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Aeterna Zentaris Inc.  
Form 6-K  
February 21, 2006

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 February 2006

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-\_\_\_\_\_

DOCUMENTS INDEX

Documents Description  
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1. Press release dated February 17, 2006: AEterna Zentaris Strategic Shareholder, SGF Sante Inc., Exercises Right to Convert a Term Loan into Common Shares

AETERNA ZENTARIS LOGO

AETERNA ZENTARIS INC. 1405 du Parc-Technologique Blvd.  
Quebec (Quebec) Canada G1P 4P5 T 418 652-8525 F 418 652-0881  
www.aeternazentaris.com

PRESS RELEASE  
For immediate release

AETERNA ZENTARIS STRATEGIC SHAREHOLDER, SGF SANTE INC.,  
EXERCISES RIGHT TO CONVERT A TERM LOAN INTO COMMON SHARES

ALL AMOUNTS ARE IN CANADIAN DOLLARS

QUEBEC CITY, CANADA, FEBRUARY 17, 2006 - AETerna Zentaris Inc. (TSX: AEZ; Nasdaq: AEZS) today announced that one of its strategic shareholders, SGF Sante Inc. ("SGF"), exercised its right to early convert the entirety of its convertible term loan in the principal amount of \$12.5 million it had extended to AETerna Zentaris in April 2003 and that was to mature on March 31, 2006. In accordance with the terms of the convertible term loan, and additional arrangements between AETerna Zentaris and SGF, AETerna Zentaris has issued a total of 3,477,544 of its common shares to the SGF upon conversion of the loan, representing the principal and interest due to the stated maturity date under the loan, based on the conversion price that had been agreed upon in the loan agreement. Upon issuance of the 3,477,544 common shares by AETerna Zentaris, SGF's ownership and voting interest in AETerna Zentaris has increased from 10.75% to 16.59%.

"We are very pleased with this vote of confidence from SGF. We now benefit from an even more solid financial position which will enable us to aggressively pursue our growth strategy," commented Gilles Gagnon, AETerna Zentaris President & Chief Executive Officer.

ABOUT AETERNA ZENTARIS INC.

AETerna Zentaris Inc. is a growing global biopharmaceutical company engaged in the discovery, development and marketing of therapies for cancer and endocrine disorders. The total number of AETerna Zentaris issued and outstanding shares now stands at 53,104,902.

AETerna Zentaris also owns 48.4% of the equity of Atrium Biotechnologies Inc. (TSX: ATB.sv) and 64.8% of its voting rights. Atrium is a developer, manufacturer and marketer of science-based products for the cosmetics, pharmaceutical, chemical and nutritional industries.

News releases and additional information are available at

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www.aeternazentaris.com.  
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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

Paul Burroughs  
(418) 652-8525 ext. 406  
paul.burroughs@aeternazentaris.com  
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INVESTOR RELATIONS

Jenene Thomas  
(418) 655-6420 or  
(908) 996-3154  
jenene.thomas@aeternazentaris.com  
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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: February 17, 2006

By: /s/Mario Paradis  
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Mario Paradis

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Senior Finance Director and Corporate Secretary