

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>Connelly Deirdre P</u> (Last) (First) (Middle) <u>LILLY CORPORATE CENTER</u> <u>LILLY CORPORATE CE</u> (Street) <u>INDIANAPOLIS IN</u> <u>46285</u> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>10/01/2004</u>	3. Issuer Name and Ticker or Trading Symbol <u>LILLY ELI & CO [LLY]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Senior VP, Human Resources</u>	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 One Reporting Person 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)
<u>Common Stock</u>	<u>3,324</u>	<u>D</u>	
<u>Common Stock</u>	<u>1,305</u>	<u>I</u>	<u>401(k)</u>

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				
<u>Employee stock option (right to buy)</u>	<u>10/16/1998</u>	<u>10/15/2005</u>	<u>Common Stock</u>	<u>5,600</u>	<u>23.4075</u>	<u>D</u>
<u>Employee stock option (right to buy)</u>	<u>10/21/1999</u>	<u>10/20/2006</u>	<u>Common Stock</u>	<u>2,800</u>	<u>34.595</u>	<u>D</u>
<u>Employee stock option (right to buy)</u>	<u>10/20/2000</u>	<u>10/19/2007</u>	<u>Common Stock</u>	<u>5,700</u>	<u>64.06</u>	<u>D</u>
<u>Employee stock option (right to buy)</u>	<u>10/19/2001</u>	<u>10/17/2008</u>	<u>Common Stock</u>	<u>5,700</u>	<u>74.2813</u>	<u>D</u>
<u>Employee Stock Option (right to buy)</u>	<u>10/18/2002</u>	<u>10/16/2009</u>	<u>Common Stock</u>	<u>8,500</u>	<u>66.375</u>	<u>D</u>
<u>Employee stock option (right to buy)</u>	<u>02/20/2004</u>	<u>02/18/2011</u>	<u>Common Stock</u>	<u>12,000</u>	<u>73.98</u>	<u>D</u>
<u>Employee stock option (right to buy)</u>	<u>10/03/2003</u>	<u>10/04/2011</u>	<u>Common Stock</u>	<u>5,000</u>	<u>79.28</u>	<u>D</u>
<u>Employee stock option (right to buy)</u>	<u>02/18/2005</u>	<u>02/17/2012</u>	<u>Common Stock</u>	<u>10,000</u>	<u>75.92</u>	<u>D</u>
<u>Employee stock option (right to buy)</u>	<u>02/17/2006</u>	<u>02/15/2013</u>	<u>Common Stock</u>	<u>11,000</u>	<u>57.85</u>	<u>D</u>
<u>Employee stock option (right to buy)</u>	<u>02/19/2007</u>	<u>02/14/2014</u>	<u>Common Stock</u>	<u>12,000</u>	<u>73.11</u>	<u>D</u>

Explanation of Responses:

Deirdre Connelly10/08/2004

** 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.

Deirdre P. Connelly
Lilly Corporate Center
Indianapolis, Indiana 46285

Securities and Exchange Commission
Washington, D.C. 20549

Authorization Regarding Reporting Forms

I hereby authorize and designate the following persons to sign and file with the Commission on my behalf Forms 4 and 5 covering my transactions and holdings in the common stock and other equity securities of Eli Lilly and Company as required by Section 16 of the Securities Exchange Act of 1934 and the rules thereunder:

Robert A. Armitage, Lilly Corporate Center, Indianapolis, Indiana
Alecia A. DeCoudreaux, Lilly Corporate Center, Indianapolis, Indiana
James B. Lootens, Lilly Corporate Center, Indianapolis, Indiana
Bronwen L. Mantlo, Lilly Corporate Center, Indianapolis, Indiana

This authorization and designation shall remain in effect until a written revocation is signed by me and provided to the Commission.

Deirdre P. Connelly

August 23, 2004