

ESTEE LAUDER COMPANIES INC  
 Form 4  
 September 03, 2010

**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 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)  
 09/01/2010

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 Executive Chairman

THE ESTEE LAUDER COMPANIES INC., 767 FIFTH AVE.

(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 10036

(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 Ownership (Instr. 4)
			Code	V	Amount or (D) Price		
Class A Common Stock	09/01/2010		A <sup>(1)</sup>		13,259 <u>(1)</u>	A	\$ 0 72,070 D
Class A Common Stock	09/01/2010		F <sup>(2)</sup>		6,759	D	\$ 57.5 65,311 D
Class A Common Stock							884,331 I <sup>(6)</sup> <sup>(8)</sup> <sup>(9)</sup> by 1992 GRAT Remainder Trust f/b/o

Class A Common Stock	650,513	I <u>(7)</u> <u>(8)</u> <u>(9)</u>	WPL by 1992 GRAT Remainder Trust f/b/o GML
Class A Common Stock	5,234	I	By children of William P. Lauder

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 or Number of Shares
Option (Right to Buy)	\$ 58.08	09/01/2010		A	62,066	<u>(3)</u> 09/01/2020	Class A Common Stock 62,066
Restricted Stock Units (Share Payout)	\$ 0	09/01/2010		A	10,761	<u>(4)</u> <u>(4)</u>	Class A Common Stock 10,761
Class B Common Stock	<u>(5)</u>					<u>(5)</u> <u>(5)</u>	Class A Common Stock 3,262,800
Class B Common Stock	<u>(5)</u>					<u>(5)</u> <u>(5)</u>	Class A Common Stock 634,150
Class B Common Stock	<u>(5)</u>					<u>(5)</u> <u>(5)</u>	Class A Common Stock 22,870

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Lauder William P THE ESTEE LAUDER COMPANIES INC. 767 FIFTH AVE. NEW YORK, NY 10036	X	X	Executive Chairman	

## Signatures

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

09/03/2010

\_\_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) Reflects payout of performance share units ("PSUs") granted to Reporting Person on September 21, 2007. Aggregate target payout for the opportunities was 13,259 shares of Class A Common Stock.
- (2) Represents the withholding of shares for tax purposes in connection with the payout of the PSUs.
- (3) Stock options granted pursuant to Fiscal 2002 Share Incentive Plan in respect of 20,688 shares exercisable from and after January 1, 2012; 20,689 shares exercisable from and after January 1, 2013; and 20,689 shares exercisable from and after January 1, 2014.

Assuming continued employment, the restricted stock units granted on September 1, 2010 will vest and be paid out as follows: 3,587 on October 31, 2011, 3,587 on October 31, 2012, and 3,587 on October 31, 2013, or in each case the first day thereafter that shares may be sold pursuant to company policy. Assuming continued employment, the restricted stock units held by the Reporting Person will vest and be paid out as follows: 33,240 on November 1, 2010, 34,371 on October 31, 2011, 8,489 on October 31, 2012 and 3,587 on October 31, 2013, or in each case the first day thereafter that shares may be sold pursuant to company policy. Upon payout, shares will be withheld to cover minimum statutory tax obligations. Restricted stock units are accompanied by dividend equivalent rights that will be payable in cash at the time of payout of the related shares.

- (5) There is no exercise or conversion price for the Class B Common Stock. 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.
- (6) Owned by 1992 GRAT Remainder Trust f/b/o William P. Lauder (the "WPL GRAT Remainder Trust") directly. Owned by each of GML and WPL, indirectly, as a trustee of the WPL GRAT Remainder Trust.
- (7) Owned by GML GRAT Remainder Trust f/b/o Gary M. Lauder (the "GML GRAT Remainder Trust") directly. Owned by each of GML and WPL, indirectly, as a trustee of the GML GRAT Remainder Trust.
- (8) WPL disclaims beneficial ownership to the extent that he does not have a pecuniary interest in such securities.
- (9) GML disclaims beneficial ownership to the extent that 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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