

**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* <b>LILLY ENDOWMENT INC</b>  (Last) (First) (Middle) <b>2801 NORTH MERIDIAN STREET</b>  (Street) <b>INDIANAPOLIS IN 46208-0068</b>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <b>LILLY ELI &amp; CO [ LLY ]</b>	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) <b>08/06/2004</b>	
	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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
31-Common Stock	08/06/2004		S		400	D	\$60.75	151,701,604	D	
32-Common Stock	08/06/2004		S		300	D	\$60.74	151,701,304	D	
33-Common Stock	08/06/2004		S		1,000	D	\$60.73	151,700,304	D	
34-Common Stock	08/06/2004		S		300	D	\$60.71	151,700,004	D	
35-Common Stock	08/06/2004		S		1,400	D	\$60.7	151,698,604	D	
36-Common Stock	08/06/2004		S		1,000	D	\$60.69	151,697,604	D	
37-Common Stock	08/06/2004		S		500	D	\$60.67	151,697,104	D	
38-Common Stock	08/06/2004		S		300	D	\$60.66	151,696,804	D	
39-Common Stock	08/06/2004		S		700	D	\$60.65	151,696,104	D	
40-Common Stock	08/06/2004		S		1,300	D	\$60.63	151,694,804	D	
41-Common Stock	08/06/2004		S		1,100	D	\$60.61	151,693,704	D	
42-Common Stock	08/06/2004		S		700	D	\$60.6	151,693,004	D	
43-Common Stock	08/06/2004		S		700	D	\$60.59	151,692,304	D	
44-Common Stock	08/06/2004		S		600	D	\$60.58	151,691,704	D	
45-Common Stock	08/06/2004		S		600	D	\$60.57	151,691,104	D	
46-Common Stock	08/06/2004		S		500	D	\$60.53	151,690,604	D	
47-Common Stock	08/06/2004		S		900	D	\$60.52	151,689,704	D	
48-Common Stock	08/06/2004		S		800	D	\$60.51	151,688,904	D	
49-Common Stock	08/06/2004		S		1,800	D	\$60.5	151,687,104	D	
50-Common Stock	08/06/2004		S		800	D	\$60.48	151,686,304	D	
51-Common Stock	08/06/2004		S		1,700	D	\$60.45	151,684,604	D	
52-Common Stock	08/06/2004		S		2,000	D	\$60.39	151,682,604	D	
53-Common Stock	08/06/2004		S		400	D	\$60.35	151,682,204	D	
54-Common Stock	08/06/2004		S		300	D	\$60.34	151,681,904	D	
55-Common Stock	08/06/2004		S		1,100	D	\$60.31	151,680,804	D	

**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)	4. Deemed Execution Date, if any (e.g., puts/calls, warrants, options, convertible securities) (Month/Day/Year)	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)	
1. Title of Derivative Security (Instr. 3) <b>Remarks:</b>	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	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)
<p>This is the second of two Forms 4 filed by the Reporting Person on same date, August 9, 2004, representing transactions #31 through #55 of 55 total transactions.</p> <p>by/s/David D. Biber, Secretary and Treasurer on behalf of Lilly Endowment, Inc.</p> <p>08/09/2004</p>											

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.

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