FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
MANSOUR NED

2. Issuer Name and Ticker or Trading Symbol  
BLUE NILE INC [NILE]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
02/17/2011

Director  10% Owner  
 Officer (give title below)  Other (specify below)

C/O BLUE NILE, 705 5TH AVE. S. SUITE 900

(Street)

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Filing (Check Applicable Line)

Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

SEATTLE, WA 98104

(City) (State) (Zip)

### Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	02/17/2011		M	2,015	A \$ 26.02	4,015	D
Common Stock	02/17/2011		S	2,015	D \$ 55.61 (1)	2,000	D
Common Stock	02/18/2011		M	2,985	A \$ 26.02	4,985	D
Common Stock	02/18/2011		S	2,985	D \$ 55.5	2,000	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Options (Right to Buy)	\$ 26.02	02/17/2011	02/17/2011	M	2,015	(2) 12/16/2018	Common Stock	2,015
Stock Options (Right to Buy)	\$ 26.02	02/18/2011	02/18/2011	M	2,985	(2) 12/16/2018	Common Stock	2,985

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MANSOUR NED C/O BLUE NILE 705 5TH AVE. S. SUITE 900 SEATTLE, WA 98104		X		

## Signatures

/s/ Lauren Neiswender, Power of Attorney

02/22/2011

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1)

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Represents the weighted average sale price. The highest price at which shares were sold was \$55.63 and the lowest price at which shares were sold was \$55.55.

- (2) One-thirtieth of the option shares vest monthly for the first twelve months beginning on December 17, 2008 and one-sixtieth of the option shares vest in equal monthly installments over the following thirty-six months.
- (3) Not Applicable

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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