

BOUSQUET CHAVANNE PATRICK
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 *
BOUSQUET CHAVANNE PATRICK

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
 Officer (give title below)
____ 10% Owner
____ Other (specify below)
Group President

(Street)
NEW YORK, NY 10153

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

(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 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)
				(A) or (D)	Price		
Class A Common Stock	10/25/2006		M ⁽¹⁾	57,000 A	\$ 32.15	58,322	D
Class A Common Stock	10/25/2006		S ⁽¹⁾	10,000 D	\$ 41.5	48,322	D
Class A Common Stock	10/25/2006		S ⁽¹⁾	13,000 D	\$ 41.5	35,322	D

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Class A Common Stock	10/25/2006	<u>S</u> (1)	10,000	D	\$ 41.5	25,322	D
Class A Common Stock	10/25/2006	<u>S</u> (1)	10,000	D	\$ 41.75	15,322	D
Class A Common Stock	10/25/2006	<u>S</u> (1)	14,000	D	\$ 42	1,322	D

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)
Option (Right to Buy)	\$ 32.15	10/25/2006		<u>M</u> (1)	57,000	07/10/2003(2) 07/10/2012	Class A Common Stock 57,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BOUSQUET CHAVANNE PATRICK THE ESTEE LAUDER COMPANIES INC. 767 FIFTH AVENUE NEW YORK, NY 10153			Group President	

Signatures

Patrick Bousquet-Chavanne, 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 September 8, 2006, at which time the Reporting Person was not aware of material nonpublic information.
 - (2) 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.
 - (3) Exercise of stock options.
 - (4) The Reporting Person also has options to purchase at various prices 600,000 shares of Class A Common Stock of which 499,999 are exercisable.

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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