

**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) 11/14/2012	
		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	11/14/2012		P		772,063 <sup>(6)</sup>	A	\$4	2,599,919	I <sup>(1)(2)</sup>	See Explanation of Responses
Common Stock	11/14/2012		P		444,649 <sup>(6)</sup>	A	\$4	1,496,907	I <sup>(1)(3)</sup>	See Explanation of Responses
Common Stock	11/16/2012		P		46,700 <sup>(6)</sup>	A	\$5.1083	2,646,619	I <sup>(1)(2)</sup>	See Explanation of Responses
Common Stock	11/16/2012		P		26,800 <sup>(6)</sup>	A	\$5.1083	1,523,707	I <sup>(1)(3)</sup>	See Explanation of Responses
Common Stock								349,482	I <sup>(1)(4)(5)</sup>	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)
						Date Exercisable	Expiration Date					
				Code	V	(A)	(D)	Title	Amount or Number of Shares			

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)		
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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)

1. Name and Address of Reporting Person\*

[BVF INVESTMENTS LLC](#)

(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 Investments, L.L.C. ("BVFLC"), 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. Represents shares of Common Stock owned directly by BVFLC. As the manager of BVFLC, Partners may be deemed to beneficially own the shares of Common Stock owned directly by BVFLC. 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 BVFLC. As a director and officer of BVF Inc., Mr. Lampert may be deemed to beneficially own the shares of Common Stock owned directly by BVFLC.

5. The shares of Common Stock are directly beneficially owned by BVF Investments, L.L.C., a Delaware limited liability company. Pursuant to the operating agreement of BVFLC, BVF Partners, L.P., a Delaware limited partnership is authorized, among other things, to invest the contributed capital of Samana Capital, L.P., the majority member of BVFLC, in the shares of Common Stock and other securities and to vote, exercise or convert and dispose of such securities and is entitled to receive fees based on assets under management and, subject to certain exceptions, allocations based on realized and unrealized gains on such assets.

6. Units may represent aggregation of daily trade activity. Details regarding individual execution amounts and prices are available upon request

**Remarks:**

<u>BVF Partners L.P., By: BVF Inc., its GP, By: /s/ Mark N. Lampert, President</u>	<u>11/19/2012</u>
<u>BIOTECHNOLOGY VALUE FUND, L.P. By: BVF Partners L.P., its GP, By: BVF Inc., By: /s/ Mark N. Lampert, President</u>	<u>11/19/2012</u>
<u>BIOTECHNOLOGY VALUE FUND II, L.P., By: BVF Partners L.P., its GP, By: BVF Inc., By: /s/ Mark N. Lampert, President</u>	<u>11/19/2012</u>
<u>BVF INC., By: /s/ Mark N. Lampert, President</u>	<u>11/19/2012</u>
<u>Mark N. Lampert, By: /s/ Mark N. Lampert</u>	<u>11/19/2012</u>
<u>BVF INVESTMENTS, L.L.C., By: BVF Partners L.P., its Manager, By: BVF Inc., By: /s/ Mark N. Lampert, President</u>	<u>11/19/2012</u>

\*\* 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.**