SUSMAN SALLY Form 4

October 26, 2006

### FORM 4

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

OMB APPROVAL
OMB
3235-0287

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

Number: January 31, 2005

Section 16. Form 4 or Form 5 SECURITIES

Estimated average burden hours per response... 0.5

obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person \*
SUSMAN SALLY

2. Issuer Name **and** Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

Symbol

ESTEE LAUDER COMPANIES INC [EL]

(Check all applicable)

Exec.VP, Global Communications

(Last) (First) (Middle) 3.

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

10/25/2006

\_\_\_\_ Director \_\_\_\_ 10% Owner \_\_\_\_ X\_\_ Officer (give title \_\_\_\_ Other (specify

THE ESTEE LAUDER COMPANIES INC., 767 FIFTH

(Street)

**AVENUE** 

4. If Amendment, Date Original

Filed(Month/Day/Year)

Applicable Line)

\_X\_ Form filed by One Reporting Person \_\_\_ Form filed by More than One Reporting

6. Individual or Joint/Group Filing(Check

Person

below)

NEW YORK, NY 10153

(City)	(State)	(Zip) 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. Transactic Code (Instr. 8)	4. Securit onor Dispos (Instr. 3, 4	ed of	` '	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)		
Class A Common Stock	10/25/2006		M <u>(1)</u>	25,000	A	\$ 32.15	25,000	D			
Class A Common Stock	12/25/2006		S <u>(1)</u>	25,000	D	\$ 42.2587 (2)	0 (2)	D			
Class A Common Stock	10/25/2006		M <u>(1)</u>	33,333	A	\$ 33.44	33,333	D			

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Class A  $S^{(1)}$ 43.4483 0 (2) Common 10/25/2006 33,333 D D Stock

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)	nsaction Date 3A. Deemed h/Day/Year) Execution Date, if any (Month/Day/Year)		5. Number of onDerivative 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	Amoun or Number of Share
Option (Right to Buy)	\$ 32.15	10/25/2006		M(1)	25,000	07/10/2003(3)	07/10/2012	Class A Common Stock	25,00
Option (Right to Buy)	\$ 33.44	10/25/2006		M(1)	33,333	08/20/2004(6)	08/20/2013	Class A Common Stock	33,33

# **Reporting Owners**

Reporting Owner Name / Address Director 10% Owner Officer Other

SUSMAN SALLY THE ESTEE LAUDER COMPANIES INC. 767 FIFTH AVENUE NEW YORK, NY 10153

Exec.VP, Global Communications

Relationships

## **Signatures**

Sally Susman, by Charles E. Reese, II, 10/26/2006 attorney-in-fact

> \*\*Signature of Reporting Person Date

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### **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).
- The exercise of stock options and the sale of the underlying shares of Class A Common Stock were made pursuant to a plan intended to comply with Rule 10b5-1(c), previously entered into on August 21, 2006, at which time the Reporting Person was not aware of material nonpublic information about the Issuer.
- (2) See Exhibit 99.1
- The options that were exercised were the remainder of a grant of options that became exercisable in three tranches in respect of 33,333 on July 10, 2003, 33,333 on July 10, 2004, and 33,334 on July 10, 2005.
- (4) Exercise of stock options.
- (5) The Reporting Person also has options to purchase at various prices 251,667 shares of Class A Common Stock of which 151,666 are exercisable.
- The options that were exercised were part of a grant of options that became exercisable in three tranches in respect of 16,666 on January 1, 2005 and 16,667 on January 1, 2006. The third tranch of 16,667 will become exercisable on January 1, 2007.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.