

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) 10/26/2006	
		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			
31-Common Stock	10/26/2006		S		300	D	\$57.14	141,434,504	D	
32-Common Stock	10/26/2006		S		2,900	D	\$57.13	141,431,604	D	
33-Common Stock	10/26/2006		S		2,700	D	\$57.12	141,428,904	D	
34-Common Stock	10/26/2006		S		3,900	D	\$57.11	141,425,004	D	
35-Common Stock	10/26/2006		S		3,900	D	\$57.1	141,421,104	D	
36-Common Stock	10/26/2006		S		2,500	D	\$57.09	141,418,604	D	
37-Common Stock	10/26/2006		S		800	D	\$57.08	141,417,804	D	
38-Common Stock	10/26/2006		S		1,000	D	\$57.06	141,416,804	D	
39-Common Stock	10/26/2006		S		800	D	\$57.05	141,416,004	D	
40-Common Stock	10/26/2006		S		1,500	D	\$57.04	141,414,504	D	
41-Common Stock	10/26/2006		S		2,800	D	\$57.03	141,411,704	D	
42-Common Stock	10/26/2006		S		2,000	D	\$57.02	141,409,704	D	
43-Common Stock	10/26/2006		S		800	D	\$57.01	141,408,904	D	
44-Common Stock	10/26/2006		S		2,900	D	\$57	141,406,004	D	
45-Common Stock	10/26/2006		S		900	D	\$56.99	141,405,104	D	
46-Common Stock	10/26/2006		S		2,000	D	\$56.98	141,403,104	D	
47-Common Stock	10/26/2006		S		2,500	D	\$56.97	141,400,604	D	
48-Common Stock	10/26/2006		S		4,100	D	\$56.96	141,396,504	D	
49-Common Stock	10/26/2006		S		3,900	D	\$56.95	141,392,604	D	
50-Common Stock	10/26/2006		S		5,600	D	\$56.94	141,387,004	D	
51-Common Stock	10/26/2006		S		5,000	D	\$56.93	141,382,004	D	
52-Common Stock	10/26/2006		S		7,000	D	\$56.92	141,375,004	D	
53-Common Stock	10/26/2006		S		3,200	D	\$56.91	141,371,804	D	
54-Common Stock	10/26/2006		S		1,700	D	\$56.9	141,370,104	D	
55-Common Stock	10/26/2006		S		2,100	D	\$56.89	141,368,004	D	
56-Common Stock	10/26/2006		S		2,400	D	\$56.88	141,365,604	D	
57-Common Stock	10/26/2006		S		4,700	D	\$56.87	141,360,904	D	
58-Common Stock	10/26/2006		S		1,400	D	\$56.86	141,359,504	D	
59-Common Stock	10/26/2006		S		1,500	D	\$56.85	141,358,004	D	
60-Common Stock	10/26/2006		S		800	D	\$56.84	141,357,204	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 second of three Forms 4 filed by the Reporting Person on same date, October 27, 2006, representing transactions #31 through #60 of 61 total transactions.

[by:/s/Diane M. Stenson,](#)
[Treasurer on behalf of Lilly Endowment, Inc.](#) [10/27/2006](#)

** 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.