

ESTEE LAUDER COMPANIES INC  
 Form 4  
 June 09, 2011

**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 RONALD S

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)  
 06/09/2011

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
 \_\_\_X\_\_\_ Officer (give title below) \_\_\_ Other (specify below)  
 Chairman, Clinique Labs, LLC

C/O 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)  
 \_\_\_X\_\_\_ 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 Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	

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

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SEC 1474 (9-02)

**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 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 Underlying Security (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Forward sale contract (obligation to sell)	(1) (2) (3)	06/09/2011		J(1)(2)(3)		1,000,000		06/02/2014	06/02/2014	Class A Common Stock
Class B Common Stock	(4)							(4)	(4)	Class A Common Stock
Class B Common Stock	(4)							(4)	(4)	Class A Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LAUDER RONALD S C/O THE ESTEE LAUDER COMPANIES INC. 767 FIFTH AVENUE NEW YORK, NY 10153		X	Chairman, Clinique Labs, LLC	

## Signatures

By: /s/ Spencer Smul, Attorney-in-fact for Ronald S. Lauder  
Date: 06/09/2011

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).

On June 7, 2011, the reporting person entered into a prepaid variable forward sale contract with an unaffiliated third party buyer. Pricing under the contract was determined on June 9, 2011. The contract obligates the reporting person to deliver to the buyer up to 1,000,000 (1) shares of EL Class A Common Stock (or, at the reporting person's election, an equivalent amount of cash based on the market price of EL Class A Common Stock at the time) following the maturity date of the contract (June 2, 2014) subject to acceleration. In exchange for assuming this obligation, the reporting person will receive a cash payment of \$72,875,900 on June 15, 2011. (Continued in footnote 2)

The reporting person will pledge 1,000,000 shares of EL Class B Common Stock (the "Pledged Shares") to secure his obligations under the contract, but will retain voting and certain dividend rights in the Pledged Shares during the term of the pledge. The number of shares (2) of EL Class A Common Stock to be delivered to the buyer at settlement will be based on the following formula, which references a settlement price that will be determined by the arithmetic mean of the closing prices of EL Class A Common Stock on each of the five trading days up to, and including, the maturity date (the "Settlement Price"): (Continued in footnote 3)

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- (A) if the Settlement Price is less than \$76.7114, the reporting person will deliver 1,000,000 shares; (B) if the Settlement Price is less than \$115.0672, but equal to or greater than \$76.7114, the reporting person will deliver a number of shares equal to 1,000,000 multiplied by a ratio of (i) \$76.7114 divided by (ii) the Settlement Price; and (C) if the Settlement Price is equal to or greater than \$115.0672, the
- (3) reporting person will deliver a number of shares equal to 1,000,000 multiplied by a ratio equal to one minus (i) the difference between \$115.0672 and \$76.7114 divided by (ii) Settlement Price, subject in each case to adjustment upon the occurrence of certain corporate events applicable to EL Class A Common Stock. The number of shares of EL Class A Common Stock to be delivered and the number of Pledged Shares are also subject to adjustment in such event.

- There is no exercise or conversion price for the Class B Common Stock. Shares of Class B Common Stock (i) may be converted immediately on a one-for-one basis by the holder into shares of Class A Common Stock and (ii) are automatically converted into Class A
- (4) Common Stock on a one-for-one basis upon transfer to a person or entity that is not a "Permitted Transferee" (as defined in the Issuer's Restated Certificate of Incorporation) 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) Ronald S. Lauder disclaims beneficial ownership of these shares 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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