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Aeterna Zentaris Inc.  
Form 6-K  
May 06, 2005

FORM 6-K  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

REPORT OF FOREIGN ISSUER  
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Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934

For the month of May 2005

AETERNA ZENTARIS INC.  
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1405, boul. du Parc-Technologique  
Quebec, Quebec  
Canada, G1P 4P5  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports  
under cover of Form 20-F or Form 40-F.

Form 20-F                      Form 40-F    X  
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Indicate by check mark whether the registrant by furnishing the information  
contained in this Form is also thereby furnishing the information to the  
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934

Yes                      No    X  
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If "Yes" is marked, indicate below the file number assigned to the registrant in  
connection with Rule 12g3-2(b): 82-  
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DOCUMENTS INDEX

DOCUMENTS DESCRIPTION  
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1. Press release dated May 4, 2005 - AEtterna Zentaris Reports 2005 First  
Quarter Financial and Operating Results
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AEterna Zentaris

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www.aeternazentaris.com

PRESS RELEASE  
For immediate release

AETERNA ZENTARIS REPORTS 2005 FIRST QUARTER FINANCIAL AND OPERATING RESULTS  
ALL AMOUNTS ARE IN CANADIAN DOLLARS

First quarter 2005 highlights:

- > Consolidated revenues of \$75.9 million, compared to \$58.4 million for Q1 2004, an increase of 30%;
- > Consolidated R&D expenses of nearly \$8 million;
- > Consolidated earnings from operations of \$8 million, compared to \$1.6 million earnings from operations for Q1 2004, an increase of 400%;
- > Consolidated net earnings of \$0.1 million compared to a net loss of \$2.6 million for Q1 2004;
- > Solvay, Shionogi and Nippon Kayaku confirmed commitment to late-stage development programs of LHRH antagonist cetrorelix in endometriosis and benign prostate hyperplasia (BPH) respectively;
- > Additional marketing approval for Impavido(R) in Colombia and Germany;
- > Acquisition of Echelon Biosciences in the United States providing access to PI3K inhibitors for the treatment of cancer.

QUEBEC CITY, CANADA, MAY 4, 2005 - AEterna Zentaris Inc. (TSX: AEZ; NASDAQ: AEZS) today reported financial and operating results for the first quarter ended March 31, 2005. Consolidated revenues for the first quarter 2005 were \$75.9 million compared to \$58.4 million for the same period in 2004, an increase of 30%. Consolidated R&D expenses net of tax credits amounted to \$7.9 million in the first quarter of 2005 compared to \$8 million in the first quarter of 2004. Consolidated earnings from operations for the first quarter 2005 were \$8 million, compared to consolidated earnings from operations of \$1.6 million for the first quarter 2004, an increase of 400%. The Company's consolidated net earnings were \$0.1 million for the first quarter of 2005 compared to a consolidated net loss of \$2.6 million, or \$0.06 net loss per share, for the comparable period in 2004.

AEterna Zentaris

As of March 31, 2005, the Company had consolidated cash and short-term

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investments of approximately \$66.5 million, including \$50.7 million dedicated to the biopharmaceutical segment. The Company generated consolidated positive cash flow from operating activities of \$6.4 million in the first quarter 2005. The burn rate for the biopharmaceutical segment in the first quarter 2005 was limited to \$0.1 million. The increases in consolidated revenues, earnings from operations and net earnings are all attributable to the strong performance of our biopharmaceutical activities combined with the continued growth of our subsidiary, Atrium Biotechnologies Inc. (TSX: ATB.sv), now owned at 50.7%.

"This first quarter of 2005 has proven to be very successful for the Company," said Gilles Gagnon, AETerna Zentaris' President and Chief Executive Officer. "Many products reached new development milestones, reflecting once again our ability to strategically and continuously advance our products through the pipeline, in line with our goal of maximizing the potential of our broad and diverse portfolio. In particular, we are proud that Solvay, as well as Shionogi and Nippon Kayaku have confirmed their commitment to fully develop and financially support the late-stage clinical programs for cetrorelix, our LHRH antagonist, in endometriosis and benign prostatic hyperplasia, respectively. We are also excited with the recent commitment by our US-based partner, Spectrum Pharmaceuticals, to advance D-63153, another LHRH antagonist, into Phase II trials in benign prostatic hyperplasia and prostate cancer. With the achievement of these milestones, our development strategy for LHRH antagonists is now fully deployed," concluded Mr. Gagnon.

Dennis Turpin, Vice President and Chief Financial Officer of AETerna Zentaris, added: "Our financial position remains strong with \$66.5 million in consolidated cash and short-term investments. Of this amount, approximately \$50.7 million is dedicated to our biopharmaceutical activities, which is sufficient to aggressively pursue our business strategy in collaboration with our strategic partners. Shortly after the end of the first quarter, our subsidiary Atrium successfully completed its initial public offering, establishing, as of today, its market capitalization at nearly \$300 million. AETerna Zentaris now holds 50.7% of Atrium, which represents an important asset for our Company."

### CONFERENCE CALL INFORMATION

Management will be hosting a conference call for the investment community beginning at 10:00 a.m. Eastern Time today, Wednesday, May 4, to discuss 2005 first quarter financial and operating results and answer questions.

To participate in the live conference call by telephone, please dial 514-807-8791, 416-640-4127 from Canada or 800-814-4941 from outside Canada. Individuals interested in listening to the conference call on the Internet may do so by visiting [www.aeternazentaris.com](http://www.aeternazentaris.com). A replay will be available on the Company's Web site for 30 days.

### ABOUT AETERNA ZENTARIS INC.

AETerna Zentaris Inc. is an oncology and endocrine therapy focused biopharmaceutical company with proven expertise in drug discovery, development and marketing. The Company's broad 20 product pipeline leverages five different therapeutic approaches, including LHRH antagonists and signal transduction inhibitors. The lead LHRH antagonist compound, cetrorelix, is currently

marketed for IN VITRO fertilization under the brand name Cetrotide(R). Cetrorelix is also in late-stage clinical development for endometriosis and

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benign prostatic hyperplasia (BPH). The lead signal transduction inhibitor compound, perifosine, is an orally-active AKT inhibitor that is in several Phase II trials for multiple cancers.

AEterna Zentaris also owns 50.7% of Atrium Biotechnologies Inc. (TSX: ATB.sv), a leading developer, manufacturer and marketer of value-added products for the cosmetics, pharmaceutical, chemical and nutritional industries.

News releases and additional information about AEterna Zentaris are available on its Web site [www.aeternazentaris.com](http://www.aeternazentaris.com).

### FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements made pursuant to the safe harbor provisions of the U.S. Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties, which could cause the Company's actual results to differ materially from those in the forward-looking statements. Such risks and uncertainties include, among others, the availability of funds and resources to pursue R&D projects, the successful and timely completion of clinical studies, the ability of the Company to take advantage of business opportunities in the pharmaceutical industry, uncertainties related to the regulatory process and general changes in economic conditions. Investors should consult the Company's quarterly and annual filings with the Canadian and U.S. securities commissions for additional information on risks and uncertainties relating to the forward-looking statements. Investors are cautioned not to rely on these forward-looking statements. The Company does not undertake to update these forward-looking statements.

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### CONTACTS

#### MEDIA RELATIONS

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ATTACHMENT: Financial summary

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(in thousands of Canadian dollars,  
except share and per share data)

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CONSOLIDATED RESULTS Unaudited	THREE MONTHS ENDED MARCH 31,	
	2005 \$	2004 \$
REVENUES	75,914	58,449
OPERATING EXPENSES		
Cost of sales	45,603	37,128
Selling, general and administrative	12,191	9,621
R&D costs, net of tax credits and grants	7,910	7,953
Depreciation and amortization	2,230	2,163
	67,934	56,865
Earnings from operations	7,980	1,584
Interest income	376	494
Interest and financial expenses	(2,648)	(1,637)
Foreign exchange gain	255	417
EARNINGS BEFORE THE FOLLOWING ITEMS	5,963	858
Current income taxes	(2,603)	(2,424)
Future income taxes	(1,346)	784
Non-controlling interest	(1,869)	(1,768)
NET EARNINGS (LOSS) FOR THE PERIOD	145	(2,550)
Basic and diluted net loss per share	-	(0.06)
Weighted average number of shares		
Basic	45,799,897	45,402,892
Diluted	46,238,901	45,773,001
Issued and outstanding shares	46,139,814	45,440,242

CONSOLIDATED BALANCE SHEETS	MARCH 31,	DECEMBER 31,
	2005 \$	2004 \$
Cash and short-term investments	66,509	58,090
Other current assets	102,941	86,644
Long-term assets	169,450	144,734
Total assets	388,280	349,228
Current liabilities	73,610	72,265

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Deferred revenues	23,445	25,557
Convertible term loans and long-term debt	104,130	64,255
Other long-term liabilities	30,543	32,092
Non-controlling interest	35,836	34,767
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	267,564	228,936
Shareholders' equity	120,716	120,292
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Total liabilities and shareholders' equity	388,280	349,228
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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AETERNA ZENTARIS INC.

Date: May 4, 2005  
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By: /s/ Mario Paradis  
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Mario Paradis  
Senior Finance Director and Corporate Secretary