UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

Mark one

|X| QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 30, 2006

or

|_| TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-09974

ENZO BIOCHEM, INC.

(Exact name of registrant as specified in its charter)

New York	13-2866202
(State or Other Jurisdiction of Incorporation or Organization)	(IRS. Employer Identification No.)
60 Executive Blvd., Farmingdale, New York	11735
(Address of Principal Executive office)	(Zip Code)

631-755-5500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, $0.01 par value	New York Stock Exchange
(Title of Class)	(Name of Each Exchange on which Registered)

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant has required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes |X| No |_|

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non- accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer |_| Accelerated filer |X| Non- accelerated filer |_|

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)

Yes |_| No |X|

As of June 1, 2006 the Registrant had 32,249,600 shares of Common Stock outstanding.

ENZO BIOCHEM, INC.
FORM 10-Q
April 30, 2006

INDEX

PART I - FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

PART 1 - FINANCIAL INFORMATION
ITEM 1 - CONSOLIDATED FINANCIAL STATEMENTS

ENZO BIOCHEM, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

ASSETS	April 30, 2006 (unaudited)	July 31, 2005
Current assets:		
Cash and cash equivalents	$75,912	$76,981
Marketable securities	--	6,714
Accounts receivable, net of allowances	11,178	13,421
Inventories	2,780	2,876
Prepaid expenses	1,517	2,580
Recoverable and prepaid income taxes	2,895	1,329
Deferred taxes	--	900
Total current assets	94,282	104,801
Property and equipment, net of accumulated depreciation and amortization	3,127	2,669
Goodwill	7,452	7,452
Patent costs, net of accumulated amortization	1,277	1,333
Other	219	211
Total assets	$106,357	$116,466
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accrued legal fees	$2,604	$2,717
Trade accounts payable	1,422	2,414
Other accrued expenses	1,707	1,348
Accrued payroll	896	515
Deferred revenue	--	359
Accrued research and development expenses	194	286
Installment payable, current portion	150	150
Total current liabilities	6,973	7,789
Deferred taxes	--	260
Long term installment payable, net of current portion	--	150
Commitments		
Stockholders' equity:		
Preferred Stock, $.01 par value; authorized 25,000,000 shares; no shares issued or outstanding	--	--
Common Stock, $.01 par value; authorized 75,000,000 shares; shares issued: 32,814,500 at April 30, 2006 and 32,526,800 at July 31, 2005	328	325
Additional paid-in capital	235,219	230,644

Less treasury stock at cost: 564,860 shares at April 30, 2006 and 384,400 shares at July 31, 2005 ..	(8,428)	(5,994)
Accumulated deficit	(127,735)	(116,577)
Accumulated other comprehensive loss	--	(131)
Total stockholders' equity	99,384	108,267
Total liabilities and stockholders' equity	$106,357	$116,466

The accompanying notes are an integral part of these consolidated financial statements

ENZO BIOCHEM, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

<TABLE>
<CAPTION>

	Three Months Ended April 30,		Nine Months Ended April 30,	
	2006	2005	2006	2005
<S>	<C>	<C>	<C>	<C>
Revenues:				
Research product revenues and royalty income	$1,896	$2,385	$6,151	$8,112
Clinical laboratory services	7,734	8,615	23,759	24,423
	9,630	11,000	29,910	32,535
Costs and expenses and other (income):				
Cost of research product revenues	588	535	1,515	1,665
Cost of clinical laboratory services	3,384	3,430	10,296	9,203
Research and development expense	1,901	2,208	5,361	6,450
Selling, general, and administrative expense	6,153	5,459	18,935	14,334
Provision for uncollectible accounts receivable ...	517	950	2,870	3,573
Legal expense	1,719	1,387	5,213	3,690
Interest income	(839)	(416)	(2,226)	(1,055)
Gain on patent litigation settlement	--	--	--	(14,000)
	13,423	13,553	41,964	23,860
(Loss) income before income taxes	(3,793)	(2,553)	(12,054)	8,675
Benefit (provision) for income taxes	357	1,056	896	(3,680)
Net (loss) income	($3,436)	($1,497)	($11,158)	$4,995
Net (loss) income per common share:				
Basic	($0.11)	($0.05)	($0.35)	$0.16
Diluted	($0.11)	($0.05)	($0.35)	$0.15

Weighted average common shares outstanding:			
Basic	32,245	32,122	32,201
32,082			
Diluted	32,245	32,122	32,201
32,745			

</TABLE>

The accompanying notes are an integral part of
these consolidated financial statements

ENZO BIOCHEM, INC
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(IN THOUSANDS)

	Nine Months Ended April 30,	
	2006	2005
OPERATING ACTIVITIES		
Net (loss) income	($11,158)	$4,995
Adjustments to reconcile net (loss) income to net cash (used in)/provided by operating activities:		
Depreciation and amortization of property and equipment	791	688
Amortization of patent costs	56	979
Provision for uncollectible accounts receivable	2,870	3,573
Deferred taxes	640	1,192
Stock compensation charges	1,378	--
Issuance of stock for 401(k) employer match	400	352
Deferred rent	--	(87)
Loss on sales of marketable securities	153	200
Changes in operating assets and liabilities:		
Accounts receivable	(627)	(2,875)
Inventories	96	524
Prepaid expenses	1,063	195
Recoverable and prepaid income taxes	(1,566)	(539)
Trade accounts payable and other accrued expenses	(633)	(455)
Accrued research and development expenses	(92)	(135)
Deferred revenue	(359)	955
Accrued legal fees	(113)	(888)
Accrued payroll	381	463
Installment payable	(150)	--
Adjustments	4,288	4,142
Net cash (used in)/provided by operating activities	(6,870)	9,137
INVESTING ACTIVITIES		
Capital expenditures	(1,249)	(955)
Patent costs	--	(20)
Sales of marketable securities	6,764	10,838
Purchases of marketable securities	(69)	(249)
Security deposits	(8)	(5)
Net cash provided by investing activities	5,438	9,609
FINANCING ACTIVITIES		
Proceeds from the exercise of stock options	363	348
Net cash provided by financing activities	363	348
Net (decrease) increase in cash and cash equivalents	(1,069)	19,094
Cash and cash equivalents at the beginning of the period	76,981	54,499
Cash and cash equivalents at the end of the period	$75,912	$73,593

The accompanying notes are an integral part of
these consolidated financial statements

ENZO BIOCHEM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of April 30, 2006
and for the three and nine month periods ended
April 30, 2006 and 2005
(Unaudited)

Note 1 - Basis of Presentation

The consolidated balance sheet as of April 30, 2006 and the consolidated statements of operations for the three and nine month periods ended April 30, 2006 and 2005 are unaudited and reflect all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial position and operating results for the interim periods. The consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended July 31, 2005 and notes thereto contained in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission. The results of operations for the three and nine months ended April 30, 2006 are not necessarily indicative of the results to be expected for the entire fiscal year ending July 31, 2006.

Note 2 - Recently issued accounting pronouncements

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections" (SFAS 154) which replaces APB Opinion No. 20 "Accounting Changes" and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements -- An Amendment of APB Opinion No. 28." SFAS 154 provides guidance on the accounting for and reporting of accounting changes and error corrections. It establishes retrospective application, or the earliest practicable date, as the required method for reporting a change in accounting principle and restatement with respect to the reporting of a correction of an error. SFAS 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Company does not believe the adoption of SFAS 154 will have a material effect on its results of operations or financial condition.

Note 3 - Share-based compensation

Prior to August 1, 2005, the Company accounted for employee stock option plans under the intrinsic value method in accordance with the provisions of Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB No. 25") and related interpretations. Under APB No. 25, generally no compensation expense is recorded when terms of the award are fixed and the exercise price the employee stock option equals or exceeds the fair value of the underlying stock on the date of the grant.

Additionally, in periods prior to August 1, 2005, the Company followed the disclosure-only requirements of SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123") which allowed entities to continue to apply the provisions of APB No. 25 for transactions with employees and directors and provide pro forma net income (loss) and pro forma earnings (loss) per share disclosures for employees and directors stock grants made as if the fair value based method of accounting in SFAS 123 had been applied to these transactions.

Effective August 1, 2005, the Company adopted SFAS No. 123(R), "Share-Based Payment" ("SFAS 123(R)") and related interpretations which superseded APB No. 25. SFAS 123(R) requires that all stock-based compensation be recognized as an expense in the financial statements and that such cost be measured at the fair value of the award. This statement was adopted using the modified prospective method, which requires the Company to recognize compensation expense on a prospective basis. Therefore, prior period financial statements have not been restated. Under this method, in addition to reflecting compensation expense for new share-based awards, expense is also recognized to reflect the remaining service period of awards that had been included in pro-forma disclosures in prior periods.

As a result of adopting SFAS 123(R), the Company's net loss for the three and nine months ended April 30, 2006 was $427,000 and $1.3 million higher, respectively, than if the Company had continued to account for share-based compensation under APB No. 25. Basic and diluted loss per share for the three and nine months ended April 30, 2006 were increased by $0.01 and $0.04 per share, respectively as a result of adopting SFAS 123(R). Additionally, SFAS 123(R) also requires that excess tax benefits related to stock option exercises be reflected as financing cash inflows instead of operating cash inflows. For the three and nine months ended April 30, 2006, no excess tax benefits were recognized. Other share-based compensation expense relating to the fair value of restricted shares and restricted stock units issued and vested during the three and nine months ended April 30, 2006 was $57,000 and $86,000, respectively.

The following table sets forth the amount of expense related to share-based payment arrangements included in specific line items in the accompanying statements of operations:

	Three months ended April 30, 2006 (In thousands)	Nine months ended April 30, 2006 (In thousands)
Cost of research product revenues	$ --	$18
Research and development	38	200
Selling, general and administrative	446	1,135
	$484	$1,353

As of April 30, 2006, there was $2.5 million of total unrecognized compensation cost related to nonvested share-based compensation arrangements granted under the Company's stock option and restricted stock plans, which will be recognized over a weighted average life of approximately one and a half years. During the nine months ended April 30, 2006, the Company granted awards of 67,950 shares of restricted stock and restricted stock units, inclusive of cancellations of 7,500 shares, which vest over two to four year periods.

During the three months ended April 30, 2006, the Company granted 100,000 options to a consultant, with an exercise price of $24.84, which vest over six months and have a two year term. See Note 8.

With the adoption of SFAS 123(R), the Company is required to record the fair value of stock-based compensation awards as an expense. In order to determine the fair value of stock options on the date of grant, the Company utilizes the Black-Scholes option-pricing model. Inherent in this model are assumptions related to expected stock-price volatility, option life, risk-free interest rate and dividend yield. While the risk-free interest rate and dividend yield are less subjective assumptions, typically based on factual data derived from public sources, the expected stock-price volatility and option life assumptions require a greater level of judgment which make them critical accounting estimates. The Company uses an expected stock-price volatility assumption that is primarily based on historical realized volatility of the underlying stock during a period of time. No employee or director stock options were granted during the three and nine months ended April 30, 2006.

The following table illustrates the effect on net (loss) income and (loss) earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123 to stock-based compensation for the periods ended April 30, 2005:

(In thousands, except for share data)	Three months ended April 30, 2005	Nine months ended April 30, 2005
Reported net (loss) income	$(1,497)	$4,995
Pro forma compensation expense	(1,101)	(3,133)
Pro forma net (loss) income	$(2,598)	$1,862
(Loss) earnings per share:		
Basic - as reported	$(.05)	$.16
Basic - pro forma	$(.08)	$.06
Diluted - as reported	$(.05)	$.15
Diluted - pro forma	$(.08)	$.06

On June 3, 2005, the Board of Directors approved the acceleration of vesting of unvested "out of the money" stock options held by employees, including executive officers and directors. The stock options considered as out of the money were those with an exercise price that was $1.50 or more than the closing price of the Company's common stock on June 3, 2005 of $14.82. All other terms and conditions of these "out of the money" options remain unchanged. As a result of the acceleration, options to purchase approximately 666,000 shares of the Company's common stock (which represented approximately 21% of the Company's then outstanding stock options) became exercisable immediately. The accelerated options ranged in exercise prices from $16.39 to $19.02 and the weighted average exercise price of the accelerated options was $17.55 per share. The total number of options subject to acceleration included options to purchase 575,000 shares held by executive officers and directors of the Company. This action was taken to avoid expense recognition in future financial statements upon adoption of SFAS 123(R). The accelerated vesting of the "out of the money" options did not result in a charge in the Company's statement of operations for the fiscal year ended July 31, 2005 based on U.S. generally accepted accounting principles. The Company reported approximately $10.1 million of pro forma compensation expense for the fiscal year ended July 31, 2005, of which $6.0 million was applicable to the accelerated "out of the money" options.

Note 4 - Supplemental disclosure for statement of cash flows

Supplemental information with respect to the Company's consolidated statements of cash flows is as follows:

(In thousands)	Three months ended April 30,		Nine months ended April 30,	
	2006	2005	2006	2005
Taxes paid-net	$2	$1,153	$30	$2,983

In October 2005, certain officers of the Company exercised incentive stock options in a non-cash transaction. The officers surrendered 180,411 shares of previously acquired common stock in exchange for 221,116 shares. The Company recorded approximately $2.4 million, the market value of the surrendered shares, as treasury stock (see Note 8).

In December 2004, a director of the Company exercised incentive stock options in a non-cash transaction. The director surrendered 17,056 shares of previously acquired common stock in exchange for 31,660 shares. The Company recorded approximately $0.3 million, the market value of the surrendered shares, as treasury stock (see Note 8).

Note 5 - (Loss) earnings per share

The Company applies SFAS No. 128, "Earnings per Share" which establishes standards for computing and presenting earnings per share. Basic net (loss) income per share represents net (loss) income divided by the weighted average number of common shares outstanding during the period. The dilutive effect of potential common shares, consisting of outstanding stock options and restricted stock awards, is determined using the treasury stock method in accordance with SFAS No. 128. Diluted weighted average shares outstanding for the three and nine months ended April 30, 2006 and the three months ended April 30, 2005 does not include the effect of dilutive employee and director stock options in all periods and restricted stock awards in the 2006 periods because to do so would have been antidilutive. Accordingly, basic and diluted net loss per share for these periods is the same. The following table sets forth the computation of basic and diluted net (loss) income per share pursuant to SFAS 128.

(In thousands, except for share data)	Three months ended April 30,		Nine months ended April 30,	
	2006	2005	2006	2005
Numerator:				
Net (loss) income	($3,436)	($1,497)	($11,158)	$4,995
Denominator:				
Weighted average number of common shares outstanding (basic)	32,245	32,122	32,201	32,082
Dilutive stock options	--	--	--	663
Weighted average number of common and common equivalent shares outstanding (diluted)	32,245	32,122	32,201	32,745
Basic net (loss) income per share	($.11)	($.05)	($.35)	$0.16
Diluted net (loss) income per share	($.11)	($.05)	($.35)	$0.15

The following table summarizes the potential number of shares issued from exercise of "in the money" stock options, net of shares repurchased with the option exercise proceeds, and potential shares from restricted stock awards, which are excluded from the above computation of diluted net (loss) per share because the effect of their potential issuance is anti-dilutive.

(In thousands)	Three months ended April 30,		Nine months ended April 30,	
	2006	2005	2006	2005
Potential net shares, issued from exercise of "in the money" employee and director stock	408	639	451	--

options and restricted stock awards, excluded
from diluted net (loss) per share calculation

The following table summarizes the number of "out of the money" options excluded from the computation of diluted net (loss) and net income per share because the effect of their potential exercise is anti-dilutive as of April 30.

(In thousands)	2006	2005
"Out of the money" employee and director stock options	1,109	825

Note 6 - Comprehensive (loss) income

The components of comprehensive (loss) income are as follows:

(In thousands)	Three months ended April 30,		Nine months ended April 30,	
	2006	2005	2006	2005
Net (loss) income	($3,436)	($1,497)	($11,158)	$4,995
Net change in unrealized losses on marketable securities, net of tax	--	70	131	125
Comprehensive (loss) income	($3,436)	($1,427)	($11,027)	$5,120

Note 7 - Inventories

Inventories consist of the following, as of:

(In thousands)	April 30, 2006	July 31, 2005
Raw Materials	$33	$52
Work in process	1,734	1,767
Finished products	1,013	1,057
	$2,780	$2,876

Note 8 - Stockholders' equity

a. STOCK OPTION PLANS

A summary of the information relating to the Company's stock option plans as of and for the nine month periods ended April 30, 2006 and 2005 is as follows:

	April 30, 2006		April 30, 2005	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding at beginning of period	3,154,125	$12.61	2,856,801	$11.86
Granted	100,000	$24.84	430,975	$16.57
Exercised	(255,307)	$10.96	(77,292)	$7.54
Cancelled	(37,978)	$13.11	(24,095)	$7.00
Outstanding at end of period	2,960,840	$12.75	3,186,389	$12.56
Exercisable at end of period	2,620,650	$12.75	2,149,500	$11.23
Weighted average fair value of options granted during period		$0.89		$11.76

During the nine months ended April 30, 2006 and 2005, the Company received cash proceeds of approximately $363,000 and $348,000, respectively, from the exercise of 34,191 and 45,932 options, respectively. The aggregate intrinsic value of stock options exercised during the nine months ended April 30, 2006 and 2005, including the non-cash transactions (Note 4) was $0.6 million and $0.7 million,

respectively. The aggregate intrinsic value of options both outstanding and exercisable at April 30, 2006 is approximately $3.8 million.

The following table summarizes information for stock options outstanding at April 30, 2006:

Options outstanding				Options exercisable	
Range of Exercise prices	Shares	Weighted-Average Contractual Life	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
$5.45-8.08	289,020	2.4 years	$5.64	289,020	$5.64
$8.33-12.25	1,562,827	4.6 years	$11.07	1,432,456	$10.99
$12.93-19.02	929,116	7.7 years	$16.77	819,297	$17.15
$20.20-24.84	161,644	3.1 years	$23.02	61,644	$21.42
$36.05	18,233	3.7 years	$36.05	18,233	$36.05
	2,960,840			2,620,650	

As of April 30, 2006, there were approximately 706,800 shares available for grant under the Company's stock option plans. During the nine months ended April 30, 2006, the Company granted awards of 67,950 shares of restricted stock and restricted stock units, inclusive of cancellations of 7,500 shares, which vest over two to four year periods.

During the three months ended April 30, 2006, the Company granted 100,000 options to a consultant with an exercise price of $24.84, which vest over six months and have a two year term. The fair value of these options at April 30, 2006 is $89,000. The fair value of the options, which will be accounted for as a variable instrument, will be fair valued and recognized as expense over the six month vesting term.

The assumptions used to fair value this option grant were as follows: risk free interest rate of 4.7%, expected term of 2 years, expected volatility of 44%, and no dividend yield. In connection with this consultant, the Company recognized an expense of approximately $25,000 in selling, general and administrative expense in the accompanying statements of operations for the three and nine months ended April 30, 2006.

B. OTHER SHARE ISSUANCE

The Company has a qualified Salary Reduction Profit Sharing Plan (the "Plan") for eligible employees under Section 401(k) of the Internal Revenue Code. The Plan provides for voluntary employee contributions through salary reduction, and voluntary annual employer contributions at the discretion of the Company of 50% of employees' 401(k) contributions, up to 10% of the employees' compensation, payable in Enzo Biochem, Inc. common stock. The Company made voluntary annual contributions during the nine months ended April 30, 2006 and 2005, by issuing 32,392 and 18,100 shares of common stock, respectively, and recognizing a 401(k) matched contributions expense of approximately $400,000 and $352,000, respectively.

C. STOCK DIVIDEND

The Company declared a 5% stock dividend on October 5, 2004 which was paid on November 15, 2004 to shareholders of record as of October 25, 2004. The Company recorded a charge to accumulated deficit and a credit to common stock and additional paid-in-capital in the amount of $23.4 million which reflected the fair value of the dividend on the date of declaration.

Note 9 - Income taxes

For the three months ended April 30, 2006, the Company's benefit for income taxes was $0.4 million, which is comprised of a federal tax carryback benefit for taxes paid in fiscal 2005 and other adjustments, net of minimum state and local taxes due for the period. In computing the federal tax carryback benefit, the effective rate used considered limitations on the Company's ability to carryback its estimated net operating loss for the full fiscal year which ends July 31, 2006.

For the nine months ended April 30, 2006, the Company's benefit for income taxes was $0.9 million, which is comprised of its federal tax carryback benefit for taxes paid in fiscal 2005 and other adjustments, of $1.6 million offset by a valuation allowance of $0.6 million equal to net deferred tax assets at the beginning of the period, and by minimum state and local taxes. In computing the federal tax carryback benefit, the effective rate used considered limitations on the Company's ability to carryback its estimated net operating loss for the full

fiscal year which ends July 31, 2006.

Pursuant to SFAS 109 "Accounting for Income Taxes", during the nine months ended April 30, 2006 the Company recorded a valuation allowance equal to its net deferred tax assets at July 31, 2005. The Company believes that the valuation allowance is necessary as it is more likely than not that the deferred tax assets will not be realized in the foreseeable future based on positive and negative evidence available at this time. This conclusion was reached because of uncertainties relating to future taxable income, in terms of both its timing and its sufficiency, which would enable the Company to realize the deferred tax assets.

The benefit (provision) for income taxes is as follows:

(In thousands)	Three months ended April 30,		Nine months ended April 30,	
	2006	2005	2006	2005
Current:				
Federal	$388	$818	$1,600	$(3,230)
State and local	(31)	318	(64)	56
Deferred	--	(80)	(640)	(506)
Benefit (provision) for income taxes	$357	$1,056	$896	$(3,680)

The components of deferred tax assets (liabilities) as of April 30, 2006 and July 31, 2005 are as follows:

(In thousands)	April 30, 2006	July 31, 2005
Current deferred tax assets (liabilities):		
Provision for uncollectible accounts receivable	$ 529	$889
State and local tax carryforward losses	791	245
Other, net	(84)	(234)
Realized and unrealized losses on marketable securities	138	129
Less: valuation reserve for losses on marketable securities	--	(129)
Federal tax carryforward losses	1,491	--
Current deferred tax assets	2,865	$900
Non current deferred tax assets (liabilities):		
Deferred patent costs	(284)	(293)
Research and development tax credit carryforward	68	--
Depreciation	(38)	33
Non current deferred tax (liabilities), net	(254)	(260)
Net deferred tax assets - before valuation allowance	2,611	640
Less: valuation allowance	(2,611)	--
Deferred tax assets, net	$ --	$640

In November 2005, the FASB issued FSP FAS 123(R)-3, "Transition Election Related to Accounting for the Tax Effects of Share-Based Payment Awards", to provide an alternate transition method for the implementation of SFAS No. 123(R). Because some entities do not have, and may not be able to re-create, information about the net excess tax benefits that would have qualified as such had those entities adopted SFAS No. 123(R) for recognition purposes, this FSP provides an elective alternative transition method. The method comprises (a) a computational component that establishes a beginning balance of the additional paid in capital pool ("APIC pool") related to employee compensation and (b) a simplified method to determine the subsequent impact on the APIC pool of employee awards that are fully vested and outstanding upon the adoption of SFAS No. 123(R). The Company adopted the principles set forth in this FSP to determine its APIC pool.

Note 10 - Gain on patent litigation settlement and royalty income

In fiscal 2005, the Company as plaintiff finalized and executed a settlement and license agreement with Digene Corporation to settle a patent litigation lawsuit (the "Agreement"). Under the terms of the Agreement, the Company received an initial payment of $16.0 million, would earn in the first "annual period" (October 1, 2004 to September 30, 2005) a minimum royalty payment of $2.5 million, and receive a minimum royalty of $3.5 million in each of the next four annual periods. In addition, the Agreement provides for the Company to receive quarterly running royalties on the net sales of Digene products subject to the license until the expiration of the patent on April 24, 2018. These quarterly

running royalties are fully creditable against the minimum royalty payments due in the first five years of the Agreement. The balance, if any, of the minimum royalty payment is recognized in the final quarter of the applicable annual royalty period.

As a result of the Digene Agreement, the Company recorded a gain on patent litigation settlement of $14.0 million during the nine months ended April 30, 2005 and deferred $2 million, which was earned from net sales of the Company's licensed products covered by the Agreement during the first annual period.

The following table summarizes royalty income recognized under the Digene Agreement and included in the research and development segment (see Note 12):

(In thousands)	Three months ended April 30,		Nine months ended April 30,	
	2006	2005	2006	2005
Royalty income	$717	$548	$2,251	$1,045

Note 11 - Commitment
- --------------------

In December 2005, the Company entered into a contract to purchase for approximately $3.1 million a 23,000 square foot building adjacent to its corporate headquarters in Farmingdale, NY to expand its manufacturing and research and development operations. The Company expects to close on the purchase transaction in the fourth quarter of fiscal year ending July 31, 2006. Upon execution of the purchase contract, the Company made a $310,000 escrow deposit which is included in property and equipment.

Note 12--Segment Reporting

The Company applies SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." SFAS No. 131 establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information for those segments to be presented in interim financial reports SFAS No. 131 also establishes standards for related disclosures about products and services and geographic areas The chief operating decision maker or decision-making group, in making decisions on how to allocate resources and assess performance, identifies operating segments as components of an enterprise about which separate discrete financial information is available for evaluation.

The Company has two reportable segments: research and development and clinical laboratories The Company's research and development segment conducts research and development activities and sells products derived from these activities The clinical laboratories segment provides diagnostic services to the health care community. The Company evaluates segment performance based on segment income (loss) before taxes. Costs excluded from segment income (loss) before taxes and reported as other consist of corporate general and administrative costs which are not allocable to the two reportable segments Management of the Company assesses assets on a consolidated basis only and therefore, assets by reportable segment have not been included in the reportable segments below. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies.

The following financial information (in thousands) represents the operating results of the reportable segments of the Company:

THREE MONTHS ENDED APRIL 30,

<TABLE>
<CAPTION>

	Research and Development		Clinical Laboratories		Other		Consolidated	
	2006	2005	2006	2005	2006	2005	2006	2005
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Operating revenues:								
Research product revenues and royalty income (a) ...	$1,896	$2,385	--	--	--	--	$1,896	$2,385

Clinical laboratory services	--	--	$7,734	$8,615	--	--	7,734	8,615
Cost and expenses (income):								
Cost of research product revenues	588	535	--	--	--	--	588	535
Cost of clinical laboratory services	--	--	3,384	3,430	--	--	3,384	3,430
Research and development expense	1,901	2,208	--	--	--	--	1,901	2,208
Provision for uncollectible accounts	--	--	517	950	--	--	517	950
Depreciation and amortization	46	346	233	267	$ 8	$ 11	287	624
Other costs and expenses (b)	585	313	3,413	3,094	3,587	2,815	7,585	6,222
Interest income	--	--	--	--	(839)	(416)	(839)	(416)
Income (loss) before income taxes	$(1,224)	$(1,017)	$187	$874	$(2,756)	$(2,410)	$(3,793)	$(2,553)
Stock based compensation included in above cost and expenses:								
Cost of research product revenues	--	--	--	--	--	--	--	--
Research and development expense	$38	--	--	--	--	--	$38	--
Other costs and expenses	33	--	$182	--	$231	--	446	--
Totals	$71	--	$182	--	$231	--	$484	--

(a) For the three months ended April 30, 2006 and 2005, royalty income from one licensee represented 38% and 23% respectively, of the research and development segment's revenues.

(b) Includes legal and selling, general and administrative, net of depreciation and amortization.

Note 12--Segment Reporting, continued

NINE MONTHS ENDED APRIL 30,

	Research and Development		Clinical Laboratories		Other		Consolidated	
	2006	2005	2006	2005	2006	2005	2006	2005
Operating revenues:								
Research product revenues and royalty income (a).	$6,151	$8,112	--	--	--	--	$6,151	$8,112
Clinical laboratory services	--	--	$23,759	$24,423	--	--	23,759	24,423
Cost and expenses (income):								
Cost of research product revenues	1,515	1,665	--	--	--	--	1,515	1,665
Cost of clinical laboratory services	--	--	10,296	9,203	--	--	10,296	9,203
Research and development expense	5,361	6,450	--	--	--	--		

5,361	6,450											
Provision for uncollectible accounts		--		--		2,870		3,573		--		--
2,870	3,573											
Depreciation and amortization		143		1,030		679		599		$ 26		$ 38
848	1,667											
Other costs and expenses (b)		1,581		888		9,969		8,629		11,750		6,840
23,300	16,357											
Gain on patent litigation settlement		--		(14,000)		--		--		--		--
--	(14,000)											
Interest income		--		--		--		--		(2,226)		(1,055)
(2,226)	(1,055)											
Income (loss) before income taxes.....		$(2,449)		$12,079		$(55)		$2,419		($9,550)		($5,823)
$(12,054)	$8,675											
Stock based compensation included in above cost and expenses:												
Cost of research product revenues		$18		--		--		--		--		--
$18	--											
Research and development expense		200		--		--		--		--		--
200	--											
Other costs and expenses		73		--		$474		--		$588		--
1,135	--											
Totals		$291		--		$474		--		$588		--
$1,353	--											

(a) For the nine months ended April 30, 2006 and 2005, royalty income from one licensee represented 37% and 13% respectively, of the research and development segment's revenues.

(b) Includes legal and selling, general and administrative, net of depreciation and amortization.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our financial statements and related notes. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements. See "Forward-Looking and Cautionary Statements" in our Form 10-K for the year ended July 31, 2005. Because of those factors, you should not rely on past financial results as an indication of future performance, and be aware that our consolidated results of operations may fluctuate significantly from quarter to quarter.

Enzo Biochem, Inc. (the "Company" or "Enzo") is a leading life sciences and biotechnology company focused on harnessing genetic processes to develop research tools, diagnostics and therapeutics. Enzo also provides clinical laboratory services to the medical community. In addition, our work in gene analysis has led to our development of significant therapeutic product candidates, several of which are currently in clinical trials, and several in preclinical studies.

The business activities of the Company are performed by the Company's three wholly owned subsidiaries. These activities are: (1) research and development, manufacturing and marketing of biomedical research products and tools through Enzo Life Sciences and research and development of therapeutic products through Enzo Therapeutics, and (2) the operation of a clinical reference laboratory through Enzo Clinical Labs. For information relating to the Company's business segments, see Note 12 of the Notes to Consolidated Financial Statements.

The Company's source of revenue has been from the direct sales of research products of labeling and detection reagents for the genomics and sequencing markets, as well as from non-exclusive distribution agreements. The other source of revenue has been from the clinical laboratory service market. Clinical laboratory services are provided to patients covered by various third party insurance programs, including Medicare, and to patients who are self payers. Revenues from the clinical laboratory are recognized upon completion of the testing process for a specific patient and reported to the ordering physician. These revenues and the associated accounts receivable are based on gross amounts billed or billable for services rendered, net of a contractual allowance, which

is the difference between amounts billed to payers and the expected receipts from such payers. The clinical laboratory is subject to seasonal fluctuations in operating results. Volume of testing generally declines during the summer months, the year-end holiday period and other major holidays. In addition, volume declines due to inclement weather may reduce net revenues. Therefore, comparison of the results of successive quarters may not accurately reflect trends or results for the full year. For the nine months ended April 30, 2006 and 2005, respectively, approximately 21% and 25% of the Company's operating revenues were derived from research product sales and royalty income and approximately 79% and 75% were derived from clinical laboratory services.

LIQUIDITY AND CAPITAL RESOURCES

At April 30, 2006, cash and cash equivalents and marketable securities totaled $75.9 million, a decrease of $7.8 million from July 31, 2005. We had working capital of $87.3 million at April 30, 2006 compared to $97.0 million at July 31, 2005.

Net cash used in operating activities for the nine month period ended April 30, 2006 was approximately $6.9 million as compared to net cash provided by operating activities of $9.1 million for the nine months ended April 30, 2005. The decrease in net cash provided by operating activities was primarily due to the 2006 period's net loss as compared to net income in the 2005 period, which 2005 increase was the result of the $14 million settlement and license agreement with Digene Corporation. During the nine months ended April 30, 2005, the Company as plaintiff finalized and executed a settlement and license agreement with Digene Corporation to settle a patent litigation lawsuit. Under the terms of the agreement, the Company received an initial payment of $16.0 million, of which $2.0 million was used to offset royalty income payments due based on net sales of licensed products covered by the agreement during the first year. As a result of this settlement and license agreement with Digene (the "Digene Agreement"), the Company recorded a gain on patent litigation settlement of $14.0 million during the nine months ended April 30, 2005 (see Note 10).

Net cash provided by investing activities was approximately $5.4 million during the nine months ended April 30, 2006, as compared $9.6 million during the nine months ended April 30, 2005. The decrease during the 2006 period was primarily the result of the net sales of marketable securities of approximately $6.7 million, versus net sales of approximately $10.6 million during the 2005 period. During the nine months ended April 30, 2006, the Company disbursed approximately $1.2 million for capital expenditures, including approximately $0.4 million comprised of an escrow deposit and other costs incurred, toward the purchase for approximately $3.1 million of a 23,000 square foot building to expand its manufacturing and research and development operations. The Company expects to close on the purchase transaction in the fourth quarter of the fiscal year ending July 31, 2006.

Net cash provided by financing activities was approximately $0.4 million during the nine months ended April 30, 2006, as compared $0.3 million during the nine months ended April 30, 2005, and was from the exercise of stock options.

We believe that our current cash position is sufficient for our liquidity and capital resource needs for at least the next twelve months, although there can be no assurance that future events will not alter such view. Management is not aware of any material claims, disputes or settled matters concerning third-party reimbursements that would have a material effect on our financial statements.

CRITICAL ACCOUNTING POLICIES

GENERAL

Management's discussion and analysis of financial condition and results of operations are based on the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses; these estimates and judgments also affect related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to contractual allowance, allowance for uncollectible accounts, intangible assets and income taxes. The Company bases its estimates on experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

REVENUE RECOGNITION

Research product revenues and royalty income
- ----------

Revenues from research product sales are recognized when the products are shipped, the sales price is fixed or determinable and collectibility is reasonably assured. Under the terms of a settlement and license agreement to settle a patent litigation lawsuit, the Company earned in the "first annual period" (October 1, 2004 to September 30, 2005) a minimum royalty payment of $2.5 million, and will receive a minimum royalty of $3.5 million in each of the next four annual periods. In addition, the agreement provides for the Company to receive quarterly running royalties on the net sales of products subject to the license until the expiration of the patent in April 2018. The quarterly running royalties are fully creditable against the minimum royalty payments due in the first five years of the agreement. The balance, if any, of the minimum royalty payment is recognized in the final quarter of the applicable annual royalty period.

Clinical laboratory services - revenues and accounts receivable
- ----------

Revenues from the clinical laboratory are recognized upon completion of the testing process for a specific patient and reported to the ordering physician. These revenues and the associated accounts receivable are based on gross amounts billed or billable for services rendered, net of a contractual allowance, which is the difference between amounts billed to payers and the expected approved reimbursable settlements from such payers.

The following are tables of the clinical laboratory segment's net billings and billing percentages by billing category for the three and nine months ended April 30, 2006 and 2005:

Net billings	Three months ended April 30, 2006		Three months ended April 30, 2005	
Billing category	(In 000's)	(in %)	(In 000's)	(in %)
Medicare	$1,727	22	$1,780	20
Third party carriers	4,761	62	4,724	55
Patient self-pay	682	9	1,788	21
HMO's	564	7	323	4
Total	$7,734	100%	$8,615	100%

Net billings	Nine months ended April 30, 2006		Nine months ended April 30, 2005	
Billing category	(In 000's)	(in %)	(In 000's)	(in %)
Medicare	$5,530	23	$5,120	21
Third party carriers	13,326	56	12,890	53
Patient self-pay	3,411	15	5,476	22
HMO's	1,492	6	937	4
Total	$23,759	100%	$24,423	100%

The following is a table of the Company's net accounts receivable by segment. The clinical laboratory segment's net receivables are detailed by billing category and as a percent to its total net receivables:

Net accounts receivable	As of April 30, 2006		As of July 31, 2005	
Billing category	(In 000's)	(in %)	(In 000's)	(in %)
Medicare	$1,401	14	$1,594	13
Third party carriers	4,864	50	6,742	54
Patient self-pay	2,963	31	3,819	30
HMO's	503	5	394	3
Total clinical laboratories	$9,731	100%	$12,549	100%
Research and development	1,447		872	
Net accounts receivable	$11,178		$13,421	

CONTRACTUAL ALLOWANCES

The Company's estimate of contractual allowances is based on significant

assumptions and judgments, such as its interpretation of the applicable payer's reimbursement policies, and bears the risk of change. The estimation process is based on a rolling monthly analysis of the experience of amounts approved as reimbursable and ultimately settled by payers, versus the corresponding gross amount billed to the respective payers. The difference between the gross billing and the reimbursement percentage is the contractual allowance percentage and represents the proportion of the gross billed amounts the Company does not expect to become approved reimbursable settlements. In summary, the contractual allowance is an estimate that reduces gross revenue, based on gross billing rates, to amounts expected to be approved and reimbursable. The Company adjusts revenues in the period that approved settlements are received. The Company adjusts the contractual allowance estimate periodically, based on its evaluation of historical settlement experience with payers, industry reimbursement trends, and other relevant factors.

If the Company experiences a significant change in reimbursement policies or procedures for a particular payer, the contractual allowance percentage is reviewed by management for that payer. However, services authorized by an insured's healthcare provider and rendered by the Company, and the corresponding approval of those services and their settlement by the insured's payer are often subject to interpretation which could result in payments that differ from our estimates.

During the nine months ended April 30, 2006 and 2005, the contractual allowance percentages, determined using the rolling monthly average historical reimbursement statistics, were 75% and 72.7%, respectively. The Company projects (by using a sensitivity analysis) that each 1% point change in the contractual allowance percentage could result in a change in the net accounts receivable of approximately $402,000 and $536,000 as of April 30, 2006 and 2005, respectively, and a change in clinical laboratory services revenues of approximately $949,000, and $895,000 for the nine months ended April 30, 2006 and 2005, respectively.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company determines the estimated allowance for doubtful accounts after the estimated contractual allowance expense has been applied to the gross open receivables. The allowance for doubtful accounts represents amounts that the Company does not expect to collect after the Company has exhausted its collection procedures.

In summary, the Company estimates its allowance for doubtful accounts in the period the related services are billed and adjusts the estimate in future accounting periods as necessary. It bases the estimate for the allowance on the evaluation of historical collection experience, the aging profile of accounts receivable, the historical doubtful account write-off percentages, payer mix, and other relevant factors.

The allowance for doubtful accounts includes the balances, after receipt of the approved settlements, from third party payers for the insufficient diagnosis information received from the ordering physician, which result in denials of payment, and the uncollectible portion of receivables from self payers, including deductibles and copayments, which are subject to credit risk and patients' ability to pay. During the nine months ended April 30, 2006, the Company determined an allowance for doubtful accounts less than 210 days and wrote off 100% of accounts receivable (for all payers) over 210 days, as it assumed those accounts are uncollectible. The written off amounts are kept on the aging for patient billing and demographic information. The Company adjusts the historical collection analysis for recoveries, if any, on an ongoing basis.

The Company's ability to collect outstanding receivables from third party payers is critical to its operating performance and cash flows. The primary collection risk lies with uninsured patients or patients for whom primary insurance has paid but a patient portion remains outstanding. The Company also assesses the current state of its billing functions in order to identify any known collection or reimbursement issues in order to assess the impact, if any, on the allowance estimates, which involves judgment. The Company believes that the collectibility of its receivables is directly linked to the quality of its billing processes, most notably, those related to obtaining the correct information in order to bill effectively for the services provided. Should circumstances change (e.g. shift in payer mix, decline in economic conditions or deterioration in aging of receivables), our estimates of net realizable value of receivables could be reduced by a material amount.

INCOME TAXES
- ------------

The Company accounts for income taxes under the liability method of accounting for income taxes. Under the liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The liability method requires that any tax benefits recognized for net operating loss carry forwards and other

items be reduced by a valuation allowance where it is more likely than not the benefits may not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under the liability method, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Pursuant to SFAS 109 "Accounting for Income Taxes", the Company recorded a valuation allowance charge of $0.6 million for its net deferred tax assets during the three months ended October 31, 2005, and subsequent to that date has applied a full valuation allowance against increases in its net deferred tax assets. The Company believes that the full valuation allowance is necessary as it is more likely than not that the net deferred tax assets will not be realized in the foreseeable future based on positive and negative evidence available at this time. This conclusion was reached because of uncertainties relating to future taxable income, in terms of both its timing and its sufficiency, which would enable the Company to realize the net deferred tax assets.

RESULTS OF OPERATIONS
THREE MONTHS ENDED APRIL 30, 2006 AS COMPARED TO APRIL 30, 2005

Research product revenues and royalty income was $1.9 million during the three months ended April 30, 2006 compared to $2.4 million in the year ago quarter, a decrease of $0.5 million or 21%. Research product revenue decreased by $0.7 million due to a decline in the volume of shipments of research products and an increase in the volume of discounted sales to certain customers, partially offset by an increase in royalty income of $0.2 million.

Clinical laboratory revenues were $7.7 million compared to $8.6 million during the three months ended April 30, 2006 and 2005, respectively, a decrease of approximately $0.9 million or 10%. The Company experienced a decrease in gross billing due to price decreases on certain tests. In addition, the contractual allowance expense increased to 75.4% of gross billing as compared to 71.6% in the prior period.

The cost of research products revenues during the three months ended April 30, 2006 was comparable to the year ago quarter.

The cost of clinical laboratory services during the three months ended April 30, 2006 and 2005 was comparable, at $3.4 million. The clinical laboratories' gross margin declined, due to lower revenues, with no significant effect on operating costs.

Research and development expenses were $1.9 million during the three months ended April 30, 2006 compared to $2.2 million in the year ago quarter, a decrease of $0.3 million or 14%. While there was an increase in clinical trial study activities for the therapeutics division of $0.4 million, it was offset by a decrease in compensation expense of $0.2 million relating to the realignment of executive officers responsibilities and a decrease in the amortization of deferred patent expenses and other research expenses of $0.5 million at the life sciences division.

Selling, general and administrative expenses were $6.2 million during the three months ended April 30, 2006 compared to $5.5 million in the year ago quarter, an increase of $0.7 million or 13%. The increases during the 2006 period were primarily due to the recognition of stock option compensation charges required by the adoption of SFAS 123(R) of $0.4 million, increases in expenditures for corporate governance, consulting, accounting and other professional fees of $0.3 million, increase in compensation expense of $0.2 million, which was previously included in research and development due to the realignment of executive officers responsibilities, offset by a reduction of other operating expenses of $0.2 million.

The provision for uncollectible accounts receivable in the clinical reference laboratory segment during the three months ended April 30, 2006 and 2005 was $0.5 million and $0.9 million, respectively, a decrease of $0.4 or 46%. The decline in the provision was due to improved billing and collection procedures and an increase in the overall collection rates.

Legal expense was $1.7 million during the three months ended April 30, 2006 compared to $1.4 million in the year ago quarter, an increase of $0.3 million or 24%, due to an increase for the ongoing patent litigation activities.

Interest income increased $0.4 million or 102% to $0.8 million during the three months ended April 30, 2006 compared to $0.4 million during the year ago quarter, due to higher interest rates earned offset by lower investments. The Company earns interest by investing primarily in short term (30 days) commercial paper and money market funds with high credit ratings.

For the three months ended April 30, 2006, the Company's benefit for income taxes was $0.4 million, comprised of a federal tax carryback benefit for income taxes paid in fiscal 2005 and other adjustments. In computing the federal tax carryback benefit, the effective rate used considered limitations on the Company's ability to carryback its estimated net operating loss for the full fiscal year which ends July 31, 2006. During the 2006 quarter, the Company recognized no benefit for deferred taxes. Pursuant to SFAS 109 "Accounting for Income Taxes", the Company believes it is more likely than not that net deferred tax assets generated during the 2006 quarter will not be realized in the foreseeable future based on positive and negative evidence available at this time. This conclusion was reached because of uncertainties relating to future taxable income, in terms of both its timing and its sufficiency, which would enable the Company to realize deferred tax assets. For the three months ended April 30, 2005, the Company's benefit for income taxes was $1.1 million, based on the combined effective federal, state and local income tax rates applied to the period's loss before taxes.

SEGMENT (LOSS) INCOME BEFORE INCOME TAXES
THREE MONTHS ENDED APRIL 30, 2006 AS COMPARED TO APRIL 30, 2005

The research and development segment's loss before income taxes was approximately $1.2 million for the three months ended April 30, 2006, compared to a loss of $1.0 million in the 2005 period. The loss in the 2006 period was primarily due to the decline in revenue of $0.7 million resulting from the decrease in the volume of shipments of research products and an increase in volume of discounted sales to certain customers, offset by the increase in royalty income of $0.2 million. The loss in both periods was also the result of the dispute with former distributors, whereby the Company did not record revenue in either period from these former distributors. Segment operating expenses decreased in the 2006 period primarily due to decreases in the amortization of deferred patent expenses and other research expenses of $0.5 million, and a reduction of $0.2 million in compensation expense relating to the realignment of executive officers responsibilities, partially offset by a $0.4 million increase in clinical trial studies.

The clinical reference laboratory segment's income before income taxes was $0.2 million in the 2006 quarter, compared to income of $0.9 million in the 2005 quarter. The decrease in the segment's income was primarily due to a decrease in net billings of $0.9 million due to price decreases on certain tests and the increase in the contractual allowance expense as compared to the prior period. Segment operating costs in the 2006 period decreased by $0.2 million, primarily due to a decrease in the provision for uncollectible accounts of $0.4 million, offset by recognition of stock option compensation charges required by the adoption of SFAS 123 (R) of $0.2 million and the inclusion of compensation expense of $0.1 million relating to the realignment of executive officers responsibilities.

The Other segment's loss before income taxes was $2.8 million in the 2006 quarter versus $2.4 million in 2005, on an increase of $0.8 million in costs, primarily due to the recognition of restricted stock awards expense and the stock option compensation charges required by the adoption of SFAS 123(R) during the 2006 quarter of $0.2 million, an increase in expenditures for corporate governance, consulting, and accounting and legal fees of $0.7 million, and the inclusion of compensation expense of $0.1 million for the realignment of executive officers responsibilities, previously included in research and development. These increases were partially offset by higher interest income earned of $0.4 million.

RESULTS OF OPERATIONS
NINE MONTHS ENDED APRIL 30, 2006 AS COMPARED TO APRIL 30, 2005

Research product revenues and royalty income was $6.2 million during the nine months ended April 30, 2006 compared to $8.1 million in the year ago period, a decrease of $1.9 million or 24%. The decrease in research products revenue of $3.1 million was due to a decrease in the volume of shipments of research products and an increase in the discounts offered to certain direct distributors, partially offset by an increase in royalty income of $1.2 million. Further, the Company did not record revenue from distributors during the 2006 period, which during the year ago period approximated $1.5 million, due to its ongoing dispute with those distributors.

Clinical laboratory revenues were $23.8 million during the nine month period ended April 30, 2006 compared to $24.4 million in the year ago period, a decrease of approximately $0.6 million or 3%. The Company experienced a decrease in gross billing due to price decreases on certain tests. In addition, the contractual allowance expense increased to 75% of gross billing as compared to 72.7% in the prior period.

The cost of research products revenues during the nine months ended April 30, 2006 was $1.5 million versus $1.7 million in the 2005 period, a decrease of $0.2 million or 12%, principally due to lower revenues and the decreases in the 2006

period in royalty expenses of $0.2 million and compensation for executive officers of $0.1 million due to the realignment of their responsibilities, offset by increases in other operational costs.

The cost of clinical laboratory services during the nine months ended April 30, 2006 was $10.3 million compared to $9.2 million in the year ago period, an increase of $1.1 million or 12%. The increase is primarily due to an increase in the overall operating cost of performing testing services, especially increased reagent costs of $0.7 million, and outside testing costs for certain esoteric tests of $0.1 million.

Research and development expenses were $5.4 million during the nine months ended April 30, 2006 compared to $6.5 million in the year ago period, a decrease of $1.1 million or 17%. While there was an increase in clinical trial study activities of $0.6 million and the recognition of stock option compensation charges required by the adoption of SFAS 123(R) of $0.2 million during the 2006 period, these increased expenses were offset by a decrease in the amortization of deferred patent expenses of $1.2 million, and a decrease in compensation for executive officers of $0.7 million due to the realignment of responsibilities.

Selling, general and administrative expenses were $18.9 million during the nine months ended April 30, 2006 compared to $14.3 million in the year ago period, an increase of $4.6 million or 32%. The increase in the 2006 period was primarily due to the recognition of stock option compensation charges required by the adoption of SFAS 123(R) of $1.1 million, increases in expenditures for corporate governance, consulting, accounting and other professional fees of $1.3 million, an increase in compensation for executive officers of $0.8 million previously included in research and development, due to the realignment of responsibilities, increases in compensation and other related costs of $0.4 million relating to increased personnel, and an increase in insurance costs of $0.3 million.

The provision for uncollectible accounts receivable in the clinical reference laboratory segment during the nine months ended April 30, 2006 was $2.9 million, compared to $3.6 million during the year ago period, a decrease of $0.7 million or 20%. The provision declined due to improved billing and collection procedures and an overall increase in collection rates.

Legal expense was $5.2 million during the nine months ended April 30, 2006 compared to $3.7 million in the year ago period, an increase of $1.5 million or 41%, due to an increase in ongoing patent litigation activities.

Interest income increased $1.2 million or 120% to $2.2 million during the nine months ended April 30, 2006 compared to $1.0 million during the year ago period, due to higher interest rates earned offset by lower investments. The Company earns interest by investing primarily in short term (30 days) commercial paper and money market funds with high credit ratings.

For the nine months ended April 30, 2006, the Company's net benefit for income taxes was $0.9 million, comprised of a federal tax carryback benefit of $1.6 million for taxes paid in the fiscal year ended July 31, 2005 and other adjustments, offset by a valuation allowance charge of $0.6 million equal to net deferred tax assets as of July 31, 2005, and by state and local minimum taxes of $0.1 million. In computing the federal tax carryback benefit, the effective rate used considered limitations on the Company's ability to carryback its estimated net operating loss for the full fiscal year which ends July 31, 2006. Pursuant to SFAS 109 "Accounting for Income Taxes", the Company recorded a valuation allowance charge during the period ended April 30, 2006 equal to its net deferred tax assets at July 31, 2005 and has applied a full valuation allowance against increases in its net deferred tax assets during the 2006 period. The Company believes that the valuation charge and valuation allowance are necessary as it is more likely than not that net deferred tax assets will not be realized in the foreseeable future based on positive and negative evidence available at this time. This conclusion was reached because of uncertainties relating to future taxable income, in terms of both its timing and its sufficiency, which would enable the Company to realize the net deferred tax assets.

For the nine months ended April 30, 2005, the Company's (provision) for income taxes was $3.7 million which was based on the effective federal, state and local income tax rates applied to 2005 period's taxable income, which was primarily comprised of the $14 million gain from the Digene agreement. The provision for income taxes, at an effective rate of 42%, was different from the U.S. federal statutory rate of 34% due to state income taxes net of federal tax deduction, of approximately 5%, expenses not deductible for income tax return purposes of 1% and other of 2%.

SEGMENT (LOSS) INCOME BEFORE INCOME TAXES
NINE MONTHS ENDED APRIL 30, 2006 AS COMPARED TO APRIL 30, 2005

The research and development segment's loss before income taxes was approximately $2.4 million for the nine months ended April 30, 2006, compared to income of $12.1 million in the 2005 period. The 2006 loss was due to a decrease

in research products revenue of $3.1 million, the result of a decrease in the volume of shipment of research products and an increase in the discounts offered to certain direct distributors, offset by an increase in royalty income of $1.2 million. The Company did not record research products revenue from distributors during the 2006 period, which during the year ago period approximated $1.5 million, due to its ongoing dispute with those distributors. The 2005 period's income was the result of the $14 million gain from the Digene agreement. Segment operating expenses decreased in the 2006 period primarily due to a decrease in the amortization of deferred patent expenses and other research costs of $1.2 million, and a decrease in compensation for executive officers of $0.7 million due to the realignment of responsibilities, offset by the increase in clinical trial study activities of $0.6 million.

The clinical reference laboratory segment's loss before income taxes was $0.1 million in the 2006 period versus income of $2.4 million in 2005. The 2006 period was impacted by lower revenue of $0.6 million and increases in segment operating expenses of $1.8 million primarily due to increases in the cost of testing services of $0.8 million, recognition of stock option compensation charges required by the adoption of SFAS 123(R) of $0.5 million, compensation for executive officers of $0.2 million previously included in research and development due to the realignment of responsibilities, and compensation and related costs of $0.4 million relating to increased personnel, offset by a decrease in the provision for uncollectible accounts of $0.7 million.

The Other segment's loss before income taxes was $9.5 million in the 2006 period versus $5.8 million in 2005. The increase in the 2006 period was primarily due to the recognition of stock option compensation charges required by the adoption of SFAS 123(R) of $0.6 million, increases in expenditures for corporate governance, consulting, accounting and other professional fees of $1.3 million, an increase in legal fees of $1.5 million due to ongoing patent litigation, increases in compensation for executive officers of $0.5 million previously included in research and development due to the realignment of responsibilities, increases in insurance costs of $0.3 million, and increases in other operating expenses of $0.3 million. These increases were partially offset by higher interest income earned of $1.2 million.

See Note 2 for recently issued accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's earnings and cash flows are subject to fluctuations due to changes in interest rates primarily from its investment of available cash balances in investment grade corporate and U.S. government securities. Under its current policies, the Company does not use interest rate derivative instruments to manage exposure to interest rate changes.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, the Company's management conducted an evaluation (as required under Rules 13a-15(b) and 15d-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of the Company's "disclosure controls and procedures" (as such term is defined under the Exchange Act), under the supervision and with the participation of the principal executive officer and the principal financial officer. Based on this evaluation, the principal executive officer and the principal financial officer concluded that the Company's disclosure controls and procedures are effective as of the end of the period covered by this report. Notwithstanding the foregoing, a control system, no matter how well designed and operated can provide only reasonable, not absolute, assurance that it will detect or uncover failures within the Company to disclose material information otherwise required to be set forth in the Company's periodic reports.

Changes in Internal Controls

There was no change in the Company's internal controls over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the Company's most recently completed fiscal period that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

There have been no material developments with respect to previously reported legal proceedings. See the annual report on Form 10-K for the fiscal year ended July 31, 2005 filed with the Securities and Exchange Commission for a discussion

of the Company's ongoing legal proceedings.

Item 6. Exhibits

Exhibit No.	Exhibit
31(a)	Certification of Elazar Rabbani, Ph.D. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31(b)	Certification of Barry Weiner pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32(a)	Certification of Elazar Rabbani, Ph.D. pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32(b)	Certification of Barry Weiner pursuant to 18 U.S.C. ss.1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ENZO BIOCHEM, INC.
(Registrant)

Date: June 9, 2006

by: /s/Barry Weiner
Chief Financial Officer

EXHIBIT 31 (a)

CERTIFICATIONS

In connection with the Quarterly Report on Form 10-Q of Enzo Biochem, Inc. ("the Company") for the fiscal quarter April 30, 2006 as filed with the Securities and Exchange Commission on the date hereof, I, Elazar Rabbani, Ph.D., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 302 of the Sarbanes-Oxley Act of 2002, that:

1. I have reviewed this Quarterly Report on Form 10-Q of Enzo Biochem, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a - 15(e) and 15d - 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principals;

   (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: June 9, 2006

By: /s/ Elazar Rabbani, Ph.D.

Elazar Rabbani, Ph.D.
Chief Executive Officer

EXHIBIT 31 (b)

CERTIFICATIONS

In connection with the Quarterly Report on Form 10-Q of Enzo Biochem, Inc. ("the Company") for the fiscal quarter ended April 30, 2006 as filed with the Securities and Exchange Commission on the date hereof, I, Barry Weiner, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 302 of the Sarbanes-Oxley Act of 2002, that:

1. I have reviewed this Quarterly Report on Form 10-Q of Enzo Biochem, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a - 15(e) and 15d - 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principals;

   (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: June 9, 2006

By: /s/ Barry Weiner

Barry Weiner
Chief Financial Officer

EXHIBIT 32 (a)

CERTIFICATE PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Enzo Biochem, Inc., and Subsidiaries ("the Company") on Form 10-Q for the fiscal quarter ended April 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Elazar Rabbani, Ph.D., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: June 9, 2006

By: /s/ Elazar Rabbani, Ph.D.

Elazar Rabbani, Ph.D.
Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Act Commission or its staff upon request.

EXHIBIT 32 (b)

CERTIFICATE PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Enzo Biochem, Inc., and Subsidiaries ("the Company") on Form 10-Q for the fiscal quarter ended April 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Barry Weiner., Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 9, 2006

By: /s/ Barry Weiner

Barry Weiner
Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Act Commission or its staff upon request.