

ESTEE LAUDER COMPANIES INC  
 Form 4  
 May 26, 2005

**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

(Last) (First) (Middle)

THE ESTEE LAUDER COMPANIES INC., 767 FIFTH AVENUE

(Street)

NEW YORK, NY 10153

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 ESTEE LAUDER COMPANIES INC [EL]

3. Date of Earliest Transaction (Month/Day/Year)  
 05/24/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 Chairman Clinique Labs, Inc.

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**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)
			Code	V	Amount	(A) or (D)	Price
Class A Common Stock	05/24/2005		M		150,000	A	\$ 13 207,553
Class A Common Stock	05/24/2005		C <sup>(1)</sup>		750,000	A	\$ 0 957,553
Class A Common Stock	05/24/2005		J <sup>(2)</sup>		750,000	D	\$ 0 207,553

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Class A Common Stock	05/24/2005	J <sup>(3)</sup>	750,000	A	③	957,553	D	
Class A Common Stock	05/24/2005	C <sup>(4)</sup>	972,000	A	\$ 0	1,929,553	D	
Class A Common Stock	05/24/2005	D <sup>(5)</sup>	1,872,000	D	\$ 39.25	57,553 <sup>(6)</sup>	D	
Class A Common Stock	05/24/2005	J <sup>(7)(8)</sup>	15,384	D	<sup>(7)</sup> <sup>(8)</sup>	0 <sup>(7)</sup> <sup>(8)</sup>	I	By Lauder & Sons L.P.
Class A Common Stock						3,182	I	By Descendants of RSL 1966 Trust

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 Underlying Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Option (Right to Buy)	\$ 13	05/24/2005		M	150,000	01/01/1999 <sup>(9)</sup> 11/16/2005	Class A Common Stock
Class B Common Stock	\$ 0 <sup>(11)</sup>	05/24/2005		C <sup>(1)</sup>	750,000	<sup>(12)</sup> <sup>(12)</sup>	Class A Common Stock
Class B Common Stock	\$ 0 <sup>(11)</sup>	05/24/2005		J <sup>(3)</sup>	750,000	<sup>(12)</sup> <sup>(12)</sup>	Class A Common Stock
Class B Common Stock	\$ 0 <sup>(11)</sup>	05/24/2005		C <sup>(4)</sup>	972,000	<sup>(12)</sup> <sup>(12)</sup>	Class A Common Stock

Class B Common Stock	\$ 0 <sup>(11)</sup>	05/24/2005	S <sup>(13)</sup>	128,000	<u>(12)</u>	<u>(12)</u>	Class A Common Stock
Class B Common Stock	\$ 0 <sup>(11)</sup>	05/24/2005	J <sup>(7)(8)</sup>	3,846,154	<u>(12)</u>	<u>(12)</u>	Class A Common Stock
Class B Common Stock	\$ 0 <sup>(11)</sup>				<u>(12)</u>	<u>(12)</u>	Class A Common Stock
Class B Common Stock	\$ 0 <sup>(11)</sup>				<u>(12)</u>	<u>(12)</u>	Class A Common Stock

## Reporting Owners

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

## Signatures

Ronald S. Lauder, by Spencer G. Smul,  
Attorney-in-fact

05/26/2005

        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) On May 24, 2005, the Reporting Person converted 750,000 shares of Class B Common Stock into an equal number of shares of Class A Common Stock.
- (2) Delivery of shares by the Reporting Person to satisfy, in part, a stock loan entered into prior to the Issuer's initial public offering.
- (3) The Reporting Person exchanged 750,000 shares of Class B Common Stock for 750,000 shares of Class A Common Stock held by his daughter, Aerin Lauder Zinterhofer.
- (4) On May 24, 2005, the Reporting Person converted an additional 972,000 shares of Class B Common Stock into an equal number of shares of Class A Common Stock.
- (5) The Reporting Person sold 1,872,000 shares of Class A Common Stock to the Issuer for a purchase price of \$39.25 per share (the closing price of the Class A Common Stock on May 24, 2005) in a transaction approved by the Issuer's independent directors.
- (6) The Reporting Person has a short position of 2,644,986 shares of Class A Common Stock established prior to the Issuer's initial public offering.
- (7) On May 24, 2005, Lauder & Sons L.P. ("L&S") redeemed the Reporting Person's 0.1992% general partnership interest in L&S at a redemption price equal to the Reporting Person's proportionate interest in the securities held by L&S, with those securities valued at \$39.25 per share (the closing price of the Class A Common Stock on that date). At the same time, L&S redeemed the 0.1992% general partnership interest of the Reporting Person's brother, Leonard A. Lauder ("LAL"), at the same redemption price. As a result, the

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Reporting Person and LAL have ceased to report beneficial ownership of securities held by L&S, because they have ceased to have voting or dispositive power over such securities.

- (8) On May 24, 2005, the date of the redemption of general partnership interests discussed in Note 7 above, L&S owned 15,384 shares of Class A Common Stock and 3,846,154 shares of Class B Common Stock. The redemption did not affect L&S's ownership of these securities. After giving effect to the redemption, the remaining general partnership interests in L&S are held 50% by a trust, The RSL Article VII 2002 Trust, of which the Reporting Person is a beneficiary, and 50% by two trusts, The 1995 Estee Lauder LAL Trusts #1 and #2, of which LAL is a beneficiary. None of the Reporting Person, LAL or members of their families are trustees of the trusts.
- (9) The options that were exercised were part of a grant of options that became exercisable in three equal tranches on January 1, 1999, January 1, 2000 and January 1, 2001.
- (10) Exercise of stock options.
- (11) There is no exercise or conversion price for the Class B Common Stock. It is convertible into shares of Class A Common Stock on a one-for-one basis.
- (12) 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.
- (13) On May 24, 2005, the Reporting Person sold 128,000 shares of Class B Common Stock to the Reporting Person's nephew, William P. Lauder, for a purchase price of \$39.25 per share (the closing price of the Class A Common Stock on May 24, 2005).

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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