

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
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1. Name and Address of Reporting Person * <u>PAUL STEVEN M</u> (Last) (First) (Middle) <u>LILLY CORPORATE CENTER</u> (Street) <u>INDIANAPOLIS IN 46285</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>LILLY ELI & CO [LLY]</u>	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) <u>EVP, Science and Technology</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>10/13/2005</u>	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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			
Common Stock	05/26/2005		G		86	D	\$0.00	16,914	D	
Common Stock	07/28/2005		G		87	D	\$0.00	16,827	D	
Common Stock	10/13/2005		M ⁽¹⁾		4,272	A	\$23.4075	21,099	D	
Common Stock	10/14/2005		M ⁽¹⁾		19,728	A	\$23.4075	40,827	D	
Common Stock	10/14/2005		F ⁽¹⁾		12,165	D	\$52.54	28,662	D	
Common Stock	10/14/2005		G		48,257	A	\$0.00	76,919	D	
Common Stock	10/14/2005		G		48,257	D	\$0.00	2,049	I ⁽²⁾	by wife
Common Stock								2,548	I	401(k)
Common Stock								579	I ⁽²⁾	by daughter
Common Stock								589	I ⁽²⁾	by wife as custodian for son

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 10/95 (right to buy)	\$23.4075	10/13/2005		M			4,272	10/16/1998	10/15/2005	Common Stock	4,272	\$0.00	19,728	D	
Employee stock option 10/95 (right to buy)	\$23.4075	10/14/2005		M			19,728	10/16/1998	10/15/2005	Common Stock	19,728	\$0.00	0	D	

Explanation of Responses:

- The transactions reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on March 15, 2005.
- Reporting person disclaims beneficial ownership of these shares.

Remarks:

James B. Lootens for Steven M. Paul, authorization on file 10/17/2005

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.