

For Immediate Release:

**MAVERICK CAPITAL AND PRENTICE CAPITAL CLOSE ON PURCHASE OF
\$50 MILLION STAKE IN BLUEFLY**

NEW YORK – June 15, 2006 – Bluefly, Inc. (NASDAQ SmallCap: BFLY), a leading online retailer of designer brands, fashion trends and superior value (www.bluefly.com), today announced that private funds associated with Maverick Capital, Ltd. and private funds associated with Prentice Capital Management, LP have closed on their previously agreed purchase of \$50 million of newly issued common stock from the Company. The deal was originally announced on June 5, 2006, when definitive documents were signed.

In connection with the transaction, private funds associated with Soros Fund Management LLC, collectively Bluefly's largest shareholder, converted all of their preferred stock into common stock. Bluefly will retain \$25 million of the proceeds to grow its business and fund working capital. The balance of \$25 million was used to repay debt to the Soros funds, as well as to pay accrued dividends on the preferred stock converted in connection with the transaction.

The transaction was arranged by the investment banking firm of Allen & Company. Under the terms of the deal, Bluefly sold 60,975,610 newly issued shares of common stock for an aggregate of \$50 million, or \$0.82 per share. The purchase price represented an 11% premium over the closing price of the Company's common stock as of the date that the definitive agreement was signed and announced. The purchased shares included approximately 200,000 shares that were purchased by a holder of our Series D Convertible Preferred Stock in connection with the exercise of its preemptive rights. Following the closing, the Soros funds collectively own approximately 39% of the Company's outstanding common stock, while Maverick and Prentice funds each own approximately 24%. Both Maverick and Prentice hold a right to designate a representative on the board.

This press release does not constitute an offer of any securities for sale. The offer and sale of the shares of common stock issued to entities affiliated with Maverick Capital and Prentice Capital were not registered under the Securities Act, and such shares may not be offered or sold absent registration under the Securities Act or an applicable exemption therefrom.

About Bluefly, Inc.

Founded in 1998, Bluefly, Inc. (NASDAQ SmallCap: BFLY) is a leading online retailer of designer brands, fashion trends and superior value. Bluefly is headquartered at 42 West 39th Street in New York City, in the heart of the Fashion District. For more information, please call 212-944-8000 or visit www.bluefly.com.

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