

LILLY ELI & CO
Form 4
May 21, 2007

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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

(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)
05/18/2007

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

INDIANAPOLIS, IN 46208-0068

(City) (State) (Zip)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 | (D) | Price |
| 31-Common Stock | 05/18/2007 | | S | | 8,500 | D | \$ 59.38 |
| 32-Common Stock | 05/18/2007 | | S | | 7,400 | D | \$ 59.39 |
| 33-Common Stock | 05/18/2007 | | S | | 4,700 | D | \$ 59.4 |
| 34-Common Stock | 05/18/2007 | | S | | 8,894 | D | \$ 59.41 |
| 35-Common Stock | 05/18/2007 | | S | | 2,000 | D | \$ 59.42 |
| | 05/18/2007 | | S | | 9,000 | D | |
| | | | | | | | 138,422,804 |
| | | | | | | | 138,415,404 |
| | | | | | | | 138,410,704 |
| | | | | | | | 138,401,810 |
| | | | | | | | 138,399,810 |
| | | | | | | | 138,390,810 |

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| | | | | | | | | |
|-----------------|------------|---|-------|---|--|----------|-------------|---|
| 36-Common Stock | | | | | | \$ 59.43 | | |
| 37-Common Stock | 05/18/2007 | S | 6,700 | D | | \$ 59.44 | 138,384,110 | D |
| 38-Common Stock | 05/18/2007 | S | 3,500 | D | | \$ 59.45 | 138,380,610 | D |
| 39-Common Stock | 05/18/2007 | S | 2,887 | D | | \$ 59.46 | 138,377,723 | D |
| 40-Common Stock | 05/18/2007 | S | 1,906 | D | | \$ 59.47 | 138,375,817 | D |
| 41-Common Stock | 05/18/2007 | S | 2,100 | D | | \$ 59.48 | 138,373,717 | D |
| 42-Common Stock | 05/18/2007 | S | 2,913 | D | | \$ 59.49 | 138,370,804 | D |
| 43-Common Stock | 05/18/2007 | S | 2,404 | D | | \$ 59.5 | 138,368,400 | D |
| 44-Common Stock | 05/18/2007 | S | 700 | D | | \$ 59.51 | 138,367,700 | D |
| 45-Common Stock | 05/18/2007 | S | 596 | D | | \$ 59.52 | 138,367,104 | D |
| 46-Common Stock | 05/18/2007 | S | 100 | D | | \$ 59.53 | 138,367,004 | D |
| 47-Common Stock | 05/18/2007 | S | 300 | D | | \$ 59.54 | 138,366,704 | D |
| 48-Common Stock | 05/18/2007 | S | 400 | D | | \$ 59.55 | 138,366,304 | D |
| 49-Common Stock | 05/18/2007 | S | 300 | D | | \$ 59.56 | 138,366,004 | D |
| 50-Common Stock | 05/18/2007 | S | 200 | D | | \$ 59.58 | 138,365,804 | D |

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.

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 | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities | 8. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene |
|--|------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|--|--|--|------------------------|
|--|------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|--|--|--|------------------------|

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| Derivative Security | Code | V | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | (Instr. 3 and 4) |
|---------------------|------|---|---|-----|------------------|-----------------|-------|----------------------------|------------------|
| | | | (A) | (D) | | | | | |

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/Diane M. Stenson, Treasurer, on behalf of Lilly Endowment, Inc. 05/21/2007

**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 second of two Forms 4 filed by the Reporting Person on same date, May 21, 2007, representing transactions #31 through #32.

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.