

SUSMAN SALLY
Form 4
October 26, 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 *
SUSMAN SALLY

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)

THE ESTEE LAUDER COMPANIES INC., 767 FIFTH AVENUE

3. Date of Earliest Transaction (Month/Day/Year)
10/25/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Exec.VP, Global Communications

(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)	(A) or (D)	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	Price		
Class A Common Stock	10/25/2006		M ⁽¹⁾		25,000	\$ 32.15	25,000	D
Class A Common Stock	12/25/2006		S ⁽¹⁾		25,000	\$ 42.2587	0 ⁽²⁾	D
Class A Common Stock	10/25/2006		M ⁽¹⁾		33,333	\$ 33.44	33,333	D

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Class A Common Stock	10/25/2006	S ⁽¹⁾	33,333	D	\$ 43.4483	0 ⁽²⁾ <u>(2)</u>	D
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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)	Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	
Option (Right to Buy)	\$ 32.15	10/25/2006		M ⁽¹⁾	25,000	07/10/2003 ⁽³⁾ 07/10/2012	Class A Common Stock	25,000
Option (Right to Buy)	\$ 33.44	10/25/2006		M ⁽¹⁾	33,333	08/20/2004 ⁽⁶⁾ 08/20/2013	Class A Common Stock	33,333

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

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

Exec. VP, Global Communications

Signatures

Sally Susman, by Charles E. Reese, II,
attorney-in-fact

10/26/2006

 **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).

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

- (1) 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
- (3) 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.
- (6) 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 tranche 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.

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