

ESTEE LAUDER COMPANIES INC

Form 10-Q

May 03, 2013

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549-1004

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**FORM 10-Q**

(Mark One)

**Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended March 31, 2013

OR

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

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

Commission file number: 1-14064

## The Estée Lauder Companies Inc.

(Exact name of registrant as specified in its charter)

**Delaware**

**11-2408943**

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer Identification No.)

**767 Fifth Avenue, New York, New York**

**10153**

(Address of principal executive offices)

(Zip Code)

**212-572-4200**

(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  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer   
(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

At April 25, 2013, 238,887,088 shares of the registrant's Class A Common Stock, \$.01 par value, and 148,978,082 shares of the registrant's Class B Common Stock, \$.01 par value, were outstanding.



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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements.****THE ESTÉE LAUDER COMPANIES INC.****CONSOLIDATED STATEMENTS OF EARNINGS****(Unaudited)**

	Three Months Ended March 31		Nine Months Ended March 31	
	2013	2012	2013	2012
	(In millions, except per share data)			
Net Sales	\$ 2,291.8	\$ 2,248.2	\$ 7,774.3	\$ 7,462.4
Cost of Sales	443.1	469.3	1,550.3	1,554.6
<b>Gross Profit</b>	<b>1,848.7</b>	<b>1,778.9</b>	<b>6,224.0</b>	<b>5,907.8</b>
<b>Operating expenses</b>				
Selling, general and administrative	1,605.3	1,539.0	4,831.8	4,623.4
Restructuring and other charges	(1.7)	28.4	12.0	39.2
Impairment of other intangible assets				6.7
<b>Total operating expenses</b>	<b>1,603.6</b>	<b>1,567.4</b>	<b>4,843.8</b>	<b>4,669.3</b>
<b>Operating Income</b>	<b>245.1</b>	<b>211.5</b>	<b>1,380.2</b>	<b>1,238.5</b>
Interest expense, net	12.6	14.5	41.8	47.1
Interest expense on debt extinguishment			19.1	
Other income			23.1	10.5
<b>Earnings before Income Taxes</b>	<b>232.5</b>	<b>197.0</b>	<b>1,342.4</b>	<b>1,201.9</b>
Provision for income taxes	53.6	65.7	414.5	393.6
<b>Net Earnings</b>	<b>178.9</b>	<b>131.3</b>	<b>927.9</b>	<b>808.3</b>
Net earnings attributable to noncontrolling interests	(0.1)	(0.9)	(2.1)	(2.6)
<b>Net Earnings Attributable to The Estée Lauder Companies Inc.</b>	<b>\$ 178.8</b>	<b>\$ 130.4</b>	<b>\$ 925.8</b>	<b>\$ 805.7</b>
<b>Net earnings attributable to The Estée Lauder Companies Inc. per common share</b>				
Basic	\$ 0.46	\$ 0.34	\$ 2.39	\$ 2.07
Diluted	0.45	0.33	2.35	2.03

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**Weighted-average common shares  
outstanding**

Basic	387.2	388.2	387.5	388.5
Diluted	394.0	396.3	394.7	397.0