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

Mark one

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

For the quarterly period ended January 31, 2003

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.

Yes X No

As of February 26, 2003 the Registrant had 28,466,200 shares of Common Stock outstanding.

ENZO BIOCHEM, INC.

FORM 10-Q

January 31, 2003

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ENZO BIOCHEM, INC
PART 1 - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

| | January 31, 2003 (unaudited) | July 31, 2002 (audited) |
|---|---|---|
| | (in Thousands) | |
| <S> | <C> | <C> |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | $75,935 | $67,135 |
| Accounts receivable, less allowance for doubtful accounts | 20,115 | 20,268 |
| Inventories | 3,660 | 4,190 |
| Prepaid expenses | 1,786 | 1,491 |
| Deferred taxes | 778 | 778 |
| Prepaid taxes | --- | 1,968 |
| Total current assets | 102,274 | 95,830 |
| Property and equipment, at cost less accumulated depreciation and amortization | 2,198 | 2,301 |
| Cost in excess of fair value of net tangible assets acquired, less accumulated amortization | 7,452 | 7,452 |
| Deferred patent costs, less accumulated amortization | 3,262 | 3,562 |
| Other | 148 | 146 |
| | $115,334 | $109,291 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Trade accounts payable | $826 | $1,512 |
| Other accrued expenses | 775 | 735 |
| Taxes payable | 844 | --- |
| Accrued legal fees | 1,100 | 140 |
| Accrued payroll | 302 | 476 |
| Total current liabilities | 3,847 | 2,863 |
| Deferred taxes | 1,180 | 1,180 |
| Deferred rent | 417 | 515 |
| 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: 28,466,200 shares at January 31, 2003 and 28,459,800, shares at July 31, 2002 | 285 | 285 |
| Additional paid-in capital | 160,522 | 160,499 |
| Accumulated deficit | (50,917) | (56,051) |
| Total stockholders' equity | 109,890 | 104,733 |
| | $115,334 | $109,291 |

</TABLE>
See accompanying notes.



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

<TABLE>
<CAPTION>

| | Six Months Ended January 31, 2003 | 2002 |
|---|---|---|
| | (In thousands, except per share data) | |
| <S> | <C> | <C> |
| Revenues: | | |
| Research product revenues | $16,431 | $10,088 |
| Clinical laboratory services | 14,037 | 15,125 |
| Total operating revenues | 30,468 | 25,213 |
| Costs and expenses: | | |
| Cost of research product revenues | 1,727 | 340 |
| Cost of clinical laboratory services | 4,345 | 5,305 |
| Research and development expense | 3,422 | 3,008 |
| Selling expense | 2,553 | 1,910 |
| Provision for uncollectible accounts receivable | 4,198 | 6,320 |
| General and administrative expense | 6,468 | 4,707 |
| Total operating expenses | 22,713 | 21,590 |
| Income before interest income and provision for taxes on income | 7,755 | 3,623 |
| Interest income | 662 | 827 |
| Income before provision for taxes on income | 8,417 | 4,450 |
| Provision for taxes on income | (3,283) | (1,803) |
| Net income | $5,134 | $2,647 |
| Net income per common share: | | |
| Basic | $0.18 | $0.09 |
| Diluted | $0.18 | $0.09 |
| Denominator for per share calculation: | | |
| Basic | 28,464 | 28,439 |

| | | |
|---|---|---|
| Diluted | 29,074 | 29,377 |

See accompanying notes



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

| | Three Months Ended January 31, 2003 | 2002 |
|---|---|---|
| | (In thousands, except per share data) | |
| Revenues: | | |
| Research product revenues | $6,020 | $5,472 |
| Clinical laboratory services | 7,092 | 6,355 |
| Total operating revenues | 13,112 | 11,827 |
| Costs and expenses: | | |
| Cost of research product revenues | 436 | 264 |
| Cost of clinical laboratory services | 2,246 | 2,598 |
| Research and development expense | 1,595 | 1,585 |
| Selling expense | 1,093 | 1,008 |
| Provision for uncollectible accounts receivable | 2,030 | 2,908 |
| General and administrative expense | 3,720 | 2,485 |
| Total operating expenses | 11,120 | 10,848 |
| Income before interest income and provision for taxes on income | 1,992 | 979 |
| Interest income | 378 | 328 |
| Income before provision for taxes on income | 2,370 | 1,307 |
| Provision for taxes on income | (924) | (485) |
| Net income | $1,446 | $822 |
| Net income per common share: | | |
| Basic | $0.05 | $0.03 |
| Diluted | $0.05 | $0.03 |
| Denominator for per share calculation: | | |
| Basic | 28,466 | 28,442 |
| Diluted | 29,106 | 29,448 |

See accompanying notes



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

<TABLE>
<CAPTION>

| | Six Months Ended January 31, 2003 | 2002 |
|---|---|---|
| | (In Thousands) | |
| <S> | <C> | <C> |
| Cash flows from operating activities: | | |
| Net income | $5,134 | $2,647 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization of property and equipment | 505 | 512 |
| Amortization of costs in excess of fair value of net tangible assets acquired | --- | 186 |
| Amortization of deferred patent costs | 449 | 390 |
| Provision for uncollectable accounts receivable | 4,198 | 6,320 |
| Deferred rent | (98) | (80) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable before provision for uncollectible amounts | (4,045) | (5,412) |
| Inventories | 530 | (950) |
| Prepaid expenses | (295) | (670) |
| Prepaid taxes | 1,968 | --- |
| Trade accounts payable and accrued expenses | (646) | (365) |
| Income taxes payable | 844 | 1,303 |
| Accrued payroll | (174) | 126 |
| Accrued legal fees | 960 | (251) |
| Total adjustments | 4,196 | 1,109 |
| Net cash provided by operating activities | 9,330 | 3,756 |
| Cash flows from investing activities: | | |
| Capital expenditures | (402) | (318) |
| Patent costs deferred | (149) | (295) |
| Security deposits | (2) | 2 |
| Net cash used in investing activities | (553) | (611) |
| Cash flows from financing activities: | | |
| Proceeds from the exercise of stock options | 23 | 67 |
| Net cash provided by financing activities | 23 | 67 |
| Net increase in cash and cash equivalents | 8,800 | 3,212 |
| Cash and cash equivalents at the beginning of the year | 67,135 | 58,671 |
| Cash and cash equivalents at the end of the year | $75,935 | $61,883 |

</TABLE>

See accompanying notes



ENZO BIOCHEM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
January 31, 2003
(Unaudited)

Note 1 - The consolidated balance sheet as of January 31, 2003, the consolidated statements of operations for the three and six months ended January 31, 2003 ("2003 Period") and 2002 ("2002 Period") and the consolidated statements of cash flows for the six months ended January 31, 2003 and 2002 have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at January 31, 2003 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these financial statements be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 2003 Annual Report on Form 10-K. The results of operations for the six months ended January 31, 2003 are not necessarily

indicative of the results that may be expected for the full year.

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>

| | Six Months Ended January 31, | | Three Months Ended January 31, | |
|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 |
| | (In thousands, except for share data) | | | |
| <S> | <C> | <C> | <C> | <C> |
| Numerator: | | | | |
| Net income for numerator for basic and diluted earnings per common share | $ 5,134 | $ 2,647 | $ 1,446 | $ 822 |
| Denominator: | | | | |
| Denominator for basic earnings per common equivalent share during the period | 28,464 | 28,439 | 28,466 | 28,442 |
| Effect of dilutive securities | | | | |
| Employee and director stock options and warrants | 610 | 938 | 640 | 1,006 |
| Denominator for diluted earnings per common Equivalent share and assumed conversions | 29,074 | 29,377 | 29,106 | 29,448 |
| Basic earnings per share | $ .18 | $ .09 | $ .05 | $ .03 |
| Diluted earnings per share | $ .18 | $ .09 | $ .05 | $ .03 |

</TABLE>



ENZO BIOCHEM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
January 31, 2003
(Unaudited)

Note 2 - Recently Issued Accounting Pronouncements

In July 2001, the Financial Accounting Standards Board Emerging Issues Task Force ("EITF") reached final consensus on EITF No. 00-25, "Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products" ("EITF 00-25"), EITF 00-25 generally requires that consideration, including equity instruments, given to a customer be classified in a vendor's financial statements not as an expense, but as a reduction to revenue up to the amount of cumulative revenue recognized or to be recognized. In November 2001, the EITF reached consensus on EITF No. 01-09, "Accounting for Consideration Given by a Vendor to a Customer or Reseller of the Vendor's Products" ("EITF 01-09"). EITF 01-09 clarifies and modifies certain items discussed in EITF 00-25. We adopted these new standards in the quarter ended April 30, 2002.

The Company has certain non-exclusive distribution agreements, which provide for consideration to be paid to the distributors for the manufacture of certain products. Such consideration was previously included in cost of research product revenues. In accordance with EITF 00-25 and EITF 01-09, the Company has reclassified consideration provided to distributors under these non-exclusive distribution agreements as a reduction to research product revenues. The prior year and prior quarter comparative amounts have been reclassified to be consistent with the current year presentation. This change reflects a new reporting presentation only and did not affect the Company's gross profit or net income as previously reported.

In June 2001, the FASB issued SFAS No. 141, "Business Combinations" and No. 142, "Goodwill and Other Intangible Assets". Statement 141 requires business combinations initiated after June 30, 2001 to be accounted for using the purchase method of accounting, and broadens the criteria for recording intangible assets separate from goodwill. SFAS No. 142 requires the discontinuance of amortization of goodwill and intangible assets with indefinite useful lives, subject to an annual review for impairment. Other intangible assets will continue to be amortized over their estimated useful lives. The Company has adopted the provisions of the statement on August 1, 2002. Although the Company is in the process of assessing the impact of adopting Statement No. 142, based upon its current level of goodwill and qualifying intangible assets, management reduced its fiscal 2003 annualized amortization expense by approximately $370,000.

On December 31, 2002, the Financial Accounting Standards Board issued FASB

Statement No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure. Statement 148 amends FASB Statement No. 123, Accounting for Stock-Based Compensation, to provide alternative methods of transition to the fair value method of accounting for stock-based employee compensation. In addition, Statement 148 amends the disclosure provisions of Statement 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 and earnings per share in annual and interim financial statements. Statement 148 does not amend Statement 123 to require companies to account for their employee stock-based awards using the fair value method. However, the disclosure provisions are required for all companies with stock-based employee compensation, regardless of whether they utilize the fair method of accounting described in Statement 123 or the intrinsic value method described in APB Opinion No. 25, Accounting for Stock Issued to Employees. The Company will be required to comply with the requirements of FASB No. 148 for their quarter ended April 30, 2003 interim financial statements.





Note 3 - Segment Information

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 which 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 | | Other | | Consolidated | |
|---|---|---|---|---|---|---|---|---|
| | Six Months Ended January 31, | | Six Months Ended January 31, | | Six Months Ended January 31, | | Six Months Ended January 31, | |
| | 2002 | 2003 | 2002 | 2002 | 2003 | 2003 | 2003 | 2002 |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> | <C> | <C> |
| Operating revenues: | | | | | | | | |
| Research product revenues | $ 16,431 | $ 10,088 | -- | -- | -- | -- | $ 16,431 | $ 10,088 |
| Clinical laboratory services | -- | -- | $ 14,037 | $ 15,125 | -- | -- | 14,037 | 15,125 |
| Cost and expenses: | | | | | | | | |
| Cost of research product revenues | 1,727 | 340 | -- | -- | -- | -- | 1,727 | 340 |
| Cost of clinical laboratory services | -- | -- | 4,345 | 5,305 | -- | -- | 4,345 | 5,305 |
| Research and development expense | 3,422 | 3,008 | -- | -- | -- | -- | 3,422 | 3,008 |
| Other costs and expenses | 1,564 | 1,513 | 8,124 | 10,224 | 3,531 | 1,200 | 13,219 | 12,937 |
| Interest income | -- | -- | -- | -- | 662 | 827 | 662 | 827 |
| Income (loss) before provision for taxes on income | 9,718 | $ 5,227 | $ 1,568 | $ (404) | $ (2,869) | $ (373) | $ 8,417 | $ |

4,450

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | ======== | ======== | ======== | ======== | ======== | ======== | ======== |

========
</TABLE>

<TABLE>
<CAPTION>

| | Three Months Ended January 31, 2002 | Three Months Ended January 31, 2002 | Three Months Ended January 31, 2002 | Three Months Ended January 31, 2003 | Three Months Ended January 31, 2002 | Three Months Ended January 31, 2003 | Three Months Ended January 31, 2003 | |
|---|---|---|---|---|---|---|---|---|
| | ------- | ------- | ------- | ------- | ------- | ------- | ------- | -- |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> | <C> | <C> |
| Operating revenues: | | | | | | | | |
| Research product revenues | $ 6,020 | $ 5,472 | -- | -- | -- | -- | $ 6,020 | $ 5,472 |
| Clinical laboratory services | -- | -- | $ 7,092 | $ 6,355 | -- | -- | 7,092 | 6,355 |
| Cost and expenses: | | | | | | | | |
| Cost of research product revenues | 436 | 264 | -- | -- | -- | -- | 436 | 264 |
| Cost of clinical laboratory services | -- | -- | 2,246 | 2,598 | -- | -- | 2,246 | 2,598 |
| Research and development expense | 1,595 | 1,585 | -- | -- | -- | -- | 1,595 | 1,585 |
| Other costs and expenses | 591 | 1,173 | 4,070 | 4,548 | 2,182 | 680 | 6,843 | 6,401 |
| Interest income | -- | -- | -- | -- | 378 | $ 328 | 378 | 328 |
| Income (loss) before provision for taxes on income | $ 3,398 | $ 2,450 | $ 776 | $ (791) | $(1,804) | $ (352) | $ 2,370 | $ 1,307 |
| | ======= | ======= | ======= | ======= | ======= | ======= | ======= | |

=======
</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 "Cautionary Statement for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995". 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.

Overview

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 and also provides diagnostic services to the medical community. Since our formation in 1976, we have concentrated on developing enabling technologies for detecting and identifying genes and modifying gene expression. These technologies are generally applicable for the diagnosis of infectious and other diseases and form the basis for a portfolio of over 300 products marketed to the biomedical and pharmaceutical research markets. We are further using these technologies as a platform for our planned entry into the clinical diagnostics market. In addition, our work in gene analysis has led to our development of significant therapeutic product candidates, four of which are currently in clinical trials, and three are in preclinical studies. In the course of our research and development activities, we have built what we believe is a significant patent position (comprised of 38 issued U.S. patents, approximately 162 issued foreign patents and numerous pending applications worldwide) around our core technologies.

The business activities of the Company are performed by one of the Company's three wholly owned subsidiaries--Enzo Life Sciences, Inc., Enzo Therapeutics, Inc., and Enzo Clinical Labs, Inc. ("Enzo Life Sciences", "Enzo Therapeutics"

and "Enzo Clinical Labs", respectively). 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 3 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. Historically, for the fiscal years ended July 31, 2002 and 2001, respectively, approximately 48% and 33% of the Company's operating revenues were derived from research product sales and approximately 52% and 67% were derived from clinical laboratory services.

Liquidity and Capital Resources

At January 31, 2003, our cash and cash equivalents totaled $75.9 million, an increase of $8.8 million from July 31, 2002. We had working capital of $98.4 million at January 31, 2003 compared to $93.0 million at July 31, 2002.



Net cash provided by operating activities for the six months ended January 31, 2003 was approximately $9.3 million as compared to net cash provided by operating activities of $3.8 million for the six months ended January 31, 2002. The increase in net cash provided by operating activities from the 2002 period to the 2003 period was due to the increase in net income combined with the net change in operating assets and liabilities compared to the prior year primarily accrued legal fees and prepaid taxes.

Net cash used in investing activities was comparable to the 2002 period.

Net cash provided by financing activities was comparable to the 2002 period.

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 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.

Contractual Allowances

The percentage of the Company's revenues derived from Medicare, third party payers, commercial insurers and managed care patients may 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 necessitating 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 which 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.

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

Six months ended January 31, 2003 compared with six months ended January 31, 2002

Revenues from operations increased to $30.5 million for the six months ended January 31, 2003, as compared to $25.2 million for the six months ended January 31, 2002. The revenue growth was due to an increase of $6.3 million in revenues from our research product sales operations offset by a decrease of $1.1 million in revenues from the clinical reference laboratory operation over revenues for such activities in the prior year.

The growth of revenue in research product sales was due primarily to an increase in the shipping of orders in this period of the research products of labeling and detection reagents. This increase in revenue for the six months ended January 31, 2003 related to shipments to one specific distributor. There can be no assurances that level of revenue for this period from the distributor will continue at the same level in the future. The Company has certain non-exclusive distribution agreements, which provide for consideration to be paid to the distributors for the manufacture of certain products. Such consideration was previously included in cost of research product revenues. In accordance with recently issued accounting pronouncements, the Company has reclassified consideration provided to distributors under these non-exclusive distribution agreements as a reduction to research product revenues. The prior year's comparative amounts have been reclassified to be consistent with the current year presentation. This change reflects a new reporting presentation only and did not affect the Company's gross profit or net income as previously reported.



The decrease in the clinical laboratory services revenue for the six months ended January 31, 2003 as compared to the prior year was due primarily to reduced reimbursement rates which have been experienced from various third party payors, managed care agreements and the negative results of an unprofitable contract which was cancelled in the prior year. Clinical laboratory services are

provided to patients covered by various third party payor programs, including Medicare and health maintenance organizations ("HMO's"). Billings for services are included in revenue net of allowances for contractual discounts and allowances paid for differences between the amounts billed and the estimated amount to be paid.

The cost of sales for research products increased by approximately $1.4 million during this period as compared to last year same period. This increase was primarily due to the increase in volume of the direct sales of research products.

The cost of clinical laboratory services decreased by $1.0 million during this period primarily due to a reduction in personnel costs and reduced level of direct operating expenditures based on the decreased volume of tests ordered. Also, the improved efficiency of performing certain esoteric tests in-house reduced certain other expenses.

Research and development expenses increased by approximately $.4 million as a result of an expansion in the clinical trial studies, new products and other research programs in the therapeutic and life science divisions.

Selling expenses increased by approximately $.6 million primarily due to an increase in costs associated with the orders shipped of research products of labeling and detection reagents.

General and administrative expenses increased by approximately $1.8 million due to an increase in legal expenses associated with our patent litigation proceedings.

The Company's provision for uncollectible accounts receivable decreased by $2.1 million, primarily due to the effect of an improved mix of third party payers and improved collection procedures, as well as the decline in revenue at the clinical laboratory.

Interest income decreased by $.2 million as a result of a decrease in interest rates, despite the increase in cash and cash equivalents invested as compared to the prior period.

Net income amounted to $5.1 million, compared with $2.6 million a year ago. Per share earnings, fully diluted, amounted to $.18 for the six months ended January 31, 2003, compared with $.09 per share in the corresponding year-earlier period.

For the six-month periods ending January 31, 2003 and 2002 we recorded a provision for income taxes that was based on the combined effective federal, state and local income tax rates.

Three months ended January 31, 2003 compared with three months ended January 31, 2002

Revenues from operations increased to $13.1 million for the three months ended January 31, 2003, as compared to $11.8 million for the three months ended January 31, 2002. The revenue growth was due to an increase of $.5 million in revenues from our research product sales operations and an increase of $.7 million in revenues from the clinical reference laboratory operation over revenues for such activities in the prior year.



The growth of revenue in research product sales was due primarily to an increase in the shipping of orders in this period of the research products of labeling and detection reagents. This increase in revenue for the six months ended January 31, 2003 related to shipments to one specific distributor. There can be no assurances that level of revenue for this period from the distributor will continue at the same level in the future. The Company has certain non-exclusive distribution agreements, which provide for consideration to be paid to the distributors for the manufacture of certain products. Such consideration was previously included in cost of research product revenues. In accordance with recently issued accounting pronouncements, the Company has reclassified consideration provided to distributors under these non-exclusive distribution agreements as a reduction to research product revenues. The prior year's comparative amounts have been reclassified to be consistent with the current year presentation. This change reflects a new reporting presentation only and did not affect the Company's gross profit or net income as previously reported.

The increase in the clinical reference laboratory division was primarily due to an increased volume on higher priced tests.

The cost of sales for research products increased approximately $.2 million during this period as compared to last year same period. This increase was primarily due to increased personnel headcount in the manufacturing area of research
products.

The cost of clinical laboratory services decreased by $.4 million during this period primarily due to a reduction in personnel headcount and reduced level of direct operating expenditures based on the decreased volume of routine tests ordered. Also, the improved efficiency of the performing certain esoteric tests in-house reduced certain other expenses.

Research and development expenses were comparable to prior year.

Selling expenses were comparable to prior year.

General and administrative expenses increased by approximately $1.2 million due to an increase in legal expenses associated with our patent litigation proceedings.

The Company's provision for uncollectible accounts receivable decreased by $.9 million, primarily due to the effect of an improved mix of third party payers and improved collection procedures.

Interest income was comparable to prior year.

Net income amounted to $1.4 million, compared with $.8 million a year ago. Per share earnings, fully diluted, amounted to $.05 in the second quarter of fiscal 2003, compared with $.03 per share in the corresponding year-earlier period.

For the three-month periods ending January 31, 2003 and 2002 we recorded a provision for income taxes that was based on the combined effective federal, state and local income tax rates.

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 and secondarily certain of its financing arrangements. 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 June 1999, the Company filed suit in the United States District Court for the Southern District of New York against Gen-Probe Incorporated, Chugai Pharma U.S.A., Inc., Chugai Pharmaceutical Co., Ltd., bioMerieux, Inc., bioMerieux SA, and Becton Dickinson and Company, charging them with infringing the Company's U.S. Patent 4,900,659, which concerns probes for the detection of the bacteria that causes gonorrhea. On January 26, 2001, the court granted the defendants' motion for summary judgment that the Company's patent is invalid. On July 15, 2002, the Court of Appeals for the Federal Circuit reversed the judgment of invalidity and remanded the case to the district court for further proceedings. Settlements have been reached with bioMerieux and Chugai; terms were not disclosed. There can be no assurance that the Company will be successful in these proceedings. However, even if the Company is not successful, management does not believe that there will be a significant adverse monetary impact.

On March 6, 2002, the Company was named, along with certain of its officers and directors among others, in a complaint entitled Lawrence F. Glaser and Maureen Glaser, individually and on behalf of Kimberly, Erin, Hannah, and Benjamin Glasser v. Hyman Gross, Barry Weiner, Enzo Biochemical Inc., Elazar Rabbani, Shahram Rabbani, John Delucca, Dena Engelhardt, Richard Keating, Doug Yates and Docs 1-50, in the U.S. District Court for the Eastern District of Virginia. The complaint was filed by an investor in the Company who has filed for bankruptcy protection and his family. The complaint alleged securities and common law fraud and breach of fiduciary duty and seeks in excess of $150 million in damages. On August 22, 2002, the complaint was voluntarily dismissed; however a new substantially similar complaint was filed at the same time. On October 21, 2002, the Company and the other defendants filed a motion to dismiss the complaint, and the plaintiffs responded by amending the complaint and dropping their claims against defendants Keating and Yates. On November 18, 2002, the Company and the

other defendants again moved to dismiss the Amended Complaint and that motion is presently pending before the Court. On December 10, 2002 the plaintiffs filed their response to the defendant's motion to dismiss. The Company does not believe that the complaint has any merit and intends to defend vigorously.

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. There can be no assurance that the Company and Enzo Life Sciences will be successful in these proceedings. However, even if Enzo Life Sciences is not successful in its patent infringement suit, management does not believe that there will be a significant adverse monetary impact. With respect to Digene's counterclaims, the Company and Enzo Life Sciences believe them to be without merit and intend to defend themselves vigorously.



In October 2002, the Company filed suit in the United States District Court of the Southern District of New York against Amersham plc, Amersham Biosciences, Perkin Elmer, Inc., Perkin Elmer Life Sciences, Inc., Sigma-Aldrich Corporation, Sigma Chemical Company, Inc., Molecular Probes, Inc. and Orchid Biosciences, Inc. In January 2003, the Company amended its complaint to include defendants Sigma Aldrich Co. and Sigma Aldrich, Inc. The counts set forth in the suit are for breach of contract; patent infringement; unfair competition under state law; unfair competition under federal law; tortious interference with business relations; and fraud in the inducement of contract. The complaint alleges that these counts arise out of the defendants' breach of distributorship agreements with the Company concerning labeled nucleotide products and technology, and the defendants' infringement of patents covering the same. There can be no assurance that the Company will be successful in this litigation. However, even if the Company is not successful, management does not believe that there will be a significant adverse monetary impact.

Item 4. Submission of Matters to a Vote of Security Holders

(a) The Annual Meeting of Stockholders was held on January 23, 2003

(b) The following matters were voted upon and the results were as follows:

(1) Elazar Rabbani, Ph.D. and John Sias were nominated by management and elected by the stockholders to serve as directors until the next Annual Meeting of Stockholders or until their respective successors are elected and shall qualify. The Stockholders voted 25,920,216 and 25,877,749 shares in the affirmative for Dr. Rabbani and Mr. Sias, respectively, and 323,699 and 366,166 shares withheld for Dr. Rabbani and Mr. Sias, respectively.

(2) The Stockholders voted 25,973,267 shares in the affirmative with respect to the ratification of Ernst & Young LLP as the Company's independent auditors for the fiscal year ended July 31, 2003 and 244,640 shares against and 26,008 shares abstained.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

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|---|---|
| 99.1 | Certification by Elazar Rabbani, Ph.D. Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 99.2 | Certification by Barry Weiner Chief Financial Officer. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |

(b) Reports on Form 8-K

None



SIGNATURES

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

ENZO BIOCHEM, INC.
(registrant)

Date: March 13, 2003

by: /s/ Barry Weiner
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Chief Financial Officer



CERTIFICATIONS

I, Elazar Rabbani, Ph.D., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Enzo Biochem, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

March 13, 2003

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/s/ Elazar Rabbani, Ph.D.
Chief Executive Officer

CERTIFICATIONS

I, Barry Weiner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Enzo Biochem, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

March 13, 2003

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/s/ Barry Weiner
Chief Financial Officer

EXHIBIT 99.1

CERTIFICATE PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Enzo Biochem, Inc., and Subsidiaries ("the Company") on Form 10-Q for the six and three months ended January 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Elazar Rabbani, Ph.D., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Elazar Rabbani, Ph.D.

Elazar Rabbani, Ph.D.
Chief Executive Officer

March 13, 2003

EXHIBIT 99.2

CERTIFICATE PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Enzo Biochem, Inc., and Subsidiaries ("the Company") on Form 10-Q for the six and three months ended January 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Barry Weiner, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Barry Weiner

Barry Weiner
Chief Financial Officer

March 13, 2003