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AETERNA LABORATORIES INC  
Form 40-F  
May 21, 2004

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

[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 LABORATORIES INC.

(Exact name of registrant as specified in its charter)

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

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  
(Title of Class)

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

Annual information form                       Audited annual financial statements

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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  
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AETERNA LABORATORIES INC.  
ANNUAL REPORT ON FORM 40-F

### 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.

### 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.aeterna.com](http://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

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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 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 The Nasdaq Stock Market, Inc.

### 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:

	FINANCIAL YEAR ENDED DECEMBER 31, 2003	FINANCIAL DECEMBER
FEES	(\$)	(\$)
Audit Fees(1)	333,329	19
Audit-Related Fees(2)	3,000	

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Tax Fees (3)	45,616	
All other Fees (4)	60,850	1
TOTAL FEES:	442,795	22

ALL AMOUNTS ARE IN CANADIAN DOLLARS

- (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.

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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.

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 annual report to be signed on its behalf by the undersigned, thereto duly authorized.

AETERNA LABORATORIES INC.

Date: May 18, 2004

By: /s/ Mario Paradis

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

EXHIBIT INDEX

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EXHIBIT NUMBER -----	DOCUMENT -----
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
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