

ESTEE LAUDER COMPANIES INC
Form 10-Q
May 03, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549-1004

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 March 31, 2007

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)

11-2408943

(IRS Employer Identification No.)

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

10153
(Zip Code)

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

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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, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

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

At April 30, 2007, 111,608,027 shares of the registrant's Class A Common Stock, \$.01 par value, and 81,804,761 shares of the registrant's Class B Common Stock, \$.01 par value, were outstanding.

THE ESTÉE LAUDER COMPANIES INC.

INDEX

	Page
<u>Part I. Financial Information</u>	
<u>Item 1. Financial Statements</u>	
<u>Consolidated Statements of Earnings</u> <u>Three and Nine Months Ended March 31, 2007 and 2006</u>	2
<u>Consolidated Balance Sheets</u> <u>March 31, 2007 and June 30, 2006</u>	3
<u>Consolidated Statements of Cash Flows</u> <u>Nine Months Ended March 31, 2007 and 2006</u>	4
<u>Notes to Consolidated Financial Statements</u>	5
<u>Item 2. Management's Discussion and Analysis of</u> <u>Financial Condition and Results of Operations</u>	17
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	31
<u>Item 4. Controls and Procedures</u>	31
<u>Part II. Other Information</u>	
<u>Item 1. Legal Proceedings</u>	32
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	33
<u>Item 6. Exhibits</u>	34
<u>Signatures</u>	35

THE ESTÉE LAUDER COMPANIES INC.

PART I. FINANCIAL INFORMATION

ITEM 1. *Financial Statements.*

CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited)

	Three Months Ended March 31		Nine Months Ended March 31	
	2007	2006	2007	2006
	(In millions, except per share data)			
Net Sales	\$ 1,690.5	\$ 1,578.2	\$ 5,275.1	\$ 4,859.2
Cost of Sales	426.0	411.5	1,353.1	1,289.5
Gross Profit	1,264.5	1,166.7	3,922.0	3,569.7
Operating expenses:				
Selling, general and administrative	1,107.9	998.8	3,332.6	3,044.4
Special charges related to cost savings initiative	(0.1)	51.6	0.4	53.2
	1,107.8	1,050.4	3,333.0	3,097.6
Operating Income	156.7	116.3	589.0	472.1
Interest expense, net	8.8	6.6	23.2	19.1
Earnings before Income Taxes, Minority Interest and Discontinued Operations	147.9	109.7	565.8	453.0
Provision for income taxes	52.4	43.4	199.1	169.4
Minority interest, net of tax	(1.7)	(3.1)	(6.4)	(8.2)
Net Earnings from Continuing Operations	93.8	63.2	360.3	275.4
Discontinued operations, net of tax	0.1	(3.7)	0.3	(75.7)
Net Earnings	\$ 93.9	\$ 59.5	\$ 360.6	\$ 199.7
Basic net earnings per common share:				
Net earnings from continuing operations	\$.46	\$.30	\$ 1.74	\$ 1.27
Discontinued operations, net of tax	.00	(.02)	.00	(.35)
Net earnings	\$.46	\$.28	\$ 1.74	\$.92
Diluted net earnings per common share:				
Net earnings from continuing operations	\$.45	\$.29	\$ 1.71	\$ 1.26
Discontinued operations, net of tax	.00	(.01)	.00	(.35)
Net earnings				