

LILLY ELI & CO

Form 4

May 26, 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
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(Print or Type Responses)

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

2. Issuer Name **and** Ticker or Trading
Symbol
LILLY ELI & CO [LLY]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
2801 NORTH MERIDIAN STREET
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
05/25/2005

____ Director ____X____ 10% Owner
____ Officer (give title below) ____ Other (specify below)

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
X Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

INDIANAPOLIS, IN 46208-0068

(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)	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	05/25/2006		S		800	D	\$ 51.7	144,550,004 D
2-Common Stock	05/25/2006		S		1,100	D	\$ 51.67	144,548,904 D
3-Common Stock	05/25/2006		S		2,800	D	\$ 51.66	144,546,104 D
4-Common Stock	05/25/2006		S		6,900	D	\$ 51.65	144,539,204 D
5-Common Stock	05/25/2006		S		8,200	D	\$ 51.64	144,531,004 D
	05/25/2006		S		800	D		144,530,204 D

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6-Common Stock					\$ 51.63		
7-Common Stock	05/25/2006	S	8,600	D	\$ 51.62	144,521,604	D
8-Common Stock	05/25/2006	S	2,300	D	\$ 51.61	144,519,304	D
9-Common Stock	05/25/2006	S	200	D	\$ 51.6	144,519,104	D
10-Common Stock	05/25/2006	S	1,900	D	\$ 51.59	144,517,204	D
11-Common Stock	05/25/2006	S	3,900	D	\$ 51.58	144,513,304	D
12-Common Stock	05/25/2006	S	7,200	D	\$ 51.57	144,506,104	D
13-Common Stock	05/25/2006	S	3,700	D	\$ 51.56	144,502,404	D
14-Common Stock	05/25/2006	S	5,100	D	\$ 51.55	144,497,304	D
15-Common Stock	05/25/2006	S	3,200	D	\$ 51.54	144,494,104	D
16-Common Stock	05/25/2006	S	8,300	D	\$ 51.53	144,485,804	D
17-Common Stock	05/25/2006	S	7,100	D	\$ 51.52	144,478,704	D
18-Common Stock	05/25/2006	S	8,100	D	\$ 51.51	144,470,604	D
19-Common Stock	05/25/2006	S	7,100	D	\$ 51.5	144,463,504	D
20-Common Stock	05/25/2006	S	1,900	D	\$ 51.49	144,461,604	D
21-Common Stock	05/25/2006	S	3,200	D	\$ 51.48	144,458,404	D
22-Common Stock	05/25/2006	S	3,000	D	\$ 51.47	144,455,404	D
23-Common Stock	05/25/2006	S	3,000	D	\$ 51.46	144,452,404	D
24-Common Stock	05/25/2006	S	3,300	D	\$ 51.45	144,449,104	D
25-Common Stock	05/25/2006	S	800	D	\$ 51.44	144,448,304	D
	05/25/2006	S	1,100	D		144,447,204	D

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26-Common Stock					\$ 51.43			
27-Common Stock	05/25/2006	S	3,600	D	\$ 51.42	144,443,604	D	
28-Common Stock	05/25/2006	S	2,800	D	\$ 51.41	144,440,804	D	
29-Common Stock	05/25/2006	S	3,600	D	\$ 51.4	144,437,204	D	
30-Common Stock	05/25/2006	S	2,200	D	\$ 51.39	144,435,004	D	

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

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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. Number of Derivative Securities Beneficially Owned Following Report Transaction (Instr. 6)
				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/N. Clay Robbins, President on behalf of Lilly
Endowment, Inc.

05/26/2006

__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 three Forms 4 filed by the Reporting Person on same date, May 26, 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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