

ESTEE LAUDER COMPANIES INC  
Form 4  
March 02, 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 \*  
Lauder William P

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
03/01/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
President and CEO

THE ESTEE LAUDER COMPANIES INC., 767 FIFTH AVENUE

(Street)

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

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

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. 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	(A) or (D)	Price
Class A Common Stock	03/01/2006		M		30,000	A	\$ 21.375
Class A Common Stock					368,441	I	
Class A Common Stock					368,441	I	

by WPL GRAT, as Co-Trustee  
by GML GRAT, as Co-Trustee

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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 Number Shares
Option (Right to Buy)	\$ 21.375	03/01/2006		M		30,000		07/01/1997	07/01/2006	Class A Common Stock	30,000
Class B Common Stock	\$ 0 <sup>(2)</sup>	03/01/2006		P <sup>(3)</sup>		200,000		(4)	(4)	Class A Common Stock	2,592
Class B Common Stock	\$ 0 <sup>(2)</sup>							(4)	(4)	Class A Common Stock	1,914
Class B Common Stock	\$ 0 <sup>(2)</sup>							(4)	(4)	Class A Common Stock	1,914

**Reporting Owners**

**Reporting Owner Name / Address**

**Relationships**

Director    10% Owner    Officer    Other

Lauder William P  
THE ESTEE LAUDER COMPANIES INC.  
767 FIFTH AVENUE  
NEW YORK, NY 10153

X                    X                    President and CEO

**Signatures**

William P. Lauder, by Spencer G. Smul,  
attorney-in-fact

03/02/2006

        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) Exercise of stock options granted pursuant to Fiscal 1996 Share Incentive Plan in respect of 30,000 shares exercisable from and after July 1, 1997. Reporting Person also has options to purchase 1,200,000 shares of Class A Common Stock at various exercise prices of which 783,333 are exercisable.

(2) 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-for-one basis.

(3) On March 1, 2006, the Reporting Person bought 200,000 shares of Class B Common Stock from the Reporting Person's uncle, Ronald S. Lauder.

(4) 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.

(5) The Reporting Person is a Trustee and a beneficiary of the 1992 GRAT Remainder Trust f/b/o William Lauder (the "WL GRAT"). The Reporting Person disclaims beneficial ownership of all shares owned by such trust to the extent he does not have a pecuniary interest in such securities.

(6) The Reporting Person is a Trustee and a beneficiary of the 1992 GRAT Remainder Trust f/b/o Gary Lauder (the "GL GRAT"). The Reporting Person disclaims beneficial ownership of all shares owned by such trust to the extent he does not have a pecuniary interest in such securities.

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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