

LILLY ELI &amp; CO

Form 4

May 17, 2006

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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 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

## OMB APPROVAL

OMB  
Number: 3235-0287  
Expires: January 31,  
2005  
Estimated average  
burden hours per  
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
LILLY ENDOWMENT INC

(Last) (First) (Middle)

2801 NORTH MERIDIAN STREET

(Street)

INDIANAPOLIS, IN 46208-0068

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading  
Symbol

LILLY ELI &amp; CO [LLY]

3. Date of Earliest Transaction  
(Month/Day/Year)

05/16/2006

4. If Amendment, Date Original  
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_X\_\_\_\_ 10% Owner  
\_\_\_\_ Officer (give title below) \_\_\_\_ Other (specify below)

6. Individual or Joint/Group Filing(Check  
Applicable Line)

\_\_X\_\_ Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting  
Person

**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
1-Common Stock	05/16/2006		S		1,100	D	\$ 52.17
2-Common Stock	05/16/2006		S		1,000	D	\$ 52.06
3-Common Stock	05/16/2006		S		1,000	D	\$ 52.05
4-Common Stock	05/16/2006		S		600	D	\$ 52.04
5-Common Stock	05/16/2006		S		700	D	\$ 52.03
	05/16/2006		S		2,400	D	
							145,019,704
							145,018,704
							145,017,704
							145,017,104
							145,016,404
							145,014,004

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6-Common Stock					\$ 52.02		
7-Common Stock	05/16/2006	S	600	D	\$ 52.01	145,013,404	D
8-Common Stock	05/16/2006	S	1,800	D	\$ 52	145,011,604	D
9-Common Stock	05/16/2006	S	1,100	D	\$ 51.99	145,010,504	D
10-Common Stock	05/16/2006	S	4,200	D	\$ 51.98	145,006,304	D
11-Common Stock	05/16/2006	S	4,400	D	\$ 51.97	145,001,904	D
12-Common Stock	05/16/2006	S	2,200	D	\$ 51.96	144,999,704	D
13-Common Stock	05/16/2006	S	5,400	D	\$ 51.95	144,994,304	D
14-Common Stock	05/16/2006	S	3,600	D	\$ 51.94	144,990,704	D
15-Common Stock	05/16/2006	S	5,600	D	\$ 51.93	144,985,104	D
16-Common Stock	05/16/2006	S	6,500	D	\$ 51.92	144,978,604	D
17-Common Stock	05/16/2006	S	3,400	D	\$ 51.91	144,975,204	D
18-Common Stock	05/16/2006	S	8,200	D	\$ 51.9	144,967,004	D
19-Common Stock	05/16/2006	S	9,800	D	\$ 51.89	144,957,204	D
20-Common Stock	05/16/2006	S	10,100	D	\$ 51.88	144,947,104	D
21-Common Stock	05/16/2006	S	5,600	D	\$ 51.87	144,941,504	D
22-Common Stock	05/16/2006	S	7,000	D	\$ 51.86	144,934,504	D
23-Common Stock	05/16/2006	S	8,100	D	\$ 51.85	144,926,404	D
24-Common Stock	05/16/2006	S	7,700	D	\$ 51.84	144,918,704	D
25-Common Stock	05/16/2006	S	5,600	D	\$ 51.83	144,913,104	D
	05/16/2006	S	5,200	D		144,907,904	D

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26-Common Stock					\$ 51.82		
27-Common Stock	05/16/2006	S	1,900	D	\$ 51.81	144,906,004	D
28-Common Stock	05/16/2006	S	11,200	D	\$ 51.8	144,894,804	D
29-Common Stock	05/16/2006	S	5,200	D	\$ 51.79	144,889,604	D
30-Common Stock	05/16/2006	S	1,800	D	\$ 51.78	144,887,804	D

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

**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.**

SEC 1474  
(9-02)

**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 Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repor Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
LILLY ENDOWMENT INC 2801 NORTH MERIDIAN STREET INDIANAPOLIS, IN 46208-0068	X

## Signatures

by:/s/David D. Biber, Secretary and Treasurer on behalf of Lilly  
Endowment, Inc.

05/17/2006

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

- \* 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).

### Remarks:

This is the first of two Forms 4 filed by the Reporting Person on same date, May 17, 2006, representing transactions #1 through

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

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