



Blue Nile, Inc.



NILE NASDAQ

Retail - Apparel / Accessories

Market Capitalization USD:

\$515.55 mm

CONCERN LEVEL: LOW

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Harvey Kanter

Age: 50

CEO Since: 2012

	2009	2010	2011
Base Salary	\$450,000	\$471,875	\$469,497
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$405,000	\$199,360	\$0
Benefits and Perquisites	\$5,620	\$5,620	\$253,448
TOTAL ANNUAL COMPENSATION	\$860,620	\$676,855	\$722,945
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$1,097,520	\$1,009,274	\$1,235,595
Stock Awards	\$99,989	\$49,490	\$0
TOTAL COMPENSATION	\$2,058,129	\$1,735,619	\$1,958,540
Median of Other Named Executive Officers Total Compensation	\$889,559	\$838,741	\$900,085
Value Realized on Exercise of Stock Option	\$1,324,627	\$1,775,249	\$2,866,786
Value Realized on Vesting of Stock	\$0	\$116,928	\$139,023
TOTAL REALIZED EQUITY COMPENSATION	\$1,324,627	\$1,892,177	\$3,005,809

Proxy Date: 17 Apr 2012

Annual Meeting Date: 17 May 2012

Equity Reserves: 65.45%

Stock Option Run Rate: 3.15%

Blue Nile, Inc.

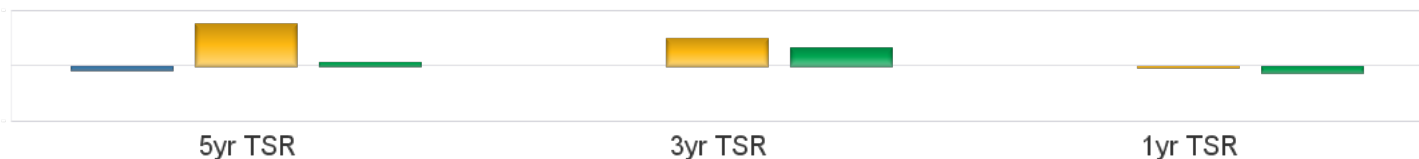
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Performance Comparison

■ S&P500 ■ Industry ■ NILE



Peer Comparisons (TRBC) =Retail - Apparel / Accessories

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
NILE	Blue Nile, Inc.	\$2,058,129	\$1,735,619	\$1,958,540	\$515,549,215
MW	Men's Wearhouse, Inc. (The)	\$1,498,911	\$1,971,804		\$1,335,061,462
JOSB	Jos. A. Bank Clothiers, Inc.	\$2,646,918	\$3,987,669		\$1,297,612,039
GCO	Genesco Inc.	\$1,927,499	\$2,674,409		\$1,246,023,896
ANN	ANN INC.	\$9,112,292	\$10,329,244	\$10,798,477	\$1,193,008,526
PLCE	Children's Place Retail Stores, Inc. (The)	\$3,455,194	\$2,162,962		\$1,171,687,052
FINL	Finish Line, Inc. (The)	\$2,201,430	\$2,411,605		\$1,036,115,103

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

1-800-FLOWERS.COM, Inc.; Ancestry.com, Inc.; Coach, Inc.; Digital River, Inc.; eHealth, Inc.; Joe's Jeans, Inc.; Liquidity Services, Inc.; LoopNet, Inc.; Netflix, Inc.; OpenTable, Inc.; PetMed Express Inc.; Shutterfly, Inc.; Signet Jewelers Ltd.; Tiffany & Co.; and Williams-Sonoma, Inc.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Steven L. Scheid	Chairman	58	Male	5	Outside
Chris Bruzzo	Member	42	Male	1	Outside
Leslie Lane	Member	43	Male	4	Outside

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