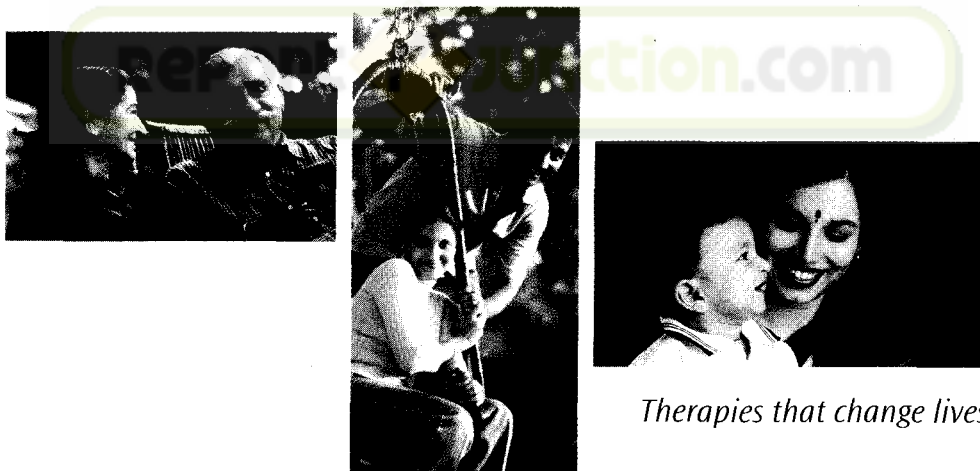
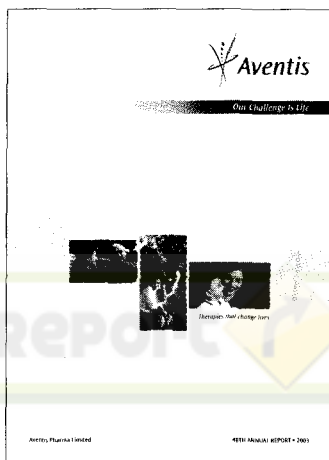




Our Challenge Is Life



Therapies that change lives



Therapies that change lives

The word 'therapy' has its roots in the Greek word *therapeia* which means healing. And the word 'healing' itself is filled with subtle hues. Healing is not restricted to the physical well-being or to the body, the cells or the balance of body chemicals. Healing is also the restoring of the sense of well-being lost in the course of disease.

Aventis is dedicated to treating and preventing disease by discovering and developing innovative prescription drugs and human vaccines. But more than that Aventis is committed to developing innovative therapies that help change the quality of life of patients by restoring them, to the extent possible, to their earlier lifestyles.

Aventis sees its role in a much larger perspective than just a manufacturer of drugs that cure and protect. It sees itself in the role of the healer, taking concepts of patient care to daring new heights.



A N N U A L R E P O R T

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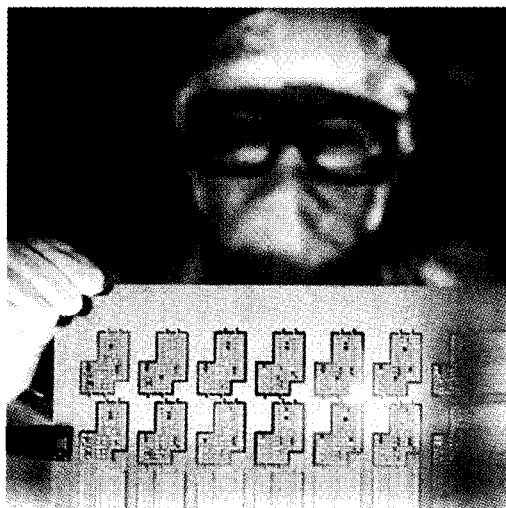


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Aventis: An Update



Aventis is a global pharmaceutical company that discovers, develops and markets branded prescription drugs and vaccines to protect and improve the quality of life of people around the world. In 2003, Aventis generated sales of € 16.8 billion, invested € 2.9 billion in research and development and employed approximately 69,000 people in its core business. The Aventis corporate headquarters are in Strasbourg, France.

Aventis' core business comprises activities in prescription drugs, human vaccines, its 50 % equity stake in the Merial animal health joint venture with Merck & Co., as well as corporate activities. The divestment of the therapeutic proteins business Aventis Behring to CSL Ltd. of Australia was completed in March 2004. Aventis currently owns equity interests in the chemical companies Rhodia, Wacker and DyStar which it intends to divest.

Performance in 2003

Net sales for its core business amounted to € 16.8 billion in 2003, an increase of 5.9 % on an activity basis. This growth was driven by the strong overall performance of its strategic brands and human vaccines. Sales of strategic brands and human vaccines totaled € 10.9 billion, a 17 % activity increase

compared to € 10.4 billion in 2002. These products accounted for 64.6 % of total core business sales in 2003 compared to 59.4 % in 2002. Lantus, Actonel, Taxotere and Lovenox/Clexane were among the top contributors. Four of its strategic brands - Allegra/Telfast, Lovenox/Clexane, Taxotere, and Delix/Tritace achieved blockbuster status in 2003 by generating sales of more than € 1 billion.

Sales of its non-strategic products continued to decline mainly as a result of healthcare reforms in major markets around the world, increased competition and accounted for a smaller share of its total prescription drug sales.

Human vaccine sales contributed € 1.6 billion (+16.6 % activity variance). This performance was mainly driven by strong growth in the U.S. and by the good performance of pediatric combination vaccines, influenza vaccines and adult boosters, partially offset by declining sales of polio vaccines in the U.S.



In India, Aventis recorded net sales of Rs. 6.5 billion in 2003 and its domestic market share was 2.9%. With a focused portfolio totally in sync with the global Aventis portfolio, the Company seeks to consolidate and penetrate fresh markets in its seven key therapeutic segments: anti-infectives, metabolism, cardiology/thrombosis, respiratory, CNS, bone/joint and oncology.

Board of Directors

(AS ON 1ST APRIL 2004)

Dr. Vijay Mallya
Chairman

Mr. Alexandre de Carvalho
Managing Director

Mr. J. M. Gandhi

Mr. S. R. Gupte

Mr. M. Lienard

Mr. F. Martinez

Mr. A. K. R. Nedungadi

Mr. A. Peychaud

Mr. J. Silvestre

Mr. A. Ponsin
(Alternate to Mr. F. Martinez)

Mr. M. G. Rao
(Alternate to Mr. A. Peychaud)

Dr. S. Bhattacharya
(Alternate to Mr. J. Silvestre)

COMPANY SECRETARY
Mr. K. Subramani

48TH ANNUAL GENERAL MEETING

DATE

Thursday, June 3, 2004

TIME

3.30 p.m.

VENUE

Y. B. Chavan Centre - Auditorium,
Gen. J. Bhosale Marg,
Nariman Point, Mumbai 400 021.

REGISTERED OFFICE

Aventis House,
54/A, Sir Mathuradas VasANJI Road,
Andheri (East), Mumbai 400 093.

FACTORIES

3501-15, 6310, B-14, GIDC Estate,
Ankleshwar 393 002.

GIDC, Plot No. L-121,
Phase III, Verna Industrial Estate,
Verna, Goa 403 722.

REGISTRARS & TRANSFER AGENTS

MCS Limited, Sri Venkatesh Bhavan,
Plot No. 27, Road No. 11,
M.I.D.C. Area,
Andheri (East), Mumbai 400 093.

AUDITORS

M/s. P. C. Hansotia & Co.

SOLICITORS

M/s. Crawford Bayley & Co.

BANKERS

Bank of America
BNP Paribas
Citibank N.A.
Deutsche Bank
Hongkong & Shanghai Banking Corpn. Limited
State Bank of India

Therapies that change lives

Rajiv Sethi, 35, was a successful investment manager in Delhi. He was doing well in his career, his energy was boundless and he was aggressive about netting new business. There was only one problem; he mysteriously started losing weight. After he had gone in for an extensive range of tests to determine the problem, the doctors diagnosed him suffering from Type 2 diabetes. Rajiv was shocked. Diabetes? That was something that happened to others - those potbellied, middle-aged gentlemen who led indulgent, sedentary lives. It couldn't be happening to him! He was soon to learn that 33 million Indians suffer from diabetes, a growing segment of them active youngsters like him.

Subbalakshmi Iyer, 45, was a lecturer at a respected Chennai college. One monsoon evening she had a nasty fall negotiating a road ditch and earned a gash on her forehead. The doctors advised a bone mineral density test. The result: she was diagnosed as being especially vulnerable to fractures due to osteoporosis. Paromita Bagchi, a 35-year-old Kolkata housewife discovered she was having difficulty doing simple tasks like wearing her blouse or kneading dough. Yes, she had noticed her finger joints getting inflamed inexplicably but had rationalised it was some irritant in her diet that was causing the problem and hadn't bothered too much. But now the problem was getting worse. She was embarrassed but didn't know what to do. Her brother-in-law took her to the doctor who diagnosed her to be in an advanced stage of rheumatoid arthritis.

Rajiv, Subbalakshmi and Paromita (not their real names) are ordinary individuals like you and me and all it took was one diagnosis to turn their lives topsy turvy. Rajiv was forced to learn discipline, uncharacteristic for persons of his age: eating right, exercising, skipping simple indulgences, taking his medication on time. Subbalakshmi's lifestyle changed completely. She

became wary of crossing a busy road or even climbing a wooden stool to change a light bulb. She would do her shopping at odd hours when traffic would be minimal as would her chances of suffering a fall. Paromita became withdrawn and hated being dependent on others in the family, all frenetically busy chasing their

dreams, to ask them to please do this or that before they left for work. Her school-going daughters didn't know what mummy's problem was, why she couldn't pamper them the way she would earlier, make breakfast on time, make their plaits and tie their hair ribbons the way she would. This is where the poignant

The New Helmsman

Aventis welcomed its new helmsman in December 2003. Mr. Alexandre de Carvalho took over as Managing Director, Aventis Pharma Limited from Mr. Ramesh Subrahmanian who was appointed VP Respiratory Sales within the US Commercial Operations team.



Ramesh Subrahmanian

Mr. Wolfgang Wagner, the then Vice President Commercial Operations-South Asia Zone, complimented Ramesh's outstanding professionalism and contribution to the development of the business in India and said, "Under his

leadership, our business has transformed into a growing activity, focused on strategic brands and on achieving product leadership. In a complex market without Intellectual Property protection, our key brands have achieved clear market leadership."

Alexandre held the position of General Manager for Aventis in French speaking Africa

Mr. Alexandre de Carvalho

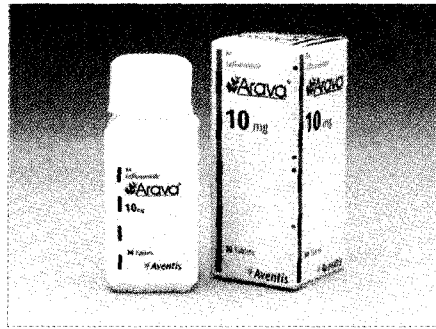


since 1998 and was based in Abidjan prior to this assignment.

A graduate in Business Administration from the HEC School of Management, Paris and in Industrial Economics from the Paris-Dauphine University, Mr. de Carvalho is also an alumnus of the Harvard Business School.

Mr. de Carvalho began his career within the Aventis group in 1983 as a Controller in Belgium. He moved to positions in Sales and Marketing in Belgium, France and Portugal before taking on positions in Strategic Planning and Marketing in the Spanish and Brazilian affiliates in 1987 and 1991, respectively. He was then appointed Strategic Planning Director for the Americas Region in 1997, based in Collegeville, U.S.A.

O V E R V I E W



ARAVA

challenge lies for Aventis: using all of its experience, all of its research capabilities, in fact everything at its command to develop innovative therapies and delivery modes that save lives, conquer disease and, more importantly, help improve the quality of life for individuals like Rajiv, Subbalakshmi and Paromita .

The breakthrough could come from a revolutionary new molecule or from innovative programmes that help individuals derive maximum benefit. Take Aventis' latest innovation, the truly revolutionary Lantus, the first and only once-daily basal insulin which was launched in India mid 2003, two years after its extraordinary and heartening success in the United States and Germany. This basal

insulin provides people with type 1 or type 2 diabetes, a powerful tool to help improve control of blood glucose levels and reduce the risk of complications. In fact, Lantus has radically changed the entire paradigm of diabetes treatment. Or take the case of Actonel, recommended for the control and treatment of osteoporosis. Actonel has demonstrated in numerous clinical studies that it reduces hip fractures in women with established postmenopausal osteoporosis. Also, it is the only osteoporosis therapy proven to reduce, in just one year, incidence of vertebral fracture in patients with corticosteroid-induced osteoporosis. While the risedronate sodium molecule of Actonel has redeemed itself beyond question, it is unfortunately sometimes let down by the lethargy, indiscipline and often apathy of the individual who needs it the most: the patient. In simple terms, if you didn't follow dosage exactly as prescribed, the benefits you derived tapered off proportionately. This was clearly a problem beyond therapeutics. It meant that if Aventis was determined to play a positive role in the treatment, it had to extend a helping hand directly to the individual through

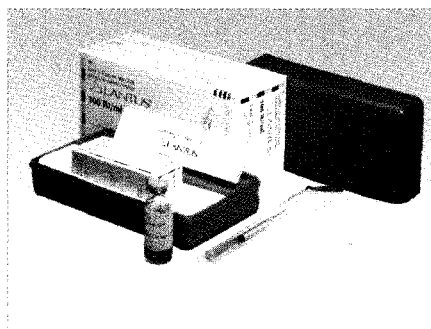
an Osteoporosis Management Program. This program, WISHBONE, has widely been hailed as a path-breaking venture by a pharmaceutical company to partner with doctors to reach beyond the prescription and share responsibility for patient care. At Aventis, such instances of innovative initiatives abound. This is because while Aventis focuses on innovative pharmaceuticals to fight serious diseases, it never loses sight of the fact that disease alters more than cells and body chemicals. It impinges on and alters the patient's very quality of life. And what good is a pharmaceutical molecule that does not walk hand in hand with a deeper caring?

NEW LAUNCHES IN 2003

LANTUS

Lantus, the world's first and only once a day insulin, was launched in July 2003, India being only the fifth country where it was launched. It revolutionises the way diabetes is managed.

Lantus addresses nearly 700,000 diabetes patients in India who are already on insulin and millions of others who should be on insulin but shy away from it. Realising the potential and the challenges ahead, Lantus was launched, with a



LANTUS

focus to modify attitudes towards insulin and diabetes management within the medical community and amongst patients, care givers and the public. A massive PR initiative comprising media seminars and one-to-one interviews with leading diabetologists emblazoned the issue of 'Treat to Target' in almost every major publication in the country. International key opinion leaders like Prof. David Owens and Prof. Yki-Jarvinen were invited to address leading diabetologists and consulting physicians, with the media in attendance, on the merits of Lantus in treating a patient to a target of A1C level below 7.

ACTONEL

Actonel, designed for the treatment of osteoporosis, was launched in December 2003. Early trends have been encouraging. A PR