

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FINLAY ENTERPRISES INC /DE

CIK: **878731** | IRS No.: **133492802** | State of Incorporation: **DE** | Fiscal Year End: **0130**
Type: **8-K** | Act: **34** | File No.: **000-25716** | Film No.: **06513157**
SIC: **5944** Jewelry stores

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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) January 5, 2006

Finlay Enterprises, Inc.

(Exact name of registrant as specified in its charter)

Delaware

0-25716

13-3492802

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

529 Fifth Avenue, New York, New York

10017

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (212) 808-2800

Not Applicable

(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 (see General Instruction A.2. below):

- Written communications 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 communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On January 5, 2006, Finlay Enterprises, Inc. (the "Registrant"), issued a press release announcing the Registrant's sales for the two-month period including November and December 2005. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits.

EXHIBIT NO. -----	DESCRIPTION -----
99.1	Finlay Enterprises, Inc. press release dated January 5, 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.

FINLAY ENTERPRISES, INC.

Date: January 5, 2006

By: /s/ Bruce E. Zurlnick

Bruce E. Zurlnick
Senior Vice President, Treasurer and
Chief Financial Officer

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FOR IMMEDIATE RELEASE

FINLAY ENTERPRISES REPORTS SALES FOR THE NOVEMBER/DECEMBER PERIOD

NEW YORK, NY, JANUARY 5, 2006 -- FINLAY ENTERPRISES, INC. (NASDAQ: FNLY), a leading retailer of fine jewelry and the largest operator of licensed fine jewelry departments in department stores throughout the United States, announced today that comparable department sales (departments open for the same months during the comparable period) for the two-month period including November and December increased 1.0% in its go-forward doors. The go-forward doors exclude the 196 stores that Finlay will no longer operate in 2006 as a result of Federated's integration plans. Comparable department sales for the two-month period including discontinued stores decreased 0.6%. Total sales for the two-month period increased 9.9% to \$385.3 million compared to \$350.6 million in the comparable period of 2004.

Comparable department sales for the 11-month period ended December 31, 2005 increased 0.7%, including only the go-forward doors for the November and December period. Comparable department sales for the 11-month period including discontinued stores increased 0.1%. Total sales for the 11 months increased 6.8% to \$954.1 million compared to \$893.6 million in the first 11 months of 2004.

As a result of lower sales than previously projected for the November/December period, the Company now estimates full year diluted earnings per share of \$1.65 to \$1.75. The Company's previous earnings estimate was \$1.80 to \$2.00 for fiscal 2005, which was based on comparable store sales in the range of 2.5% to 3.0% for the November/December period. The Company's outlook for fiscal 2005 excludes charges associated with the impairment of goodwill and includes \$3.6 million, or \$0.23 per diluted share, of pre-tax closing costs. This outlook compares to diluted earnings per share of \$2.25 in fiscal 2004, excluding the costs of refinancing long term debt and tax credits associated with the liquidation of Sonab, the Company's former European division.

Arthur E. Reiner, Chairman and Chief Executive Officer of Finlay Enterprises, Inc., commented, "After a softer than expected November, sales in our continuing stores rebounded in December and the holiday season finished strongly. Also, we were pleased with our results at Carlyle and believe it will continue to be an important platform for future growth. We continued to maintain a tight focus on operating expenses and effectively managed our inventory levels. As we conclude fiscal year 2005, we are positioned to take advantage of opportunities that

develop in the new year."

Mr. Reiner concluded, "During the quarter, we signed a new three-year agreement with Federated for the four Macy's divisions in which we currently operate, and we look forward to an exciting future with the newly-structured divisions. In addition, after Federated announced its plan to realign the May Company stores, we began to take the necessary steps to prepare for an orderly transition of the existing stores that will become part of Macy's East and Macy's West. We have initiated merchandising and marketing strategies in the stores that we will close, which will allow us to discontinue operations in a fiscally responsible manner."

Finlay Enterprises, Inc., through its wholly-owned subsidiary, Finlay Fine Jewelry Corporation, is one of the leading retailers of fine jewelry and the largest operator of leased fine jewelry departments in department stores throughout the United States. The number of locations at the end of December 2005 totaled 1,012, including 34 Carlyle specialty jewelry stores.

This release may contain forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on Finlay's current expectations and beliefs, are not a guarantee of future performance and involve known and unknown risks, uncertainties and other factors. Actual results, performances or achievements may differ materially from those contained in, or implied by, these forward-looking statements, depending upon a variety of factors including, in particular, the risks and uncertainties described in Finlay's filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. We undertake no obligation to release publicly any revisions to these forward looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. The inclusion of any statement in this release does not constitute an admission by Finlay or any other person that the events or circumstances described in such statement are material.

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