

Edgar Filing: AETERNA LABORATORIES INC - Form 6-K

AETERNA LABORATORIES INC
Form 6-K
October 24, 2002

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 October 2002

AETERNA LABORATORIES INC.

(Translation of registrant's name into English)

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-____

EXHIBIT INDEX

EXHIBIT DESCRIPTION

1. Press Release of October 22, 2002 -AETerna Reports Third
Quarter Results.

[LOG AETERNA HERE]

PRESS RELEASE

Edgar Filing: AETERNA LABORATORIES INC - Form 6-K

FOR IMMEDIATE RELEASE

AETERNA REPORTS THIRD QUARTER RESULTS

Atrium - Sales Increase by 35% and Net Earnings by 37%
AEterna - New Pharmaceutical Partnership

ALL FIGURES ARE EXPRESSED IN CANADIAN DOLLARS

QUEBEC CITY, QUEBEC, OCTOBER 22, 2002 -- AEterna Laboratories Inc. (TSX: AEL; Nasdaq: AELA) reported revenues for the third quarter ending September 30, 2002, of \$24.4 million and a net loss before a gain on dilution of \$6.6 million, or \$0.16 per share, compared to revenues of \$18.1 million, and a net loss before a gain on dilution of \$5 million, or \$0.16 per share, for the same period in 2001. Consolidated net earnings of its subsidiary Atrium increased by 37%, reaching \$1.61 million compared to \$1.17 million for the same period last year. AEterna also signed an agreement with Australian multinational Mayne Group for the eventual commercialization of Neovastat in Australia, New-Zealand, Canada and Mexico.

"Both AEterna and Atrium met our growth strategy goals for this quarter", commented Dr. Eric Dupont, Chairman and CEO at AEterna. "This performance confirms that our two entities are well positioned to pursue expansion based on both internal growth and acquisitions."

Gilles Gagnon, AEterna's President and Chief Operating Officer, added, "What we have achieved during these past few months allows us to accelerate Neovastat's development with our strategic partners. Conclusive results of our Phase III trial with Neovastat in kidney cancer could enable us to become the first company to bring an angiogenesis inhibitor to the market in cancer."

AEterna's investments in R&D during the second quarter reached \$8.3 million compared to \$7.2 million during the same period last year. This increase in R&D investments allowed AEterna to actively carry out its clinical program in Phase III studies in lung and kidney cancer.

As of September 30, 2002, the Company's cash assets amounted to \$88.7 million, compared to \$54.1 million at December 31, 2001. According to Dennis Turpin, AEterna's Vice President and Chief Financial Officer, "Our solid financial position allows the Company sufficient funds to pursue its activities for the next three years."

NINE MONTHS RESULTS

For the nine-month period ended September 30, 2002, Atrium registered consolidated revenues of \$73.2 million compared to \$23.6 for the same period last year. This increase is mainly due to sales generated by Unipex, a French company acquired by Atrium in July 2001. Furthermore, consolidated net earnings reached \$5.1 million compared to \$3.4 million for the same period in 2001, an increase of more than 50%.

Luc Dupont, CEO and Vice Chairman at Atrium said, "This sustained growth is due to the successful integration of Unipex into our Company during the last year and by the quality of our products and business network which enabled us to gain additional market share."

Investments in R&D increased to \$23.4 million compared to \$21 million for the same period last year. The Company registered a loss before a gain on dilution of \$18.2 million, or \$0.47 per share, for the first nine months of 2002, compared to a loss before gain on dilution of \$10.9 million, or \$0.36 per share, for the same period in 2001.

Edgar Filing: AETERNA LABORATORIES INC - Form 6-K

AETERNA MILESTONES

Strategic Alliances

- |X| The signing of a strategic alliance with Australian multinational Mayne Group allows AETerna to extend its coverage to 45% of the worldwide oncology market and reach the \$50 million mark in milestone payments
- |X| The Radiation Therapy Oncology Group (RTOG) joins the Community Clinical Oncology Program (CCOP) sites sponsored by the National Cancer Institute (NCI) for patient enrollment and conduct of the Neovastat Phase III clinical trial in non-small cell lung cancer

Appointment

- |X| Claude Cardinal is appointed Vice President, Technical Operations. He is responsible for activities related to the technical development and manufacture of drugs according to pharmaceutical industry standards

Scientific Articles

- |X| Results of a Phase II study in kidney cancer with Neovastat are published in the European scientific review ANNALS OF ONCOLOGY (Batist G., Champagne P., Croteau D., Levinton C., Hariton C., Escudier B. and Dupont E. ANN ONCOL 13 (8):1259-63, 2002)
- |X| Article on Neovastat's capacity to induce apoptosis of endothelial cells is published in MOLECULAR CANCER THERAPEUTICS (Boivin D., Gendron S., Beaulieu E., Gingras D., Beliveau R. MOL CANCER THERAP 1: 795-802, 2002)
- |X| Results of a Phase I/II study with Neovastat in plaque psoriasis are published in the JOURNAL OF AMERICAN ACADEMY OF DERMATOLOGY (Daniel N. Sauder, Joel DeKoven, Pierre Champagne, Daniel Croteau and Eric Dupont. J AM ACAD DERMATOL 2002;47:535-41)

ATRIUM MILESTONES

Significant increase in sales and earnings

- |X| 35% increase in sales compared to the same quarter in 2001 and a 210% increase compared to the same nine-month period last year
- |X| 37% increase in consolidated net earnings compared to the same quarter in 2001 and a 50% increase for the same nine-month period in 2001

Investment

- |X| \$2 million investment by Luc Dupont, CEO and Vice Chairman of the Board at Atrium, for a 2.94% stake in Atrium

Appointment

- |X| Appointment of Yves Milord, President and COO of SGF Soquia, to Atrium's Board of Directors. Mr. Milord has more than 25 years experience in business management and development. He occupied key management positions notably as Executive Vice President at Metro-Richelieu and as Vice President and General Manager of Provigo

Edgar Filing: AETERNA LABORATORIES INC - Form 6-K

ABOUT AETERNA AND NEOVASTAT

AEterna is a Canadian biopharmaceutical company and a frontrunner in the development of angiogenesis inhibitors, primarily in oncology.

Neovastat is currently undergoing two Phase III clinical trials for the treatment of lung and kidney cancer and one Phase II trial for the treatment of multiple myeloma, a form of blood cancer. These trials are currently being held in more than 120 clinical institutions in Canada, the U.S. and in several European countries.

Atrium Biotechnologies Inc., a 61.8% owned subsidiary of AEterna Laboratories, develops and markets nutritional supplements as well as active ingredients and fine chemicals intended for the cosmetics, nutritional, fine chemicals and pharmaceutical industries. The Company markets over 500 products in 20 countries to industry leaders such as Estee Lauder, L'Oreal, Clarins, Chanel, Aventis, SanofiSynthelabo and Nestle.

AEterna shares are listed on the Toronto Stock Exchange (AEL) and the Nasdaq National Market (AELA).

News releases and additional information about AEterna are available on its Web site at www.aeterna.com.

SAFE HARBOR STATEMENT

This press release contains forward-looking statements, which are 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 the business opportunities in the pharmaceutical industry, uncertainties related to the regulatory process and general changes in economic conditions. Investors should consult the Company's ongoing 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.

- 30 -

CANADA

Media Relations:

Paul Burroughs

Tel.: (418) 652-8525 ext. 406

Fax: (418) 577-7700

E-mail: paul.burroughs@aeterna.com

Investor Relations:

Jacques Raymond

Tel.: (418) 652-8525 ext. 360

Fax: (418) 577-7700

E-mail: jacques.raymond@aeterna.com

USA

The Investor Relations Group

Lisa Lindberg

Tel.: (212) 825-3210

Edgar Filing: AETERNA LABORATORIES INC - Form 6-K

Fax: (212) 825-3229
E-mail: TheProTeam@aol.com

Attachment: Financial summary

AETERNA LABORATORIES INC. (NASDAQ: AELA; TSX: AEL)
FINANCIAL SUMMARY
(in Canadian dollars)

	Three months ended on September 30		Nine months ended on September 30	
CONSOLIDATED RESULTS Unaudited	2002 \$	2001 \$	2002 \$	2001 \$
Revenues	24,407,000	18,138,000	73,196,000	23,573,000
Cost of sales	18,864,000	13,745,000	56,349,000	14,600,000
Selling and administrative	2,434,000	2,007,000	7,108,000	3,701,000
Research and development	8,312,000	7,157,000	23,444,000	21,047,000
Research tax credits and grants	(320,000)	(789,000)	(1,420,000)	(5,359,000)
Depreciation and amortization	646,000	473,000	1,679,000	1,235,000
	29,936,000	22,593,000	87,160,000	35,224,000
Operating Loss	(5,529,000)	(4,455,000)	(13,964,000)	(11,651,000)
Interest income	1,021,000	641,000	2,345,000	2,697,000
Interest expense	(322,000)	(162,000)	(841,000)	(599,000)
LOSS BEFORE THE FOLLOWING ITEMS	(4,830,000)	(3,976,000)	(12,460,000)	(9,553,000)
Current income taxes	(808,000)	(282,000)	(1,773,000)	(282,000)
Future income taxes	(140,000)	-	(1,313,000)	-
Non-controlling interest	(869,000)	(750,000)	(2,651,000)	(1,101,000)
LOSS BEFORE THE GAIN ON DILUTION	(6,647,000)	(5,008,000)	(18,197,000)	(10,936,000)
Gain on dilution	425,000	-	425,000	10,224,000
NET LOSS FOR THE PERIOD	(6,222,000)	(5,008,000)	(17,772,000)	(712,000)
Basic and diluted loss before the gain on dilution per share	(0.16)	(0.16)	(0.47)	(0.36)
Basic and diluted net loss per share	(0.15)	(0.16)	(0.46)	(0.02)
Weighted average number of shares	40,452,519	30,978,986	38,552,019	30,454,781

CONSOLIDATED BALANCE SHEETS

September 30
2002

December 31
2001

Edgar Filing: AETERNA LABORATORIES INC - Form 6-K

	\$	\$
	-----	-----
Cash and short-term investments	88,689,000	54,064,000
Working capital	101,857,000	61,464,000
Total assets	182,988,000	134,352,000
Long-term debt	12,007,000	10,401,000
Non-controlling interest	23,245,000	18,339,000
Shareholders' equity	116,656,000	78,619,000
Deficit	36,855,000	19,082,000

STOCK EXCHANGE INFORMATION AT SEPTEMBER 30, 2002

Issued and outstanding shares	40,5 million
Fully diluted shares	40,5 million
Market capitalization	\$174 million
Average daily transactions (12 months)	37,000 shares

ATRIUM BIOTECHNOLOGIES INC.
FINANCIAL SUMMARY
(in Canadian dollars)

	Three months ended on September 30		Nine months ended on September 30	
	-----	-----	-----	-----
CONSOLIDATED RESULTS	2002	2001	2002	2001
Unaudited	\$	\$	\$	\$
	----	----	----	----
Revenues	24,407,000	18,138,000	73,196,000	23,573,000
Cost of sales	18,864,000	13,745,000	56,350,000	14,600,000
Selling and administrative	2,434,000	2,007,000	7,108,000	3,701,000
Research and development	166,000	161,000	514,000	472,000
Research tax credits and grants	(20,000)	(23,000)	(304,000)	(130,000)
Depreciation and amortization	111,000	123,000	310,000	209,000
	-----	-----	-----	-----
	21,555,000	16,013,000	63,978,000	18,852,000
	-----	-----	-----	-----
Operating income	2,852,000	2,125,000	9,218,000	4,721,000
Interest income	295,000	133,000	566,000	875,000
Interest expense	(322,000)	(162,000)	(841,000)	(162,000)
	-----	-----	-----	-----
EARNINGS BEFORE THE FOLLOWING ITEMS	2,825,000	2,096,000	8,943,000	5,434,000
Current income taxes	(808,000)	(587,000)	(1,773,000)	(587,000)
Future income taxes	(140,000)	(189,000)	(1,313,000)	(1,354,000)
Non-controlling interest	(258,000)	(143,000)	(784,000)	(143,000)
	-----	-----	-----	-----
NET EARNINGS FOR THE PERIOD	1,619,000	1,177,000	5,073,000	3,350,000
	=====	=====	=====	=====

Edgar Filing: AETERNA LABORATORIES INC - Form 6-K

CONSOLIDATED BALANCE SHEETS	September 30 2002 \$ -----	December 31 2001 \$ -----
Cash and short-term investments	19,250,000	12,369,000
Working capital	28,209,000	19,123,000
Total assets	86,782,000	70,260,000
Long-term debt	8,007,000	6,401,000
Non-controlling interest	5,490,000	4,220,000
Shareholders' equity	46,430,000	38,831,000
Retained earnings	12,594,000	7,521,000

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 LABORATORIES INC.

Date: October 22, 2002

By: /s/Claude Vadboncoeur

Claude Vadboncoeur
Vice President, Legal Affairs and
Corporate Secretary