

ESTEE LAUDER COMPANIES INC  
Form DEF 14A  
September 23, 2011

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**THE ESTÉE LAUDER COMPANIES INC.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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The Estée Lauder Companies Inc.  
767 Fifth Avenue  
New York, NY 10153

William P. Lauder  
Executive Chairman

September 23, 2011

Dear Fellow Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders. It will be held on Friday, November 11, 2011, at 10:00 a.m., local time, at the Jumeirah Essex House in New York City, where we will ask you to vote on the election of five nominees as director to serve until the 2014 Annual Meeting of Stockholders, to provide an advisory vote on executive compensation, to provide an advisory vote on the frequency of the advisory vote on executive compensation and to vote on the ratification of the Audit Committee's appointment of KPMG LLP as independent auditors for the 2012 fiscal year.

We will be using the Securities and Exchange Commission rule allowing companies to provide their stockholders with access to proxy materials over the Internet. On or about September 29, 2011, we will begin mailing a Notice of Internet Availability of Proxy Materials to our stockholders informing them that our 2011 Proxy Statement, Fiscal 2011 Annual Report and voting instructions are available online. As more fully described in that Notice, all stockholders may choose to access our proxy materials on the Internet or may request to receive paper copies of the proxy materials. This allows us to conserve natural resources and reduces the costs of printing and distributing the proxy materials, while providing our stockholders with access to the proxy materials in a fast and efficient manner.

Please vote your shares using the Internet or telephone, or by requesting a printed copy of the proxy materials and completing and returning by mail the proxy card you will receive in response to your request. Instructions on each of these voting methods are outlined in the enclosed Proxy Statement. Please vote as soon as possible.

I look forward to seeing you at the Annual Meeting.

**YOUR VOTE IS IMPORTANT. PLEASE PROMPTLY SUBMIT YOUR PROXY  
BY INTERNET, TELEPHONE OR MAIL.**

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**THE ESTÉE LAUDER COMPANIES INC.**  
767 Fifth Avenue  
New York, New York 10153

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**Date and Time:**

Friday, November 11, 2011, at 10:00 a.m., local time

**Place:**

Jumeirah Essex House  
Grand Salon  
160 Central Park South  
New York, NY

**Items of Business:**

1. To elect the five nominees as director to serve until the 2014 Annual Meeting of Stockholders;
2. To provide an advisory vote on executive compensation;
3. To provide an advisory vote on the frequency of the advisory vote on executive compensation; and
4. To ratify the Audit Committee's appointment of KPMG LLP as independent auditors for the 2012 fiscal year.

We also will transact such other business as may properly come before the meeting and any adjournments or postponements of the meeting.

By Order of the Board of Directors

SPENCER G. SMUL  
*Senior Vice President,  
Deputy General Counsel  
and Secretary*

New York, New York  
September 23, 2011

**THE BOARD OF DIRECTORS URGES YOU TO VOTE BY THE INTERNET OR BY TELEPHONE OR BY REQUESTING A PRINTED COPY OF THE PROXY MATERIALS AND COMPLETING AND RETURNING BY MAIL THE PROXY CARD YOU WILL RECEIVE IN RESPONSE TO YOUR REQUEST.**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2011 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON NOVEMBER 11, 2011: The Company's Proxy Statement for the 2011 Annual Meeting of Stockholders and the Annual Report to Stockholders for the fiscal year ended June 30, 2011 are available at <http://www.proxyvoting.com/el>.**

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**THE ESTÉE LAUDER COMPANIES INC.  
767 Fifth Avenue  
New York, New York 10153**

September 23, 2011

**PROXY STATEMENT  
FOR ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD NOVEMBER 11, 2011**

**Annual Meeting and Voting**

This Proxy Statement is furnished in connection with the solicitation of proxies on behalf of the Board of Directors of The Estée Lauder Companies Inc. (the "Company", "we" or "us"), a Delaware corporation, to be voted at the Annual Meeting of Stockholders to be held in the Grand Salon at the Jumeirah Essex House, 160 Central Park South, New York, New York, on Friday, November 11, 2011, at 10:00 a.m., local time, and at any adjournment or postponement of the meeting.

**Admission to the Meeting**

**Admission to the meeting will require a ticket.** If you are a stockholder of record and plan to attend, please check the appropriate box on the proxy card, or so indicate when you vote by telephone or the Internet, and an admission ticket will be mailed to you. If you are a stockholder whose shares are held through an intermediary such as a bank or broker, and you plan to attend, please request an admission ticket by writing to the Investor Relations Department at The Estée Lauder Companies Inc., 767 Fifth Avenue, New York, New York 10153. Evidence of your ownership of shares of our Common Stock on September 15, 2011 (the "Record Date"), which you can obtain from your bank, broker or other intermediary, must accompany your letter.

**Who May Vote?**

Only stockholders of record of shares of Class A Common Stock and Class B Common Stock at the close of business on the Record Date are entitled to vote at the Annual Meeting or at any adjournment or postponement of the meeting. Each owner of record of Class A Common Stock on the Record Date is entitled to one vote for each share of Class A Common Stock so held. Each owner of record of Class B Common Stock on the Record Date is entitled to ten votes for each share of Class B Common Stock so held. On September 15, 2011, there were 117,974,040 shares of Class A Common Stock and 75,982,041 shares of Class B Common Stock issued and outstanding.

**Why did I receive a notice in the mail regarding the Internet availability of the proxy materials instead of a paper copy of the proxy materials?**

In accordance with rules adopted by the Securities and Exchange Commission (the "SEC"), we have elected to furnish to our stockholders this Proxy Statement and our Fiscal 2011 Annual Report by providing access to these documents on the Internet rather than mailing printed copies. Accordingly, a Notice of Internet Availability of Proxy Materials (the "Notice") is being mailed to our stockholders of record and beneficial owners (other than those who previously requested printed copies or electronic delivery of our proxy materials), which will direct stockholders to a website where they can access our proxy materials and view instructions on how to vote online or by telephone. If you would prefer to receive a paper copy of our proxy materials, please follow the instructions included in the Notice.

**How do I cast my vote if I am a stockholder of record?**

If you are a stockholder of record (which means your shares are registered directly in your name with the Company's transfer agent, BNY Mellon Shareowner Services, or you have a physical stock certificate) you can vote your shares in one of two ways: either by proxy or in person at the Annual Meeting. If you choose to vote by proxy you may do so by using the Internet or the telephone, or





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by requesting a printed copy of our proxy materials and completing and returning by mail the proxy card you will receive in response to your request.

Whichever method you use, each valid proxy received in time will be voted at the Annual Meeting in accordance with your instructions. To ensure that your proxy is voted, it should be received by the close of business on November 10, 2011. If you submit a proxy without giving instructions, your shares will be voted as recommended by the Board of Directors.

**How do I cast my vote if my shares are held in "street name"?**

If you are a beneficial owner of shares held in a stock brokerage account or by a bank or other nominee (i.e. in "street name"), you are invited to attend the Annual Meeting. However, since you are not a stockholder of record, you may not vote these shares in person at the Annual Meeting unless you bring with you a legal proxy from the stockholder of record. A legal proxy may be obtained from your broker, bank or nominee.

If you do not wish to vote in person or you will not be attending the Annual Meeting, you may vote over the Internet by following the instructions provided in the Notice, or, if you requested to receive printed proxy materials, you will receive voting instructions from your broker, bank, or nominee describing the available processes for voting your stock.

If your shares are held for you by a broker, your broker must vote those shares in accordance with your instructions. If you do not give voting instructions to your broker, your broker may vote your shares for you on any discretionary items of business to be voted upon at the Annual Meeting, such as the ratification of the appointment of KPMG LLP (Item 4).

**Important Consideration for "street name" holders.** You must instruct your broker if you want your shares to be counted in the election of directors at the Annual Meeting (Item 1), the advisory vote on executive compensation (Item 2) and the advisory vote on the frequency of the advisory vote on executive compensation (Item 3). New York Stock Exchange rules prevent your broker from voting your shares on these matters without your instructions. Please follow the instructions provided by your broker so that your vote can be counted.

**May I change my vote?**

All proxies delivered pursuant to this solicitation are revocable at any time before they are exercised at the option of the persons submitting them by giving written notice to the Secretary of the Company at the mailing address set forth below, by submitting a later-dated proxy (either by mail, telephone or the Internet) or by voting in person at the Annual Meeting. The mailing address of our principal executive offices is 767 Fifth Avenue, New York, New York 10153. The approximate date on which this Proxy Statement and form of proxy are first being sent or given to stockholders, or being made available through the Internet for those stockholders receiving their proxy materials electronically, is September 29, 2011.

**What constitutes a quorum?**

The holders of a majority of the votes entitled to be cast by the stockholders entitled to vote generally, present in person or by proxy, shall constitute a quorum for the transaction of business at the Annual Meeting. Abstentions, broker non-votes and votes withheld are included in the count to determine a quorum.

**What if a quorum is not represented at the Annual Meeting?**

In the event that a quorum does not exist, the Executive Chairman or the holders of a majority of the votes entitled to be cast by the stockholders who are present in person or by proxy may adjourn the meeting. At such adjourned meeting at which a quorum may be present, any business may be transacted which might have been transacted at the meeting as originally called.

**How many votes are required to approve a proposal?**

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Directors (Item 1) will be elected by a plurality of the votes cast by the holders of the shares of Class A Common Stock and Class B Common Stock voting in person or by proxy at the Annual

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Meeting. Shares present at the Annual Meeting that are not voted for a particular nominee, broker non-votes or shares present by proxy where the stockholder withholds authority to vote for the nominee will not be counted toward the nominee's achievement of a plurality. The advisory vote on executive compensation (Item 2) and the ratification of the appointment of KPMG LLP (Item 4) requires the affirmative vote of a majority of the votes cast "For" and "Against" each proposal by holders of Class A Common Stock and Class B Common Stock. The advisory vote on the frequency of the advisory vote on executive compensation (Item 3) requires the affirmative vote of a majority of the votes cast by the holders of the shares of Class A Common Stock and Class B Common Stock voting in person or by proxy at the Annual Meeting. If none of the choices on the frequency vote receives a majority of the votes cast, the choice that receives the most number of votes will be considered to be the result of this advisory vote. Accordingly, abstentions and broker non-votes, while not counted as votes cast for the three proposals, will have the practical effect of reducing the number of votes in favor of a particular proposal.

With respect to the advisory proposal on executive compensation (Item 2) and the advisory proposal on the frequency of the advisory vote on executive compensation (Item 3), these proposals are not binding on the Company. However, the Compensation Committee, which is responsible for designing and administering the Company's executive compensation program, values the opinions expressed by stockholders and will consider the outcome of the vote when making future compensation decisions.

**How will my shares be voted?**

All proxies properly submitted pursuant to this solicitation and not revoked will be voted at the Annual Meeting in accordance with the directions given. In the election of directors to serve until the Annual Meeting of Stockholders in 2014 (Item 1), stockholders may vote in favor of all nominees or withhold their votes as to any or all nominees. Regarding the advisory vote on executive compensation (Item 2) and the ratification of the appointment of KPMG LLP (Item 4), stockholders may vote in favor of the proposal, may vote against the proposal or may abstain from voting. Regarding the vote on the frequency of the advisory vote on executive compensation (Item 3), stockholders may vote for "One Year", "Two Years", "Three Years" or may abstain from voting. Stockholders should specify their choices on the enclosed proxy card or pursuant to the instructions thereon for telephone or Internet voting. If no specific choices are indicated, the shares represented by a properly submitted proxy will be voted:

1. FOR the election of ALL nominees as director;
2. FOR the approval of the advisory resolution on executive compensation;
3. FOR "ONE YEAR" on the frequency of the advisory vote on executive compensation; and
4. FOR the ratification of the appointment of KPMG LLP as independent auditors.

If you have returned your signed and completed proxy card and other matters are properly presented at the Annual Meeting of Stockholders for consideration, the proxy holders appointed by the Board of Directors (the persons named in your proxy card if you are a stockholder of record) will have the discretion to vote on those matters for you.

**Who will count the vote?**

Representatives of BNY Mellon Shareowner Services will tabulate the votes and act as inspectors of election.

**May I see a list of stockholders entitled to vote as of the Record Date?**

A list of registered stockholders as of the close of business on September 15, 2011 will be available for examination by any stockholder for any purpose germane to the meeting during normal business hours from November 1, 2011 through November 11, 2011 at the office of Spencer G. Smul, Senior Vice President, Deputy General Counsel and Secretary of the Company, at 767 Fifth Avenue, New York, New York 10153.



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**Can I access the Notice of Annual Meeting, Proxy Statement, Annual Report and Form 10-K on the Internet?**

Our Proxy Statement (including Notice of Annual Meeting) and Fiscal 2011 Annual Report to Stockholders are available at <http://www.proxyvoting.com/el>.

These proxy materials are also available, along with the Annual Report on Form 10-K for the fiscal year ended June 30, 2011, in "Financial Reports" of the "Investors" section of our website at [www.elcompanies.com](http://www.elcompanies.com). Instead of receiving future copies of our Notice of Annual Meeting, Proxy Statement, Annual Report and Form 10-K by mail, most stockholders can elect to receive an email that will provide electronic links to these documents. Opting to receive your proxy materials online will save us the cost of producing and mailing documents to your home or business, and will also give you an electronic link to the proxy voting site.

Stockholders of record can enroll in Investor ServiceDirect at [www.bnymellon.com/shareowner/equityaccess](http://www.bnymellon.com/shareowner/equityaccess) for online access to future proxy materials.

If you hold your shares in a bank or brokerage account, you also may have the opportunity to receive copies of these documents electronically. Please check the information provided in the proxy materials mailed to you by your bank or broker regarding the availability of this service.

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**ELECTION OF DIRECTORS**  
(Item 1)

**Board of Directors**

Currently, the Board of Directors is comprised of fifteen directors. The directors are divided into three classes, each serving for a period of three years.

The stockholders elect one class of the members of the Board of Directors annually. The directors whose terms will expire at the 2011 Annual Meeting of Stockholders are Charlene Barshefsky, Wei Sun Christianson, Fabrizio Freda, Jane Lauder and Leonard A. Lauder, each of whom has been nominated to stand for re-election as a director at the 2011 Annual Meeting, to hold office until the 2014 Annual Meeting and until his or her successor is elected and qualified. In the unanticipated event that one or more of these nominees is unable or declines to serve for any reason, the Board of Directors may reduce the number of directors or take action to fill the vacancy or vacancies.

*The Board recommends a vote FOR each nominee as a director to hold office until the 2014 Annual Meeting. Proxies received by the Board will be so voted unless a contrary choice is specified in the proxy.*

**NOMINEES FOR ELECTION TO TERM EXPIRING 2014 (CLASS III)**

<p>Charlene Barshefsky</p> <p>Director since 2001</p> <p>Age 61</p>	<p>Ambassador Barshefsky is Senior International Partner at the law firm of WilmerHale in Washington, D.C. Prior to joining the law firm, she was the United States Trade Representative from March 1997 to January 2001, and Deputy United States Trade Representative and Acting United States Trade Representative from June 1993 to March 1997. From February 2001 until July 2001, Ambassador Barshefsky was a Public Policy Scholar at the Woodrow Wilson International Center for Scholars in Washington, D.C. Ambassador Barshefsky is also a director of American Express Company since 2001 (Chairman of the Public Responsibility Committee), Starwood Hotels &amp; Resorts Worldwide, Inc. since 2001 (Chairman of the Corporate Governance and Nominating Committee) and Intel Corporation since 2004 (Chairman of the Finance Committee and member of the Compliance Committee). She is also a member of the Council on Foreign Relations, and a Trustee of the Howard Hughes Medical Institute.</p> <p>Ambassador Barshefsky is a member of the Nominating and Board Affairs Committee.</p>
<p>Wei Sun Christianson</p> <p>Director since 2011</p> <p>Age 55</p>	<p>Wei Sun Christianson is a Managing Director and Chief Executive Officer for China at Morgan Stanley based in Beijing. Ms. Christianson is responsible for the oversight and global coordination for all of the company's business activities in China and is a member of Morgan Stanley's Firm Management Committee. Prior to rejoining Morgan Stanley in 2006, she was the Chairman of China for Citigroup Global Markets (Asia) Ltd and previously served as Chairman of China and Country Manager for Credit Suisse First Boston. Ms. Christianson held an earlier position at Morgan Stanley beginning in 1998 as Executive Director and Beijing Representative. She was previously an Associate Director of the Corporate Finance Department at the Hong Kong Securities and Finance Commission (SFC) where she was instrumental in developing the regulatory framework for the public listing of Mainland Chinese securities in Hong Kong. She also worked as an attorney in the New York offices of Orrick, Herrington &amp; Sutcliffe. Ms. Christianson also serves on the Board of Trustees at Amherst College.</p>

Ms. Christianson is a member of the Nominating and Board Affairs  
Committee.

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Fabrizio Freda Director since 2009 Age 54	Mr. Freda has served as President and Chief Executive Officer of the Company since July 2009. During this period, he has continued to lead the implementation of our long-term strategy that has resulted in a substantial increase in our market capitalization. From March 2008 through June 2009, he was President and Chief Operating Officer where he oversaw the Clinique, Bobbi Brown, La Mer, Jo Malone, Aveda, and Bumble and bumble brands and the Aramis and Designer Fragrances division. He also was responsible for the Company's International Division, as well as Global Operations, Research and Development, Packaging, Quality Assurance, Merchandise Design, Corporate Store Design and Retail Store Operations. Prior to joining the Company, Mr. Freda served in a number of positions of increasing responsibility at The Procter & Gamble Company ("P&G"), where he was responsible for various operating, marketing and key strategic efforts for over 20 years. From 2001 through 2007 Mr. Freda was President, Global Snacks, at P&G. Mr. Freda also spent more than a decade in the Health and Beauty Care division at P&G. From 1986 to 1988 he directed marketing and strategic planning for Gucci SpA.
Jane Lauder Director since 2009 Age 38	Ms. Lauder has served as Global President, General Manager of the Origins and Ojon brands since July 2010. From July 2008 until July 2010 she was Senior Vice President/General Manager of the Origins brand. From July 2006 until July 2008 she was Senior Vice President, Global Marketing for Clinique. From 2003 through July 2006, Ms. Lauder was Vice President of Marketing for BeautyBank where she spearheaded the creation and launch of the skin care and cosmetics line, American Beauty, as well as Flirt! From 2001 through 2003 she was Vice President of Marketing for the stila brand. Ms. Lauder began her career with the Company in 1996 at Clinique.
Leonard A. Lauder Director since 1958 Age 78	Mr. Lauder is Chairman Emeritus of the Company. He was Chairman of the Board of Directors from 1995 through June 2009 and served as the Company's Chief Executive Officer from 1982 through 1999 and President from 1972 until 1995. Mr. Lauder formally joined the Company in 1958 after serving as an officer in the United States Navy. Since joining, he has held various positions, including executive officer positions other than those described above. He is Chairman Emeritus of the Board of Trustees of the Whitney Museum of American Art, a Charter Trustee of The University of Pennsylvania, a Trustee of The Aspen Institute and the co-founder and director of the Alzheimer's Drug Discovery Foundation. He also served as a member of the White House Advisory Committee on Trade Policy and Negotiations under President Reagan.



**INCUMBENT DIRECTORS TERM EXPIRING 2012 (CLASS I)**

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Rose Marie Bravo, CBE Director since 2003 Age 60	<p>Ms. Bravo is a retail and marketing consultant. She was Vice Chairman of Burberry Group Plc from July 2006 to July 2007. Prior to that she was Burberry's Chief Executive from 1997 to July 2006. Prior to her appointment at Burberry, Ms. Bravo was President of Saks Fifth Avenue from 1992, with responsibility for merchandising, marketing and product development. From 1974 to 1992, Ms. Bravo held a number of positions at R.H. Macy &amp; Co., culminating as Chairman and Chief Executive Officer of the U.S. retailer, I. Magnin from 1987 to 1992. Ms. Bravo is a member of the Board of Directors of Tiffany &amp; Co. since October 1997 (member of the Compensation Committee and Nominating/Corporate Governance Committee), Williams-Sonoma, Inc. since June 2011 and Phoenix House Foundation.</p> <p>Ms. Bravo is a member of the Compensation Committee and Stock Plan Subcommittee.</p>
Paul J. Fribourg Director since 2006 Age 57	<p>Mr. Fribourg is the Chairman and Chief Executive Officer of Continental Grain Company, which is an international agribusiness and investment company with investments in the poultry and pork businesses, since July 1997. Mr. Fribourg joined Continental Grain Company (formerly known as ContiGroup) in 1976 and worked in various positions there with increasing responsibility in both the United States and Europe. Mr. Fribourg has been a director of Loews Corporation since 1997 (Lead Independent Director, Chairman of the Nominating and Governance Committee and member of the Audit Committee and Compensation Committee), Burger King Holdings, Inc. since 2010 (member of the Audit Committee), and Apollo Global Management, LLC since 2011 (member of the Conflicts Committee). He also serves as a member of, among others, the JPMorgan Chase National Advisory Board and Rabobank International North American Agribusiness Advisory Board. He has been a member of the Council on Foreign Relations since 1985. Mr. Fribourg also served on the Board of Directors of Premium Standard Farms, Inc. from 1998 to 2007 and Smithfield Foods, Inc. from 2007 to 2009.</p> <p>Mr. Fribourg is a member of the Audit Committee, the Compensation Committee and the Stock Plan Subcommittee.</p>

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Melody Hobson  Director since 2005 Age 42	<p>Ms. Hobson serves as the President of Ariel Investments (Chicago-based investment management firm and adviser to the mutual funds offered by the Ariel Investment Trust) since 2000, and as President and Director of its governing member, Ariel Capital Management Holdings, Inc. She also serves as President (since 2002) and Chairman of the Board of Trustees (Chairman since 2006, trustee since 1993) of the Ariel Investment Trust (registered investment company). Ms. Hobson has served as a director of DreamWorks Animation SKG, Inc. since 2004 (Chairman of the Compensation Committee and member of the Nominating and Governance Committee), Starbucks Corporation since 2005 (Vice-Chairman of the Audit and Compliance Committee) and Groupon, Inc. since 2011. She also works with a variety of civic and professional institutions, including serving as board member of the Field Museum, the Chicago Public Education Fund and the Sundance Institute.</p> <p>Ms. Hobson is a member of the Audit Committee.</p>
Irvine O. Hockaday, Jr.  Director since 2001 Age 75	<p>Mr. Hockaday is the former President and Chief Executive Officer of Hallmark Cards, Inc. He retired in December 2001. Prior to joining Hallmark in 1983, he was President and Chief Executive Officer of Kansas City Southern Industries, Inc. Mr. Hockaday was a member of the Hallmark Board of Directors from 1978 until January 2002. He has been a director of the Ford Motor Company since 1987 (Presiding Independent Director; member of the Audit Committee and Nominating and Governance Committee) and Crown Media Holdings, Inc. since May 2000. He has also served on the Board of Directors of Aquila, Inc. from 1995 to 2008, Dow Jones &amp; Company, Inc. from 1990 to 2007 and Sprint Nextel Corporation from 1997 to 2009.</p> <p>Mr. Hockaday is Presiding Director and Chair of the Audit Committee.</p>

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Barry S. Sternlicht Director since 2004 Age 50	<p>Mr. Sternlicht is Chairman and Chief Executive Officer of Starwood Capital Group, a private real estate investment firm he formed in 1991. Mr. Sternlicht is also Chairman and Chief Executive Officer of Starwood Property Trust, Inc. since 2009, which is focused on originating, investing in, financing and managing commercial mortgage debt instruments. From October 2004 until May 2005, he was Executive Chairman of Starwood Hotels &amp; Resorts Worldwide, Inc., a company which he formed in 1995 and of which he was Chairman and Chief Executive Officer from 1995 until October 2004. Mr. Sternlicht is Chairman of the Board of Société du Louvre and Baccarat and serves on the boards of Riviera Holdings Corporation since April 2011, National Golf, Ellen Tracy, Field &amp; Stream, Granahan McCourt Acquisition Corporation, the Pension Real Estate Association, the National Advisory Board of JPMorgan Chase, the International Advisory Board of EuroHypo Bank, and Starwood Capital Group affiliates. Mr. Sternlicht was also a director of Granahan McCourt Acquisition Corporation from 2006 to 2008. Mr. Sternlicht is a trustee of Brown University and serves on the boards of numerous civic organizations and charities including Robin Hood, the Dreamland Theatre, the Juvenile Diabetes Research Foundation International's "National Leadership Advocacy Program" and the Business Committee for the Arts, Inc. Mr. Sternlicht is a member of the Committee to Encourage Corporate Philanthropy, the Young Presidents Organization and the Urban Land Institute.</p> <p>Mr. Sternlicht is a member of the Compensation Committee and Stock Plan Subcommittee.</p>
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**INCUMBENT DIRECTORS TERM EXPIRING 2013 (CLASS II)**

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Aerin Lauder Director since 2004 Age 41	<p>Ms. Lauder is the Creative Director and Chairman for AERIN LLC, a luxury lifestyle brand that she formed in April 2011. She also serves as Style and Image Director for the Estée Lauder brand. From July 2004 through April 2011, Ms. Lauder was Senior Vice President, Creative Director for the Estée Lauder brand. From April 2001 through June 2004 she was Vice President of Global Advertising for the brand. From 1997 through April 2001, she was Executive Director, Creative Marketing, helping to define and enhance the Estée Lauder brand image. From 1995 to 1997, she was Director, Creative Product Development for the Estée Lauder brand. Ms. Lauder joined the Company in 1992 as a member of the Prescriptives marketing team. She is a member of the Education Committee for the Board of Trustees at The Metropolitan Museum of Art and is a member of the International Council of the Museum of Modern Art. She is also actively involved in the Neue Galerie, a museum founded in 2001 dedicated to German and Austrian art from the early 20<sup>th</sup> century.</p>
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William P. Lauder  
Director since 1996  
Age 51

Mr. Lauder is Executive Chairman of the Company and, in such role, he is Chairman of the Board of Directors. He was Chief Executive Officer of the Company from March 2008 through June 2009 and President and Chief Executive Officer from July 2004 through February 2008. From January 2003 through June 2004, he was Chief Operating Officer. From July 2001 through 2002, he was Group President responsible for the worldwide business of the Clinique and Origins brands and the Company's retail store and online operations. From 1998 to 2001, he was President of Clinique Laboratories, LLC. Prior to 1998, he was President of Origins Natural Resources Inc., and he had been the senior officer of that division since its inception in 1990. Prior thereto, he served in various positions since joining the Company in 1986. He is a member of the Board of Directors of Jarden Corporation since June 2011 (member of the Nominating and Policies Committee), Chairman of the Board of the Fresh Air Fund, a member of the Boards of Trustees of The University of Pennsylvania and The Trinity School in New York City and the Boards of Directors of the 92<sup>nd</sup> Street Y, the Partnership for New York City and the Advisory Board of Zelnick Media. He was also a director of GLG Partners, Inc. from July 2006 to October 2010 and True Temper Sports, Inc. from 2004 to 2009.

Mr. Lauder is a member of the Nominating and Board Affairs Committee.

Richard D. Parsons  
Director since 1999  
Age 63

Mr. Parsons became Chairman of the Board of Citigroup Inc. in February 2009 where he has served as a director since 1996 (member of the Personnel and Compensation Committee and the Nominating and Governance Committee). He has also been a senior advisor to Providence Equity Partners LLC since 2009. From May 2003 until his retirement in December 2008, he served as Chairman of the Board of Time Warner Inc. From May 2002 until December 2007, he served as Chief Executive Officer of Time Warner Inc. From January 2001 until May 2002, he was Co-Chief Operating Officer of AOL Time Warner. From 1995 until the merger with America On-Line Inc., he was President of Time Warner Inc. From 1990 through 1994, he was Chairman and Chief Executive Officer of Dime Bancorp, Inc. He has been a member of the Board of Madison Square Garden, Inc. (member of the Audit Committee) since February 2010. Among his numerous community activities, he is Chairman of the Apollo Theatre Foundation, and serves on the Boards of The American Museum of Natural History and The Museum of Modern Art.

Mr. Parsons is Chair of the Compensation Committee and is a member of the Nominating and Board Affairs Committee.

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Lynn Forester de  
Rothschild

Director since 2000  
Age 57

Since June 2002, Lady de Rothschild has been Chief Executive of E.L. Rothschild LLC, a private investment company with investments in media, information technology, agriculture and real estate. Holdings include The Economist Group (UK), Weather Central LP (USA), real estate and financial instruments. Lady de Rothschild has been a director of The Economist Newspaper Limited since October 2002 (member of the Audit Committee). From 2004 to 2007, she was also Co-Chair of FieldFresh Pvt. Ltd., a 50-50 joint venture with Bharti Enterprises established to develop the agricultural sector in India. From 1989 to 2002, she was President and Chief Executive Officer of FirstMark Holdings, Inc., which owned and managed various telecommunications companies worldwide. She was Executive Vice President for Development at Metromedia Telecommunications, Inc. from 1984 to 1989. She began her career in 1980 as an associate at the law firm of Simpson, Thacher and Bartlett LLP in New York City, where she practiced corporate law. She is also a trustee of the Peterson Institute for International Economics, the American Fund for the Tate, FAI (Fondo per L'Ambiente Italiano), the Outward Bound Trust, the ERANDA Foundation (de Rothschild family foundation), the Alfred Herrhausen Society of International Dialogue of Deutsche Bank, an Advisor to the Deutsche Bank Microfinance Consortium and the International Advisory Board of Columbia University School of Law. Lady de Rothschild is a member of the United Nations Advisory Committee on Inclusive Financial Services, the Council on Foreign Relations (USA), Chatham House (UK), the International Advisory Council of Asia House (UK), the International Institute of Strategic Studies (UK) and the Foreign Policy Association (USA). She served as a member of the National Information Infrastructure Advisory Committee and as the Secretary of Energy Advisory Board under President Clinton. Lady de Rothschild was also a director of Starwood Property Trust, Inc. from August 2009 to January 2010.

Lady de Rothschild is Chair of the Nominating and Board Affairs Committee.

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Richard F. Zannino  
Director since 2010  
Age 52

Mr. Zannino is a Managing Director at the private equity firm CCMP Capital Advisors, LLC, a position he has held since July 2009. He is on the firm's Investment Committee and co-heads the consumer, retail and media practices. Prior to joining CCMP Capital, he was an independent retail and media advisor from February 2008 to June 2009. He was Chief Executive Officer and a member of the Board of Directors of Dow Jones & Company from February 2006 until his resignation in January 2008, shortly after its acquisition by News Corp. Mr. Zannino joined Dow Jones as Executive Vice President and Chief Financial Officer in February 2001 and was promoted to Chief Operating Officer in July 2002. From 1998 to 2001, he was Executive Vice President of Liz Claiborne where he oversaw the finance, administration, retail, fragrance and licensing divisions. From 1993 to 1998, Mr. Zannino was with Saks Fifth Avenue, serving as Vice President and Treasurer, Senior Vice President, Finance and Merchandise Planning and then Executive Vice President and Chief Financial Officer. Mr. Zannino has been a director of IAC/InteractiveCorp since June 2009 (member of the Audit Committee) and Francesca's Holdings Corporation since February 2010 (Chair of the Corporate Governance and Nominating Committee). Mr. Zannino also serves on the Board of Trustees of Pace University.

Mr. Zannino is a member of the Audit Committee.

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The following table sets forth certain information regarding the beneficial ownership of the Company's Class A Common Stock and Class B Common Stock as of September 15, 2011 by (i) each person known by the Company to own beneficially more than 5% of the outstanding shares of either Class A Common Stock or Class B Common Stock, (ii) each of the Company's directors or nominees, (iii) each of the current or former executive officers whose names appear in the Summary Compensation Table, and (iv) all directors and executive officers as a group. Except as set forth in the notes to the table, the business address of each 5% stockholder is 767 Fifth Avenue, New York, New York 10153. **As described in the notes to the table, certain named beneficial owners share voting and/or investment power with respect to certain shares of common stock. Consequently, such shares are shown as beneficially owned by more than one person.**

Name of Beneficial Owner	Class A Common Stock (1)		Class B Common Stock		Voting Power
	Number (2)	%	Number	%	%
Leonard A. Lauder (3)(4)	2,150,669	1.8%			0.2%
Joel S. Ehrenkranz and George W. Schiele, as trustees of the Leonard A. Lauder 2008 Marital Trust (3)(5)			45,329,842	59.7%	51.6%
Ronald S. Lauder (3)(6)	126,949	0.1%	6,667,670	8.8%	7.6%
William P. Lauder (3)(7)	1,635,999	1.4%	3,896,952	5.1%	4.6%
Gary M. Lauder (3)(8)	631,745	0.5%	657,022	0.9%	0.8%
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