FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

| OMB APPROVAL | | | | | | | | |
|---------------------|-----------|--|--|--|--|--|--|--|
| OMB Number: | 3235-0287 | | | | | | | |
| Estimated average I | hurdon | | | | | | | |

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

hours per response: 0.5

| 1. Name and Address of Reporting Person* HANISH ARNOLD C | | | | | 2. Issuer Name and Ticker or Trading Symbol LILLY ELI & CO [LLY] | | | | | | | | (Check | c all appli Directo | icable) or | ıg Per | son(s) to Iss 10% Ov Other (s | wner | |
|--|---|--|---|--------|---|---|-------|------------|------------------------------------|-------|----------------------|--|-----------------------------------|--|--|--|-------------------------------------|--|--|
| (Last) | , | rst) (TE CENTER | (Middle) | | | 3. Date of Earliest Transaction (Month/Day/Year) 02/02/2004 | | | | | | | X | Officer (give title Other below) below Chief Accounting Office | | | | specify | |
| (Street) INDIANAPOLIS IN 46285 | | | | | | 4. If Amendment, Date of Original Filed (Month/Day/Year) | | | | | | | | 6. Indi Line) X | <i>'</i> | | | | |
| (City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned | | | | | | | | | | | | | | | | | | | |
| 1. Title of Security (Instr. 3) 2. Transacti Date (Month/Day) | | | | | ction | on 2A. Deemed | | | 3. Transaction Code (Instr. | | 4. Securiti | 4. Securities Acquired (A) o Disposed Of (D) (Instr. 3, 4 a | | | 5. Amor Securiti Benefic Owned | unt of ies ially Following | Forn (D) o | n: Direct or Indirect nstr. 4) | 7. Nature of Indirect Beneficial Ownership |
| | | | | | | Code | v | Amount | (A) or (D) | Price | | Reported Transaction(s) (Instr. 3 and 4) | | | | (Instr. 4) | | | |
| Common Stock 02/02/2 | | | | | 2004 | 004 02 | | 02/02/2004 | | | 750 | A | \$23. | 4075 | 6,9 | 940 ⁽¹⁾ | | D | |
| Common Stock | | | | | | | | | | | | | | | 7,683 | | | | 401(k) plan |
| | | Т | able II | | | | | | | | oosed of converti | | | | wned | | | | |
| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deer Execution if any (Month/I | | 4. Transa Code (8) | | on of | | 6. Date E Expiratio (Month/D | n Dat | | d 7. Title and Amount of Securities Underlying Derivative Secur (Instr. 3 and 4) | | De Se (In | Price of erivative ecurity nstr. 5) | 9. Number derivative Securities Beneficiall Owned Following Reported Transactio (Instr. 4) | ly [| 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
| | | | | | Code | v | (A) | | Date Exercisa | | Expiration Date | Title | Amou or Numb of Share | er | | | | | |
| Employee stock option (right to | \$23.4075 | 02/02/2004 | 02/02 | 2/2004 | M | | | 750 | 10/16/19 | 98 | 10/14/2005 | Common Stock | 750 | | \$0 | 4,250 ⁽²⁾ | 2) | D | |

Explanation of Responses:

- 1. Since the date of the reporting person's last ownership report, he transferred 6,547 shares of common stock to his ex-wife pursua nt to a domestic relations order.
- 2. Since the date of the reporting person's last ownership report, he transferred the beneficial interest in options to purchase a total of 17,112.5 shares of common stock (5,000 shares of which were part of this stock option grant) to his ex-wife pursuant to a domestic relations order

Remarks:

Arnold C. Hanish 02/04/2004

** 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 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.

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.