UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

MARK ONE

/x/ ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)

For the fiscal year ended July 31, 1996

or

/ / TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

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 BOULEVARD, FARMINGDALE, NEW YORK	11735
(Address of principal executive offices)	(Zip Code)

(516) 755-5500
(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

COMMON STOCK, $.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 was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes /x/ No / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

As of October 21, 1996, the Registrant had 21,951,349 shares of Common Stock outstanding.

The aggregate market value of the Common Stock held by nonaffiliates as of October 21, 1996 was approximately $316,492,296.

DOCUMENTS INCORPORATED BY REFERENCE

Part III -	Items 11, 12 and 13	To be included in the Company's Proxy Statement to be filed with the Securities and Exchange Commission no later than November 28, 1996.
Part IV -	Certain exhibits listed in response to Item 14(a)(3)	Included in prior filings made by the Company under the Securities Act of 1933 and the Securities Exchange Act of 1934

PART I

ITEM 1. BUSINESS

INTRODUCTION

Enzo Biochem, Inc. (the "Company" or "Enzo") employing biotechnology, develops, manufactures and markets health care products, and also provides medical diagnostic services to the medical community. Each of the three business activities of the Company is performed by one of the Company's three wholly-owned subsidiaries--Enzo Diagnostics, Inc., Enzo Therapeutics, Inc., and Enzo Clinical Labs, Inc. ("Enzo Diagnostics", "Enzo Therapeutics" and "Enzo Clinical Labs", respectively). These activities are: (1) diagnostic and research product development, manufacture and marketing through Enzo Diagnostics, (2) therapeutic product research and development through Enzo Therapeutics, and (3) the operation of a clinical reference laboratory through Enzo Clinical Labs. For information relating to the Company's business segments, see Note 11 of the Notes to Consolidated Financial Statements.

For the fiscal year ended July 31, 1996 (fiscal 1996), approximately 38% of the Company's operating revenues was derived from product sales and approximately 62% was derived from clinical reference laboratory services. For the fiscal years ended July 31, 1995 and 1994 (fiscal 1995 and fiscal 1994, respectively), approximately 30% and 23%, respectively, of the Company's operating revenues were derived from product sales and approximately 70% and 77%, respectively, were derived from clinical reference laboratory services.

PRODUCT DEVELOPMENT ACTIVITIES

The Company's product development programs incorporate various scientific areas of expertise, including recombinant DNA, monoclonal antibody development, enzymology, microbiology, biochemistry, organic chemistry, and fermentation. The Company's activities in research and development are performed by the Company's professional and scientific staff. To a lesser extent, research and development is pursued in collaboration with outside consultants at research and academic institutions.

The primary focus of the Company's current research is the development of products based on gene labeling and gene regulation. The Company is funding its research programs through its operating cash flows and cash and cash equivalents, as well as seeking joint ventures and collaborative relationships.

Through Enzo Diagnostics, the Company has devoted a major portion of its research and development activities to develop simple and reliable test formats and protocols for the commercialization of nucleic acid-based diagnostics as well as other diagnostic products. A key system for Enzo is its non-radioactive BIOPROBE-Registered Trademark- nucleic acid probe system and the Company continued to introduce new products based on this technology into the research market during fiscal 1996.

The product development programs of the Company include developing BIOPROBE-Registered Trademark- nucleic acid probe products to detect sexually transmitted diseases, such as AIDS, herpes, chlamydia, gonorrhea, and other infectious diseases, such as tuberculosis, cytomegalovirus, hepatitis and Epstein-Barr virus (implicated in mononucleosis). The Company markets several product lines containing BIOPROBE-Registered Trademark- nucleic acid probe products.

The Company, through Enzo Therapeutics, is developing therapeutic applications of nucleic acids. In May 1987, the Company entered into an agreement with the Research Foundation of the State University of New York which grants the Company certain exclusive rights to a genetic engineering technology for generating antisense RNA repressors. As a result of the technology covered by such agreement, the Company has obtained three (3) patents. Although the Company has not derived revenues from any of the foregoing three antisense patents, the Company believes that this technology will be the basis for the Company to derive meaningful revenues in the future.

Whenever the Company complements its internal research and development activities with collaborative research arrangements with academic and private research institutions or consultants on specific projects, the Company typically supplies funds to cover salaries, materials, certain laboratory equipment and a portion of the overhead. In all such collaborative research arrangements, the Company reserves the commercial rights to any product or process developed, subject to a royalty payment to the institution or consultant involved over a period of years. The location of the Company in the greater New York area affords the Company access to and interaction with a large number of research institutions and qualified scientists.

In the fiscal years ended July 31, 1996, 1995 and 1994, the Company incurred costs of approximately $3,083,000, $2,366,000 and $1,764,000, respectively, for research and development activities.

CLINICAL REFERENCE LABORATORY

The Company, through Enzo Clinical Labs, operates a clinical reference laboratory which offers full diagnostic services to the greater New York medical community. The services Enzo Clinical Labs provides include chemistry, blood tests, cytology studies, tissue pathology, hormone studies, and diagnostic procedures which seek to detect precancerous conditions, cancers in cervical specimens and sexually transmitted diseases. Enzo Clinical Labs provides these services primarily to physicians as well as to clinics, nursing homes and other clinical laboratories. Enzo Clinical Labs operates a regional clinical reference laboratory on Long Island and also operates twelve satellite patient service centers in the greater New York area, including a stat laboratory in Manhattan. In addition, the Company utilizes its clinical reference laboratory to evaluate and demonstrate the benefits of the Company's diagnostic products (see Note 11 of the Notes to Consolidated Financial Statements for segment information and operating revenues and profits).

BUSINESS OBJECTIVES

The current business objectives of the Company are (1) to develop, manufacture and market on a worldwide basis diagnostic and therapeutic products based on the Company's research activities in biotechnology and molecular biology, and (2) to perform diagnostic tests for the U.S. health care community. The Company's research and development efforts are directed to both short and long-term projects. Diagnostic products require less time to commercialize than therapeutic products because the procedures required for attaining government clearance are less time consuming. Therapeutic products, once developed, require extensive clinical testing and compliance. This process can range from three to five years and, in some instances, longer.

At such time as the Company's initial self-funded research demonstrates technical feasibility and potential commercial importance, the Company will have the option to pursue the opportunity on its own or to associate with another entity for development and ultimate marketing of the product. Unless there is a business reason to license products or processes developed by the Company, the Company intends to retain ownership with respect to development and marketing of a product or process.

MARKETING STRATEGY

Enzo's initial commercialization program for the BIOPROBE-Registered Trademark- nucleic acid probe systems included filing major U.S. and foreign patent applications, clinical evaluation, and Food and Drug Administration (FDA) submissions. The Company has obtained clearance for a number of FDA approved diagnostics for sale to clinical reference laboratories and researchers through Enzo Diagnostics. BIOPROBE-Registered Trademark- nucleic acid probe products are also sold to the research market, where FDA clearance is not required. The Company has been successful in obtaining FDA clearance for four totally Enzo-developed DNA probe products. The Company believes that significant delays will not be encountered with any future probe product submissions to the FDA since products based on the BIOPROBE-Registered Trademark- nucleic acid probe system have been FDA cleared. However, there can be no assurance that delays will not be incurred.

Through Enzo Diagnostics, the Company manufactures and markets its BIOPROBE-Registered Trademark- nucleic acid probe products for research applications. These BIOPROBE-Registered Trademark- research products include products which allow researchers to make their own non-radioactive DNA probes as well as complete DNA probe kits which contain all reagents necessary for detecting various disease pathogens in clinical samples.

Enzo Diagnostics markets a variety of IN SITU hybridization kits. PATHOGENE-Registered Trademark- DNA probe kits detect specific pathogens including human papillomavirus (HPV), herpes simplex virus, cytomegalovirus, Epstein-Barr virus, adenovirus, hepatitis B virus and CHLAMYDIA TRACHOMATIS. Its BIOPAP-Registered Trademark- DNA probe kits detect certain types of HPV in Pap smear samples. An enhanced detection procedure that will enable the pathologist to identify the presence of fewer virus particles by increasing the sensitivity of the assay was developed by the Company. These products compete directly with products labeled

with various radioactive isotopes. In addition to the IN SITU hybridization kits, Enzo Diagnostics also markets kits based on its proprietary microplate hybridization format. Microplate Hybridization Assays have been developed for the detection of the AIDS-causing virus (HIV-1). Kits are also available to detect HIV-2, another strain of the AIDS virus, hepatitis virus, the bacteria causing tuberculosis (TB) and members of the MYCOBATERIUM TUBERCULOSIS (MTB) complex.

Enzo's HIV test was one of the first commercial DNA probe tests for this pathogen in this format. Unlike most AIDS tests which detect antibodies for HIV, Enzo's HIV Microplate Hybridization Assay detects DNA unique to HIV. Since individuals can carry the HIV infection for up to 12 months before developing antibodies to it, a test directed at the virus can provide earlier detection. Because this product also can measure virus concentrations, it is easier for researchers to determine HIV levels in patients and look for relationships between these levels and other disease indicators such as antibody production or appearance of symptoms. This product is currently marketed to the research community. An enhanced version of the Microplate Hybridization Assay, has been developed to detect the hepatitis virus directly in serum and is aimed at the blood bank market.

In early stages of infection, the pathogen may be present in very small amounts and may be difficult to detect. Samples, however, can be treated in a way that produces copies of targeted DNA, if it is present. This amplification process is one possible approach to detect very low levels of infection. All of Enzo's Microplate Assays can be used to detect these pathogens in amplified as well as unamplified samples. In order to fully integrate its technology, Enzo has developed a new simplified amplification process for multicopy production of nucleic acid. A patent application was filed in January 1994 and this proprietary amplification process was incorporated into the microplate assay format, thus providing a totally integrated assay system. This approach is being developed for use with the hepatitis assay system and will form the basis for all Enzo's microplate assays.

In addition to nucleic acid-based products, the Company also produces and sells other types of research products, such as monoclonal antibodies. The products are marketed through direct sales, an extensive product catalog, advertising in scientific and trade journals and U.S. and foreign distributors. In fiscal 1993, Enzo Diagnostics began to expand its non-exclusive distribution arrangements for its proprietary products in both the U.S. and foreign markets with various companies having worldwide distribution and with companies having local foreign distribution. In fiscal 1994, the Company continued to expand these distribution arrangements and began a policy of using joint labels on all products marketed by its distributors. 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 distributes 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 took effect in April 1994 and extends for the life of the last patent to expire for products involved.

In February 1995, a distribution agreement was signed with Amersham International and includes a broad group of products developed and marketed by Amersham, as well as products developed by Enzo Diagnostics. All products are based on nonradioactive DNA labeling technologies covered by Enzo patents. A second agreement, also covering the Company's line of proprietary DNA labeling products and reagents was concluded in May 1995 with Dako A/S, a privately-held international company with headquarters in Copenhagen, Denmark and subsidiaries worldwide, including the Dako Corporation based in Carpinteria, California.

During fiscal 1996, a similar distribution agreement was concluded with

VWR Scientific Products, a leader in the medical research market that was formerly an operating unit of Baxter Health Care. Other agreements are currently under discussion.

The Company had previously entered into distribution agreements with certain Johnson & Johnson, Inc. (J&J) subsidiaries in Europe, one of which continues to be in effect. Ortho Diagnostics continues to be the Company's distributor for marketing, distribution and sale in Italy for the Company's BIOPROBE-Registered Trademark- and other products.

The Company, because of its various proprietary diagnostic technologies, may enter into joint ventures with other biotechnology companies or other health care companies with marketing resources and/or complementary technology or products to more fully take advantage of market opportunities.

Enzo Clinical Labs is a major regional clinical reference laboratory offering full service diagnostic testing in the greater New York marketplace. Its services are marketed by a professional sales force who serve client physicians, clinics, nursing homes and other clinical laboratories in the area. A key marketing strategy has been the strategic placement of a network of patient service centers, where patients can go to have samples taken upon the request of their physicians. The Company operates a stat laboratory at its Manhattan patient service center, affording its client physicians rapid test turnaround. The diagnostic service business provides Enzo Diagnostics with a practical application of its products, making it possible to more appropriately tailor diagnostic products to the end-user. The Company's BIOPROBE-Registered Trademark- nucleic acid probe products offer Enzo Clinical Labs a marketing tool by establishing it among the first to offer nucleic acid based tests.

TECHNOLOGY AND PRODUCT DEVELOPMENT

The major focus of the Company's product development program has been toward the commercialization of nucleic acid probe-based IN VITRO diagnostics for specific pathogens. Initially, nucleic acid probes were radioactive and required complex protocols to perform. To develop them into useful commercial products required making such products easy-to-use, easy to interpret, readily automatable and sensitive enough to detect the presence of low levels of pathogen. As a result of this product development effort, the Company has developed a broad technology base for the labeling, detection,

sensitivity enhancement, signal amplification and testing formats of nucleic acid probe products. Patent protection has been aggressively pursued for this technology base. At the end of fiscal 1996 some 173 patents issued worldwide had been granted to or licensed by the Company in this area of technology. In fiscal 1995 and continuing during fiscal 1996, the Company began to receive significant revenues from the distribution agreements related to these patents and believes that the patents have positioned the Company to derive considerably more revenues in the future as the markets for these products continue to develop. These patents cover a variety of BIOPROBE-Registered Trademark- nucleic acid probe products, chelation technology for easy radioactive labeling, signal amplification methods, sensitivity enhancements, and automatable formats.

BIOPROBE-Registered Trademark- Nucleic Acid Probe Labeling and Signal Generating Systems

Nucleic acid probes used traditionally in biomedical research and recombinant DNA technology have been radioactively labeled with isotopes of hydrogen, phosphorous, carbon or iodine. Radioactive materials have historically provided researchers with the most sensitive and, in many cases, the only means to perform many important experimental or analytical tests. However, limitations and drawbacks are associated with the use of radioactive compounds. For example, radioactive materials are often very unstable and have a limited shelf-life. Because of the potentially hazardous nature of radioactive materials, their use must be licensed and elaborate safety precautions must be maintained during the preparation, utilization and disposal of radioisotopes. In addition, radioactive nucleotides are extremely expensive and their instability increases usage cost.

To overcome the limitations of radioactively labeled probes, the Company, starting with basic technology licensed from Yale University ("Yale"), has developed a proprietary technology which allows DNA probes to be used effectively without the use of radioactivity. This development permits the application of genetic analysis in a clinical setting without the shelf-life, licensing and disposal problems associated with radioactively labeled probes.

In December 1987, a primary patent for the technology that is essential to the development of nonradioactive DNA probe diagnostics was issued to Yale. In July 1994 and in September 1995 additional patents, broadening the coverage of the primary patent were also issued to Yale. The Company has an exclusive license for both patents from Yale for the life of the patents. Pursuant to such license agreement, the Company is obligated to pay Yale royalties equal to a percentage of sales. The Company is obligated to pay Yale an annual minimum royalty fee of $200,000 which shall continue through the end of the term of the exclusive license.

The near term application of the BIOPROBE-Registered Trademark- nucleic

acid probe system in the human health care area is in bacterial and viral diagnostics. Nucleic acid probe diagnostics can be developed for any organism. Advantages of the nucleic acid probes for the direct detection of pathogens in human diagnostics are speed (less than an hour for test results as compared to days), greater specificity, and the capability of diagnosing a disease in an early or latent stage of development.

Radioactive Labeling Systems

The Company has developed a new method for labeling molecules with radioisotopes that is safer, faster, simpler and more cost effective than traditional methods of radiolabeling. This method is to be used in those applications requiring more sensitivity than non-radioactive materials permit. This method permits radiolabeling of a wide range of molecules for use in a variety of applications, including IN VIVO imaging, therapeutics, and clinical assays.

With this technology stable products are radiolabeled just prior to use, thereby overcoming inherent limitations of classical radiolabeling technologies. The Company's method for radiolabeling maximizes the sensitivity while minimizing radiation exposure and radioactive waste.

In November 1987, the Company received two U.S. patents protecting aspects of its versatile technology for linking radioactive ions or biotin to various biologically active molecules for diagnostic and therapeutic uses. Since that time additional patents covering aspects of this technology have been issued to the Company.

Automatable Test Formats

In February 1991, the Company was granted a U.S. patent for its nucleic acid probe testing technology that generates a signal in solution. This technology allows the development of nucleic acid probe-based tests that can be readily automated and measured or identified instrumentally. Using this technology, probes can be detected with either chemiluminescent, fluorescent or colorimetric methods. The Company is developing test kits employing this technology and launched two of them to the research market during fiscal 1992. These included a test for the HIV virus which causes AIDS, and a test for the bacteria causing tuberculosis. In fiscal 1993 tests for other viruses, including HIV-2, and hepatitis, were introduced to researchers. In fiscal 1994 a more sensitive assay that can detect hepatitis B virus directly in serum and geared to the blood banking market was developed and in fiscal 1995 the Company's amplification technology was integrated with the enhanced hepatitis assay. The Company is developing an instrument-based automatable system employing this and other proprietary Enzo technologies.

Rapid, On-Site Diagnostics

The Company also has developed a diagnostic test technology which makes possible accurate, rapid and one-step tests. The ease of performing and interpreting tests using this proprietary gel technology suits them well for at-home and doctor office use. Using the gel technology, the Company has developed a fecal occult blood test used to screen for colorectal cancer. The Company has received FDA clearance to market this occult blood test to physician offices and plans to develop other tests utilizing the gel technology for aiding consumer health maintenance.

Monoclonal Antibodies

The Company markets a panel of monoclonal antibodies that are being used in pathology laboratories to help identify the original source of a metastatic cancer and the type of cancer in undifferentiated cancer cells. The ability to identify the origin and type of cancer aids in the diagnosis of cancer and assists physicians in prescribing therapy. In order to offer a full line of state-of-the-art research products, the Company is actively engaged in expanding its line of monoclonal antibodies.

Therapeutic Technology and Product Development

Through Enzo Therapeutics, the Company is applying its technological capabilities for manipulating genetic material towards the development of therapeutic treatments for a variety of cancers and infections. Enzo is exploring applications of antisense nucleic acids employing various proprietary technologies. During fiscal 1996, the Company developed a new gene delivery system that is designed to provide universal and efficient delivery of any gene to any cell. The GENSERT-TM- Universal Delivery System is being combined with Enzo's antisense technology in its therapeutic development program. Also, the Company has developed techniques for stably attaching drugs and radioisotopes to proteins and DNA. The Company is working towards, INTER ALIA, the development of products relating to HIV, certain cancers and hepatitis, however, no products have been finalized.

In May 1987, Enzo entered into an agreement with The Research Foundation of the State of New York (SUNY) granting the Company certain exclusive rights to a genetic antisense technology. Because this antisense technology offers a way to control the expression of any gene in any organism, the Company believes it has broad therapeutic and agricultural applications. For example, this technology should make possible a new approach to controlling viral diseases and cancers in humans. It may also be used to control viral diseases in animals and agriculturally important plants and may lead to a variety of other desirable traits in agricultural crops and animals. This technology has been proven to be effective in a variety of organisms, including plants, animals and bacteria. For example, researchers have developed transgenic mice that are resistant to murine leukemia virus and tomato plants which produce tomatoes that do not spoil upon ripening. However, to date the Company has not developed any commercial products utilizing this technology. Because this technology has such broad application, the Company is exploring collaborative business relationships of various types with other companies to develop the applications which Enzo is not interested in retaining for its own activities. Three U.S. patent applications were subsequently issued as patents by the U.S. Patent and Trademark Office. The first patent issued in March 1993; a second patent issued in May 1993; the third patent issued in December 1993.

In January 1995, the Company signed a collaborative research agreement with Cornell University on behalf of its Medical College, aimed at evaluating the Company's genetic antisense technology for use in managing the treatment of HIV, the AIDS-causing virus. Early research results indicated, that this technology could be applied to inhibiting the function of genes necessary for the HIV virus to grow within the cell. In

preclinical studies currently underway, Enzo scientists and collaborators were able to demonstrate stable resistance to HIV in human immune cells in culture that were treated with the Company's HIV product. In May 1996, the Company expanded the HIV development program and signed a second research agreement with St. Luke's-Roosevelt Hospital Center, aimed towards the development of protocols for its next phase of human clinical studies.

In February 1996, the Company initiated a joint research program with scientists at the Albert Einstein College of Medicine in New York City, geared towards the development of a specific therapeutic product for the treatment of hepatitis B based on the Company's novel gene regulation and delivery technologies.

MANUFACTURING

The Company's BIOPROBE-Registered Trademark- nucleic acid probe products contained in its PATHOGENE-Registered Trademark- and BIOPAP-TM- product lines are manufactured by using recombinant DNA techniques and traditional chemical synthesis methods. The DNA sequence which codes for a specific infectious agent or particular trait is isolated by cloning. The sequence is then introduced into a plasmid, commonly one that grows in E.COLI bacteria, and the bacteria serves as a reproduction vehicle with the application of standard fermentation procedures. The reproduced quantities of the specific DNA sequences are purified from the bacteria and then labeled so they can be detected. The detection system usually employs a non-radioactive visualization molecule, such as a color-changing enzyme-substrate or a fluorescent substance. The production of DNA probes does not require large manufacturing facilities because the yields from the bacteria are high and only small quantities of nucleic acids are required.

Monoclonal antibodies specific to certain substances are produced by fusing a type of mouse cancer cell with certain antibody-producing white blood cells from the spleens of mice that had been immunized with the targeted substance. The hybrid cells which make antibodies with the desired characteristics are then cultured to produce large quantities of that one discrete type of antibody. Monoclonal antibody production does not require extensive facilities.

The Company's manufacturing operation uses exempt quantities of tritium (3H) in its research and development activities and manufacturing operations. For the fiscal year ended July 31, 1996 the Company has not had an accumulation of tritium to be disposed.

REGULATION

The Company's present and proposed activities are regulated by the federal government to a significant extent. This regulation applies not only to research and development and manufacturing, but also to the marketing of products, particularly those involving diagnostic or therapeutic applications.

In order to test clinically, manufacture and market diagnostic or therapeutic products, the Company (and/or its marketer) must obtain the approval and comply with

the standards of the FDA in the United States and comparable agencies in

other countries. The FDA has established mandatory procedures and safety standards which apply to the clinical testing, manufacture and marketing of all diagnostic and therapeutic products. FDA approval is not required for the sale of certain products for research use only.

The process of seeking and obtaining FDA approval of a new therapeutic product generally takes a number of years and may require substantial funding. The process of seeking FDA clearance and corresponding foreign approvals is significantly less for IN VITRO diagnostic tests.

The Company has in-house personnel to expedite the preparation and filing of documentation necessary for FDA clearances and approvals, patent issuances and licensing agreements. The Company has received clearance from the FDA to market five of its diagnostic products. The Company also has several products in various stages of clinical trial evaluation which, if successful, are expected to be submitted to the FDA for clearance.

The Company's clinical reference laboratories are subject to various federal, state and local licensing, permits and regulatory certifications.

In addition to the foregoing, the Company's present and future business may be subject to regulation under the Occupational Safety and Health Act, Environmental Protection Act, Resource Conservation and Recovery Act and other present or possible future legislation, as well as by governmental agencies with regulatory authority relating to the Company's business. From time to time, legislation has been introduced to regulate various aspects of the technology, but the Company is unaware of any proposed actions by federal, state or local authorities which might materially impair its ability to conduct its business.

PROPRIETARY TECHNOLOGY - PATENTS

As novel techniques, processes, products or microorganisms are developed during the course of its research and development activities, the Company will seek U.S. and, if deemed necessary, foreign patents. At the end of fiscal 1996 the Company owned or licensed 34 U.S. and some 151 foreign patents and had filed approximately 165 U.S. and foreign patent applications covering products, methods and procedures resulting from the Company's research projects. In fiscal 1995 and continuing this fiscal year, the Company began to receive significant revenues from the distribution agreements related to these patents and believes that the patents have positioned the Company to derive considerably more revenues in the future as the markets for these products continue to develop. Patents relating to the BIOPROBE-Registered Trademark-nucleic acid probe system have issued in the U.S. and Europe. Management believes that additional patents will issue shortly and over the next several years with respect to the Company's pending applications. There can be no assurance, however, that patents will be issued on pending applications or that any issued patents will have commercial benefit. The Company does not intend to rely on patent protection as the sole basis for protecting its proprietary technology. It also relies on its

trade secrets and continuing technological innovation. All employees involved in the clinical reference laboratory division and the manufacturing operations sign a confidentiality agreement prohibiting the employee from disclosing any confidential information about the Company, including the Company's technology or trade secrets.

In some instances, the Company may enter into royalty agreements with collaborating research parties in consideration for the commercial use by the Company of the developments of their joint research. In other instances a patent may be obtained by the collaborating party with the Company receiving a license to use the patented subject matter. In such cases, the Company will seek to secure exclusive licenses.

In other instances, the Company may have an obligation to pay royalties to, or reach a royalty arrangement with, a third party in consideration of the Company's use of developments of such third party. The Company has an exclusive licensing agreement with Yale for the technology used in the BIOPROBE-Registered Trademark- nucleic acid probe products. The agreement covers licensed patents owned by Yale and licensed to the Company for the life of the patents which expire not earlier than 2004.

In fiscal 1987, the Company entered into an agreement with The Research Foundation of the State University of New York giving the Company exclusive rights to a genetic engineering technology using antisense nucleic acid control methodologies. This technology is covered by three U.S. patents applications subsequently issued as patents by the U.S. Patent and Trademark Office. The first patent issued in March 1993; a second patent issued in May 1993; the third patent issued in December 1993. (See "Therapeutic Technology and Product Development" section, page 10). The term of the license agreement extends through the life of such patents as may issue therefrom.

HUMAN RESOURCES

As of July 31, 1996, the Company employed 176 full-time and 51 part-time employees. Of the full-time employees, 36 were engaged in research,

development, manufacturing and marketing of research products and 140 at the clinical reference laboratories. The scientific staff of the Company possesses a wide range of experience and expertise in the areas of recombinant DNA, nucleic acid chemistry, molecular biology and immunology. The Company believes that relations with its employees are good.

COMPETITION

The Company's biotechnology activities compete with pharmaceutical, chemical, energy, and food companies which are diversifying into biotechnology, and with specialized biotechnology firms in the United States and elsewhere. Competition from existing companies and from newly formed private enterprises is expected to increase.

Most of the Company's competitors in the biotechnology industry are performing research in many of the same areas as the Company. Many of these competitors are larger and have greater financial and other resources than the Company. The primary competitive factors in the biotechnology field are the ability to create and maintain

scientifically advanced technology during a period of rapid technological development, to attract and retain a breadth and depth of human resources, to develop proprietary products or processes and to have available adequate financial resources for bridging the often substantial time lag between technical concept and commercial implementation.

The Company's clinical reference laboratories activity, which is conducted in the New York metropolitan area, competes with numerous national and local entities, some of which are larger and have greater financial resources than the Company. The laboratories compete based on the specialized nature of the services performed, as well as on the reliability and speed in which they perform the diagnostic tests.

ITEM 2. PROPERTIES

The following are the principal facilities of the Company:

<TABLE>
<CAPTION>

Location	Principal Operations	Approximate Floor Area (sq. ft.)	Approximate Annual Base Rent	Approximate Expiration Date
<S>	<C>	<C>	<C>	<C>
60 Executive Blvd. Farmingdale, NY	Company and subsidiary corporate headquarters and other facilities (a building which is owned by certain officers of the Company)	40,000	$684,000	November 2004
527 Madison Ave. New York, NY	Executive office	6,400	$163,000	December 1998

</TABLE>

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 203,450 shares of the Company's common stock in August 1996 in consideration of the settlement amount. If the City has not received the net proceeds of $2,950,000 upon the sale of such stock by March 17, 1997, the City shall return the remaining shares not sold, if any, and the Company shall pay the difference in cash. 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 3. LEGAL PROCEEDINGS

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'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 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 were tried to the Court 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 damage 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. On February 2, 1996, the Delaware Court issued an opinion ruling against Enzo and in favor of Calgene, finding certain Enzo claims infringed, but the patent, as a whole not infringed, and finding the claims at issue invalid for lack of enablement. Calgene's patent was found valid (non-obvious) over the prior art. On February 29, 1996, the Delaware Court issued an Order withdrawing its February 2, 1996 Opinion. Enzo intends to appeal from any adverse judgment. There can be no assurance that the Company will be successful in any of the foregoing matters or that Calgene 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.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were brought to a vote of the Company's stockholders in the fourth fiscal quarter ended July 31, 1996.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The common stock of the Company is traded on the American Stock Exchange (Symbol:ENZ). The following table sets forth the high and low price of the Company's Common Stock for the periods indicated as reported on the American Stock Exchange.

	HIGH	LOW
1995 Fiscal Year (August 1, 1994 to July 31, 1995):		
1st Quarter	$ 15 3/8	$ 9 1/8
2nd Quarter	$ 13 7/8	$ 10
3rd Quarter	$ 11 3/8	$ 9 1/2
4th Quarter	$ 17 1/8	$ 9 1/2
1996 Fiscal Year (August 1, 1995 to July 31, 1996):		
1st Quarter	$ 23	$ 14 5/8
2nd Quarter	$ 24 1/2	$ 15 3/8
3rd Quarter	$ 20 3/8	$ 15 1/8
4th Quarter	$ 21	$ 13 1/2

On October 21, 1996, the last sale price of the Common Stock of the Company as reported on the American Stock Exchange was $18 1/8.

On October 25, 1996, the Company had approximately 1,433 shareholders of record.

The Company has not paid a cash dividend on its Common Stock and intends to continue to follow a policy of retaining future earnings to finance its operations. Accordingly, the Company does not anticipate the payment of cash dividends to holders of Common Stock in the foreseeable future.

On June 5, 1995, the Company declared a 5% stock dividend paid July 31, 1995 to shareholders of record as of July 3, 1995. On September 13, 1996, the Company declared another 5% stock dividend payable on October 29, 1996 to shareholders of record on October 8, 1996.

ITEM 6.

SELECTED FINANCIAL DATA
(IN THOUSANDS, EXCEPT PER SHARE DATA)
FOR THE YEARS ENDED JULY 31,

	1996	1995	1994	1993	1992

Operating revenues	$34,490	$31,700	$22,799	$20,025	$20,535
Litigation settlement, net of legal fees	--	21,860	--	--	--
Writedown of leasehold interest and related costs	7,613	11,400	600	3,000	401
Interest income (expense) net	1,640	941	87	(230)	(1,420)
Income (loss) before provision (benefit) for taxes on income (loss) and extraordinary items	(7,508)	9,749	2,156	(6,324)	(1,103)
Provision (benefit) for taxes on income	199	4,131	(2,945)	52	115
Income (loss) before extraordinary items	(7,707)	5,618	5,101	(6,376)	(1,218)
Extraordinary items:					
Gain on extinguishment of debt	--	--	150	--	--
(Gain) loss on debt conversion	--	--	--	(466)	572
Net income (loss)	($7,707)	$5,618	$5,251	$(6,842)	$(646)
Per common and common equivalent share (1):					
Income (loss) before extraordinary items	($.34)	$.24	$ .22	($.33)	($.08)
Extraordinary items	--	--	.01	(.02)	.04
Net income (loss)	($.34)	$ .24	$ .23	($.35)	($.04)
Average common and dilutive common equivalent (1)	22,593	23,075	22,628	19,407	15,767

Selected Financial Data
(in thousands, except per share data and ratios)
As at July 31,

	1996	1995	1994	1993	1992
Working capital (deficit)	$29,451	$24,449	$17,153	$(2,411)	$(2,642)
Total assets	62,838	72,458	65,043	47,569	49,793
Long-term debt and obligation under capital lease	114	4,698	4,379	4,168	4,186
Stockholders' equity	55,253	61,113	51,245	32,396	32,993

(1) In fiscal years 1996, 1993 and 1992, common stock equivalents have not been included because the effect of their inclusion would have been anti-dilutive.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

The Company, at July 31, 1996, had cash and cash equivalents of $17.8 million, an increase of $6.7 million from July 31, 1995. The Company had net working capital of $29.5 million at July 31, 1996 compared to $24.4 million at July 31, 1995.

The Company's income before taxes and before the writedown of leasehold interest and related costs was $105,000 which includes depreciation and amortization aggregating approximately $1.8 million. 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 was approximately $6.1 million and includes $5 million of cash received in connection with the litigation settlement.

Net cash used by investing activities amounted to approximately $1 million as a result of capital expenditures and deferred patent costs. Net cash provided by financing activities of approximately $1.6 million primarily results from the proceeds from the exercise of stock options and warrants in fiscal 1996.

On October 19, 1994 the Company executed a settlement agreement with Johnson & Johnson, Inc. (J&J) pursuant to which the Company received $15.0 million and a promissory

note requiring J&J 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%. The litigation settlement amounted to approximately $21.9 million, net of legal fees. 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 December 1985, the Company entered into an agreement with the City of New York to lease, over a fifty year term, a 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 203,450 shares of the Company's common stock in August 1996 in consideration of the settlement amount. If the City has not received the net proceeds of $2.95 million upon the sale of such stock by March 17, 1997, the City shall return the remaining shares not sold, if any, and the Company shall pay the difference in cash. 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.

RESULTS OF OPERATIONS

FISCAL 1996 COMPARED TO FISCAL 1995

Revenues from operations for the fiscal year ended July 31, 1996 ("fiscal 1996") increased by $2,790,000 over revenues from operations for the fiscal year ended July 31, 1995 ("fiscal 1995"). This increase was due to an increase of $3,398,000 in revenues from research product sales over revenue for the similar activity in fiscal 1995 offset by a $608,000 decrease in revenues for the clinical reference laboratory operations. The increase in research product sales resulted primarily from the Company's non-exclusive distribution agreements for the Company's products. The decrease in revenues from the clinical laboratory operations resulted primarily from a decrease in volume of unprofitable diagnostic screening tests.

Cost of sales increased by approximately $1,563,000 as a result of the increase of $2,644,000 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 $1,081,000. This decrease is primarily due from the improved efficiencies of performing certain diagnostic screening tests and the increase in the number of esoteric tests performed actually at the laboratory.

Research and development expenses increased by approximately $717,000 as a result of an increase in research programs and the increased amortization of patent costs.

The provision for uncollectable accounts receivable increased by $2,857,000 primarily due to an additional provision recorded by the Company, based on trends that

became evident in the fourth quarter, that additional reserves were needed primarily to cover lower collection rates under the Federal Medicare programs and other third-party insurance carriers.

Selling and general and administrative expenses decreased by $2,463,000 primarily due to a decrease in legal fees in fiscal 1996 and the overall improved efficiencies at the clinical reference laboratory.

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 203,450 shares of the Company's common stock in August 1996 in consideration of the settlement amount. If the City has not received the net proceeds of $2.95 million upon the sale of such stock by March 17, 1997, the City shall return the remaining shares not sold, if any, and the Company shall pay the difference in cash. As a result of this settlement with the City of New York, the Company incurred a charge against earnings in the amount of approximately $7.6 million in the fourth quarter of fiscal 1996.

The operating profit from research and development activities and related costs amounts to $449,000 in fiscal 1996, as compared to an operating profit of $479,000 in fiscal 1995. The decrease in the profit is principally related to the increase in research and development expenses from the diagnostic division. The operating profit from the clinical reference laboratories activities amounted to $124,000 as compared to an operating profit of $2,146,000 in fiscal 1995. This decrease resulted principally from the increase in the provision for uncollectable accounts receivable due to the lower collection rates under Medicare programs and other third-party insurance carriers and offsetting deduction in overall operating expenses.

RESULTS OF OPERATIONS

FISCAL 1995 COMPARED TO FISCAL 1994

Revenues from operations for the fiscal year ended July 31, 1995 ("fiscal 1995") increased by $8,901,000 over revenues from operations for the fiscal year ended July 31, 1994 ("fiscal 1994"). This increase was due to increases of $4,365,000 in revenues from research product sales over revenue for the similar activity in fiscal 1994 and by a $4,536,000 increase in revenues for the clinical reference laboratory operations. The increase in revenues from the clinical laboratory operations resulted primarily from an increase in volume of screening tests. The increase in research product sales resulted primarily from the Company's non-exclusive distribution agreements to distribute the Company's products.

Research and development expenses increased by approximately $602,000 as a result of an increase in research programs and the amortization of patent costs. Cost of sales increased by approximately $3,099,000 as a result of increased revenue from the sale of

research products and from the clinical reference laboratory. This increase resulted primarily from the Company's non-exclusive distribution agreements to distribute products. Included in the general and administrative expenses are legal fees of $2,977,000 and $1,663,000 for fiscal years 1995 and 1994, respectively.

The provision for uncollectable accounts receivable increased by $341,000 primarily from an increase in operating revenues at the clinical reference laboratory operations. Selling expenses increased by approximately $701,000 due to an increase in marketing programs and personnel costs for the clinical reference laboratory operations.

On October 19, 1994, the Company executed a settlement agreement with J&J pursuant to which the Company received $15.0 million in cash and a promissory note requiring J&J to pay a total of $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%. The litigation settlement amounted to approximately $21,860,000, net of legal fees.

The Company has recorded a writedown of the leasehold in the amount of $11,400,000 against earnings to its estimated fair market value in the fourth quarter of fiscal 1995 due to management's decision to seek alternative uses for the property.

The operating profit from the research and development activities and related costs amounted to $479,000 in fiscal 1995 as compared to an operating loss of $493,000 in fiscal 1994. The increase in this profit is principally related to the Company's nonexclusive distribution agreements to distribute products. The operating profit from the clinical reference laboratories activities amounted to a profit of $2,146,000 as compared to an operating loss of $659,000 in fiscal 1994. This increase resulted principally from an increase in the volume of screening tests.

The provision for income taxes of $4,131,000 results from current income taxes due and utilization of net operating loss carryforwards related to taxable income recognized in connection with the J&J lawsuit.

Net income for the fiscal year ended July 31, 1995 increased to approximately $5,618,000 compared with approximately $5,251,000 for the fiscal year ended July 31, 1994.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The response to this item is submitted in a separate section of this report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

(a) DIRECTORS - The following sets forth certain information regarding directors of the Company who are not executive officers of the Company. Information with respect to directors of the Company who are also executive officers of the Company appears below under the subcaption "Executive Officers." The Company has a classified Board of Directors consisting of three classes.

JOHN B. SIAS (age 69) has been Director of the Company since January 1982. Mr. Sias has been President and Chief Executive Officer of Chronicle Publishing Company since April 1993. From January 1986 until April 1993, Mr. Sias was President of ABC Network Division, Capital Cities/ABC, Inc. From 1977 until January 1986 he was the Executive Vice President, President of the Publishing Division (which includes Fairchild Publications) of Capital Cities Communications, Inc.

JOHN J. DELUCCA (age 53) has been a Director of the Company since January 1982. Since October 1993, Mr. Delucca has been Senior Vice President and Treasurer of RJR Nabisco, Inc. From January 1992 until October 1993, he was managing director and Chief Financial Officer of Hascoe Associates, Inc. From October 1, 1990 to January 1992 he was President of The Lexington Group. From September 1989 until September 1990 he was Senior Vice President-Finance of the Trump Group. From May 1986 until August 1989, he was senior Vice President-Finance at International Controls Corp. From February 1985 until May 1986, he was a Vice President and Treasurer of Textron, Inc. Prior to that he was a Vice President and Treasurer of the Avco Corporation, which was acquired by Textron.

During the fiscal year ended July 31, 1996, there were three (3) formal meetings of the Board of Directors, several actions by unanimous consent and several informal meetings. The Board of Directors has an Audit Committee and Stock Option Committee. The Audit Committee had one (1) formal meeting and the Stock Option Committee had three (3) formal meetings in fiscal 1996.

The Audit Committee is authorized to review proposals of the Company's auditors regarding annual audits, recommend the engagement or discharge of the auditors, review recommendations of such auditors concerning accounting principles and the adequacy of internal controls and accounting procedures and practices, to review the scope of the annual audit, to approve or disapprove each professional service or type of service other than standard auditing services to be provided by the auditors, and to review and discuss the audited financial statements with the auditors. Its members are Shahram K. Rabbani and Messrs. Sias and Delucca.

The Stock Option Committee has the plenary authority in its discretion to determine the purchase price of the Common Stock issuable upon the exercise of each option, to determine the employees to whom, and the time or times at which, options shall be granted

and the number of shares to be issuable upon the exercise of each option, to interpret the plans, to prescribe, amend and rescind rules and regulations relating to them, to determine the term and provisions of the respective option agreements and to make all other determinations deemed necessary or advisable for the administration of the plans. Its members are Messrs. Sias and Delucca.

The Company does not have a formal Executive Committee or Nominating Committee of the Board of Directors.

(b) EXECUTIVE OFFICERS - The following table sets forth the names and positions of all of the current executive officers of the Company:

NAME	POSITION
Elazar Rabbani, Ph.D.	President, Chairman of the Board of Directors and Chief Executive Officer
Shahram K. Rabbani	Executive Vice President, Treasurer, Director
Barry W. Weiner	Executive Vice President, Secretary and Director
Norman E. Kelker, Ph.D.	Senior Vice President
Dean Engelhardt, Ph.D.	Senior Vice President

Herbert B. Bass	Vice President of Finance
Barbara E. Thalenfeld, Ph.D.	Vice President, Corporate Development
David C. Goldberg	Vice President, Business Development

DR. ELAZAR RABBANI (age 52) has served as President and a Director of the Company since its organization in 1976. Dr. Rabbani received his B.A. degree from New York University in Chemistry and his Ph.D. degree in Biochemistry from Columbia University. He is a member of the American Society for Microbiology.

SHAHRAM K. RABBANI (age 44) has been an Executive Vice President of the Company since September 1981 and a Vice President, Treasurer and a Director of the Company since its organization. Mr. Rabbani received a B.A. degree in chemistry from Adelphi University.

BARRY W. WEINER (age 46) has been an Executive Vice President since September 1981, a Vice President and Director of the Company since its organization and Secretary since March 1980. He was employed by Colgate-Palmolive Company, New York, New York from August 1974 until March 1980, when he joined the Company on a full-time basis. Mr. Weiner received his B.S. degree in Economics from New York University and a M.B.A. from Boston University.

DR. NORMAN E. KELKER (age 57) has been a Vice President of the Company since September 1981. Effective January 1, 1989, he was promoted to Senior Vice President. From 1975 until he joined the Company, Dr. Kelker was an Associate Professor

in the Department of Microbiology of the New York University School of Medicine. He holds a Ph.D. from Michigan State University.

DR. DEAN ENGELHARDT (age 56) has been Vice President since September 1981. Effective January 1, 1989, he was promoted to Senior Vice President. Prior to joining the Company he was Associate Professor of Microbiology at Columbia University College of Physicians and Surgeons. He obtained his Ph.D. from Rockefeller University.

HERBERT B. BASS (age 48) is Vice President of Finance of the Company. Prior to his promotion, Mr. Bass was the Corporate Controller of Enzo. Before joining Enzo in 1986, Mr. Bass held various positions at Danziger & Friedman, Certified Public Accountants, from 1979 to 1986, the most recent of which was audit manager. For the preceding seven years he held various positions at Berenson & Berenson, C.P.A.'s. Mr. Bass holds a Bachelor degree in Business Administration from Baruch College.

DR. BARBARA E. THALENFELD (age 56) is Vice President of Corporate Development and has been with Enzo since 1982. Prior to joining the Company she held an NIH research fellowship at Columbia University. She received a Ph.D. from Hebrew University-Hadassah Medical Center and an MS from Yale University.

DAVID C. GOLDBERG (age 39) is Vice President of Business Development. Prior to joining Enzo in 1985, he was employed at DuPont NEN Products. He received an MS from Rutgers University and an MBA from New York University.

Dr. Elazar Rabbani and Shahram K. Rabbani are brothers and Barry W. Weiner is their brother-in-law.

ITEM 11. EXECUTIVE COMPENSATION

The information required under this item will be set forth in the Company's proxy statement to be filed with the Securities and Exchange Commission on or before November 28, 1996 and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required under this item will be set forth in the Company's proxy statement to filed with the Securities and Exchange Commission on or before November 28, 1996 and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required under this item will be set forth in the Company's proxy statement to be filed with the Securities and Exchange Commission on or before November 28, 1996 and is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS

ON FORM 8-K

(a)(1) Consolidated Financial Statements
Consolidated Balance Sheet - July 31, 1996 and 1995
Consolidated Statement of Operations-
Years ended July 31, 1996, 1995 and 1994
Consolidated Statement of Stockholders' Equity-
Years ended July 31, 1996, 1995 and 1994
Consolidated Statement of Cash Flows-
Years ended July 31, 1996, 1995 and 1994
Notes to Consolidated Financial Statements.

(2) Financial Statement Schedule
Schedule II - Valuation and Qualifying Accounts

All other schedules have been omitted because the required information is included in the consolidated financial statements or the notes thereto or because they are not required.

(3) Exhibits

The following documents are filed as Exhibits to this Annual Report on Form 10-K:

EXHIBIT NO	DESCRIPTION
3(a)	Certificate of Incorporation, as amended March 17, 1980. (1)
3(b)	June 16, 1981 Certificate of Amendment of the Certificate of Incorporation. (2)
3(c)	Certificate of Amendment to the Certificate of Incorporation. (11)
3(d)	Bylaws. (1)
4(a)	Indenture dated as of March 15, 1986, between registrant and The First National Bank of Boston, as Trustee. (3)
4(b)	Form of Purchase Agreement dated as of March 24, 1986, between registrant and the Purchasers. (3)
4(c)	Form of Registration Rights Agreement made and entered into as of March 24, 1986 by and among registrant and the Purchasers. (3)
4(d)	Form of Note Indenture. (3)
10(a)	1980 Stock Option Plan. (1)

10(b)	Investment Agreement between the registrant and Johnson & Johnson Development Corp., dated June 25, 1982. (4)
10(c)	Agreement between the registrant and Ortho Diagnostic System, Inc. dated June 25, 1982. (5)
10(d)	1983 Incentive Stock Option Plan. (6)
10(e)	Letter Agreement between the Company and Ortho Diagnostic Systems, Inc. dated as of January 1, 1985. (7)
10(f)	Lease Agreement dated as of December 1, 1985. (8)
10(g)	Indenture of Mortgage and Trust dated as of December 1, 1985. (8)
10(h)	Letter of Credit Agreement dated as of December 1, 1985. (8)
10(i)	Leasehold Mortgage and Security Agreement dated as of February 5, 1986. (8)
10(j)	Loan Agreement dated as of December 31, 1985. (8)
10(k)	Restricted Stock Plan. (8)
10(l)	Letter Agreement dated October 27, 1987 between the registrant and the First National Bank of Boston. (9)
10(m)	Supplemental Collateral Security Agreement between the registrant and The First National Bank of Boston. (12)
10(n)	Bio Health Laboratories Inc. Stock Purchase Agreement. (10)
10(o)	Extension Agreement dated October 31, 1990 between the registrant and The First National Bank of Boston filed herewith. (13)
10(p)	Agreement with First New York Bank for Business filed herewith. (14)
10(q)	Agreement with BioHealth Laboratories, Inc. shareholders filed herewith. (15)

10(r)	Agreement with Johnson & Johnson, Inc. filed herewith. (16)
10(s)	1993 Incentive Stock Option Plan. (16)
10(t)	Employment Agreement with Elazar Rabbani. (16)
10(u)	Employment Agreement with Shahram Rabbani. (16)
10(v)	Employment Agreement with Barry Weiner. (16)
10(w)	1994 Stock Option Plan (17).
10(x)	Stipulation of Settlement with the City of New York filed herewith.
11	Computation of per-share earnings filed herewith.
21	Subsidiaries of the registrant: Enzo Clinical Labs, Inc., a New York corporation. Enzo Diagnostics, Inc., a New York corporation. Enzo Therapeutics, Inc., a New York corporation.
23	Consent of Independent Auditors filed herewith.

- ------------

NOTES TO (A)(3)

(1) The exhibits were filed as exhibits to the Company's Registration Statement on Form S-18 (File No. 2-67359) and are incorporated herein by reference.

(2) This exhibit was filed as an exhibit to the Company's Form 10-K for the year ended July 31, 1981 and is incorporated herein by reference.

(3) These exhibits were filed as exhibits to the Company's Current Report on Form 8-K dated April 4, 1986 and are incorporated herein by reference.

(4) This exhibit was filed as an exhibit to the Company's Current Report on Form 8-K dated June 29, 1982 and is incorporated herein by reference.

(5) This exhibit was filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended July 31, 1983 and is incorporated herein by reference.

(6) This exhibit was filed with the Company's definitive proxy statement dated February 4, 1983 and is incorporated herein by reference.

(7) This exhibit was filed with the Company's Annual Report on Form 10-K for the year ended July 31, 1985 and is incorporated herein by reference.

(8) These exhibits were filed as exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended January 31, 1986 and are incorporated herein by reference.

(9) This exhibit was filed as an exhibit to the Company's Registration Statement on Form S-2(33-7657) and is incorporated herein by reference.

(10) This exhibit was filed as an exhibit to the Company's Current Report on Form 8-K dated July 12, 1990 and is incorporated herein by reference.

(11) This exhibit was filed with the Company's Annual Report on Form 10-K for the year ended July 31, 1989 and is incorporated herein by reference.

(12) This exhibit was filed with the Company's Annual Report on Form 10-K for the year ended July 31, 1990 and is incorporated herein by reference.

(13) This exhibit was filed with the Company's Annual Report on Form 10-K for the year ended July 31, 1991 and is incorporated herein by reference.

(14) This exhibit was filed with the Company's Annual Report on Form 10-K for the year ended July 31, 1992 and is incorporated herein by reference.

(15) This exhibit was filed as an exhibit to the Company's Registration Statement on Form S-3 (33-72170) and is incorporated herein by reference.

(16) This exhibit was filed with the Company's Annual Report on Form 10-K for the year ended July 31, 1994 and is incorporated herein by reference.

(17) This exhibit was filed with the Company's Annual Report on Form 10-K for the year ended July 31, 1995 and is incorporated herein by reference.

_____

(b) The Company's Current Reports on Form 8-K filed during the quarter ended July 31, 1996 -- none

(c) See Item 14(a)(3), above.

(d) See Item 14(a)(2), above.

****

S I G N A T U R E S

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENZO BIOCHEM, INC.

Date: October 28, 1996 By: /S/ ELAZAR RABBANI
President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/S/ ELAZAR RABBANI Elazar Rabbani, President and Chairman of Board of Directors (Principal Executive Officer)	October 28, 1996
/S/ SHAHRAM K. RABBANI Shahram K. Rabbani, Executive Vice President, Treasurer and Director (Principal Financial and Accounting Officer)	October 28, 1996
/S/ BARRY W. WEINER Barry W. Weiner, Executive Vice President, Secretary and Director	October 28, 1996
John B. Sias, Director	
John J. Delucca, Director	

FORM 10-K, ITEM 14(a) (1) AND (2)
ENZO BIOCHEM, INC.

LIST OF CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

The following consolidated financial statements and financial statement schedules of Enzo Biochem, Inc. are included in Item 14(a):

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

Report of Independent Auditors

Board of Directors and Stockholders
Enzo Biochem, Inc.

We have audited the accompanying consolidated balance sheets of Enzo Biochem, Inc. (the "Company") as of July 31, 1996 and 1995, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended July 31,1996. Our audits also included the financial statement schedule listed in the Index at Item 14(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Enzo Biochem, Inc. at July 31, 1996 and 1995 and the consolidated results of their operations and their cash flows for each of the three years in the period ended July 31, 1996, in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth herein.

/s/ Ernst & Young LLP

Melville, New York
October 15, 1996

ENZO BIOCHEM, INC.
CONSOLIDATED BALANCE SHEET
July 31, 1996 and 1995

<TABLE>
<CAPTION>

ASSETS	1996	1995	LIABILITIES AND STOCKHOLDERS' EQUITY	1996	1995
<S>	<C>	<C>	<S>	<C>	<C>
Current assets:			Current liabilities:		
Cash and cash equivalents	$17,792,700	$11,067,900	Trade accounts payable	$1,281,700	$1,579,900
Accounts receivable, less allowance for doubtful accounts of $5,398,000 in 1996 and $2,127,000 in 1995	10,488,200	10,915,200	Accrued legal fees	1,392,000	921,900
			Income taxes payable	--	1,074,000
			Accrued leasehold costs	2,950,000	1,531,800
Current portion of note receivable -- litigation settlement	5,000,000	5,000,000	Other accrued expenses	776,400	615,400
Inventories	1,810,500	2,197,500	Current portion of long-term debt	34,600	31,700
			Current portion of obligations under capital leases	28,700	53,000
Other	822,900	1,076,500			
Total current assets	35,914,300	30,257,100	Total current liabilities	6,463,400	

5,807,700					
Property and equipment, at cost less accumulated depreciation and amortization	3,106,800	13,892,200	Long-term debt	46,600	81,200
			Obligations under capital leases	67,100	4,617,000
Long-term portion of note receivable--litigation settlement	9,113,600	13,121,000	Other deferred liabilities	1,008,000	839,800
Cost in excess of fair value of net tangible assets acquired, less accumulated amortization of $3,128,000 in 1996 and $2,758,000 in 1995	9,675,100	10,045,700	Commitments and contingencies (Notes 6, 7 and 10)		
Deferred patent costs, less accumulated amortization of $2,176,000 in 1996 and $1,628,000 in 1995	4,878,600	4,971,000	Stockholders' equity: Preferred Stock, $.01 par value; authorized 25,000,000 shares; no shares issued or outstanding		
Other	149,700	171,300	Common Stock, $.01 par value; authorized 75,000,000 shares; shares issued and outstanding: 21,624,900 in 1996 and 21,334,600 in 1995	216,400	213,500
			Additional paid-in capital	83,450,000	81,605,000
			Accumulated deficit	(28,413,400)	(20,705,900)
	$62,838,100	$72,458,300			
			Total stockholders' equity	55,253,000	61,112,600
				$62,838,100	$72,458,300

See accompanying notes

ENZO BIOCHEM, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
Years ended July 31, 1996, 1995 and 1994

	1996	1995	1994
Revenues:			
Operating revenues	$34,490,300	$31,699,900	$22,798,600
Costs and expenses:			
Cost of sales and diagnostic services	15,439,700	13,876,500	10,778,000
Research and development expense	3,083,000	2,366,400	1,764,000
Selling expense	2,714,800	2,754,200	2,053,200
Provision for uncollectable accounts receivable	6,702,900	3,845,600	3,504,300
General and administrative expense	8,085,100	10,508,300	8,530,100
Recovery of research contract receivable	--	--	(6,500,000)
Litigation settlement, net of legal fees	--	(21,859,700)	--
Writedown of leasehold interest and related costs	7,613,400	11,400,000	600,000
	43,638,900	22,891,300	20,729,600
Income (loss) before interest income, net, provision (benefit) for taxes on income and extraordinary item	(9,148,600)	8,808,600	2,069,000
Interest income, net	1,640,200	940,700	87,200
Income (loss) before provision (benefit) for taxes on Income and extraordinary item	(7,508,400)	9,749,300	2,156,200
Provision (benefit) for taxes on income	199,100	4,131,200	(2,945,000)
Income (loss) before extraordinary item	(7,707,500)	5,618,100	5,101,200
Extraordinary item:			
Gain on extinguishment of debt	--	--	150,000

Net income (loss)	($7,707,500)	$5,618,100	$5,251,200
Per common and common equivalent share:			
Income (loss) before extraordinary item	$(.34)	$.24	$.22
Extraordinary item	--	--	.01
Net income (loss)	$(.34)	$.24	$.23
Weighted average common shares	22,593,000	23,075,100	22,627,600

</TABLE>

See accompanying notes

ENZO BIOCHEM, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
Years ended July 31, 1996, 1995 and 1994

<TABLE>
<CAPTION>

	Common Stock		Additional paid-in	Accumulated	Total Shareholders'
	Shares	Amount	Capital	deficit	equity
<S>	<C>	<C>	<C>	<C>	<C>
Balance at July 31, 1993	18,287,100	$182,900	$58,169,700	$(25,957,100)	$32,395,500
Net income for the year ended July 31, 1994	--	--	--	5,251,200	5,251,200
Increase in common stock and paid-in capital due to debenture conversion	50,000	500	261,800	--	262,300
Increase in common stock and paid-in capital due to exercise of stock options	150,500	1,500	449,600	--	451,100
Increase in common stock due to investment from investor, net of expenses of approximately $17,000	940,000	9,400	7,493,500		7,502,900
Increase in common stock and paid-in capital due to exchange of stock for debt, net of expenses of approximately $205,000	394,600	3,900	5,378,000	--	5,381,900
Balance at July 31, 1994	19,822,200	$198,200	$71,752,600	$(20,705,900)	$51,244,900
Net income for the year ended July 31, 1995				5,618,100	5,618,100
Increase in common stock and paid-in capital due to exercise of stock options and warrants	210,800	2,200	1,393,400	--	1,395,600
Increase in common stock and paid-in capital due to exchange of stock for debt	285,600	2,900	2,851,100	--	2,854,000
Increase in common stock and paid-in capital due to 5% stock dividend	1,016,000	10,200	5,607,900	(5,618,100)	--
Balance at July 31, 1995	21,334,600	$213,500	$81,605,000	$(20,705,900)	$61,112,600
Issuance of stock for employee 401(k) plan	10,200	100	145,700	--	145,800
Net loss for the year ended July 31, 1996	--	--	--	(7,707,500)	(7,707,500)
Increase in common stock and paid-in capital due to exercise of stock options and warrants	280,100	2,800	1,699,300	--	1,702,100
Balance at July 31, 1996	21,624,900	$216,400	$83,450,000	$(28,413,400)	$55,253,000

</TABLE>

<TABLE>
<CAPTION>

ENZO BIOCHEM, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
Years ended July 31, 1996, 1995 and 1994

	1996	1995	1994
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net income (loss)	$(7,707,500)	$5,618,100	$5,251,200
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization of property and equipment	894,400	862,600	736,400
Amortization of costs in excess of fair value of net tangible assets acquired	370,600	369,600	368,800
Amortization of deferred patent costs	547,200	484,300	439,700
Provision for uncollectible accounts receivable and reimbursable costs on research contracts	6,702,900	3,845,600	3,504,300
Writedown of leasehold interest and related costs	7,613,400	11,400,000	600,000
Deferred income tax (benefit) provision	--	2,849,300	(3,049,300)
Legal expenses converted into stock	--	1,455,700	246,000
Recovery of research contract receivable	--	--	(6,500,000)
Accretion of interest on note receivable	(992,600)	(494,000)	--
Issuance of stock for employee 401K plan	145,800	--	--
Gain on extinguishment of debt	--	--	(150,000)
Deferred rent and other assets	168,200	167,300	178,100
Changes in operating assets and liabilities:			
Note receivable - litigation settlement	5,000,000	(17,627,000)	--
Accounts receivable before provision for uncollectable amounts	(6,275,900)	(5,488,900)	(7,812,100)
Research contract receivable	--	6,500,000	--
Inventories	387,000	(94,800)	(447,800)
Other assets	161,900	(184,900)	(105,800)
Trade accounts payable, accrued leasehold costs and other accrued expenses	143,900	(3,449,400)	2,759,800
Income taxes payable	(1,074,000)	1,074,000	--
Accrued legal fees	64,200	1,834,300	785,400
Accrued interest payable	--	(30,000)	(51,300)
Total adjustments	13,857,000	3,473,700	(8,497,800)
Net cash provided (used) by operating activities	6,149,500	9,091,800	(3,246,600)

(Continued on following page)

</TABLE>

ENZO BIOCHEM, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
Years ended July 31, 1996, 1995, and 1994

<TABLE>
<CAPTION>

	1996	1995	1994
<S>	<C>	<C>	<C>
Cash flows from investing activities:			
Capital expenditures	$(651,100)	$(1,033,300)	$(1,174,700)
Patent costs deferred	(363,000)	(392,600)	(286,800)
(Increase) decrease in security deposits	(28,400)	52,400	(48,500)
Net cash used by investing activities	(1,042,500)	(1,373,500)	(1,510,000)
Cash flows from financing activities:			
Payments of obligations under capital leases	(52,600)	(78,400)	(240,700)
Proceeds from long and short term borrowings	--	--	2,162,800
Proceeds from the exercise of stock options and warrants	1,702,100	1,395,600	451,100
Payment of loans payable to bank and long term debt	(31,700)	(2,118,500)	(1,416,700)
Proceeds from issuance of stock	--	--	7,520,000
Payment for registration filing fees	--	--	(222,800)
Net cash provided (used) by financing activities	1,617,800	(801,300)	8,253,700
Net increase in cash and cash equivalents	6,724,800	6,917,000	3,497,100
Cash and cash equivalents at the beginning of the year	11,067,900	4,150,900	653,800
Cash and cash equivalents at the end of the year	$17,792,700	$11,067,900	$4,150,900

</TABLE>

See accompanying notes

ENZO BIOCHEM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

July 31, 1996, 1995 and 1994

NOTE 1 - BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BUSINESS

Enzo Biochem, Inc. (the "Company") is engaged in research, development, manufacturing and marketing of diagnostic and research products based on genetic engineering, biotechnology and molecular biology. These diagnostic products will allow for the diagnosis of and/or screening for infectious diseases, cancers, genetic defects and other medically pertinent diagnostic information. The Company operates a clinical reference laboratory which offers and provides diagnostic medical testing services to the health care community. The Company also is conducting research and development activities in the development of therapeutic products.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents.

Cash equivalents consist of short-term debt securities of the U.S. government that the Company intends to hold to maturity. The market values of these securities, as determined by quoted sources, approximated cost at July 31, 1996 and 1995.

CONCENTRATION OF CREDIT RISK

Approximately 86% and 85% at July 31, 1996 and 1995, respectively, of the Company's net accounts receivable relate to its clinical reference laboratory

business which operates in the New York Metropolitan area. Concentration of credit risk with respect to accounts receivable are limited due to the diversity of the Company's client base. However, the

NOTE 1 - BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

CONCENTRATION OF CREDIT RISK (CONT'D)

Company provides services to certain patients covered by various third-party payors, including the Federal Medicare program. Revenue, net of contractual allowances, from direct billings under the Federal Medicare program during each of the fiscal years ended July 31, 1996, 1995 and 1994 approximated 14%, 12% and 17%, respectively of revenue. The Company recorded an additional provision for uncollectable accounts receivable of $3,500,000 based on trends that became evident in the fourth quarter, that additional reserves were needed primarily to cover lower collection rates under the Federal Medicare program and other third-party payors.

At July 31, 1996 and 1995, 12% and 13% of the Company's net accounts receivable relate to amounts due under non-exclusive world-wide distribution agreements with Boehringer Mannheim and Amersham. Operating revenues from Boehringer Mannheim represented approximately 25% and 22% of consolidated operating revenues in fiscal 1996 and 1995, respectively.

INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out method) or market.

PROPERTY AND EQUIPMENT

Equipment is being depreciated on the straight-line and accelerated methods over the estimated useful lives of the assets. Leasehold improvements are amortized over the term of the related leases or estimated useful lives of the assets, whichever is shorter.

AMORTIZATION OF INTANGIBLE ASSETS

The cost in excess of fair value of net tangible assets acquired is being amortized on the straight-line method over periods of twenty or forty years.

PATENT COSTS

The Company has filed applications for United States and foreign patents covering certain aspects of its technology. The costs incurred in filing such applications have been deferred and are amortized over the estimated useful lives of the patents beginning upon issue. Costs related to unsuccessful patent applications are expensed.

NOTE 1 - BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

REVENUE RECOGNITION

Revenues from services from the clinical reference laboratory are recognized when services are provided. The Company's revenue is based on amounts billed or billable for services rendered, net of contractual adjustments and other arrangements made with third-party payors to provide services at less than established billing rates. Revenues from research product sales are recognized when the products are shipped.

NET INCOME (LOSS) PER SHARE

Net income (loss) per share has been computed based upon the weighted average number of common shares and dilutive common stock equivalents outstanding during the year. In fiscal 1996, common stock equivalents have not been included because the effect of their inclusion would have been anti-dilutive. The net income (loss) per share amounts for fiscal 1996, 1995 and 1994 have been retroactively adjusted to reflect the 5% stock dividend declared in fiscal

1995 and for the 5% stock dividend declared in September 1996. For 1994, shares issuable upon conversion of the 9% convertible subordinated debentures are not common stock equivalents, are antidilutive and, therefore, are also excluded from the computation of net income (loss) per share.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

RECENTLY ISSUED ACCOUNTING STANDARDS

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

NOTE 1 - BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

RECENTLY ISSUED ACCOUNTING STANDARDS (CONT'D)

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, it is anticipated that the adoption of SFAS No. 121 will not have a material effect on the consolidated results of operations or financial condition of the Company.

In October 1995, the FASB issued SFAS No. 123, "Accounting for Stock-Based Compensation," which requires adoption of the disclosure provisions in fiscal 1997. The new standard defines a fair value method of accounting for the issuance of stock options and other equity instruments. Under the fair value method, compensation cost is measured at the grant date based on the fair value of the award and is recognized over the service period, which is usually the vesting period. Pursuant to SFAS No. 123, companies are encouraged, but are not required, to adopt the fair value method of accounting for employee stock-based transactions. Companies are also permitted to continue to account for such transactions under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," but would be required to disclose in a note to the 1997 consolidated financial statements proforma net income and per share amounts as if the Company had applied the new method of accounting. SFAS No. 123 also requires increased disclosures for stock-based compensation arrangements. The Company has not yet determined if it will elect to change to the fair value method or provide the necessary proforma information, nor has it determined the effect the new standard will have on its operating and per share results should it elect to make such change.

NOTE 2 - SUPPLEMENTAL DISCLOSURE FOR STATEMENT OF CASH FLOWS

Cash paid for interest reconciled to interest expense for the years ended July 31, 1996, 1995 and 1994 is as follows:

	1996	1995	1994
Cash paid for interest	$27,100	$166,400	$165,700

Plus non cash items:			
Increase (decrease) in accrued interest payable.	--	(30,000)	(51,300)
Interest expense	$27,100	$136,400	$114,400

In the years ended July 31, 1996, 1995 and 1994, the Company paid cash for income taxes of approximately $1,323,000, $232,000 and $94,000 respectively, and received refunds of income taxes previously paid of approximately $35,000 in fiscal 1996 and $27,000 in fiscal 1994.

OTHER NONCASH ITEMS:

During fiscal 1996, 1995 and 1994, the Company acquired property and equipment in the amount of $ 0, $129,300 and $76,400, respectively, which was financed through capital lease obligations.

During fiscal 1996, 1995 and 1994, approximately $1,418,000, $1,082,000 and $282,000, respectively, has been accrued for construction costs, rent and legal fees related to the New York City leasehold. Interest accretion on the capital lease obligation for the New York City leasehold was approximately $ 0, $318,000 and $331,000, for fiscal 1996, 1995 and 1994, respectively.

NOTE 2 - SUPPLEMENTAL DISCLOSURE FOR STATEMENT OF CASH FLOWS (CONT'D)

OTHER NONCASH ITEMS (CONT'D):

During fiscal 1994, Debentures of $262,000 were converted into 50,000 shares of the Company's Common Stock. On January 13, 1995, the Company paid in full the outstanding balance of the Debentures.

In fiscal 1994, the Company exchanged approximately $2,600,000 of accrued legal fees, construction costs and patent costs for approximately 205,000 shares of the Company's Common Stock. The Company also settled a lawsuit against the former owners of its subsidiary, Enzo Clinical Labs, Inc., by issuing approximately 190,000 shares with a market value of approximately $3,000,000. In fiscal 1995, the Company issued approximately 286,000 shares of common stock in exchange for approximately $2,900,000 in legal fees of which approximately $1,456,000 related to legal fees incurred in fiscal 1995.

NOTE 3 - INVENTORIES

At July 31, 1996 and 1995 inventories consist of:

	1996	1995
Raw materials	$74,000	$ 60,800
Work in process	1,232,000	1,508,200
Finished products	504,500	628,500
	$1,810,500	$2,197,500

NOTE 4 - PROPERTY AND EQUIPMENT

At July 31, 1996 and 1995 property and equipment consist of:

	1996	1995
Laboratory machinery and equipment	$1,964,100	$ 1,941,500
Leasehold improvements	2,194,300	2,146,200
Office furniture and equipment	3,639,000	3,422,400

	7,797,400	7,510,100
Accumulated depreciation and amortization	4,690,600	3,893,800
	3,106,800	3,616,300
Building under capital lease and related construction costs, including capitalized interest of $4,364,700 in 1995 and net of cumulative writedown to estimated fair market value of $19,901,000 in 1995	--	10,275,900
	$3,106,800	$13,892,200

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 203,450 shares of the Company's common stock in August 1996 in consideration of the settlement amount. If the City has not received the net proceeds of $2,950,000 upon the sale of such stock by March 17, 1997, the City shall return the remaining shares not sold, if any, and the Company shall pay the difference in cash. As a result of this settlement with the City, the Company incurred a charge against earnings in the amount of approximately $7,613,000 in the fourth quarter of fiscal 1996.

NOTE 5 - LOAN PAYABLE AND LONG-TERM DEBT

At July 31, 1996 and 1995, long-term debt consists of the following:

	1996	1995
8.75% loan payable to bank at $3,360 per month through 1998	$81,200	112,900
Less current portion	34,600	31,700
Total long-term debt	$46,600	$81,200

NOTE 6 - LEASE OBLIGATIONS

CAPITAL LEASES

In December 1985, the Company entered into an agreement with the City of New York to lease, over a fifty-year term, a 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 (see Note 4).

The Company also leases certain office equipment and computers under capital leases. The cost and accumulated amortization of assets acquired under capitalized leases is approximately $259,000 and $144,000 at July 31, 1996 and $3,529,000 and $94,000 at July 31, 1995, respectively.

Minimum annual rentals under capital lease obligations for fiscal years ending July 31 are as follows:

	EQUIPMENT LEASES
1997	$ 37,700
1998	33,900
1999	33,900
2000	8,400
Total of future annual minimum lease payments	113,900
Less amount representing interest	18,100
Present value of minimum lease payments	$ 95,800

OPERATING LEASES

Enzo Clinical Labs, Inc., ("Enzo Clinical Labs"), a wholly-owned subsidiary of the Company, leases its office and laboratory space under several leases which expire between September 1, 1994 and November 30, 2004. Certain officers of the Company own the building which Enzo Clinical Labs uses as its main facility. In addition to the minimum annual rentals of space, this lease is subject to an escalation clause. Rent expense under this lease approximated $751,000, $684,000 and $683,000 in fiscal 1996, 1995 and 1994, respectively.

NOTE 6 - LEASE OBLIGATIONS (CONT'D)

OPERATING LEASES (CONT'D)

Total consolidated rent expense incurred by the Company during fiscal 1996, 1995 and 1994 was approximately $1,227,000, $1,132,000 and $1,108,000, respectively. Minimum annual rentals under operating lease commitments for fiscal years ending July 31 are as follows:

1997	1,053,000
1998	1,129,000
1999	1,092,000
2000	1,094,000
2001	1,071,000
Thereafter	1,406,000
	$6,845,000

NOTE 7 - LITIGATION

ORTHO DIAGNOSTIC SYSTEMS, INC.

On January 1, 1985, the Company entered into a follow-on agreement with Ortho Diagnostic Systems, Inc. ("Ortho"), a subsidiary of Johnson and Johnson, Inc. ("J&J") pursuant to the 1982 agreement, whereby Ortho agreed to pay the Company $11,000,000 over a four and one-half year period on a cost recovery basis in support of research and development projects. Ortho paid $4,500,000 to the Company under this agreement up to January 1987 at which time Ortho indicated its intention to suspend future scheduled payments under the agreements pending resolution of certain matters. At July 31, 1994, the Company had a receivable from Ortho of approximately $6,500,000. Even though the Company continued to perform its obligations under the agreements, it provided a total of $6,500,000 in prior years for the potentially uncollectable receivable from Ortho pending resolution of the disputed items and the outcome of the civil suit filed by the Company against Ortho and J&J. This allowance for uncollectable receivable of $6,500,000 was reversed in the fourth quarter of fiscal 1994 due to the resolution of this matter, as discussed below.

NOTE 7 - LITIGATION (CONT'D)

ORTHO DIAGNOSTIC SYSTEMS, INC. (CONT'D)

The outside legal counsel was compensated on a contingency basis. During fiscal 1995, the Company issued approximately 110,000 shares in exchange for $1.1 million in accrued legal fees.

On October 19, 1994, the Company executed a settlement agreement with J&J pursuant to which the Company received $15.0 million in cash, of which $6.5 million related to amounts due under the agreements referred to above, and a promissory note requiring J&J Ortho to pay a total of $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. These future payments

are recorded at their net present value of $14.1 million at July 31, 1996 in the accompanying consolidated balance sheet, using a discount rate of 5.25%.

CALGENE, INC.

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. 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 damage 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.

NOTE 7 - LITIGATION (CONT'D)

CALGENE, INC.(CONT'D)

On February 2, 1996, the Delaware Court issued an opinion ruling against Enzo and in favor of Calgene, finding certain Enzo claims infringed, but the patent, as a whole not infringed, and finding the claims at issue for lack of enablement. Calgene's patent was found valid (non-obvious) over the prior art. On February 29, 1996, the Delaware Court issued an Order withdrawing its February 2, 1996 Opinion. Enzo intends to appeal from any adverse judgment. 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.

NOTE 8 - INCOME TAXES

The tax provision (benefit) is calculated under the provisions in Statement of Financial Accounting Standards (SFAS) No. 109 "Accounting for Income Taxes".

	1996	1995	1994
Current			
Federal	--	$400,000	--
State and local	199,100	881,900	$104,300
Deferred			
Federal	--	5,650,000	--
State and local	--	1,799,300	(49,300)
Change in deferred tax asset valuation reserve related to net operating losses	--	(4,600,000)	(3,000,000)
Provision (benefit) for income taxes	$199,100	$4,131,200	$(2,945,000)

NOTE 8 - INCOME TAXES (CONT'D)

Current income taxes provided for in fiscal 1996 relate primarily to state and local taxes computed based upon capital.

Current income taxes of approximately $1,300,000 provided for in the fourth quarter of fiscal 1995 are primarily calculated on the alternative minimum tax method.

Deferred income taxes arise from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements. The components of deferred income taxes are as follows:

	1996	1995	1994
Deferred tax liability:			
Deferred patent costs	$(2,037,000)	$(2,076,000)	$(2,110,000)
Other	--	(310,000)	(310,000)
Total deferred tax liabilities	(2,037,000)	(2,386,000)	(2,420,000)
Deferred tax assets:			
Writedown of leasehold interest	--	7,573,000	3,390,000
Provision for uncollectable accounts receivable and research contract	1,240,000	574,000	490,000
Net operating loss carryforwards	9,543,000	36,000	8,199,000
Alternative minimum tax credits	403,000	600,000	--
Other	422,000	352,000	282,000
	11,608,000	9,135,000	12,361,000
Valuation allowance for deferred tax assets	(9,571,000)	(6,749,000)	(7,092,000)
Net deferred tax asset (liability)	$ 0	$ 0	$2,849,000

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax asset will be realized. The ultimate realization of the deferred tax asset is dependent upon the generation of future taxable income. Management considers scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategies which can be implemented by the Company in making this assessment. The Company has provided a full valuation allowance for the net deferred tax asset at July 31, 1996 and 1995. The

NOTE 8 - INCOME TAXES (CONT'D)

decrease in the valuation allowance for deferred tax assets of $4,084,000 in fiscal 1994 relates primarily to the expected utilization of net operating loss carryforwards and deferred tax assets related to the Johnson & Johnson, Inc. settlement (see Note 7).

The Company has net operating loss carryforwards of approximately $22.8 million which are due to expire in 2011. The Company also has alternative minimum tax credits which are due to expire in 2001.

The provision (benefit) for income taxes were at rates different from U.S. federal statutory rates for the following reasons:

	1996	1995	1994
Federal statutory rate	34%	34%	34%
Expenses not deductible for income tax return purposes	(2%)	2%	7%
State income taxes, net of federal	(2%)	10%	2%
No benefit for operating losses	(33%)	44%	(41%)
Change in valuation reserve related to benefits from operating losses	--	(48%)	(139%)
	(3%)	42%	(137%)

NOTE 9 - STOCK OPTIONS AND WARRANTS

The Company has a nonqualified stock option plan, an incentive stock option plan and a restricted stock incentive plan and has issued other options and warrants, as described below. All share information has been adjusted to reflect the 5% stock dividends declared on September 13, 1996 and June 5, 1995.

NONQUALIFIED STOCK OPTION PLAN

The Company has a nonqualified stock option plan (the "Plan") under which options for up to 793,800 shares of Common Stock may be issued. No additional options may be granted under such plan. The exercise price of options granted under the terms of the Plan will be determined by the Board of Directors.

NOTE 9 - STOCK OPTIONS AND WARRANTS (CONT'D)

A summary of nonqualified stock option transactions for the three years ended July 31, 1996 is as follows:

	NUMBER OF SHARES	EXERCISE PRICE
Outstanding - July 31, 1993	168,384	$3.07
Exercised	(13,892)	$3.07
Outstanding - July 31, 1994 and 1995	154,492	$3.07
Exercised	(21,525)	$3.07
Outstanding - July 31, 1996	132,967	$3.07

The options granted are generally exercisable at 25% per year after one year and expire ten years after the date of grant and, at July 31, 1996 all nonqualified options were exercisable.

INCENTIVE STOCK OPTION PLAN

The Company has an incentive stock option plan ("1983 plan") under which the Company may grant options for up to 992,250 shares of common stock. No additional options may be granted under the 1983 plan. The exercise price of options granted under such plan is equal to or greater than fair market value of the common stock on the date of grant. The Company has stock option plans ("1993 plan" and "1994 plan") under which the Company may grant options for up to 1,653,750 shares (1993 plan) and for up to 1,047,375 shares (1994 plan) of common stock. The options granted pursuant to the plans may be either incentive stock options or nonstatutory options. To date, the Company has only granted incentive stock

NOTE 9 - STOCK OPTIONS AND WARRANTS (CONT'D)

options under these plans. A summary of incentive stock option transactions for the three years ended July 31, 1996 is as follows:

	NUMBER OF SHARES	EXERCISE PRICE
Outstanding - July 31, 1993	1,118,055	$1.36 - 7.03
Exercised	(42,557)	$1.36 - 4.09

Canceled	(140,079)	$1.36 - 7.03
Issued	758,582	$8.96 - 14.52
Outstanding - July 31, 1994	1,694,001	$1.36 - 14.52
Exercised	(115,938)	$1.36 - 7.03
Canceled	(2,756)	$3.07
Issued	298,778	$8.73 - 10.31
Outstanding - July 31, 1995	1,874,085	$1.36 - 14.52
Exercised	(117,210)	$1.36 - 9.07
Canceled	(67,961)	$1.36 - 9.07
Issued	357,525	$13.57 - 18.81
Outstanding - July 31, 1996	2,046,439	$1.36 - 18.81

Incentive stock options generally become exercisable at 25% per year after one year and expire ten years after the date of grant. At July 31, 1996, under the incentive stock option plans 1,049,837 options were exercisable.

RESTRICTED STOCK INCENTIVE PLAN

The Company has a restricted stock incentive plan whereby the Company may award up to 220,500 shares of its common stock. Under the terms of the plan, any shares issued are restricted in regard to sales and transfers for a period of five years after award. Such restrictions begin to expire at 25% per year after the second year of ownership. As of July 31, 1996, the Company has not awarded any shares of common stock under this plan.

NOTE 9 - STOCK OPTIONS AND WARRANTS (CONT'D)

OTHER OPTIONS AND WARRANTS

In fiscal 1982, the Company issued 33,736 warrants in connection with the sale of stock. These warrants were exercisable at $8.31 per share through June 1996 of which 16,868 warrants were exercised in fiscal 1994 and in fiscal 1996. As part of the restructuring of the Debenture in November 1991, the Company issued additional warrants to purchase 283,343 shares of common stock with an exercise price of $1.81 per share expiring ten years after the date of issue. In fiscal 1996, 1995 and 1994, 7,140, 4410 and 92,059 of these warrants were exercised, respectively. In connection with the issuance of newly issued shares of the Company's Common Stock to a private investor in fiscal 1994, the Company issued warrants to purchase 275,625 shares of common stock with exercise prices ranging from $7.26 to $10.89 per share. In fiscal 1996, 1995 and 1994, 121,275, 110,250 and 44,100 of these warrants were exercised, respectively. In fiscal 1996, the Company issued warrants to purchase 85,575 shares of common stock with an exercise price ranging from $9.51 to $16.67 per share which expire five years after the date of issue. In fiscal 1996, 9,975 of these warrants were exercised and 12,075 were cancelled.

* * * * *

As of July 31, 1996, the Company has reserved 4,334,058 shares under the arrangements described above.

NOTE 10 - COMMITMENTS

The Company has an exclusive licensing agreement to an invention covered by licensed patents. Under this agreement, the Company is required to make certain minimum royalty payments of $200,000 per year through the life of the patents.

Note 11 - Lines of business

The Company operates two lines of business: (i) conducting research and development activity and selling products derived from such research and (ii) operating clinical reference laboratories which provide diagnostic services to the health care community. The following financial information (in thousands) with respect to such lines of business (industry segments) is based on the guidelines contained in Statement of Financial Accounting Standards No. 14.

	AT JULY 31, 1996 AND FOR THE YEAR THEN ENDED			AT JULY 31, 1995 AND FOR THE YEAR THEN ENDED		
	RESEARCH AND DEVELOPMENT	CLINICAL REFERENCE LABORITORIES	TOTAL	RESEARCH AND DEVELOPMENT	CLINICAL REFERENCE LABORITORIES	TOTAL
Operating revenues:						
Sales and diagnostic services	$12,946	$21,544	$34,490	$9,548	$22,152	$31,700
Operating profit (loss)	$449	$124	$573	$479	$2,146	$2,625
Investment income			1,667			1,077
Corporate expenses			(2,135)			(4,413)
Writedown of leasehold interest and related costs			(7,613)			(11,400)
Recovery of research contract receivable			--			--
Litigation settlement, net of legal fees			--			21,860
Income (loss) before provision (benefit) for taxes on income and extraordinary items			$(7,508)			$9,749
Identifiable assets	$22,309	$22,731	$45,040	$27,196	$23,867 (a)	$51,063
Corporate assets, principally cash and cash equivalents, short-term investments, deferred financing costs, building under capital leases and funds held in escrow			17,798			21,395
			$62,838			$72,458
Depreciation and amortization	$576	$1,236	$1,812	$514	$1,202	$1,716
Property and equipment expenditures	$45	$388	$433	$41	$989	

$1,030						
	===	====			===	====
Corporate property and equipment expenditures				266		
132						
				---		-
--						
				$699		
$1,162						
				====		
======						

	AT JULY 31, 1994 AND FOR THE YEAR THEN ENDED		
	RESEARCH AND DEVELOPMENT	CLINICAL REFERENCE LABORITORIES	TOTAL
<S>	<C>	<C>	<C>
Operating revenues:			
Sales and diagnostic services	$5,183	$17,616	$22,799
	======	=======	=======
Operating profit (loss)	($493)	($659)	($1,152)
	======	=======	
Investment income			202
Corporate expenses			(2,794)
Writedown of leasehold interest and related costs			(600)
Recovery of research contract receivable			6,500
Litigation settlement, net of legal fees			--

Income (loss) before provision (benefit) for taxes on income and extraordinary items			$2,156
			======
Identifiable assets	$17,261	$20,393 (a)	$37,654
	=======	=======	
Corporate assets, principally cash and cash equivalents, short-term investments, deferred financing costs, building under capital leases and funds held in escrow			27,389

			$65,043
			=======
Depreciation and amortization	$484	$1,061	$1,545
	====	======	======
Property and equipment expenditures	$16	$839	$855
	===	====	
Corporate property and equipment expenditures			930

			$1,785
			======

</TABLE>

(a) Includes cost in excess of fair value of net tangible assets acquired of $9,675 in 1996, $10,046 in 1995, and $10,391 in 1994.

NOTE 12 - EMPLOYEE BENEFIT PLAN

The Company has a qualified Salary Reduction Profit Sharing Plan (the "Plan") for eligible employees under Section 401(k) of the Internal Revenue Code. The Plan provides for voluntary employee contributions through salary reduction and voluntary employer contributions at the discretion of the Company. For the years ended July 31, 1996, 1995 and 1994, the Company has authorized employer contributions of 25% of the employees' contribution up to 6% of the employees' compensation in Enzo Biochem, Inc. common stock. The 401(k) employer contributions expense converted into the Company's common stock was $145,800 in

fiscal year 1996. The 401(k) employer contribution expense in 1995 and 1994 was not material.

NOTE 13 - SUPPLEMENTARY EARNINGS PER SHARE

The Company converted $262,000 in principal of the Company's outstanding Debentures into 52,500 shares of Common Stock in 1994. Pro forma earnings per share information as if the conversion had occurred at the beginning of the period would be as follows:

	1994
Income before extraordinary items	$.22
Extraordinary items	.01
Net income	$.23
Weighted average common shares	22,632,800

NOTE 14 - STOCK DIVIDEND

On June 5, 1995, the Company declared a 5% stock dividend paid July 31, 1995 to shareholders of record as of July 3, 1995. The stock price on the date of declaration was $10.125. The dividend has been charged against accumulated deficit to the extent of net income in fiscal 1995. On September 13, 1996, the Company declared another 5% stock dividend payable on October 29, 1996 to shareholders of record as of October 8, 1996.

ENZO BIOCHEM, INC.
SCHEDULE II - VALUATION
AND QUALIFYING ACCOUNTS
YEARS ENDED JULY 31, 1996, 1995 AND 1994

<TABLE>
<CAPTION>

DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	ADDITIONS CHARGED TO OTHER ACCOUNTS	(ADDITIONS) DEDUCTIONS	BALANCE AT END OF PERIOD
<S>	<C>	<C>	<C>	<C>	<C>
1996					
Allowance for doubtful accounts receivable	$2,127,000	$6,702,900	-	$3,431,900(1)	$5,398,000
Allowance for deferred tax valuation	$6,749,000	-	-	$(2,822,000)	$9,571,000
1995					
Allowance for doubtful accounts receivable	$1,956,000	$3,845,600	-	$3,674,600(1)	$2,127,000
Allowance for deferred tax valuation	$7,092,000	-	-	$343,000(1)	$6,749,000
1994					
Allowance for doubtful accounts receivables	$2,016,000	$3,504,300	-	$3,564,300(1)	$1,956,000
Allowance for deferred tax valuation	$11,176,000	-	-	$4,084,000	$7,092,000
Allowance for doubtful research contract receivable	$6,500,000	-	-	$6,500,000(2)	$ -

</TABLE>

(1) Write-off of uncollectable accounts receivable.
(2) Recovery of research contract receivable.

INDEX
OF
EXHIBITS FILED WITH
FORM 10-K FOR FISCAL YEAR ENDED
JULY 31, 1996
OF
ENZO BIOCHEM, INC

EXHIBIT	EXHIBIT NUMBER	PAGE
Stipulation of Settlement with the City of New York	10(x)	E-2
Computation of per-share earnings	11	E-25
Consent of Ernst & Young LLP	23	E-26

Exhibit 10(x)

CIVIL COURT OF THE CITY OF NEW YORK
COUNTY OF NEW YORK: PART 52

- ----------x

THE CITY OF NEW YORK and NEW YORK CITY HEALTH AND HOSPITALS CORPORATION,

STIPULATION OF SETTLEMENT

Petitioners (Landlord),

Index No. 016488/95
(Commercial L&T)

- against -

ENZO BIOCHEM, INC.
R&S Building
Bellevue Hospital
492 First Avenue
New York, New York
(Block 962, Lot 100),

Respondent (Tenant),

- and -

"JOHN AND JANE DOE"

Respondent (Undertenants),

Said names of the undertenants being fictitious and unknown to petitioner, persons intended to be undertenants, occupants and/or licensees of the subject premises.

- ----------x

WHEREAS, on or about June 16, 1970, petitioner City of New York ("City") as owner of the subject premises, entered into an agreement with petitioner New York City Health and Hospitals Corporation ("HHC") wherein the City leased to HHC certain property which included the premises (land and building), known as the R & S Building (Block 962, part of Lot 100) located at 492 First Avenue, New York, New York (the "subject premises"); and

-1-

WHEREAS, on or about November 18, 1985, the City, HHC as landlord, and respondent Enzo Biochem, Inc. ("Enzo") as tenant, entered into a sublease agreement for the subject premises ("Sublease") for a term of fifty (50) years, commencing as of that date; and

WHEREAS, the City, HHC and Enzo entered into an Amendment of Sublease as of October 30, 1992 ("Amendment of Sublease"); and

WHEREAS, disputes have arisen between Enzo and the City and HHC respecting the Sublease and the Amendment of Sublease in consequence of which the parties have engaged in extensive discussions and litigation concerning their respective obligations, Enzo's non-payment of rent, and other matters relating to the Sublease and Amendment of Sublease, including litigation of (i) a declaratory judgment action in the Supreme Court, New York County, entitled ENZO BIOCHEM, INC. V. CITY OF NEW YORK, NEW YORK CITY HEALTH AND HOSPITALS CORP., Index No. 113887/95, by which Enzo sought a declaration that Enzo was not in default of its obligations under the Amendment of Sublease to substantially complete the renovation of the premises, and to maintain at least thirty-five jobs at the premises (the "Supreme Court Action"); and (ii) the above-captioned nonpayment proceeding commenced on or about June 20, 1995 by which petitioners the City and HHC, sought rent arrears then outstanding in the amount of $1,107,783.83 plus interest and possession of the subject premises (the "Non-Payment Proceeding"); and

-2-

WHEREAS, the parties now desire to settle this proceeding and the Supreme Court Action and all disputes between them arising out of or relating to the Sublease and Amendment of Sublease and to finally and amicably resolve

and settle any and all claims which have been pleaded in this proceeding and the Supreme Court Action or in any way related thereto as well as to provide for the termination of the Sublease and Amendment of Sublease without further liability of Enzo thereunder or in any way related thereto.

NOW, THEREFORE, in consideration of the mutual promises of the parties hereto, the parties to this Stipulation and Order of Settlement ("Stipulation") stipulate and agree as follows:

1. The Non-Payment Proceeding is hereby settled with prejudice and without costs, disbursements or attorneys' fees to either side, upon the terms and conditions set forth in the Stipulation.

2. The Sublease and the Amendment of Sublease are hereby terminated in all respects so that none of the parties thereto shall have any other or further obligation or liabilities thereunder or by reason thereof, and Enzo shall be deemed to have vacated and surrendered the subject premises in its "as is" condition and the City and HHC shall be deemed to have accepted such vacatur and surrender simultaneously with the execution and delivery of the Stipulation.

3. Upon the full execution and delivery of the Stipulation, HHC may take possession of and secure the subject premises without further notice to Enzo and Enzo shall

concurrently turn over and deliver to HHC any and all keys in its possession to the subject premises.

4. Any and all improvements, alterations, installations, and additions heretofore made by Enzo to or in the subject premises and currently located therein shall be deemed surrendered with the subject premises so that the same, upon the execution and delivery hereof, shall be the property of the City, without representation or warranty by Enzo of title or condition. Enzo shall and hereby does assign, set over and transfer to the City and HHC such rights, causes or claims it might have or hereafter have against any contractor or contractors employed by Enzo to perform work, labor or services at the subject premises, but Enzo does not represent or warrant that any such rights, causes or claims exist.

5. Simultaneously with the execution of this Stipulation, the parties shall execute a separate stipulation discontinuing the Non-Payment Proceeding with prejudice and without costs disbursements or attorneys' fees (the "Stipulation of Discontinuance"). The Stipulation of Discontinuance shall be held in escrow by the Office of the Corporation Counsel of the City of New York until the delivery by Enzo of the securities constituting the consideration for the settlement set forth in this Stipulation in the name of the City in accordance with paragraph 7 below, at which time the Stipulation of Discontinuance forthwith shall be filed with the court. The Stipulation of Discontinuance shall be in the form annexed hereto as Exhibit A.

6. Simultaneously with the execution of this Stipulation, the parties shall execute a separate stipulation discontinuing with prejudice and without costs disbursements or attorneys' fees the action brought by Enzo in Supreme Court, New York County, entitled ENZO BIOCHEM, INC. V. CITY OF NEW YORK, NEW YORK CITY HEALTH AND HOSPITALS CORP., Index No. 113887/95. The stipulation described in this paragraph 6 shall be held in escrow by Anderson Kill & Olick, P.C., until the delivery by Enzo of the securities constituting the consideration for the settlement set forth in this Stipulation in the name of the City in accordance with paragraph 7 below, at which time said stipulation forthwith shall be filed with the court. The proposed stipulation shall be in the form annexed hereto as Exhibit B.

7. Enzo shall pay the City $2.95 million in full settlement of all of the City's and HHC's claims for rent, additional rent, PILOT Payments or otherwise asserted against Enzo or arising under or by reason of the Sublease and Amendment of Sublease (the "Settlement Amount"). The Settlement Amount shall be paid in securities and or in cash in the form and manner and on the terms and conditions as set forth herein:

(a) Within twenty (20) days of the execution of this Stipulation, Enzo shall issue, assign, transfer, convey and/or set over to the City and deliver to Citibank, N.A. as custodian for the City such number of shares of Enzo common stock ("Enzo Stock" or the "Stock") as shall have a market value if registered and freely transferable as of date of issue of at least $2.95 million which value shall be computed using the

closing price per share of the Stock on the American Stock Exchange on the day before the date of issue.

(b) Simultaneously with the issuance of the Stock Enzo shall deliver to the City (i) a duly executed resolution of Enzo's Board of Directors, certified by an appropriate officer of Enzo, approving the terms of the Stipulation and the issuance of the Stock; (ii) evidence of the transfer of the shares of Enzo Stock to the City on the books and records of the transfer agent and the registrar of the stock of Enzo. The said documents shall be hand delivered to and received by Robin Green, Esq. or, if she is not available for any reason, Lawrence Kahn, Esq. each an Assistant Corporation Counsel, at the Office of the Corporation Counsel of the City of New York, 100 Church Street, Room 3-102, New York, New York 10007.

(c) Simultaneously with the issuance of the Stock Enzo shall deposit with Anderson Kill & Olick, P.C. ("Escrow Agent") the sum of $2.95 million (the "Escrow Fund") to secure the ultimate receipt by the City of the full Settlement Amount. The Escrow Agent shall deposit the Escrow Fund in an interest bearing account at Citibank, N.A. or Chemical Bank in New York City.

(d) For a period of two hundred ten (210) days commencing with the issuance of the Stock, Enzo shall have the exclusive right and option to place or secure the sale of the Stock on behalf of the City in whole or in part which placement and sale or sales, if effected, may be to a transferee or transferees selected by Enzo in its discretion provided, however,

that the City's consent to such transferee or transferees shall be required so long as such consent is not unreasonably withheld or delayed (the "Exclusive Sales Period").

(e) The City (and, in turn, Citibank, N.A., its custodian), shall promptly facilitate the transfer or transfers of Stock at Enzo's request from time to time with the net proceeds of such transfer or transfers being paid to the City.

(f) In the event Enzo shall not exercise its right and option to place or secure the sale of the Stock on behalf of the City within the Exclusive Sales Period or in the event all such Stock is not placed or sold within such period and the City has not received an aggregate net sum of $2.95 million from the portion of the Stock so sold, the City shall tender, offer and "put" the remaining Stock or such portion thereof as may not have been sold during the Exclusive Sales Period to Enzo and Enzo shall thereupon forthwith pay to the City the difference between $2.95 million and such amount or amounts as the City may have realized by sale or sales of the Stock during the Exclusive Sales Period, provided, however, that in the event Enzo does not purchase the Stock so tendered by the City for such amount the City may demand that Anderson Kill & Olick, P.C., as Escrow Agent, accept the stock tendered, offered and put to Enzo in which event Anderson Kill & Olick, P.C. shall forthwith pay to the City such amount out of the Escrow Fund as may equal the difference between $2.95 million and such amount or amounts as the City may have realized by sale or sales of the Stock during the Exclusive Sales Period. The City shall be paid such

aggregate sum of $2.95 million on or before March 19, 1997 net after the costs and expenses of sale including any and all sales commissions. In no event is the City's entitlement hereunder to exceed $2.95 million. In the event the City receives proceeds from the sale of any of the Stock or from the Escrow Agent aggregating $2.95 million, net after the costs and expenses of sale (including any and all commissions), the City or, as the case may be, the Escrow Agent, shall forthwith surrender any remaining Stock to Enzo for cancellation. In such event the Escrow Agent may release the balance of the Escrow Fund and the interest accrued thereon, if any, to Enzo.

8. At such time as the City has received net proceeds equal to the Settlement Amount, Enzo shall have no further obligations pursuant to this Stipulation, and any Stock then remaining unsold shall be transferred to and re-registered to Enzo. The City shall cooperate with Enzo in enforcing the terms of this paragraph, including, without limitation, executing a stock power or multiple stock powers and other documentation necessary to effectuate the registration, re-registration and/or transfer of the Stock, as provided herein.

9. All notices to Enzo as required under this Stipulation shall be mailed by certified mail, return receipt requested to Enzo Biochem, Inc. at 575 Fifth Avenue, New York, New York 10017 attention: Barry Weiner. Failure or refusal of Enzo to accept the notice shall not affect the delivery of the

notice under this Stipulation.

10. A copy of all notices to Enzo under this Stipulation shall also be sent by certified mail, return receipt requested, to Anderson Kill & Olick, P.C., attorney for Enzo, Attention: Arthur S. Olick, Esq., at 1251 Avenue of the Americas, New York, New York 10020.

11. All notices, documents or payments to the City as required under this Stipulation shall be hand delivered or faxed to the New York City Law Department, Attention: Robin Green or Lawrence Kahn, 100 Church Street, Room 3-102, New York, New York 10007 and to William Paolino, Office of the Comptroller, 1 Centre Street, Room 736, New York, New York 10007. A copy of such notices, documents or payments shall also be sent by regular mail to Lori Fierstein, Acting Deputy Commissioner, New York City Department of General Services, 1 Centre Street, Room 2053, New York, New York 10007. Failure or refusal by any of the above parties to accept any notice shall not affect the delivery of the notice under this Stipulation.

12. This Stipulation and the executed counterparts of the Exhibits attached hereto and made a part hereof set forth the parties' entire understanding and agreement with respect to the subject matter hereof, and may not be modified, amended or waived other than pursuant to a writing signed by the parties hereto.

13. This Stipulation shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

14. None of the terms contained in this Stipulation shall be deemed to constitute, or be based upon a policy of the

City of New York. This Stipulation shall not be admissible in, nor is it related to, any other litigation or settlement negotiation, other than in the above captioned action and ENZO BIOCHEM, INC. V. CITY OF NEW YORK, NEW YORK CITY HEALTH AND HOSPITALS CORP., Supreme Court, New York County, Index No. 113887/95.

15. Each party hereto shall promptly do, execute, acknowledge, deliver, report, and file any and all further acts, certificates, assurances or other instruments as the other party may reasonably require from time to time in order to carry out more effectively the terms of this Stipulation.

16. (a) Enzo hereby waives and releases any and all claims, counterclaims and defenses it may have, including those which were raised or which could have been raised in this proceeding or in any action which could have been brought relating to the City and/or HHC's obligations under the Sublease and Amendment of Sublease, other than those obligations expressly provided for under this Stipulation. Simultaneously with the execution of this Stipulation, Enzo shall execute and deliver to the City a release in the form annexed hereto as Exhibit C.

(b) The City and HHC each hereby waive and release any and all claims, counterclaims and defenses it or they may have, including those which were raised or which could have been raised in this proceeding or in any action which could have been brought relating to Enzo's obligations under the Sublease and Amendment of Sublease, other than those obligations expressly provided for under this Stipulation provided, however, that Enzo

shall indemnify and save harmless the City and HHC from unknown and presently unasserted third party claims against them by reason of the acts, omissions or negligence of Enzo during the period it was in possession and control of the subject premises. Simultaneously with the execution of this Stipulation, the City and HHC shall each execute and deliver to Enzo a release in the form annexed hereto as Exhibit D.

17. Nothing contained in this Stipulation shall be deemed an admission of liability or wrongdoing by any party hereto, and each party hereto expressly denies any and all liability or wrongdoing.

18. This Stipulation may be executed in counterparts. The parties and their attorneys shall accept and rely upon copies of executed signature pages transmitted by telecopier as duplicate originals.

Dated: New York, New York

July 31, 1996

THE CITY OF NEW YORK

/s/ Lori Fierstein
- ----------
By: Lori Fierstein, Acting Deputy Commissioner
Department of General Services,
Division of Real Estate Services

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

/s/ Luis R. Marcos
- ----------
By: Luis R. Marcos, M.D.
President

PAUL A. CROTTY
Corporation Counsel of the
City of New York
Attorney for Petitioners
100 Church Street, Room 6-103
New York, New York 10007
(212) 788-0600

By: /s/ Lawrence S. Kahn

Lawrence S. Kahn
Chief Litigating Assistant Corporation Counsel

ANDERSON KILL & OLICK, P.C.
Attorney for Respondent
1251 Avenue of the Americas
New York, New York 10020
(212) 278-1000

By: /s/ Arthur S. Olick

Arthur S. Olick, Esq., A Member of the Firm

ENZO BIOCHEM, INC.

By: /s/ Barry Weiner

Name: Barry Weiner

Title: Exec. V.P.

EXHIBITS

EXHIBIT A: Stipulation of Discontinuance of Non-Payment Proceeding

EXHIBIT B: Stipulation of Discontinuance of the Supreme Court Action

EXHIBIT C: Enzo Release of City/HHC

EXHIBIT D: City/HHC Release of Enzo

EXHIBIT A

CIVIL COURT OF THE CITY OF NEW YORK
COUNTY OF NEW YORK: PART 52

- ----------x

THE CITY OF NEW YORK and NEW YORK CITY HEALTH AND HOSPITALS CORPORATION,

Petitioners (Landlord),

- against -

ENZO BIOCHEM, INC.
R&S Building
Bellevue Hospital
492 First Avenue
New York, New York
(Block 962, Lot 100),

Respondent (Tenant),

- and -

"JOHN AND JANE DOE"

Respondent (Undertenants),

Said names of the undertenants being fictitious and unknown to petitioner, persons intended to be undertenants, occupants and/or licensees of the subject premises.

- ----------x

STIPULATION OF DISCONTINUANCE

Index No. 016488/95
(Commercial L&T)

IT IS HEREBY STIPULATED AND AGREED by and between the parties hereto that the above action is hereby discontinued with prejudice and without costs, disbursements or attorneys' fees to any party.

Dated: New York, New York
July 31, 1996

THE CITY OF NEW YORK

/s/ Lori Fierstein
- ----------
By: Lori Fierstein, Acting Deputy Commissioner
Department of General Services,
Division of Real Estate Services

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

/s/ Luis R. Marcos
- ----------
By: Luis R. Marcos, M.D.
President

PAUL A. CROTTY
Corporation Counsel of the
City of New York
Attorney for Petitioners
100 Church Street, Room 6-103
New York, New York 10007
(212) 788-0600

By: /s/ Lawrence S. Kahn

Lawrence S. Kahn
Chief Litigating Assistant Corporation Counsel

ANDERSON KILL & OLICK, P.C.
Attorney for Respondent
1251 Avenue of the Americas
New York, New York 10020
(212) 278-1000

By: /s/ Arthur S. Olick

Arthur S. Olick, Esq., A Member of the Firm

ENZO BIOCHEM, INC.

By: /s/ Barry Weiner

Name: Barry Weiner
Title: Exec. V.P.

Judge

EXHIBIT B

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK:

ENZO BIOCHEM, INC. — Index No. 113887/95

Plaintiff,

- against - — STIPULATION OF DISCONTINUANCE

THE CITY OF NEW YORK and NEW YORK CITY HEALTH AND HOSPITALS CORPORATION,

Defendant.

IT IS HEREBY STIPULATED AND AGREED by and between the parties hereto that the above action is hereby discontinued with prejudice and without costs, disbursements or attorneys' fees to any party.

Dated: New York, New York
July 31, 1996

THE CITY OF NEW YORK

/s/ Lori Fierstein

By: Lori Fierstein, Acting Deputy Commissioner
Department of General Services,
Division of Real Estate Services

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

/s/ Luis R. Marcos

By: Luis R. Marcos, M.D.
President

PAUL A. CROTTY
Corporation Counsel of the
City of New York
Attorney for Petitioners
100 Church Street, Room 6-103
New York, New York 10007
(212) 788-0600

By: /s/ Lawrence S. Kahn

Lawrence S. Kahn
Chief Litigating Assistant Corporation Counsel

ANDERSON KILL & OLICK, P.C.

Attorney for Respondent
1251 Avenue of the Americas
New York, New York 10020
(212) 278-1000

By: /s/ Arthur S. Olick

Arthur S. Olick, Esq., A Member of the Firm

ENZO BIOCHEM, INC.

By: /s/ Barry Weiner

Name: Barry Weiner
Title: Exec. V.P.

J.S.C.

EXHIBIT C

To all to whom these Presents shall come or may Concern, Know That ENZO BIOCHEM, INC., a corporation organized under the laws of the State of Delaware, as Releasor, in consideration of the sum of TEN ($10.00) DOLLARS and other good and valuable consideration receipt whereof is hereby acknowledged, releases and discharges THE CITY OF NEW YORK and NEW YORK CITY HEALTH AND HOSPITALS CORPORATION (hereinafter referred to collectively as "Releasee"), and Releasee's successors and assigns from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands whatsoever, in law, admiralty or equity, which against the Releasee, the Releasor, Releasor's successors and assigns ever had, now have or hereafter can, shall or may have, for, upon, or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this Release, in connection with a certain Sublease between Releasor, as tenant, and Releasee, as landlord, dated November 18, 1985 for premises located at 492 First Avenue, New York, New York (the "Premises"), and a certain Amendment of Sublease between Releasor and Releasee, dated October 30, 1992, with respect to the Premises, except for Releasee's performance of its obligations pursuant to a certain Stipulation of Settlement, dated July 31, 1996, of an action in Civil Court of the City of New York entitled THE CITY OF NEW YORK AND NEW YORK CITY HEALTH AND HOSPITALS CORPORATION V. ENZO BIOCHEM, INC. AND JOHN AND JANE DOE, Index No. 016488/95.

The words "Releasor" and "Releasee" include all releasors and all releasees under this Release.

This Release may not be changed orally.

IN WITNESS WHEREOF, the Releasor has caused this Release to be executed by its duly authorized officers and its corporate seal to be hereunto affixed on July 31, 1996.

In presence of:

ENZO BIOCHEM, INC.

By: /s/ Barry Weiner

Name: Barry Weiner

Title: Exec. V.P.

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On July 31, 1996 before me personally came Barry Weiner to me known, who, by me duly sworn, did depose and say that deponent resides at 69 Fifth Ave., NY,NY that deponent is the Exeutive V.P. of ENZO BIOCHEM, INC., the corporation described in, and which executed the foregoing Release, that deponent knows the seal of the corporation, that the seal affixed to the Release is the corporate seal, that it was affixed by order of the board of directors of the corporation; and that deponent signed deponent's name by like order.

/s/ Marian J. O'Neill
Notary Public

MARIAN J. O'NEILL
Notary Public, State of New York
No. 60-4807522
Qualified in Westchester County
Certificate Filed in New York County
Commission Expires November 30, 1996

EXHIBIT D

To all to whom these Presents shall come or may Concern, Know That THE CITY OF NEW YORK and NEW YORK CITY HEALTH AND HOSPITALS CORPORATION, collectively as Releasor, in consideration of the sum of TWO MILLION NINE HUNDRED FIFTY THOUSAND ($2,950,000.00) DOLLARS or other good and valuable considerations received from ENZO BIOCHEM, INC., as Releasee, receipt whereof is hereby acknowledged, releases and discharges Releasee, and Releasee's successors and assigns from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands whatsoever, in law, admiralty or equity, which against the Releasee, the Releasor, Releasor's successors and assigns ever had, now have or hereafter can, shall or may have, for, upon, or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this Release, arising out of or incident to a certain Sublease between Releasor, as landlord, and Releasee, as tenant, dated November 18, 1985 for premises located at 492 First Avenue, New York, New York (the "Premises"), and a certain Amendment of Sublease between Releasor and Releasee, dated October 30, 1992, with respect to the Premises and the use and occupation of said premises by Releasor , except for Releasee's performance of its obligations pursuant to a certain Stipulation of Settlement, dated July 31, 1996, of an action in Civil Court of the City of New York entitled THE CITY OF NEW YORK AND NEW YORK CITY HEALTH AND HOSPITALS CORPORATION V. ENZO BIOCHEM, INC. AND JOHN AND JANE DOE, Index No. 016488/95.

The words "Releasor" and "Releasee" include all releasors and all releasees under this Release.

This Release may not be changed orally.

IN WITNESS WHEREOF, the Releasor has caused this Release to be executed by its duly authorized signatory and its seal to be hereunto affixed on July 31, 1996.

In presence of:

THE CITY OF NEW YORK

By: /s/ Lawrence S. Kahn
Name: Lawrence S. Kahn
Title: Acting Corporation Council

NEW YORK CITY HEALTH AND
HOSPITALS CORPORATION

By: /s/ Luis R. Marcos

Name: Luis R. Marcos, M.D.

Title:

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On July 31, 1996 before me personally came Lawrence S. Kahn, who is known to me, who is the Acting Counsel for the City of New York, the municipal corporation described herein, and which executed the foregoing Release, and that deponent is authorized to execute the foregoing Release on behalf of the City of New York.

/s/ ROBIN GREEN

Notary Public
(illegible)
Notary Public of New York
(illegible)
Qualified in Queens County
Commission Expires Dec. 11, 1997

STATE OF NEW YORK)
) [ILLEGIBLE]
COUNTY OF NEW YORK)

On July 31, 1996 before me personally came Luis R. Marcos, M.D. to me known, who, by me duly sworn, did depose and say that deponent resides at [ILLEGIBLE] that deponent is the President of NEW YORK CITY HEALTH AND HOSPITALS CORPORATION, the corporation described in, and which executed the foregoing Release, that deponent knows the seal of the corporation, that the seal affixed to the Release is the corporate seal, that it was affixed by order of the board of directors of the corporation; and that deponent signed deponent's name by like order.

/s/ Patricia B. Clift

Notary Public

PATRICIA B. CLIFT
Notary Public, State of New York
No. 31-5002589
Qualified in New York County
Commission Expires Oct. 5, 1996

[ACKNOWLEDGEMENT FOR THE CITY OF NEW YORK]

Agreed to:

/s/ Lori Fierstein
- ---
By: Lori Fierstein, Acting Deputy Commissioner
Department of General Services
Division of Real Estate Services

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

/s/ Luis R. Marcos, M.D.
- ---
By: Luis R. Marcos, M.D.
President

PAUL A. CROTTY
Corporation Counsel of the
City of New York
Attorney for Petitioners
100 Church Street, Room 6-103
New York, New York 10007
(212) 788-0600

BY: /s/ Lawrence S. Kahn

Lawrence S. Kahn
Chief Litigating Assistant Corporation Counsel

ANDERSON KILL & OLICK, P.C.
Attorney for Respondent
1251 Avenue of the Americas
New York, New York 10020
(212) 278-ILLEGIBLE

By: /s/ Arthur S. Olick

Arthur S. Olick, Esq., A Member of the Firm

ENZO BIOCHEM, INC.

By: /s/ Barry Weiner

Name: Barry Weiner
Title: EVP

EXHIBIT 11

ENZO BIOCHEM, INC.
COMPUTATION OF PER-SHARE EARNINGS
Years ended July 31, 1996, 1995 and 1994

	1996*	1995*	1994*
Primary			
Average shares outstanding	22,593,000	22,005,200	21,469,200
Net effect of dilutive stock options and warrants -- based on the treasury stock method using average market price	--	1,069,900	1,158,400
Total	22,593,000	23,075,100	22,627,600
Income (loss) before extraordinary items	$(7,707,500)	$ 5,618,100	$ 5,101,200
Extraordinary gain	--	--	150,000
Net income (loss)	$(7,707,500)	$ 5,618,100	$ 5,251,200
Per common and common equivalent share			
Income (loss) before extraordinary item	($.34)	$.24	$.22
Extraordinary gain	--	--	.01
Net income (loss)	($.34)	$.24	$.23

*Shares and per share amounts have been adjusted for the 5% stock dividend declared in fiscal 1995 and for the 5% stock dividend declared in September 1996.

Exhibit 23

Consent of Independent Auditors

We consent to the incorporation by reference in the Registration Statements (Forms S-3, No. 33-58736, 33-60229, 33-78760, 33-72170, 33-68542 and Forms S-8 No. 33-45348, 33-75466 and 33-88826) of Enzo Biochem, Inc. and in the related Prospectus of our report dated October 15, 1996, with respect to the consolidated financial statements and schedule of Enzo Biochem, Inc. included in this Annual Report (Form 10-K) for the fiscal year ended July 31, 1996.

/s/ Ernst & Young LLP

Melville, New York
October 25, 1996

<TABLE> <S> <C>

<ARTICLE> 5
<MULTIPLIER> 1,000

<S>	<C>
<PERIOD-TYPE>	YEAR
<FISCAL-YEAR-END>	JUL-31-1996
<PERIOD-START>	AUG-01-1995
<PERIOD-END>	JUL-31-1996
<CASH>	17793
<SECURITIES>	0
<RECEIVABLES>	20886
<ALLOWANCES>	5398
<INVENTORY>	1811
<CURRENT-ASSETS>	35914
<PP&E>	7797
<DEPRECIATION>	4691
<TOTAL-ASSETS>	62838
<CURRENT-LIABILITIES>	6463
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	216
<OTHER-SE>	83450
<TOTAL-LIABILITY-AND-EQUITY>	62838
<SALES>	34490
<TOTAL-REVENUES>	34490
<CGS>	15440
<TOTAL-COSTS>	13883
<OTHER-EXPENSES>	7613<F2>
<LOSS-PROVISION>	6703
<INTEREST-EXPENSE>	(1640)<F1>
<INCOME-PRETAX>	(7508)
<INCOME-TAX>	199
<INCOME-CONTINUING>	(7708)
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	(7708)
<EPS-PRIMARY>	(0.34)
<EPS-DILUTED>	0.00

<FN>
<F1>INTEREST INCOME - NET
<F2>INCLUDES WRITEDOWN OF LEASEHOLD INTEREST & RELATED COSTS
</FN>

</TABLE>