

ESTEE LAUDER COMPANIES INC  
Form 10-Q  
October 28, 2008  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549-1004

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**FORM 10-Q**

(Mark One)

**Quarterly Report Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

For the quarterly period ended September 30, 2008

OR

**Transition Report Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 1-14064

**The Estée Lauder Companies Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**767 Fifth Avenue, New York, New York**  
(Address of principal executive offices)

**11-2408943**  
(I.R.S. Employer Identification No.)

**10153**  
(Zip Code)

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212-572-4200

(Registrant's telephone number, including area code)

**Not Applicable**

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

At October 22, 2008, 118,304,468 shares of the registrant's Class A Common Stock, \$.01 par value, and 78,067,261 shares of the registrant's Class B Common Stock, \$.01 par value, were outstanding.

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**PART I. FINANCIAL INFORMATION**

**Item 1. *Financial Statements.***



## THE ESTÉE LAUDER COMPANIES INC.

## CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited)

	Three Months Ended September 30	
	2008	2007
(In millions, except per share data)		
<b>Net Sales</b>	\$ 1,903.5	\$ 1,710.1
Cost of sales	500.1	455.8
<b>Gross Profit</b>	1,403.4	1,254.3
Operating expenses:		
Selling, general and administrative	1,310.8	1,176.1
Special charges related to cost savings initiative	0.1	0.3
	1,310.9	1,176.4
<b>Operating Income</b>	92.5	77.9
Interest expense, net	15.3	18.4
<b>Earnings before Income Taxes and Minority Interest</b>	77.2	59.5
Provision for income taxes	27.6	21.1
Minority interest, net of tax	1.5	0.7
<b>Net Earnings</b>	\$ 51.1	\$ 39.1
Net earnings per common share:		
Basic	\$ .26	\$ .20
Diluted	.26	.20
Weighted-average common shares outstanding:		
Basic	195.3	194.0
Diluted	198.8	197.2

See notes to consolidated financial statements.

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	<b>September 30 2008 (Unaudited)</b>	<b>June 30 2008</b>
	(\$ in millions)	
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 328.8	\$ 401.7
Accounts receivable, net	1,164.9	1,038.8
Inventory and promotional merchandise, net	1,048.4	987.2
Prepaid expenses and other current assets	364.1	359.5
<b>Total current assets</b>	<b>2,906.2</b>	<b>2,787.2</b>
<b>Property, Plant and Equipment, net</b>	<b>1,042.6</b>	<b>1,043.1</b>
<b>Other Assets</b>		
Investments, at cost or market value	22.5	24.1
Goodwill and other intangible assets, net	944.5	900.8
Other assets, net	265.9	256.0
<b>Total other assets</b>	<b>1,232.9</b>	<b>1,180.9</b>
<b>Total assets</b>	<b>\$ 5,181.7</b>	<b>\$ 5,011.2</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
<b>Current Liabilities</b>		
Short-term debt	\$ 349.9	\$ 118.7
Accounts payable	331.5	361.7
Accrued income taxes	101.2	