

SHEARER PHILIP  
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 \*  
SHEARER PHILIP

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)  
10/31/2006

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
Group President

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)
				(A) or (D)	Price		
				Code	V	Amount	
Class A Common Stock	10/25/2006		M <sup>(1)</sup>	100,000	A	\$ 32.15	100,000 D
Class A Common Stock	10/25/2006		S <sup>(1)</sup>	20,000	D	\$ 41.5	80,000 D
Class A Common Stock	10/25/2006		S <sup>(1)</sup>	15,000	D	\$ 41.7	65,000 D

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Class A Common Stock	10/25/2006	<u>S<sup>(1)</sup></u>	15,000	D	\$ 41.9	50,000	D
Class A Common Stock	10/25/2006	<u>S<sup>(1)</sup></u>	15,000	D	\$ 42	35,000	D
Class A Common Stock	10/25/2006	<u>S<sup>(1)</sup></u>	15,000	D	\$ 42.1	20,000	D
Class A Common Stock	10/25/2006	<u>S<sup>(1)</sup></u>	5,200	D	\$ 42.36	14,800	D
Class A Common Stock	10/25/2006	<u>S<sup>(1)</sup></u>	4,700	D	\$ 42.38	10,100	D
Class A Common Stock	10/25/2006	<u>S<sup>(1)</sup></u>	100	D	\$ 42.4	10,000	D
Class A Common Stock	10/25/2006	<u>S<sup>(1)</sup></u>	9,300	D	\$ 42.3	700	D
Class A Common Stock	10/25/2006	<u>S<sup>(1)</sup></u>	600	D	\$ 42.42	100	D
Class A Common Stock	10/25/2006	<u>S<sup>(1)</sup></u>	100	D	\$ 42.48	0	D
Class A Common Stock	10/25/2006	<u>M<sup>(1)</sup></u>	66,666	A	\$ 33.44	66,666	D
Class A Common Stock	10/25/2006	<u>S<sup>(1)</sup></u>	6,666	D	\$ 42.5	60,000	D
Class A Common Stock	10/25/2006	<u>S<sup>(1)</sup></u>	10,000	D	\$ 42.6	50,000	D
Class A Common Stock	10/25/2006	<u>S<sup>(1)</sup></u>	10,000	D	\$ 42.7	40,000	D
Class A Common Stock	10/25/2006	<u>S<sup>(1)</sup></u>	10,000	D	\$ 42.8	30,000	D
Class A Common	10/25/2006	<u>S<sup>(1)</sup></u>	10,000	D	\$ 42.9	20,000	D

Stock

Class A

Common 10/25/2006 S<sup>(1)</sup> 10,000 D \$ 43 10,000 D  
Stock

Class A

Common 10/25/2006 S<sup>(1)</sup> 10,000 D \$ 43.1 0 D  
Stock

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 of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount
Option (Right to Buy)	\$ 32.15	10/25/2006		M <sup>(1)</sup>	100,000	07/10/2003 <sup>(2)</sup>	07/10/2012	Class A Common Stock	100,000
Option (Right to Buy)	\$ 33.44	10/25/2006		M <sup>(1)</sup>	66,666	08/20/2004 <sup>(5)</sup>	08/20/2013	Class A Common Stock	66,666

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director 10% Owner Officer Other

SHEARER PHILIP  
THE ESTEE LAUDER COMPANIES INC.  
767 FIFTH AVENUE  
NEW YORK, NY 10153

Group President

## Signatures

Philip Shearer, 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 comply with Rule 10b5-1(c), previously entered into on September 8, 2006, at which time the Reporting Person was not aware of material nonpublic information.

(1) The options that were exercised were part 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.

(2) Exercise of stock options.

(3) The Reporting Person also has options to purchase at various prices 333,334 shares of Class A Common Stock of which 166,667 are exercisable.

(4) The options that were exercised were part of a grant of options that became exercisable in three tranches in respect of 33,333 on January 1, 2005 and 33,333 on January 1, 2006. The third tranche of 33,334 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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