

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

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* <u>Zorn Peter A</u> (Last) (First) (Middle) C/O TARGACEPT, INC. 200 EAST FIRST STREET, SUITE 300 (Street) WINSTON- SALEM NC 27101 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 04/11/2006	3. Issuer Name and Ticker or Trading Symbol <u>TARGACEPT INC [TRGT]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>VP, Legal and General Counsel</u>	5. 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 Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date				
Employee Stock Option (Right to Buy)	(1)	05/18/2013	Common Stock 10,000	(2)	D	
Employee Stock Option (Right to Buy)	(3)	10/30/2013	Common Stock 4,666	(4)	D	
Employee Stock Option (Right to Buy)	01/26/2004	01/25/2014	Common Stock 995	5.63	D	
Employee Stock Option (Right to Buy)	(5)	04/30/2014	Common Stock 6,400	(6)	D	
Employee Stock Option (Right to Buy)	(7)	03/28/2015	Common Stock 42,000	1.75	D	
Employee Stock Option (Right to Buy)	(8)	02/27/2016	Common Stock 5,000	5.1	D	

Explanation of Responses:

- This option vests 25% on June 30, 2004 and then in 12 equal quarterly installments thereafter, or, if earlier, upon completion of the issuer's initial public offering.
- The portion of this option that was not yet exercisable as of March 31, 2005 was repriced on April 7, 2005 to \$1.75 per share. Following the repricing, of the 10,000 shares of common stock underlying this option, the exercise price for 4,375 shares is \$5.10 per share and the exercise price for 5,625 shares is \$1.75 per share.
- This option vests 20% on October 31, 2003, and then in equal installments at the end of the following 16 calendar quarters.
- The portion of this option that was not yet exercisable as of March 31, 2005 was repriced on April 7, 2005 to \$1.75 per share. Following the repricing, of the 4,666 shares of common stock underlying this option, the exercise price for 2,333 shares is \$5.10 per share and the exercise price for 2,333 shares is \$1.75 per share.
- This option vests 20% on May 1, 2004, and then in equal installments at the end of the following 16 calendar quarters.
- The portion of this option that was not yet exercisable as of March 31, 2005 was repriced on April 7, 2005 to \$1.75 per share. Following the repricing, of the 6,400 shares of common stock underlying this option, the exercise price for 2,560 shares is \$5.625 per share and the exercise price for 3,840 shares is \$1.75 per share.
- This option vests 20% on March 29, 2005, and then in equal installments at the end of the following 16 calendar quarters.
- This option vests 25% on March 31, 2007, and then in equal installments at the end of the following 12 calendar quarters.

Remarks:

/s/ Peter A. Zorn 04/11/2006
 ** 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 5 (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.

Securities and Exchange Commission
Judiciary Plaza
450 Fifth Street, N.W.
Washington, DC 20549

Re: Targacept, Inc.

Gentlemen:

Pursuant to General Instruction 7 to Form 3 (Initial Statement of Beneficial Ownership), Form 4 (Statement of Changes in Beneficial Ownership) and Form 5 (Annual Statement of Changes in Beneficial Ownership) promulgated by the Securities and Exchange Commission pursuant to Section 16 of the Securities Exchange Act of 1934, the undersigned director, officer and/or shareholder of Targacept, Inc. (the "Company") hereby authorizes and designates Mauri K. Hodges and Alan A. Musso, and each of them, to execute and file with the Commission on her behalf any and all statements on Form 3, Form 4 or Form 5 relating to her beneficial ownership of securities of the Company as required by Section 16(a) of the Securities Exchange Act of 1934 and the rules of the Commission promulgated thereunder. This authorization and designation shall be effective for so long as the undersigned remains subject to the provisions of Section 16 of the Securities Exchange Act of 1934.

Effective as of April 11, 2006.

/s/ Peter A. Zorn

Peter A. Zorn
