

LILLY ELI & CO
Form 4
August 24, 2005

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
TAUREL SIDNEY

(Last) (First) (Middle)

LILLY CORPORATE CENTER

(Street)

INDIANAPOLIS, IN 46285

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
LILLY ELI & CO [LLY]

3. Date of Earliest Transaction (Month/Day/Year)
08/23/2004

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman, President and CEO

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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	05/12/2005		G		8,279	D	\$ 0 464,365
Common Stock	05/13/2005		G		1,775	D	\$ 0 462,590
Common Stock	07/27/2005		G		184	D	\$ 0 462,406
Common Stock	08/23/2005		M		295,728	A	\$ 23.4075 766,131
Common Stock	08/23/2005		F		29	D	\$ 53.73 766,102

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Common Stock	08/23/2005	F	177,200	D	\$ 53.9	588,902	D	
Common Stock	08/23/2005	F	800	D	\$ 53.91	588,102	D	
Common Stock	08/23/2005	F	4,800	D	\$ 53.92	583,302	D	
Common Stock	08/23/2005	F	5,000	D	\$ 53.95	578,302	D	
Common Stock	08/23/2005	F	2,300	D	\$ 53.96	576,002	D	
Common Stock	08/23/2005	F	2,027	D	\$ 53.97	573,975	D	
Common Stock	08/23/2005	F	4,500	D	\$ 54	569,475	D	
Common Stock						15,311	I	401(k)
Common Stock						1,290	I	by child, A. Taurel
Common Stock						1,290	I	by child, O. Taurel
Common Stock						1,290	I	by child, P. Taurel
Common Stock						100,000	I	by wife, K. Taurel
Common Stock						95,623	I	Family Limited Partnership 1
Common Stock						20,500	I	Family Limited Partnership 2
Common Stock						10,056	I	GRAT 2002-4
Common Stock						3,516	I	S. Taurel Family Invest. GRAT
Common Stock						148,465	I	S. Taurel Waterfield GRAT

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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 Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Employee stock option 10/95 (right to buy)	\$ 23.4075	08/23/2005		M	295,728	10/16/1998 10/15/2005	Common Stock	295,7	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TAUREL SIDNEY LILLY CORPORATE CENTER INDIANAPOLIS, IN 46285	X		Chairman, President and CEO	

Signatures

Bronwen Mantlo for Sidney Taurel, authorization on file 08/24/2005

**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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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