

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* LILLY ENDOWMENT INC (Last) (First) (Middle) 2801 NORTH MERIDIAN STREET (Street) INDIANAPOLIS IN 46208-0068 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol LILLY ELI & CO [LLY]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) 09/13/2006	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> 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			
1-Common Stock	09/13/2006		S		700	D	\$55.57	141,790,104	D	
2-Common Stock	09/13/2006		S		800	D	\$55.53	141,789,304	D	
3-Common Stock	09/13/2006		S		700	D	\$55.51	141,788,604	D	
4-Common Stock	09/13/2006		S		1,000	D	\$55.5	141,787,604	D	
5-Common Stock	09/13/2006		S		300	D	\$55.47	141,787,304	D	
6-Common Stock	09/13/2006		S		700	D	\$55.45	141,786,604	D	
7-Common Stock	09/13/2006		S		800	D	\$55.43	141,785,804	D	
8-Common Stock	09/13/2006		S		1,400	D	\$55.42	141,784,404	D	
9-Common Stock	09/13/2006		S		1,700	D	\$55.41	141,782,704	D	
10-Common Stock	09/13/2006		S		900	D	\$55.4	141,781,804	D	
11-Common Stock	09/13/2006		S		3,500	D	\$55.39	141,778,304	D	
12-Common Stock	09/13/2006		S		3,200	D	\$55.38	141,775,104	D	
13-Common Stock	09/13/2006		S		2,700	D	\$55.37	141,772,404	D	
14-Common Stock	09/13/2006		S		6,500	D	\$55.36	141,765,904	D	
15-Common Stock	09/13/2006		S		2,400	D	\$55.35	141,763,504	D	
16-Common Stock	09/13/2006		S		5,700	D	\$55.34	141,757,804	D	
17-Common Stock	09/13/2006		S		4,200	D	\$55.32	141,753,604	D	
18-Common Stock	09/13/2006		S		2,000	D	\$55.31	141,751,604	D	
19-Common Stock	09/13/2006		S		2,600	D	\$55.3	141,749,004	D	
20-Common Stock	09/13/2006		S		2,800	D	\$55.29	141,746,204	D	
21-Common Stock	09/13/2006		S		1,700	D	\$55.28	141,744,504	D	
22-Common Stock	09/13/2006		S		4,100	D	\$55.27	141,740,404	D	
23-Common Stock	09/13/2006		S		1,900	D	\$55.26	141,738,504	D	
24-Common Stock	09/13/2006		S		4,700	D	\$55.25	141,733,804	D	
25-Common Stock	09/13/2006		S		2,000	D	\$55.23	141,731,804	D	
26-Common Stock	09/13/2006		S		1,000	D	\$55.22	141,730,804	D	
27-Common Stock	09/13/2006		S		3,600	D	\$55.21	141,727,204	D	
28-Common Stock	09/13/2006		S		1,600	D	\$55.2	141,725,604	D	
29-Common Stock	09/13/2006		S		4,500	D	\$55.19	141,721,104	D	
30-Common Stock	09/13/2006		S		1,000	D	\$55.18	141,720,104	D	

**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					

Explanation of Responses:

Remarks:

This is the first of two Forms 4 filed by the Reporting Person on same date, September 14, 2006, representing transactions #1 through #30 of 54 total transactions.

[by:/s/Diane M. Stenson,](#)
[Treasurer on behalf of Lilly](#) [09/14/2006](#)
[Endowment, Inc.](#)

** 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.