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Aeterna Zentaris Inc.
Form 40-F/A
October 22, 2004

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 40-F/A

AMENDMENT NO. 1

[Check one]

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2003 Commission File Number 0-30752

AETERNA ZENTARIS INC.
(Formerly named AEterna Laboratories Inc.)

(Exact name of registrant as specified in its charter)

| | | |
|--------------------|------------------------------|------------------------|
| CANADA | 2834 | NOT APPLICABLE |
| (Province or other | (Primary Standard Industrial | (I.R.S. Employer |
| jurisdiction of | Classification Code Number) | Identification Number) |
| incorporation or | | |
| organization) | | |

1405, boul. du Parc-Technologique
Quebec, Quebec
Canada, G1P 4P5
(418) 652-8525

(Address and telephone number of Registrant's principal executive offices)

CT Corporation System
111 Eighth Avenue
13th Floor
New York, New York 10011
(212) 894-8638

(Name, address and telephone number of agent for service of
process in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

| TITLE OF EACH CLASS | NAME OF EACH EXCHANGE ON WHICH REGISTERED |
|---------------------|---|
| Not Applicable | Not Applicable |

Securities registered or to be registered pursuant to
Section 12(g) of the Act.

SUBORDINATE VOTING SHARES
(Title of Class)

Securities for which there is a reporting obligation
pursuant to Section 15(d) of the Act.

NOT APPLICABLE

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(Title of Class)

For annual reports, indicate by check mark the information filed with this Form:

☒ Annual information form

☒ Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

45,330,992 Subordinate Voting Shares Outstanding

0 Multiple Voting Shares Outstanding

0 First Preferred Shares

0 Second Preferred Shares

Indicate by check mark whether the Registrant by filing 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 (the "Exchange Act"). If "Yes" is marked, indicate the filing number assigned to the Registrant in connection with such Rule.

| | | |
|-------|-------|-------|
| Yes | No | X |
| ----- | ----- | ----- |

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

| | | |
|-------|-------|-------|
| Yes | X | No |
| ----- | ----- | ----- |

EXPLANATORY NOTE

The sole purposes of this Amendment No. 1 on Form 40F/A (this "Amendment") to the Annual Report on Form 40-F (the "Annual Report") of AETerna Zentaris Inc. (formerly named AETerna Laboratories Inc.) (the "Registrant") for the fiscal year ended December 31, 2003 is:

(i) to include the disclosure provided under "Corporate Governance" below; and

(ii) to amend and restate the certifications attached as Exhibits 31.1 and 31.2 to the Registrant's Annual Report to conform to the language set forth in General Instruction B.(6) of Form 40-F, and as provided in the final rule adopted by the Securities and Exchange Commission as set forth in Release No. 33-8238, entitled "Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports."

AETERNA LABORATORIES INC.
(NOW NAMED AETERNA ZENTARIS INC.)

ANNUAL REPORT ON FORM 40-F

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CONTROLS AND PROCEDURES

The Registrant's President and Chief Executive Officer and the Registrant's Vice President and Chief Financial Officer have concluded, based on their evaluation of the effectiveness of the Registrant's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended), that the Registrant's disclosure controls and procedures are effective as of the end of the period covered by this annual report on Form 40-F.

There has been no change in the Registrant's internal control over financial reporting that occurred during the period covered by this annual report on Form 40-F that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

CORPORATE GOVERNANCE

The Registrant is in compliance with the corporate governance requirements of The Nasdaq Stock Market, Inc. ("NASDAQ") except for the requirement that a quorum for a meeting of the holders of the common stock of the Registrant be no less than 33 1/3% of such outstanding shares. The by-laws of the Registrant provide that a quorum for purposes of any meeting of shareholders of the Registrant consists of at least 20% of the outstanding voting shares. The Registrant received an exemption from NASDAQ from this quorum requirement because the quorum provided for in the by-laws of the Registrant is consistent with generally accepted business practices in Canada, the Registrant's country of domicile, and with the Toronto Stock Exchange, the principal market on which the Registrant's voting shares are traded.

CODE OF ETHICAL CONDUCT

On March 29, 2004, the Board of Directors adopted a "Code of Ethical Conduct", a copy of which is attached as Exhibit 7 to this annual report on Form 40-F and which is also available on the Registrant's website at www.aeternazentaris.com (formerly www.aeterna.com) in Investors/Shareholder Info. The Code of Ethical Conduct is a "code of ethics" as defined in paragraph (9)(b) of General Instruction B to Form 40-F. The Code of Ethical Conduct applies to all of the Registrant's employees, directors and officers, including the Registrant's principal executive officer, principal financial officer, and principal accounting officer or controller, or persons performing similar functions, and includes specific provisions dealing with integrity in accounting matters, conflicts of interest and compliance with applicable laws and regulations. The Registrant will provide this document to any person or company upon request to the Corporate Secretary of the Registrant, at its head office at 1405 boulevard du Parc-Technologique, Quebec City, Quebec, G1P 4P5.

AUDIT COMMITTEE

The Registrant has a separately designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Audit Committee consists of three members: Mr. Francis Bellido, Ms. Stormy Byorum and Mr. Pierre MacDonald. The Audit Committee is composed entirely of outside, non-management directors who are also unrelated directors. The Board of

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Directors is of the view that each of the members of the Audit Committee is "independent" within the meaning of Rules 4200 and 4200A of the Marketplace Rules of NASDAQ.

AUDIT COMMITTEE FINANCIAL EXPERT

The Board of Directors of the Registrant has determined that the Registrant has at least one audit committee financial expert (as defined in paragraph 8(b) of General Instruction B to Form 40-F). The name of the audit committee financial expert of the Registrant is Mr. Pierre MacDonald, the Audit Committee's Chairman. The Commission has indicated that the designation of Mr. MacDonald as the audit committee financial expert of the Registrant does not (i) make Mr. MacDonald an "expert" for any purpose, including without limitation for purposes of Section 11 of the Securities Act of 1933, as amended, as a result of this designation; (ii) impose any duties, obligations or liability on Mr. MacDonald that are greater than those imposed on him as a member of the Audit Committee and the Board of Directors in the absence of such designation; or (iii) affect the duties, obligations or liability of any other member of the Audit Committee or the Board of Directors.

EXTERNAL AUDITORS

PricewaterhouseCoopers LLP, Chartered Accountants, has acted as auditors of the Registrant since the financial year ended December 31, 1993.

In addition to performing the audit of the Registrant's consolidated financial statements, PricewaterhouseCoopers LLP provided other services to the Registrant and billed the Registrant the following fees for each of the Registrant's two most recently completed financial years:

| FEES | FINANCIAL YEAR ENDED | FINANCIAL |
|-------------------------------------|----------------------|-----------|
| | DECEMBER 31, 2003 | DECEMBER |
| | (\$) | (\$) |
| Audit Fees (1) | 333,329 | 19 |
| Audit-Related Fees (2) | 3,000 | |
| Tax Fees (3) | 45,616 | |
| All other Fees (4) | 60,850 | 1 |
| TOTAL FEES: | 442,795 | 22 |
| ALL AMOUNTS ARE IN CANADIAN DOLLARS | | |

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- (1) Refers to all fees incurred in respect of audit services, being the professional services rendered by the Registrant's external auditor for the audit and review of the Registrant's financial statements as well as services normally provided by the external auditor in connection with statutory and regulatory filings and engagements.
- (2) Includes audit or attest services not required by statute or regulation, employee benefit plan audits, due diligence services, and accounting consultations on proposed transactions.
- (3) Incurred in respect of tax compliance, tax planning and tax advice.
- (4) Refers to all fees not included in audit fees, audit-related fees or tax fees.

PRE-APPROVAL POLICIES AND PROCEDURES

The Registrant's Audit Committee is responsible for overseeing the work of the independent auditors and has considered whether the provision of services other than audit services is compatible with maintaining the auditors' independence. The Audit Committee is determining which non-audit services the external auditor are prohibited from providing and, exceptionally, approving and overseeing the disclosure of permitted non-audit services to be performed by the external auditor.

For the year ended December 31, 2003, none of the services described above were approved by the Audit Committee pursuant to paragraph (c) (7) (i) (C) of Rule 2-01 of Regulation S-X.

OFF-BALANCE SHEET ARRANGEMENTS

There is no off-balance sheet arrangement as at December 31, 2003.

DOCUMENTS FILED PURSUANT TO GENERAL INSTRUCTIONS

In accordance with General Instruction D.(9) of Form 40-F, the Registrant hereby files Exhibit 6 as set forth in the Exhibit Index attached hereto.

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

A. UNDERTAKING

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

B. CONSENT TO SERVICE OF PROCESS

The Registrant has previously filed with the Commission a written consent to service of process and power of attorney on Form F-X.

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SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Amendment No. 1 to the Annual Report to be signed on its behalf by the undersigned, thereto duly authorized.

AETERNA ZENTARIS INC.
(formerly named AEterna Laboratories Inc.)

Date: October 22, 2004

By: /s/ Mario Paradis

Name: Mario Paradis
Title: Senior Finance Director
and Corporate Secretary

EXHIBIT INDEX

| EXHIBIT NUMBER | DOCUMENT | PAGE N |
|----------------|---|--------|
| ----- | ----- | ----- |
| 1 | Annual Information Form of Registrant, dated May 14, 2004, for the year ended December 31, 2003 | |
| 2 | Report of Independent Auditors | |
| 3 | Audited Consolidated Balance Sheets of Registrant, including the Notes thereto, as at December 31, 2003 and 2002 and Audited Consolidated Statements of Deficit, Consolidated Statements of Contributed Surplus, Consolidated Statements of Operations and Consolidated Statements of Cash Flows for the years ended December 31, 2003, 2002 and 2001 | |
| 4 | Annual Report of the Registrant for the year ended December 31, 2003 | |
| 5 | Management's Discussion and Analysis of Financial Condition and Results of Operations for the financial year ended December 31, 2003 | |
| 6 | Consent of Independent Accountants | |
| 7 | Code of Ethical Conduct | |
| 31.1 | Certification of the Chief Executive Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002 | |

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- 31.2 Certification of the Chief Financial Officer pursuant to
Section 302 of Sarbanes-Oxley Act of 2002
- 32.1 Certification of the Chief Executive Officer pursuant to
Section 906 of Sarbanes-Oxley Act of 2002
- 32.2 Certification of the Chief Financial Officer pursuant to
Section 906 of Sarbanes-Oxley Act of 2002