

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>ARMITAGE ROBERT A</u> (Last) (First) (Middle) LILLY CORPORATE CENTER (Street) INDIANAPOLIS IN 46285 (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 Officer (give title below) Other (specify below) Sr. VP and General Counsel
	3. Date of Earliest Transaction (Month/Day/Year) 02/01/2011	
		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			
Common Stock	02/01/2011		F		20,100	D	\$34.77	17,062	D	
Common Stock	02/01/2011		M		55,294	A	\$0.00	72,356	D	
Common Stock	02/03/2011		S ⁽¹⁾		600	D	\$35.3	71,756	D	
Common Stock	02/03/2011		S ⁽¹⁾		600	D	\$35.31	71,156	D	
Common Stock	02/03/2011		S ⁽¹⁾		5,821	D	\$35.32	65,335	D	
Common Stock	02/03/2011		S ⁽¹⁾		6,963	D	\$35.33	58,372	D	
Common Stock	02/03/2011		S ⁽¹⁾		2,394	D	\$35.34	55,978	D	
Common Stock	02/03/2011		S ⁽¹⁾		4,044	D	\$35.35	51,934	D	
Common Stock	02/03/2011		S ⁽¹⁾		10,546	D	\$35.36	41,388	D	
Common Stock	02/03/2011		S ⁽¹⁾		2,700	D	\$35.37	38,688	D	
Common Stock	02/03/2011		S ⁽¹⁾		1,500	D	\$35.38	37,188	D	
Common Stock	02/03/2011		S ⁽¹⁾		26	D	\$35.39	37,162	D	
Common Stock								3,096	I	401(k)
Common Stock								1,225	I ⁽²⁾	Robert A. Armitage 2008-3 GRAT
Common Stock								9,980	I ⁽²⁾	Robert A. Armitage 2008. 10-3 GRAT
Common Stock								33,486	I ⁽³⁾	by wife

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					
Restricted Stock Unit	\$0.00	02/01/2011		M			55,294	02/01/2011	02/01/2011	Common Stock	\$0.00	0	D	

Explanation of Responses:

1. The transaction reported in this Form 4 was effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on September 3, 2010.
2. Grantor retained annuity trust established by reporting person. Reporting person is trustee.
3. Reporting person disclaims beneficial ownership of these shares.

Remarks:

[Bronwen Mantlo for Robert A. Armitage, authorization on file](#) [02/03/2011](#)

** 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.