SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Mark one

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

For the quarterly period ended October 31, 2004

or

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

For the transition period from _____ to _____

Commission File Number 1-9974

ENZO BIOCHEM, INC._

(Exact name of registrant as specified in its charter)

NEW YORK	13-2866202
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
60 EXECUTIVE BLVD., FARMINGDALE, NEW YORK	11735
(Address of Principal Executive office)	(Zip Code)

(631-755-5500)

(Registrant's telephone number, including area code)

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

COMMON STOCK, $0.01 PAR VALUE	NEW YORK STOCK EXCHANGE
(Title of Class)	(Name of Each Exchange on which Registered)

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

NONE

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

X Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 125-2).

X Yes No

As of November 26, 2004 the Registrant had 32,418,900 shares of Common Stock Outstanding.

ENZO BIOCHEM, INC.

FORM 10-Q

October 31, 2004

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ENZO BIOCHEM, INC
PART 1 - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

	October 31, 2004 (unaudited)	July 31, 2004 (audited)
	(In Thousands)	
ASSETS		
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	$68,619	$54,499
Marketable securities	18,296	17,242
Accounts receivable, less allowance for doubtful accounts	13,976	14,794
Income tax receivable	3,374	3,907
Inventories	3,308	3,434
Prepaid expenses	1,620	1,833
Deferred taxes	1,316	1,975
Total current assets	110,509	97,684
Property and equipment, at cost less accumulated depreciation and amortization	2,454	2,414
Goodwill	7,452	7,452
Deferred patent costs, less accumulated amortization	2,316	2,624
Other	163	160
	$122,894	$110,334
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	$1,195	$2,092
Deferred revenue	2,000	--
Accrued legal fees	1,665	2,051
Other accrued expenses	1,012	711
Accrued research and development expenses	110	225
Income taxes payable	4,430	--
Accrued payroll	521	258
Deferred rent	26	87
</TABLE>

Total current liabilities	10,959	5,424
Deferred taxes	402	444
Long term payable	300	300
Commitments and contingencies		
Stockholders' equity:		
Preferred Stock, $.01 par value; authorized 25,000,000 shares; no shares issued or outstanding		
Common Stock, $.01 par value; authorized 75,000,000 shares; shares issued and outstanding: 32,418,900 at October 31, 2004 and 30,864,400 at July 31, 2004	324	309
Additional paid-in capital	229,932	205,920
Less treasury stock at cost, 367,400 shares	(5,669)	(5,669)
Accumulated deficit	(113,090)	(96,148)
Accumulated other comprehensive loss	(264)	(246)
Total stockholders' equity	111,233	104,166
	$122,894	$110,334

</TABLE>

ENZO BIOCHEM, INC.

CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

<TABLE>
<CAPTION>

	Three Months Ended October 31, 2004	2003
	(In thousands, expect per share data)	
<S>	<C>	<C>
Revenues:		
Research product revenues	$2,456	$2,760
Clinical laboratory services	7,845	7,513
	10,301	10,273
Costs and expenses and other income:		
Cost of research product revenues	575	501
Cost of clinical laboratory services	2,914	2,322
Research and development expense	2,212	1,932
Selling expense	1,509	902
General and administrative expense	2,628	2,390
Provision for uncollectible accounts receivable	1,477	2,372
Legal expense	1,143	956
Interest income	(330)	(286)
Gain on patent litigation settlement	(14,000)	--
	(1,872)	11,089
Income (loss) before (provision) benefit for taxes on income	12,173	(816)
(Provision) benefit for taxes on income	(5,152)	493
Net income (loss)	$7,021	$(323)
Net income (loss) per common share:		
Basic	$.22	($.01)
Diluted	$.21	($.01)
Denominator for per share calculation:		
Basic	32,416	31,507
Diluted	32,907	31,507

</TABLE>

ENZO BIOCHEM, INC
CONSOLIDATED STATEMENT OF CASH FLOWS

<TABLE>

<CAPTION>

	Three Months Ended October 31, 2004	2003
	(In Thousands)	
<S>	<C>	<C>
Cash flows from operating activities:		
Net income (loss)	$7,021	$(323)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	260	253
Amortization of deferred patent costs	330	214
Provision for uncollectible accounts receivable	1,477	2,372
Deferred tax	643	(321)
Deferred rent	(61)	(58)
Changes in operating assets and liabilities:		
Accounts receivable before provision for uncollectible amounts	(659)	(1,749)
Inventories	126	100
Income taxes receivable	533	---
Prepaid expenses	213	226
Prepaid taxes	(66)	(268)
Trade accounts payable and other accrued expenses	(596)	660
Income taxes payable	4,496	---
Accrued research and development expenses	(115)	(453)
Deferred revenue	2,000	---
Accrued legal fees	(386)	(234)
Accrued payroll	262	(82)
Total adjustments	8,457	660
Net cash provided by operating activities	15,478	337
Cash flows from investing activities:		
Capital expenditures	(300)	(295)
Patent costs deferred	(21)	(43)
Purchase of marketable securities	(1,098)	(96)
Security deposits	(4)	(4)
Net cash used in investing activities	(1,423)	(438)
Cash flows from financing activities:		
Proceeds from the exercise of stock options	65	279
Net cash provided by financing activities	65	279
Net increase in cash and cash equivalents	14,120	178
Cash and cash equivalents at the beginning of the period	54,499	63,268
Cash and cash equivalents at the end of the period	$68,619	$63,446

</TABLE>

ENZO BIOCHEM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2004
(UNAUDITED)

NOTE 1. BASIS OF PRESENTATION

The consolidated financial statements are unaudited and reflect all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial position and operating results for the interim periods. The consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended July 31, 2004 and notes thereto contained in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission. The results of operations for the three months ended October 31, 2004 are not necessarily indicative of the results to be expected for the entire fiscal year ending July 31, 2005.

RECLASSIFICATIONS

Certain amounts in prior years have been reclassified to conform to current year

presentation.

STOCK BASED COMPENSATION PLANS

The Company accounts for stock option grants to employees under the recognition and measurement principles of APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations. Under APB No. 25, because the exercise price of the Company's employee stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recorded.

Pro forma information regarding net loss applicable to common stockholders is required by FASB Statement No. 123 ("SFAS 123"), "Accounting for Stock-Based Compensation," which also requires that the information be determined as if the Company has accounted for its stock options under the fair value method of that statement. For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period.

In December 2002, the FASB issued Statement No. 148 ("SFAS 148"), "Accounting for Stock-Based Compensation - Transition and Disclosure." SFAS No. 148 amends SFAS No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition to SFAS No. 123's fair value method of accounting for stock-based employee compensation. SFAS No. 148 also amends the disclosure provisions of SFAS No. 123 to require disclosure in the summary of significant accounting policies of the effects of an entity's accounting policy with respect to stock-based employee compensation on reported net income. While SFAS No. 148 does not amend SFAS No. 123 to require companies to account for employee stock options using the fair value method, the disclosure provisions of SFAS No. 148 are applicable to all companies with stock-based employee compensation, regardless of whether they account for that compensation using the fair value method of SFAS No. 123 or the intrinsic value method of APB No. 25. The Company adopted SFAS No. 148 effective January 31, 2003.

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123 to stock-based compensation for the periods ended October 31, 2004 and 2003:

<TABLE>
<CAPTION>

	Three Months Ended October 31, 2004	2003
	(In thousands, except for share data)	
<S>	<C>	<C>
Net income (loss), as reported	$7,021	$(323)
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards	(981)	(814)
Pro forma net income (loss)	$6,040	$(1,137)
Earnings (loss) per share:		
Basic - as reported	$.22	$(.01)
Basic - pro forma	.19	(.04)
Diluted - as reported	$.21	$(.01)
Diluted - pro forma	.18	(.04)

</TABLE>

The Company follows the provisions of Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share". The following table sets forth the computation of basic and diluted earnings per share pursuant to SFAS 128.

<TABLE>
<CAPTION>

	Three Months Ended October 31, 2004	2003
	(In thousands, except for share data)	
<S>	<C>	<C>
Numerator:		
Net income (loss) for numerator for basic and diluted earnings per common share	$7,021	$(323)

Denominator:		
Denominator for basic earnings per common equivalent share during the period	32,416	31,507
Effect of dilutive securities		
Employee and director stock options and warrants	491	---
	---	---
Denominator for diluted earnings (loss) per common equivalent share and assumed conversions	32,907	31,507
	======	======
Basic earnings (loss) per share	$.22	$.(01)
	====	======
Diluted earnings (loss) per share	$.21	$(.01)
	====	======

</TABLE>
The following table summarized, for each period presented, the number of shares excluded from the computation of diluted earnings per share, as their effect upon potential issuance was anti-dilutive.
<TABLE>
<CAPTION>

	Three Months Ended October 31,	
	2004	2003
	(In thousands)	
<S>	<C>	<C>
Employee and director stock options and warrants	---	374

</TABLE>

ENZO BIOCHEM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2004
(Unaudited)

The Company declared a 5% stock dividend on October 5, 2004 payable November 15, 2004 to shareholders of record as of October 25, 2004. The shares and per share data have been adjusted to retroactively reflect this stock dividend for all periods presented. As of October 31, 2004 the Company recorded a charge to accumulated deficit and a credit to common stock and additional paid-in-capital in the amount of $24.0 million which reflects the fair value of the dividend on the date of declaration.

Inventories

Inventories consist of the following as of:

	OCTOBER 31, 2004	JULY 31, 2004
	(In thousands)	
Raw Materials	$85	$125
Work in process	2,261	2,188
Finished products	962	1,121
	$3,308	$3,434

NOTE 2. GAIN ON PATENT LITIGATION SETTLEMENT

On October 14, 2004, the Company finalized and executed a settlement and license agreement with Digene Corporation to settle its patent litigation lawsuit. Under the terms of the agreement, the Company received an initial payment of $16.0 million, of which $2.0 million could be used to offset royalty income payments based upon net sales of licensed products covered by the agreement during the first year. The Company will receive in the first annual period (October 1, 2004 to September 30, 2005) a minimum royalty payment of $2.5 million inclusive of the $2 million discussed above and at least a minimum royalty of $3.5 for each of the next four annual periods. In addition, the agreement provides for the Company to receive quarterly running royalties on the net sales of Digene products subject to the license until the expiration of the patent on April 24, 2018. These quarterly running royalties will be fully creditable against the minimum royalty payments due in the first five years of the agreement. No royalties have been recorded in the quarter ended October 31, 2004, since the Company records royalty income as it is earned based on Digene's net sales as reported by Digene to the Company. The balance, if any, of the minimum royalty payment will be recognized in the final quarter of the applicable annual royalty period. As a result of this settlement agreement with

Digene, the Company recorded a gain on patent litigation settlement of $14.0 million in the three months ended October 31, 2004. See Legal Proceedings.

ENZO BIOCHEM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2004
(Unaudited)

Note 2--Segment Reporting

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

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

<TABLE>
<CAPTION>

	RESEARCH AND DEVELOPMENT		CLINICAL REFERENCE LABORATORIES	
	THREE MONTHS ENDED OCTOBER 31,		THREE MONTHS ENDED OCTOBER 31,	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Operating revenues:				
Research product revenues	$2,456	$2,760		---
Clinical laboratory services		---	$7,845	$7,513
Cost and expenses:				
Cost of research product revenues	575	501		---
Cost of clinical laboratory services		---	2,914	2,322
Research and development expense	2,212	1,932		---
Provision for uncollectible accounts		---	1,477	2,372
Other costs and expenses	634	398	2,808	2,155
Gain on patent litigation settlement	(14,000)			
Interest income	---	---	---	---
	---	---	---	---
Income (loss) before (provision) benefit for income taxes on income	$13,035	$(71)	$646	$664

<CAPTION>

	OTHER		CONSOLIDATED	
	THREE MONTHS ENDED OCTOBER 31,		THREE MONTHS ENDED OCTOBER 31,	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Operating revenues:				
Research product revenues		---	$2,456	$2,760
Clinical laboratory services		---	7,845	7,513
Cost and expenses:				
Cost of research product revenues		---	575	501
Cost of clinical laboratory services		---	2,914	2,322
Research and development expense		---	2,212	1,932
Provision for uncollectible accounts		---	1,477	2,372
Other costs and expenses	1,838	$1,695	5,280	4,248
Gain on patent litigation settlement			(14,000)	
Interest income	(330)	(286)	(330)	(286)
	---	---	---	---
Income (loss) before (provision) benefit for				

income taxes on income	($1,508)	$(1,409)	$12,173	$(816)

</TABLE>

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

The following discussion of our financial condition and results of operations should be read in conjunction with our financial statements and related notes. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements. See "Forward-Looking and Cautionary Statements." Because of the foregoing factors, you should not rely on past financial results as an indication of future performance. We believe that period-to-period comparisons of our financial results to date are not necessarily meaningful and expect that our results of operations might fluctuate from period to period in the future.

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

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

The Company's source of revenue has been from the direct sales of research products of labeling and detection reagents for the genomics and sequencing markets, as well as through non-exclusive distribution agreements with other companies. Another source of revenue has been from the clinical laboratory service market. Clinical laboratory services are provided to patients covered by various third party insurance programs, including Medicare and self payors for the services provided. The clinical laboratory is subject to seasonal fluctuations in operating results. Volume of testing generally declines during the summer months, the year-end holiday periods and other major holidays. In addition, volume declines due to inclement weather may reduce net revenues. Therefore, comparison of the results of successive quarters may not accurately reflect trends or results for the full year. For the three months ended October 31, 2004 and 2003, respectively, approximately 24% and 27% of the Company's operating revenues were derived from research product sales and approximately 76% and 73% were derived from clinical laboratory services.

Liquidity and Capital Resources

At October 31, 2004, our cash and cash equivalents and marketable securities totaled $86.9 million, an increase of $15.2 million from July 31, 2004. We had working capital of $99.6 million at October 31, 2004 compared to $92.3 million at July 31, 2004.

Net cash provided by operating activities for the period ended October 31, 2004 was approximately $15.5 million as compared to net cash provided by operating activities of $.4 million for the period ended October 31, 2003. The increase in net cash provided by operating activities was primarily due to the increase in net income in the 2005 period as compared to the net loss in the 2004 period as a result of the above mentioned settlement agreement with Digene Corporation.

On October 14, 2004, the Company finalized and executed a settlement and license agreement with Digene Corporation to settle its patent litigation lawsuit. Under the terms of the agreement, the Company received an initial payment of $16.0 million, of which $2.0 million could be used to offset royalty income payments based upon net sales of licensed products covered by the agreement during the first year. The Company will receive in the first annual period (October 1, 2004 to September 30, 2005) a minimum royalty payment of $2.5 million inclusive of the $2 million discussed above and at least a minimum royalty of $3.5 for each of the next four annual periods. In addition, the

agreement provides for the Company to receive quarterly running royalties on the net sales of Digene products subject to the license until the expiration of the patent on April 24, 2018. These quarterly running royalties will be fully creditable against the minimum royalty payments due in the first five years of the agreement. No royalties have been recorded in the quarter ended October 31, 2004, since the Company records royalty income as it is earned based on Digene's net sales as reported by Digene to the Company. The balance, if any, of the minimum royalty payment will be recognized in the final quarter of the applicable annual royalty period. As a result of this settlement agreement with Digene, the Company recorded a gain on patent litigation settlement of $14.0 million in the three months ended October 31, 2004. See Legal Proceedings.

Net cash used in investing activities increased approximately $1.0 million from the 2004 period, primarily as a result of an increase investment in short term securities.

Net cash provided by financing activities decreased by $.2 million from the 2004 period primarily as a result of the decrease in proceeds from the exercise of stock options.

We believe that our current cash position is sufficient for our foreseeable liquidity and capital resource needs, although there can be no assurance that future events will not alter such view.

Management is not aware of any material claims, disputes or settled matters concerning third-party reimbursements that would have a material effect on our financial statements.

Critical Accounting Policies

General

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

REVENUE RECOGNITION

Revenues from the clinical laboratory are recognized as services are rendered upon completion of the testing process for a specific patient and reported to the ordering physician. 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, exclusive of certain non-exclusive distribution agreements, are recognized when the products are shipped.

The Company has certain non-exclusive distribution agreements, which provide for consideration to be paid to the distributors for the manufacture of certain products. The Company records such consideration provided to distributors under these non-exclusive distribution agreements as a reduction to research product revenues. The revenue from these non-exclusive distribution agreements are recognized when shipments are made to their respective customers and reported to the Company.

CONTRACTUAL ALLOWANCES

The percentage of the Company's revenues derived from Medicare, third party payers, commercial insurers and managed care patients continue to increase. The Medicare regulations and various managed care contracts are often complex and may include multiple reimbursement mechanisms for different types of services provided in our clinical laboratory. We estimate the allowance for contractual allowances on a payer-specific basis given our interpretation of the applicable regulations and historical calculations. However, the services authorized and provided and related reimbursement are often subject to interpretation that could result in payments that differ from our estimates. Additionally, updated regulations occur frequently that necessitates continual review and assessment of the estimation process by management.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company's ability to collect outstanding receivables from third party payers is critical to its operating performance and cash flows. The primary collection risk lies with uninsured patients or patients for whom primary insurance has paid but a patient portion remains outstanding. The Company estimates the allowance for doubtful accounts primarily based upon the age of the accounts since invoice date. The Company continually monitors its accounts receivable balances and utilizes cash collections data to support the basis for its estimates of the provision for doubtful accounts. Significant changes in payer mix or regulations could have a significant impact on the Company's results of operations and cash flows. In addition, the Company has implemented a process to estimate and review the collections of its receivables based on the period they have been outstanding. Historical collection and payor reimbursement experience is an integral part of the estimation process related to reserves for doubtful accounts. The Company also assesses the current state of its billing functions in order to identify any known collection or reimbursement issues in order to assess the impact, if any, on the reserve estimates, which involves judgment. The Company believes that the collectibility of its receivables is directly linked to the quality of its billing processes, most notably, those related to obtaining the correct information in order to bill effectively for the services provided. Revisions in reserve for doubtful accounts estimates are recorded as an adjustment to bad debt expense. The Company believes that its collection and reserves processes, along with the close monitoring of its billing processes, helps reduce the risk associated with material revisions to reserve estimates resulting from adverse changes in collection and reimbursement experience and billing operations.

INCOME TAXES

The Company accounts for income taxes under the liability method of accounting for income taxes. Under the liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The liability

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

IMPAIRMENT OF LONG-LIVED ASSETS

The Company evaluates the requirement to recognize impairment losses on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. Company management believes that no impairment to its long-lived assets has occurred.

Results of Operations

THREE MONTHS ENDED OCTOBER 31, 2004 COMPARED WITH THREE MONTHS ENDED OCTOBER 31, 2003

On October 14, 2004, the Company finalized and executed a settlement and license agreement with Digene Corporation to settle its patent litigation lawsuit. Under the terms of the agreement, the Company received an initial payment of $16.0 million, of which $2.0 million could be used to offset royalty income payments based upon net sales of licensed products covered by the agreement during the first year. The Company will receive in the first annual period (October 1, 2004 to September 30, 2005) a minimum royalty payment of $2.5 million inclusive of the $2 million discussed above and at least a minimum royalty of $3.5 for each of the next four annual periods. In addition, the agreement provides for the Company to receive quarterly running royalties on the net sales of Digene products subject to the license until the expiration of the patent on April 24, 2018. These quarterly running royalties will be fully creditable against the minimum royalty payments due in the first five years of the agreement. No royalties have been recorded in the quarter ended October 31, 2004, since the Company records royalty income as it is earned based on Digene's net sales as reported by Digene to the Company. The balance, if any, of the minimum royalty payment will be recognized in the final quarter of the applicable annual royalty period. As a result of this settlement agreement with Digene, the Company recorded a gain on patent litigation settlement of $14.0 million in the three months ended October 31, 2004. See Legal Proceedings.

Revenues from operations for the three months ended October 31, 2004 were comparable to the prior period.

The cost of research products sold was comparable to the prior period.

The cost of clinical laboratory services increased by $.6 million during this period primarily due to an increase in costs associated with certain esoteric tests and an increase in the volume of tests performed.

Research and development expenses increased by approximately $.3 million as a result of an increase in the expenses related to the clinical trial activities and other research projects.

Selling expenses increased by $.6 million during the three months ended, as compared to the prior year's three months. This increase was primarily due to an increase in selling expenditures from both our clinical laboratory operations and the life science division.

General and administrative expenses increased by $.2 million due to the increase in data processing personnel costs.

The Company's legal expenses increased by $.2 million to $1.2 million from $1.0 million as compared to the previous year. This increase is primarily due to the settlement related expenses with Digene Corporation in the patent infringement proceedings and the increase in the overall legal activities on these infringement proceedings.

The Company's provision for uncollectible accounts receivable decreased by $.9 million to $1.5 million from $2.4 million as compared to the same three month period last year at the clinical laboratory division. The percentage of the provision for uncollectible accounts receivable as a relationship to revenue decreased to 18.8% for these three months ended as compared to 31.5% for the same three month period last year. This decrease was primarily due to the change in the mix of payors.

As a result of the settlement agreement with Digene Corporation as discussed above, the Company recorded a gain on patent litigation settlement of $14.0 million in the three months ended October 31, 2004.

Interest income was comparable to last years prior three months ended.

For the three months ended October 31, 2004, the Company recorded a provision for income taxes of $5.2 million which was based on the combined effective federal, state and local income tax rates.

Income (loss) before (provision) benefit for taxes on income from the research and development segment activities and related costs was $13.0 million in for period ended October 31, 2004, as compared to loss before provision for taxes on income of $.1 million in for period ended October 31, 2003. The increase in the income resulted primarily from the company recording the $14.0 million gain on the patent infringement settlement with Digene Corporation in this quarter. Income (loss) before provision for taxes on income from the clinical reference laboratories segment was comparable to last years prior three months.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Item 4. Controls and Procedures

Under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, the Company has evaluated the effectiveness of the design and operation of its disclosure controls and procedures pursuant to Exchange Act Rule 13a-14c within 90 days of the filing date of this quarterly report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective. There were no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation.

PART II - Other Information

Item 1. LEGAL PROCEEDINGS

In March 2002, Enzo Life Sciences, a subsidiary of the Company, filed suit in the United States District Court for the District of Delaware against Digene Corp., charging it with infringing the Company's U.S. Patent No. 6,221,581 B1, which concerns a novel process for detecting nucleic acids of interest. On May 31, 2002, Digene filed counterclaims in that suit against Enzo Life Sciences and the Company, including business tort counterclaims relating to the `581 patent. On October 13, 2004, the Company, its wholly owned subsidiary Enzo Life Sciences, Inc. ("Enzo Life Sciences") and Digene Corporation ("Digene") entered into a Settlement and License Agreement (the "Agreement") and a Joint Stipulation and Order of Dismissal with Prejudice (the "Stipulation"). The Agreement provides for (i) the full and final settlement of the Litigation and (ii) the grant to Digene of a non-exclusive, worldwide, royalty-bearing license with respect to such `581 Patent and the remaining patents in the `581 patents global family. The `581 patent is set to expire on April 24, 2018. Pursuant to the Agreement Digene is irrevocably required to pay Enzo Life Sciences and aggregate of $30.5 million of which Life Sciences received $16 million (the "First Payment") from Digene on October 14, 2004. Digene will pay to Enzo $16.5 million (subject to the $2 million credit discussed below) ("Additional Irrevocable Payments"), $2.5 million of which shall be paid by November 14, 2005 and $3.5 million per year by November 14 of each of 2006, 2007 2008 and 2009. In addition, Digene shall pay Enzo Life Sciences Running Royalties on Net Sales of Licensed Products. Each Additional Irrevocable Payment is fully creditable by Digene against the Running Royalties that are due under the Agreement. Digene at it discretion may credit $2 million of the First Payment against either the payment required to be paid by Digene by November 14, 2005 or the Running Royalties due Enzo Life Sciences under the Agreement. The Stipulation which will be filed with the Court by October 15, 2004 dismisses with prejudice all claims, counterclaims and defenses brought or raised by any party to the Litigation.

Information relating to certain other legal proceedings in which the Company is a party can be found in the Company's Annual Report on form 10-K for the period ended July 31, 2004.

Item G. EXHIBITS

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

SIGNATURES

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

ENZO BIOCHEM, INC.

(registrant)

Date: December 8, 2004

by: /s/ BARRY WEINER

Chief Financial Officer,