

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**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <b>RAFAEL BETSY</b>  (Last) (First) (Middle) <b>C/O SHUTTERFLY, INC.</b> <b>2800 BRIDGE PARKWAY</b>  (Street) <b>REDWOOD CA 94065</b>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <b>SHUTTERFLY INC [ SFLY ]</b>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <b>05/23/2018</b>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	05/24/2018		M <sup>(1)</sup>		4,629	A	\$0	8,615	D	
Common Stock	05/25/2018		S <sup>(2)</sup>		3,472	D	\$93.0208 <sup>(3)</sup>	5,143	D	

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V		Date Exercisable	Expiration Date						Title
Restricted Stock Units	(4)	05/23/2018		A		2,773	(5)	(5)	Common Stock	2,773	\$0	2,773	D	
Restricted Stock Units	(4)	05/24/2018		M <sup>(1)</sup>		4,629	(6)	(6)	Common Stock	4,629	\$0	0	D	

**Explanation of Responses:**

- Vesting of restricted stock units ("RSUs") granted to the Reporting Person on May 24, 2017.
- This transaction was effected pursuant to a Rule 10b5-1 trading plan previously adopted by the reporting person.
- Represents a weighted average sales price per share. These shares were sold in multiple transactions at prices ranging from \$92.73 to \$93.55 per share. The Reporting Person has provided to the Issuer, and undertakes to provide to the staff of the Securities and Exchange Commission or any security holder of the Issuer, upon request, full information regarding the number of shares purchased at each separate price within the range.
- Each RSU represents a contingent right to receive one (1) share of Issuer common stock under the Issuer's 2015 Equity Incentive Plan.
- The RSUs will vest in full on May 23, 2019, subject to the continued service of the Reporting Person on the vest date.
- The RSUs vested in full on May 24, 2018.

/s/ Jason Sebring, Attorney-in-Fact 05/25/2018

\*\* Signature of Reporting Person Date

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

\* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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