LILLY ELI & CO Form 4 July 05, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

Estimated average burden hours per

response...

OMB APPROVAL

SECURITIES

Form 4 or Form 5 obligations may continue. See Instruction

Check this box

if no longer

Section 16.

subject to

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * TAUREL SIDNEY

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

LILLY ELI & CO [LLY]

(Check all applicable)

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

_X__ Director 10% Owner X_ Officer (give title

LILLY CORPORATE CENTER

06/30/2006

_ Other (specify

below)

Chairman and CEO

(Street)

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

Applicable Line)

X Form filed by One Reporting Person

6. Individual or Joint/Group Filing(Check

Form filed by More than One Reporting

Person

INDIANAPOLIS, IN 46285

(City)	(State)	(Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned								
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	Execution Date, if Transactionor Disposed of (D) any Code (Instr. 3, 4 and 5) (Month/Day/Year) (Instr. 8) (A) or				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)		
Common Stock	03/15/2006		Code V G	Amount 265	(D)	Price \$ 0	571,637	D		
Common Stock	06/16/2006		G	280	D	\$ 0	571,357	D		
Common Stock	06/30/2006		M <u>(1)</u>	35,000	A	\$ 34.595	606,357	D		
Common Stock	06/30/2006		F(1)	1,200	D	\$ 54.48	605,157	D		
Common Stock	06/30/2006		F(1)	9,657	D	\$ 54.5	595,500	D		

Edgar Filing: LILLY ELI & CO - Form 4

Common Stock	06/30/2006	F(1)	300	D	\$ 54.51	595,200	D	
Common Stock	06/30/2006	F <u>(1)</u>	2,300	D	\$ 54.52	592,900	D	
Common Stock	06/30/2006	F(1)	100	D	\$ 54.53	592,800	D	
Common Stock	06/30/2006	F(1)	13,883	D	\$ 54.54	578,917	D	
Common Stock						16,045	I	401(k)
Common Stock						1,290	I	by child, A. Taurel
Common Stock						1,290	I	by child, O. Taurel
Common Stock						1,290	I	by child, P. Taurel
Common Stock						100,000	I (2)	by wife, K. Taurel
Common Stock						95,623	I (3)	Family Limited Partnership 1
Common Stock						20,500	I (4)	Family Limited Partnership 2
Common Stock						113,797	I (5)	S. Taurel Waterfield GRAT
Common Stock						20,000	I (5)	ST Family Investment GRAT II U/A DTD 11/22/05
Common Stock						80,000	I (5)	ST Grantor Retained Annuity Trust U/A 11/22/05

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

SEC 1474 (9-02)

Edgar Filing: LILLY ELI & CO - Form 4

number.

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. Transactic Code (Instr. 8)	5. Number of tiorDerivative Securities) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		erivative Expiration Date (Month/Day/Ye equired (A) Disposed of) sstr. 3, 4,		7. Title and a Underlying S (Instr. 3 and	Securities
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee stock option 10/96 (right to buy)	\$ 34.595	06/30/2006		M		35,000	10/21/1999	10/20/2006	Common Stock	35,000

Reporting Owners

Reporting Owner Name / Address		R	elationships	
	Director	100% Oxymor	Officer	

Director 10% Owner Officer Other

TAUREL SIDNEY

LILLY CORPORATE CENTER X Chairman and CEO

INDIANAPOLIS, IN 46285

Signatures

Bronwen Mantlo for Sidney Taurel, authorization on file 07/05/2006

**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).
- (1) The transactions reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on May 8, 2006.
- (2) Reporting person disclaims beneficial ownership of these shares.
- Held by Family Limited Partnership 1 in which reporting person is sole general partner. Reporting person, his wife, children, and a trust (3) for the benefit of his grandchildren have limited interests, and reporting person disclaims beneficial ownership in the shares held by the partnership except to the extent of his pecuniary interest therein.
- Held by Family Limited Partnership 2 in which an LLC controlled by the reporting person is the sole general partner and the reporting person is the sole limited partner. Reporting person's children own an interest in the LLC, and reporting person disclaims beneficial ownership in the shares held by the LLC, except to the extent of his pecuniary interest therein.

Reporting Owners 3

Edgar Filing: LILLY ELI & CO - Form 4

(5) Grantor retained annuity trust established by reporting person. Reporting person is trustee.

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.