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

Mark one
[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 1997

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 7, 1997 the Registrant had 23,176,400 shares of Common Stock outstanding.

ENZO BIOCHEM, INC.

FORM 10-Q

January 31, 1997

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ENZO BIOCHEM, INC.
PART 1 - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED BALANCE SHEET

	January 31, 1997 (unaudited)	July 31, 1996
	(in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$23,209	$17,793
Accounts receivable, less allowance for doubtful accounts	10,414	10,488
Current portion of note receivable - litigation settlement	5,000	5,000
Inventories	1,791	1,810
Other	2,302	823
Total current assets	42,716	35,914
Property and equipment, at cost, less accumulated depreciation and amortization	2,945	3,107
Long term portion of note receivable - litigation settlement	4,564	9,114
Cost in excess of fair value of net tangible assets acquired, less accumulated amortization	9,490	9,675
Deferred patent costs, less accumulated amortization	4,753	4,878
Other	152	150
	$64,620	$62,838

ENZO BIOCHEM, INC.
LIABILITIES AND STOCKHOLDERS' EQUITY
<TABLE>
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	January 31, 1997 (unaudited)	July 31, 1996
	(in thousands)	

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Current liabilities:		
Trade accounts payable	$ 860	$ 1,281
Accrued legal fees	23	1,392
Accrued leasehold costs	--	2,950
Other accrued expenses	533	776
Current portion of long-term debt	36	35
Current portion of obligations under capital leases	27	29
Total current liabilities	1,479	6,463
Long-term debt	28	47
Obligations under capital leases	53	67
Other deferred liabilities	1,008	1,008
Stockholders' equity:		
Preferred Stock, $ .01 par value; authorized 25,000,000 shares; no shares issued or outstanding		
Common Stock, $ .01 par value; authorized 75,000,000 shares; shares issued and outstanding; 23,168,000 shares at January 31, 1997 and 21,624,900 shares at July 31, 1996	232	216
Additional paid-in capital	89,913	83,450
Accumulated deficit	(28,093)	(28,413)
Total stockholders' equity	62,052	55,253
	$ 64,620	$ 62,838

</TABLE>

See accompanying notes

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

	Six Months Ended January 31,	
	1997	1996
	(In thousands, except per share data)	
Revenues:		
Research product sales	$ 6,116	$ 6,246
Clinical laboratory services	9,618	10,318
Total operating revenues	15,734	16,564
Costs and expenses:		
Cost of research product sales	3,710	3,513
Cost of clinical laboratory services	3,383	3,545
Research and development expenses	1,857	1,275
Selling expenses	1,267	1,281
Provision for uncollectable accounts receivable	2,566	1,354
General and administrative expenses	3,651	4,229
Total costs and expenses	16,434	15,197
Income (loss) before interest and provision for income taxes	(700)	1,367
Interest income net	1,038	764
Income before provision for income taxes	338	2,131
Provision for taxes on income	(18)	(670)

Net income	$ 320	$ 1,461
Net income per share	$ 0.01	$ 0.06
Weighted average common shares	23,926	23,549

See accompanying notes

ENZO BIOCHEM, INC.

CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

	Three Months Ended January 31,	
	1997	1996
	(In thousands, except per share data)	
Revenues:		
Research product sales	$ 2,943	$ 3,209
Clinical laboratory services	4,786	4,799
Total operating revenues	7,729	8,008
Costs and expenses:		
Cost of research product sales	1,786	1,699
Cost of clinical laboratory services	1,688	1,678
Research and development expenses	949	690
Selling expenses	668	676
Provision for uncollectable accounts receivable	1,030	584
General and administrative expenses	1,969	2,258
Total costs and expenses	8,090	7,585
Income (loss) before interest and provision for income taxes	(361)	423
Interest income net	560	387
Income before provision for income taxes	199	810
Provision for taxes on income	(1)	(253)
Net income	$ 198	$ 557
Net income per share	$ 0.01	$ 0.02
Weighted average common shares	23,902	23,518

See accompanying notes

ENZO BIOCHEM, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

<TABLE>
<CAPTION>

	Six Months Ended January 31,	
	1997	1996
	(In thousands, except per share data)	

<S>	<C>	<C>
Cash flows from operating activities:		
Net income	$ 320	$ 1,461
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	433	452
Amortization of costs in excess of fair value of tangible assets acquired	185	186
Amortization of deferred patent costs	300	240
Provision for uncollectable accounts receivable	2,566	1,354
Expense related to leasehold	--	130
Accretion of interest on note receivable	(450)	(353)
Other	142	95
Change in assets and liabilities:		
Note receivable - J & J settlement	5,000	5,000
Accounts receivable before provision for uncollectable amounts	(2,492)	(2,989)
Inventories	20	(210)
Prepaid expense	220	47
Trade accounts payable and other accrued expenses	(615)	(441)
Accrued legal fees	(40)	60
Income taxes payable	--	(598)
Deferred liabilities	--	80
	5,269	3,053
Net cash provided by operating activities	$ 5,589	$ 4,514

</TABLE>

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

<TABLE>
<CAPTION>

	Six Months Ended January 31,	
	1997	1996
	(In Thousands)	
<S>	<C>	<C>
Cash flows from investing activities:		
Capital expenditures	(272)	(195)
Patent costs deferred	(175)	(137)
Security deposits	(1)	3
Net cash used in investing activities	(448)	(329)
Cash flows from financing activities:		
Payments of obligations under capital lease	(32)	(46)
Proceeds from exercise of stock options	307	1,162
Net cash provided by used in financing activities	275	1,116
Net increase in cash and cash equivalents	5,416	5,301
Cash and cash equivalents at the beginning of the year	17,793	11,068
Cash and cash equivalents at the end of the period	$ 23,209	$ 16,369

</TABLE>

1. The consolidated balance sheet as of January 31, 1997, the consolidated statement of operations for six months ended January 31, 1997 ("1997 Period") and 1996 ("1996 Period") and the consolidated statement of cash flows for the six months ended January 31, 1997 and 1996 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, 1997 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 1996 Annual Report on Form 10-K. The results of operations for the six months ended January 31, 1997 are not necessarily indicative of the results that maybe expected for the full year.

In March 1995, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of". This standard is effective for the Company's financial statements beginning in the first quarter of fiscal 1997. SFAS No. 121 establishes the accounting for the impairment of long-lived assets, certain identifiable intangibles and the excess of cost over net assets acquired, related to those assets to be held and used in operations, whereby impairment losses are required to be recorded when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets carrying amount. SFAS No. 121 also addresses the accounting for long-lived assets and certain identifiable intangibles that are expected to be disposed of. In the opinion of the Company's management, the adoption of SFAS No. 121 did not have a material effect on the consolidation results of operations or financial condition of the Company.

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, 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. These future payments are recorded at net present value discounted using an interest rate of 5.25%. 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. 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 plant 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 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 were consolidated and were tried to the Court in April 1995. Following trial, the Court issued a decision that was adverse to Enzo but subsequently withdrew that decision. Both sides have submitted additional materials and motions. The Court has not issued any further decision or ruled on the motions. The Company intends to appeal from any adverse judgment. There can be no assurance that the Company will be successful

in this matter or that Calgene will not be successful. However, even if the Company is not successful, management does not believe there will be a significant monetary impact.

4. On 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. In the fourth quarter of fiscal 1996, the Company negotiated a settlement with the City of New York to relieve the Company from any further obligations related to the lease and to return the building to the City and the Company agreed to pay the City $2,950,000 in full settlement of all of the City's claims for unpaid taxes and rent. The Company issued to the City 213,623

shares of the Company's common stock in August 1996 in consideration of the settlement amount. As a result of this settlement with the City, the Company incurred a charge against earnings in the amount of approximately $7.6 million in the fourth quarter of fiscal 1996.

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

Liquidity and Capital Resources

The Company at January 31, 1997, had cash and cash equivalents of $23,209,000, an increase of $5,416,000 from July 31, 1996. The Company had working capital of $41,237,000 at January 31, 1997 compared to $29,451,000 at July 31, 1996.

The Company's income before taxes for the 6 month period ended January 31, 1997 was $338,000 which includes depreciation and amortization aggregating approximately $918,000. The Company's positive cash flow from operations was sufficient to meet its current cash needs for the research and development programs and other investing activities.

Net cash provided by operating activities for the 6 month period ended January 31, 1997 was approximately $5,589,000 and includes $5.0 million of cash received in connection with the litigation settlement with Johnson & Johnson, Inc. as compared to net cash provided by operating activities of $4,514,000 for the 1996 period which also includes $5.0 million of cash received in connection with the litigation settlement with Johnson & Johnson, Inc. The increase in net cash provided by operating activities from the 1996 period to the 1997 period was primarily due to the Company's decrease in net income from January 31, 1997, an increase provision for uncollectable

accounts receivable of $1,212,000 offset by the decrease in accounts receivable, and the decrease in income taxes payable.

Net cash used in investing activities increased by $119,000 from the 1996 period primarily as a result of an increase in capital expenditures.

Net cash provided by financing activities decreased by $841,000 from the 1996 period primarily as a result of the decrease in proceeds from the exercise of stock options.

Results of Operations

Six months ended January 31, 1997 compared with six months ended January 31, 1996

Revenues from operations for the period ended January 31,1997 decreased by $830,000 over revenues from operations for the period ended January 31,1996. This decrease was due to a decrease of $130,000 in the mix of research products sales resulting primarily from the Company's non-exclusive distribution agreements for the Company's products and by a decrease of $700,000 in revenue for the clinical reference laboratory operation. The decrease in revenues from the clinical laboratory operations resulted primarily from a reduction in reimbursement rates from the Medicare program and, to a lesser extent, a decrease in volume from unprofitable diagnostic screening tests.

Cost of sales increased by approximately $35,000 as a result of an increase of $ 197,000 in the cost of sales of research products from the Company's distribution agreements activities offset by a decrease in the cost of clinical laboratory services of $162,000. This decrease is primarily due to the improved efficiencies of performing certain diagnostics screening tests. The increase in the cost of research products is primarily due to the change in mix of products distributed.

Research and development expenses increased by approximately $582,000 as a result of an increase in research programs and to a lesser extent the increase in amortization of patent costs.

The provision for uncollectable accounts receivable increased by $1,212,000 primarily due to the fact that additional reserves were needed during the six months entered January 31, 1997 primarily to cover lower collection rates under the Federal Medicare programs and other third-party insurance carriers. The health care industry is undergoing significant change as third-party payors, such as Medicare and other insurers, increase their efforts to control the cost, utilization and delivery of health care services. In particular, the Company believes that reductions in reimbursement for Medicare services will continue to be implemented from time to time. Reductions in the reimbursement rates of other third-party payors are likely to occur as well. Furthermore, the Company

cannot predict the effect health care reform, if enacted, would have on its business, and there can be no assurance that such reforms, if enacted, would not have a material adverse effect on the Company's business and operations.

Selling and general and administration expenses decreased by $592,000 primarily due to a decrease in legal fees and the overall improved efficiencies at the clinical reference laboratory.

Three months ended January 31, 1997 compared with three months ended January 31, 1996

Revenues from operations for the period ended January 31,1997 decreased by $279,000 over revenues from operations for the period ended January 31,1996. This decrease was due to a decrease of $266,000 in the mix of research products sales primarily from the Company's non-exclusive distribution agreements and by a decrease of $13,000 in revenue for the clinical reference laboratory operation. The decrease in revenues from the clinical laboratory operations resulted primarily from a reduction in reimbursements rates from the Medicare program and to a lesser extent, a decrease in volume from unprofitable diagnostic screening tests.

Cost of sales increased by approximately $97,000 as a result of an increase of $87,000 in the cost of sales of research products from the Company's distribution agreements activities and by a increase in the cost of clinical laboratory services of $10,000.

Research and development expenses increased by approximately $259,000 as a result of an increase in research programs and to a lesser extent the increase in amortization of patent costs.

The provision for uncollectable accounts receivable increased by $446,000 primarily due to the fact that additional reserves were needed during the three months ended January 31, 1997 primarily to cover lower collection rates under the Federal Medicare programs and other third-party insurance carriers. The health care industry is undergoing significant change as third-party payors, such as Medicare and insurers, increase their efforts to control the cost, utilization and delivery of health care services. In particular, the Company believes that reductions in reimbursement for Medicare services will continue to be implemented from time to time. Reductions in the reimbursement rates of other third-party payors are likely to occur as well. Furthermore, the Company cannot predict the effect health care reform, if enacted, would have on its business, and there can be no assurance that such reforms, if enacted, would not have a material adverse effect on the Company's business and operations.

Selling and general and administration expenses decreased by $297,000 primarily due to a decrease in legal fees and the overall improved efficiencies at the clinical reference laboratory.

PART II

Item 2- Changes in Securities

The Company issued an aggregate of 416,521 shares of Common Stock in August 1996, in October 1996 and in December 1996 in exchange for the cancellation of an aggregate of $6,171,871 owed or to be owed by the Company to certain creditors of the Company. The shares were registered pursuant to a registration statement declared effective in February 1997.

SIGNATURES

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

ENZO BIOCHEM, INC.

(registrant)

Date: March 13, 1997

by: /s/ Shahram K. Rabbani

Chief Operating Officer,
Secretary and Treasurer

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JANUARY 31, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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