

THIS DOCUMENT IS A COPY OF THE FORM 10-Q FOR THE QUARTER ENDED JANUARY 31, 1995  
FILED ON MARCH 20, 1995 PURSUANT TO A RULE 201 TEMPORARY HARDSHIP PROVISION.

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

Mark one

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

For the quarterly period ended January 31, 1995

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-9974

ENZO BIOCHEM, INC.

(Exact name of registrant as specified in its charter)

New York

13-2866202

-----  
(State or other jurisdiction  
of incorporation or organization)

-----  
(I.R.S. Employer  
Identification No.)

60 Executive Blvd., Farmingdale, New York

11735

-----  
(Address of principal executive office)

-----  
(Zip Code)

(516) 755-5500

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

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

Common Stock, \$0.01 par value

The American Stock Exchange

-----  
(Title of Class)

-----  
(Name of each Exchange on which Registered)

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

NONE

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

Yes    X    No  
-----

As of March 1, 1995 the Registrant had 19,843,400 shares of Common Stock  
outstanding.

ENZO BIOCHEM, INC.

FORM 10-Q

January 31, 1995

<TABLE>  
<CAPTION>

	PAGE NUMBER ----- <C>
PART I - FINANCIAL INFORMATION	
Item 1. Financial Statements	
Consolidated Balance Sheet - January 31, 1995 and July 31, 1994	3
Consolidated Statement of Operations For the six months ended January 31, 1995 and 1994	5
Consolidated Statement of Operations For the three months ended January 31, 1995 and 1994	6
Consolidated Statement of Cash Flows For the six months ended January 31, 1995 and 1994	7
Notes to Consolidated Financial Statements	9
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	11
PART II - OTHER INFORMATION	13

</TABLE>

ENZO BIOCHEM, INC.  
PART 1 - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED BALANCE SHEET

<TABLE>  
<CAPTION>

	January 31, 1995 (unaudited)	July 31, 1994
	----- (in thousands)	
	<C>	<C>
A S S E T S		
Current assets:		
Cash and cash equivalents	\$12,276	\$4,151
Accounts receivable, less allowance for doubtful accounts	10,502	9,272
Current portion of note receivable -- litigation settlement	5,000	--
Research contract receivable	--	6,500
Inventories	2,218	2,103
Deferred income taxes	--	3,000
Prepaid expenses and other	631	724
	-----	-----
Total current assets	30,627	25,750
	-----	-----
Long term portion of note receivable -- litigation settlement	12,650	--
Property and equipment, at cost, less accumulated depreciation and amortization	24,040	23,616
Cost in excess of fair value of net tangible assets acquired, less accumulated amortization	10,207	10,391
Deferred patent costs, less accumulated amortization	4,996	5,062
Other	168	224
	-----	-----
	\$82,688	\$65,043
	=====	=====

</TABLE>

See accompanying notes

ENZO BIOCHEM, INC.  
LIABILITIES AND STOCKHOLDERS' EQUITY

<TABLE>  
<CAPTION>

	January 31, 1995 (unaudited)	July 31, 1994
	----- (in thousands)	
<S>	<C>	<C>
<b>Current liabilities:</b>		
Trade accounts payable	\$2,229	\$4,447
Loan payable - bank	--	2,000
Accrued interest	--	30
Accrued legal fees	2,771	318
Other accrued expenses	1,779	1,648
Current portion of long-term debt	28	95
Current portion of obligations under capital leases	75	58
	-----	-----
Total current liabilities	6,882	8,596
	-----	-----
Long-term debt	121	135
Obligations under capital lease	4,351	4,243
Other deferred liabilities	755	824
<b>Stockholders equity:</b>		
Preferred Stock, \$.01 par value; authorized 25,000,000 shares no shares issued or outstanding		
Common Stock, \$.01 par value; authorized 75,000,000 shares; shares issued and outstanding; 19,843,400 shares at January 31, 1995 and 19,822,200 shares at July 31, 1994	198	198
Additional paid-in capital	71,807	71,753
Accumulated deficit	(1,426)	(20,706)
	-----	-----
Total stockholders' equity	70,579	51,245
	-----	-----
	\$82,688	\$65,043
	=====	=====

</TABLE>

See accompanying notes

ENZO BIOCHEM, INC.  
CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

<TABLE>  
<CAPTION>

	Six Months Ended January 31,	
	----- 1995	----- 1994
	----- (In thousands, except per share data)	
<S>	<C>	<C>
<b>Revenues:</b>		
Operating revenues	\$15,069	\$9,650
<b>Costs and expenses:</b>		
Cost of sales and diagnostic services	6,897	3,945
Research and development expenses	1,022	829
Selling expenses	1,331	778
Provision for uncollectable accounts receivable	1,097	853
General and administrative expenses	3,721	3,227
Litigation settlement, net of legal fees	(21,000)	--
	-----	-----
	(6,932)	9,632
	-----	-----
Income before interest, provision for income taxes and extraordinary gain	22,001	18
Interest income - net	309	25
	-----	-----
Income before provision for income taxes and extraordinary gain	22,310	43
Provision for income taxes	(3,030)	(25)
	-----	-----

Income before extraordinary gain	19,280	18
Extraordinary gain	--	150
	-----	-----
Net income	\$19,280	\$168
	=====	=====
Income per share before extraordinary gain	\$0.93	\$0.00
Income per share on extraordinary gain	--	0.01
	-----	-----
Net income per share	\$0.93	\$0.01
	=====	=====
Weighted average common shares	20,808	19,201
	=====	=====

See accompanying notes

</TABLE>

ENZO BIOCHEM, INC.  
CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

<TABLE>  
<CAPTION>

	Three Months Ended January 31,	
	1995	1994
	-----	-----
	(In thousands, except per share data)	
<S>	<C>	<C>
Revenues:		
Operating revenues	\$7,041	\$4,475
Costs and expenses:		
Cost of sales and diagnostic services	3,347	1,893
Research and development expenses	562	452
Selling expenses	731	417
Provision for uncollectable accounts receivable	565	390
General and administrative expenses	1,587	1,848
	-----	-----
	6,792	5,000
	-----	-----
Income (loss) before interest, provision for income taxes and extraordinary gain	249	(525)
Interest income - net	311	36
	-----	-----
Income (loss) before provision for income taxes and extraordinary gain	560	(489)
Provision for income taxes	(15)	(16)
	-----	-----
Income (loss) before extraordinary gain	545	(505)
Extraordinary gain	--	150
	-----	-----
Net income (loss)	\$545	(\$355)
	=====	=====
Income (loss) per share before extraordinary gain	\$0.03	(\$0.03)
Income per share on extraordinary gain	--	0.01
	-----	-----
Net income (loss) per share	\$0.03	(\$0.02)
	=====	=====
Weighted average common shares	20,808	19,201
	=====	=====

See accompanying notes

</TABLE>

ENZO BIOCHEM, INC.  
CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

<TABLE>  
<CAPTION>

Six Months Ended January 31,  
-----

	1995	1994
	-----	
	(In thousands)	
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	\$19,280	\$168
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	433	362
Amortization of cost in excess of fair value of tangible assets acquired	185	184
Amortization of deferred patent costs	240	180
Provision for uncollectable accounts receivable	1,097	853
Extraordinary gain on extinguishment of bank debt	--	(149)
Legal expenses converted into stock	--	230
Miscellaneous operating expenses converted into stock	--	16
Deferred income tax provision	3,000	--
Change in assets and liabilities:		
Note receivable - litigation settlement	(17,650)	--
Research contract receivable	6,500	--
Accounts receivable before provision for uncollectable amounts	(2,327)	(1,965)
Inventories	(115)	(130)
Prepaid expense and other assets	133	(233)
Trade accounts payable and other accrued expenses	(2,087)	(619)
Accrued legal fees	2,453	(353)
Deferred liabilities	(68)	35
Accrued interest payable	(30)	(59)
	-----	-----
	(8,236)	(1,648)
	-----	-----
Net cash (used) provided by operating activities	\$11,044	(\$1,480)
	-----	-----

</TABLE>

ENZO BIOCHEM, INC.  
CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

<TABLE>  
<CAPTION>

	Six Months Ended January 31,	
	1995	1994
	-----	
	(In thousands)	
<S>	<C>	<C>
Cash flows from investing activities:		
Capital expenditures	(\$727)	(\$486)
Patent costs deferred	(173)	(151)
Decrease in security deposit	52	--
	-----	-----
Net cash used in investing activities	(848)	(637)
	-----	-----
Cash flows from financing activities:		
Payment of bank debt	(2,020)	(1,410)
Payments of obligations under capital lease	(44)	(106)
Proceeds from issuance of stock	--	7,520
Proceeds from stock options	55	379
Payment of Debenture Bonds	(62)	--
Payment for registration filing fees	--	(110)
	-----	-----
Net cash (used) provided by financing activities	(2,071)	6,273
	-----	-----
Net increase in cash and cash equivalents	8,125	4,156
Cash and cash equivalents at the beginning of the year	4,151	654

Cash and cash equivalents at the end of the period

-----  
\$12,276  
=====

-----  
\$4,810  
=====

</TABLE>

ENZO BIOCHEM, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
January 31, 1995  
(Unaudited)

1. The consolidated balance sheet as of January 31, 1995, the consolidated statement of operations for six months ended January 31, 1995 ("1995 Period") and 1994 ("1994 Period") and the consolidated statement of cash flows for the six months ended January 31, 1995 and 1994 have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at January 31, 1995 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these financial statements be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 1994 Annual Report on Form 10-K. The results of operations for the six months ended January 31, 1995 are not necessarily indicative of the results that may be expected for the full year.

2. On October 19, 1994 the Company executed a settlement agreement with Johnson & Johnson, Inc. in the aggregate amount of \$35.0 million pursuant to which the Company received \$15.0 million, of which \$6.5 million relates to amounts due under certain research and development agreements and which was included in research contracts receivable at July 31, 1994, and a promissory note requiring Johnson & Johnson and its subsidiary, Ortho Diagnostics, Inc., to pay \$5.0 million a year for each of the four successive anniversaries of said date. Pursuant to the terms of the settlement, all of the Company's grants, licenses and intellectual property have been returned to the Company in totality.

3. On January 13, 1995, the Company paid in full the \$61,900 outstanding balance of the 9% Convertible Subordinated Debentures originally issued in 1986.

4. In March 1993, the Company filed suit in the United States District Court for the District of Delaware charging patent infringement and acts of unfair competition against Calgene, Inc. and seeking a declaratory judgment of invalidity concerning Calgene, Inc.'s antisense patent. On February 9, 1994 the Company filed a second suit in the United States District court for the District of Delaware charging Calgene with infringement of a second antisense patent owned by the Company. Calgene has filed a counterclaim in the second Delaware action seeking a declaration that a third patent belonging to the Company is invalid. The two Delaware actions have been consolidated and are scheduled to go to trial in April 1995. In addition, the Company filed suit on March 22, 1994 in the United States District Court for the Western District of Washington against Calgene and the Fred Hutchinson Cancer Research Center, alleging that the defendants had conspired to issue a false and misleading press release regarding a supposed "patent license" from Hutchinson to Calgene, and conspired to subvert the Company's antisense patents by improperly using confidential information to challenge them in the Patent Office. The Complaint further charges that Hutchinson is infringing and inducing Calgene to infringe the Company's antisense patents. There can be no assurance that the Company will be successful in any of the foregoing matters or that Calgene, Inc. and/or Hutchinson will not be successful. However, even if the Company is not successful, management does not believe there will be a significant monetary impact.

5. Effective December 1, 1985, the Company entered into an agreement with the City of New York to lease, over a fifty-year term, a six-story building located in New York City. During 1992 this lease was renegotiated. The Company has recorded the fair market value of the real property in the amount of \$3,000,000 as a capital lease obligation due in installments through 2036. Financing for the renovation and equipping of such facility came principally from the Company's own funds. The Company is carrying the capital leasehold interest at its estimated fair market value.

6. In April, 1994, the Company signed a non-exclusive worldwide distribution and supply agreement with Boehringer Mannheim Biochemicals. Under the terms of this agreement, Boehringer Mannheim will distribute to the global medical research market, a broad range of biochemical products and reagents manufactured and supplied by Enzo. The agreement includes products based on nonradioactive DNA probe technology and includes products that were developed and marketed by Boehringer Mannheim prior to the agreement as well as products developed by the Company, all of which are covered by Enzo patents. The agreement takes effect

immediately and extends for the life of the last patent to expire for products involved.

The Company has net operating loss carryforwards at July 31, 1994 of approximately \$19,244,000 for income tax return purposes.

Item 2- Management's Discussion and Analysis of Financial Condition  
and Results of Operations

Liquidity and Capital Resources

Net cash provided by operating activities increased by approximately \$12,524,000 for the six months ended January 31, 1995 as a result of an increase in net income of approximately \$19,112,000 related to the J&J settlement offset by changes in operating assets and liabilities.

The Company's internal source of cash generated by operations in addition to the proceeds from the litigation settlement was sufficient to meet the Company's needs for investing and other financing activities. At January 31, 1995 the Company had working capital of approximately \$23,745,000.

On October 19, 1994 the Company executed a settlement agreement with Johnson & Johnson, Inc. pursuant to which the Company received \$15.0 million and a promissory note requiring Johnson & Johnson and its subsidiary, Ortho Diagnostics, Inc., to pay \$5.0 million a year for each of the four successive anniversaries of said date. Pursuant to the terms of the settlement, all of the Company's grants, licenses and intellectual property have been returned to the Company in totality.

In March, 1994 EnzoLabs entered into a \$2.0 million line of credit with a bank. Interest was being charged at a rate of 1% above the bank's prime rate. In October, 1994 the Company paid in full the line of credit.

Effective December 1, 1985, the Company entered into an agreement with the City of New York to lease, over a fifty-year term, a six-story building located in New York City. During 1992 this lease was renegotiated. The Company has recorded the fair market value of the real property in the amount of \$3,000,000 as a capital lease obligation due in installments through 2036. Financing for the renovation and equipping of such facility came principally from the \$10,000,000 industrial revenue bond financing completed on December 31, 1985 and the Company's own funds. The Company has decided to carry the capital leasehold interest at its estimated fair market value.

Results of Operations

- - - - -

Six months ended January 31, 1995 compared with six months ended January 31, 1994

- - - - -

Operating revenues for the six months ended January 31, 1995 ("1995 period") increased by \$5,419,000 over operating revenues for the six months ended January 31, 1994 ("1994 period"). This increase was due to a \$2,098,000 increase in revenues from the clinical reference laboratory and an increase of \$3,321,000 of research product revenues as compared to the 1994 period. Revenues at the clinical reference laboratory increased due to the increase in volume of higher priced screening tests. Revenues from research products increased primarily from the Company's non-exclusive contract with Boehringer Mannheim for distribution of the Company's products.

Cost of sales increased by approximately \$2,952,000 primarily due to increased revenues from research products related to the Boehringer Mannheim non-exclusive agreement.

Selling expenses increased by \$553,000 due to an increase in marketing programs and sales personnel for the clinical reference laboratory.

Interest income increased by \$284,000 as a result of the investment of the proceeds from the litigation settlement with Johnson & Johnson.

The increase in general and administrative expenses of \$494,000 was primarily due to the increased legal fees for the Calgene lawsuit.

The provision for bad debts increased by \$244,000 due to an increase in revenues from the clinical reference laboratory.

The provision for taxes increased approximately \$3,000,000 primarily due to the recognition of income resulting from the litigation settlement.

Three months ended January 31, 1995 compared with three months ended January 31, 1994

-----  
Operating revenues for the three months ended January 31, 1995 ("1995 period") increased by \$2,566,000 over revenues from operations for the three months ended January 31, 1994 ("1994 period"). This increase was due to increases of \$1,440,000 in revenues from the clinical reference laboratory and an increase in research product sales of \$1,126,000 for the similar activity in the 1994 period.

Cost of sales increased by \$1,452,000 primarily as a result of increased revenues by research product sales related to the Boehringer Mannheim distribution agreement.

Selling expenses increased by \$314,000 as a result of increased personnel costs related to the clinical reference laboratory.

General and administrative expenses increased by approximately \$172,000 as a result of an increase of legal fees related to the diagnostic division.

ENZO BIOCHEM, INC.  
PART II - OTHER INFORMATION

Item 6 - Exhibits and Reports on Form 8-K

- (a) Exhibits - none
- (b) Reports on form 8-K - none

SIGNATURES

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

ENZO BIOCHEM, INC.  
-----  
(registrant)

Date: March 10, 1995

by: /s/ Barry W. Weiner,  
-----  
Barry W. Weiner, Executive  
Vice President-Secretary