

**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                                 |           |
|--|-----------|
| OMB Number:                                  | 3235-0287 |
| Estimated average burden hours per response: | 0.5       |

|   |  |  |
|---|--|--|
| 1. Name and Address of Reporting Person*<br><b>LILLY ENDOWMENT INC</b><br><br>(Last) (First) (Middle)<br><b>2801 NORTH MERIDIAN STREET</b><br><br>(Street)<br><b>INDIANAPOLIS IN 46208-0068</b><br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><b>LILLY ELI &amp; CO [ LLY ]</b> | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><br>Director <input checked="" type="checkbox"/> 10% Owner<br><br>Officer (give title below) Other (specify below) |
|   | 3. Date of Earliest Transaction (Month/Day/Year)<br><b>06/12/2006</b>            |  |
|   |  | 6. Individual or Joint/Group Filing (Check Applicable Line)<br><br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><br>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   |   |  |   |
| 31-Common Stock                 | 06/12/2006                           |  | S                              |   | 600   | D          | \$52.03 | 143,811,704   | D  |   |
| 32-Common Stock                 | 06/12/2006                           |  | S                              |   | 3,700   | D          | \$52.02 | 143,808,004   | D  |   |
| 33-Common Stock                 | 06/12/2006                           |  | S                              |   | 600   | D          | \$52.01 | 143,807,404   | D  |   |
| 34-Common Stock                 | 06/12/2006                           |  | S                              |   | 4,000   | D          | \$52    | 143,803,404   | D  |   |
| 35-Common Stock                 | 06/12/2006                           |  | S                              |   | 700   | D          | \$51.99 | 143,802,704   | D  |   |
| 36-Common Stock                 | 06/12/2006                           |  | S                              |   | 1,600   | D          | \$51.98 | 143,801,104   | D  |   |
| 37-Common Stock                 | 06/12/2006                           |  | S                              |   | 1,200   | D          | \$51.97 | 143,799,904   | D  |   |
| 38-Common Stock                 | 06/12/2006                           |  | S                              |   | 600   | D          | \$51.96 | 143,799,304   | D  |   |
| 39-Common Stock                 | 06/12/2006                           |  | S                              |   | 1,800   | D          | \$51.95 | 143,797,504   | D  |   |
| 40-Common Stock                 | 06/12/2006                           |  | S                              |   | 1,400   | D          | \$51.94 | 143,796,104   | D  |   |
| 41-Common Stock                 | 06/12/2006                           |  | S                              |   | 700   | D          | \$51.93 | 143,795,404   | D  |   |
| 42-Common Stock                 | 06/12/2006                           |  | S                              |   | 600   | D          | \$51.92 | 143,794,804   | D  |   |
| 43-Common Stock                 | 06/12/2006                           |  | S                              |   | 600   | D          | \$51.9  | 143,794,204   | D  |   |
| 44-Common Stock                 | 06/12/2006                           |  | S                              |   | 2,200   | D          | \$51.89 | 143,792,004   | D  |   |
| 45-Common Stock                 | 06/12/2006                           |  | S                              |   | 600   | D          | \$51.88 | 143,791,404   | D  |   |
| 46-Common Stock                 | 06/12/2006                           |  | S                              |   | 1,400   | D          | \$51.87 | 143,790,004   | D  |   |
| 47-Common Stock                 | 06/12/2006                           |  | S                              |   | 600   | D          | \$51.86 | 143,789,404   | D  |   |
| 48-Common Stock                 | 06/12/2006                           |  | S                              |   | 1,300   | D          | \$51.85 | 143,788,104   | D  |   |
| 49-Common Stock                 | 06/12/2006                           |  | S                              |   | 700   | D          | \$51.83 | 143,787,404   | D  |   |
| 50-Common Stock                 | 06/12/2006                           |  | S                              |   | 1,200   | D          | \$51.81 | 143,786,204   | D  |   |
| 51-Common Stock                 | 06/12/2006                           |  | S                              |   | 1,400   | D          | \$51.79 | 143,784,804   | D  |   |
| 52-Common Stock                 | 06/12/2006                           |  | S                              |   | 1,100   | D          | \$51.75 | 143,783,704   | D  |   |
| 53-Common Stock                 | 06/12/2006                           |  | S                              |   | 1,400   | D          | \$51.74 | 143,782,304   | D  |   |
| 54-Common Stock                 | 06/12/2006                           |  | S                              |   | 600   | D          | \$51.72 | 143,781,704   | D  |   |
| 55-Common Stock                 | 06/12/2006                           |  | S                              |   | 1,400   | D          | \$51.7  | 143,780,304   | D  |   |
| 56-Common Stock                 | 06/12/2006                           |  | S                              |   | 1,600   | D          | \$51.69 | 143,778,704   | D  |   |
| 57-Common Stock                 | 06/12/2006                           |  | S                              |   | 2,500   | D          | \$51.67 | 143,776,204   | D  |   |
| 58-Common Stock                 | 06/12/2006                           |  | S                              |   | 1,300   | D          | \$51.66 | 143,774,904   | D  |   |
| 59-Common Stock                 | 06/12/2006                           |  | S                              |   | 5,600   | D          | \$51.65 | 143,769,304   | D  |   |
| 60-Common Stock                 | 06/12/2006                           |  | S                              |   | 5,600   | D          | \$51.63 | 143,763,704   | D  |   |

**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 |   |  |  |   |  |

Explanation of Responses:

**Remarks:**

This is the second of three Forms 4 filed by the Reporting Person on same date, June 13, 2006, representing transactions #31 through #60 of 67 total transactions.

[by:/s/David D. Biber, Secretary](#)  
[and Treasurer on behalf of](#) [06/13/2006](#)  
[Lilly Endowment, Inc.](#)

\*\* Signature of Reporting Person      Date

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.