

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* LAYNEY TRACY (Last) (First) (Middle) C/O SHUTTERFLY, INC. 2800 BRIDGE PARKWAY (Street) REDWOOD CITY CA 94065 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol SHUTTERFLY INC [SFLY]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) SVP, Chief HR Officer
	3. Date of Earliest Transaction (Month/Day/Year) 06/15/2018	
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	06/15/2018		M ⁽¹⁾		2,793	A	\$44.75	24,543	D	
Common Stock	06/15/2018		S ⁽¹⁾		2,593	D	\$94.1491 ⁽²⁾	21,950	D	
Common Stock	06/15/2018		S ⁽¹⁾		200	D	\$95.155 ⁽³⁾	21,750	D	
Common Stock	06/15/2018		M ⁽⁴⁾		10,875	A	\$0	32,625	D	
Common Stock	06/18/2018		S		10,882 ⁽⁵⁾	D	\$93.48	21,743	D	
Common Stock	06/19/2018		S ⁽¹⁾		4,393	D	\$93.687 ⁽⁶⁾	17,350	D	
Common Stock	06/19/2018		S ⁽¹⁾		6,475	D	\$94.4675 ⁽⁷⁾	10,875	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	(A)	(D)	Date Exercisable	Expiration Date						Title
Employee Stock Option (right to buy)	\$44.75	06/15/2018		M ⁽¹⁾		2,793		(8)	02/13/2024	Common Stock	2,793	\$0	22,347	D	
Restricted Stock Units	(9)	06/15/2018		M ⁽⁴⁾		10,875		(10)	(10)	Common Stock	10,875	\$0	10,875	D	

Explanation of Responses:

- 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 \$93.63 to \$94.60 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.
- Represents a weighted average sales price per share. These shares were sold in multiple transactions at prices ranging from \$95.02 to \$95.29 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.
- Vesting of restricted stock units ("RSUs") that were earned by the Reporting Person on February 10, 2016.

5. Represents the aggregate number of shares of the Issuer's common stock sold by the Reporting Person to cover taxes due upon the release and settlement of the RSU's. The Reporting Person did not sell or otherwise dispose of any of the shares reported on this line for any reason other than to cover required taxes.
6. Represents a weighted average sales price per share. These shares were sold in multiple transactions at prices ranging from \$93.15 to \$94.14 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.
7. Represents a weighted average sales price per share. These shares were sold in multiple transactions at prices ranging from \$94.16 to \$95.04 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.
8. The stock option vested and became exercisable as to 1/4th of the shares subject to the option on February 14, 2018, and thereafter vests as to 1/48th of the shares in equal monthly installments, until such time as the option is 100% vested, subject to the continuing employment of the Reporting Person on each vesting date.
9. Each RSU represents a contingent right to receive one (1) share of Issuer common stock under the Issuer's 2015 Equity Incentive Plan.
10. The RSUs vest in 4 equal annual installments, subject to the Reporting Person's continuous service to the Issuer through each such vesting date, with the first installment to vest on June 15, 2016. Vested shares shall be settled within 30 days of the vesting date as set forth in the RSU Award Agreement. These RSUs will expire upon the earlier of the date: (i) when all are settled or (ii) when the Reporting Person ceases to provide services to the Issuer.

/s/ Jason Sebring, Attorney-in-Fact 06/19/2018

** 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.