

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	
OMB Number:	3235-0287
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1. Name and Address of Reporting Person* <u>TAUREL SIDNEY</u> (Last) (First) (Middle) <u>LILLY CORPORATE CENTER</u> (Street) <u>INDIANAPOLIS IN 46285</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>LILLY ELI & CO [LLY]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <p style="text-align: center;">Chairman</p>
	3. Date of Earliest Transaction (Month/Day/Year) <u>12/31/2008</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	02/12/2008		G		2,760	D	\$0.00	694,734	D	
Common Stock	05/30/2008		G		105	D	\$0.00	694,629	D	
Common Stock	12/31/2008		F		38,980	D	\$39.67	383,307	D	
Common Stock								18,061	I	401(k)
Common Stock								19,950	I	by child, O. Taurel
Common Stock								100,000	I ⁽¹⁾	by wife, K. Taurel
Common Stock								95,623	I ⁽²⁾	Family Limited Partnership 1
Common Stock								48,930	I ⁽³⁾	S. Taurel Waterfield 2005 GRAT
Common Stock								33,405	I ⁽³⁾	S. Taurel 2007-2 GRAT
Common Stock								50,000	I ⁽³⁾	ST Family Investment GRAT III
Common Stock								100,000	I ⁽³⁾	Sidney Taurel 2008-2 GRAT
Common Stock								100,000	I ⁽³⁾	Sidney Taurel 2008-AT GRAT
Common Stock								100,000	I ⁽³⁾	Sidney Taurel Family Investment GRAT IV

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

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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 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)
Explanation of Responses:											
1. Reporting person disclaims beneficial ownership of these shares.											
2. Held by Family Limited Partnership 1 in which reporting person is sole general partner. Reporting person, his wife, children, and a trust 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.											
3. Grantor retained annuity trust established by reporting person. Reporting person is trustee.											
Remarks:				Code V	(A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares				

[Bronwen Mantlo for Sidney Taurel, authorization on file](#)
 01/05/2009

** 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.