

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF
SECURITIESFiled pursuant to Section 16(a) of the Securities Exchange Act of 1934
or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>LILLY ELI & CO</u> (Last) (First) (Middle) <u>LILLY CORPORATE CENTER</u> (Street) <u>INDIANAPOLIS IN 46285</u> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>04/10/2014</u>	3. Issuer Name and Ticker or Trading Symbol <u>Cerulean Pharma Inc. [CERU]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)	5. 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 More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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Table II - Derivative Securities Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Series C Convertible Preferred Stock	(1)	(1)	Common Stock	931,485 ⁽¹⁾⁽²⁾	(1)(2)	I	by Group ⁽³⁾
Series D Convertible Preferred Stock	(4)	(4)	Common Stock	299,213 ⁽²⁾⁽⁴⁾	(2)(4)	I	by Group ⁽³⁾
7% Convertible Promissory Notes	(5)	(5)	Common Stock	192,209 ⁽⁶⁾	(6)	I	by Group ⁽³⁾
7% Convertible Promissory Notes	(7)	(7)	Common Stock	199,875 ⁽⁸⁾	(8)	I	by Group ⁽³⁾

1. Name and Address of Reporting Person* <u>LILLY ELI & CO</u> (Last) (First) (Middle) <u>LILLY CORPORATE CENTER</u> (Street) <u>INDIANAPOLIS IN 46285</u> (City) (State) (Zip)		
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1. Name and Address of Reporting Person* <u>Lilly Ventures Fund I LLC</u> (Last) (First) (Middle) <u>C/O CERULEAN PHARMA INC.</u> <u>840 MEMORIAL DRIVE</u> (Street) <u>CAMBRIDGE MA 02139</u> (City) (State) (Zip)		
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Explanation of Responses:

- Shares of Series C Convertible Preferred Stock are convertible into Common Stock on a 0.0689-for-1 basis into the number of shares of Common Stock shown in column 3 at any time at the holder's election and automatically upon the closing of the Company's initial public offering. The shares have no expiration date.
- Reflects a 1-for-14.5074 reverse stock split effected on March 31, 2014.
- These shares are owned directly by Lilly Ventures Fund I LLC (the "Fund"), Eli Lilly and Company, as sole Managing Member of the Fund, and pursuant to provisions of the LLC Agreement of the Fund, has voting authority with respect to shares owned by the Fund.
- Shares of Series D Convertible Preferred Stock are convertible into Common Stock on a 0.0689-for-1 basis into the number of shares of Common Stock shown in column 3 at any time at the holder's election and automatically upon the closing of the Company's initial public offering. The shares have no expiration date.
- The outstanding principal and accrued interest under the 7% Convertible Promissory Notes issued on August 15, 2013 are convertible after August 15, 2014, at the holder's election. The Notes have no expiration date. The outstanding principal and accrued interest under the Notes will convert into shares of Common Stock automatically upon consummation of the Company's initial public offering.
- The number of shares of common stock is based upon a conversion of all principal and accrued interest on the Notes through April 15, 2014 at a conversion price of \$7.00 per share of Common Stock, which

is the initial public offering price.

7. The outstanding principal and accrued interest under the 7% Convertible Promissory Notes issued on February 18, 2014 are convertible at any time after February 26, 2015 at the holder's election. The Notes have no expiration date. The outstanding principal and accrued interest under the Notes will convert into shares of Common Stock automatically upon the consummation of the Company's initial public offering at 77.5% of the initial public offering price.

8. The number of shares of common stock is based upon a conversion of all principal and accrued interest on the Notes through April 15, 2014 at a conversion price equal to \$5.43 per share of Common Stock, which is 77.5% of the initial public offering price of \$7.00 per share.

Remarks:

/s/ Elizabeth G. Ryland, as
attorney-in-fact for Eli Lilly & Co., authorization on file 04/10/2014

/s/ Elizabeth G. Ryland, as
attorney-in-fact for Lilly Ventures Fund I LLC, authorization on file 04/09/2014

** 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 5 (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.

LIMITED POWER OF ATTORNEY
FOR SECTION 16 REPORTING OBLIGATIONS

Know all by these presents, that the undersigned hereby makes, constitutes and appoints Elizabeth G. Ryland, signing singly and acting individually, as the undersigned's true and lawful attorney in fact with full power and authority as hereinafter described to:

- (1) execute for and on behalf of the undersigned, in the undersigned's capacity as a stockholder of Cerulean Pharma Inc. (the "Company"), for its initial Forms 3 and 4 in accordance with Section 16(a) of the Securities Exchange Act of 1934 and the rules thereunder (the "Exchange Act") until;
- (2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to prepare, complete and execute any such Form 3 or 4, and timely deliver and file such form with the United States Securities and Exchange Commission and any stock exchange or similar authority;
- (3) seek or obtain, as the undersigned's representative and on the undersigned's behalf, information regarding transactions in the Company's securities from any third party, including brokers, employee benefit plan administrators and trustees, and the undersigned hereby authorizes any such person to release any such information to such attorney in fact and approves and ratifies any such release of information; and
- (4) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney in fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorney in fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney in fact may approve in such attorney in fact's discretion.

The undersigned hereby grants to such attorney in fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney in fact, or such attorney in fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted. The undersigned acknowledges that the foregoing attorney in fact, in serving in such capacity at the request of the undersigned, is not assuming nor relieving, nor is the Company assuming nor relieving, any of the undersigned's responsibilities to comply with Section 16 of the Exchange Act. The undersigned acknowledges that neither the Company nor the foregoing attorney in fact assume (i) any liability for the undersigned's responsibility to comply with the requirement of the Exchange Act, (ii) any liability of the undersigned for any failure to comply with such requirements, or (iii) any obligation or liability of the undersigned for profit disgorgement under Section 16(b) of the Exchange Act.

This Power of Attorney shall remain in full force and effect until the undersigned initial Forms 3 and 4 has been filed with respect to the undersigned's holdings of and transactions in securities issued by the Company, unless earlier revoked by the undersigned in a signed writing delivered to the foregoing attorney in fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 9th day of April, 2014.

ELI LILLY AND COMPANY

By: /s/ Thomas W. Grein
Name: Thomas W. Grein
Title: Sr. Vice President and Treasurer

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- (2) do and perform any and all acts for and on behalf of the undersigned which

may be necessary or desirable to prepare, complete and execute any such Form 3 or 4, and timely deliver and file such form with the United States Securities and Exchange Commission and any stock exchange or similar authority;

(3) seek or obtain, as the undersigned's representative and on the undersigned's behalf, information regarding transactions in the Company's securities from any third party, including brokers, employee benefit plan administrators and trustees, and the undersigned hereby authorizes any such person to release any such information to such attorney in fact and approves and ratifies any such release of information; and

(4) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney in fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorney in fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney in fact may approve in such attorney in fact's discretion.

The undersigned hereby grants to such attorney in fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney in fact, or such attorney in fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted. The undersigned acknowledges that the foregoing attorney in fact, in serving in such capacity at the request of the undersigned, is not assuming nor relieving, nor is the Company assuming nor relieving, any of the undersigned's responsibilities to comply with Section 16 of the Exchange Act. The undersigned acknowledges that neither the Company nor the foregoing attorney in fact assume (i) any liability for the undersigned's responsibility to comply with the requirement of the Exchange Act, (ii) any liability of the undersigned for any failure to comply with such requirements, or (iii) any obligation or liability of the undersigned for profit disgorgement under Section 16(b) of the Exchange Act.

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LILLY VENTURES FUND I, LLC

By: /s/ S. Edward Torres
Name: S. Edward Torres
Title: Managing Director