

June 9, 2008



## Enzo Biochem Reports Results for Third Quarter and Nine Months

**Three Months Revenue up 36%, Gross Profit up 19% and Net Loss declined by 45%**

NEW YORK--(BUSINESS WIRE)--

Enzo Biochem, Inc. (NYSE:ENZ), a leading biotechnology company specializing in gene identification and genetic and immune regulation technologies for diagnostic and therapeutic applications, today announced results for the fiscal third quarter and nine months ended April 30, 2008.

For the 2008 fiscal third quarter, total revenues increased 36% to \$18.9 million, from approximately \$14.0 million in the corresponding year ago period. Gross profit from operations increased 19% to \$9.3 million, from \$7.9 million a year ago. The Company's net loss declined to \$2.1 million, or (\$0.06) per share, compared to \$3.8 million, or (\$0.10) per share in the year earlier period, an improvement of \$1.7 million.

Fiscal 2008 third quarter results benefited from higher revenues at Enzo Life Sciences ("Life Sciences") and increased royalty and license fee income from the Company's agreements with Qiagen and Abbott Laboratories, offset by lower revenues at Enzo Clinical Labs ("Clinical Labs"). Apart from increases in SG&A, and higher cost of products at Enzo Life Sciences, both reflective of the Company's substantially greater revenues, other expenses, including R&D and legal, declined. The lower provision for uncollectible accounts receivable resulted from continued benefits from improved payment collection efficiency at Enzo Clinical Labs. Results also reflected a reduced interest income, which declined to \$0.7 million, from \$1.5 million a year ago. Interest income declined as a result of lower investment funds, due to cash employed for acquisitions and the drop in interest rates.

For the nine months ended April 30, 2008, revenues climbed 62%, to \$56.6 million, compared to the previous year's nine months of revenue of \$35.0 million. Gross profit from operations advanced 39% to \$28.3 million from \$20.3 million. The net loss was \$7.4 million, or (\$0.20) per share, an improvement of \$2.5 million compared to the year ago net loss of \$9.9 million, or (\$0.29) per diluted share.

"The third quarter's operating results reflect significant growth in Life Sciences and continued strength at Clinical Labs said Barry Weiner, President. "Clinical Labs revenue results reflected a settling out of the influx of new business we experienced at the inception of the United Healthcare contract, which impacts quarter over quarter comparisons. Life Sciences grew due to the acquisitions the Company completed over the past twelve months and

increases in royalty and licensing fee income. As such, we have continued to seek ways to further expand the business. The acquisition of BIOMOL International, which we announced last month, added products, patents and management in both the U.S. and the U.K., providing us with entry into complementary worldwide research products markets. We expect the acquisition will positively impact fiscal fourth quarter results.

"We also continue to focus on managing costs, as evidenced by our ability to keep selling, general and administrative expenses, as a percentage of total revenues, in line. Our decision to focus developmental activities in therapeutics on more immediately realizable opportunities, particularly as it relates to Alequel(TM), our treatment for Crohn's disease, and Optiquel(TM), our proprietary drug candidate for treating uveitis, has allowed us to allocate resources into areas that may provide near-term opportunities. Enzo remains financially strong and highly liquid, which puts us in an enviable position, especially given the current financial market environment, to take advantage of growth opportunities both within and outside the Company."

### Operating Division Analysis

Fiscal 2008 third quarter product revenues at Enzo Life Sciences were \$7.0 million, compared to \$0.9 million last year. The increase reflects product sales from the Axxora acquisition, effected June 4, 2007. Royalty and licensing income increased to \$1.6 million, from \$1.5 million a year ago. Gross profit for the quarter totaled \$4.2 million and operating income amounted to \$1.2 million, as compared to \$1.6 million and \$ 0.4 million respectively in fiscal 2007. Results at Enzo Life Sciences continue to reflect the impact from the non-cash fair value inventory adjustments for acquired Axxora inventory, which amounted to approximately \$0.3 million and \$0.4 million, in the respective third and second quarters of fiscal 2008, and which is expected to be minimal in the current fourth fiscal quarter. For the nine months ended April 30, 2008, Life Sciences product revenues were \$18.9 million, versus \$2.7 million a year ago. Royalty and licensing income was \$5.5 million, compared to \$3.8 million in the nine-month period in fiscal 2008. Gross profit was \$11.3 million compared to \$4.6 million in the previous nine-month period, and operating income was \$2.3 million versus \$0.8 million after the effects of a litigation settlement and one-time payment from a previous distributor are removed.

Enzo Clinical Labs experienced reduced patient servicing volume in the fiscal third quarter, totaling \$10.3 million, as compared to \$11.5 million in the year ago period. The fiscal third quarter's servicing volume reflected fewer patients tested than a year ago when a substantial volume of activity resulted from new enhanced agreement with United Healthcare, as well as the continuing effect of competitive pricing. While the aggregate number of patients tested declined in the quarter, the number of higher margin esoteric tests increased. Moreover, the provision for uncollectible receivables declined to \$0.9 million, from \$1.0 million in the second quarter of fiscal 2008 and \$1.3 million a year ago. Gross profit for the quarter was \$5.1 million compared with \$6.3 million a year ago. Operating income amounted to \$0.4 million, compared to \$1.4 million a year ago.

The reduction in research and development expenses reflects the timing of certain clinical trial related activities at Enzo Therapeutics.

On April 30, 2008, working capital stood at \$107.3 million, and cash and cash equivalents totaled \$96.5 million. There was no debt.

## Recent Acquisition

On May 9, 2008, Enzo Biochem announced the acquisition of substantially all of the U.S. based assets of BIOMOL International L.P., and all of the stock of two wholly-owned United Kingdom subsidiaries. With \$10.8 million in annual revenues, and an annual growth in excess of 6%, BIOMOL is being integrated into Enzo Life Sciences. The new addition is expected to be accretive to earnings adjusted for the non-cash fair value accounting for BIOMOL inventories and amortization. Integration is proceeding and BIOMOL is expected to blend smoothly into the growing Enzo Life Sciences family of products.

## Conference Call

A conference call conducted by Enzo Biochem, Inc. management will take place on Tuesday, June 10, 2008 at 8:30 AM E.T. It can be accessed by dialing 1-888-562-3356. International callers can dial 1-973-582-2700. Please reference PIN number 49651828. Interested parties may also listen over the Internet at [www.investorcalendar.com](http://www.investorcalendar.com). To listen to the live call on the Internet, please go to the web site at least fifteen minutes early to register, download and install any necessary audio software. For those who cannot listen to the live broadcast, a replay will be available approximately two hours after the end of the live call, through midnight (ET) on June 24, 2008. The replay of the conference call can be accessed by dialing 1-800-642-1687, and, when prompted, use PIN number 49651828. International callers can dial 1-706-645-9291, using the same PIN number.

## About Enzo

Enzo Biochem is engaged in the research, development, manufacture and licensing of innovative health care products and technologies based on molecular biology and genetic engineering techniques, and in providing diagnostic services to the medical community. Enzo's Life Sciences division develops, produces and markets proprietary labeling and detection products for gene sequencing, genetic analysis and immunological research among others. Its catalog of over 25,000 products serves the molecular biology, drug discovery and pathology research markets. The Company's therapeutic division is in various stages of clinical evaluation of its proprietary gene medicine for HIV-1 infection and its proprietary immune regulation medicines for uveitis, Crohn's Disease, and NASH (non-alcoholic steatohepatitis), and conducts pre-clinical research on several candidate compounds aimed at producing new mineral and organic bone, including technology that could provide therapy for osteoporosis and fractures, among other applications. Enzo's Clinical Labs division provides routine and esoteric reference laboratory services for physicians in the New York Metropolitan and New Jersey areas. Underpinning the Company's technology and operations is an extensive intellectual property estate in which Enzo owns or licenses over 200 patents worldwide, and has pending applications for over 180 more. For more information visit our website [www.enzo.com](http://www.enzo.com).

Except for historical information, the matters discussed in this news release may be considered "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements include declarations regarding the intent, belief or current expectations of the Company and its management. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties that could materially affect actual results. The Company disclaims

any obligations to update any forward-looking statement as a result of developments occurring after the date of this press release.

ENZO BIOCHEM, INC  
(in thousands, except per share data)

Selected operations data;

|   | Three months ended<br>April 30, (unaudited) |       |           | Nine months ended<br>April 30, (unaudited) |       |           |
|---|---|-------|-----------|--|-------|-----------|
|   | 2008  | Notes | 2007      | 2008                                       | Notes | 2007      |
| Product revenue                                   | \$ 6,995                                    |       | \$ 883    | \$ 18,885                                  |       | \$ 2,699  |
| Royalty and<br>license fee<br>income              | 1,642                                       |       | 1,547     | 5,458                                      |       | 3,756     |
| Clinical<br>laboratory<br>services                | 10,312                                      |       | 11,530    | 32,276                                     |       | 28,543    |
| Total revenues                                    | \$ 18,949                                   | A     | \$ 13,960 | \$ 56,619                                  | A     | \$ 34,998 |
| Gross profit                                      | \$ 9,337                                    | B     | \$ 7,876  | \$ 28,263                                  | D     | \$ 20,331 |
| Loss before<br>income tax<br>provision            | (1,940)                                     |       | (3,754)   | (7,300)                                    |       | (9,731)   |
| Provision for<br>income taxes                     | 168   | C     | 79        | 94   | C     | 199       |
| Net loss  | (\$2,108)                                   |       | (\$3,833) | (\$7,394)                                  |       | (\$9,930) |
| Basic and<br>diluted loss<br>per share            | (\$0.06)                                    |       | (\$0.10)  | (\$0.20)                                   |       | (\$0.29)  |
| Weighted average<br>shares - basic<br>and diluted | 36,834                                      |       | 36,630    | 36,771                                     |       | 34,465    |

Selected balance sheet data: (unaudited) (audited)

April 30,  
2008

July 31,  
2007

|                           | -----      | -----     |
|---------------------------|------------|-----------|
| Cash and cash equivalents | \$ 96,503  | \$105,149 |
| Working capital           | \$ 107,296 | \$113,850 |
| Stockholders' equity      | \$ 136,993 | \$141,894 |
| Totals assets             | \$ 150,814 | \$159,002 |

Notes:

-----

A- In 2008, includes product sales from Axxora Life Sciences, Inc. acquired May 31, 2007.

B- In 2008, includes \$0.3 million charge for inventory fair value adjustment relating to the Axxora acquisition.

C- All periods reflect effective tax rates below the statutory rate due to limitation on recording future tax benefits.

D- In 2008, includes \$1.3 million charge for inventory fair value adjustment relating to the Axxora acquisition.

Source: Enzo Biochem, Inc.