

GOVE SUE  
Form 4  
January 20, 2006

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
GOVE SUE

(Last) (First) (Middle)

C/O ZALE CORPORATION, 901  
WEST WALNUT HILL LANE

(Street)

IRVING, TX 75038-1033

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
ZALE CORP [ZLC]

3. Date of Earliest Transaction  
(Month/Day/Year)  
01/19/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
EVP and COO

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	01/19/2006		M		60,000 A \$ 15.875	87,000	D
Common Stock	01/19/2006		M		10,000 A \$ 14.145	97,000	D
Common Stock	01/19/2006		S		70,000 D \$ 25.3373	27,000	D
Common Stock	01/20/2006		M		40,000 A \$ 14.145	67,000	D
Common Stock	01/20/2006		S		40,000 D \$ 24.9926	27,000	D

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Common Stock 1,920 I 401K

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options (Right to buy)	\$ 14.145	01/19/2006		M	10,000	07/17/2003 07/17/2012	Common Stock	10,000	
Stock Options (Right to buy)	\$ 14.145	01/20/2006		M	40,000	07/17/2003 07/17/2012	Common Stock	40,000	
Stock Options (Right to buy)	\$ 15.875	01/19/2006		M	60,000	07/12/2002 07/12/2011	Common Stock	60,000	
Stock Options (Right to buy)	\$ 21.5156					07/12/2001 07/12/2010	Common Stock	10,000	
Stock Options (Right to buy)	\$ 21.75					07/15/2000 07/15/2009	Common Stock	100,000	
Stock Options (Right to buy)	\$ 23.23					07/22/2004 07/22/2013	Common Stock	120,000	
	\$ 27.44					07/21/2005 07/21/2014		55,000	

Stock Options (Right to buy)					Common Stock	
Stock Options (Right to buy)	\$ 27.52	09/06/2006	09/06/2015		Common Stock	75,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GOVE SUE C/O ZALE CORPORATION 901 WEST WALNUT HILL LANE IRVING, TX 75038-1033	X		EVP and COO	

## Signatures

Hilary Molay                      01/20/2006  
 \*\*Signature of                      Date  
 Reporting Person

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.  
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