

ESTEE LAUDER COMPANIES INC
 Form 4
 February 10, 2006

FORM 4

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

OMB APPROVAL

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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 *
 LAUDER RONALD S

(Last) (First) (Middle)

THE ESTEE LAUDER COMPANIES INC., 767 FIFTH AVENUE

(Street)

NEW YORK, NY 10153

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 ESTEE LAUDER COMPANIES INC [EL]

3. Date of Earliest Transaction (Month/Day/Year)
 02/09/2006

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)
 Chairman, Clinique Labs, LLC

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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Class A Common Stock	02/09/2006		M		250,000 A \$ 21.375	307,553 ⁽¹⁾	D
Class A Common Stock	02/09/2006		S		214,500 D \$ 37.5	93,053	D
Class A Common Stock	02/09/2006		S		2,900 D \$ 37.5476	90,153	D

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Class A Common Stock	02/09/2006	S	8,400	D	\$ 37.6079	81,753	D	
Class A Common Stock	02/09/2006	S	6,900	D	\$ 37.6496	74,853	D	
Class A Common Stock	02/09/2006	S	16,900	D	\$ 37.7	57,953	D	
Class A Common Stock	02/09/2006	S	300	D	\$ 37.71	57,653	D	
Class A Common Stock	02/09/2006	S	100	D	\$ 37.72	57,553	D	
Class A Common Stock						3,812 ⁽²⁾	I	By Decendants of RSL 1966 Trust

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

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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 Underlying Security (Instr. 3 and 4)	Amount Number Share	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Option (Right to Buy)	\$ 21.375	02/09/2006		M	250,000	01/01/2000 ⁽³⁾	07/01/2006	Class A Common Stock	25
Class B Common Stock	\$ 0 ⁽⁶⁾					⁽⁷⁾	⁽⁷⁾	Class A Common Stock	13,9
Class B Common	\$ 0 ⁽⁶⁾					⁽⁷⁾	⁽⁷⁾	Class A Common	3

Stock

Stock

Class B

Common \$ 0 (6)

Stock

(7)

(7)

Class A

Common
Stock

40

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LAUDER RONALD S THE ESTEE LAUDER COMPANIES INC. 767 FIFTH AVENUE NEW YORK, NY 10153	X	X	Chairman, Clinique Labs, LLC	

Signatures

Ronald S. Lauder, by Spencer G. Smul,
Attorney-in-fact

02/10/2006

__Signature of Reporting Person

Date

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).

- (1) The Reporting Person has a short position of 894,986 shares of Class A Common Stock established prior to the Issuer's initial public offering.
- (2) The Reporting Person disclaims beneficial ownership of these shares to the extent he does not have a pecuniary interest in such securities.
- (3) The options that were exercised were part of a grant of options that became exercisable in three substantially equal tranches on January 1, 2000, January 1, 2001 and January 1, 2002.
- (4) Exercise of Stock Options.
- (5) The Reporting Person also has options to purchase 750,000 shares of Class A Common Stock at various exercise prices.
- (6) There is no exercise or conversion price for the Class B Common Stock. It is convertible into shares of Class A Common Stock on a one-to-one basis.

Shares of Class B Common Stock may be converted immediately on a one-for-one basis by the holder and are automatically converted into Class A Common Stock on a one-for-one basis upon transfer to a person or entity that is not a "Permitted Transferee" or soon after a record date for a meeting of stockholders where the outstanding Class B Common Stock constitutes less than 10% of the outstanding shares of Common Stock of the Issuer.
- (7)

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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