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Aeterna Zentaris Inc.
Form 6-K
May 08, 2008

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

REPORT OF FOREIGN ISSUER

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

For the month of May 2008

Commission File No. 000-30752

AETERNA ZENTARIS INC.

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

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

If "Yes" is marked, indicate below the file number assigned to the registrant in
connection with Rule 12g3-2(b): 82-____

DOCUMENTS INDEX

Documents Description

1. Press Release dated May 7, 2008: Aeterna Zentaris Reports First Quarter
2008 Financial and Operating Results

Aeterna Zentaris [LOGO]

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PRESS RELEASE
For immediate release

AETERNA ZENTARIS REPORTS FIRST QUARTER 2008 FINANCIAL AND OPERATING RESULTS

ALL AMOUNTS ARE IN U.S. DOLLARS

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QUEBEC CITY, CANADA, MAY 7, 2008 - AETerna Zentaris Inc. (NASDAQ: AEZS, TSX: AEZ), a global biopharmaceutical company focused on endocrinology and oncology, today reported financial and operating results for the first quarter ended March 31, 2008.

FIRST QUARTER 2008 HIGHLIGHTS

- Cetorelix: first patients treated in second efficacy trial of the Phase 3 program in benign prostatic hyperplasia (BPH);
- AEZS-108: first patients treated in Phase 2 trial in ovarian and endometrial cancers;
- Miltefosine (Impavido(R)): rights sold to Paladin Labs Inc. (TSX:PLB) for approximately \$8.9 million.

SUBSEQUENT TO FIRST QUARTER END

- Cetorelix: recruitment of 600 patients completed for first efficacy trial of the Phase 3 program in BPH;
- Juergen Ernst, AETerna Zentaris Chairman, appointed Interim President and CEO, replacing David J. Mazzo. Departure of Ellen McDonald, Senior Vice President, Business Operations and Chief Business Officer;
- Board member Jose P. Dorais appointed to the Corporate Governance, Nominating and Human Resources Committee, replacing Mr. Juergen Ernst, the Company's Chairman of the Board and Interim President and CEO, who had previously stepped down from the committee in connection with his appointment as Interim President and CEO.

Juergen Ernst, Chairman, Interim President and CEO at AETerna Zentaris commented, "During the quarter, we continued to move forward with our Phase 3 program in BPH with our lead compound cetorelix, as we completed patient recruitment for our first efficacy trial in North America and started patient dosing in our second similar efficacy trial in Europe. We also achieved an important milestone with our lead oncology compound AEZS-108, as we started patient dosing for our Phase 2 trial in endometrial and ovarian cancer. Subsequent to quarter end, we had to make important changes to our management team in order not to stray from our corporate strategy which is based on the following priorities: concentrate on the advancement of our lead value-drivers cetorelix in BPH and AEZS-108 in oncology, pursue strategic partnership opportunities for cetorelix and other compounds from our rich pipeline, continue monetizing our non-core assets to provide additional sources of non-dilutive funding and apply strict control of our burn-rate. We believe that by staying the course with our strategy, we will be able to meet our mid and long-term goals for the benefit of both patients and shareholders."

CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2008

CONSOLIDATED REVENUES were \$9.7 million for the three-month period ended March 31, 2008 compared to \$9.2 million for the same period in 2007. The increase in revenues is primarily related to additional sales of Cetrotide(R) to Merck Sereno, mainly offset by decreased sales activities of Impavido(R) and Cetrotide(R) in Japan, as well as a reduction in license fees revenues related to services rendered through our collaborations with Spectrum Pharmaceuticals, Inc. and Keryx Biopharmaceuticals, Inc.

CONSOLIDATED SELLING, GENERAL AND ADMINISTRATIVE (SG&A) EXPENSES were \$4.4

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million for the three-month period ended March 31, 2008 compared to \$4.9 million for the same period in 2007. The decrease in SG&A expenses for the three-month period ended March 31, 2008, compared to the same period in 2007, is primarily due to non-recurring corporate expenses related to organizational changes that were implemented in the first quarter of 2007. A decrease in selling expenses was further impacted by lower royalties and commission expenses related to lower sales volumes of Cetrotide(R) in Japan and Impavido(R).

CONSOLIDATED R&D COSTS, NET OF TAX CREDITS AND GRANTS were \$13.7 million for the three-month period ended March 31, 2008 compared to \$7.9 million for the same period in 2007. Additional R&D expenses of \$5.8 million spent in the first quarter 2008 compared to the same period in 2007 are mainly related to the advancement of our lead product cetrotirelix in Phase 3 for BPH, as well as further advancement of targeted, earlier-stage development programs including AEZS-108 and AEZS-112, our tubulin inhibitor, both of which are in oncology.

CONSOLIDATED NET LOSS for the three-month period ended March 31, 2008 was \$10.9 million or \$0.20 per basic and diluted share, compared to \$5.1 million or \$0.10 per basic and diluted share for the same period in 2007. The increase in net loss is primarily attributable to the increased R&D costs related to the advancement of cetrotirelix in Phase 3 for the treatment of BPH.

The consolidated cash and short-term investments were \$38.7 million as of March 31, 2008.

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CONFERENCE CALL

Management will be hosting a conference call for the investment community beginning at 4:00 p.m. Eastern Time today, Wednesday, May 7, to discuss first quarter 2008 results.

To participate in the live conference call by telephone, please dial 416-644-3425, 514-807-8791 or 800-796-7558. Individuals interested in listening to the conference call on the Internet may do so by visiting www.aezsinc.com. A replay will be available on the Company's Web site for 30 days.

ABOUT AETERNA ZENTARIS INC.

Aeterna Zentaris Inc. is a global biopharmaceutical company focused on endocrine therapy and oncology with proven expertise in drug discovery, development and commercialization.

News releases and additional information are available at www.aezsinc.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

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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. We disclaim any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments except if we are requested by a governmental authority or applicable law.

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CONTACTS

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ATTACHMENT: Financial summary

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(IN THOUSANDS OF US DOLLARS, EXCEPT SHARE
 AND PER SHARE DATA)

CONSOLIDATED RESULTS UNAUDITED	THREE MONTHS ENDED MARCH 31,	
	2008	2007
REVENUES		
Sales and royalties	\$ 7,942	\$ 7,204
License fees	1,806	2,029
	9,748	9,233
OPERATING EXPENSES		
Cost of sales	4,604	3,310
Selling, general and administrative	4,404	4,892
R&D costs, net of tax credits	13,689	7,907
Depreciation and amortization	1,209	1,427
	23,906	17,536
LOSS FROM OPERATIONS	(14,158)	(8,303)
OTHER REVENUES NET OF EXPENSES	3,292	616
INCOME TAX RECOVERY	--	2,544
NET LOSS FROM CONTINUING OPERATIONS	(10,866)	(5,143)
NET EARNINGS FROM DISCONTINUED OPERATIONS	--	33
NET LOSS	(10,866)	(5,110)

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NET LOSS PER SHARE FROM CONTINUING OPERATIONS		
Basic and diluted	(0.20)	(0.10)
NET EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS		
Basic and diluted	--	--
NET LOSS PER SHARE		
Basic and diluted	(0.20)	(0.10)
WEIGHTED AVERAGE NUMBER OF SHARES		
Basic and diluted	53,187,470	53,179,470

(IN THOUSANDS OF US DOLLARS, EXCEPT SHARE
AND PER SHARE DATA)

CONSOLIDATED BALANCE SHEETS UNAUDITED	MARCH 31, 2008	December 31, 2007

CASH AND SHORT-TERM INVESTMENTS	\$ 38,714	\$ 41,387
OTHER CURRENT ASSETS	18,527	18,193
	-----	-----
	57,241	59,580
LONG-TERM ASSETS	60,281	63,783
	-----	-----
TOTAL ASSETS	117,522	123,363
	=====	=====
CURRENT LIABILITIES	26,135	22,255
OTHER LONG-TERM LIABILITIES	13,354	12,517
	-----	-----
	39,489	34,772
SHAREHOLDERS' EQUITY	78,033	88,591
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	117,522	123,363
	=====	=====

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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 8, 2008

By: /s/ Dennis Turpin

Dennis Turpin
Senior Vice President,
Chief Financial Officer