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

FORM 10-Q
QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended December 31, 2000 Commission File No. 0-12957

[GRAPHIC OMITTED] ENZON, INC.
(Exact name of registrant as specified in its charter)

Delaware	22-2372868
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
20 Kingsbridge Road, Piscataway, New Jersey (Address of principal executive offices)	08854 (Zip Code)

(732) 980-4500
(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 was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No
----- -----

The number of shares of common stock, $.01 par value, outstanding as of February 7, 2001 was 41,725,048 shares.

PART I FINANCIAL INFORMATION
Item 1. Financial Statements

ENZON, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
December 31, 2000 and June 30, 2000

	December 31, 2000 (unaudited)	June 30, 2000 *
ASSETS		
Current assets:		
Cash and cash equivalents	$27,576,525	$31,935,410
Short-term investments	38,440,052	16,986,278
Accounts receivable	5,956,083	5,442,455
Inventories	1,186,683	946,717
Other current assets	2,507,081	2,269,884
Total current assets	75,666,424	57,580,744

Property and equipment	12,236,722	12,439,729
Less accumulated depreciation and amortization	10,297,534	10,650,859
	1,939,188	1,788,870
Other assets:		
Investments	56,187,841	69,557,482
Other assets	561,010	426,731
Patents, net	827,449	898,423
	57,576,300	70,882,636
Total assets	$135,181,912	$130,252,250
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	2,986,118	2,465,360
Accrued expenses	3,460,896	5,706,811
Total current liabilities	6,447,014	8,172,171
Accrued rent	594,676	607,914
Royalty advance-Aventis	694,814	510,001
	1,289,490	1,117,915
Commitments and contingencies		
Stockholders' equity:		
Preferred stock-$.01 par value, authorized 3,000,000 shares; issued and outstanding 7,000 shares at December 31, 2000 and June 30, 2000 (liquidation preference aggregating $326,000 at at December 31, 2000, and $319,000 at June 30, 2000)	70	70
Common stock-$.01 par value, authorized 60,000,000 shares, issued and outstanding 41,697,467 shares at December 31, 2000 and 40,838,115 shares at June 30, 2000	416,975	408,381
Additional paid-in capital	254,333,889	250,567,774
Accumulated deficit	(127,305,526)	(130,014,061)
Total stockholders' equity	127,445,408	120,962,164
Total liabilities and stockholders' equity	$135,181,912	$130,252,250

* Condensed from audited financial statement.

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

ENZON, INC.
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
Three and Six Months Ended December 31, 2000 and 1999
(Unaudited)

	Three months ended		Six months ended	
	December 31, 2000	December 31, 1999	December 31, 2000	December 31, 1999
Revenues:				
Sales and royalties, net	$6,002,201	$3,746,768	$10,949,469	$6,616,903
Contract revenue	16,944	18,304	243,290	61,982
Total revenues	6,019,145	3,765,072	11,192,759	6,678,885
Costs and expenses:				
Cost of sales	871,024	792,921	1,872,212	1,971,482
Research and development expenses	2,508,672	1,932,969	5,145,269	3,590,252
Selling, general and administrative expenses	2,513,810	2,810,438	5,588,037	5,136,409
Total costs and expenses	5,893,506	5,536,328	12,605,518	10,698,143
Operating (loss) income	125,639	(1,771,256)	(1,412,759)	(4,019,258)
Other income (expense)				
Interest and dividend income	2,055,488	298,725	4,164,701	599,222

Interest expense	-	(926)	-	(3,884)
Other	(22)	(36,274)	11,869	(36,274)
	2,055,466	261,525	4,176,570	559,064
Net income (loss) before taxes	2,181,105	(1,509,731)	2,763,811	(3,460,194)
Provision for income taxes	43,622	-	55,276	-
Net income (loss) after taxes	$2,137,483	($1,509,731)	$2,708,535	($3,460,194)
Basic earnings (loss) per common share	$0.05	($0.04)	$0.07	($0.09)
Weighted average number of common shares outstanding	41,568,723	37,020,464	41,335,006	36,835,399
Diluted earnings (loss) per common share	$0.05	($0.04)	$0.06	($0.09)
Weighted average number of common shares outstanding	43,850,319	37,020,464	43,555,087	36,835,399

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

ENZON, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
Six Months Ended December 31, 2000 and 1999
(Unaudited)

	Six Months Ended December 31, 2000	December 31, 1999
Cash flows from operating activities:		
Net income (loss)	$2,708,535	($3,460,194)
Adjustment for depreciation and amortization	264,286	243,212
Loss on retirement of equipment	22	36,274
Amortization of bond premium/discount	(153,261)	-
Non-cash expense for issuance of common stock and stock options	-	207,770
Decrease in accrued rent	(13,238)	(13,238)
Increase in royalty advance - Aventis	3,134	5,219
Changes in assets and liabilities	(6,181,022)	1,168,597
Net cash (used in) operating activities	(3,371,544)	(1,812,360)
Cash flows from investing activities:		
Capital expenditures	(343,651)	(257,047)
Proceeds from sale of investment	19,600	-
Purchase of investments	(19,988,000)	-
Maturities of investments	15,550,000	-
Net cash used in investing activities	(4,762,051)	(257,047)
Cash flows from financing activities:		
Proceeds from issuance of common stock, net	3,774,710	2,199,860
Preferred stock dividends paid	-	(1,542,404)
Net cash provided by financing activities	3,774,710	657,456
Net decrease in cash and cash equivalents	(4,358,885)	(1,411,951)
Cash and cash equivalents at beginning of period	31,935,410	24,673,636
Cash and cash equivalents at end of period	$27,576,525	$23,261,685

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

ENZON, INC. AND SUBSIDIARIES
Notes To Consolidated Condensed Financial Statements
(Unaudited)

(1) Organization and Basis of Presentation

The unaudited consolidated condensed financial statements have been prepared from the books and records of Enzon, Inc. and subsidiaries in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete annual financial statements. In the opinion of management, all adjustments (consisting only of normal and recurring adjustments) considered necessary for a fair presentation have been included. Interim results are not necessarily indicative of the results that may be expected for the year.

In June 1998, the Financial Accounting Standards Board issued Statement No. 133 "Accounting for Derivative Instruments and Hedging Activities" ("FAS 133"). In accordance with the statement, the Company adopted FAS 133 as of July 1, 2000. The Company has reviewed FAS 133 and its operations relative to FAS 133 and concluded that it does not use derivative instruments. Accordingly the adoption of FAS 133 did not have an effect on the results of operations or the financial position of the Company.

In April 2000, the Financial Accounting Standards Board Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation - An Interpretation of APB Opinion No. 25" "FIN 44" was issued. FIN 44 clarifies the application of APB No. 25 for certain issues. Among other issues, FIN 44 clarifies the definition of employee for purposes of applying APB No. 25, the criteria for determining whether a plan qualifies as a non-compensatory plan, the accounting consequences of various modifications to the term of a previously fixed stock option or award, and the accounting for an exchange of stock compensation awards in a business combination. FIN 44 became effective July 1, 2000, but certain conclusions in this interpretation cover specific events that occur after either December 15, 1998 or January 12, 2000. The adoption of FIN 44 did not have a significant effect on our financial position or results of operations.

Contract revenue is recorded as the earnings process is complete. Non-refundable milestone payments that represent the completion of a separate earnings process are recognized as revenue when earned.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 ("SAB 101"), "Revenue Recognition in Financial Statements". SAB 101 provides guidance on applying generally accepted accounting principles to revenue recognition issues in financial statements. The Company will adopt SAB 101 in the fourth quarter of fiscal 2001 and does not expect this SAB to have a material effect on the Company's results of operations or financial position.

(2) Comprehensive Loss

The net income (loss) of $2,137,000 and ($1,510,000), recorded for the three months ended December 31, 2000 and 1999 and $2,709,000 and ($3,460,000), recorded for the six months ended December 31, 2000 and 1999, respectively, is equal to the comprehensive income (loss) for those periods.

ENZON, INC. AND SUBSIDIARIES
Notes To Consolidated Condensed Financial Statements
(Unaudited)

(3) Earnings (loss) Per Common Share

The Company calculates earnings (loss) per share in accordance with Statement of Financial Accounting Standards No. 128, "Earnings per Share". Basic earnings (loss) per share is computed by dividing the net income (loss) available to common shareholders adjusted for cumulative undeclared preferred stock dividends for the relevant period, by the weighted average number of shares of common stock issued and outstanding during the periods. For purposes of calculating diluted earnings per share for the three and six months ended December 31, 2000 the denominator includes both the weighted average number of shares of common stock outstanding and the number of dilutive common stock equivalents. The number of dilutive common stock equivalents includes the effect of outstanding non-qualified stock options calculated using the treasury stock method. For the three and six months ended December 31, 1999, the exercise or conversion of all dilutive potential common shares is not included for purposes of the diluted loss per share calculation as the effect of their inclusion would be antidilutive due to the net loss recorded for those periods. As of December 31, 2000, the Company had 4,499,000 dilutive potential common shares outstanding that could potentially dilute future diluted earnings per share calculations. The following table reconciles the basic and diluted earnings (loss) per share calculation:

	Three months ended		Six months ended	
	December 31, 2000	December 31, 1999	December 31, 2000	December 31, 1999
Net income (loss)	$2,137,000	($1,510,000)	$2,709,000	($3,460,000)
Less: Preferred stock dividends	4,000	14,000	7,000	27,000
Net income (loss) available to common stockholders	$2,133,000	($1,524,000)	$2,702,000	($3,487,000)
Weighted average number of common shares issued and outstanding - basic	41,568,723	37,020,464	41,335,006	36,835,399
Effect of dilutive common stock equivalents:				
Conversion of preferred stock	16,000	-	16,000	-
Exercise of non-qualified stock options	2,265,596	-	2,204,081	-
	43,850,319	37,020,464	43,555,087	36,835,399

(4) Inventories

The composition of inventories at December 31, 2000 and June 30, 2000 is as follows:

	December 31, 2000	June 30, 2000
Raw materials	$391,000	$283,000
Work in process	512,000	504,000
Finished goods	284,000	160,000
	$1,187,000	$947,000

(5) Cash Flow Information

Highly liquid securities with original maturities of three months or less

are considered to be cash equivalents. There were no cash payments for interest for the six months ended December 31, 2000. Cash payments for interest were approximately $4,000 for the six months ended December 31, 1999. There were no income tax payments made for the six months ended December 31, 2000 and 1999. There were no conversions of Series A Preferred Stock during the six months ended December 31, 2000. During the six months ended December 31, 1999, 80,000 shares of Series A Cumulative Convertible Preferred Stock ("Series A Preferred Stock") were converted to 181,818 shares of Common Stock. Accrued dividends on the converted preferred shares of $1,542,000 were settled by a cash payment.

(6) Non-Qualified Stock Option Plan

During the six months ended December 31, 2000, we issued 648,000 stock options at an average exercise price of $48.24 per share under our Non-Qualified Stock Option Plan, as amended, of which 200,000 were granted to executive officers of the Company. None of the options granted during the period are exercisable as of December 31, 2000. All options were granted with exercise prices that equaled or exceeded the fair market value of the underlying stock on the date of grant.

(7) Income Taxes

The Company expects to be profitable for the year ending June 30, 2001, and accordingly has recognized a tax provision for the three and six months ended December 31, 2000. The tax provision represents the Company's anticipated Alternative Minimum Tax liability based on the fiscal 2001 taxable income.

(8) Business Segments

A single management team that reports to the Chief Executive Officer comprehensively manages our business operations. We do not operate separate lines of business or separate business entities with respect to any of our approved products or product candidates. In addition, we do not conduct any operations outside of the United States. We do not prepare discrete financial statements with respect to separate product areas. Accordingly, we do not have separately reportable segments as defined by Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information".

(9) Subsequent Events

During January 2001, our development partner for PEG-INTRON, Schering-Plough Corporation, received marketing approval from the United States Food and Drug Administration (FDA) for the use of PEG-INTRON in the treatment of chronic hepatitis C. We are entitled to a $2 million milestone payment upon this approval, which represents the final milestone payment under our licensing agreement with Schering-Plough. Under our licensing agreement with Schering-Plough, we are also entitled to royalties on worldwide sales of PEG-INTRON.

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

Information contained herein contains "forward-looking statements" which can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy. No assurance can be given that the future results covered by the forward-looking statements will be achieved. The matters set forth in the "Risk Factors" section of the Company's Annual Report on Form 10-K/A for the fiscal year ended June 30, 2000, which is incorporated herein by reference, constitute cautionary statements identifying important factors with respect to such forward-looking statements, including certain risks and uncertainties, that could cause actual results to vary materially from the future results indicated in such forward-looking statements. Other factors could also cause actual results to vary materially from the future results indicated in such forward-looking statements.

Results of Operations

Three months ended December 31, 2000 vs. Three months ended December 31, 1999

Revenues. Revenues for the three months ended December 31, 2000 were $6,019,000, as compared to $3,765,000 for the three months ended December 31, 1999. The components of revenues are sales, which consist of our sales of products and royalties we earn on the sales of products by others, and contract revenues. Sales increased by 60% to $6,002,000 for the three months ended December 31, 2000, as compared to $3,747,000 for the prior year period. The increase was due to increased ONCASPAR revenues and royalties recognized on sales in Europe of PEG-INTRON. During January 2001, the United States Food and Drug Administration ("FDA") granted our development partner, Schering-Plough Corporation, or Schering-Plough, marketing authorization for PEG-INTRON for the treatment of chronic hepatitis C. The increase in ONCASPAR sales was due to the lifting of FDA distribution and labeling restrictions which were in place during the prior year. These restrictions were related to a previously disclosed manufacturing problem and resulted in the prior year's sales being lower than sales in the current period. During the quarter ended December 31, 2000, the FDA gave final approval to manufacturing changes which we made to correct these manufacturing problems, and all previously imposed restrictions have been lifted. This will allow for the resumption of normal distribution and labeling of this product by our marketing partner, Aventis Pharmaceuticals (formerly Phone-Poulenc Rorer Pharmaceuticals, Inc.), which is expected to take place in calendar 2001. We expect to receive lower revenues from ONCASPAR sales in future quarters when Aventis resumes distribution of the product and our revenue stream reverts back to a 27.5% royalty rate on net sales.

Net sales of ADAGEN, which we market, were $3,170,000 for the three months ended December 31, 2000 as compared to $3,296,000 for the three months ended December 31, 1999. We expect sales of ADAGEN to increase at rates comparable to those achieved during the last two years as additional patients are treated. We anticipate royalties on sales of PEG-INTRON to increase in future quarters with the commencement of U.S. sales and increased international availability of the product. Schering-Plough is also conducting clinical trials for additional indications for PEG-INTRON. We cannot assure you that any particular sales levels of ADAGEN, ONCASPAR or PEG-INTRON will be achieved or maintained.

We had export sales for ADAGEN and ONCASPAR of $1,129,000 for the three months ended December 31, 2000 and $1,089,000 for the three months ended December 31, 1999. Of these amounts, sales in Europe were $995,000 for the three months ended December 31, 2000 and $975,000 for the three months ended December 31, 1999.

Cost of Sales. Cost of sales, as a percentage of sales and royalties, improved to 15% for the three months ended December 31, 2000 as compared to 21% for the prior year. This was due to a charge taken in the

three months ended December 31, 1999 related to the write-off of ONCASPAR finished goods on hand and in the distribution pipeline. The write-off of ONCASPAR finished goods was attributable to the manufacturing problems previously discussed. The improvement in the current quarter was also due to royalties recognized on Schering-Plough's sales of PEG-INTRON. Schering-Plough bears all manufacturing costs related to PEG-INTRON.

Research and Development. Research and development expenses increased by 30% to $2,509,000 for the three months ended December 31, 2000 from $1,933,000 for the same period last year. The increase was due to increased payroll and related expenses related to increases in research personnel and increased contracted services related to Phase I clinical trials and pre-clinical studies for products under development, including PROTHECAN and PEG-paclitaxel. Research and development activities are expected to continue to increase significantly as we move PROTHECAN into Phase II clinical trials, we begin Phase I clinical trials for Peg-paclitaxel and additional compounds enter clinical trials.

Selling, General and Administrative. Selling, general and administrative expenses for the three months ended December 31, 2000 decreased by 11% to $2,514,000, as compared to $2,810,000 in 1999. The decrease was primarily due to the timing of expenditures related to legal fees associated with patent filing and litigation costs.

Other Income/Expenses. Other income/expenses for the three months ended December 31, 2000 increased by $1,793,000 to $2,055,000, as compared to $262,000 for the prior year. This increase was due to an increase in interest income resulting

from an increase in interest bearing investments.

Provision for taxes. We expect to be profitable for the year ending June 30, 2001, and accordingly we have recognized a tax provision for the three and six months ended December 31, 2000. The tax provision represents our anticipated Alternative Minimum Tax liability based on the fiscal 2001 taxable income.

Six months ended December 31, 2000 vs. Six months ended December 31, 1999

Revenues. Revenues for the six months ended December 31, 2000 increased by $4,514,000 to $11,193,000 as compared to $6,679,000 for the same period last year. The components of revenues are sales, which consist of our sales of products and royalties we earn on the sale of products by others, and contract revenues. Sales increased by 65% to $10,949,000 for the six months ended December 31, 2000, as compared to $6,617,000 for the prior year. The increase was due to the commencement of royalties earned on sales in Europe of PEG-INTRON, increased ONCASPAR revenue, and increased sales of ADAGEN. The increase in ONCASPAR sales was due to the lifting of FDA distribution and labeling restrictions which were in place during the prior year. ADAGEN sales increased by approximately 7%, resulting from an increase in patients receiving ADAGEN treatment. Net sales of ADAGEN, which we market, were $6,489,000 for the six months ended December 31, 2000 as compared to $6,042,000 for the six months ended December 31, 1999. We had export sales for ADAGEN and ONCASPAR of $2,423,000 for the six months ended December 31, 2000 and $2,007,000 for the six months ended December 31, 1999. Of these amounts, sales in Europe were $2,156,000 for the six months ended December 31, 2000 and $1,748,000 for the six months ended December 31, 1999.

Cost of Sales. Cost of sales, as a percentage of sales and royalties, improved to 17% for the six months ended December 31, 2000 as compared to 30% for the six months ended December 31, 1999. The improvement was primarily due to the prior year's write-off of ONCASPAR finished goods, related to the previously discussed manufacturing problems. The improvement was also due to royalties recognized on Schering-Plough's sales of PEG-INTRON. Schering-Plough bears all manufacturing costs related to PEG-INTRON.

Research and Development. Research and development expenses increased by 43% to $5,145,000 as compared to $3,590,000 for the six months ended December 31, 1999. The increase was due to increased payroll and related expenses related to increases in research personnel and increased contracted services related to the Phase I clinical trials and preclinical studies for products under development, including PROTHECAN and PEG-paclitaxel.

Selling, General and Administrative. Selling, general and administrative expenses for the six months ended December 31, 2000 increased by 9% to $5,588,000, as compared to $5,136,000 in the prior year. The increase was primarily due to increased ONCASPAR marketing and distribution costs and increased annual report costs.

Other Income/Expense. Other income/expense increased by $3,618,000 to $4,177.000, as compared to $559,000 for the prior year. The increase was due to increased interest income resulting from an increase in interest bearing investments.

Provision for taxes. We expect to be profitable for the year ending June 30, 2001, and accordingly we have recognized a tax provision for the three and six months ended December 31, 2000. The tax provision represents our anticipated Alternative Minimum Tax liability based on the fiscal 2001 taxable income.

Liquidity and Capital Resources

Total cash reserves, including cash and interest bearing investments as of December 31, 2000 increased by $3,745,000 to $122,158,000, as compared to $118,413,000 as of June 30, 2000. The increase in total cash reserves was primarily the result of cash provided from the exercise of non-qualified stock options. We invest our excess cash in a portfolio of high-grade marketable securities and United States government-backed securities.

To date, our sources of cash have been the proceeds from the sale of our stock through public offerings and private placements, sales of, and royalties on sales of, ADAGEN, ONCASPAR and PEG-INTRON, sales of our products for research purposes, contract research and development fees, technology transfer and

license fees and royalty advances.

Under our license agreement with Aventis, we received a payment of $3,500,000 in advance royalties in January 1995. Royalties due under the agreement will be offset against an original credit of $5,970,000, which represents the royalty advance plus reimbursement of certain amounts due Aventis under the original agreement and interest expense, before cash payments will be made under the agreement. The royalty advance is shown as a long-term liability. The corresponding current portion of the advance is included in accrued expenses on the consolidated balance sheets. We will reduce the advance as royalties are recognized under the agreement. Through December 31, 2000, an aggregate of $4,307,000 in royalties payable by Aventis has been offset against the original credit.

As of December 31, 2000, 1,043,000 shares of Series A preferred stock had been converted into 3,325,000 shares of common stock. Accrued dividends on the converted Series A preferred stock in the aggregate of $3,770,000 were settled by the issuance of 235,000 shares of common stock and cash payments of $1,947,000. The preferred shares outstanding at December 31, 2000 are convertible into approximately 16,000 shares of common stock. Dividends accrue on the remaining outstanding shares of Series A preferred stock at a rate of $14,000 per year. As of December 31, 2000, there were accrued and unpaid dividends totaling $152,000 on the 7,000 shares of Series A preferred stock outstanding. We have the option to pay these dividends in either cash or common stock.

Our current sources of liquidity are cash, cash equivalents and interest earned on such cash

reserves, sales of, and royalties earned on sales of, ADAGEN, ONCASPAR and PEG-INTRON, sales of our products for research purposes and license fees. Based upon our currently planned research and development activities and related costs and our current sources of liquidity, we anticipate our current cash reserves will be sufficient to meet our capital and operational requirement for the foreseeable future.

We may seek additional financing, such as through future offerings of equity or debt securities or agreements with collaborators with respect to the development and commercialization of products, to fund future operations. We cannot assure you, however, that we will be able to obtain additional funds on acceptable terms, if at all.

New Accounting Pronouncement

In June 1998, the Financial Accounting Standards Board issued Statement No. 133 "Accounting for Derivative Instruments and Hedging Activities" ("FAS 133"). In accordance with the statement, the Company adopted FAS 133 as of July 1, 2000. The Company has reviewed FAS 133 and its operations relative to FAS 133 and concluded that it does not use derivative instrument. Accordingly the adoption of FAS 133 did not have an effect on the results of operations on the financial position of the Company.

In April 2000, the Financial Accounting Standards Board Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation - An Interpretation of APB Opinion No. 25" (FIN 44) was issued. FIN 44 clarifies the application of APB No. 25 for certain issues. Among other issues, FIN 44 clarifies the definition of employee for purposes of applying APB No. 25, the criteria for determining whether a plan qualifies as a non-compensatory plan, the accounting consequences of various modifications to the term of a previously fixed stock option or award, and the accounting for an exchange of stock compensation awards in a business combination. FIN 44 became effective July 1, 2000, but certain conclusions in this interpretation cover specific events that occur after either December 15, 1998 or January 12, 2000. The adoption of FIN 44 did not have a significant effect on our financial position or results of operations.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 ("SAB 101"), "Revenue Recognition in Financial Statement". SAB 101 provides guidance on applying generally accepted accounting principles to revenue recognition issues in financial statements. The Company will adopt SAB 101 in the fourth quarter of fiscal 2001 and does not expect this SAB to have a material effect on the Company's results of operations or

financial position.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The following discussion about our exposure to market risk of financial instruments contains forward-looking statements. Actual results may differ materially from those described.

Our holdings of financial instruments are comprised of debt securities, and time deposits. All such instruments are classified as securities held to maturity. We do not invest in portfolio equity securities or commodities or use financial derivatives for trading purposes. Our debt security portfolio represents funds held temporarily pending use in our business and operations. We manage these funds accordingly. We seek reasonable assuredness of the safety of principal and market liquidity by investing in rated fixed income securities while at the same time seeking to achieve a favorable rate of return. Our market risk exposure consists principally of exposure to changes in interest rates. Our holdings are also exposed to the risks of changes in the credit quality of issuers. We typically invest the majority of our investments in the shorter-end of the maturity spectrum, and at December 31, 2000 all of our holdings were in instruments maturing in three years or less.

The table below presents the principal amounts and related weighted average interest rates by year of maturity for our investment portfolio as of December 31, 2000.

	2001	2002	2003	Total	Fair Value
Fixed Rate	$25,062,000	$66,053,000	-	$91,115,000	$92,133,000
Average Interest Rate	6.30%	6.68%	-	6.41%	-
Variable Rate	-	4,999,000	10,006,000	15,005,000	15,007,000
Average Interest Rate	-	6.77%	6.96%	6.56%	-
	$25,062,000	$71,052,000	$10,006,000	$106,120,000	$107,140,000

PART II OTHER INFORMATION

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

(a) An annual meeting of stockholders was held on December 5, 2000.

(b) The directors elected at the annual meeting were Randy H. Thurman and Dr. David W. Golde. The term of office as a director for each of Dr. Rosina B. Dixon, Peter G. Tombros, Robert LeBuhn, Rolf A. Classon and David S. Barlow continued after the annual meeting.

(c) The matters voted upon at the annual meeting and the results of the voting, including broker non-votes where applicable, are set forth below.

(i) The stockholders voted 27,082,117 shares in favor and 354,520 shares withheld with respect to the election of Randy H. Thurman as a Class II director of the Company and 27,374,317 shares in favor and 62,320 shares withheld with respect to the election of Dr. David W. Golde as a Class II director of the Company. Broker non-votes were not applicable.

(ii) The stockholders voted 25,315,742 shares in favor, 2,062,889 shares against and 58,006 abstained with respect to a proposal to approve

amendments to the Company's Non-Qualified Stock Option Plan, as amended. Broker non-votes were not applicable.

(iii) The stockholders voted 27,373,462 shares in favor and 27,834 against and 35,341 abstained with respect to a proposal to ratify the selection of KPMG LLP to audit the Company's consolidated financial statements for the fiscal year ending June 30, 2001. Broker non-votes were not applicable.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits (numbered in accordance with Item 601 of Regulation S-K).

Exhibit Number	Description	Page Number or Incorporation By Reference
3(i)	Certificate of Incorporation as amended	~~
3(ii)	By laws, as amended	*(4.2)
3(iv)	Amendment to Certificate of Incorporation dated January 5, 1998	##3(iv)
10.1	Form of Change of Control Agreements dated as of January 20, 1995 entered into with the Company's Executive Officers	###(10.2)
10.2	Lease - 300-C Corporate Court, South Plainfield, New Jersey	***(10.3)
10.4	Lease Termination Agreement dated March 31, 1995 for 20 Kingsbridge Road and 40 Kingsbridge Road, Piscataway, New Jersey	###(10.6)
10.5	Option Agreement dated April 1, 1995 regarding 20 Kingsbridge Road, Piscataway, New Jersey	###(10.7)
10.6	Form of Lease - 40 Cragwood Road, South Plainfield, New Jersey	****(10.9)
10.7	Lease 300A-B Corporate Court, South Plainfield, New Jersey	++(10.10)
10.8	Stock Purchase Agreement dated March 5, 1987 between the Company and Eastman Kodak Company	****(10.7)
10.9	Amendment dated June 19, 1989 to Stock Purchase Agreement between the Company and Eastman Kodak Company	**(10.10)
10.10	Form of Stock Purchase Agreement between the Company and the purchasers of the Series A Cumulative Convertible Preferred Stock	+(10.11)
10.11	Amendment to License Agreement and Revised License Agreement Between the Company and RCT dated April 25, 1985	+++(10.5)
10.12	Amendment dated as of May 3, 1989 to Revised License Agreement Dated April 25, 1985 between the Company and Research Corporation	**(10.14)
10.13	License Agreement dated September 7, 1989 between the Company and Research Corporation Technologies, Inc.	**(10.15)
10.14	Master Lease Agreement and Purchase Leaseback Agreement dated October 28, 1994 between the Company and Comdisco, Inc.	#(10.16)
10.15	Employment Agreement with Peter G. Tombros dated as of August 10, 2000	//(10.15)
10.16	Stock Purchase Agreement dated as of June 30, 1995	~(10.16)
10.17	Securities Purchase Agreement dated as of January 31, 1996	~(10.17)
10.18	Registration Rights Agreements dated as of January 31, 1996	~(10.18)
10.19	Warrants dated as of February 7, 1996 and issued pursuant to the Securities Purchase Agreement dated as of January 31, 1996	~(10.19)
10.20	Securities Purchase Agreement dated as of March 15, 1996	~~(10.20)
10.21	Registration Rights Agreement dated as of March 15, 1996	~~(10.21)
10.22	Warrant dated as of March 15, 1996 and issued pursuant to the Securities Purchase Agreement dated as of March 15, 1996	~~(10.22)

10.23	Amendment dated March 25, 1994 to License Agreement dated September 7, 1989 between the Company and Research Corporation Technologies, Inc.	~~~(10.23)
10.24	Independent Directors' Stock Plan	~~~(10.24)
10.25	Stock Exchange Agreement dated February 28, 1997, by and between the Company and GFL Performance Fund Ltd	^(10.25)
10.26	Agreement Regarding Registration Rights Under Registration Rights Agreement dated March 10, 1997, by and between the Company and Clearwater Fund IV LLC	^(10.26)
10.27	Common Stock Purchase Agreement dated June 25, 1998	^^^(10.27)
10.28	Placement Agent Agreement dated June 25, 1998 with SBC Warburg Dillon Read, Inc.	^^^^(10.28)
10.29	Underwriting Agreement dated March 20,2000 with Morgan Stanley & Co. Inc., CIBC World Markets Corp., and SG Cowen Securities Corporation	/(10.29)

* Previously filed as an exhibit to the Company's Registration Statement on Form S-2 (File No. 33-34874) and incorporated herein by reference thereto.

** Previously filed as exhibits to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1989 and incorporated herein by reference thereto.

*** Previously filed as an exhibit to the Company's Registration Statement on Form S-18 (File No. 2-88240-NY) and incorporated herein by reference thereto.

**** Previously filed as exhibits to the Company's Registration Statement on Form S-1 (File No. 2-96279) filed with the Commission and incorporated herein by reference thereto.

\+ Previously filed as an exhibit to the Company's Registration Statement on Form S-1 (File No. 33-39391) filed with the Commission and incorporated herein by reference thereto.

++ Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1993 and incorporated herein by reference thereto.

+++ Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1985 and incorporated herein by reference thereto.

\# Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 1994 and incorporated herein by reference thereto.

Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 1997 and incorporated herein by reference thereto.

Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1995 and incorporated herein by reference thereto.

~ Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 1995 and incorporated herein by reference thereto.

~~ Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1996 and incorporated herein by reference thereto.

~~~ Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for

the quarter ended December 31, 1996 and incorporated herein by reference thereto.
~~~

^ Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1997 and incorporated herein by reference thereto.

^^ Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended June 30, 1997 and incorporated herein by reference thereto.

^^^ Previously filed as an exhibit to the Company's Registration Statement on Form S-3 (File No. 333-58269) filed with the Commission and incorporated herein by reference thereto.

^^^^ Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended June 30, 1998 and incorporated herein by reference thereto.

/ Previously filed as an exhibit to the Company's Registration Statement on Form S-3 (File No. 333-30818) filed with the Commission and incorporated herein by reference thereto.

// Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended June 30, 2000 and incorporated herein by reference thereto.

(b) Reports on Form 8-K.

On November 2, 2000, we filed with the Commission a Current Report on Form 8-K dated October 30, 2000, reporting that Schering-Plough had reported results of a pivotal Phase III clinical study at the Presidential Plenary Session of the 51st Annual Meeting of the American Association for the Study of Liver Diseases (AASLD) in Dallas.

On November 6, 2000, we filed with the Commission a Current Report on Form 8-K dated November 6, 2000, reporting the intent of Peter G. Tombros, our President and Chief Executive offer, to exercise options to acquire 300,000 shares of Enzon common stock, and his irrevocable instruction to his investment advisor to sell a portion of these shares over time.

On November 7, 2000, we filed with the Commission a Current Report on Form 8-K dated November 7, 2000, reporting the results from an ongoing Phase I clinical trial of PROTEHCAN(TM) (PEG-camptothecin) which were presented at the 11th NCI-EORTC-AACR Symposium on New Drugs in Cancer Therapy in Amsterdam.

On November 8, 2000, we filed with the Commission a Current Report on Form 8-K dated November 6, 2000, reporting the financial results from our first quarter of fiscal year 2001.

On December 19, 2000, we filed with the Commission a Current Report on Form 8-K dated December 18, 2000, reporting our submission of an Investigational New Drug (IND) application to the Food and Drug Administration (FDA) for PEG-paclitaxel, a PEG-modified version of paclitaxel.

On December 21, 2000, we filed with the Commission a Current Report on Form 8-K dated December 20, 2000, reporting that the European Union's (EU) Committee for Proprietary Medicinal Products (CPMP) of the European Agency for the Evaluation of Medicinal Products (EMEA) had issued a positive opinion to Schering-Plough Corporation recommending approval of PEGINTRON(TM) (peginterferon alfa-2b) Injection and REBETOL(R) as combination therapy for the treatment of hepatis C.

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 thereunto duly authorized.

ENZON, INC.

(Registrant)

Date: February 14, 2001

By:

Peter G. Tombros
President and Chief Executive
Officer

By:

Kenneth J. Zuerblis
Vice President, Finance,
Chief Financial Officer
(Principal Financial
and Accounting Officer) and
Corporate Secretary

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 thereunto duly authorized.

ENZON, INC.

(Registrant)

Date: February 14, 2001

By: /Peter G. Tombros

Peter G. Tombros
President and Chief Executive
Officer

By: /Kenneth J. Zuerblis

Kenneth J. Zuerblis
Vice President, Finance,
Chief Financial Officer
(Principal Financial
and Accounting Officer) and
Corporate Secretary