

TAUREL SIDNEY
Form 5
February 12, 2007

FORM 5

**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).
Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
TAUREL SIDNEY

(Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol
LILLY ELI & CO [LLY]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman and CEO

LILLY CORPORATE CENTER

(Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

INDIANAPOLIS, IN 46285

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

| 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 at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|---|
| Common Stock | 12/18/2006 | ^ | G | 11,596 D \$ 0 | 654,483 | D | ^ |
| Common Stock | ^ | ^ | ^ | ^ ^ ^ | 589,346 | D | ^ |
| Common Stock | ^ | ^ | ^ | ^ ^ ^ | 16,229 | I | 401(k) |
| Common Stock | ^ | ^ | ^ | ^ ^ ^ | 1,290 | I | by child, A. Taurel |

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| | | | | | | | | | |
|--------------|---|---|---|---|---|---|---------|------------------|--|
| Common Stock | Â | Â | Â | Â | Â | Â | 1,290 | I | by child, O. Taurel |
| Common Stock | Â | Â | Â | Â | Â | Â | 1,290 | I | by child, P. Taurel |
| Common Stock | Â | Â | Â | Â | Â | Â | 100,000 | I ⁽¹⁾ | by wife, K. Taurel |
| Common Stock | Â | Â | Â | Â | Â | Â | 95,623 | I ⁽²⁾ | Family Limited Partnership 1 |
| Common Stock | Â | Â | Â | Â | Â | Â | 88,150 | I ⁽³⁾ | S. Taurel Waterfield 2002 GRAT |
| Common Stock | Â | Â | Â | Â | Â | Â | 14,278 | I ⁽³⁾ | ST Family Investment GRAT II U/A DTD 11/22/05 |
| Common Stock | Â | Â | Â | Â | Â | Â | 44,969 | I ⁽³⁾ | ST Grantor Retained Annuity Trust U/A 11/22/05 |
| Common Stock | Â | Â | Â | Â | Â | Â | 90,784 | I ⁽³⁾ | S. Taurel Waterfield 2005 GRAT |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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 control number.

SEC 2270 (9-02)

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) | 8. Price of Derivative Security (Instr. 5) | 9. of D Se B O E Is Fi (I |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---------------------------|
| | | | | | (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares | | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| TAUREL SIDNEY LILLY CORPORATE CENTER INDIANAPOLIS, IN 46285 | X | A | A Chairman and CEO | A |

Signatures

Sidney Taurel 02/12/2007

**Signature of Date
Reporting Person

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).
- (1) Reporting person disclaims beneficial ownership of these shares.
Held by Family Limited Partnership 1 in which reporting person is sole general partner. Reporting person, his wife, children, and a trust
 - (2) 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.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.