LILLY ELI & CO Form 4 April 26, 2006

FORM 4

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

OMB Number:

3235-0287

Expires: January 31, 2005

OMB APPROVAL

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if no longer subject to Section 16. Form 4 or Form 5

obligations

may continue.

Check this box

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

See Instruction 30(h) of the Investment Company Act of

1(b).

(Print or Type Responses)

| 1. Name and Address of Reporting Person * PAUL STEVEN M | | | 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) | 3. Date of Earliest Transaction | (Check an approache) | | | |
| | | | (Month/Day/Year) | Director 10% Owner | | | |
| LILLY CORPORATE CENTER | | NTER | 04/25/2006 | X Officer (give title Other (specify below) | | | |
| | | | | EVP, Science and Technology | | | |
| (Street) | | | 4. If Amendment, Date Original | 6. Individual or Joint/Group Filing(Check | | | |
| | | | Filed(Month/Day/Year) | Applicable Line) | | | |
| INDIANAPOLIS, IN 46285 | | | | _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person | | | |
| | | | | 1 015011 | | | |

| (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. Transactic Code (Instr. 8) | 4. Securit on(A) or Dis (Instr. 3, 4) | sposed | of (D) | 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 | n 04/25/2006 | | S | 24,900 | D | \$ 52.06 | 39,756 | D | | | |
| Common Stock | n 04/25/2006 | | S | 100 | D | \$ 52.13 | 39,656 | D | | | |
| Common Stock | n | | | | | | 2,813 | I | 401(k) | | |
| Common | n | | | | | | 579 | I (1) | by daughter | | |
| Common Stock | n | | | | | | 4,836 | I (1) | by wife | | |

Common Stock 589 I $\underline{\underline{}^{(1)}}$ by wife as custodian for son

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 number.

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9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr

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. Transac Code (Instr. 8 | 5. tionNumber of) Derivativ Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 3 | ate | 7. Tit. Amou Under Secur (Instr | int of rlying | 8. Price of Derivative Security (Instr. 5) | |
|---|---|--------------------------------------|---|------------------------------------|--|---------------------|--------------------|---|--|---|--|
| | | | | 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

PAUL STEVEN M LILLY CORPORATE CENTER INDIANAPOLIS. IN 46285

EVP, Science and Technology

Signatures

Bronwen Mantlo for Steven M. Paul, authorization on file

04/26/2006

**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).
- (1) Reporting person disclaims beneficial ownership of these shares.

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.

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