



Education. Guidance. Diamonds and Fine Jewelry.

Your heart pounds. She opens the box. Your eyes meet. Joy. The rarest of precious gems is irreplaceable. The diamond catches the light.

About Blue Nile

Blue Nile, Inc. is the leading online retailer of diamonds and fine jewelry. The Company delivers the ultimate customer experience, providing consumers with a superior way to buy engagement rings, wedding rings and fine jewelry. Blue Nile offers in-depth educational materials and unique online tools that place consumers in control of the jewelry shopping process. The Company offers thousands of independently certified diamonds and fine jewelry at prices significantly below traditional retail, with quality standards that are among the highest in the industry. Blue Nile can be found online at www.bluenile.com, www.bluenile.ca and www.bluenile.co.uk. Blue Nile's shares are traded on the Nasdaq Stock Market LLC under the symbol **NILE**.



COMPANY PROFILE

Blue Nile is the largest online retailer of certified diamonds and fine jewelry. The Company is headquartered in Seattle, Washington.

1999 Year founded

2004 Year of IPO

\$302.1M 2009 Revenue

190 2009 Employees

\$1.6M 2009 Revenue per employee

69 Percent of revenue from engagement jewelry in 2009

40+ Countries served

225K Marriage proposals

\$1.5M Largest single sale

12.5ct Largest diamond ever sold

100K Diamonds sold over 1 carat

55K+ Diamonds for sale

History

Following his own frustrating search for an engagement ring, Blue Nile Executive Chairman Mark Vadon recognized that a significant number of consumers were confused, intimidated, and discouraged by the traditional jewelry-shopping experience. Mark subsequently acquired Internet Diamonds—re-naming it Blue Nile—which was built on the premise that there had to be a smarter way to buy a diamond. Mark's vision, which today is embodied throughout Blue Nile's Mission Statement, was to build the premier specialty retailer of jewelry by offering consumers high quality products at compelling values through an empowering shopping experience.

Financial Highlights (in millions, except per share data)

	2005	2006	2007	2008	2009
Revenue	203.2	251.6	319.3	295.3	302.1
Net Income	13.2	13.1	17.5	11.6	12.8
EPS (diluted)	0.71	0.76	1.04	0.75	0.84
Free Cash Flow*	30.2	38.6	36.6	-4.9	36.7

* Free cash flow is a non-GAAP measure defined as cash provided by operating activities less capital expenditures. For a reconciliation to the comparable GAAP measure, refer to the Investor Relations section of our website on the financial reports page.

Company Milestones



Blue Nile's Products & Services

Build Your Own Diamond Jewelry: A proprietary "Build Your Own" function that consumers can use to customize diamond rings, earrings, pendants, three stone rings, three stone pendants and five stone rings.

Proprietary Diamond Search: A proprietary interactive diamond search function that allows consumers to search through an inventory of over 55,000 diamonds independently certified to find the perfect purchase based on individual criteria.

Blue Nile Signature Diamonds: A collection of diamonds that are hand-selected and cut to the most exacting standards, providing perfect symmetry and proportions for maximum brilliance.

Diamond and Jewelry Consultants: Expertly trained customer service team offering no-pressure advice and guidance to help customers make purchasing decisions with confidence.

Fine Jewelry: Finely-crafted diamond, gold, pearl, sterling silver, platinum and gemstone jewelry in classic and modern designs.

Fancy Colored Diamonds: An exclusive collection of rare fancy colored diamonds, including extremely rare diamonds in red and pink hues.

Executive Officers

Mark Vadon

Executive Chairman and Chairman of the Board

Diane Irvine

Chief Executive Officer, President and Director

Marc Stolzman

Chief Financial Officer

Susan Bell

Senior Vice President

Dwight Gaston

Senior Vice President

Marianne Marck

Senior Vice President

Vijay Talwar

Senior Vice President

Terri Maupin

Vice President of Finance and Controller



WHY CUSTOMERS CHOOSE BLUE NILE

Quality

Among the highest quality standards in the industry

Education

Comprehensive guidance and education

Selection

Unmatched diamond selection and interactive search tools

Service

Commitment to a superior customer experience

FOR MORE INFORMATION

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Blue Nile Diamonds Are Shipped Internationally

North America

Canada
Mexico
Puerto Rico
United States
Virgin Islands

Europe

Austria
Belgium
Bulgaria
Cyprus

Czech Republic

Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Ireland
Italy
Latvia

Lithuania

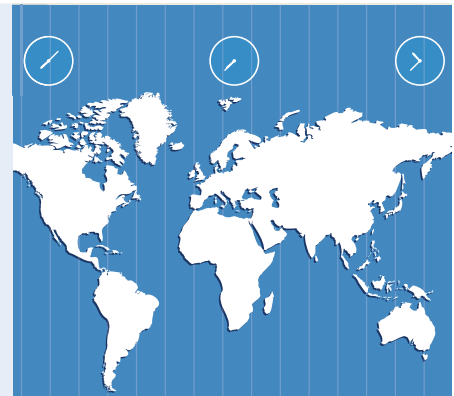
Luxembourg
Malta
Netherlands
Norway
Poland
Portugal
Romania
Slovakia
Slovenia
Spain

Sweden

Switzerland
United Kingdom
Asia/Asia Pacific
Australia
China
Guam
Hong Kong (SAR)
Japan
Macau
New Zealand

Northern

Mariana Islands
Singapore
Taiwan



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