

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL	
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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* HANHAM ANN (Last) (First) (Middle) C/O TARGACEPT, INC. 200 EAST FIRST STREET, SUITE 300 (Street) WINSTON- SALEM NC 27101 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol TARGACEPT INC [TRGT]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) 04/18/2006	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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	04/18/2006		C		341,880 ⁽¹⁾	A	(2)	341,880	I	By Burrill Biotechnology Capital Fund, L.P. ⁽³⁾
Common Stock	04/18/2006		C		436,182 ⁽⁴⁾	A	(5)	778,062	I	By Burrill Biotechnology Capital Fund, L.P. ⁽³⁾
Common Stock								1,000	I	By Burrill & Company LLC ⁽⁶⁾

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						Title
Series B Convertible Preferred Stock	(2)	04/18/2006		C		1,075,269		(7)	(7)	Common Stock	341,880	(2)	0	I	By Burrill Biotechnology Capital Fund L.P. ⁽³⁾
Series C Convertible Preferred Stock	(5)	04/18/2006		C		3,028,043		(7)	(7)	Common Stock	436,182	(5)	0	I	By Burrill Biotechnology Capital Fund L.P. ⁽³⁾

Explanation of Responses:

- These securities were acquired upon conversion of shares of the issuer's Series B Convertible Preferred Stock upon completion of the issuer's initial public offering.
- Each share of Series B Convertible Preferred Stock converted into approximately .318 shares of the issuer's common stock. This conversion ratio reflects a 1 for 7.5 share reverse stock split of the issuer's common stock effected February 3, 2005.
- The reporting person is a member of Burrill & Company (Biotechnology GP), LLC, the general partner of Burrill Biotechnology Capital Fund, L.P. The reporting person disclaims beneficial ownership of these securities except to the extent of her pecuniary interest therein.
- These securities were acquired upon conversion of shares of the issuer's Series C Convertible Preferred Stock upon completion of the issuer's initial public offering.
- Each share of Series C Convertible Preferred Stock converted into approximately .144 shares of the issuer's common stock. This conversion ratio reflects a 1 for 7.5 share reverse stock split of the issuer's common stock effected February 3, 2005.
- The reporting person is an employee of Burrill & Company LLC. The reporting person disclaims beneficial ownership of these securities except to the extent of her pecuniary interest therein.
- The Series B Convertible Preferred Stock and the Series C Convertible Preferred Stock were convertible at any time, at the holder's election, and converted automatically upon completion of the issuer's initial public offering. These securities had no expiration date.

Remarks:

/s/ Peter A. Zorn, Attorney-in-Fact 04/18/2006

** 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.

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