

BLUE NILE INC  
Form 4  
May 21, 2008

**FORM 4**

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

OMB APPROVAL

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**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 \*  
**JIMENEZ JOSEPH**

(Last) (First) (Middle)

**C/O BLUE NILE, INC., 705 FIFTH AVENUE S, STE 900**

(Street)

**SEATTLE, WA 98104**

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
**05/19/2008**

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**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                    | 05/19/2008                           |  | M                              | A   | \$ 18.5   | 10,671   | D                                 |
| Common Stock                    | 05/19/2008                           |  | S                              | D   | \$ 53.9574<br>(1)   | 5,671  | D                                 |
| Common Stock                    | 05/19/2008                           |  | M                              | A   | \$ 31.74  | 9,671  | D                                 |
| Common Stock                    | 05/19/2008                           |  | S                              | D   | \$ 54.6512<br>(2)   | 5,671  | D                                 |
|                                 | 05/19/2008                           |  | M                              | A   | \$ 30.18  | 9,671  | D                                 |

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|              |            |   |       |   |                   |       |   |
|--------------|------------|---|-------|---|-------------------|-------|---|
| Common Stock |            |   |       |   |                   |       |   |
| Common Stock | 05/19/2008 | S | 4,000 | D | \$ 54.0997<br>(3) | 5,671 | D |
| Common Stock | 05/20/2008 | M | 1,000 | A | \$ 18.5           | 6,671 | D |
| Common Stock | 05/20/2008 | S | 1,000 | D | \$ 52.5452<br>(4) | 5,671 | D |

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

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(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)               | \$ 18.5  | 05/19/2008                           | 05/19/2008   | M                              | 5,000   | (5) 04/27/2014   | Common Stock  | 5,000                         |
| Stock Options (Right to Buy)               | \$ 31.74   | 05/19/2008                           | 05/19/2008   | M                              | 4,000   | (7) 05/24/2015   | Common Stock  | 4,000                         |
| Stock Options (Right to Buy)               | \$ 30.18   | 05/19/2008                           | 05/19/2008   | M                              | 4,000   | (8) 05/24/2016   | Common Stock  | 4,000                         |
| Stock Options (Right to Buy)               | \$ 18.5  | 05/20/2008                           | 05/20/2008   | M                              | 1,000   | (5) 04/27/2014   | Common Stock  | 1,000                         |

Buy)

## Reporting Owners

| Reporting Owner Name / Address  | Relationships                          |
|---|--|
|   | Director   10% Owner   Officer   Other |
| JIMENEZ JOSEPH<br>C/O BLUE NILE, INC.<br>705 FIFTH AVENUE S, STE 900<br>SEATTLE, WA 98104 | X                                      |

## Signatures

/s/ Diane M. Irvine, Power of Attorney 05/21/2008

\_\_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) Represents the weighted average sale price. The highest price at which shares were sold was \$54.11 and the lowest price at which shares were sold was \$53.91.
- (2) Represents the weighted average sale price. The highest price at which shares were sold was \$54.99 and the lowest price at which shares were sold was \$54.36.
- (3) Represents the weighted average sale price. The highest price at which shares were sold was \$54.47 and the lowest price at which shares were sold was \$53.99.
- (4) Represents the weighted average sale price. The highest price at which shares were sold was \$52.57 and the lowest price at which shares were sold was \$52.51.
- (5) One forty eighth of the option shares vest in equal monthly installments over forty eight months starting April 27, 2004.
- (6) Not applicable.
- (7) One twelfth of the option shares vest in equal monthly installments over twelve months starting May 24, 2005.
- (8) One twelfth of the option shares vest in equal monthly installments over twelve months starting May 24, 2006.

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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