

SHUTTERFLY INC  
Form 3  
September 28, 2006

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0104  
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**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
AU STANFORD		(Month/Day/Year)	SHUTTERFLY INC [SFLY]	
(Last)	(First)	(Middle)	09/28/2006	
C/O SHUTTERFLY INC, 2800 BRIDGE PARKWAY SUITE 101			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner	6. Individual or Joint/Group Filing(Check Applicable Line)
			<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			(give title below) (specify below)	<input type="checkbox"/> Form filed by More than One Reporting Person
			SENIOR VP, TECHNOLOGY	
REDWOOD CITY, CA 94065				
(City)	(State)	(Zip)		

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

**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 control number.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of	

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				Shares		or Indirect (I) (Instr. 5)	
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	Â (1)	05/08/2016	COMMON STOCK	210,000	\$ 10.39	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
AU STANFORD C/O SHUTTERFLY INC 2800 BRIDGE PARKWAY SUITE 101 REDWOOD CITY, CA 94065	Â	Â	Â SENIOR VP, TECHNOLOGY	Â

## Signatures

/S/ STANFORD  
S. AU 09/28/2006

\_\_Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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).
- (1) OPTION IS IMMEDIATELY EXERCISABLE AND VESTS AS TO 25% OF THE SHARES SUBJECT TO THE GRANT ON APRIL 3, 2007, AND AS TO AN ADDITIONAL 1/48TH OF THE TOTAL NUMBER OF SHARES SUBJECT TO THE GRANT AT THE END OF EACH FULL MONTH THEREAFTER.

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### Remarks:

CONFIRMINGÂ STATEMENT

THISÂ STATEMENTÂ CONFIRMSÂ THATÂ THEÂ UNDERSIGNED,Â STANFORDÂ S.Â AU,Â HASÂ AUTHORIZED

DATE:Â Â SEPTEMBERÂ 28,Â 2006

/S/Â STANFORDÂ S.Â AU

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

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