

MANSOUR NED  
Form 4  
February 22, 2011

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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)
			Code	V	Amount or Price (A) or (D)		
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.



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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.

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