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BY ELECTRONIC FILERS

Forest City Enterprises, Inc.  
Exact name of Registrant  
as specified in charter

38067  
Registrant CIK number

Form 11-K for Forest City 401(k)  
Employee Savings Plan & Trust  
(for fiscal year ended December 31, 2005)  
Electronic report, schedule or registration  
statement of which the documents are  
a part (give period of report)

1-4372  
SEC file number, if available

PROCESSED

JUL 03 2006

THOMSON  
FINANCIAL

Name of Person Filing the Document  
(If Other than the Registrant)

SIGNATURES

Filings Made By the Registrant:

The Registrant has duly caused this form to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cleveland, State of Ohio, June 27, 2006.



06040792

Forest City Enterprises, Inc.  
(Registrant)

By:   
Thomas G. Smith  
Executive Vice President, Chief Financial  
Officer and Secretary

Filings Made by Person Other Than the Registrant:

After reasonable inquiry and to the best of my knowledge and belief, I certify on \_\_\_\_\_, 20\_\_\_\_, that the information set forth in this statement is true and complete.

By: \_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 11-K

Annual Report Pursuant to Section 15(d) of the  
Securities Exchange Act of 1934

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED].

For the fiscal year ended December 31, 2005

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED].

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-4372

- A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

FOREST CITY 401(k) EMPLOYEE SAVINGS PLAN & TRUST

- B. Name of issuer of the securities held pursuant to the Plan and the address of its principal executive office:

FOREST CITY ENTERPRISES, INC.  
Terminal Tower  
50 Public Square, Suite 1100  
Cleveland, Ohio 44113

*Total number of  
sequential pages = 14*

*Exhibit Index is  
located on sequential  
page 13.*

**FOREST CITY ENTERPRISES, INC.  
FOREST CITY 401(k) EMPLOYEE SAVINGS PLAN & TRUST**

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AUDITED FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULE

AT DECEMBER 31, 2005 AND 2004 AND  
FOR THE YEAR ENDED DECEMBER 31, 2005

**Forest City Enterprises, Inc.  
Forest City 401(k) Employee Savings Plan & Trust  
Index to Financial Statements**

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Supplemental Schedule: * Schedule H, line 4i - Schedule of Assets (Held at End of Year) at December 31, 2005	8

\* Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

**PricewaterhouseCoopers LLP**  
BP Tower, 27th Floor  
200 Public Square  
Cleveland OH 44114-2301  
Telephone (216) 875 3000  
Facsimile (216) 566 7846

**Report of Independent Registered Public Accounting Firm**

To the Participants and Administrator of  
Forest City 401(k) Employee Savings Plan & Trust:

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of Forest City 401(k) Employee Savings Plan & Trust (the "Plan") at December 31, 2005 and 2004, and the changes in net assets available for benefits for the year ended December 31, 2005 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*PricewaterhouseCoopers LLP*

June 27, 2006

**Forest City Enterprises, Inc.**  
**Forest City 401(k) Employee Savings Plan & Trust**  
**Statements of Net Assets Available for Benefits**  
**December 31, 2005 and 2004**

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	<u>2005</u>	<u>2004</u>
Assets		
Investments, at fair value	\$ 66,301,093	\$ 55,534,219
Receivables:		
Employer contributions	1,170,652	1,052,826
Participant contributions	<u>8,711</u>	<u>15,917</u>
Total receivables	<u>1,179,363</u>	<u>1,068,743</u>
Net assets available for benefits	<u>\$ 67,480,456</u>	<u>\$ 56,602,962</u>

The accompanying notes are an integral part of these financial statements

**Forest City Enterprises, Inc.**  
**Forest City 401(k) Employee Savings Plan & Trust**  
**Statement of Changes in Net Assets Available for Benefits**  
**For the Year Ended December 31, 2005**

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Additions:

Additions to net assets attributed to:

Contributions:

Participant	\$ 6,861,512
Employer	1,170,652
	<u>8,032,164</u>

Investment gain:

Net appreciation in fair value of investments	5,597,218
Dividends	1,246,986
Interest	76,743
	<u>6,920,947</u>

Total additions	<u>14,953,111</u>
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Deductions:

Deductions from net assets attributed to:

Benefits paid to participants	4,064,247
Loan origination fees	11,370
	<u>4,075,617</u>

Net increase	10,877,494
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Net assets available for benefits:

Beginning of year	<u>56,602,962</u>
End of year	<u><u>\$ 67,480,456</u></u>

The accompanying notes are an integral part of these financial statements

**Forest City Enterprises, Inc.**  
**Forest City 401(k) Employee Savings Plan & Trust**  
**Notes to Financial Statements**  
**December 31, 2005 and 2004**

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**1. Description of the Plan**

The following description of the Forest City 401(k) Employee Savings Plan & Trust (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

- A. *General.* The Plan is a defined contribution plan covering all employees of Forest City Enterprises, Inc. (the "Company"), except contract security and employees covered by collective bargaining agreements that do not permit participation in the Plan. Employees of RMS Investment Corporation and RMS Management Company (collectively "RMS"), both of which are affiliates of the Company, are also covered by the provisions of the Plan. During 2005, RMS contributed \$34,465 and RMS participants contributed \$134,090. The Company and RMS are herein collectively referred to as the Employers. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").
- B. *Risks and Uncertainties.* The Plan provides for various investment options in any combination of stocks, bonds, fixed income securities, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.
- C. *Eligibility.* Employees who have completed six months of service and have attained age 21 are eligible. Employee contributions are required for Plan participation.
- D. *Participant Accounts.* Each participant's account is credited with the participant's contribution (deferred compensation), the Employers' matching contribution, and allocation of the Plan earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.
- E. *Contributions.* Each year, participants may contribute up to 50 percent of pretax annual compensation, subject to statutory limitations imposed by the Internal Revenue Code. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contribution into various investment options offered by the Plan. The Plan currently offers 26 investment options. Each year the Employers contribute to the Plan a discretionary matching contribution equal to a percentage of each participant's contribution, subject to a maximum per participant. The Employers' matching contribution for 2005 was 200% of the first \$350 and 100% of the next \$300 of each participant's deferred compensation.

**Forest City Enterprises, Inc.**  
**Forest City 401(k) Employee Savings Plan & Trust**  
**Notes to Financial Statements**  
**December 31, 2005 and 2004**

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**1. Description of the Plan - Continued**

- F. *Vesting.* Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Participants vest in the Employers' contribution by being actively employed on the last day of the Plan year for which the contribution applies.
- G. *Payment of Benefits.* Lump-sum payments may be made for normal retirement, death, total and permanent disability, termination, financial hardship, or upon reaching age 59 1/2.
- H. *Loans to Participants.* Participants may borrow a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their cumulative contributions and related earnings. The loans are secured by the balance in the participant's account and bear interest at 1% above prime, which is fixed at the inception of the loan. Loan balances are amortized on a level basis over a period not to exceed five years, except for a loan used to acquire a participant's principal residence, which may be amortized over a period longer than five years. Principal and interest paid by the participant is credited to the participant's account.

**2. Summary of Accounting Policies**

*Basis of Accounting.* The accompanying financial statements of the Plan were prepared under the accrual method of accounting.

*Use of Estimates.* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

*Investment Valuation and Income Recognition.* The valuation of investments has been provided by the Trustee and represents fair value. Shares of registered investment companies are valued at quoted net asset value. The Company stock fund is valued based on its year-end closing price. Participant loans are stated at cost, which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in fair value of investments includes realized gains and losses and unrealized appreciation and depreciation on those investments.

*Other.* Administrative expenses of the Plan are paid by the Employers. Loan origination fees are the responsibility of the participants, and are withdrawn from their investment accounts by the trustee.

*Payment of Benefits.* Benefits are recorded when paid.

**Forest City Enterprises, Inc.**  
**Forest City 401(k) Employee Savings Plan & Trust**  
**Notes to Financial Statements**  
**December 31, 2005 and 2004**

**3. Investments**

The following presents investments that represent five percent or more of the Plan's net assets.

	December 31,	
	2005	2004
American Funds Europacific Growth Fund, 135,820 and 114,855 shares, respectively	\$ 5,582,208	\$ 4,092,279
Forest City Enterprises, Inc. Common Stock, Class A, 290,464 and 135,098 shares, respectively	11,154,849	7,849,430
T. Rowe Blue Chip Growth Fund, 318,495 and 338,425 shares, respectively	10,408,424	10,464,088
T. Rowe Price Equity Index Trust, 294,159 and 307,157 shares, respectively	10,533,819	10,495,553
T. Rowe Price Stable Value Fund, 4,618,402 and 4,583,574 shares, respectively	4,618,402	4,583,574

During 2005, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$5,597,218 as follows:

Investments in registered investment funds	\$ 2,449,156
Common stock - Forest City Enterprises, Inc.	<u>3,148,062</u>
	<u>\$ 5,597,218</u>

**Forest City Enterprises, Inc.**  
**Forest City 401(k) Employee Savings Plan & Trust**  
**Notes to Financial Statements**  
**December 31, 2005 and 2004**

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**4. Related Party Transactions**

The Plan invests in common stock of the Company, as well as shares of mutual funds managed by the Trustee, which qualify these transactions as party-in-interest transactions.

**5. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their Employer contributions and all unallocated amounts would be allocated to the participants in accordance with the provisions of the Plan.

**6. Tax Status**

The Internal Revenue Service has determined and informed the Company by a letter dated April 4, 1996, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

**Forest City 401(k) Employee Savings Plan & Trust**  
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**  
**December 31, 2005**

Description	Number of Units	Cost Basis	Fair Value
Investments in registered investment funds			
American Funds Europacific Growth Fund	135,820	\$ 4,910,724	\$ 5,582,208
Boston Company Small Cap Value Fund	29,277	622,143	622,143
Columbia Acorn Fund, Z	39,211	1,050,659	1,104,582
Dodge and Cox Stock Fund	14,603	1,906,547	2,003,869
Dodge and Cox Balanced Fund	27,415	2,179,974	2,229,930
Fidelity Contra Fund	14,685	856,299	950,986
Lord Abbett Mid-Cap Value Fund	42,827	964,383	959,746
PIMCO Low Duration Fund II	9,022	87,850	87,066
PIMCO Total Return Fund, Administrative Shares	295,524	3,152,230	3,102,997
Tradelink Investments Fund	24,288	24,288	24,288
T. Rowe Blue Chip Growth Fund *	318,495	9,832,560	10,408,424
T. Rowe Price Equity Income Fund *	29,455	780,638	763,468
T. Rowe Price Equity Index Trust *	294,159	10,045,829	10,533,819
T. Rowe Price Mid-Cap Growth Fund *	49,720	2,511,409	2,691,842
T. Rowe Price Retirement 2005 Fund *	93	1,013	1,009
T. Rowe Price Retirement 2010 Fund *	57,566	819,915	838,736
T. Rowe Price Retirement 2015 Fund *	19,269	209,200	216,199
T. Rowe Price Retirement 2020 Fund *	75,832	1,133,166	1,185,258
T. Rowe Price Retirement 2025 Fund *	20,248	227,649	232,245
T. Rowe Price Retirement 2030 Fund *	74,093	1,149,822	1,221,797
T. Rowe Price Retirement 2035 Fund *	6,412	69,857	74,503
T. Rowe Price Retirement 2040 Fund *	44,431	705,940	736,223
T. Rowe Price Retirement Income Fund *	33,024	405,105	411,482
T. Rowe Price Stable Value Fund *	4,618,402	4,618,402	4,618,402
Wells Fargo LG CO Growth, A Shares	23,572	1,152,000	1,220,569
		<u>\$ 49,417,602</u>	<u>51,821,791</u>
Common stock of Forest City Enterprises, Inc. *			
Class A	290,464	\$ 8,718,479	11,154,849
Class B	47,906	1,413,890	1,867,990
		<u>\$ 10,132,369</u>	<u>13,022,839</u>
Loans to participants, interest rates ranging 5.0% - 10.5% *		-	1,456,463
			<u>\$ 66,301,093</u>

\* Denotes party-in-interest.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, Forest City Enterprises, Inc. has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

FOREST CITY 401(k) EMPLOYEE SAVINGS PLAN & TRUST  
(Name of Plan)

June 27, 2006  
(Date)



\_\_\_\_\_  
Thomas G. Smith,  
Executive Vice President,  
Chief Financial Officer and Secretary  
Forest City Enterprises, Inc.

## Exhibit Index

Exhibit  
Number

Description of Document

23 Consent of PricewaterhouseCoopers LLP regarding Form S-8  
(Registration No. 33-65058).

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-65058) of Forest City Enterprises, Inc. of our report dated June 27, 2006 relating to the financial statements of Forest City 401(k) Employee Savings Plan & Trust, which appears in this Form 11-K.

*PricewaterhouseCoopers LLP*

Cleveland, Ohio  
June 27, 2006