

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) 07/25/2006	
		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	07/25/2006		S		900	D	\$55.87	143,712,704	D	
32-Common Stock	07/25/2006		S		1,200	D	\$55.86	143,711,504	D	
33-Common Stock	07/25/2006		S		1,800	D	\$55.85	143,709,704	D	
34-Common Stock	07/25/2006		S		2,100	D	\$55.84	143,707,604	D	
35-Common Stock	07/25/2006		S		3,900	D	\$55.83	143,703,704	D	
36-Common Stock	07/25/2006		S		7,100	D	\$55.82	143,696,604	D	
37-Common Stock	07/25/2006		S		10,300	D	\$55.81	143,686,304	D	
38-Common Stock	07/25/2006		S		6,900	D	\$55.8	143,679,404	D	
39-Common Stock	07/25/2006		S		6,000	D	\$55.79	143,673,404	D	
40-Common Stock	07/25/2006		S		11,300	D	\$55.78	143,662,104	D	
41-Common Stock	07/25/2006		S		6,800	D	\$55.77	143,655,304	D	
42-Common Stock	07/25/2006		S		600	D	\$55.76	143,654,704	D	
43-Common Stock	07/25/2006		S		1,400	D	\$55.75	143,653,304	D	
44-Common Stock	07/25/2006		S		2,500	D	\$55.74	143,650,804	D	
45-Common Stock	07/25/2006		S		3,600	D	\$55.73	143,647,204	D	
46-Common Stock	07/25/2006		S		1,900	D	\$55.72	143,645,304	D	
47-Common Stock	07/25/2006		S		2,600	D	\$55.71	143,642,704	D	
48-Common Stock	07/25/2006		S		4,400	D	\$55.7	143,638,304	D	
49-Common Stock	07/25/2006		S		3,800	D	\$55.69	143,634,504	D	
50-Common Stock	07/25/2006		S		4,400	D	\$55.68	143,630,104	D	
51-Common Stock	07/25/2006		S		700	D	\$55.67	143,629,404	D	
52-Common Stock	07/25/2006		S		2,000	D	\$55.66	143,627,404	D	
53-Common Stock	07/25/2006		S		4,300	D	\$55.65	143,623,104	D	
54-Common Stock	07/25/2006		S		2,200	D	\$55.64	143,620,904	D	
55-Common Stock	07/25/2006		S		3,300	D	\$55.63	143,617,604	D	
56-Common Stock	07/25/2006		S		600	D	\$55.62	143,617,004	D	
57-Common Stock	07/25/2006		S		3,000	D	\$55.61	143,614,004	D	
58-Common Stock	07/25/2006		S		1,800	D	\$55.6	143,612,204	D	
59-Common Stock	07/25/2006		S		800	D	\$55.59	143,611,404	D	
60-Common Stock	07/25/2006		S		4,400	D	\$55.57	143,607,004	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, July 26, 2006, representing transactions #31 through #60 of 61 total transactions.

[by:/s/Diane M. Stenson,](#)
[Treasurer on behalf of Lilly](#) [07/26/2006](#)
[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.