TAUREL SIDNEY

Form 4

February 03, 2006

FORM 4

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

OMB Number: 3

Expires:

ngton, D.C. 20549

3235-0287 January 31,

2005

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

Check this box

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Estimated average burden hours per

OMB APPROVAL

obligations may continue.

See Instruction

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

response... 0.5

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * TAUREL SIDNEY			2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer			
(Last) (First) (Middle)			LILLY ELI & CO [LLY]	(Check all applicable)			
		(Middle)	3. Date of Earliest Transaction				
			(Month/Day/Year)	X Director 10% Owner			
LILLY CORPORATE CENTER		CENTER	02/01/2006	_X_ Officer (give title Other (specify below)			
				Chairman and CEO			
	(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 Reportin Person			

(City)	(State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned						ially 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 Di (Instr. 3,	spose	d 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	02/01/2006		F	9,616	D	\$ 56.62	570,884	D	
Common Stock							15,579	I	401(k)
Common Stock							1,290	I (1)	by child, A. Taurel
Common Stock							1,290	I (1)	by child, O. Taurel
Common Stock							1,290	I (1)	by child, P. Taurel

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Common Stock	100,000	I (1)	by wife, K. Taurel
Common Stock	95,623	I (2)	Family Limited Partnership
Common Stock	20,500	I (3)	Family Limited Partnership 2
Common Stock	1,018	I (4)	GRAT 2002-4
Common Stock	0	I (4)	S. Taurel Family Invest. GRAT
Common Stock	113,797	I (4)	S. Taurel Waterfield GRAT
Common Stock	20,000	I (4)	ST Family Investment GRAT II U/A DTD 11/22/05
Common Stock	80,000	I (4)	ST Grantor Retained Annuity Trust U/A 11/22/05
Reminder: Report on a separate line for each class of securities benefic	ially owned directly or indirectly.	ation of	SEC 1474
	reisons who respond to the collec	JUDII OT	SEC 14/4

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exercisable and	7. Title and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transactio	onNumber	Expiration Date	Amount of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/Year)	Underlying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8) Derivative		e	Securities	(Instr. 5)	Bene
	Derivative				Securities	3	(Instr. 3 and 4)		Own
	Security				Acquired				Follo
					(A) or				Repo
					Disposed				Trans
					of (D)				(Instr

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(Instr. 3, 4, and 5)

Amount Expiration Title Number Date Exercisable of Code V (A) (D) Shares

Reporting Owners

Relationships Reporting Owner Name / Address

> Other Director 10% Owner Officer

TAUREL SIDNEY LILLY CORPORATE CENTER X **INDIANAPOLIS, IN 46285**

Chairman and CEO

Signatures

Bronwen Mantlo for Sidney Taurel, authorization on file

02/03/2006

**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.
- Held by Family Limited Partnership 1 in which reporting person is sole general partner. Reporting person, his wife, children, and a trust
- (2) for the benefit of his grandchildren have limited interests, and reporting person disclaims beneficial ownership in the shares held by the partnership except to the extent of his pecuniary interest therein.
- Held by Family Limited Partnership 2 in which an LLC controlled by the reporting person is the sole general partner and the reporting
- (3) person is the sole limited partner. Reporting person's children own an interest in the LLC, and reporting person disclaims beneficial ownership in the shares held by the LLC, except to the extent of his pecuniary interest therein.
- (4) Grantor retained annuity trust established by reporting person. Reporting person is trustee.

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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