

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>BVF PARTNERS L P/IL</u> (Last) (First) (Middle) 900 N. MICHIGAN AVE., SUITE 1100 (Street) CHICAGO IL 60611 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>TARGACEPT INC [TRGT]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) 10/31/2012	
	4. 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 <input type="checkbox"/> Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	10/31/2012		P		46,700 ⁽⁴⁾	A	\$4.0557	1,738,827	I ⁽¹⁾⁽²⁾	See Explanation of Responses
Common Stock	10/31/2012		P		5,300 ⁽⁴⁾	A	\$4.0557	981,158	I ⁽¹⁾⁽³⁾	See Explanation of Responses
Common Stock	11/01/2012		P		6,700 ⁽⁴⁾	A	\$4.0465	1,745,527	I ⁽¹⁾⁽²⁾	See Explanation of Responses
Common Stock	11/01/2012		P		23,400 ⁽⁴⁾	A	\$4.0465	1,004,558	I ⁽¹⁾⁽³⁾	See Explanation of Responses
Common Stock	11/02/2012		P		36,100 ⁽⁴⁾	A	\$4.0535	1,781,627	I ⁽¹⁾⁽²⁾	See Explanation of Responses
Common Stock	11/02/2012		P		21,500 ⁽⁴⁾	A	\$4.0535	1,026,058	I ⁽¹⁾⁽³⁾	See Explanation of Responses

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					

1. Name and Address of Reporting Person* <u>BVF PARTNERS L P/IL</u> (Last) (First) (Middle) 900 N. MICHIGAN AVE., SUITE 1100

(Street)
CHICAGO IL 60611

(City) (State) (Zip)

1. Name and Address of Reporting Person*
BIOTECHNOLOGY VALUE FUND L P

(Last) (First) (Middle)
900 N. MICHIGAN AVE., SUITE 1100

(Street)
CHICAGO IL 60611

(City) (State) (Zip)

1. Name and Address of Reporting Person*
BIOTECHNOLOGY VALUE FUND II LP

(Last) (First) (Middle)
900 N. MICHIGAN AVE., SUITE 1100

(Street)
CHICAGO IL 60611

(City) (State) (Zip)

1. Name and Address of Reporting Person*
BVF INC/IL

(Last) (First) (Middle)
900 N. MICHIGAN AVE., SUITE 1100

(Street)
CHICAGO IL 60611

(City) (State) (Zip)

1. Name and Address of Reporting Person*
LAMPERT MARK N

(Last) (First) (Middle)
900 N. MICHIGAN AVE., SUITE 1100

(Street)
CHICAGO IL 60611

(City) (State) (Zip)

Explanation of Responses:

1. This Form 4 is filed jointly by Biotechnology Value Fund, L.P. ("BVF"), Biotechnology Value Fund II, L.P. ("BVF2"), BVF Partners L.P. ("Partners"), BVF Inc., and Mark Lampert (collectively the "Reporting Persons"). Each of the Reporting Persons may be deemed to be a member of a section 13G group that collectively owns more than 10% of the Issuer's outstanding shares of Common Stock. Each of the Reporting Persons disclaims beneficial ownership of the shares of Common Stock reported herein except to the extent of his or its pecuniary interest therein.
2. Represents shares of Common Stock owned directly by BVF. As the general partner of BVF, Partners may be deemed to beneficially own the shares of Common Stock owned directly by BVF. As the investment adviser and general partner of Partners, BVF Inc., may be deemed to beneficially own the shares of Common Stock owned directly by BVF. As a director and officer of BVF Inc., Mr. Lampert may be deemed to beneficially own the shares of Common Stock owned directly by BVF.
3. Represents shares of Common Stock owned directly by BVF2. As the general partner of BVF2, Partners may be deemed to beneficially own the shares of Common Stock owned directly by BVF2. As the investment adviser and general partner of Partners, BVF Inc., may be deemed to beneficially own the shares of Common Stock owned directly by BVF2. As a director and officer of BVF Inc., Mr. Lampert may be deemed to beneficially own the shares of Common Stock owned directly by BVF2.
4. Units may represent aggregation of daily trade activity. Details regarding individual execution amounts and prices are available upon request

Remarks:

[BVF Partners L.P., By: BVF Inc., its GP, By: /s/ Mark N. Lampert, President 11/02/2012](#)

[BIOTECHNOLOGY VALUE FUND, L.P. By: BVF Partners L.P., its GP, By: BVF Inc., By: /s/ Mark N. Lampert, President 11/02/2012](#)

[BIOTECHNOLOGY VALUE FUND II, L.P., By: BVF Partners L.P., its GP, By: BVF Inc., By: /s/ Mark N. Lampert, President 11/02/2012](#)

BVF INC., By: /s/ Mark N. Lampert, President 11/02/2012

Mark N. Lampert, By: /s/ Mark N. Lampert 11/02/2012

** 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.