

HBOS PLC  
Form SC 13G  
February 14, 2007

**UNITED STATES  
SECURITIES AND EXCHANGE  
COMMISSION**  
Washington, D.C. 20549  
**SCHEDULE 13G**

OMB APPROVAL  
OMB Number:  
3235-0145

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December 31, 2006  
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**Under the Securities Exchange Act of 1934  
(Amendment No. 4)\***

**SKYEPHARMA PLC**

(Name of Issuer)

**ORDINARY SHARES OF GBP 0.10 EACH**

(Title of Class of Securities)

**830808101**

(CUSIP Number)

**DECEMBER 31, 2006**

(Date of Event Which 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)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).



CUSIP No. 830808101

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
HBOS PLC / SC218813
  2. Check the Appropriate Box if a Member of a Group (See Instructions)
    - (a)
    - (b)
  3. SEC Use Only
  4. Citizenship or Place of Organization  
SCOTLAND
- |   |    |  |
|---|----|--|
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 5. | Sole Voting Power<br>38,658,348            |
|   | 6. | Shared Voting Power<br>Not Applicable      |
|   | 7. | Sole Dispositive Power<br>38,658,348       |
|   | 8. | Shared Dispositive Power<br>Not Applicable |
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
38,658,348
  10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)   
Not Applicable
  11. Percent of Class Represented by Amount in Row (9)  
5.129%
  12. Type of Reporting Person (See Instructions)  
CO

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Item 1.

- (a) Name of Issuer  
SKYEPHARMA PLC
- (b) Address of Issuer's Principal Executive Offices  
105 PICCADILLY, LONDON, W1J 7NJ

Item 2.

- (a) Name of Person Filing  
HBOS PLC
- (b) Address of Principal Business Office or, if none, Residence  
THE MOUND, EDINBURGH, EH1 1YZ
- (c) Citizenship  
REGISTERED IN SCOTLAND
- (d) Title of Class of Securities  
ORDINARY GBP 0.10 SHARES
- (e) CUSIP Number  
830808101

Item 3.

- If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:
- (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
  - (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
  - (c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
  - (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8).
  - (e)  An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
  - (f)  An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
  - (g)  A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
  - (h)  A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
  - (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
  - (j)  Group, in accordance with §240.13d-1(b)(1)(ii)(J).  
Not Applicable

Item 4. Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

- |     |  |   |
|-----|--|---|
| (a) | Amount beneficially owned:                   |   |
|     |  | 38,658,348  |
| (b) | Percent of class:                            |   |
|     |  | 5.129%  |
| (c) | Number of shares as to which the person has: |   |
|     | (i)  | Sole power to vote or to direct the vote                                |
|     | (ii)   | 38,658,348<br>Shared power to vote or to direct the vote                |
|     | (iii)  | Not Applicable<br>Sole power to dispose or to direct the disposition of |
|     | (iv)   | 38,658,348<br>Shared power to dispose or to direct the disposition of   |
|     |  | Not Applicable  |

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

Insight Investment Management (Global) Limited, a wholly owned subsidiary company of HBOS plc, manages the shares detailed in Item 4 on behalf of a number of investment funds. Insight Investment Management (Global) Limited has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities on behalf of the said investment funds.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person

Insight Investment Management (Global) Limited, I.R.S. Identification No 827982, a company registered in England and Wales, is a 100% owned subsidiary company of HBOS plc.

Item 8. Identification and Classification of Members of the Group

Not Applicable

Item 9. Notice of Dissolution of Group

Not Applicable

Item 10. Certification

Not Applicable

**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.

13/02/2007

Date

/s/

Signature

Kenny Melville, Assistant Company Secretary  
Name/Title

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