

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

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)  
 05/24/2005

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

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)  
 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 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	D
Class A Common Stock	05/24/2005		C <sup>(1)</sup>		750,000	A	\$ 0 957,553	D
Class A Common Stock	05/24/2005		J <sup>(2)</sup>		750,000	D	\$ 0 207,553	D

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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 Am Underlying Sec (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



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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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