

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) February 28, 2006

ENZON PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware

0-12957

22-2372868

(State or other jurisdiction (Commission File No.) (IRS Identification No.)
of incorporation)

685 Route 202/206, Bridgewater, New Jersey

08807

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (908) 541-8600

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to
simultaneously satisfy the filing obligation of the registrant under any of the
following provisions:

- Written communication pursuant to Rule 425 under the Securities
Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange
Act (17 CFR 240.14a-12)
- Pre-commencement communication pursuant to Rule 14d-2(b) under the Exchange
Act (17 CFR 240.14d-2(b))
- Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange
Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On February 28, 2006, Enzon Pharmaceuticals, Inc. ("Enzon") issued a press
release reporting certain financial and other information for the quarter ended
December 31, 2005, the second quarter of Enzon's six-month transition period
ended December 31, 2005. A copy of Enzon's press release dated February 28,
2006, is attached as Exhibit 99.1 to this Current Report and is incorporated by
reference into this Item 2.02.

The information in this Item 2.02, including Exhibit 99.1, is being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liability of that Section, nor shall such information be deemed to be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933 or the Exchange Act, except as otherwise stated in that filing.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit No. -----	Description -----
99.1	Press Release of Enzon Pharmaceuticals, Inc. dated February 28, 2006.

SIGNATURES

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

Dated: February 28, 2006

By: /s/ Craig A. Tooman

Craig A. Tooman
Executive Vice President, Finance
and Chief Financial Officer

Enzon Reports Second Quarter Results and Transitions to Calendar Year; Product Revenues Expected to Exceed \$100 Million in 2006

BRIDGEWATER, N.J.--(BUSINESS WIRE)--Feb. 28, 2006--Enzon Pharmaceuticals, Inc. (Nasdaq: ENZN) today announced its financial results for the quarter ended December 31, 2005, the second quarter of Enzon's six-month transition period ended December 31, 2005. As previously reported, Enzon announced a change in its fiscal year-end from June 30 to December 31.

For the three months ended December 31, 2005, Enzon reported a net loss of \$285.6 million or \$(6.56) per diluted share, as compared to break even on a diluted per-share basis for the three months ended December 31, 2004. The Company's financial results this quarter were significantly impacted by a \$133.1 million non-cash write-down of intangible assets associated with its intravenous antifungal product, ABELCET, a write-off of goodwill of \$151.0 million (\$138.9 million, net of tax) and a change in the Company's timing of royalty revenue recognition.

"In 2005, we made great strides to realign the business to enhance our focus and decision-making. The new Enzon is now better positioned to deliver long-term value," said Jeffrey H. Buchalter, Enzon's chairman and chief executive officer. "Our leadership team has been significantly strengthened with new talent. We are executing a comprehensive plan that is aligned with our goal of building a growth-oriented, fully-integrated biopharmaceutical company with a high-quality franchise in therapeutics for cancer and adjacent diseases."

"Moving forward, our primary focus will be placed on growing and capitalizing on our core strengths, namely our key assets that span research, development, manufacturing, and commercialization," he continued. "We will also be evaluating select licensing opportunities to help build a promising development pipeline."

During the six months ended December 31, 2005, the Company changed a number of its internal operations, including its operating structure and performance measures, which resulted in a change in its reportable segments. The Company is now managing its business in three segments rather than one. These segments are Products, Royalties, and Contract Manufacturing. Commencing with the quarter ended December 31, 2005, and going forward, the Company will report revenues and certain expenses by segment.

The Company provided guidance on sales for its Products segment for 2006. This segment is currently comprised of its four marketed products, ONCASPAR, DEPOCYT, ABELCET and ADAGEN. In 2006, combined revenues of these four products are estimated to exceed \$100 million versus \$94.1 million for the twelve months ended December 31, 2005.

Financial Results

For the three months ended December 31, 2005, Enzon reported a net loss of \$285.6 million or \$(6.56) per diluted share, as compared to break even on a diluted per-share basis for the three months ended December 31, 2004. Downward adjustments of the balance sheet to reflect the current fair value of certain intangible assets and goodwill accounted for \$272.0 million or \$(6.25) per diluted share, net of tax. These adjustments had no affect on the Company's cash flow.

As previously reported, and as reflected in this quarter's year-over-year decline, ABELCET product revenues have not achieved initial projections. During the six-month period ended December 31, 2005, revised sales and revenue projections were developed for all products, including ABELCET. The reduced ABELCET sales levels constituted an impairment indicator that necessitated performing fair value testing of the ABELCET-related intangibles. The Company concluded that these intangible assets were impaired and write-downs totaling \$133.1 million were recorded in the Products segment.

In connection with the changes in the Company's segments, and as part of its financial reporting process, goodwill was allocated to the Products and Contract Manufacturing segments and then tested for impairment. The result of this testing was that the goodwill was impaired and a write-off of approximately \$138.9 million was recorded, net of related deferred tax adjustments.

In addition to the impairments of intangibles and goodwill noted above, the Company's financial results for the three months ended

December 31, 2005 reflect a reduction of Royalty segment revenues associated with the licensing of products that utilize its proprietary PEGylation technology. Royalties are a material component of total revenues and as the timeline for reporting of financial information shortens, the need for improved estimating procedures has been heightened. The Company has historically been able to reasonably estimate its royalty revenue under its license arrangements principally using historical trends. However, during recent periods, the Company has observed greater fluctuations in its royalty income estimates under these arrangements and believes that it can no longer reasonably estimate the royalty income that it has earned but which has not yet been communicated by the third party licensee to the Company.

Enzon recognizes royalty revenue when it can reasonably be estimated and collection is reasonably assured, which, beginning with the quarter ended December 31, 2005, is when the Company receives notification from its third-party licensee of the royalties earned under the license agreement. This information is generally received from the licensees in the quarter subsequent to the period in which the sales occur. This change resulted in a reduction in royalty revenue for the quarter ended December 31, 2005. Royalty revenue that previously would have been recognized in the quarter ended December 31, 2005 will now be recognized upon notification from the third party licensee, which will be in the quarter ending March 31, 2006. In the calendar year ended December 31, 2005, the Company effectively recognized only three quarters' royalty revenue, whereas in calendar year 2006, it will recognize four quarters' royalty revenue. The change has no effect on the Company's cash flow.

Adjusted Financial Results

On an adjusted basis, the Company reported a net loss of \$13.5 million or \$(0.31) per diluted share for the three months ended December 31, 2005, versus an adjusted net income of \$1.7 million or \$0.04 on a diluted per share basis for the three months ended December 31, 2004. Enzon's adjusted financial results for the three-month period ended December 31, 2005 exclude the impact of the intangibles and goodwill impairment charges. For the three month period ended December 31, 2004, adjusted financial results exclude a non-operating loss related to an equity investment in NPS Pharmaceuticals Inc. (Nasdaq: NPSP) common stock and a financial instrument that the Company entered into to reduce its investment risk associated with the NPS investment, as these losses were outside of the Company's normal course of business. In August 2005, this financial instrument expired and the Company sold its remaining shares of NPS common stock.

Not reflected in the adjustments of results for the three months ended December 31, 2005 is the effect of the change in timing of royalty revenue recognition discussed above.

Enzon has reported adjusted financial results because the Company believes they are more representative of the underlying performance of its business and are relevant to gaining an understanding of the Company's trends and potential future performance. A table reconciling the Company's adjusted financial results to its financial results calculated in accordance with U.S. generally accepted accounting principles (GAAP) for each of the three-month periods ended December 31, 2005 and 2004 is included later in this release.

Revenues

The following table reflects the revenues generated by product and segment for each of the three-month periods ended December 31, 2005 and 2004.

	Three Months Ended		
	(in thousands)		
	12/31/05	12/31/04	% Change
Products			

ONCASPAR	\$7,216	\$5,455	32
DEPOCYT	2,125	1,648	29
ABELCET	9,963	14,285	(30)

ADAGEN	4,956	5,574	(11)

Total Products	24,260	26,962	(10)
Royalties	2,326	10,491	(78)
Contract Manufacturing	3,066	5,463	(44)

Total Revenue	\$29,652	\$42,916	(31)
=====			

Products Segment

Products segment sales, comprised of sales of ONCASPAR, DEPOCYT, ABELCET, and ADAGEN, decreased to \$24.3 million for the three months ended December 31, 2005, from \$27.0 million for the three months ended December 31, 2004. The decrease in product sales was mainly attributable to the decline in ABELCET sales due to competitive market pressures.

ONCASPAR sales grew to \$7.2 million or 32 percent for the three months ended December 31, 2005, as compared to \$5.5 million for the three months ended December 31, 2004, due, in part, to increased use in protocols by hospitals and cooperative groups. ONCASPAR is a PEG-enhanced version of the enzyme L-asparaginase used in combination with other chemotherapeutics to treat acute lymphoblastic leukemia. The Company previously reported that the U.S. Food and Drug Administration approved a labeling change for ONCASPAR, which allows for administration via the intravenous (IV) route. IV administration provides clinicians with an important new option for pediatric cancer patients who require ONCASPAR in their treatment regimen.

Sales of DEPOCYT, a sustained-release formulation of the chemotherapeutic agent cytarabine arabinoside or ara-C used for the treatment of lymphomatous meningitis, increased to \$2.1 million or 29 percent for the three months ended December 31, 2005, as compared to \$1.6 million for the three months ended December 31, 2004. The improvement is attributable to volume increases resulting from DEPOCYT's more convenient dosing schedule.

Sales of ABELCET in the U.S. and Canada for the three months ended December 31, 2005 were \$10.0 million, as compared to \$14.3 million for the three months ended December 31, 2004. The decline from the prior year is due to competitive market conditions from other lipid amphotericin B products and other classes of antifungal products.

Sales of ADAGEN, an enzyme replacement therapy used to treat a type of severe combined immunodeficiency disease, decreased to \$5.0 million for the three months ended December 31, 2005, as compared to \$5.6 million for the three months ended December 31, 2004.

Royalties Segment

The Company's Royalties segment primarily represents revenue received on a number of products that utilize its proprietary PEGylation technology, including Schering-Plough's PEG-INTRON. The significant decline in royalty revenues for the three months ended December 31, 2005, is the result of the Company's decision to recognize its royalties upon Enzon's receipt of notification from the licensees of amounts earned. The \$2.3 million royalty revenue in the three months ended December 31, 2005 includes fees associated with the discontinuation of the research collaboration with Micromet AG. Royalty revenue for the three months ended December 31, 2004 was \$10.5 million.

Contract Manufacturing Segment

The Company's revenues from Contract Manufacturing were \$3.1 million for the three months ended December 31, 2005, as compared to \$5.5 million in the corresponding prior year period. This includes contract manufacturing revenues related to services the Company provides for a number of customers who require injectable products, such as ABELCET for markets outside of Canada and the U.S. The decrease in revenue was due to European competitive market conditions for ABELCET and, to a lesser extent, the timing of sales of the injectable multivitamin, MVI.

Research and Development

The Company's research and development expenses remained relatively unchanged at \$8.7 million for the three months ended December 31, 2005, as compared to \$8.8 million for the three months ended December 31, 2004. The Company's research and development expenses for the three months ended December 31, 2005 include a charge of \$2.5 million associated with the discontinuation of its research agreement with Micromet. Enzon is committed to investing in research and development as it advances its objective of delivering long-term value, including reinforcing its position as a scientific leader in next-generation PEGylation and rebuilding its development pipeline.

As previously reported, the Company recently terminated two collaborations in order to redirect its investments to projects strategically aligned with its near and long-term business objectives, including its increased focus on oncology and therapeutic adjacencies. On November 28, 2005, the Company announced the termination of its agreement with Micromet AG to collaborate on identifying and developing antibody-based therapeutics for the treatment of inflammatory and autoimmune diseases. In addition, on January 6, 2006, the Company announced it was returning its rights to ATG-Fresenius S, a polyclonal antibody for the prevention of graft rejection in organ transplant patients, to Fresenius Biotech GmbH.

Selling, General and Administrative

Selling, general and administrative expenses increased to \$16.9 million for the three months ended December 31, 2005, as compared to \$13.7 million for the three months ended December 31, 2004. The increase is mainly due to increased general and administrative expenses associated with accounting and legal fees. These fees are attributable to the transition to a calendar year-end, Sarbanes-Oxley Act compliance initiatives, and protection of the Company's intellectual property estate. The Company will invest in new selling, marketing, and other initiatives to further its objective of delivering long-term value, including improving its top line performance by investing in its commercial operations.

Net Other Expense

Net other expense is comprised of investment income, interest expense, and other non-operating expenses. The Company reported \$3.0 million in net other expense for the three months ended December 31, 2005, down approximately \$1.5 million from the year-earlier period. The improvement resulted primarily from increased investment income.

Income Taxes

For the three months ended December 31, 2005, a non-cash net tax benefit of approximately \$12.1 million was recognized for federal and state purposes, as compared to a net tax provision of \$0.1 million for the three months ended December 31, 2004. The income tax benefit for the three months ended December 31, 2005 resulted from the deferred tax implications of the Company's write-off of goodwill.

Cash and Investments

Total cash reserves increased to \$226.6 million as of December 31, 2005, as compared to \$225.1 million as of June 30, 2005. Cash reserves include cash, cash equivalents, short-term investments, and marketable securities. Two items had a significant impact on cash in the six-month period ended December 31, 2005. The sale of the remaining 375,000 shares of NPS Pharmaceuticals, Inc. that Enzon received as part of the merger termination agreement resulted in cash proceeds of \$7.5 million. Offsetting these proceeds was the \$10.0 million up-front payment made in accordance with the license agreement announced in September 2005 with NatImmune A/S for the exclusive rights to rhMBL.

Reconciliation of GAAP net (loss) to adjusted net (loss) earnings

The following table reconciles the Company's net loss and net loss per diluted share as determined in accordance with U.S. generally accepted accounting principles (GAAP) to its adjusted net (loss) income and net (loss) income per share for the three months ended

December 31, 2005 and 2004:

	Three Months Ended			
	(in thousands, except per-share amounts)			
	12/31/05		12/31/04	
	Net loss	Net loss per diluted share	Net (loss) income	Net (loss) income per diluted share
GAAP net loss	\$ (285,571)	\$ (6.56)	\$ (10)	\$ (0.00)
Adjustments to GAAP net loss:				
Write-down of goodwill and intangibles, net of tax	272,024	6.25	-	-
Loss related to the sale of NPS common stock, net of tax	-		1,718	\$0.04
Adjusted net (loss) income (1)	\$ (13,547)	\$ (0.31)	\$ 1,708	\$0.04

(1) Adjusted net loss or income and adjusted net loss or income per share, as Enzon defines them, may differ from similarly named measures used by other entities, and consequently, could be misleading unless all entities calculated and defined such items in the same manner.

Conference Call and Webcast

Enzon will be hosting a conference call today, February 28, 2006 at 10:00 a.m. E.S.T. All interested parties may access the call by using the following information:

Domestic Dial-In Number: (800) 230-1085
 International Dial-In Number: (612) 332-0107
 Access Code: 817725

Enzon's conference call will also be webcast in a "listen only" mode via the Internet at <http://www.vcall.com>. Additionally, for those parties unable to listen at the time of Enzon's conference call, a telephone rebroadcast will be available following the call from February 28, 2006, at approximately 3:15 p.m. E.S.T. This rebroadcast will end on March 7, 2006, at approximately 11:59 p.m. E.S.T. The rebroadcast may be accessed using the following information:

Domestic Dial-In Number: (800) 475-6701
 International Dial-In Number: (320) 365-3844
 Access Code: 817725

About Enzon

Enzon Pharmaceuticals, Inc. is a biopharmaceutical company dedicated to the development and commercialization of therapeutics to treat patients with cancer and adjacent diseases. Enzon's specialized sales force markets ABELCET(R), ONCASPAR(R), ADAGEN(R), and DEPOCYT(R) in the United States. In addition, Enzon also receives royalties on sales of PEG-INTRON(R), marketed by Schering-Plough Corporation, and

MACUGEN(R), marketed by OSI Pharmaceuticals and Pfizer Inc. Enzon's product-driven strategy includes an extensive drug development program that leverages its proprietary technologies, including a next-generation PEGylation platform that utilizes customized linkers designed to release compounds at a controlled rate. Enzon complements its internal research and development efforts with strategic initiatives, such as partnerships designed to broaden its revenue base or provide access to promising new technologies or product development opportunities. Further information about Enzon and this press release can be found on the Company's web site at www.enzon.com.

There are forward-looking statements contained herein that are not based on historical fact, including without limitation statements containing the words "believes," "may," "plans," "will," "estimate," "continue," "anticipates," "intends," "expects," and similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be materially different from the future results, events or developments discussed above. Such factors include the risks described in Enzon's Form 10-K and Forms 10-Q on file with the SEC. These factors should be considered carefully and readers are cautioned not to place undue reliance on such forward-looking statements. All information in this press release is as of February 28, 2006 and the Company undertakes no duty to update this information.

Enzon Pharmaceuticals, Inc. and Subsidiaries
Consolidated Statements of Operations
Three Months ended December 31, 2005 and 2004
(In thousands, except per share amounts)
(Unaudited)

	December 31, 2005	December 31, 2004
	-----	-----
Revenues:		
Product sales, net	\$24,260	\$26,962
Royalties	2,326	10,491
Contract manufacturing	3,066	5,463
	-----	-----
Total revenues	29,652	42,916
	-----	-----
Costs and expenses:		
Cost of product sales and contract manufacturing	11,252	12,381
Research and development	8,666	8,752
Selling, general and administrative	16,920	13,773
Amortization of acquired intangibles	3,347	3,394
Impairment of goodwill and intangibles	284,101	-
	-----	-----
Total costs and expenses	324,286	38,300
	-----	-----
Operating (loss) income	(294,634)	4,616
	-----	-----
Other income (expense):		
Investment income, net	1,616	973
Interest expense	(4,895)	(4,957)
Other, net	283	(540)
	-----	-----
	(2,996)	(4,524)
	-----	-----
(Loss) income before income tax (benefit) provision	(297,630)	92
Income tax (benefit) provision	(12,059)	102
	-----	-----
Net loss	\$ (285,571)	\$ (10)
	=====	=====
Loss per common share - basic	\$ (6.56)	\$ (0.00)
	=====	=====
Loss per common share - diluted	\$ (6.56)	\$ (0.00)
	=====	=====
Weighted average shares - basic	43,523	43,483

Weighted average shares - diluted	43,523	43,483
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Enzon Pharmaceuticals, Inc. and Subsidiaries
Consolidated Statements of Operations
Six Months ended December 31, 2005 and 2004
(In thousands, except per share amounts)

	December 31, 2005	December 31, 2004 (Unaudited)
Revenues:		
Product sales, net	\$49,436	\$54,489
Royalties	17,804	20,905
Contract manufacturing	6,459	7,976
Total revenues	73,699	83,370
Costs and expenses:		
Cost of product sales and contract manufacturing	23,216	23,282
Research and development	13,985	18,726
Selling, general and administrative	28,617	25,972
Amortization of acquired intangible assets	6,695	6,752
In-process research and development	10,000	-
Write down of goodwill and intangibles	284,101	-
Total costs and expenses	366,614	74,732
Operating income	(292,915)	8,638
Other income (expense):		
Investment income, net	3,248	1,743
Interest expense	(9,841)	(9,914)
Other, net	(2,776)	(1,951)
	(9,369)	(10,122)
Loss before income tax benefit	(302,284)	(1,484)
Income tax benefit	(10,947)	(535)
Net loss	\$ (291,337)	\$ (949)
Loss per common share - basic	\$ (6.69)	\$ (0.02)
Loss per common share - diluted	\$ (6.69)	\$ (0.02)
Weighted average shares - basic	43,520	43,476
Weighted average shares - diluted	43,520	43,476

Enzon Pharmaceuticals, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
December 31, 2005 and June 30, 2005
(In thousands)

	December 31, 2005	June 30, 2005
Assets		
Current assets:		
Cash and short-term investments	\$164,518	\$158,747
Accounts receivable, net	14,087	25,638
Inventory	16,014	15,679
Other current assets	12,596	13,818
Total current assets	207,215	213,882

Property and equipment, net	34,978	33,214
Other assets:		
Marketable securities	62,059	66,384
Amortizable intangible assets, net	34,154	176,142
Goodwill	-	150,985
Other long-term assets	2,939	10,254
	99,152	403,765
Total assets	\$341,345	\$650,861
Liabilities and Stockholders' (Deficit)		
Equity		
Current and other liabilities	\$31,315	\$48,359
Notes payable	394,000	399,000
Stockholders' (deficit) equity	(83,970)	203,502
Total liabilities and stockholders' (deficit) equity	\$341,345	\$650,861
Common shares outstanding	43,787	43,781

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