

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

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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 | 295,728              |

## Reporting Owners

| Reporting Owner Name / Address                                    | Relationships                    |
|---|----------------------------------|
|   | Director 10% Owner Officer Other |
| TAUREL SIDNEY<br>LILLY CORPORATE CENTER<br>INDIANAPOLIS, IN 46285 | X<br>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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.