

ENZO BIOCHEM INC
Form 10-Q
March 14, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Mark one

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

For the quarterly period ended January 31, 2011

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 001-09974

ENZO BIOCHEM, INC.

(Exact name of registrant as specified in its charter)

New York

13-2866202

(State or Other Jurisdiction
of Incorporation or Organization)

(IRS. Employer
Identification No.)

527 Madison Ave, New York, New York

10022

(Address of Principal Executive office)

(Zip Code)

212-583-0100

(Registrant's telephone number, including area code)

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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 45 of Regulation S-T (§232.405 of that chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files).

Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)

Yes No

As of March 1, 2011 the Registrant had approximately 38,264,000 shares of common stock outstanding.

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ENZO BIOCHEM, INC.
FORM 10-Q
January 31, 2011

INDEX

PART I - FINANCIAL INFORMATION

<u>Item 1.</u>	<u>Financial Statements</u>	
	<u>Consolidated Balance Sheets - January 31, 2011 (unaudited) and July 31, 2010 (audited)</u>	3
	<u>Consolidated Statements of Operations for the three and six months ended January 31, 2011 and 2010 (unaudited)</u>	4
	<u>Consolidated Statement of Stockholders' Equity and Comprehensive (Loss) Income for the six months ended January 31, 2011 (unaudited)</u>	5
	<u>Consolidated Statements of Cash Flows for the six months ended January 31, 2011 and 2010 (unaudited)</u>	6
	<u>Notes to Consolidated Financial Statements</u>	7
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	17
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	31
<u>Item 4.</u>	<u>Controls and Procedures</u>	31

Part II - OTHER INFORMATION

<u>Item 1.</u>	<u>Legal Proceedings</u>	32
<u>Item 1A.</u>	<u>Risk Factors</u>	32
<u>Item 6.</u>	<u>Exhibits</u>	32
<u>Signatures</u>		32

Part 1 Financial Information
Item 1 Financial Statements

ENZO BIOCHEM, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	<u>January 31, 2011 (unaudited)</u>	<u>July 31, 2010 (audited)</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,989	\$ 8,759
Short term investments	21,808	24,807
Accounts receivable, net of allowances	12,553	13,006
Inventories	9,002	8,882
Prepaid expenses	2,024	2,284
	<u>54,376</u>	<u>57,738</u>
Total current assets	54,376	57,738
Property, plant and equipment, net	11,290	11,858
Goodwill	25,361	24,943
Intangible assets, net	19,995	20,368
Other	433	338
	<u>111,455</u>	<u>115,245</u>
Total assets	\$ 111,455	\$ 115,245
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable - trade	\$ 7,154	\$ 6,455
Accrued liabilities	9,136	8,509
Other current liabilities	549	572
Deferred taxes	51	21
	<u>16,890</u>	<u>15,557</u>
Total current liabilities	16,890	15,557
Deferred taxes	2,632	2,582
Other	83	90
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: 38,885,048 at January 31, 2011 and 38,782,725 at July 31, 2010	389	388
Additional paid-in capital	307,207	306,561
Less treasury stock at cost: 623,848 shares at January 31, 2011 and at July 31, 2010	(8,854)	(8,854)
Accumulated deficit	(208,787)	(201,954)
Accumulated other comprehensive income	1,895	875
	<u>91,850</u>	<u>97,016</u>
Total stockholders' equity	91,850	97,016
Total liabilities and stockholders' equity	\$ 111,455	\$ 115,245

The accompanying notes are an integral part of these consolidated financial statements.

ENZO BIOCHEM, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(in thousands, except per share data)

	Three Months Ended January 31,		Six Months Ended January 31,	
	2011	2010	2011	2010
Revenues:				
Product revenues	\$ 10,237	\$ 10,767	\$ 20,421	\$ 21,511
Royalty and license fee income	1,219	1,839	4,297	5,150
Clinical laboratory services	12,278	10,580	24,668	21,690
Total revenues	23,734	23,186	49,386	48,351
Operating expenses:				
Cost of product revenues	5,911	5,322	10,516	10,377
Cost of clinical laboratory services	7,492	6,979	15,065	13,759
Research and development	2,021	2,350	3,778	4,794
Selling, general, and administrative	11,540	13,542	22,572	25,122
Provision for uncollectible accounts receivable	957	510	2,032	1,422
Legal	1,377	826	2,073	1,082
Litigation settlement and related legal costs		3,698		3,698
Total operating expenses	29,298	33,227	56,036	60,254
Operating loss	(5,564)	(10,041)	(6,650)	(11,903)
Other income (expense):				
Interest income	4	5	9	14
Other	62	(64)	76	(45)
Foreign currency loss	(64)	(110)	(56)	(168)
Loss before income taxes	(5,562)	(10,210)	(6,621)	(12,102)
Provision for income taxes	(146)	(118)	(212)	(40)
Net loss	\$ (5,708)	\$ (10,328)	\$ (6,833)	\$ (12,142)
Net loss per common share:				
Basic and Diluted	\$ (0.15)	\$ (0.27)	\$ (0.18)	\$ (0.32)
Weighted average common shares outstanding:				
Basic and Diluted	38,198	37,899	38,179	37,877

The accompanying notes are an integral part of these consolidated financial statements.

ENZO BIOCHEM, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS EQUITY
AND COMPREHENSIVE (LOSS) INCOME
Six months ended January 31, 2011
(UNAUDITED)
(In thousands, except share data)

	<i>Common Stock Shares</i>	<i>Treasury Stock Shares</i>	<i>Common Stock Amount</i>	<i>Additional Paid-in Capital</i>	<i>Treasury Stock Amount</i>	<i>Accumulated Deficit</i>	<i>Accumulated Other Comprehensive Income</i>	<i>Total Stockholders Equity</i>	<i>Total Comprehensive (Loss) Income</i>
Balance at July 31, 2010	38,782,725	623,848	\$ 388	\$ 306,561	\$ (8,854)	\$ (201,954)	\$ 875	\$ 97,016	
Net loss for the period ended January 31, 2011						(6,833)		(6,833)	(6,833)
Vesting of restricted stock	102,323		1					1	
Stock based compensation charges				646				646	
Foreign currency translation adjustments							1,020	1,020	1,020
Comprehensive loss									\$ (5,813)
Balance at January 31, 2011	38,885,048	623,848	\$ 389	\$ 307,207	\$ (8,854)	\$ (208,787)	\$ 1,895	\$ 91,850	