

**SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**SCHEDULE 13G/A**

**(Rule 13d-102)**

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULES 13d-1(b) (c) AND (d) AND AMENDMENTS THERETO FILED  
PURSUANT TO 13d-2(b)**

**(Amendment No. 2)\***

**FLAMEL TECHNOLOGIES, S.A.**

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(Name of Issuer)

**American Depository Receipts**

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(Title of Class of Securities)

**338488109**

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(CUSIP Number)

**October 10, 2008**

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(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 on 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 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*).

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1 NAME OF REPORTING PERSON:  
**Biotechnology Value Fund, L.P.**

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a)  X  
(b)  0

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
**Delaware**

NUMBER OF SHARES	5 SOLE VOTING POWER <b>0</b>
BENEFICIALLY OWNED	6 SHARED VOTING POWER <b>1,008,968 (1)</b>
BY EACH REPORTING PERSON	7 SOLE DISPOSITIVE POWER <b>0</b>
WITH:	8 SHARED DISPOSITIVE POWER <b>1,008,968 (1)</b>

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
**1,008,968 (1)**

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*  0

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
**4.19% (1) (2)**

12 TYPE OF REPORTING PERSON\*  
**PN**

1 NAME OF REPORTING PERSON:

**Biotechnology Value Fund II, L.P.**

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a)

(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

**Delaware**

5 SOLE VOTING POWER

**0**

NUMBER OF  
SHARES

BENEFICIALLY  
OWNED  
BY

6 SHARED VOTING POWER

**698,435 (1)**

EACH  
REPORTING  
PERSON

7 SOLE DISPOSITIVE POWER

**0**

WITH:

8 SHARED DISPOSITIVE POWER

**698,435 (1)**

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

**698,435(1)**

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

**2.90% (1) (2)**

12 TYPE OF REPORTING PERSON\*

**PN**

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1 NAME OF REPORTING PERSON:  
**BVF Investments, L.L.C.**

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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a)  X  
(b)  O

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3 SEC USE ONLY

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4 CITIZENSHIP OR PLACE OF ORGANIZATION  
**Delaware**

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NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5 SOLE VOTING POWER <b>0</b>
	6 SHARED VOTING POWER <b>2,586,908 (1)</b>
	7 SOLE DISPOSITIVE POWER <b>0</b>
	8 SHARED DISPOSITIVE POWER <b>2,586,908 (1)</b>

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9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
**2,586,908 (1)**

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10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*  O

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11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
**10.76% (1) (2)**

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12 TYPE OF REPORTING PERSON\*  
**OO**

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1 NAME OF REPORTING PERSON:  
**Investment 10, L.L.C.**

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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a)  X  
(b)  O

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3 SEC USE ONLY

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4 CITIZENSHIP OR PLACE OF ORGANIZATION  
**Illinois**

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NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5 SOLE VOTING POWER <b>0</b>
	6 SHARED VOTING POWER <b>273,812 (1)</b>
	7 SOLE DISPOSITIVE POWER <b>0</b>
	8 SHARED DISPOSITIVE POWER <b>273,812 (1)</b>

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9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
**273,812 (1)**

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10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*  O

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11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
**1.14% (1) (2)**

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12 TYPE OF REPORTING PERSON\*  
**OO**

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1 NAME OF REPORTING PERSON:  
**BVF Partners L.P.**

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a)  X  
(b)  O

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
**Delaware**

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5 SOLE VOTING POWER <b>0</b>
	6 SHARED VOTING POWER <b>4,568,123 (1)</b>
	7 SOLE DISPOSITIVE POWER <b>0</b>
	8 SHARED DISPOSITIVE POWER <b>4,568,123 (1)</b>

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
**4,568,123 (1)**

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*  O

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
**18.99% (1) (2)**

12 TYPE OF REPORTING PERSON\*  
**PN, HC**

1 NAME OF REPORTING PERSON:  
**BVF Inc.**

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a)  X  
(b)  O

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
**Delaware**

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER	<b>0</b>
	6	SHARED VOTING POWER	<b>4,568,123 (1)</b>
	7	SOLE DISPOSITIVE POWER	<b>0</b>
	8	SHARED DISPOSITIVE POWER	<b>4,568,123 (1)</b>

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
**4,568,123 (1)**

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*  O

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
**18.99% (1) (2)**

12 TYPE OF REPORTING PERSON\*  
**CO, HC**

The following footnotes relate to pages 2 thru 7:

(1) With respect to each Reporting Person, the following securities are held, as follows (See Items 2(a) and 2(d) for defined terms for each entity and all other capitalized terms below):

Security Type	BVF	BVF2	BVLLC	ILL10	Partners	BVF Inc.
ADRs	1,006,668	696,935	2,581,308	273,212	4,558,123	4,558,123
Call Options Owned	2,300	1,500	5,600	600	10,000	10,000

(2) The percentage calculations are based on ADRs outstanding of 24,052,000. The Call Options may be exercised at any time until expiration at a strike price of \$7.50. The Call Options are exercisable until October 18, 2008.

**ITEM 1(a). NAME OF ISSUER:**

FLAMEL TECHNOLOGIES, S.A. ("FLML")

**ITEM 1(b). ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES:**

PARC CLUS DU MOULIN A VENT  
33 AVENUE DU DOCTEUR GEORGES  
69693 VENISSIEUX CEDEX  
FRANCE

**ITEM 2(a). NAME OF PERSON FILING:**

This Schedule 13G is being filed on behalf of the following persons (the "Reporting Persons"):

- (i) Biotechnology Value Fund, L.P. ("BVF")
- (ii) Biotechnology Value Fund II, L.P. ("BVF2")
- (iii) BVF Investments, L.L.C. ("BVLLC")
- (iv) Investment 10, L.L.C. ("ILL10")
- (v) BVF Partners L.P. ("Partners")
- (vi) BVF Inc. ("BVF Inc.")

**ITEM 2(b). ADDRESS OF PRINCIPAL BUSINESS OFFICE:**

The principal business office of the Reporting Persons comprising the group filing this Schedule 13G is located at 900 North Michigan Avenue, Suite 1100, Chicago, Illinois, 60611.

**ITEM 2(c). CITIZENSHIP:**

BVF: a Delaware limited partnership  
BVF2: a Delaware limited partnership  
BVLLC: a Delaware limited liability company  
ILL10: an Illinois limited liability company  
Partners: a Delaware limited partnership  
BVF Inc.: a Delaware corporation

**ITEM 2(d). TITLE OF CLASS OF SECURITIES:**

This Amendment No. 2 to Schedule 13G is being filed with respect to the American Depository Receipts ("ADRs") of FLML. The Reporting Persons' percentage ownership of the ADRs are based on 24,052,000 ADRs being outstanding and the beneficial ownership in the Reporting Persons of 10,000 Options. See the discussion in footnote (1) for further description of the Options.

As of October 17, 2008, BVF beneficially owned 1,008,968 ADRs, of which 2,300 were attributable to Options, BVF2 beneficially owned 698,435 ADRs, of which 1,500 were attributable to Options, BVLLC beneficially owned 2,586,908 ADRs, of which 5,600 were attributable to Options and ILL10 beneficially owned 273,812 ADRs, of which 600 were attributable to Options. Partners and BVF Inc. may each be deemed to beneficially own 4,568,123 ADRs, of which 10,000 were attributable to Options.



ITEM 2(e). CUSIP Number:

338488109

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**ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO RULE 13d-1(b), or 13d-2(b) or (c) CHECK WHETHER THE PERSON FILING IS: One of the following**

Not applicable as this Schedule 13G is filed pursuant to Rule 13d-1(c).

**ITEM 4. OWNERSHIP:**

The information in items 1 and 5 through 11 on the cover pages (pp. 2 - 7) of this Schedule 13G is hereby 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 persons have ceased to be the beneficial owners of more than 5 percent of the class of securities, check the following [ ].

**ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON:**

Pursuant to the operating agreement of BVLLC, Partners is authorized, among other things, to invest the funds of Ziff Asset Management, L.P., the majority member of BVLLC, in the ADRs beneficially owned by BVLLC and to vote and exercise dispositive power over those ADRs. Partners and BVF Inc. share voting and dispositive power over ADRs beneficially owned by BVF, BVF2, BVLLC and those owned by ILL10, on whose behalf Partners acts as an investment manager and, accordingly, Partners and BVF Inc. have beneficial ownership of all of the ADRs owned by such parties.

**ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY:**

Mr. Lampert is the owner, sole director and an officer of BVF Inc. BVF Inc. is the general partner of Partners, which is the general partner of BVF and BVF 2. Partners is the manager of BVLLC and is investment adviser to ILL10.

**ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP:**

The members of the group making this filing on Schedule 13G are: Biotechnology Value Fund, L.P., Biotechnology Value Fund II, L.P., BVF Investments, L.L.C., Investment 10, L.L.C., BVF Partners L.P. and BVF Inc.

**ITEM 9. NOTICE OF DISSOLUTION OF GROUP:**

Not applicable.

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**ITEM 10. CERTIFICATION**

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above 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.

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.

Dated: October 17, 2008

**BIOTECHNOLOGY VALUE FUND, L.P.\***

By: BVF Partners L.P., its general partner

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert  
\_\_\_\_\_  
Mark N. Lampert  
President

**BIOTECHNOLOGY VALUE FUND II, L.P.\***

By: BVF Partners L.P., its general partner

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert  
\_\_\_\_\_  
Mark N. Lampert  
President

**BVF INVESTMENTS, L.L.C.\***

By: BVF Partners L.P., its manager

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert  
\_\_\_\_\_  
Mark N. Lampert  
President

**INVESTMENT 10, L.L.C.\***

By: BVF Partners L.P., its investment manager

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert  
\_\_\_\_\_  
Mark N. Lampert  
President

**BVF PARTNERS L.P.\***

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert  
\_\_\_\_\_  
Mark N. Lampert  
President

**BVF INC.\***

By: /s/ Mark N. Lampert  
\_\_\_\_\_  
Mark N. Lampert  
President

**\*The Reporting Person disclaims beneficial ownership except to the extent of its pecuniary interest therein.**

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Exhibit A

JOINT FILING AGREEMENT

The undersigned agree that this Amendment No. 2 to Schedule 13G filed October 17, 2008, relating to the ADRs of FLML shall be filed on behalf of the undersigned.

Dated: October 17, 2008

**BIOTECHNOLOGY VALUE FUND, L.P.**

By: BVF Partners L.P., its general partner

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert  
\_\_\_\_\_  
Mark N. Lampert  
President

**BIOTECHNOLOGY VALUE FUND II, L.P.**

By: BVF Partners L.P., its general partner

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert  
\_\_\_\_\_  
Mark N. Lampert  
President

**BVF INVESTMENTS, L.L.C.**

By: BVF Partners L.P., its manager

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert  
\_\_\_\_\_  
Mark N. Lampert  
President

**INVESTMENT 10, L.L.C.**

By: BVF Partners L.P., its investment manager

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert  
\_\_\_\_\_  
Mark N. Lampert  
President

**BVF PARTNERS L.P.**

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert  
\_\_\_\_\_  
Mark N. Lampert  
President

**BVF INC.**

By: /s/ Mark N. Lampert  
\_\_\_\_\_  
Mark N. Lampert  
President