SUSMAN SALLY
Form 4
October 26, 2006

FORM 4

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

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

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).

(Print or Type Responses)

1. Name and Address of Reporting Person *
SUSMAN SALLY

(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)
10/25/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Exec.VP, Global Communications

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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	10/25/2006		M(1)		25,000	A	$ 32.15	25,000	D	
Class A Common Stock	12/25/2006		S(1)		25,000	D	$ 42.2587 (2)	0 (2)	D	
Class A Common Stock	10/25/2006		M(1)		33,333	A	$ 33.44	33,333	D	

Class A Common Stock	10/25/2006		S[(1)]	33,333	D	$ 43.4483 [(2)]	0 [(2)]		D

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

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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)	$ 32.15	10/25/2006		M[(1)]		25,000		07/10/2003[(3)]	07/10/2012	Class A Common Stock	25,000
Option (Right to Buy)	$ 33.44	10/25/2006		M[(1)]		33,333		08/20/2004[(6)]	08/20/2013	Class A Common Stock	33,333

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SUSMAN SALLY THE ESTEE LAUDER COMPANIES INC. 767 FIFTH AVENUE NEW YORK, NY 10153			Exec.VP, Global Communications	

Signatures

Sally Susman, 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).

(1) 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 comply with Rule 10b5-1(c), previously entered into on August 21, 2006, at which time the Reporting Person was not aware of material nonpublic information about the Issuer.

(2) See Exhibit 99.1

(3) The options that were exercised were the remainder 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.

(4) Exercise of stock options.

(5) The Reporting Person also has options to purchase at various prices 251,667 shares of Class A Common Stock of which 151,666 are exercisable.

(6) The options that were exercised were part of a grant of options that became exercisable in three tranches in respect of 16,666 on January 1, 2005 and 16,667 on January 1, 2006. The third tranch of 16,667 will become exercisable on January 1, 2007.

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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