

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 8-K

CURRENT REPORT Pursuant  
to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **December 21, 2015**

**Enzo Biochem, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**New York**

(State or Other Jurisdiction of Incorporation)

**001-09974**

(Commission File Number)

**13-2866202**

(IRS Employer Identification No.)

**527 Madison Avenue  
New York, New York**

(Address of Principal Executive Offices)

**10022**

(Zip Code)

**(212) 583-0100**

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

**Introductory Comment**

Throughout this Current Report on Form 8-K, the terms “we,” “us,” “our” and “Company” refer to Enzo Biochem, Inc.

**Item 7.01 Regulation FD Disclosure**

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Officers and representatives of the Company will present to various investors and stockholders beginning December 21, 2015 using the presentation materials furnished as Exhibit 99.1 hereto and which are incorporated herein by reference.

The information in this report (including Exhibit 99.1) shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

**Exhibit No. Description**

99.1 Presentation materials to be used by officers and other representatives of the Company.

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**SIGNATURES**

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

ENZO BIOCHEM, INC.

Date: December 21, 2015

By:           /s/ Barry W. Weiner            
Barry W. Weiner  
President

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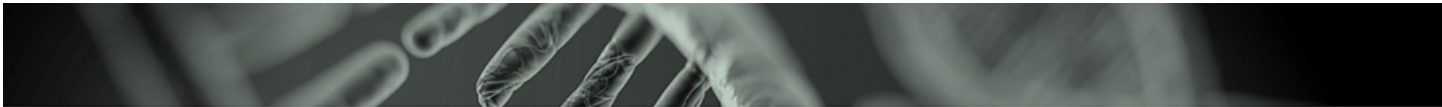
## December Investor Presentation – As Updated on December 21<sup>st</sup>, 2015

December 2015  
[www.enzo.com](http://www.enzo.com)

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## DISCLAIMER

*Except for historical information, the matters discussed herein may be considered "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements include declarations regarding the intent, belief, or current expectations of Enzo Biochem, Inc. (the Company) and its management, including those related to cash flow, gross margins, revenues, and expenses, and are dependent on a number of factors outside of the control of the company, including, inter alia, the markets for the Company's products and services, costs of goods and services, other expenses, government regulations, litigations, and general business conditions. See Risk Factors in the Company's Form 10-K for the fiscal year ended July 31, 2015. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties that could materially affect actual results. The Company disclaims any obligations to update any forward-looking statement as a result of developments occurring after the date of this presentation.*



*Enzo Biochem, Inc. (the "Company") has filed a definitive proxy statement with the U.S. Securities and Exchange Commission (the "SEC") with respect to its 2015 Annual Meeting of Shareholders and intends to file a definitive proxy statement as well. The definitive proxy statement and white proxy card has been mailed to shareholders of the Company. Enzo Biochem, Inc., its directors and certain of its executive officers may be deemed to be participants in the solicitation of proxies from shareholders in connection with the matters to be considered at its 2015 Annual Meeting. ENZO BIOCHEM, INC. SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ ANY SUCH PROXY STATEMENT AND ACCOMPANYING PROXY CARD AS THEY WILL CONTAIN IMPORTANT INFORMATION. Information regarding the ownership of the Company's directors and executive officers in the Company's common stock, restricted stock and options is included in their SEC filings on Forms 3, 4 and 5, which can be found at the Company's website ([www.enzo.com](http://www.enzo.com)) in the section "Corporate—Investor Information." More detailed information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, is set forth in the proxy statement and other materials to be filed with the SEC in connection with the Company's 2015 Annual Meeting. Information can also be found in the Company's Annual Report on Form 10-K for the year ended July 31, 2015, filed with the SEC on October 13, 2015, as amended on November 27, 2015. Shareholders will be able to obtain any proxy statement, any amendments or supplements to the proxy statement and other documents filed by the Company with the SEC for no charge at the SEC's website at [www.sec.gov](http://www.sec.gov). Copies will also be available at no charge at the Company's website at [www.enzo.com](http://www.enzo.com) or by writing to the Company at 527 Madison Avenue, New York, New York 10022.*

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## Executive Summary

December 2015  
[www.enzo.com](http://www.enzo.com)





- ✓ Executing on a corporate **strategy which has positioned the company to thrive** in the challenging MDx marketplace
- ✓ The value of Enzo is **beginning to be appreciated** by the marketplace: delivering solid returns to shareholders – **3-year TSR of 71.9%, 6-month TSR of 86.0%**<sup>(1)</sup>
- ✓ **Rapidly improving financial performance**, including increasing revenue and expanding margins with superior, strategic, market-driven product pipeline
- ✓ **Efficiently harvesting valuable IP estate**, a testament to Enzo's years of cutting edge scientific development and fiscal discipline
- ✓ Engaged Board of Directors with **diverse ideas and relevant experience** to ensure Enzo achieves its full potential

(1) Source: CapitalIQ as of November 24, 2015

## Lone Star

- × Aggressively **reducing its Enzo ownership** while simultaneously pursuing a proxy fight (see pages 30-31)
- × Has **not presented a single idea**, plan, or alternative perspective on how Enzo can increase shareholder returns
- × Has **resorted to personal attacks** on Enzo's directors rather than engage in a debate about the best path to create value
- × Put forward two **highly-conflicted nominees** whom are not qualified to serve on Enzo's Board
- × **Abysmal track record** of stewardship and performance in majority of portfolio companies where Lone Star pursued a campaign



## Enzo NOW

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[www.enzo.com](http://www.enzo.com)

Enzo Is Positioned to Thrive NOW

## WHY ENZO IS POSITIONED TO THRIVE NOW

### ■ Why NOW?

- Molecular diagnostics market place is rapidly growing but economics are poor and will decline further for clinical labs
- The advent of open system platforms (<5 years) for labs creates opportunity for a vertically integrated technology development company to thrive

### ■ Why ENZO?

- ✓ Leading developer of molecular diagnostics
- ✓ Strong IP Position
- ✓ Comprehensive and thoughtful business strategy
- ✓ Proven ability to deliver high quality products that do not require expensive systems to operate
- ✓ Financial strength

DESPITE BEING A MID-CAP COMPANY, WE BELIEVE THAT ENZO CAN THRIVE AND COMPETE AGAINST INDUSTRY GIANTS GIVEN ITS TECHNOLOGY PLATFORM AND HIGH PERFORMING PRODUCTS THAT CAN DELIVER 30%-50% SAVINGS TO THE MARKET

## ENZO'S TIME IS NOW

- The culmination of strategic planning and years of building a vertically integrated company uniquely positions Enzo Biochem, Inc. ("Enzo" or "the Company") to create significant long-term value for its stockholders
- Enzo is now positioned to satisfy a significant need in the Molecular Diagnostics ("MDx") market
- *The Company's unique integrated structure is the key to delivering the solution*

### Industry Challenge

✘ While **demand** for MDx is rapidly **increasing**, **reimbursement** is rapidly **declining** – and lab margins could decline by an additional 20-30 percentage points under new payment policies<sup>(1)</sup>



### Enzo Solution

✓ Enzo's structure is designed to deliver on the development and production of **cost-effective, high-performance, easily adaptable** MDx products and services that, we believe, will provide a **30%-50% savings** to the current MDx market<sup>(1)</sup>

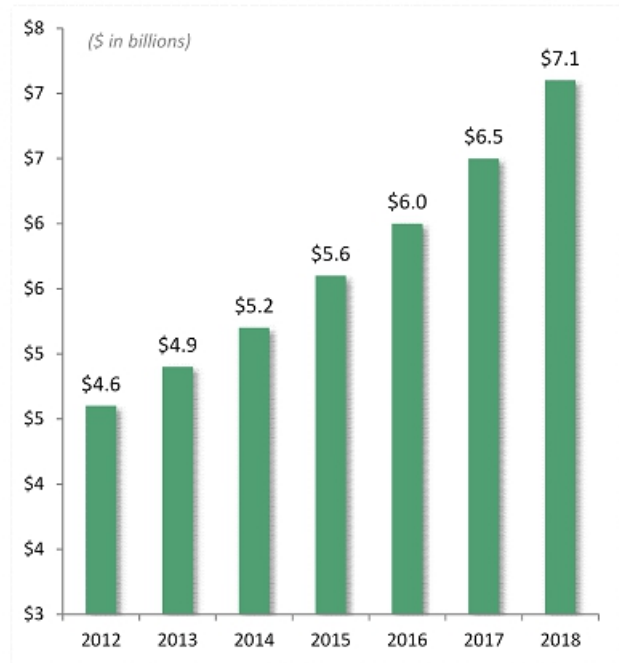
ENZO IS POSITIONED TO CREATE SUSTAINED VALUE FOR ITS SHAREHOLDERS

<sup>(1)</sup> Company estimate

## MDx MARKET GROWTH

- In the span of 25 years, molecular diagnostics have burgeoned from a practically non-existent market of approximately \$10 million in product sales to \$5.2 billion worldwide in 2014
  - **Estimated annual growth rate of 7.5%** at least through 2018
- Thousands of labs in the U.S. can be enabled with MDx technologies, but we believe that they lack key capability to capture the market
  - Today's MDx products are expensive

Global MDx Sales 2012 – 2018E



**IF DEMAND FOR MDx TESTS IS GROWING SO FAST,  
WHY IS THE INDUSTRY UNDER PRESSURE?**

Source: Enterprise Analysis Corporation "Molecular Diagnostics Update: Market Trends and Outlook," 2014

### MDx Market Margins are Under Intense Pressure

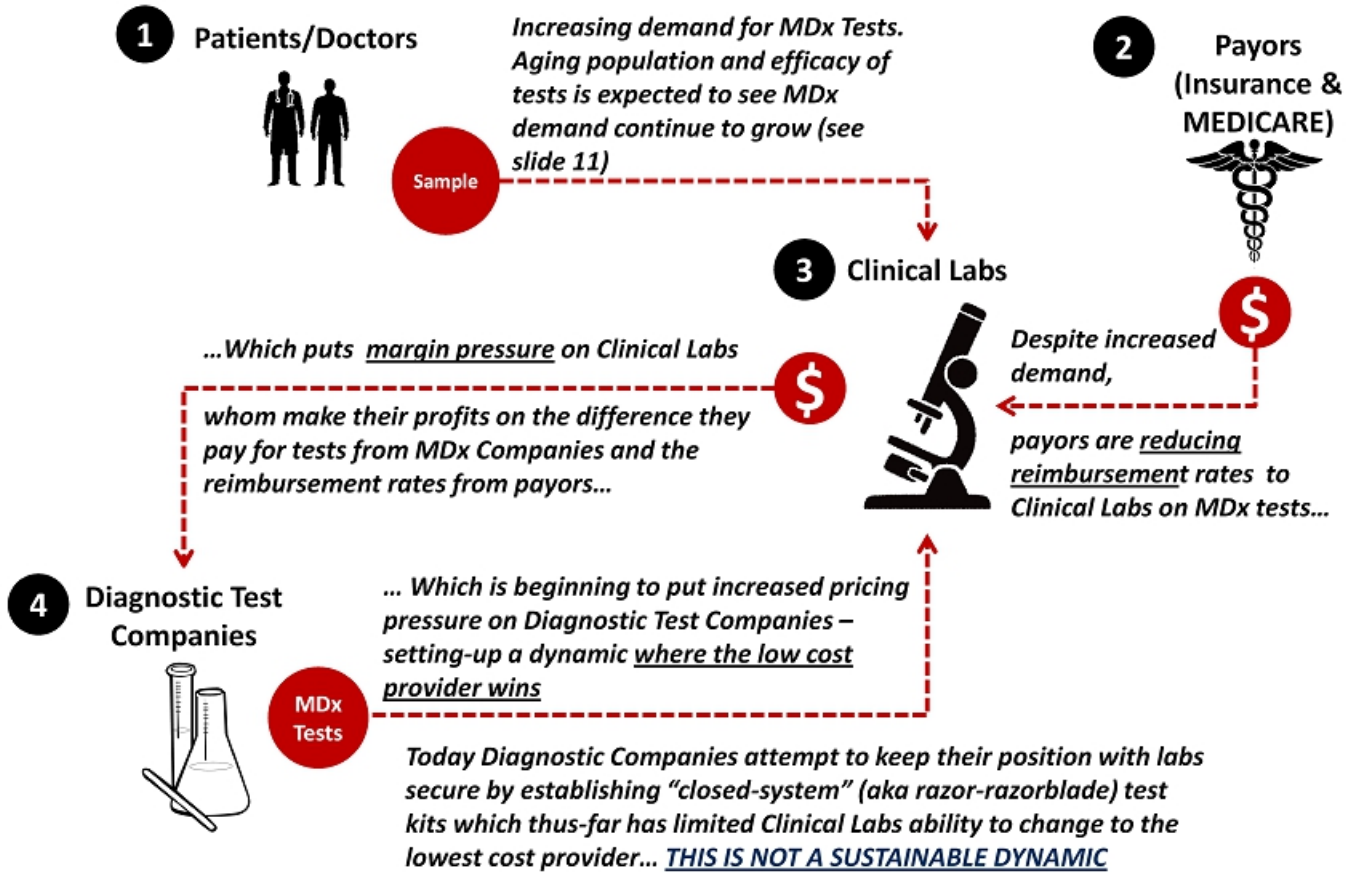
- ↖ **Demand** for MDx is rapidly increasing, and we believe it is growing at 2x the rate of the overall diagnostic market<sup>(1)</sup>
- ↘ Despite growing demand, **reimbursement** for MDx tests is in long-term decline<sup>(1)</sup>
  - ↘ MDx **margins** within labs could decline by another 20-30 percentage points under new payor guidelines<sup>(1)</sup>
- ↖ Meanwhile, we believe the **costs for performing** MDx tests are increasing<sup>(1)</sup>
  - ↖ MDx product companies are not reducing the cost of the products to the clinical labs despite downward reimbursement pressure because closed systems are expensive to develop and produce

ENZO BELIEVES IT CAN ADDRESS THIS CHALLENGE AND DELIVER TO ITS CUSTOMERS A 30%-50% REDUCTION IN SAVINGS THROUGH ITS INTEGRATED SOLUTIONS

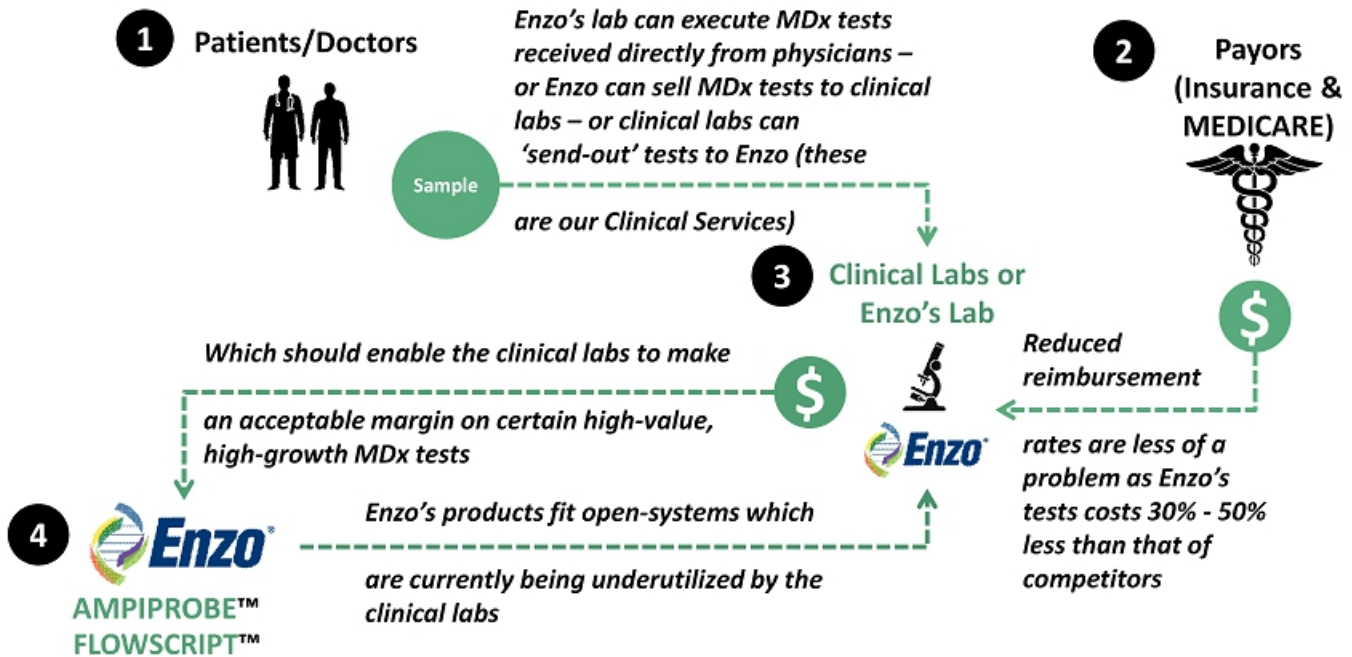
<sup>(1)</sup> Company estimate



# MARKET PROBLEM EXPLAINED



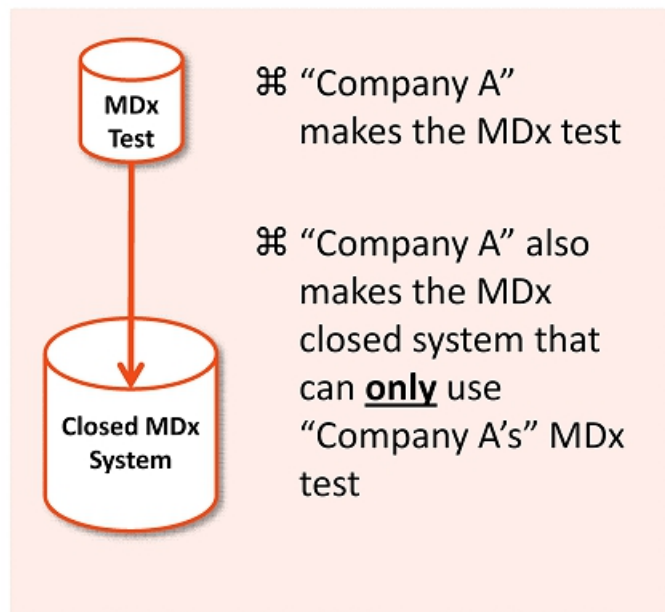
# ENZO'S SOLUTION FOR THE MDx MARKET



WIN-WIN-WIN SOLUTION

## MARKET PROBLEM: CLOSED SYSTEMS

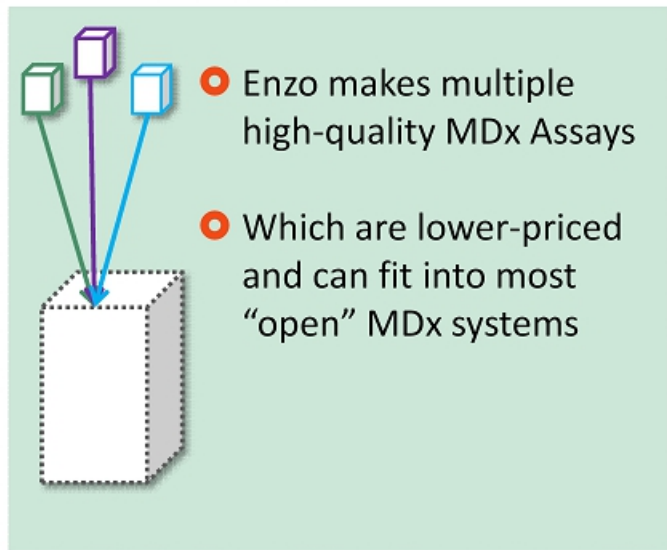
### Closed Systems Explained



- Closed-end systems are developed by MDx companies to perform MDx tests that **only accept proprietary reagents**
- In part because of the development costs of these systems, MDx companies attempt to lock in agreements with clinical labs for certain MDx tests, which has made the labs **hostage to higher reagent prices and, thus, lower margins**

WE BELIEVE BEING "STUCK" WITH CLOSED-END SYSTEMS IS A LARGE CONTRIBUTOR TO THE DECLINING MARGIN PRESSURE OF CLINICAL LABS

### The “Open System” Opportunity

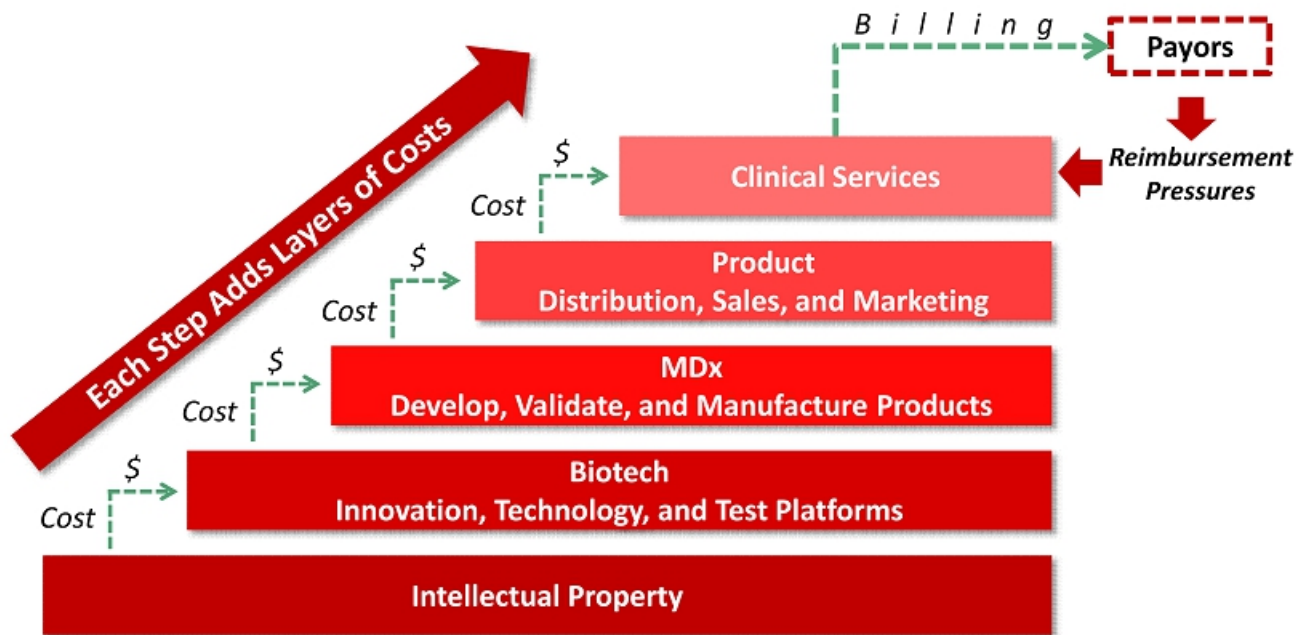


- Recently (<5 years), inexpensive open systems have become widely available, but high-value content is lacking due to third party MDx companies IP barriers – this presents a material opportunity for Enzo
- Selling MDx content into this large installed base of open systems presents a significant **opportunity for Enzo to disrupt the closed system market** and offset margin pressures in the market
- Enzo owns all of its intellectual property which enables it the freedom to operate and pass the savings on to the customers and insurers

ENZO’S SOLUTION IS A GAME-CHANGER FOR CLINICAL LABS

# MDx MARKET HAS MATERIAL INEFFICIENCIES

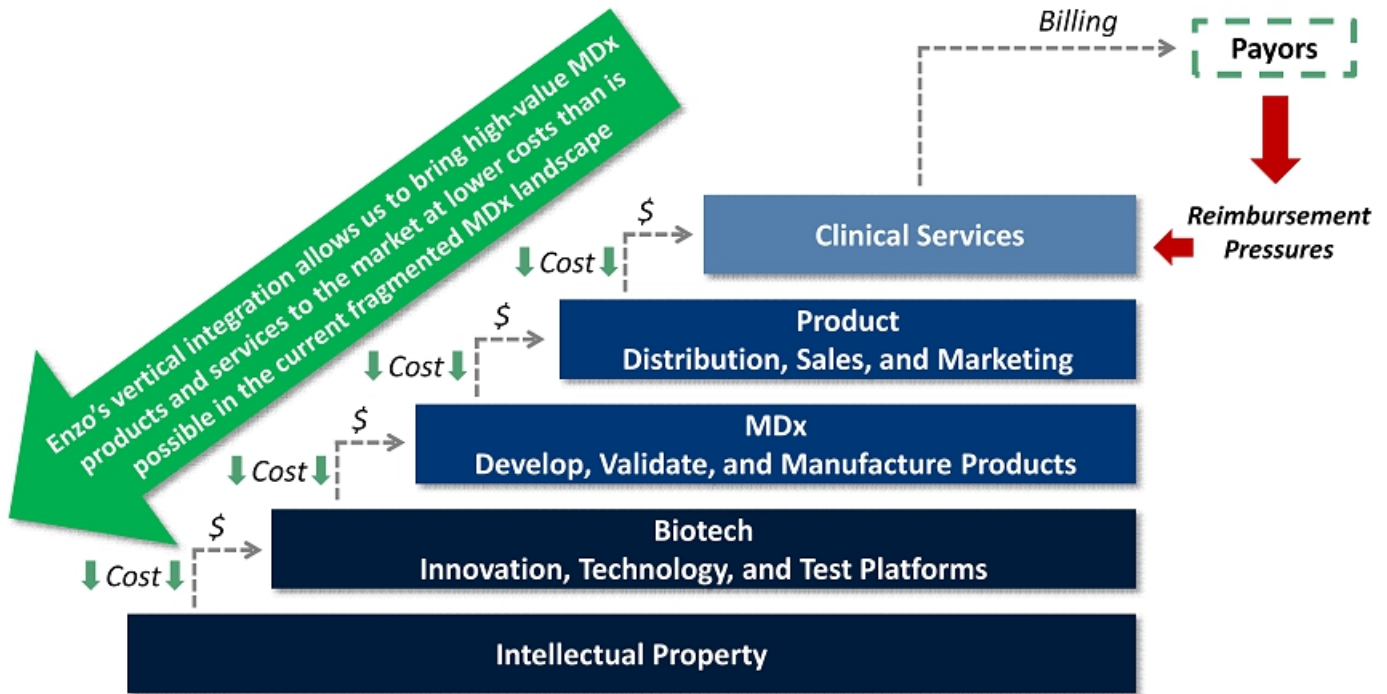
## The Multiple, Inefficient Layers of the MDx Market



**FRAGMENTED COMPANIES CURRENTLY IN THE MDx MARKET ADD COSTS AND COMPROMISES INNOVATION**


# ENZO'S VERTICAL INTEGRATION HAS MATERIAL ADVANTAGES

## Enzo's Structure Lowers Costs and Promotes Innovation



# ENZO'S SOLUTION: VERTICAL INTEGRATION

BIOTECH, MDx, AND CLINICAL SERVICES COMPANIES IN TODAY'S MARKET ENVIRONMENT LACK THE NECESSARY OPERATING STRUCTURE AND RESOURCES TO EFFECTIVELY MEET THE CHALLENGES OF THE MDx MARKET<sup>(1)</sup>

	Concept				Commercialization	
	Innovation & IP	Technology Platform	Manufacturing	Technology Validation	Products	Services
Biotech Competitors	✓	✓	✗	✗	✗	✗
MDx Competitors	<i>Via Licenses</i>		✓	✓	✓	✗
Clinical Service Competitors	✗	✗	✗	✗	✗	✓
	✓	✓	✓	✓	✓	✓

■ Without an integrated vertical structure and associated resources, we believe the market incurs incremental licensing, high fixed overhead costs, and distributor costs that restrict the ability to operate in a low-cost, high-quality manner

■ Unlike Enzo, we believe these companies are trapped in their singular limited structure that is neither adaptive to reimbursement challenges nor creates innovative technology products serving market participants

(1) Company analysis

# WHY ENZO BELIEVES IT CAN DELIVER 30%-50% SAVINGS TO MARKET

## HOW ENZO CAN DELIVER SIGNIFICANT SAVINGS TO ITS CUSTOMERS

<b>Average Gross Margin of Clinical Services Companies<sup>(1)</sup></b>	<b>~30%</b>
<b>Potential MDx Savings:</b>	
<b>Cumulative Royalty Relief</b>	
■ <i>Enzo owns all of its IP</i>	10%-15%
■ <i>Intellectual property generation already paid for</i>	
<b>Lower Cost of Goods</b>	
■ <i>Enzo's cumulative technological capability is the foundation</i>	
■ <i>Enzo's robust product development pipeline emanates from a multiplicity of platforms with a low cost of product development for open systems</i>	10%-20%
<b>No Capital Investment</b>	
■ <i>Enzo's products do not require dedicated/expensive instrumentation</i>	5%-10%
<b>Anticipated Margin After Enzo Savings – 2016</b>	<b>55%-75%</b>
<b>Anticipated Margin After Enzo Savings – 2018 (After PAMA)<sup>(2)</sup></b>	<b>35%-55%</b>
■ <i>Even with further reimbursement erosion, we deliver cost relief to the market while maintaining healthy margins for Enzo</i>	

(1) Company estimates – average assumed segment lab gross margin

(2) Assumes PAMA reimbursement rates are approximately 20 percentage points lower than 2016 levels



*“[Y]ou guys are doing a really good job. Getting Ampiprobe approved is a game changer.”*

Norman Hale, Stifel, 12/8/2015

## AMPIPROBE™

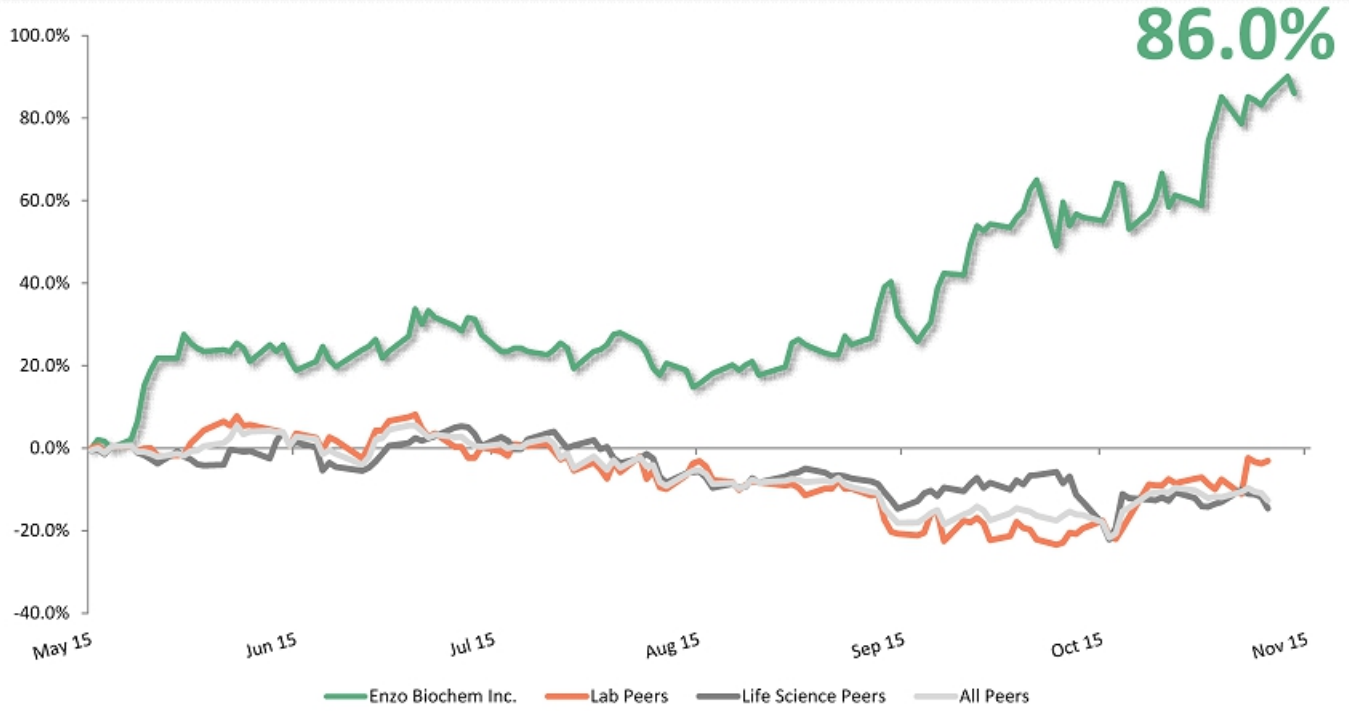
<b>Less Sample</b>	✓ Allows paneling/reduced reaction volume/lower prep costs
<b>Multiplex Capability</b>	✓ Able to run up to 30 assays simultaneously
<b>Zero Background</b>	✓ After more than 60 cycles ✓ Competitors have issues
<b>100% Concordance</b>	✓ Existing FDA-approved PCR technologies
<b>Flexible, Adaptable &amp; Universal</b>	✓ Any open/dedicated system
<b>Adaptive</b>	✓ Fits into laboratory workflow seamlessly

## FLOWSCRIPT™

<b>Multiplex Capability</b>	✓ Simultaneous examinations of each cell in a sample
<b>Higher Efficiency</b>	✓ Designed to reduce hands-on time
<b>Consistent</b>	✓ Elimination of steps that can cause fluctuation in results
<b>Flexible, Adaptable &amp; Universal</b>	✓ Work with virtually any flow cytometer with protocols that they are used to
<b>Compatible with High-Through Instrumentation</b>	✓ Scalability can reduce marginal cost
<b>Broad Applicability</b>	✓ Able to measure genomic activity, not just detect protein ✓ Immune-mediated disorders, cancer, infectious diseases, drug development
<b>Adaptive</b>	✓ Fits into laboratory workflow seamlessly

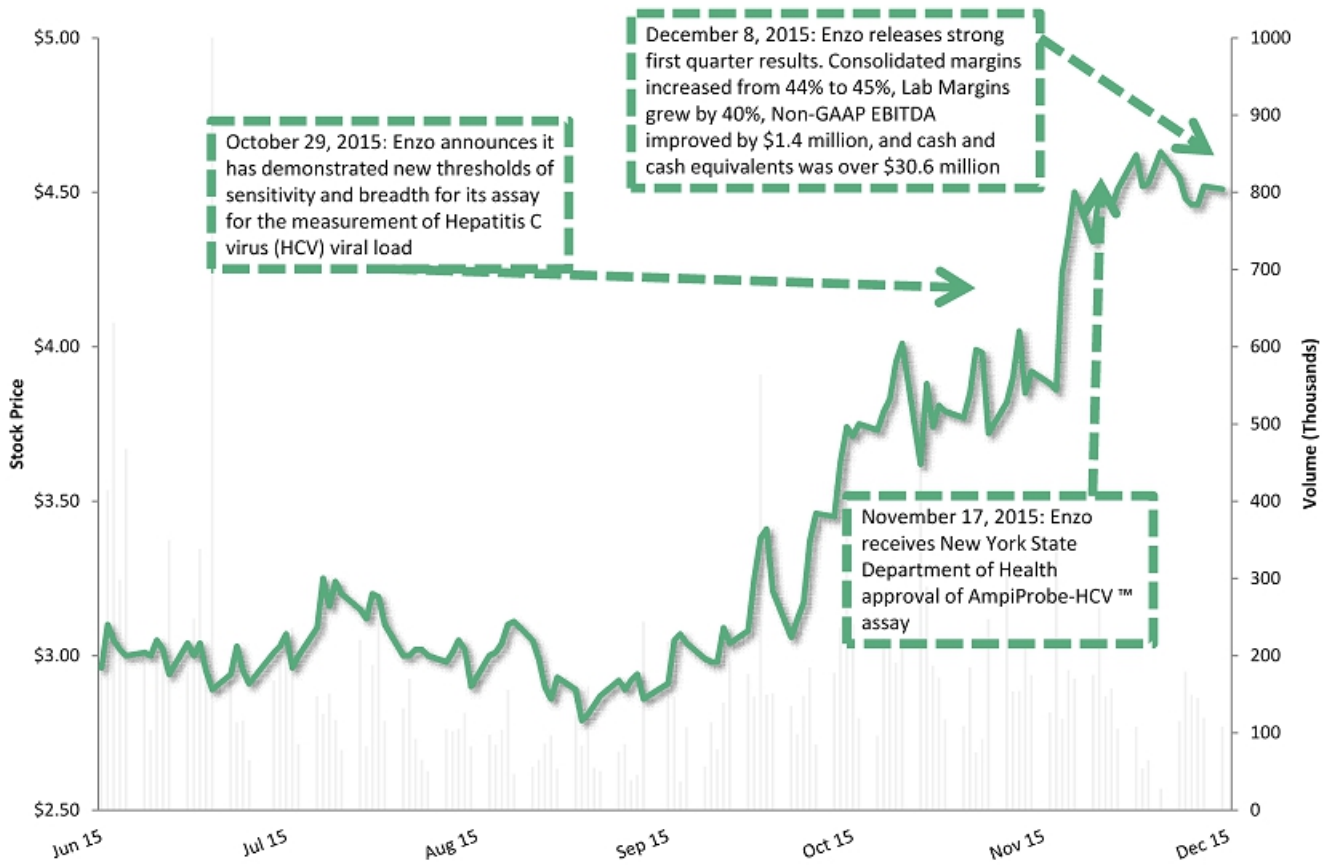
# THE MARKET IS REWARDING ENZO'S PROGRESS

## 6-Month Total Shareholder Return



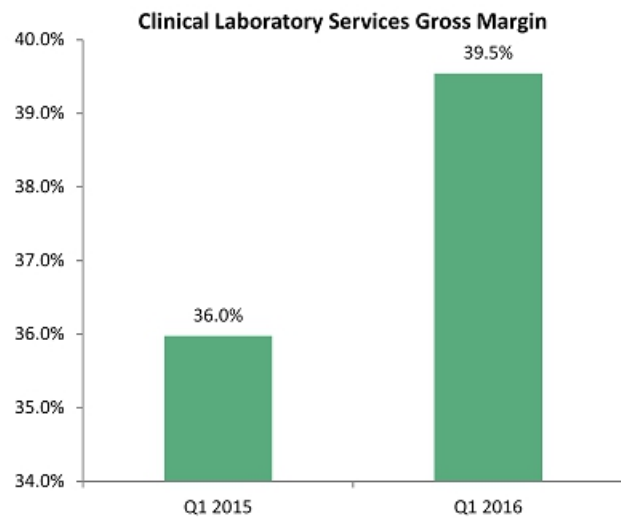
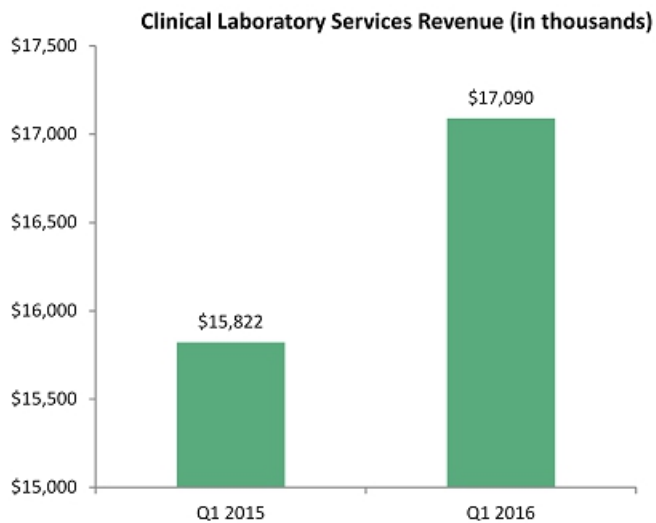
Note: Selected Lab Peers: GHDX, NEO, SQNM, SHL, NTRA, and VCYT (Median value used)  
Note: Selected Life Science Peers: AFFX, NSTG, EXQ, HBIO, and TECH (Median value used)  
Source: Capital IQ as of November 24, 2015

## RECENT CATALYSTS ARE VALIDATING ENZO'S STRATEGY



Source: Capital IQ as of December 8, 2015

## ENZO RECENT RESULTS DEMONSTRATE THAT OUR STRATEGY IS WORKING



*“FQ1 (Oct) represented a solid start to FY 2016 (July), particularly on the Clinical Lab side of the business, which once again posted strong revenue growth in the high single digits while continuing to expand gross margin by several hundred basis points.”*

Craig Hallum, December 8, 2015

## SUMMARY

### ENZO ADDRESSES THE CHALLENGES IN MDx MARKET

- The Company continually evaluates its own technologies and platforms and selects those to further advance based on the following criteria:
  - Products that solve problems for clinical labs and have existing market opportunities
  - Products that can be ***sold at 30%-50% less*** than our competition<sup>(1)</sup>
  - Products that could perform at or superior to market leaders' products
  - Medically relevant information
  - Products that could fit into existing operations and do not disrupt lab workflows
  - Products that result in greater margins for Enzo
- We have been able to design proprietary products and protocols that fit into current lab workflows without the need to utilize third-party intellectual property
  - We save on licensing costs, and these savings can be passed along to our customers
  - There is no need to “reinvent the wheel” once we decide on what test we want to develop
  - Existing internally generated technologies and platforms allow us to efficiently mix and match capabilities in order to optimize the cost profile, performance, and user-friendly nature of any particular test
    - Enzo can offer both products and services to the MDx market

### THE TIME FOR ENZO IS NOW

<sup>(1)</sup> Company estimate



## The Problems with Lone Star

December 2015  
[www.enzo.com](http://www.enzo.com)

## Lone Star:

- ✘ Complete lack of ideas for Enzo's Business – thus resorting to disingenuous personal attacks and red herring critiques
- ✘ Rapidly selling their Enzo stock while waging a proxy fight (see pages 30-31)

WHY DOES LONE STAR THINK THIS IS OKAY?

DO THEY CARE AT ALL ABOUT THEIR CREDIBILITY?

THERE IS NO ROOM IN THE MARKETPLACE FOR THE TACTICS USED BY LONE STAR



## LONE STAR VALUE'S LACK OF SPECIFICITY AND VALUE-ADD

- An investment manager called Lone Star Value Management LLC (“Lone Star”) with a 1.23% position in Enzo is currently seeking 40% representation on Enzo’s board<sup>(1)</sup>
  - ✗ We believe Lone Star’s **interests are not aligned** with other shareholders
    - *Lone Star has demonstrated a history of short-term trading in stocks in which it has been involved*
    - *Lone Star’s trading activity (in and out) of Enzo’s stock is the antithesis of long-term value creation (see pages 30-31)*
  - ✗ We believe Lone Star’s **nominees are not independent** of one another and are not independent of Jeff Eberwein, the Founder and CEO of Lone Star
    - *Mr. Eberwein operates in an insular circle with a web of interconnections to his Enzo nominees – John Climaco and Dimitrios Angelis became paid consultants and/or employees of his targeted companies*
  - ✗ We believe Lone Star and its **nominees have no articulate plan** for our business other than self-enrichment, jobs, stock trades, etc.
    - *We provided Mr. Eberwein, Mr. Climaco, and Mr. Angelis with numerous opportunities to share their ideas for Enzo – and yet they never offered a single idea as to how they would create shareholder value any differently than the Company’s current plan*
    - *In fact, they were complimentary toward Enzo’s board and management*
    - *If elected to Enzo’s board, a majority of the independent directors would be controlled by Lone Star*
  - ✗ We believe Lone Star has a **track record** of destroying value for shareholders<sup>(2)</sup>
    - *Lone Star’s failures overwhelmingly dwarf its successes – so much so that we can’t imagine why any shareholder would want to gamble on their involvement*

(1) Lone Star Value Investors LP (“Lone Star”) Schedule 14A, filed with SEC on December 2, 2015

(2) See pages 66-82

## IS LONE STAR A SHAREHOLDER OR A TRADER?

Common Stock	10,000	10/19/15
Common Stock	(55,000)	10/30/15
Common Stock	(5,000)	10/30/15
Common Stock	(25,000)	11/2/15
Common Stock	(5,000)	11/2/15
Common Stock	(31,300)	11/4/15
Common Stock	(2,236)	11/4/15
Common Stock	(18,897)	11/5/15
Common Stock	(2,591)	11/5/15
Common Stock	(19,803)	11/6/15
Common Stock	(173)	11/6/15
Common Stock	(30,100)	11/18/15
Common Stock	(5,000)	11/18/15
Common Stock	(5,316)	11/19/15
Common Stock	(1,784)	11/19/15
Common Stock	(7,800)	11/20/15
Common Stock	(5,000)	11/20/15
Common Stock	(6,784)	11/23/15
Common Stock	1,784	11/30/15

Lone Star has been **reducing** the number of shares it owns in Enzo – since 10/30/2015, Lone Star has sold 226,784 shares and purchased only 1,784

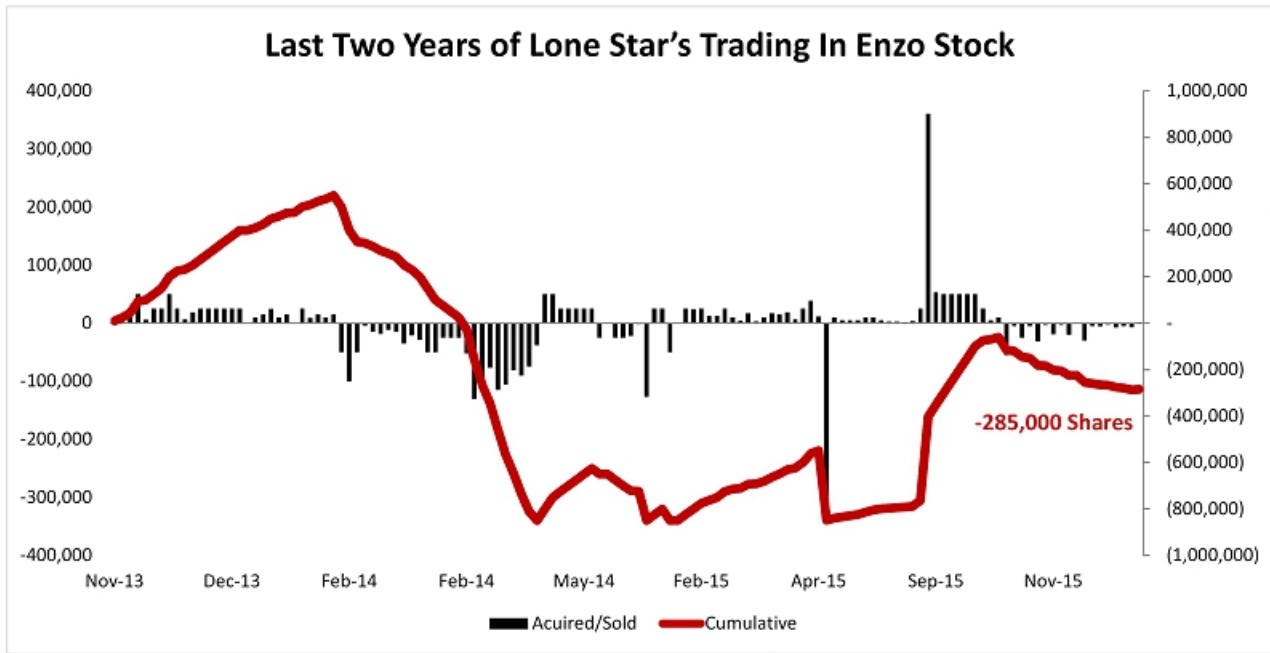
What does this say about Lone Star's commitment to create long-term value for shareholders?

What does this say about Lone Star's view of Enzo's investment prospects at these levels?

Should a "selling" shareholder have control of 67% of the board's independent directors?

**ENZO'S MANAGEMENT TEAM AND BOARD NOMINEES ARE NOT SELLERS OF THE COMPANY'S STOCK AND ARE WORKING TO CREATE VALUE WELL IN EXCESS OF OUR CURRENT VALUATION, UNLIKE, WE BELIEVE, LONE STAR**

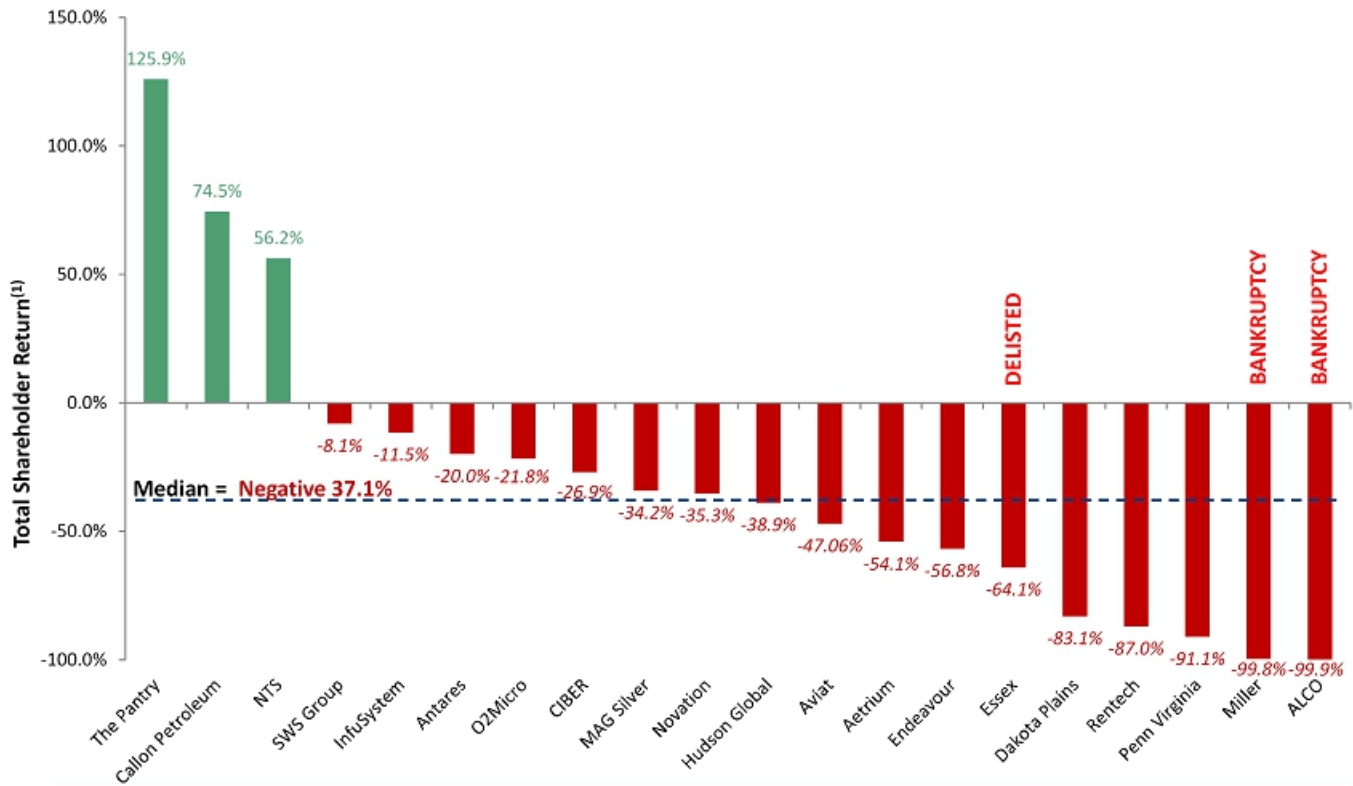
# LONE STAR OWNS LESS ENZO STOCK THAN IT DID TWO YEARS AGO



LONE STAR IS SELLING SHARES WHILE WAGING A PROXY CONTEST

DOES LONE STAR LOOK LIKE A "LONG-TERM SHAREHOLDER" OF ENZO?

# ABYSMAL TRACK RECORD

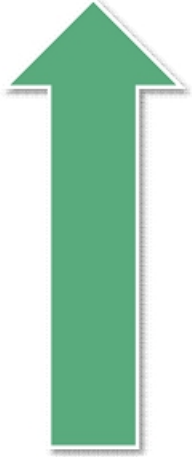


**LONE STAR'S TRACK RECORD, WE BELIEVE, SPEAKS FOR ITSELF**

Source: FactSet

(1) Represents Total Shareholder Return from campaign announcement until the end of Lone Star's involvement (if Lone Star is still involved, end date is November 24, 2015)

## THE CHOICE FOR SHAREHOLDERS IS CLEAR!



- ✓ A business model and operational structure that are positioned to address the imminent needs of the growing but challenged MDx industry
- ✓ The ability to further leverage Enzo's vertically integrated business structure to create value for shareholders
- ✓ A board and management team with a deep understanding of the MDx marketplace and a proven track record of developing valuable biotech innovations, the value of which is now being harvested
- ✓ An ownership culture in which directors and management do own shares of common stock – their interests are perfectly aligned with the interests of long-term shareholders



- Lone Star
- ✗ Disruption of Enzo's current trajectory by an investor that openly admitted he *"doesn't understand our business"*<sup>(1)</sup>
  - ✗ A 67% change in independent directors by a 1.2% shareholder who has not put forth a single idea on how they would create value for shareholders
  - ✗ An investor and nominees with innumerable interconnected relationships that appear to have an abysmal track record
  - ✗ An investor who has bought 1,916,784 shares and sold 2,201,784 stock over the past two years – a shareholder that we believe trades in Enzo's stock opportunistically<sup>(2)</sup>

(1) Lone Star discussion with the Company

(2) Lone Star Value Investors Schedule 14A, filed with SEC on December 2, 2015



## Addressing Lone Star's December 17<sup>th</sup> Presentation to ISS

December 2015  
[www.enzo.com](http://www.enzo.com)

# HOW CAN LONE STAR LOOK ISS IN THE EYE AND SAY "WE ARE A LONG-TERM ENZO SHAREHOLDER"?

Executive Summary

LONE STAR VALUE MANAGEMENT

- LSV is a long-term Enzo shareholder. *LSV began researching Enzo in 2013 and started purchasing shares in September. Our research indicates that the Company is undervalued, but the incumbent Board seems unwilling or unable to generate operating profits and improve corporate governance.*
  - We are confident Enzo would benefit from the addition of our two nominees who will leverage their significant health and IP litigation expertise and public board and turnaround experience to unlock shareholder value and improve shareholder rights.
- LSV made every effort to constructively engage with Enzo's Board and management but were rejected.
  - Despite numerous conversations with Enzo since September 2013, the Board consistently disregarded our concerns, their history of financial losses, poor corporate governance, and related party transactions, leaving us no choice but to file a proxy contest to align Enzo's corporate strategy and operations with shareholders' best interests, restore profitability, and overhaul corporate governance policies.
  - The Board refused to add a single new director per our suggestion and informed us they will spare no expense to win a proxy contest and maintain the status quo.
- Tellingly, this is not the first time a shareholder has raised concerns with Enzo's continued underperformance.
  - Prior to both the 2009 and 2010 Annual Meetings, a co-founder and former officer and director of the Company (the current CEO's brother), Shahram K. Rabbani ("Mr. Rabbani"), initiated proxy contests against the incumbent Board.
    - o *"In recent years, Mr. Rabbani grew increasingly frustrated with the lack of a strategic direction within the Company, the performance of the management team, and the failure by the Board of Directors to implement any strategic or management changes to reverse the tide of increasing annual losses... The Board of Directors has failed in any way to hold management accountable for the Company's performance and has failed to act with any regard to the interests of stockholders and the actual performance of the Company"*<sup>(1)</sup> – Mr. Rabbani
    - o The day before the 2009 Annual Meeting, Mr. Rabbani settled with the Company for a \$2.7mm lump sum cash payment. In exchange for withdrawing his proxy contest<sup>(2)</sup>

(1) Source: Preliminary Proxy Statement on Schedule 14A, filed by Shahram K. Rabbani on January 8, 2010.  
(2) Source: Form 8-K filed by the Company on January 29, 2010.

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Lone Star has been **aggressively selling** Enzo's stock! (see pages 30-31)

During our engagement it was immensely clear that **Lone Star has absolutely nothing of value to offer the Company** and Mr. Eberwein even admitted that "he does not understand our business"<sup>(1)</sup>

If Lone Star had done **any homework** on this situation, they would quickly realize it is incredibly foolish to associate themselves with this resolved matter

## LONE STAR IS ANYTHING BUT A LONG-TERM SHAREHOLDER OF ENZO

Source: Lone Star Investor Presentation filed December 17, 2015  
(1) Lone Star meeting with Company

# LONE STAR ASSERTS THAT ENZO "LACKS EXECUTION"

*How can Lone Star even assess our business if they "don't understand" Enzo?(1)*

*Our recent performance would suggest that we are **executing very effectively** on our strategic plan*

*Obtaining product approvals is a direct result of execution of our strategic plan*

*Developing **and monetizing** Enzo's substantial IP portfolio is a direct result of execution of our strategic plan. Is Lone Star suggesting their nominees have superior IP litigation experience to Enzo's world class counsel who works on a contingency basis?*

Why We Believe Enzo Has Potential

LONE STAR VALUE MANAGEMENT

- Enzo's underlying business has significant potential, but lacks execution
  - LSV's nominees have no intention of changing Enzo's core business model, but will focus on cost control and profitability
    - This process should not in any way disrupt the hard work of Enzo's employees or its customer relationships
  - We are concerned the incumbent Board lacks proper oversight of management and lacks a sense of urgency to control costs and generate profits, both of which suppress shareholder value
- Enzo's product potential has been enhanced by the Company's recent announcement that the New York State Department of Health granted approval of the Company's AmpliProve-HCV assay for the quantitative detection of Hepatitis C
  - Both of LSV's nominees have healthcare product experience and will help management execute on its business model
- In addition, Enzo owns very valuable patents that are both essential and non-essential to its core business
  - The Company is currently engaged in 11 patent infringement cases in Delaware in addition to cases pending in New York and Connecticut that could potentially result in settlements worth hundreds of millions of dollars and generate value for shareholders
  - Besides engaging in IP litigation, Enzo could possibly license patents in order to receive additional revenue from royalties
  - Non-essential patents that may or may not have been infringed upon could possibly be sold to other companies in the future to boost shareholder value
  - Both of LSV's nominees have healthcare patent experience and one, Dimitris Angelis, is a practicing healthcare IP attorney and has significant courtroom experience litigating and defending healthcare intellectual property



## COULD LONE STAR'S LAWYER NOMINEES "ASSIST" WITH OUR IP LITIGATION?

- Enzo has retained John Desmarais as its IP litigation counsel – with a 100% contingency arrangement
- *Desmarais is one of the most successful IP litigators ever*

Enzo's IP Litigator

<http://www.desmaraisllp.com/lawyers/john-m-desmarais>

Lone Star Nominee – Dimitrios Angelis

<http://www.lifescienceslawgroup.com/dimitrios-j-angelis-executive-counsel/>

THE NOTION THAT LONE STAR'S NOMINEES CAN ENHANCE ENZO'S IP LITIGATION EFFORTS IS PREPOSTEROUS AND WE BELIEVE LONE STAR IS MERELY GRASPING AT STRAWS TO TRY AND FIND *SOMETHING* THEY CAN SAY REGARDING THEIR FECKLESS CAMPAIGN

## DOES ENZO APPEAR TO NEED THE HELP OF LONE STAR'S "IP EXPERTS?"

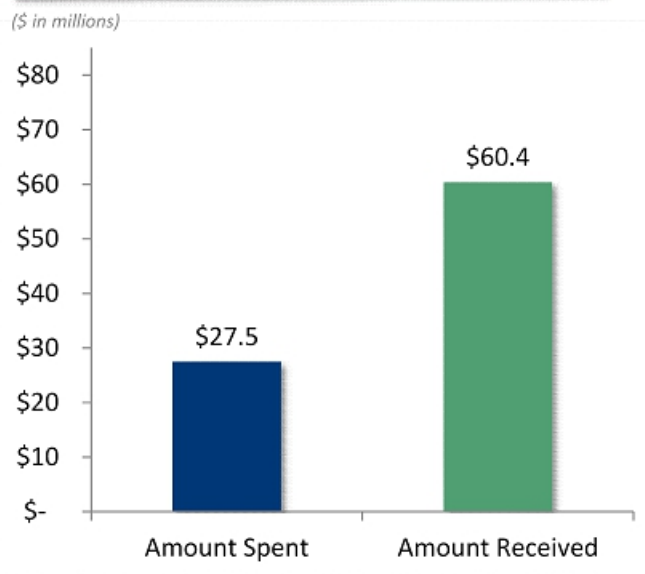
- Enzo has consistently been at the frontier of innovation, committed to investing in the development of disruptive technologies
- Having a wide range of applications, Enzo's IP estate of patents (of which our CEO is co-inventor) has been regularly infringed upon, enriching a number of major companies over several years
- In light of patent infringement, Enzo is committed to protecting its formidable IP assets
  - Investments in IP protection has generated substantial returns from both legal settlements and IP royalties

### 2011-16 Total Through 1<sup>st</sup> Quarter of Fiscal 2016

(\$ in millions)

Total Legal Fee Expense	(\$27.5)
Legal Settlements, Net	34.4
IP Royalties	26.0
<b>Net Gain</b>	<b>32.9</b>

### Total Legal Expenditures<sup>(1)</sup> vs. Return Through 1<sup>st</sup> Quarter of Fiscal 2016



**DURING THE PAST FIVE YEARS, ENZO'S SETTLEMENT AND LICENSING REVENUE WAS TWICE AS LARGE AS THE COMPANY'S TOTAL LEGAL EXPENSE AND CONTRIBUTED TO THE COMPANY'S CASH RESERVES**

(1) Includes all legal expenses as reported

# WHO IS LONE STAR?

Lone Star Value – Who We Are

**LONE STAR VALUE**  
MANAGEMENT

- Lone Star Value is a deep value-oriented investment firm focused on small-cap opportunities with a long-term focus on realizing returns via constructive engagement with its portfolio companies in order to maximize shareholder value
  - As a last resort, LSV will run a proxy contest if a company refuses to take the necessary steps to enhance shareholder value
- **Managed by Jeff Eberwein, Lone Star Value has extensive investment and Board experience**
  - Mr. Eberwein has significant experience working constructively with management teams and Board members of companies in Lone Star Value's portfolio
  - Prior to founding Lone Star Value, Mr. Eberwein worked at Soros Fund Management and Viking Global Investors as a Senior Portfolio Manager and has over twenty years of investment experience
  - Mr. Eberwein currently serves as the Chairman of 5 public companies: AMERI Holdings, Inc., ATRM Holdings Inc., Crossroads Systems Inc., Digirad Corporation, and Hudson Global, Inc.; and serves on the board of a sixth public company
    - Digirad is a healthcare company where Mr. Eberwein, as Chairman, orchestrated a successful turnaround, despite the company failing to generate profits in previous years (similar to Enzo); the stock has appreciated 215%<sup>(1)</sup> since Mr. Eberwein became Chairman
  - Lone Star Value has consistently fought to improve shareholder rights, improve corporate governance, and maximize shareholder value at its portfolio companies
- **LSV's 2 highly-qualified and independent nominees:**
  - **Dimitrios J. Angelis:** We believe Mr. Angelis' experience of over a decade as an accomplished negotiator and general counsel to public and private companies, prior experience within the pharmaceutical and medical device industries, and experience with patent portfolios will enable him to bring a wealth of strategic, legal, and business acumen to the Board
  - **John M. Climaco:** We believe Mr. Climaco's significant executive experience, including nine years as the CEO of a company developing genetic tests and operating a clinical laboratory, as well as his experience raising capital, engineering strategic alliances, building executive teams, and managing complex business operations and legal strategies, will make him a valuable addition to the Board

(1) As of 11/30/2015.

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*Lone Star's assertion that it has a "long term focus" is not substantiated by the facts (see page 31)*

*Indeed Mr. Eberwein does have "extensive board experience" as he has sat on **11 different public boards** (see page 62) . Does that seem like someone with a "long-term focus"?*

*Should anyone be a Chairman of five public companies at one time while also running a hedge fund? Does this seem responsible?*

*Lone Star's track record is overwhelmingly negative with respect to creating value for shareholders (see pages 66-82)*

*The assertion that Lone Star's nominees are independent is laughable (see pages 61-65)*

# LONE STAR'S ONE PAGE "PLAN"

Our Plan

LONE STAR VALUE  
MANAGEMENT

**If elected, our nominees will seek to do the following:**

- 1. Immediately add value to Enzo's operational and financial performance**
  - ✓ Examine overhead (SG&A) expenses to remove unnecessary expenditures
  - ✓ Examine R&D expenditures to focus on high Return on Investment (ROI) projects
  - ✓ Instill a sense of urgency to generate profits without sacrificing long-term growth
  - ✓ Assist management in the execution of its current business model and new product development
  - ✓ Assist management with its outstanding IP litigation cases and monetization strategy
- 2. Overhaul corporate governance policies to benefit All Enzo shareholders**
- 3. Re-evaluate the Company's related party transactions and implement policies to prevent conflicts of interest**
- 4. Open-mindedly consider all strategic alternatives that could maximize shareholder value**

**Our nominees have a wealth of experience in the life sciences and biotechnology industry, and with IP litigation matters, which is in stark contrast to Enzo's incumbent independent directors who have essentially no healthcare or IP litigation experience**

Why would shareholders elect Lone Star's nominees – which would represent 2/3 of the independent directors – so that they can “examine” our business? Have they seen that our operational metrics are rapidly improving? Do they really think we need help with our IP litigation? Lone Star’s “plan” is nothing more than a thought experiment!

See pages 43-44 regarding the Company's single related party transaction

Hedge Fund code for “Sell the Company”

**“EXAMINING” IS NOT A PLAN!**

# LONE STAR NOMINEES HAVE NO PLAN

- Enzo acknowledges that the Company has yet to achieve its full potential
  - *We have been executing on a multi-year strategic plan to dramatically improve performance and create sustained value for shareholders*
  - *Our strategy is **beginning to bear the fruit of this effort**, and the market is beginning to appreciate Enzo's potential*
- Despite Mr. Eberwein's admission that he "**did not understand our business**," we thoroughly interviewed and vetted Lone Star nominees and specifically requested they share ideas on how they can increase the value of Enzo
  - *In our meetings with Mr. Climaco and Mr. Angelis, they **did not offer a single strategic suggestion** for Enzo's business*
  - *In fact, both gentlemen had high praise for the accomplishments of the current Board*

SECURITIES  
Washington, D.C. 20549  
SCHEDULE 14A  
(Rule 14a-101)  
INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION  
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934  
(Amendment No. )

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement  
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6)(c)  
 Definitive Proxy Statement  
 Definitive Additional Materials  
 Soliciting Material Under Rule 14a-12

ENZO BIOCHEM, INC.  
(Name of Registrant as Specified in Its Charter)

LONE STAR VALUE INVESTORS, LP  
LONE STAR VALUE INVESTORS GP, LLC  
LONE STAR VALUE MANAGEMENT, LLC

Lone Star makes **NO MENTION** of any plan in their proxy

The single "plan" page presented to ISS combined with aggressive selling of Enzo stock makes us wonder if Lone Star is taking its investment in Enzo seriously

LONE STAR IS SEEKING a 67% control of independent directors WITH **NO IDEAS AND NO PLAN**

Source: Lone Star Schedule 14A, filed with SEC on December 2, 2015  
(1) Lone Star discussion with the Company

## “SETTLEMENT OFFER”

Lone Star's Settlement Offer

LONE STAR VALUE  
MANAGEMENT

- LSV has nominated two highly-qualified and value-adding directors to the Company's current Board
  - In order to avoid a proxy contest, LSV offered an amicable resolution of one Board addition without a proxy fight, removal of any incumbent directors, or Enzo having to incur any additional corporate expenses
- Enzo immediately rejected LSV's proposed settlement offer
  - Mr. Weiner informed Mr. Eberwein that Enzo had hired additional financial, legal, and PR advisors to prepare for a proxy contest and that the Company was “willing to spend as much money as needed in order to defend the incumbent directors”<sup>(1)</sup>
  - In Mr. Eberwein's previous conversations with Mr. Weiner regarding the possibility of having a shareholder vote to determine whether or not the Company should retain its classified Board, Mr. Weiner responded that “shareholders don't understand the benefits of a classified Board and that shareholders don't have enough information to make a fully informed decision”<sup>(2)</sup>
  - When Mr. Eberwein asked about Enzo's extremely poor ISS score, Mr. Weiner explained it was the result of the fact that “Enzo does not subscribe to or pay for ISS' services”<sup>(3)</sup>
- Enzo's top 2 executive officers own approximately 6.6%<sup>(4)</sup> of the Company, but it appears they have almost full personal control
- We do not believe Enzo's actions make logical or financial sense
  - Rather than adding even one highly-qualified director by expanding the Board from 5 to 6 members, the Company decided to potentially spend millions of dollars on financial advisors and lawyers to protect their “family-run/family-owned” company
    - o Refusing LSV's settlement offer wastes capital that could have been used to create or return value to Enzo shareholders
- Enzo's actions lead us to believe that the incumbent directors are more focused on keeping their respective directorships and entrenching themselves rather than growing shareholder value

(1) Jeff Eberwein's discussion with Barry Weiner on November 23, 2015.  
(2) Jeff Eberwein's discussion with Barry Weiner on October 14, 2015.  
(3) Jeff Eberwein's discussion with Barry Weiner on October 14, 2015.  
(4) Source: Enzo's Definitive Proxy Statement on Schedule 14A filed on December 10, 2015.

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- *It would have been remarkably easy for us to have simply expanded the Board and add a Lone Star nominee to avoid the expense and distraction of a contested election*
- *However, we obviously **have genuine and serious concerns about Lone Star** and its nominees*
- *After thorough examination of their record and after meeting with each nominee – we could not agree to “just add one”*
- *We take our fiduciary responsibility to our shareholders very seriously **and could not in good conscience accept either of Lone Star's nominees** simply because it was the easy thing to do*

## ENZO REFUSES TO “SETTLE” WITH NOMINEES WHO HAVE ZERO IDEAS AND AN ABYSMAL TRACK RECORD

Source: Lone Star Investor Presentation filed December 17, 2015

# “RELATED PARTY TRANSACTIONS”

Related Party Transactions

LONE STAR VALUE  
MANAGEMENT

- We are extremely troubled by Enzo's related party transactions
- Enzo Labs, a subsidiary of the Company, leases a facility in Farmingdale, New York from Pari Management Corporation ("Pari"), which is owned equally by Dr. Elazar Rabbani, Barry Weiner (and his wife), and former officer and director Shahram Rabbani (who is also a co-founder and the CEO's brother)
  - These insiders purchased the Farmingdale property in December 1989 for \$2.75 million, and shortly thereafter, Enzo Labs entered into a lease agreement with Pari beginning in fiscal year 1990
  - Since fiscal year 1990, Enzo Labs has made lease payments to Pari in excess of \$29m (see chart on following slide)
    - o This represents a total return on investment of 957% for the Rabbani brothers and Mr. Weiner
  - Management considers the 43,000 square foot facility to be leased at "market rates" that are "subject to cost of living adjustments"
    - o Since fiscal year 1990, the facility has averaged a 6.6% annual increase in rent
    - o The average annual Cost of Living Adjustment during the same time period is 2.5%<sup>(1)</sup>; the average annual inflation rate (or CPI) during the same time period is 2.6%<sup>(2)</sup>
- In 1989, Enzo had more than \$27mm in cash,<sup>(3)</sup> contrary to Company claims that it could not afford to purchase the property, but the Company specifically chose not to purchase the facility for a mere \$2.75mm
  - Since purchasing the facility the owners have increased rent by more than 4.6x

The Company has claimed they did not have the capital to purchase the facility in December 1989; however, the Company did not hesitate to pay more than \$7mm in renovation expenses for the facility in the following year<sup>(4)</sup> which benefited Enzo's management at the expense of Enzo's shareholders

(1) Source: The United States Social Security Administration.  
(2) Source: The Bureau of Labor Statistics.  
(3) Source: Enzo's Form 10-K filed on November 28, 1989.  
(4) Source: Enzo's Form 10-K filed on November 14, 1990.

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*Lone Star's attempt to depict the Company's clinical lab lease as somehow unfair or enriching the management team at the expense of shareholders, we believe, demonstrates either (1) a complete misunderstanding of the facts, or (2) a further attempt to potentially mislead shareholders*

**THIS SINGLE RELATED PARTY TRANSACTION IS NOT A "NON-ISSUE" IT IS IN FACT AN EXCELLENT ARRANGEMENT FOR ENZO SHAREHOLDERS**

**HOW WOULD LONE STAR SUGGEST IMPROVING THIS STRUCTURE?**

## “RELATED PARTY TRANSACTIONS”

- In its preliminary proxy statement, Lone Star expresses concerns regarding the Company’s “related-party transactions”
  - *Although Lone Star repeatedly states “transactions” to suggest that there are multiple, there is, in fact, a single related-party transaction which has been in place for 25 years and is unquestionably beneficial for Enzo’s shareholders*
  - *The one and only related-party transaction that Lone Star is concerned with is the Company’s lease of its clinical lab in Farmingdale, NY*
- We believe this criticism is not only disingenuous, but it also demonstrates a complete lack of knowledge of Enzo and the lab industry
  - *In 1990, Enzo was experiencing financial challenges and was in dire need of an expanded laboratory facility in order to grow its business. To address this challenge, an LLC supported by the founders of the Company acquired a property in Long Island and immediately structured a market-rate lease for the Company*
- Lone Star questions “why Enzo did not purchase the facility outright from the beginning”
  - *Quite simply, Enzo did not have the capital at such time; furthermore, this is a question of capital allocation – Would shareholders really want an emerging Biotech Company to use its capital to acquire real estate?*
  - *Not only could Enzo not have just “purchased the facility outright,” they also did not have the financial profile to secure a lease from an independent party*
- Since that time, all of the rent increases for the lab have been associated with significant square footage expansions, increases in real estate tax rates (nnn lease), and regional cost of living adjustments
  - *At inception, the facility was ~25,000 square feet and today is ~43,000 square feet*
  - *Significant adjustments and annual variability in Long Island real estate tax rates, which are a simple pass-through and standard for nnn leases*
  - *The independent members of the Board have retained CB Richard Ellis to review all lease renewals to ensure that the rates and terms are fair and customary*
- Finally, moving locations for a clinical lab is extraordinarily challenging, both logistically and financially
  - *The stability provided by the current structure is tremendously favorable and has given the Company the latitude to sustainably grow and innovate*



# ADDRESSING LONE STAR'S ERRONEOUS COMMENTARY REGARDING OUR BOARD

We Believe Enzo's Nominees Lack Relevant Experience and Question Dov Perlysky's Membership on the Board

LONE STAR VALUE MANAGEMENT

- **Gregory M. Bortz – Independent Director**
  - Financial background in investment banking and private equity; director since January 2010; no healthcare or IP litigation experience
  - Mr. Bortz has no public board experience other than Enzo
- **Dov Perlysky – Independent Director**
  - Financial background; has served on multiple boards of small, "penny stock" companies; Perlysky is also the son-in-law of one of Enzo's largest shareholders, Rosalind Davidowitz; director since September 2012; little healthcare experience and no IP litigation experience
  - Healthcare experience is limited to serving as a director for a \$20mm market cap company in Puerto Rico that provides consulting services to pharmaceutical, biotech, and chemical manufacturing companies
  - Mr. Perlysky sold 416,589 shares of Enzo on January 1, 2015
  - Of the 5 boards that Mr. Perlysky currently serves on, he has family ties to 3 of the companies
  - Mr. Perlysky's family has been indicted on many securities violations
  - Father-in-law, J. Morton Davis, was the head of D.H. Blair (a now defunct brokerage firm that ceased operations under the weight of an impending FBI and SEC investigation) and was subject to various financial-related controversies (i.e. stock dumping). Forbes magazine referred to J. Morton Davis as a "controversial figure"
    - o J. Morton Davis is the husband of Rosalind Davidowitz
  - D.H. Blair also served as the lead underwriter for Enzo's IPO in 1980
  - Given the 35+ year relationship between Mr. Perlysky's and his family and Enzo's senior management team, we question whether Mr. Perlysky is truly independent (see next slide)

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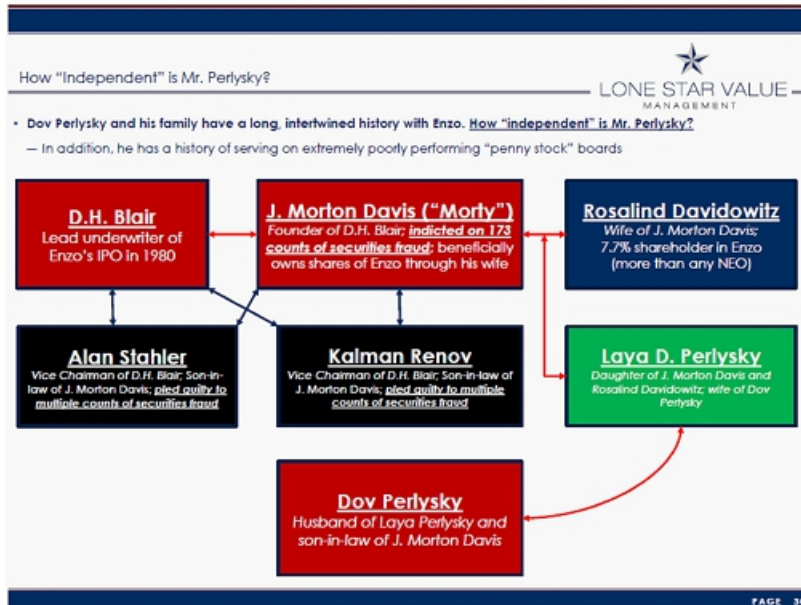
*Mr. Perlysky has run a family office for over 17 years where he has extensive experience investing in biotech and life science companies*

*Mr. Perlysky **DID NOT SELL** Enzo shares, rather these shares were transferred from a trust back to the grantor of a trust*

*Lone Star makes a pathetic and irresponsible attempt to paint Mr. Perlysky as unscrupulous with activities completely unrelated to Mr. Perlysky and his business*

**LONE STAR SHOWS ITS COMPLETE LACK OF INTEGRITY BY ITS SLANDEROUS ATTACKS ON OUR DIRECTORS**

# LONE STAR IS DRAGGING FAMILY MEMBERS INTO ITS PROXY FIGHT



- *This slide that Lone Star put forward to ISS is an attempt to tie Mr. Perlysky to certain members of his wife's family in another effort to characterize Mr. Perlysky as somehow immoral or involved in criminal activity. This is absolutely ridiculous.*
- *Does Lone Star have any REAL ISSUES or REAL IDEAS?*

BECAUSE LONE STAR HAS NO IDEAS FOR ENZO'S BUSINESS – THEY HAVE RESORTED TO DISINGENUOUS PERSONAL ATTACKS

# OUR BOARD HAS AN EXCELLENT TRACK RECORD

Incumbent Directors Inadequate Public Board Experience & Abysmal Track Record

LONE STAR VALUE MANAGEMENT

The tables below show Enzo's three "independent" directors' external public board experience and lack of credibility:

Dov Perlysky	Ticker	Market Cap (\$mm)	Return During Tenure	Filing Compliance
Pharma-Bio Serv, Inc.	PBSV	\$20.76	-28%	Yes
News Communications, Inc. (1)	NWCM	N/A	N/A	No
Oak Tree Educational Partners, Inc. (2)	OTED	N/A	N/A	No
Engex, Inc.	EXGI	\$8.30	-82%	Yes
Highlands Bancorp, Inc. (3)	HSBA	\$14.31	-11%	No

Greg Bortz	Ticker	Market Cap (\$mm)	Return During Tenure	Filing Compliance
None	-	-	-	-

Dr. Bernard Kasten	Ticker	Market Cap (\$mm)	Return During Tenure	Filing Compliance
SIGA Technologies, Inc.	SIOAQ	\$29.76	-5%	Yes
Genelink, Inc. (4)	GNLKQ	\$0.21	-89%	No
Cleveland BioLabs, Inc.	CBLI	\$41.21	-90%	Yes

(1) News Communications, Inc. has not made a filing with the SEC since 2006; last trade of \$76.00/share on May 4, 2018.  
 (2) Oak Tree Educational Partners, Inc. has not made a filing with the SEC since 2011; data based off of last trade of \$0.81/share on September 23, 2012.  
 (3) Highlands Bancorp, Inc. has not made a filing with the SEC since 2012.  
 (4) Genelink, Inc. has not made a filing with the SEC since 2012.

- The original investors joining Mr. Perlysky into the company paid \$0.50/share. A later financing was done at \$0.72 share. The company now trades at \$1.00 per share. The company went from \$147 thousand to \$22 million in stockholder equity and currently has close to \$15 million cash on hand

- News Communications is a closely held company whose shares have recently sold for \$148.00

- Non-filer due to it being a closely held company – we expect solid returns
- Mr. Perlysky was instrumental in refinancing and turning Oak Tree around

- Mr. Perlysky is a founding investor in Highlands State Bank. The Bank grew from \$0-\$300 million in assets and now has four branches. The stock price has appreciated 60% since the 2008 banking crisis. Since joining the board, Stockholder equity is up from \$8.7 million to over \$24 million and the share price is up from \$7.50 to \$8.00
- Due to the 2012 Jobs Act, the company does not have enough shareholders to require an SEC filing. Therefore the company files a quarterly call report with the FDIC, Shareholder Annual Reports, and quarterly press releases

- Mr. Perlysky is a director of Engex, a closed-end mutual fund which holds a significant position in Enzo stock
- Although Mr. Perlysky is a director – he has no control over the composition of Engex's portfolio – however – the one thing Mr. Perlysky could do – was join the board of an Engex portfolio company to help that Company create value
- Since joining the Enzo Board, ENZ has appreciated approximately 100% while Engex share price has increased approximately 150% and the NAV has almost tripled

# DIRECTOR QUALIFICATIONS

*Enzo is NOT in restructuring and its recent performance has been excellent*

*Mr. Bortz has made a career out of helping companies maximize their potential and improve operating performance – it is his primary expertise*

*Mr. Bortz been a director of Enzo since 2010*

*Mr. Perlysky is an engaged investor who regularly works with portfolio companies to improve performance – it is his primary expertise*

*Mr. Perlysky has extensive M&A experience as both a director and lead investor*

*Enzo has retained a premier IP litigation firm and the results of the litigation have been phenomenal*

Lone Star Value Board Nominees

LONE STAR VALUE MANAGEMENT

- Angelis and Climaco bring a range of highly relevant experience, complementary skills, and deep knowledge in healthcare and finance, including expertise in: Healthcare, IP Litigation, Public Board Experience, Cost Control, Restructuring/Turnaround, and M&A

Lone Star Value Nominee	Healthcare	IP Litigation	Public Board	Restructuring Turnaround	M&A
Dimitrios Angelis	✓	✓	✓	✓	
John Climaco	✓	✓	✓	✓	✓

Incumbent Nominee	Healthcare	IP Litigation	Public Board	Restructuring Turnaround	M&A
Gregory M. Bortz			✓		✓
Dov Perlysky	✓		✓		

# LONE STAR NOMINEE: DIMITRIOS ANGELIS

Nominee Biography: Dimitrios J. Angelis

**Dimitrios J. Angelis – Accomplished Executive**

- We believe Mr. Angelis' healthcare, technology, and turnaround experience will make him a valuable addition to the Board
- Mr. Angelis currently serves as **Executive Counsel at Life Sciences Law Group**, which provides legal counseling for biotech, medical device, and pharmaceutical companies
- Mr. Angelis currently serves as a director of DigiRad (DRAD), a medical imaging company, since July 2015, and AMERI Holdings (AMRH), a technology management solutions company, since June 2015
- From December 2012 to August 2015, Mr. Angelis served as a director of On Track Innovations Ltd. (OTIV), a pioneer of cashless payment technology
  - From December 2013 to August 2015, Mr. Angelis served as the CEO of OTI America Inc., the U.S. based subsidiary of On Track Innovations
- From October 2012 until December 2013, Mr. Angelis served as the General Counsel of Wockhardt Inc., a biologics and pharmaceutical company
- From October 2008 to October 2012, Mr. Angelis served as senior counsel at Dr. Reddy's Laboratories, Ltd. (RDY), a pharmaceutical company; won the Chairman's Award for Individual Excellence in 2012
- During 2008 he was the Chief Legal Officer and Corporate Secretary of Osteotech, Inc. (formerly: OSTE), a medical device company, with responsibility for managing the patent portfolio of roughly 42 patents
- He previously worked in the pharmaceutical industry in various corporate, strategic, and legal roles, and held positions with McKinsey & Company, Merrill Lynch, and the Japanese government
- He began his legal career as a transactional associate with law firm Mayer Brown
- Mr. Angelis holds a B.A. in Philosophy and English from Boston College, an M.A. in Behavioral Science from California State University and Juris Doctor from New York University School of Law

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*All three of Mr. Angelis' public boards have been with Mr. Eberwein (see page 62)*

*Enzo does not need another lawyer*

*OTI was not a success under Mr. Angelis (see page 50)*

*Why was Mr. Angelis tenure at Wockhardt and Osteotech so short?*

## LONE STAR NOMINEE: DIMITRIOS ANGELIS

- Mr. Angelis is currently on the boards of Digirad (with Mr. Eberwein and Mr. Climaco) and Ameri100
  - *Mr. Angelis' most recent full-time position was serving as CEO of On Track Innovations (where Mr. Eberwein, Mr. Gillman, and Mr. Singh were all on the Board), and **during his tenure saw approximately a 20% decrease in value***
- Mr. Angelis has been on three public company boards – **all of which** Jeff Eberwein has also been a director
  - *We wonder if Mr. Angelis is essentially a proxy for Mr. Eberwein and whether Mr. Angelis feels obligated to do Lone Star's bidding, losing any sense of "independence"*

### Mr. Angelis Tenure at OTI




- Mr. Angelis' principal background is that of a lawyer
  - *If elected to the Enzo Board, Mr. Angelis will be replacing a valuable contributor to the Company's strategy and recent success*
  - *Finally, we believe that Mr. Angelis' nomination by Lone Star represents yet another example of what we believe is poor judgement by Mr. Eberwein who appears to have simply chosen a close "ally" rather than a director with the unique skills to add value to Enzo and its shareholders*

# LONE STAR NOMINEE: JOHN CLIMACO

Nominee Biography: John M. Climaco, Esq.

**John M. Climaco, Executive Vice President of Perma-Fix Medical S.A.**

- We believe Mr. Climaco's significant executive and public board experience, coupled with his vast healthcare and biotech experience will instantly add value and knowledge to the Enzo board
- Since June 2015, Mr. Climaco has served as the Executive Vice President of Perma-Fix Medical S.A., a Polish company involved in the research, development, and manufacturing of medical radioisotopes
- Mr. Climaco is an attorney and an executive with a distinctive record of business successes and 15 years of experience managing business operations and strategies in both public and private companies
- Since December 2012, Mr. Climaco has served as a director of Digirad, LLC, where he is the Chairman of the Strategic Advisory Committee and a member of the Audit and Compensation Committees
- Since October 2013, Mr. Climaco has also served as a director of Perma-Fix Environmental Solutions, Inc. (PESI), an environmental solutions business
- Previously, he served as a director of PDI, Inc. (PDI), an outsourced sales and marketing company, from December 2013 until October 2014, and InfuSystem Holdings Inc. (INFU), a medical device and services company, from April 2012 to April 2013
- From 2003 to 2012, Mr. Climaco served as the President, Chief Executive Officer and as a director of Axial Biotech, Inc., a venture-backed molecular diagnostics and clinical laboratory company he co-founded specializing in the genetics of spine disorders
- From 1997 to 2003, Mr. Climaco practiced law with the firm Fabian & Clendenin, where he specialized in corporate and tax legal strategies
- Mr. Climaco holds a BA in Philosophy, cum laude, from Middlebury College and a Juris Doctorate from the University of California, Hastings College of Law



LONE STAR VENTURE MANAGEMENT

*Is a director at Perma-Fix and then pivoted to become a full-time employee*

*Digirad is now a customer of Perma-Fix and Digirad is now a shareholder of Perma-Fix. Does that seem appropriate?*

*Digirad made an unsolicited bid for PDI. Is that a coincidence?*

*Axial was a money-losing venture*

*See Infusystems case study (page 73-74)*


*Eberwein, Climaco, and Angelis are ALL on the board of Digirad.*

# LONE STAR NOMINEE: JOHN CLIMACO

John M. Climaco — A Turnaround and Restructuring Expert

LONE STAR VALUE  
MANAGEMENT

- Mr. Climaco has years of experience advising companies in difficult financial situations
- Mr. Climaco specializes in restructuring and turnaround management for financially challenged companies
- Mr. Climaco has been specifically brought in by multiple companies to help them prepare for or avoid filing for bankruptcy, in addition to serving as advisor throughout the bankruptcy process
- For example, within 30 days of joining Essex Rental's Board, the company defaulted on a \$130mm loan; Mr. Climaco has since helped the Company avoid bankruptcy
- In addition, Mr. Climaco was appointed to the Board of Alco Stores for the sole purpose of his advisory services throughout the restructuring process



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*If Mr. Climaco was so proud of his accomplishments at Alco, **why did he leave these details out** of his list of "public board experience" when he presented Enzo's nominating committee with his resume? (See page 55)*

*Enzo is NOT in a difficult financial position given its improving results and strong balance sheet*



## LONE STAR NOMINEE: JOHN CLIMACO

- Enzo's management team has known Mr. Climaco for approximately three years
  - *We were first introduced to Mr. Climaco when he approached Enzo in an effort to explore channels of distribution for his Axial Biotech product, which we turned down after being entirely unimpressed with both Mr. Climaco and Axial's product*
  - Mr. Climaco was the Founder, President, and CEO of Axial Biotech, which was founded in 2003 and funded for ~\$25.3 million and sold for ~\$4.4 million to Transgenomic – **a loss of approximately 80%**<sup>(1)</sup>
    - We have been unable to determine if this product has made any profit for its current owner, nor did Mr. Climaco provide this information
- Mr. Eberwein claims that Mr. Climaco would make a good candidate because of his "nine years as a CEO of a company involved in clinical lab services"<sup>(2)</sup>
  - Based on the failures of Axial Biotech, we have to question both Mr. Eberwein's judgment and Mr. Climaco's relevant experience
  - *In spite of this, Lone Star offered to have Enzo simply accept Mr. Climaco to the Board as part of a proposed settlement agreement*
    - It would have been remarkably easy for us to have simply expanded the Board and added Mr. Climaco to avoid the expense and distraction of a contested election. However, **we obviously have genuine and serious concerns about Mr. Climaco** after thorough examination of his record
- Additionally, when asked by Enzo to furnish his resume in advance of a meeting with the nominating committee of our Board, Mr. Climaco presented a list of his "Public Board Experience"
  - **Omitted** from Mr. Climaco's list of previous public board experience was **ALCO Stores**, which ended up in Chapter 11 bankruptcy during his directorship

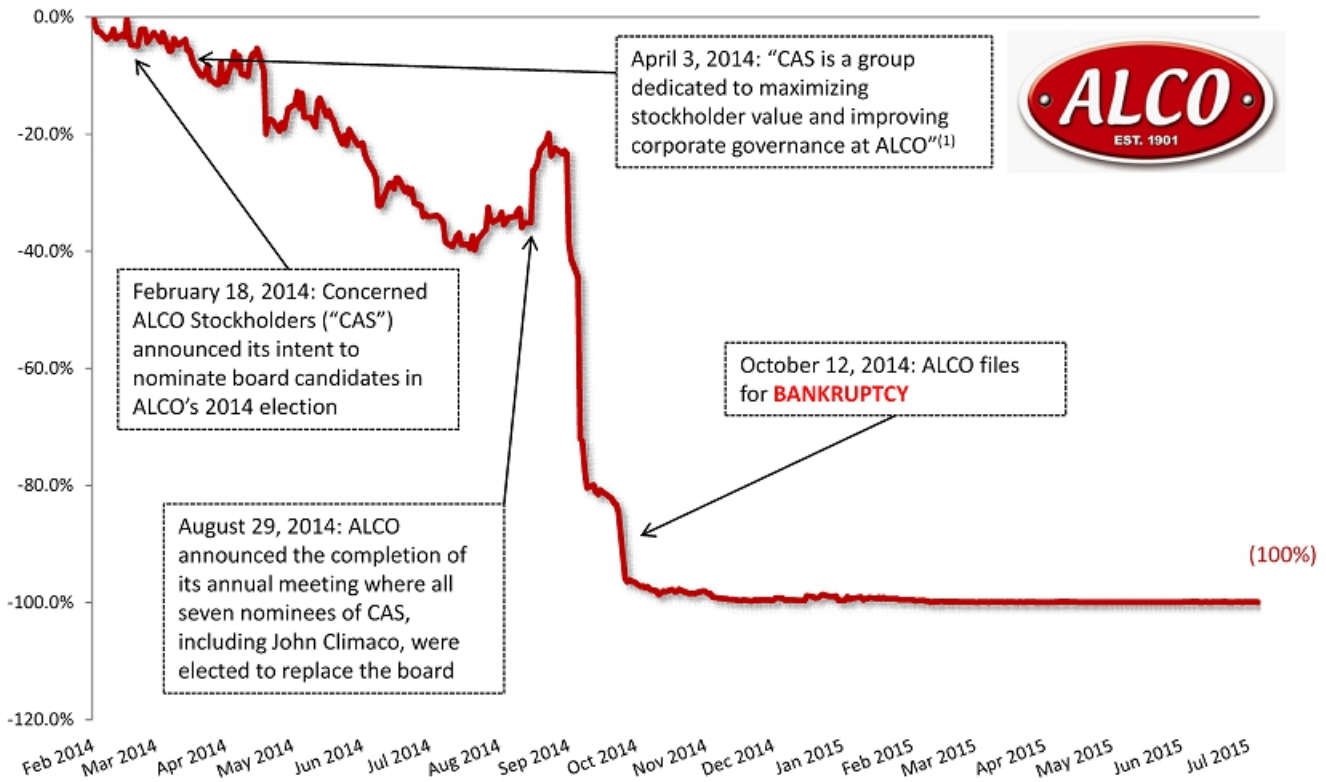
**MR. CLIMACO IS OBVIOUSLY NOT AN ACCEPTABLE CANDIDATE FOR ENZO, AND HIS UNIMPRESSIVE AND MISLEADING TRACK RECORD DOES NOT INSPIRE CONFIDENCE THAT HE COULD ADD ANY TRUE VALUE TO THE ENZO BOARD**

(1) Capital IQ

(2) Lone Star Schedule 14A, filed with SEC on December 2, 2015

***We are concerned that a Lone Star nominee failed to disclose significant facts in his background and only disclosed them upon questioning by our Nominating and Governance Committee***

# JOHN CLIMACO CASE STUDY: ALCO STORES



Source: FactSet

(1) Concerned ALCO Stockholders press release, April 3, 2014

# LONE STAR'S "CONCLUSION"

Conclusion

LONE STAR VALUE MANAGEMENT

- **We do not believe Enzo's incumbent Board will take the necessary steps to enhance shareholder value or shareholder rights**
  - Enzo's Incumbent Board has demonstrated unwillingness or inability to improve shareholder value or its poor corporate governance practices, including by refusing to engage with us on enhancing the Board even with the addition of only one shareholder representative
    - The Board Informed Lone Star Value that it would spare no expense in order to protect the Incumbents
  - The Company's related party transactions continue to create apparent conflicts of interests and the Incumbent Board overseen this situation for many years
  - We fear that the Board and management team will continue to run Enzo as a "lifestyle" company and spend unnecessary amounts of money that should be used to grow shareholder value
- **The incumbent Board has destroyed shareholder value through its high corporate expenses, refusal to cut costs, and constant underperformance**
  - 10 years of unprofitability is unacceptable and history seems to indicate the Board and management team lack a sense of urgency to improve profitability
  - Enzo's stock price and operating performance have significantly underperformed all relevant peer groups
  - Despite continued promises of improvement, the Board and management team have failed to generate profitability or positive cash flow

**LONE STAR VALUE HAS A BETTER PLAN AND BETTER CANDIDATES**

- **We believe our Nominees will represent an immediate and significant improvement to the Board by replacing two incumbent directors who have failed to create shareholder value during their tenure**
  - Our two nominees are both highly-qualified individuals who have backgrounds in public healthcare and IP litigation
  - Both nominees have impressive track records turning companies around and increasing shareholder value
- **We plan to leverage both of our candidates' knowledge and expertise to significantly improve Enzo's financial and operating performance and its corporate governance**

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*Enzo's stock is up more than 70% in the last three years and 55% in the last three months*

**WHAT PLAN?**

**HOW CAN LONE STAR ASSERT THEY HAVE A "BETTER PLAN" WHEN THEY DON'T HAVE ANY PLAN**



## Additional Background on Lone Star

December 2015  
[www.enzo.com](http://www.enzo.com)

## LONE STAR'S POOR TRACK RECORD

- We believe that Mr. Eberwein's **track record as an activist investor and corporate director appears to be quite poor**
- Since starting his activist fund in 2012, Mr. Eberwein has been one of the most activist investors in the U.S., **routinely targeting smaller-cap companies in diverse industries** and repeatedly putting forward an **unimpressive cast of related nominees** for consideration
  - Although Mr. Eberwein appears to have been successful as a **serial short-term activist** by achieving settlements at many companies and has **himself sat on 11 public boards**, closer examination indicates an overwhelming and disturbing pattern of value destruction, as discussed in the following pages
  - We believe that Mr. Eberwein anticipated Enzo would join his rapidly growing list of “success stories”; however, Enzo has worked too hard and come too far to passively allow Mr. Eberwein or his “independent” nominees to disrupt the Company’s current trajectory
    - Enzo has analyzed Mr. Eberwein’s “strategy,” or lack thereof, and has determined that his platform provides no benefit for shareholders
      - ◆ We respect the input of shareholders, which is why Dov Perlysky, who Mr. Eberwein wants to replace, currently sits on our board

### EXAMINING THE POOR TRACK RECORD OF LONE STAR AND ITS NOMINEES, COMBINED WITH A COMPLETE LACK OF ANY PLAN, WHY WOULD SHAREHOLDERS WANT THEM ON THE ENZO BOARD?

*Note: Includes situations in which Eberwein or Lone Star made a public disclosure of activist intents. Excludes: 13D filings in which no specific activism initiative was disclosed (e.g., Crossroads Systems, Digirad), M&A activism that is campaigns against an announced transaction (e.g., Nabi Biopharmaceuticals), situations that are ongoing (e.g., Edgewater Technology), and situations that lasted less than one month (e.g., Lucas Energy)*

# LONE STAR VALUE SCORECARD

3

Lone Star's Investments that Have Seen Increased Shareholder Value

**The Pantry**



15

Companies whose Shareholder Value Decreased when Lone Star Gained Board Representation



## LONE STAR'S NOMINEES ARE NOT INDEPENDENT

### **LONE STAR'S DEPENDENT NOMINEES ARE SEEKING TO REPLACE A MAJORITY OF ENZO'S INDEPENDENT DIRECTORS**

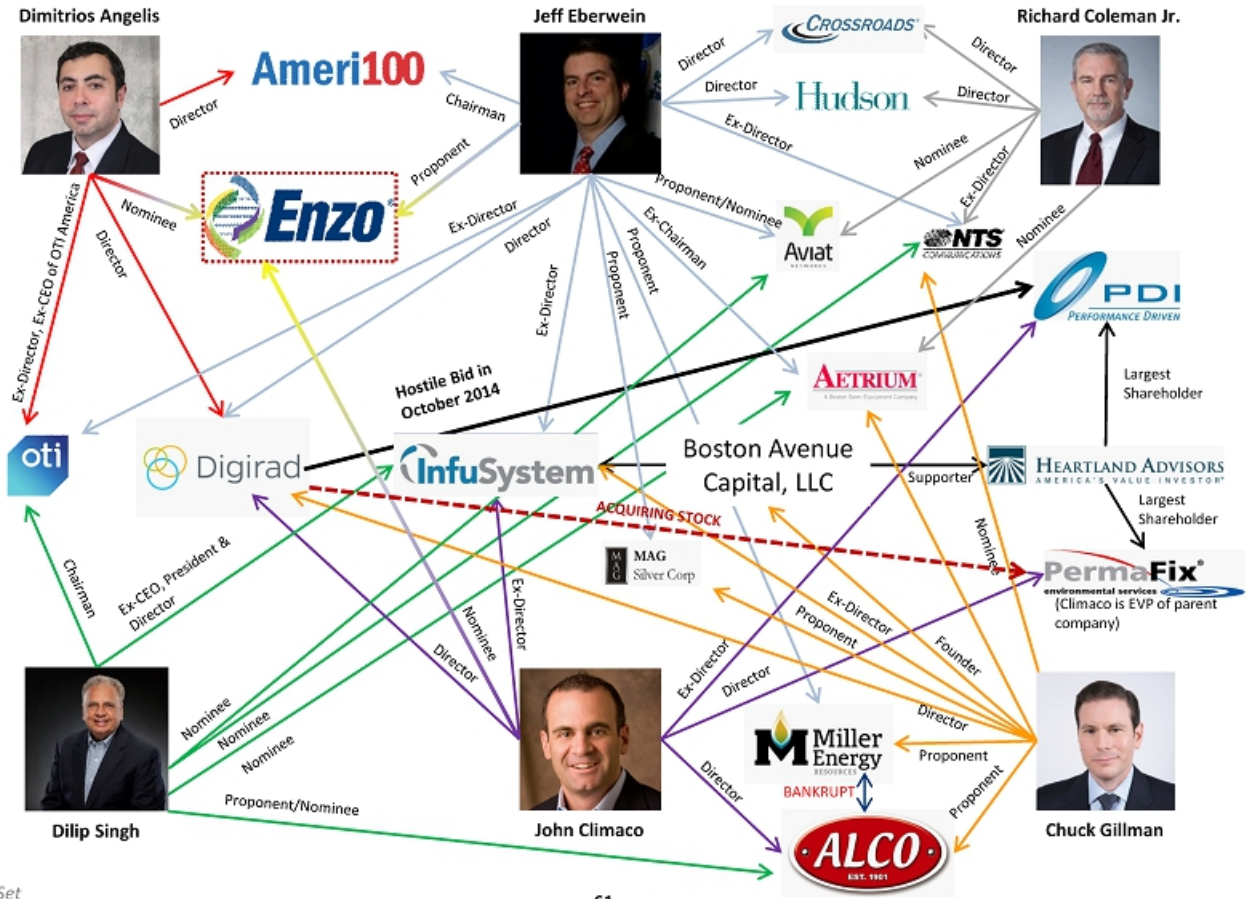
- When Mr. Eberwein first suggested Mr. Angelis and Mr. Climaco for the Board of Enzo, he asserted that they were “completely independent” and that he had met them on the Board of Digirad<sup>(1)</sup>
  - *A closer examination, however, shows in no uncertain terms that Mr. Angelis and Mr. Climaco are part of an insular group of underfunded hedge funds that use activism as a tool to obtain short-term opportunities at small-cap companies with fewer resources to defend against their tactics*
- As can be seen on the following slide, Lone Star and its nominees have a dizzying array of interconnections – all of which demonstrate that Lone Star and its nominees lack credible independence
  - *At a minimum, the numerous relationships between Lone Star and its fellow “comrades” call into question Lone Star’s appetite for “diverse ideas” and indicate a presence for short-term results, potentially pushing for undue risks in hopes of an occasional opportunity for employment and/or consultation, as evidenced by many of their recent board appointments*
- Although Mr. Eberwein has been on only three public company boards with Mr. Angelis and two public company boards with Mr. Climaco, we believe the number of connections among them is staggering
  - *This is especially remarkable by today’s standards, in which shareholders have overwhelmingly demonstrated an appetite for both director independence and directors with excellent track records*

**ENZO IS BEGINNING TO HARVEST ITS YEARS OF INNOVATION, AND WE BELIEVE IT IS NOT IN SHAREHOLDER INTERESTS TO ALLOW LONE STAR AND ITS NOMINEES TO DISRUPT OUR COMPANY'S PROSPECTS**

(1) Discussion with Company



# INDEPENDENT DIRECTORS?



Source: FactSet

## DIRECTOR RELATIONSHIPS

	Total Public Boards	Boards with Eberwein	Boards with Climaco	Boards with Angelis
Jeffrey Eberwein	11		2	3
John Climaco	7	2		1
Dimitrios Angelis	3	3	1	

WE BELIEVE THAT LONE STAR OBTAINING A DIRECTOR SEAT ON ENZO'S BOARD IS A BENEFIT SOLELY TO LONE STAR, BUT NOT NECESSARILY A BENEFIT TO ALL THE ENZO SHAREHOLDERS

## LACK OF INDEPENDENCE: DIGIRAD'S FAILED BID FOR PDI

- In October 2013, John Climaco joined the Board of PDI, Inc.
- On October 29, 2014, John Climaco resigned from PDI's Board of Directors
- On October 29, 2014, **the same day as Climaco's resignation**, Digirad, where Mr. Eberwein is a director, sent a letter to PDI expressing its willingness to acquire PDI
  - **John Climaco was also on the Digirad Board of Directors at the time, and on the same day he left PDI's Board, Digirad attempted to acquire PDI**
- On October 29, 2014, the PDI Board declined Digirad's offer, claiming it "does not consider PDI for sale and does not view [Digirad's] letter to be a meaningful offer"
- On October 31, 2014, Digirad sent a letter to PDI questioning whether the PDI Board was acting in the best interest of shareholders
  - Digirad claimed PDI was "showing its disregard for stockholder rights and stockholder value by refusing to consider a potentially significant value-enhancing transaction"
  - Digirad also claimed that this was an "unacceptable response for a board that has presided over such a tremendous destruction of stockholder value"
  - **Climaco was on the Board of PDI during this period of "tremendous destruction," yet he was also part of the Digirad Board that was attacking the PDI Board's performance** – we question Mr. Climaco's independence in these interactions
- *It is important to note that Chuck Gillman (also a member of the Digirad Board along with Eberwein, Climaco, and Angelis) is the founder of Boston Avenue Capital, a business partner with Heartland Advisors, the largest shareholder of PDI, Inc.*
- *Dimitrios Angelis was named to the Digirad Board in July of 2015*

**WE ARE CONCERNED THAT CLIMACO, EBERWEIN, AND GILLMAN ARE CERTAINLY NOT "INDEPENDENT DIRECTORS"**

## WHAT'S GOING ON AT DIGIRAD?

On July 24, 2015, the Company's majority-owned Polish subsidiary, Perma-Fix Medical and Digirad Corporation, a Delaware corporation ("Digirad"), Nasdaq: DRAD, entered into a multi-year Tc-99m Supplier Agreement (the "Supplier Agreement") and a Series F Stock Subscription Agreement (the "Subscription Agreement"), (together, the "Digirad Agreements"). The Supplier Agreement is effective upon the completion of the Subscription Agreement. Perma-Fix Medical was formed to develop and commercialize a new process to produce Technetium-99 ("Tc-99m"), the most widely used medical isotope in the world. Pursuant to the terms of the Digirad Agreements, **Digirad purchased 71,429 shares of Perma-Fix Medical's restricted Series F Stock for an aggregate purchase price of \$1,000,000.** Under Polish law, issuance of shares requires approval of the shares by the Polish court which is expected to occur in the third quarter of 2015. In the event that the shares are not approved by the Polish court within 120 days from the date of payment by Digirad to Perma-Fix Medical of the \$1,000,000 purchase price on July 24, 2015, Perma-Fix Medical and Digirad have agreed that Perma-Fix Medical will return the \$1,000,000 to Digirad and the Digirad Agreements shall terminate. The 71,429 share investment made by Digirad, when completed, will constitute approximately 5.4% of the outstanding common shares of Perma-Fix Medical. Upon issuance of the 71,429 shares to Digirad, the Company's ownership interest in Perma-Fix Medical would be diluted from approximately 64.0% to approximately 60.5%. The Supplier Agreement provides, among other things, that upon Perma-Fix Medical's commercialization of certain Tc99m generators, Digirad will purchase agreed upon quantities of Tc-99m for its nuclear imaging operations either directly or in conjunction with its preferred nuclear pharmacy supplier and Perma-Fix Medical will supply Digirad, or its preferred nuclear pharmacy supplier, with Tc-99m at a preferred pricing, subject to certain conditions. Mr. Climaco is a Director of the Company and Executive Vice-President of Perma-Fix Medical. Mr. Climaco is also a Director of Digirad. Mr. Climaco abstained in connection with the Board's approval of the above transactions with Digirad.

Permafix DEF 14A, 8/13/2015 (emphasis added)

EBERWEIN, CLIMACO, AND ANGELIS ALL SIT ON THE BOARD OF DIGIRAD

WHY IS DIGIRAD ACQUIRING STOCK IN PERMAFIX WHERE CLIMACO IS A DIRECTOR AND EMPLOYEE?

## Digirad (NASDAQ:DRAD): An End User Perspective

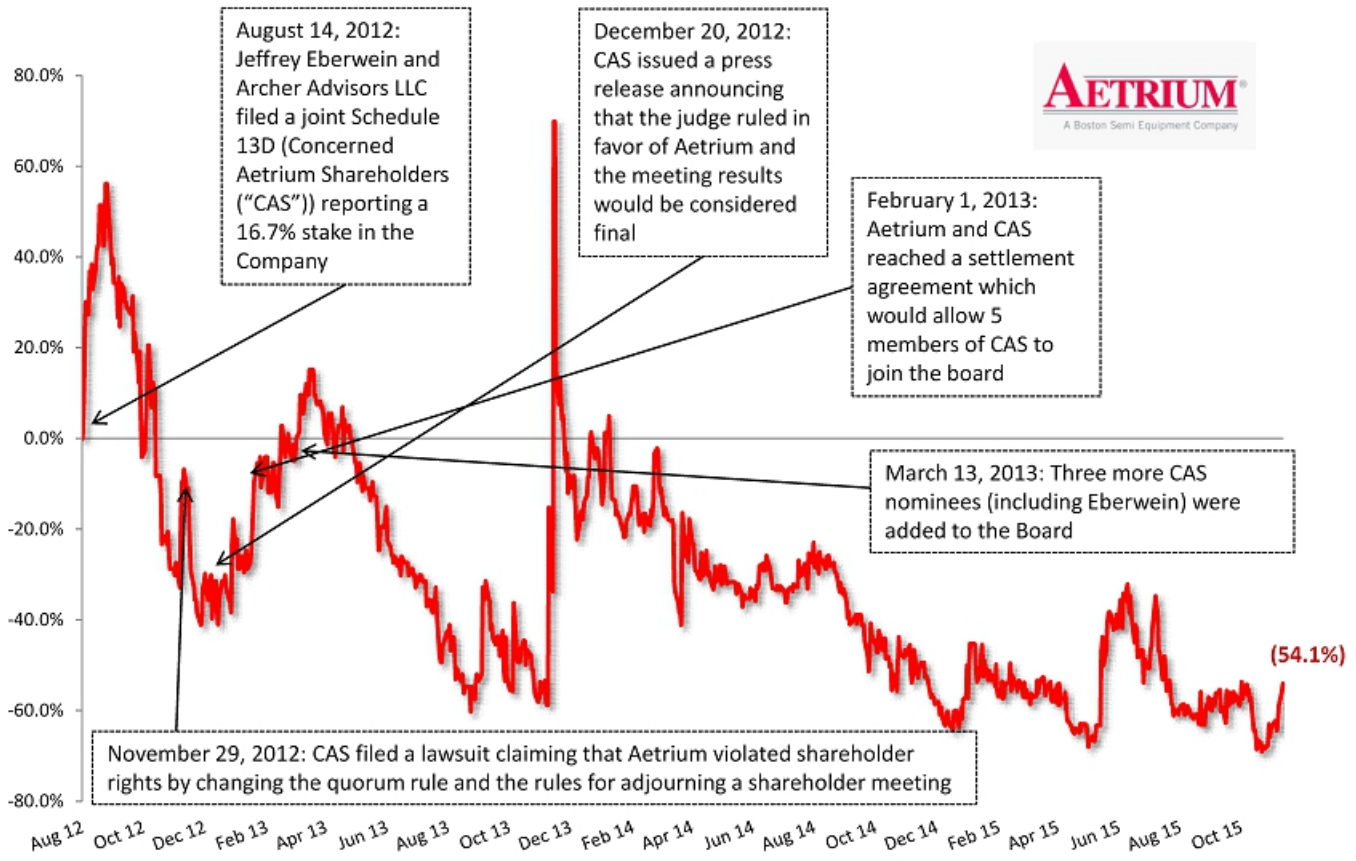
- All North American providers of nuclear imaging are headed “over the falls” in 2016
- Perma-Fix Medical presents a reliable alternative to a fragile supply chain
  - A custom “direct to end user” solution
  - Decentralized production
  - Ease of production in existing reactors worldwide
- A low cost solution to the 2nd biggest COG after labor
- Benefit to service providers, patients and payors

18



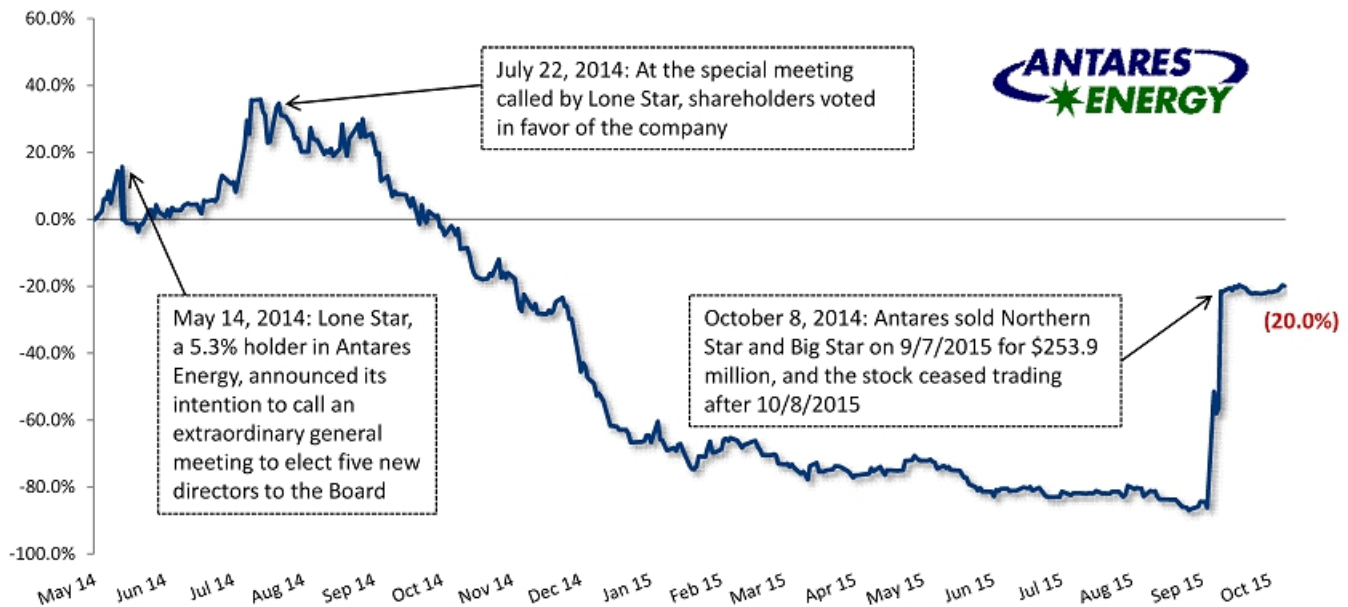
NOW PERMAFIX HAS A SLIDE ON DIGIRAD IN ITS INVESTOR PRESENTATION, WHY?

# JEFFREY EBERWEIN CASE STUDY: AETRIUM



Source: FactSet

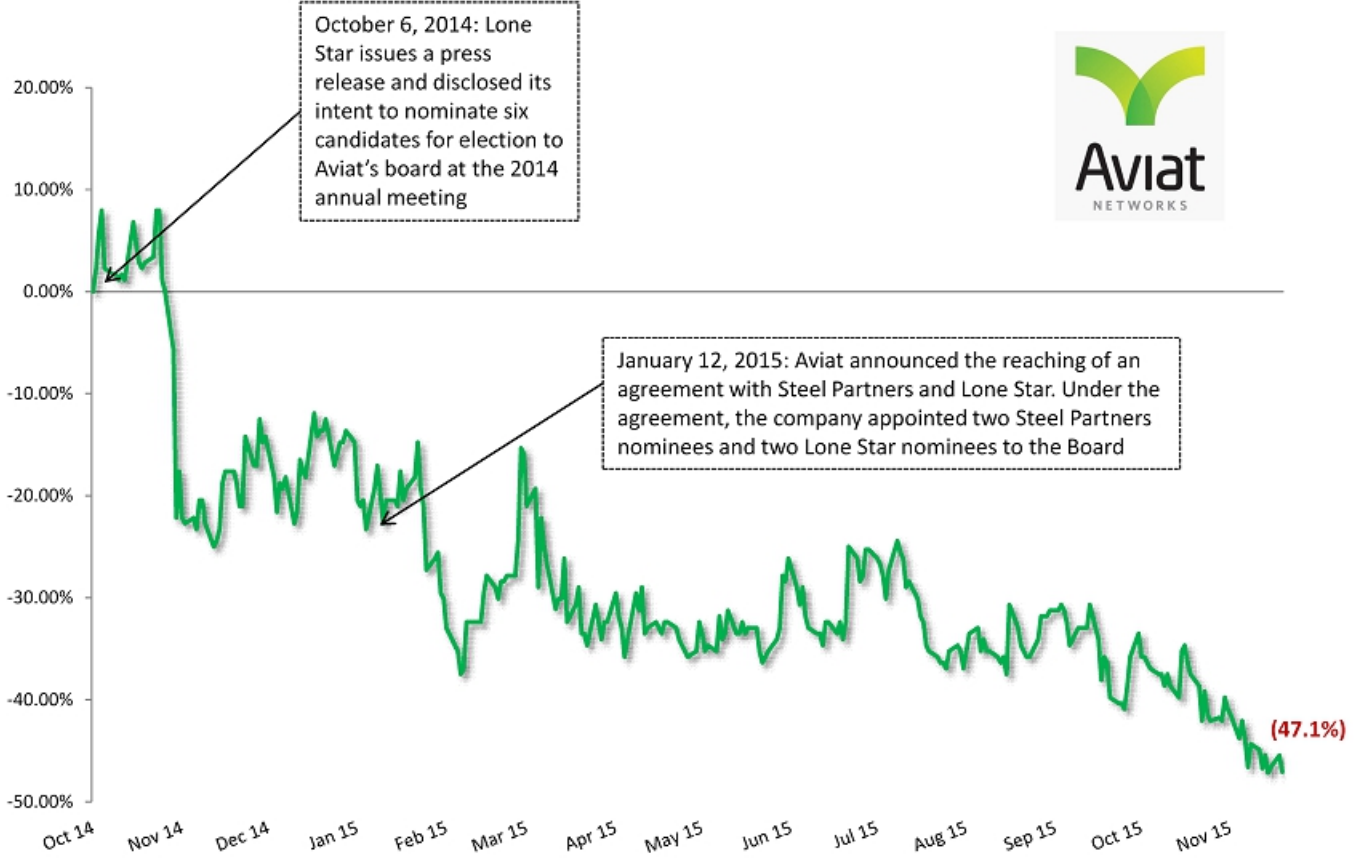
# LONE STAR CASE STUDY: ANTARES



*"The Board of Directors believe Lone Star Value Management brought nothing of merit to Antares and the lack of veracity of their statements was clearly demonstrated by the failure of Jeffrey Eberwein to attend the General Meeting he imposed upon Shareholders at which he and his group's proposals all failed and were rejected by Shareholders."*

Antares Energy Limited Annual Report, March 31, 2015

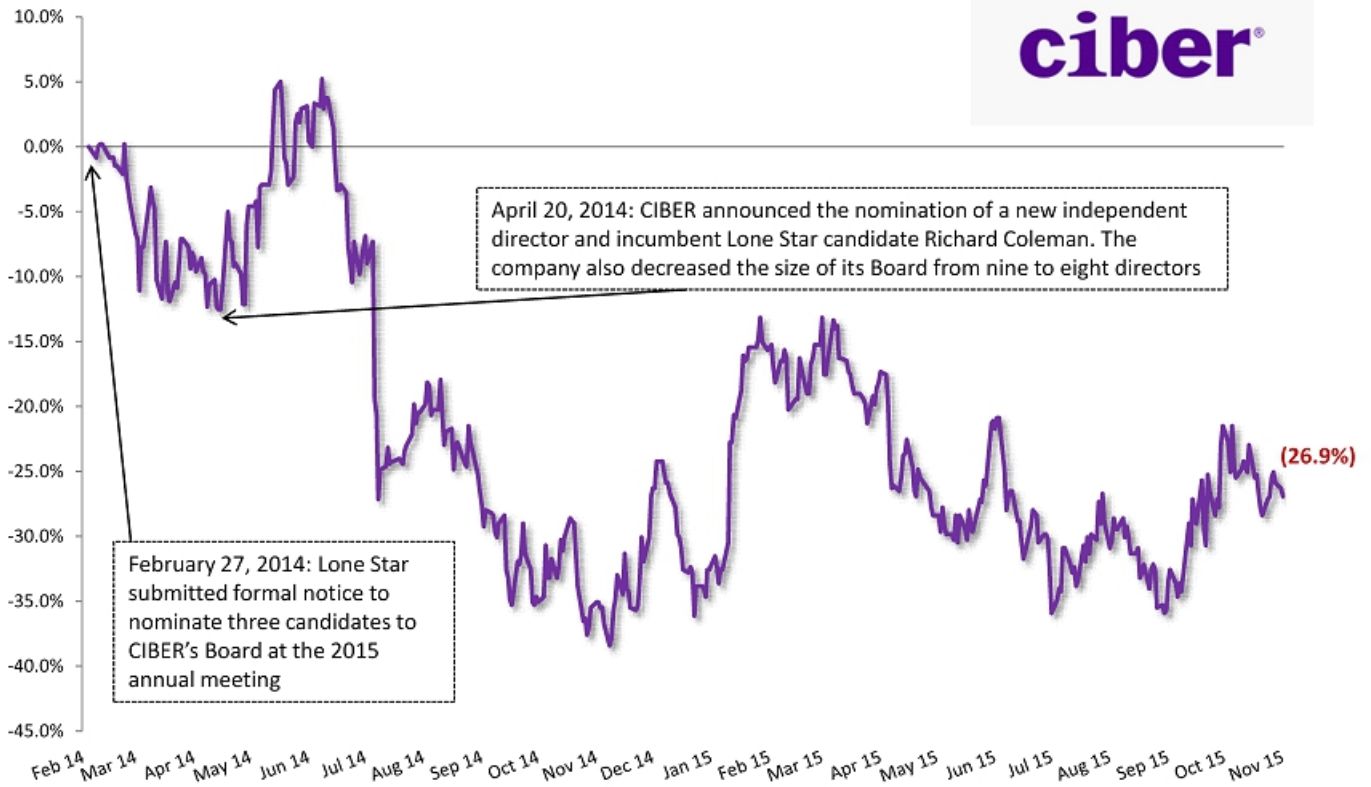
# LONE STAR CASE STUDY: AVIAT



Source: FactSet

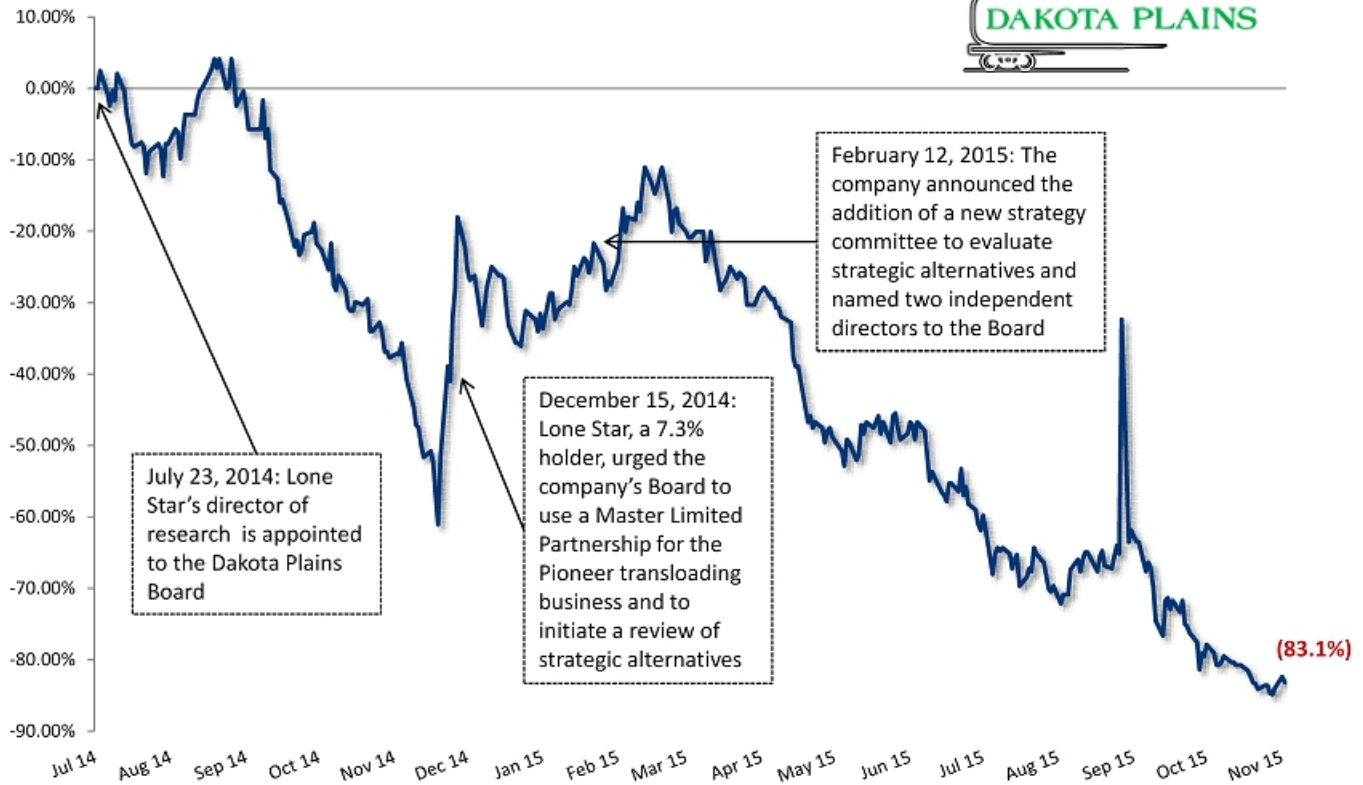


# LONE STAR CASE STUDY: CIBER



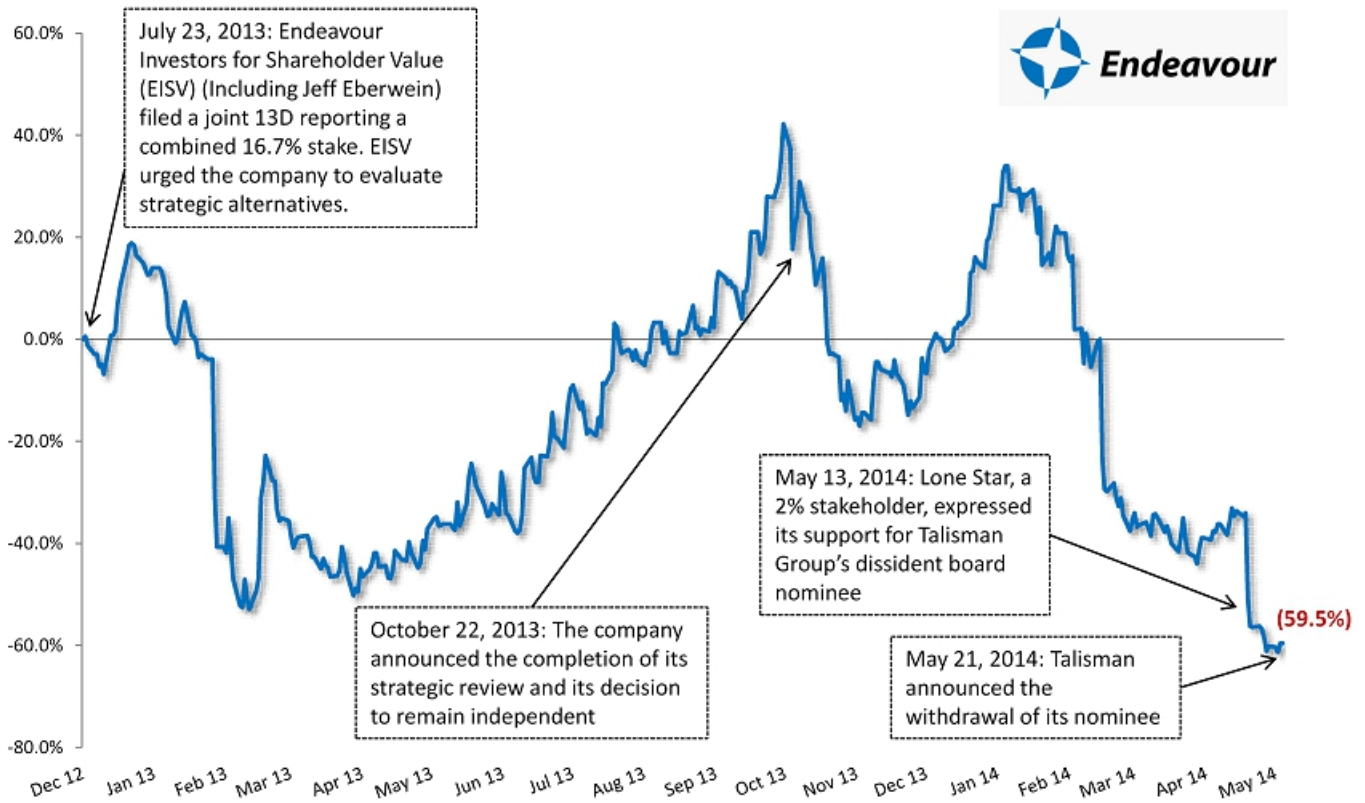
Source: FactSet

# LONE STAR CASE STUDY: DAKOTA PLAINS HOLDINGS



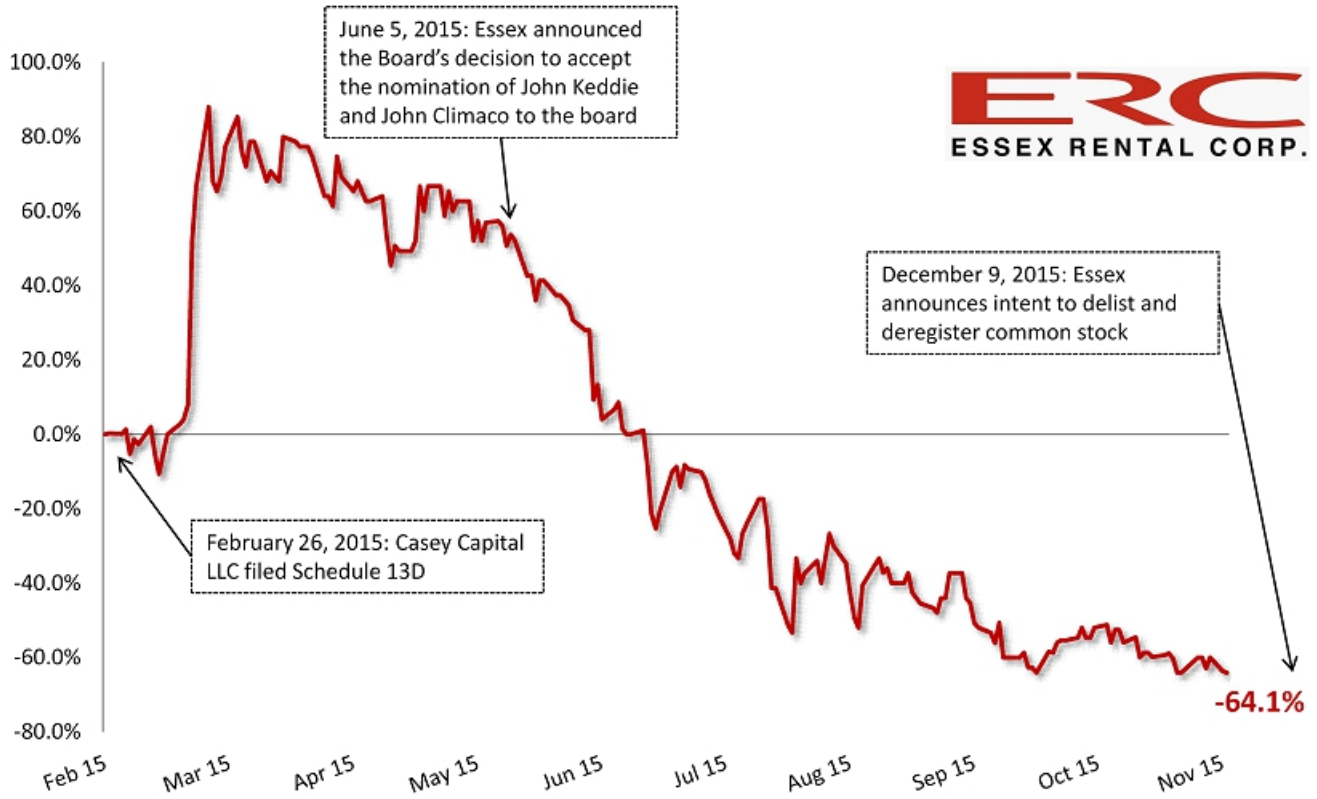
Source: FactSet

# LONE STAR CASE STUDY: ENDEAVOUR INTERNATIONAL



Source: FactSet

# JOHN CLIMACO CASE STUDY: ESSEX RENTAL CORP.



Source: FactSet

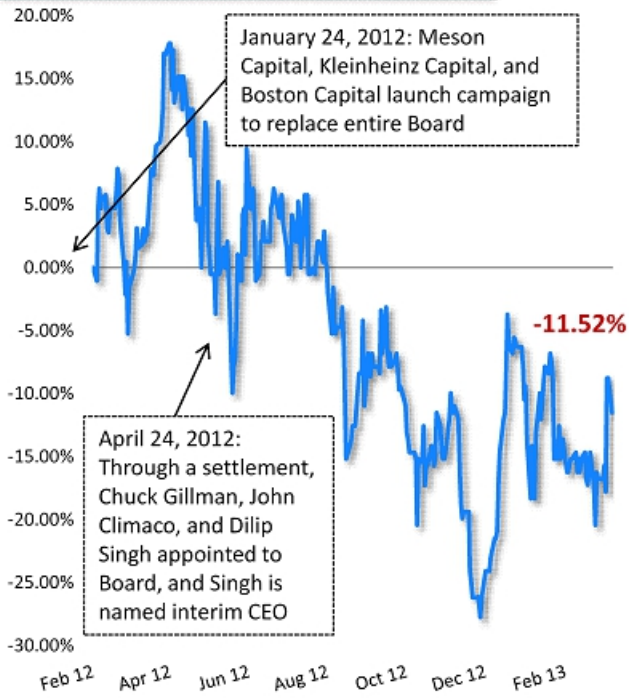
## INFUSYSTEM CASE STUDY

- On January 18, 2012, Meson Capital Partners, Kleinheinz Capital Partners, and Boston Avenue Capital filed a preliminary proxy statement seeking the support to call a special meeting to replace InfuSystem’s entire board
  - Reasons for the proxy battle included poor stock performance and high compensation paid to executives
- On February 24, 2012, Jeffrey Eberwein expressed support for the campaign of the “Kleinheinz Dissident Group” to replace the InfuSystem Board of Directors
  - **Boston Avenue Capital, founded by Chuck Gillman, was part of the Kleinheinz Group supported by Eberwein**
  - The Dissident group called for special meeting to replace the InfuSystem Board with a slate that, according to Eberwein, “has the right experience based on the successful performance of several investments in which certain members of the Dissident group have been involved”
  - On February 6, 2012, InfuSystem released a statement claiming the dissident nominees “**have not articulated any plans or proposals for InfuSystem or provided any information as to what actions they might undertake** if they were to seize control of InfuSystem”
    - **Eberwein, Climaco, and Gillman campaigned for board seats based on past investment experience, placing no emphasis on industry expertise or tangible management plans**
- On February 27, 2012, Glass Lewis recommended that shareholders reject the dissident’s effort to call special meeting, stating “the Company’s policies provide for adequate procedures to allow shareholders to nominate their own director candidates for election at an annual meeting”
- On February 27, 2012, the Kleinheinz Dissident Group delivered a request to call special meeting after obtaining 50.19% of votes
- On April 24, 2012, InfuSystem announced that it had reached a settlement with the Kleinheinz Group
  - John Climaco, Chuck Gillman, and Dilip Singh were named to the Board, and Dilip Singh became the interim CEO
    - *Dilip Singh is the Chairman of On Track Innovations, where Eberwein and Angelis are ex-board members*

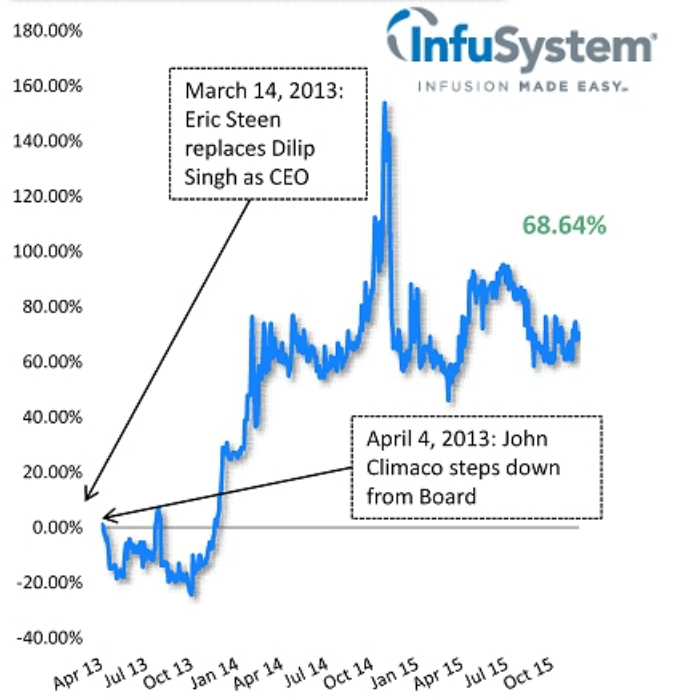
**A COMPANY FOUNDED BY CHUCK GILLMAN AND SUPPORTED BY JEFFREY EBERWEIN ENTERED A SETTLEMENT WITH INFUSYSTEM TO PLACE CHUCK GILLMAN, JOHN CLIMACO, AND DILIP SINGH ON THE BOARD**

# INFUSYSTEM CASE STUDY (CONT.)

Stock Performance with Climaco on Board

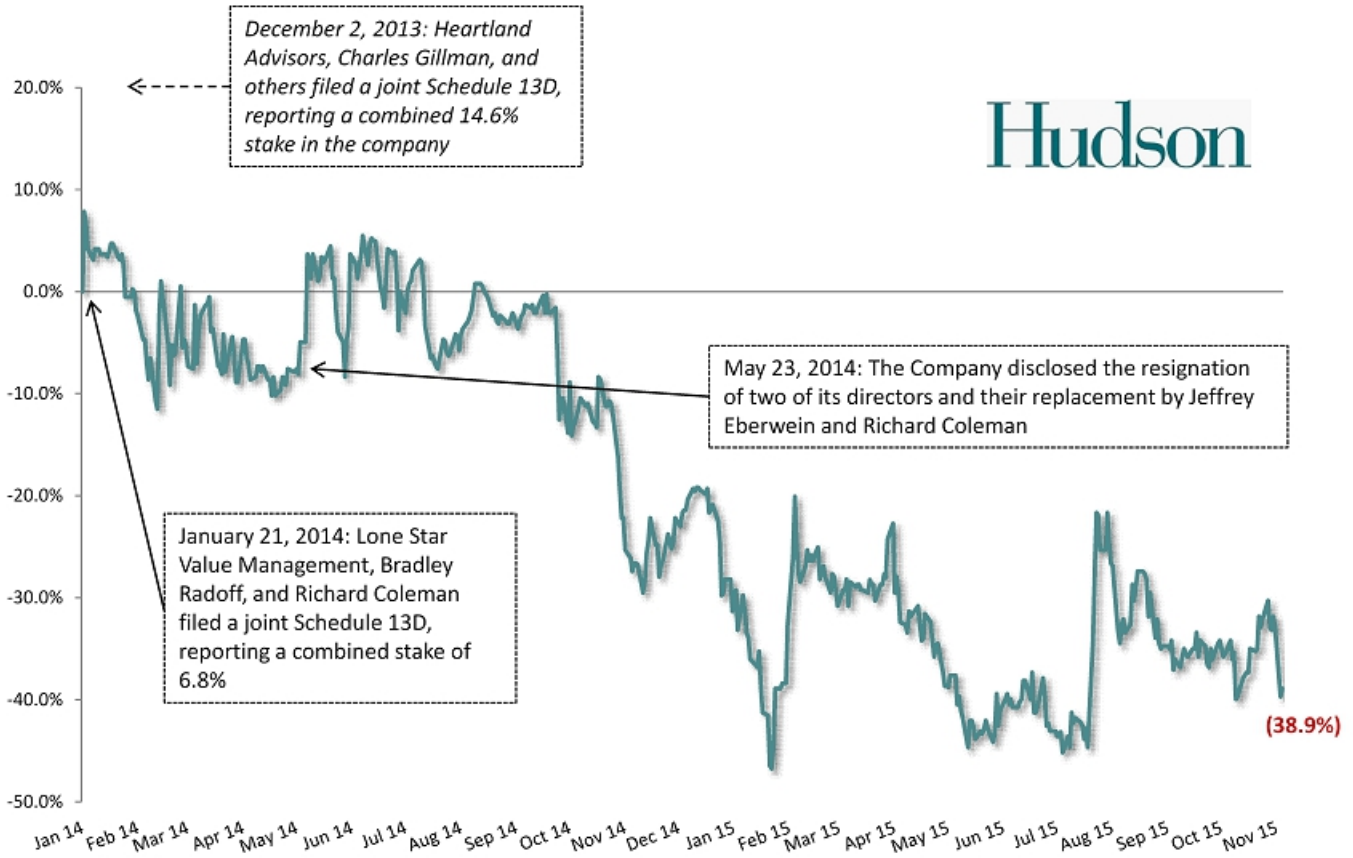


Stock Performance after Climaco Left the Board



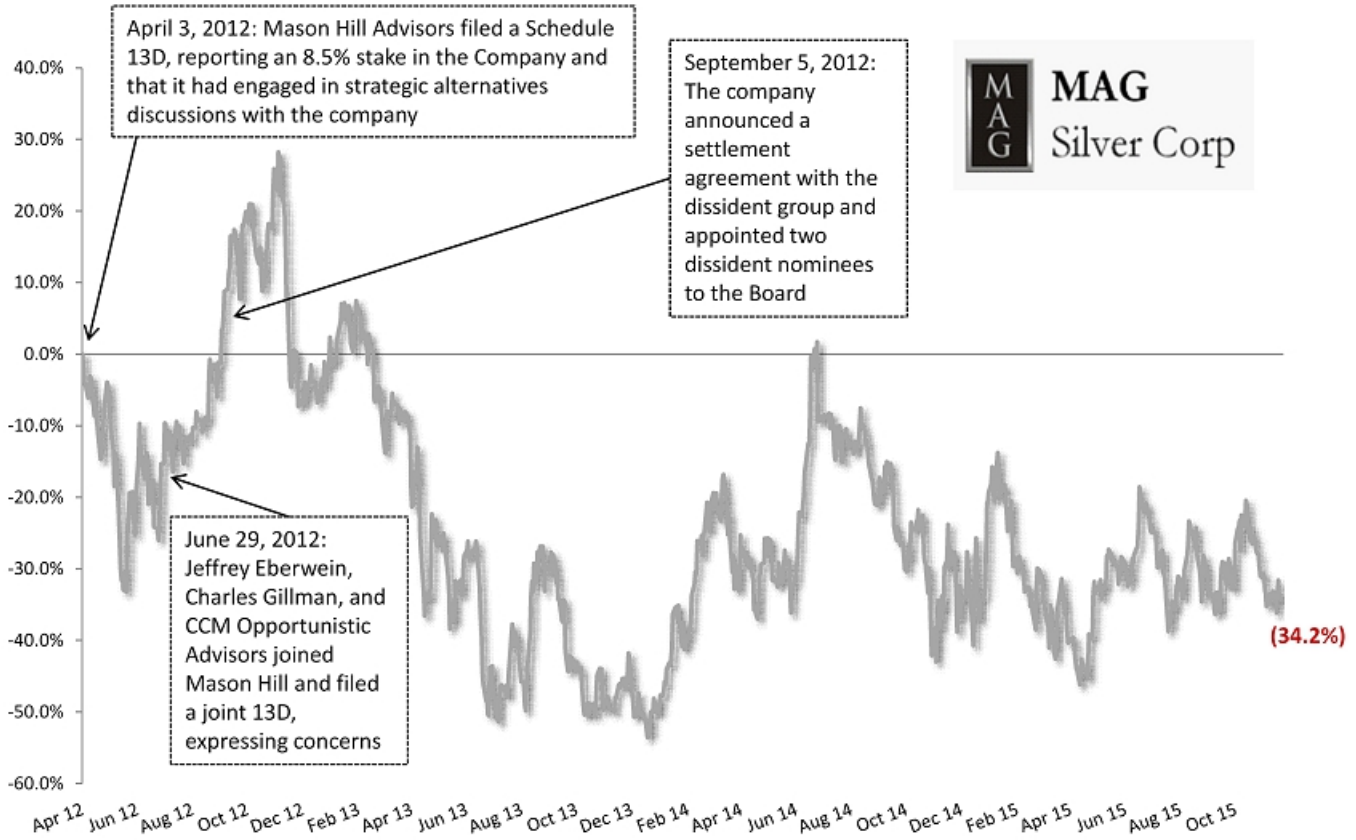
# LONE STAR CASE STUDY: HUDSON GLOBAL

Hudson



Source: FactSet

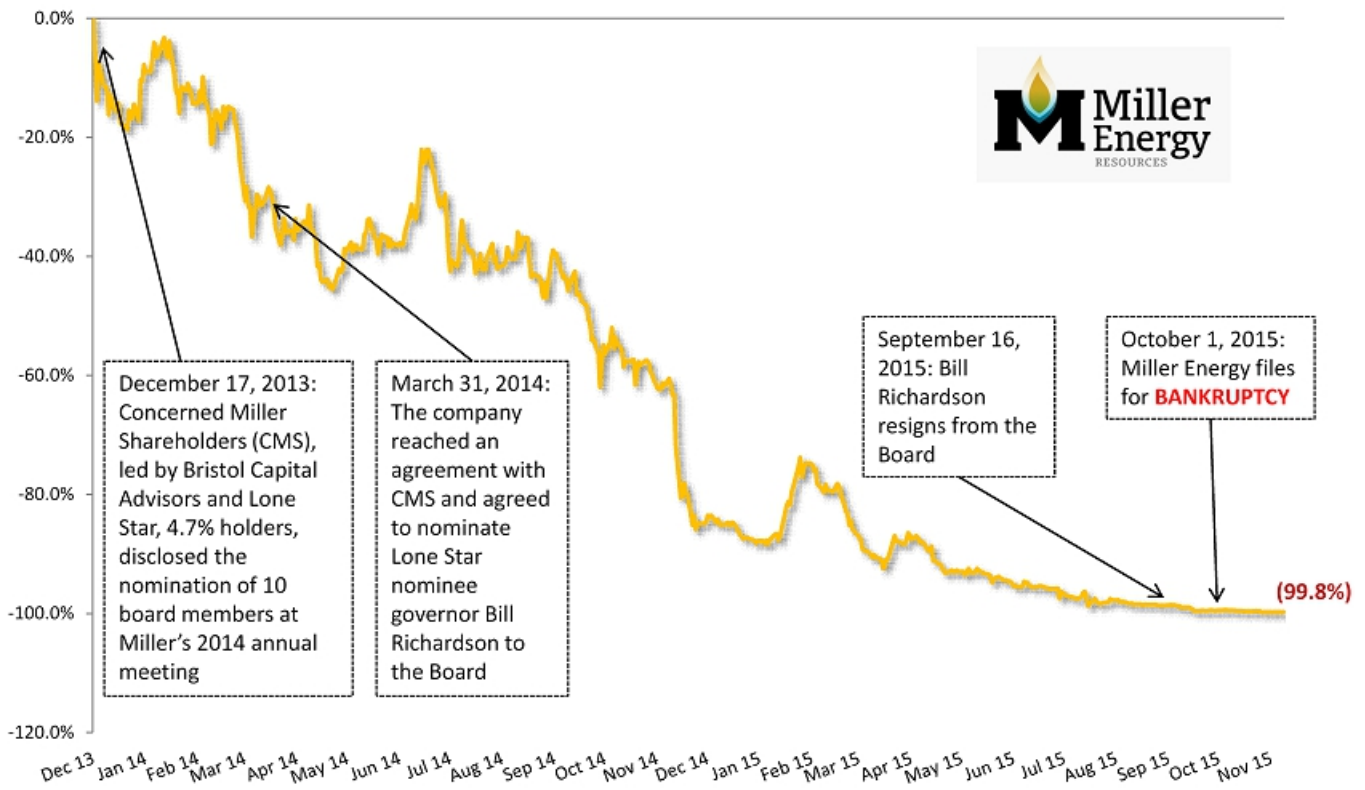
# EBERWEIN CASE STUDY: MAG SILVER



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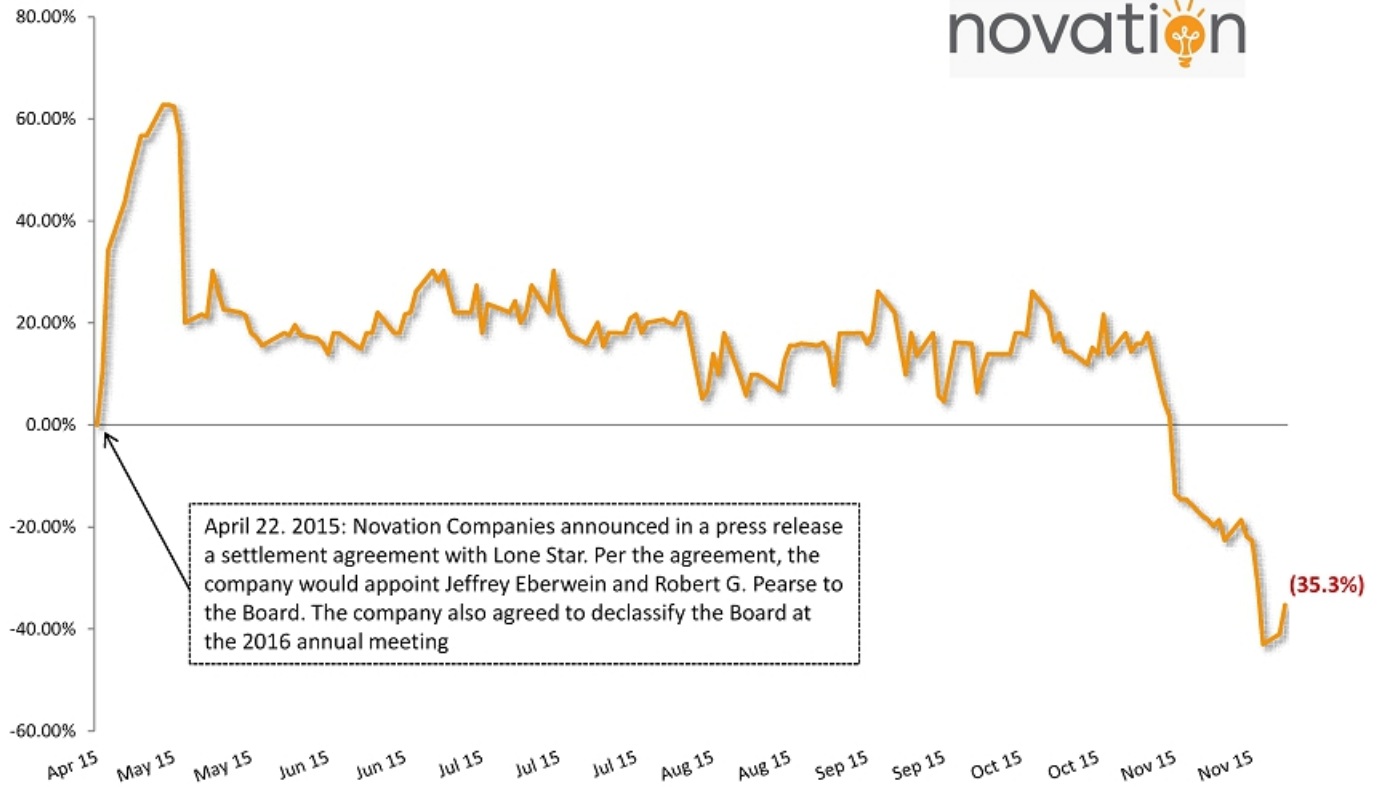


# LONE STAR CASE STUDY: MILLER ENERGY



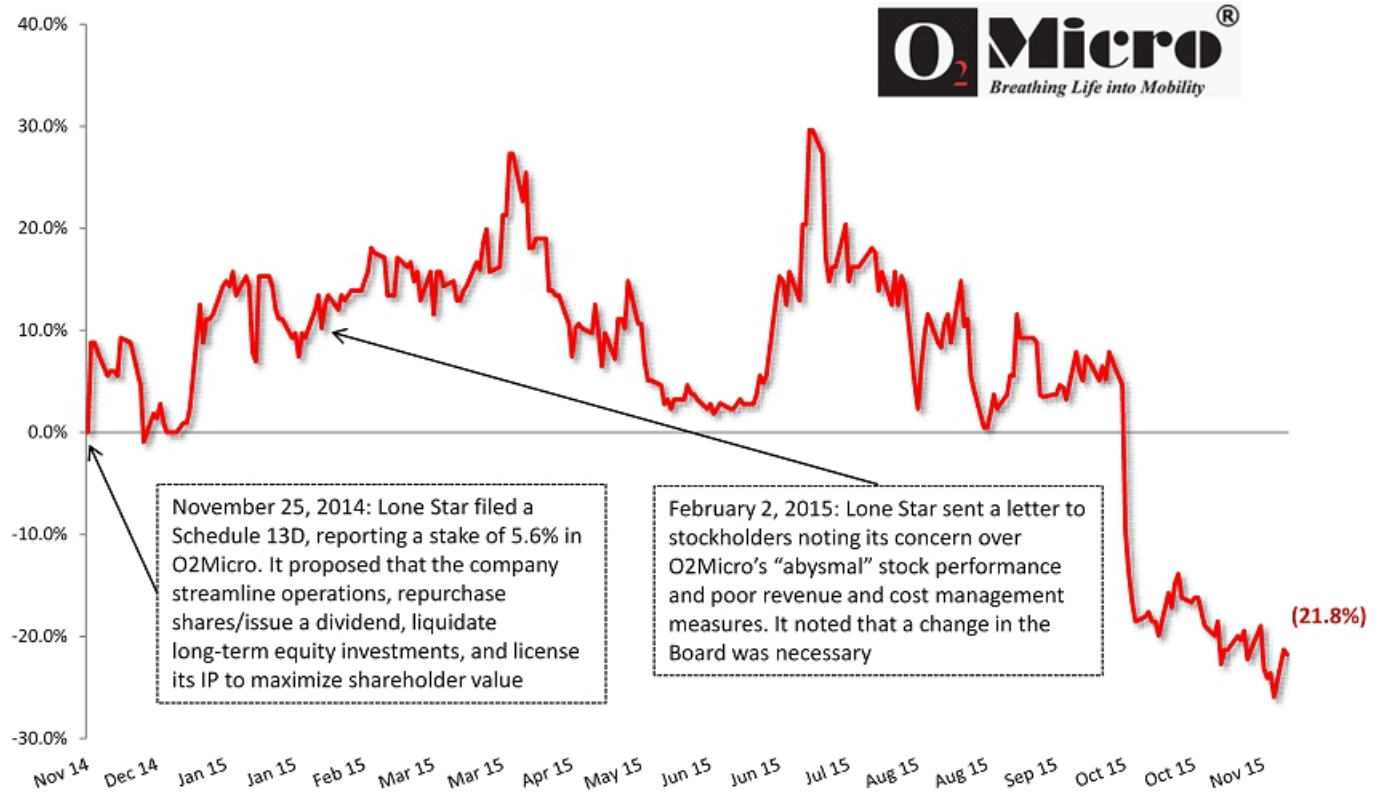
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# LONE STAR CASE STUDY: NOVATION



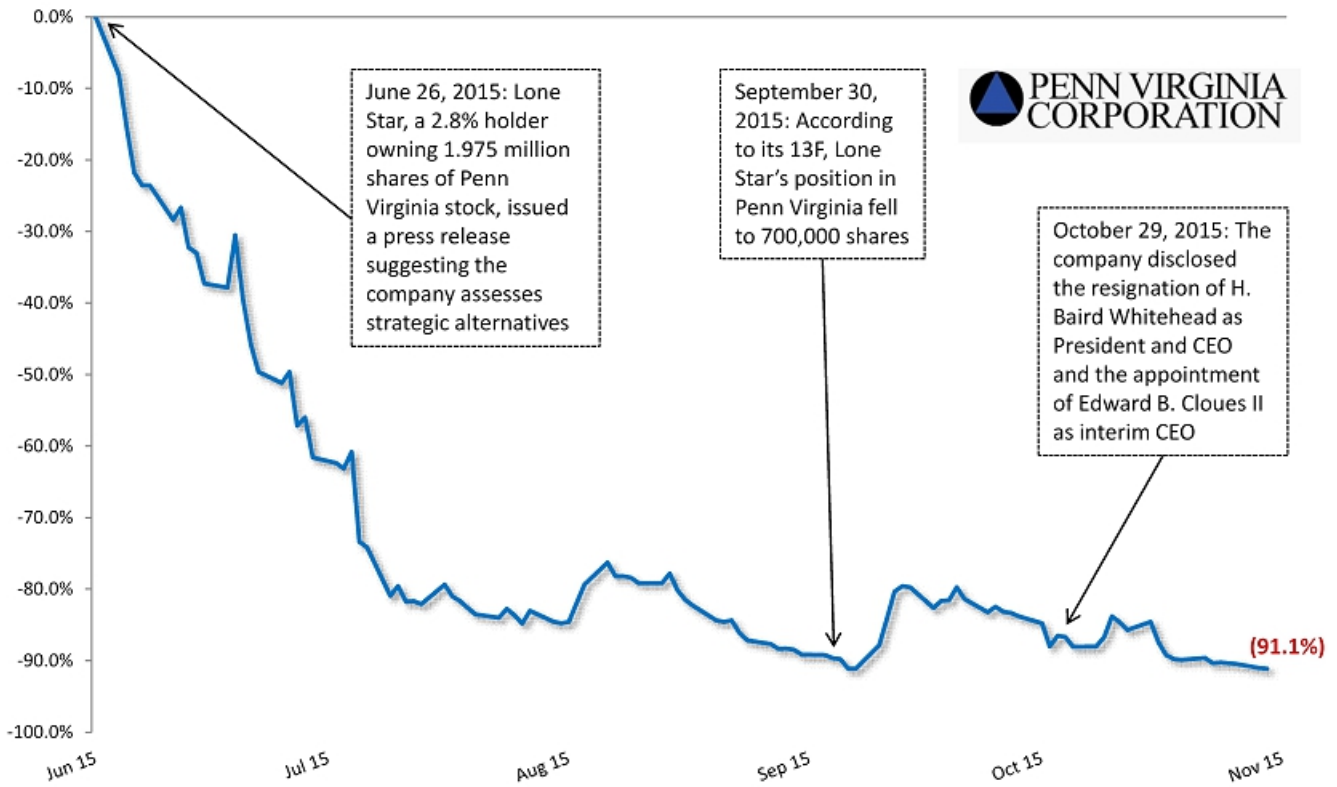
Source: FactSet

# LONE STAR CASE STUDY: O2MICRO



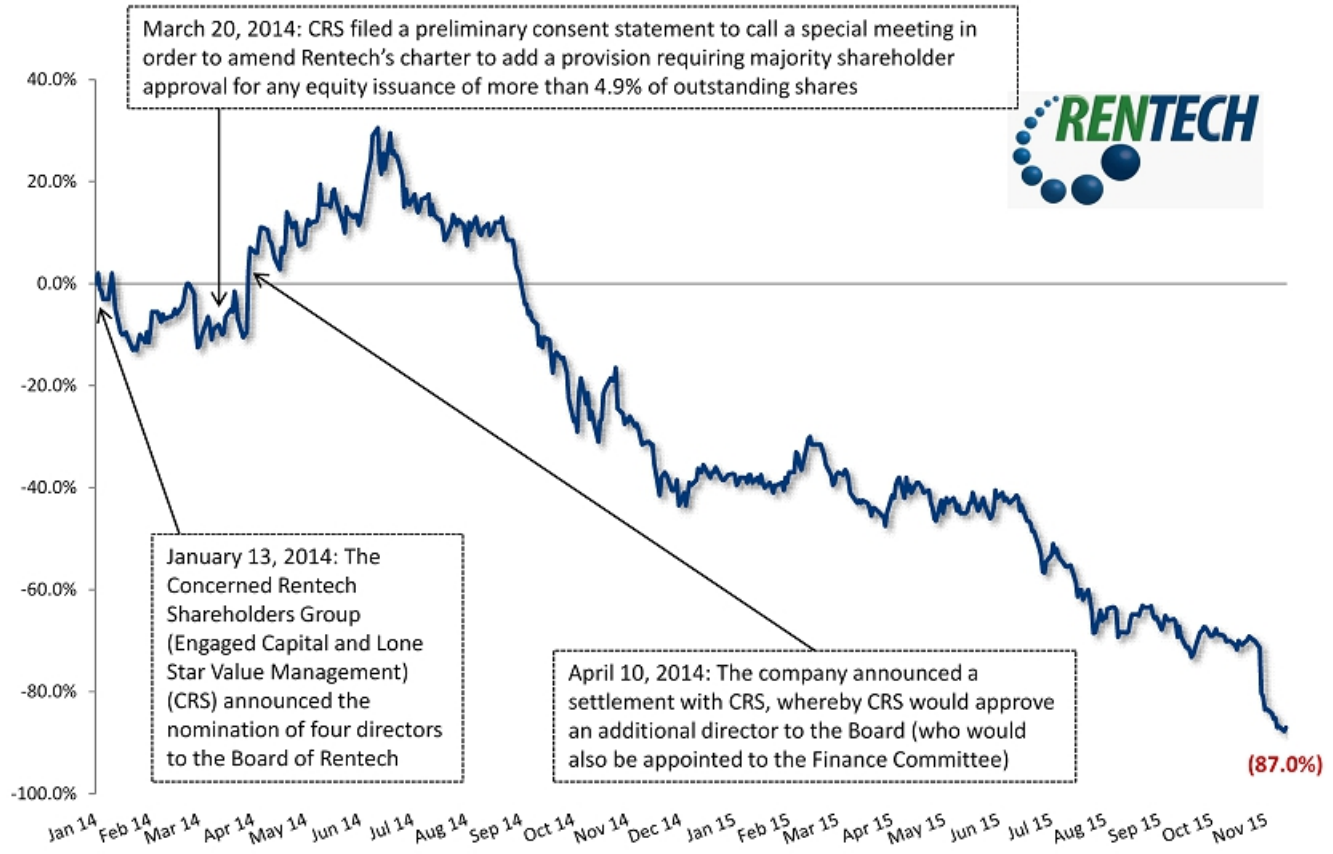
Source: FactSet

# LONE STAR CASE STUDY: PENN VIRGINIA CORPORATION



Source: FactSet

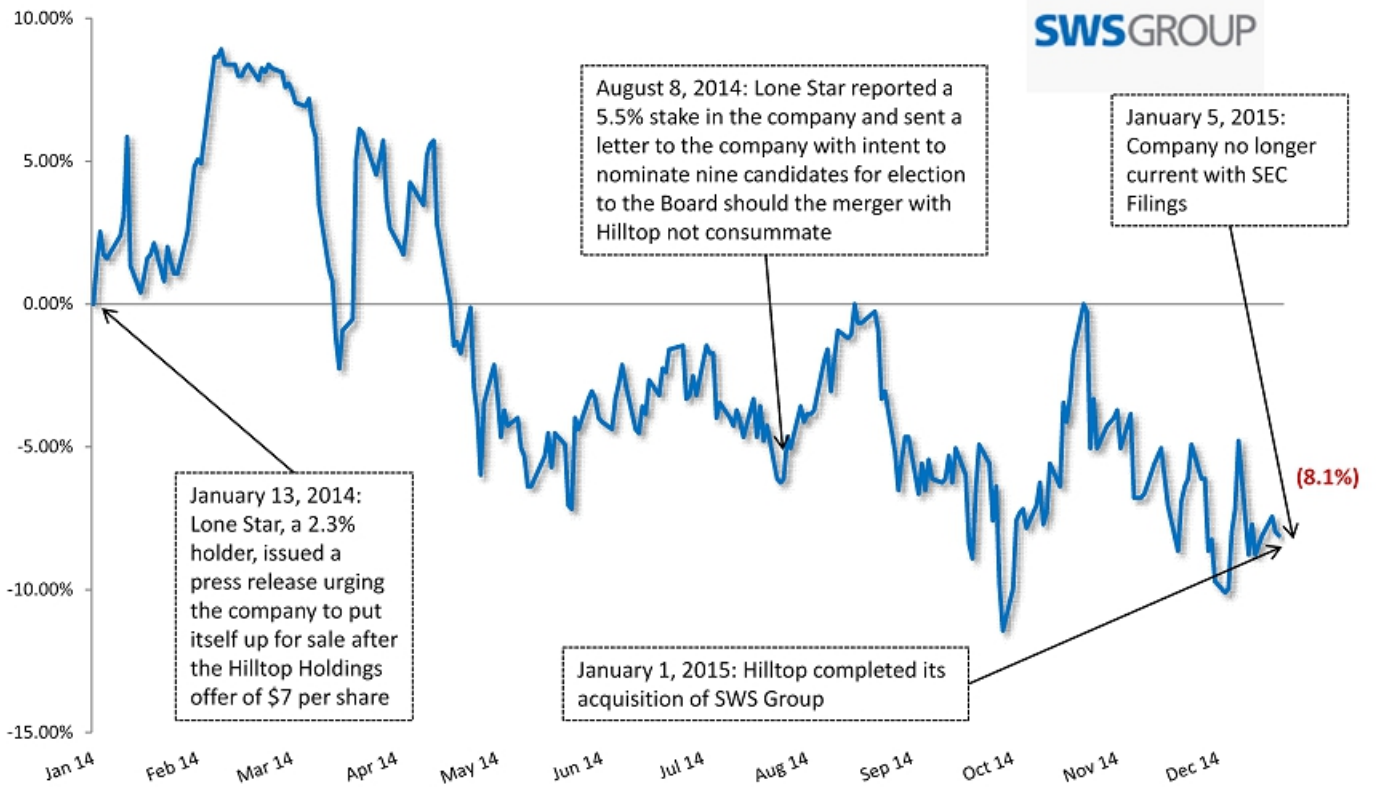
# LONE STAR CASE STUDY: RENTECH



Source: FactSet

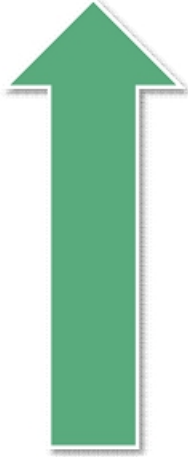
# LONE STAR CASE STUDY: SWS GROUP

SWSGROUP



Source: FactSet

## THE CHOICE FOR SHAREHOLDERS IS CLEAR!



- ✓ A business model and operational structure that are positioned to address the imminent needs of the growing but challenged MDx industry
- ✓ The ability to further leverage Enzo's vertically integrated business structure to create value for shareholders
- ✓ A board and management team with a deep understanding of the MDx marketplace and a proven track record of developing valuable biotech innovations, the value of which is now being harvested
- ✓ An ownership culture in which directors and management do own shares of common stock – their interests are perfectly aligned with the interests of long-term shareholders



- Lone Star
- ✗ Disruption of Enzo's current trajectory by an investor that openly admits he *"doesn't understand our business"*<sup>(1)</sup>
  - ✗ A 67% change in independent directors by a 1.2% shareholder who has not put forth a single idea on how they would create value for shareholders
  - ✗ An investor and nominees with innumerable interconnected relationships that appear to have an abysmal track record
  - ✗ An investor who has bought 1,916,784 shares and sold 2,201,784 stock over the past two years – a shareholder that we believe trades in Enzo's stock opportunistically<sup>(2)</sup>

(1) Lone Star discussion with the Company

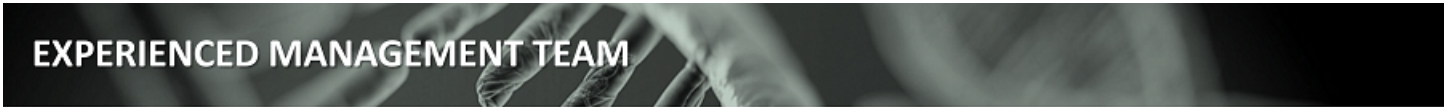
(2) Lone Star Value Investors Schedule 14A, filed with SEC on December 2, 2015



## Enzo's Leadership

December 2015  
[www.enzo.com](http://www.enzo.com)





## EXPERIENCED MANAGEMENT TEAM

**ELAZAR RABBANI, Ph.D.**, is an Enzo Biochem founder and has served as the Company's Chairman of the Board and Chief Executive Officer since its inception in 1976 and Secretary since November 25, 2009. Dr. Rabbani has authored numerous scientific publications in the field of molecular biology, in particular, nucleic acid labeling and detection. He is also the lead inventor of most of the Company's pioneering patents covering a wide range of technologies and products. Dr. Rabbani received his Bachelor of Arts degree from New York University in Chemistry and his Ph.D. in Biochemistry from Columbia University.

**BARRY W. WEINER**, President, Chief Financial Officer, Principal Accounting Officer, and Director and a founder of Enzo Biochem. He has served as the Company's President since 1996, and previously held the position of Executive Vice President. Before his employment with Enzo Biochem, he worked in several managerial and marketing positions at the Colgate Palmolive Company. Mr. Weiner is a member of the New York Biotechnology Association. He received his Bachelor of Arts degree in Economics from New York University and his Master of Business Administration in Finance from Boston University.

**JAMES M. O'BRIEN**, Executive Vice President, Finance, joined Enzo Biochem, Inc. in February 2014 and is responsible for leading and managing all activities for the company's corporate and business unit financial functions. Mr. O'Brien has held leadership positions for corporate and business unit budgeting and forecasting, SEC reporting, internal controls, and accounting operations for large and small multinational public companies in pharmaceutical, consumer products, and manufacturing industries. From 2010 to 2013, Mr. O'Brien was Vice President and Corporate Controller for Actavis, PLC (formally Watson Pharmaceuticals), a global specialty pharmaceutical company. From 1998 to 2010, Mr. O'Brien held senior-level finance leadership roles at Nycomed US, Aptuit, Inc., Purdue Pharma LLP, and Bristol Myers Squibb Company. From 1988 to 1998, Mr. O'Brien was with PricewaterhouseCoopers LLP. He received his Bachelor of Arts degree from George Washington University and his Master of Business Administration from Fordham University. Mr. O'Brien is a Certified Public Accountant.

**DAVID C. GOLDBERG**, Vice President of Corporate Development for Enzo Biochem, Inc., has been employed with the Company since 1985. He also held several other executive positions within Enzo Biochem. In addition, Mr. Goldberg held management and marketing positions with DuPont-NEN and Gallard Schlesinger Industries before joining the Company. He received his Master of Science degree in Microbiology from Rutgers University and his Master of Business Administration in Finance from New York University.

## EXPERIENCED MANAGEMENT TEAM (CONT.)

**DIETER SCHAPFEL, M.D.**, Chief Medical Director for Enzo Clinical Labs, has been employed with the Company since 2012, initially as a consulting pathologist. Dr. Schapfel served as Medical Director of Pathology at Southside Hospital–North Shore/Long Island Jewish Health System from 2006 to 2012. Dr. Schapfel served as a staff pathologist at Huntington Hospital from January 2004 to June 2006. Dr. Schapfel served as Director of Pathology and Medical Affairs and the College of American Pathologists Director of Pathology, Dublin, Ireland and Farmingdale, NY for Icon Laboratories from February 2002 to October 2003. Dr. Schapfel is a graduate of the State University of New York at Stony Brook, College of Medicine, where he also served his residency. He is a diplomate of the American Board of Pathology with certification in Anatomic and Clinical Pathology and is also a diplomate of The National Board of Medical Examiners.

## GREGORY M. BORTZ

Mr. Bortz is an Independent Director of Enzo Biochem, Inc. He co-founded CREO and leads its investment management business. With over 19 years of experience in developing and managing investments for high-net-worth individuals, families, and institutions, Mr. Bortz has generated sizeable returns for private equity and hedge fund investors focusing on distressed, asset-intensive companies in the middle market and public companies trading at a discount to their intrinsic value. Prior to CREO, Mr. Bortz served as a Senior Vice President at Lehman Brothers, focused on business and professional services investment banking. During his tenure at Lehman Brothers, Mr. Bortz led transactions in a multitude of business and professional services sub-sectors, including the security, staffing, human capital management, facilities services, consulting services, marketing services, and business process outsourcing sectors. Previously, Mr. Bortz served as a Vice President in investment banking at Credit Suisse, focusing on providing a full suite of investment banking services to mid- and large-cap companies in the Western United States. Prior to that, Mr. Bortz served as a Senior Manager in the business assurance practice at Ernst & Young.

Mr. Bortz graduated from the University of Cape Town with a Bachelor of Business Science degree. He is qualified as a Chartered Accountant in South Africa as well as in England and Wales.

*“When I stepped onto the Enzo Board in 2010, I found that the management team was committed to improving all aspects of the business. The Company welcomed my advice around improving operations and at my suggestion undertook a robust cost-cutting initiative. As we see in the recent results, these initiatives are having a meaningful impact on the gross margins of the Company. By combining improved operations with our innovative MDx solutions, I believe the Company is wonderfully positioned to create robust value for shareholders”*

Greg Bortz, Enzo Director

## DOV PERLYSKY

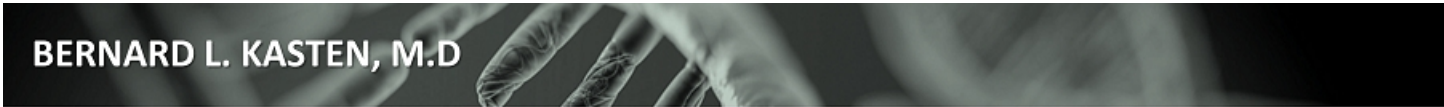
Mr. Perlysky is an Independent Director of Enzo Biochem, Inc.. He is also an Independent Director at Highlands Bancorp, Inc., Independent Director at Pharma-Bio Serv, Inc., and Managing Member at Nesher LLC. He is on the Board of Directors at Enzo Biochem, Inc.; Oak Tree Educational Partners, Inc., a provider of vocational training courses with a better than 95% placement rate; Highlands Bancorp, Inc. and Highlands State Bank, a New Jersey community bank that he helped found, which currently has four branches; News Communications, Inc., publisher of The Hill newspaper in Washington D.C. with the largest circulation of any Capitol Hill newspaper; Pharma-Bio Serv, Inc., a regulatory compliance consulting company serving eight of the 10 largest pharmaceutical and medical device companies in the world with offices in four countries; and Engex, Inc., a closed-end mutual fund.

Mr. Perlysky was previously employed as Vice President of The Private Client Group at Laidlaw Global Securities. Prior to that, he was a highly trained information technology specialist for both Anixter and IBM Corp.

Mr. Perlysky received his undergraduate degree from the University of Illinois and a Master of Management degree from the Kellogg School of Management at Northwestern University.

*"It's a very exciting time to be associated with Enzo. The current management team has the full support of the independent directors, and we are very pleased at the recent progress the Company has made to bring its game-changing platforms and products to the MDx marketplace. Enzo operates in a complicated business, which has required patience from all stakeholders. Fortunately, we have arrived at the point where Enzo is beginning to harvest its years of creativity and hard work."*

Dov Perlysky, Enzo Director



## **BERNARD L. KASTEN, M.D**

Dr Kasten has been a Director of Enzo BioChem Inc. since January 2008. He presently is Enzo's Lead Independent Director. He was Chairman of the Board of Cleveland Biolabs, Inc. (CBLI: NASDAQ) August 2006 to 2014. From 1996 to 2004, Dr. Kasten served at Quest Diagnostics Incorporated (DGX: NYSE) as Chief Laboratory Officer, Vice President of Business Development for Science and Medicine and most recently as Vice President of Medical Affairs of its MedPlus Inc. subsidiary.

Dr. Kasten served as a Director of SIGA Technologies (SIGA:NASDAQ) from May 2003 to December 2006, and as SIGA's Chief Executive Officer from July 2004 through April 2006. Since 2007 Dr. Kasten has been the Director and Chairman of GeneLink Inc. and Chairman of the Board of Riggs Heinrich Media Inc./iMirus since 2005.

Dr. Kasten is a graduate of the Ohio State University College of Medicine. His residency was served at the University of Miami, Florida and fellowships at the National Institutes of Health Clinical Center and National Cancer Institute, Bethesda, Maryland. He is a diplomat of the American Board of Pathology with Certification in Anatomic and Clinical Pathology and Sub-specialty Certification in Medical Microbiology.

**Shareholders**



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