

SKYEPHARMA PLC
Form SC 13G/A
February 11, 2008

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13G

**Information to be included in Statements filed pursuant to Rules
13d-1(b), (c) and (d) and amendments thereto filed pursuant to**

Rule 13d-2(b)

(Amendment No.1)

SKYEPHARMA PLC

(Name of Issuer)

Common Stock

(Title of Class of Securities)

G1145K144

(CUSIP Number)

December 31, 2007

(Date of Event That Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

NAMES OF REPORTING PERSONS AND I.R.S. IDENTIFICATION NO.

1 UBS AG (for the benefit and on behalf of UBS Investment Bank, Wealth Management USA, and Global Wealth Management and Business Banking business groups of UBS AG (See Item 7))

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2
(a)
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
Switzerland

| | | |
|--------------|----------|--------------------------|
| | 5 | SOLE VOTING POWER |
| NUMBER OF | | 50,193,609 |
| SHARES | 6 | SHARED VOTING POWER |
| BENEFICIALLY | | 0 |
| OWNED BY | | |
| EACH | 7 | SOLE DISPOSITIVE POWER |
| REPORTING | | 50,193,609 |
| PERSON | | |
| WITH: | 8 | SHARED DISPOSITIVE POWER |
| | | 0 |

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:
50,193,609

10 CHECK IF THE AGGREGATE AMOUNT IN ROW 9 EXCLUDES CERTAIN SHARES

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

6.16%

12 TYPE OF REPORTING PERSON

BK

Item 1(a) Name of Issuer

SKYEPHARMA PLC

Item 1(b) Address of Issuer's Principal Executive Offices:

105 Piccadilly

London, W1J 7NJ

United Kingdom

Item 2(a) Name of Person Filing:

UBS AG

Item 2(b) Address of Principal Business Office:

UBS AG's principal business office is:

Bahnhofstrasse 45

PO Box CH-8021

Zurich, Switzerland

Item 2(c) Citizenship:

Switzerland

Item 2(d) Title of Class of Securities

Common Stock

Item 2(e) CUSIP Number:

G1145K144

Item 3. Type of Person Filing:

UBS AG is classified as a Bank as defined in section 3(a)(6) of the Act pursuant to no-action relief granted by the staff of the Securities and Exchange Commission.

Item 4 (a)-(c)(iv). Ownership:

Items 5-11 of the cover pages are incorporated by reference.

Item 5. Ownership of Five Percent or Less of a Class:

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following o.

Item 6. Ownership of More than Five Percent on Behalf of Another Person:

Not applicable

Item 7. Identification and Classification of the Subsidiary That Acquired the Security Being Reported on By the Parent Holding Company:

This statement on Schedule 13G is being filed by UBS AG on behalf of itself and the subsidiaries listed below. The securities being reported on by UBS AG were acquired directly by UBS AG directly and certain of such subsidiaries.

UBS AG London Branch

UBS Portfolio LLC

UBS AG Frankfurt

UBS Ltd

UBS Warburg Private Clients Ltd

UBS AG Tokyo branch

UBS AG (Switzerland)

UBS Warburg Securities (Pty) Ltd (South Africa)

UBS International Ltd

UBS Warburg Securities Ltd

Banco UBS Warburg S.A

UBS Warburg Corretora de Cambio e Valores

Mobiliarios S.A.

UBS Warburg Trading S.A.

UBS Bunting Warburg Inc

UBS Capital Americas Investments III, Ltd.

UBS Capital II LLC

UBS Capital LLC

UBS AG Brazil

UBS Limited

UBS Capital Americas Investments II Ltd

SBC Equity Partners AG

UBS Capital Asia Pacific Ltd

UBS Capital Holdings LLC

UBS Capital Jersey Ltd

UBS Capital BV

UBS (USA) Inc

UBS Warburg AG (Frankfurt)

UBS Securities Australia Ltd

UBS Securities (Japan) Ltd

UBS Securities LLC

UBS Securities New Zealand Limited

UBS New Zealand Limited

UBS AG Australia Branch

UBS Capital Markets LP

UBS Capital Latin America LDC

UBS Securities France SA

UBS AG Canada Branch

UBS Cayman Ltd.

PaineWebber Capital Inc

Paine Webber International Inc

UBS Fiduciary Trust Company

UBS Financial Services Incorporated of Puerto Rico

UBS Americas Inc

UBS Financial Services Inc.

Inversiones Ibersuizas, S.A.

UBS (Bahamas) LTD

UBS (Cayman Islands) LTD

UBS (France) LTD

UBS (Italia) LTD

UBS (Luxemberg) LTD

UBS (Luxemberg) SA Austria Branch

UBS (Monaco) S.A.

UBS AG Brazil

UBS AG New York (101 Park Avenue)

UBS AG Hong Kong

UBS AG Jersey Branch

UBS AG Singapore

UBS Assessores LTD

UBS Bank (Canada)

UBS Belgium SA/NV

UBS Deutschland AG

UBS Espana S.A.

UBS International Inc

UBS Swiss Advisors AG

UBS Wealth Management AG

UBS Wealth Management (UK) Ltd

Banco UBS Pactual SA

Item 8. Identification and Classification of Members of the Group

Not Applicable

Item 9 Notice of Dissolution of Group:

Not Applicable

Item 10. Certification:

By signing below, the undersigned certify that, to the best of their knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

By: /s/ Gordon Kiesling
Gordon Kiesling
Executive Director

By: /s/ Karen Wendell
Karen Wendell
Executive Director

Date: February 11, 2008