HOBSON MELLODY L

Form 4

November 01, 2006

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

OMB APPROVAL

Number:

3235-0287

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subject to Section 16. Form 4 or

if no longer

Form 5 obligations may continue. See Instruction

Check this box

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * HOBSON MELLODY L

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

Symbol

ESTEE LAUDER COMPANIES

(Check all applicable)

INC [EL]

10/31/2006

(Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year)

X_ Director Officer (give title

10% Owner Other (specify

ARIEL CAPITAL MANAGEMENT, LLC, 200 EAST

RANDOLPH DRIVE, STE. 2900

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check

Applicable Line)

Filed(Month/Day/Year)

X Form filed by One Reporting Person Form filed by More than One Reporting

CHICAGO, IL 60601

(City) (State) (Zip)

(Street)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8) (Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (Instr. 4) (Instr. 4)

(A)

Reported Transaction(s)

(Instr. 3 and 4) Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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 or 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 or Number of Shares
Options (Right to Buy)	\$ 40.39	10/31/2006		A <u>(1)</u>	5,000	10/31/2007	10/31/2016	Class A Common Stock	5,000
Stock Units (Cash Payout)	\$ 0 (2)	10/31/2006		A	507.55	(3)	(3)	Class A Common Stock	507.55
Stock Units (share payout)	\$ 0 (4)	10/31/2006		A	619.51	<u>(5)</u>	<u>(5)</u>	Class A Common Stock	619.51

Reporting Owners

Reporting Owner Name / Address	Relationships				
. 9	Director	10% Owner	Officer	Other	
HOBSON MELLODY L ARIEL CAPITAL MANAGEMENT, LLC 200 EAST RANDOLPH DRIVE, STE. 2900 CHICAGO, IL 60601	X				

Signatures

Mellody Hobson, by Charles E. Reese, II, Attorney-in-fact 11/01/2006

**Signature of Reporting Person

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).

Date

- (1) Granted pursuant to the Issuer's Non-Employee Director Share Incentive Plan.
- (2) Each stock unit (cash payout) is convertible into cash equal to the value of one share of Class A Common Stock (i.e. 1:1).
- (3) The stock units (cash payout) will be paid out the first business day of the calendar year following the last date of the Reporting Person's service as a director of the company.
- (4) Each stock unit (share payout) is convertible into cash equal to the value of one share of Class A Common Stock (i.e. 1:1).

(5)

Reporting Owners 2

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The stock units (share payout) will be paid out the first business day of the calendar following the last date of the Reporting Person's service as a director of the company.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.