

OMB APPROVAL	
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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

1. Name and Address of Reporting Person* <u>Jones Elaine V</u> (Last) (First) (Middle) <u>C/O TARGACEPT, INC.</u> <u>200 EAST FIRST STREET, SUITE 300</u> (Street) <u>WINSTON- SALEM NC 27101</u> (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) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>05/29/2007</u>	
	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 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	05/29/2007		M		5,333	A	\$0.075	1,516,216	I	By EuclidSR Partners, L.P. (1)
Common Stock								371,945	I	By EuclidSR Biotechnology Partners, L.P. (2)

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
Stock Option (Right to Buy)	\$0.075	05/29/2007		X			4,333	(3)	08/07/2012	Common Stock	4,333	\$0	0	I	By EuclidSR Partners L.P.(1)
Stock Option (Right to Buy)	\$0.075	05/29/2007		X			1,000		06/11/2004 06/10/2013	Common Stock	1,000	\$0	0	I	By EuclidSR Partners L.P.(1)

Explanation of Responses:

- The reporting person is a general partner of EuclidSR Associates, L.P., the general partner of EuclidSR Partners, L.P. The reporting person disclaims beneficial ownership of these securities except to the extent of her pecuniary interest therein.
- The reporting person is a general partner of EuclidSR Biotechnology Associates, L.P., the general partner of EuclidSR Biotechnology Partners, L.P. The reporting person disclaims beneficial ownership of these securities except to the extent of her pecuniary interest therein.
- This stock option became exercisable for (1) 3,333 shares of common stock on August 8, 2002 and (2) the remaining 1,000 shares of common stock on May 15, 2003.

Remarks:

/s/ Peter A. Zorn, Attorney-in-Fact 05/31/2007

** 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.