

ESTÉE
LAUDER
COMPANIES

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The forward-looking statements in this presentation, including those containing words like “expect,” “plans,” “may,” “could,” “anticipate,” “estimate,” “projected,” and “forecasted,” involve risks and uncertainties. Factors that could cause actual results to differ materially from those forward-looking statements include the following:

- (1) increased competitive activity from companies in the skin care, makeup, fragrance and hair care businesses, some of which have greater resources than the Company does;
- (2) the Company's ability to develop, produce and market new products on which future operating results may depend and to successfully address challenges in the Company's business;
- (3) consolidations, restructurings, bankruptcies and reorganizations in the retail industry causing a decrease in the number of stores that sell the Company's products, an increase in the ownership concentration within the retail industry, ownership of retailers by the Company's competitors or ownership of competitors by the Company's customers that are retailers and our inability to collect receivables;
- (4) destocking and tighter working capital management by retailers;
- (5) the success, or changes in timing or scope, of new product launches and the success, or changes in the timing or the scope, of advertising, sampling and merchandising programs;
- (6) shifts in the preferences of consumers as to where and how they shop for the types of products and services the Company sells;
- (7) social, political and economic risks to the Company's foreign or domestic manufacturing, distribution and retail operations, including changes in foreign investment and trade policies and regulations of the host countries and of the United States;
- (8) changes in the laws, regulations and policies (including the interpretations and enforcement thereof) that affect, or will affect, the Company's business, including those relating to its products or distribution networks, changes in accounting standards, tax laws and regulations, environmental or climate change laws, regulations or accords, trade rules and customs regulations, and the outcome and expense of legal or regulatory proceedings, and any action the Company may take as a result;
- (9) foreign currency fluctuations affecting the Company's results of operations and the value of its foreign assets, the relative prices at which the Company and its foreign competitors sell products in the same markets and the Company's operating and manufacturing costs outside of the United States;
- (10) changes in global or local conditions, including those due to the volatility in the global credit and equity markets, natural or man-made disasters, real or perceived epidemics, or energy costs, that could affect consumer purchasing, the willingness or ability of consumers to travel and/or purchase the Company's products while traveling, the financial strength of the Company's customers, suppliers or other contract counterparties, the Company's operations, the cost and availability of capital which the Company may need for new equipment, facilities or acquisitions, the returns that the Company is able to generate on its pension assets and the resulting impact on its funding obligations, the cost and availability of raw materials and the assumptions underlying the Company's critical accounting estimates;
- (11) shipment delays, commodity pricing, depletion of inventory and increased production costs resulting from disruptions of operations at any of the facilities that manufacture nearly all of the Company's supply of a particular type of product (i.e., focus factories) or at the Company's distribution or inventory centers, including disruptions that may be caused by the implementation of information technology initiatives or by restructurings;
- (12) real estate rates and availability, which may affect the Company's ability to increase or maintain the number of retail locations at which the Company sells its products and the costs associated with the Company's other facilities;
- (13) changes in product mix to products which are less profitable;
- (14) the Company's ability to acquire, develop or implement new information and distribution technologies and initiatives on a timely basis and within the Company's cost estimates and the Company's ability to maintain continuous operations of such systems and the security of data and other information that may be stored in such systems or other systems or media;
- (15) the Company's ability to capitalize on opportunities for improved efficiency, such as publicly-announced strategies and restructuring and cost-savings initiatives, and to integrate acquired businesses and realize value therefrom;
- (16) consequences attributable to local or international conflicts around the world, as well as from any terrorist action, retaliation and the threat of further action or retaliation;
- (17) the timing and impact of acquisitions, investments and divestitures; and
- (18) additional factors as described in the Company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended June 30, 2015.

The Company assumes no responsibility to update forward-looking statements made herein or otherwise.



OUR VISION

The global leader in prestige beauty:

A WELL-DIVERSIFIED,
BRAND-BUILDING
POWERHOUSE OF
UNRIVALED CREATIVITY
AND INNOVATION.

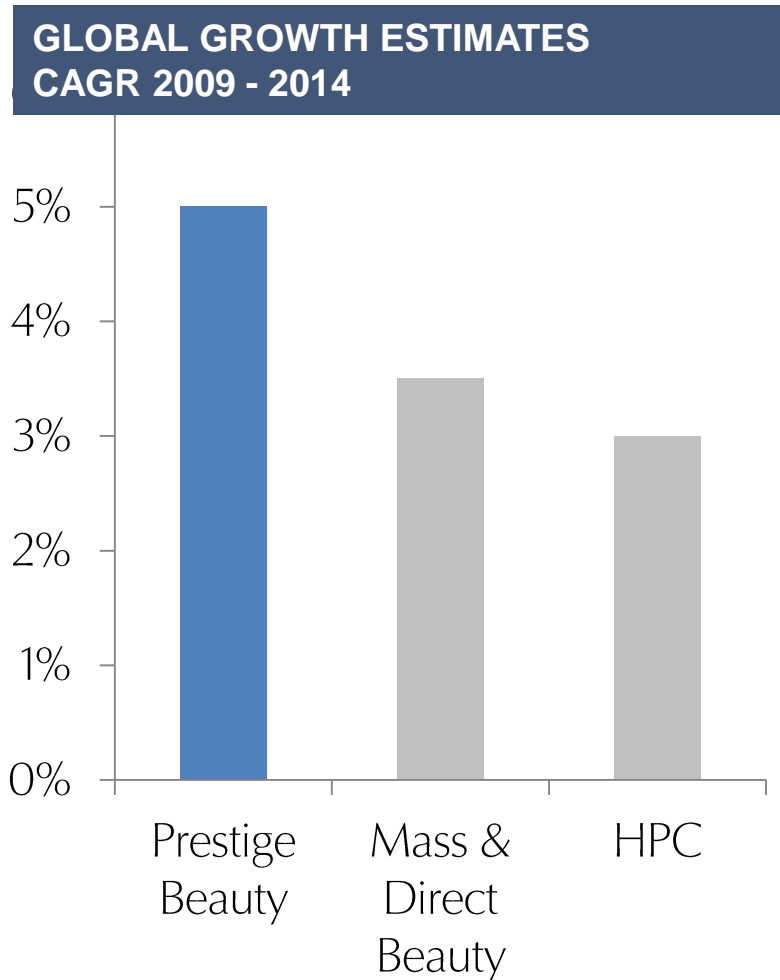
SUSTAINABLE, RELIABLE GROWTH 10-YEAR COMPASS PROVIDES DIRECTION

- Identifies long-term beauty trends
- Determines areas of fastest growth and greatest opportunities to focus on
- Allocates resources in an agile way

“Keeps our boat in the wind.”



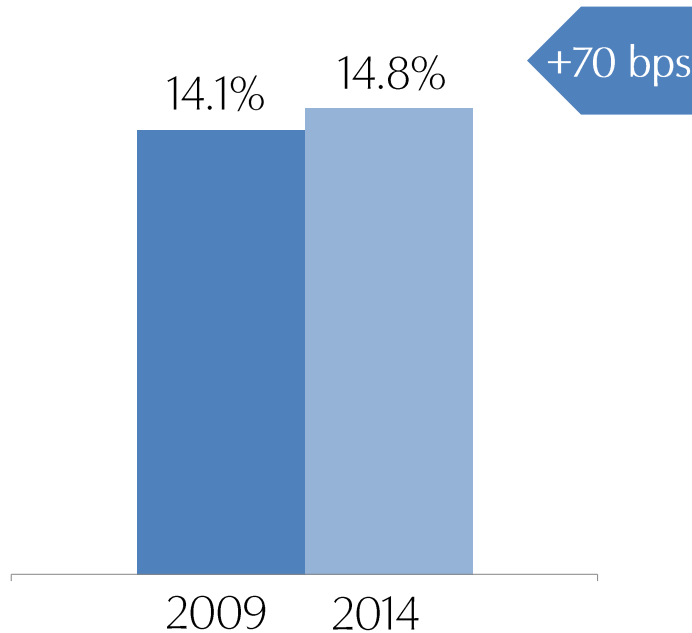
PRESTIGE BEAUTY IS A GROWTH INDUSTRY



- Prestige beauty is one of the fastest growing categories
- ELC is solely focused on prestige beauty
- Compass identifies segments growing double-digits
- We leverage our powerful brand portfolio to pursue high growth areas

ELC HAS REINFORCED ITS #1 POSITION AND GROWN ITS SHARE

SHARE OF GLOBAL PRESTIGE BEAUTY



THE ESTÉE LAUDER COMPANIES

- Grew ~3pp faster than global prestige beauty over 5 years
- The prestige beauty leader in many key markets:
 - Global
 - USA, UK
 - China, Brazil, Middle East and Africa
- Is 2X larger than the #2 competitor in global prestige makeup

FOCUS ON LONG-TERM STRATEGY THROUGHOUT NEAR-TERM VOLATILITY

South China Morning Post EDITION: INTERNATIONAL WED SEP 2, 2015 JOBS EVENTS EDUCATION COURSES

ECONOMY

NEWS • HONG KONG • ECONOMY • RETAIL SALES

CHINA HONG KONG ASIA BUSINESS TECH LIFESTYLE COMMENT SPORT VIDEO

— Read the SCMP —
Get up to speed on China and Hong Kong

Hong Kong retail sales decline for fifth month amid fewer tourist arrivals and stock turmoil

Decline is largest since March as tourists stay away and markets descend into turmoil



THE KOREA TIMES

NEWS PEOPLE SPORTS KOREATOWN ENTERTAINMENT BUSINESS

Home > News > Korea > After MERS outbreak, S. Korea to improve monitoring, quarantine protocol

After MERS outbreak, S. Korea to improve monitoring, quarantine protocol

Stocks Dive As Worries About Asia Reverberate

IMF: China can transition

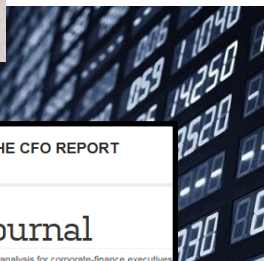
EU Set to Extend Targeted Sanctions On Russia

Oil Tumbles After Spiking For 3 Days

Stocks sell off on growth fears

China Fears Sink Markets

SDAQ 4636.10 ▼ 2.9% NIKKEI 18165.69 ▼ 3.8% STOXX600 352.89 ▼ 2.7% 10-YR.TREAS. ▲ 9/32, yield 2.174% OIL \$45.41 ▼ \$3.79 GOLD \$1,130.70 ▲ \$describes slowdown as not sharp and not une



THE WALL STREET JOURNAL. THE CFO REPORT

CFO Journal

Exclusive reporting and analysis for corporate-finance executives

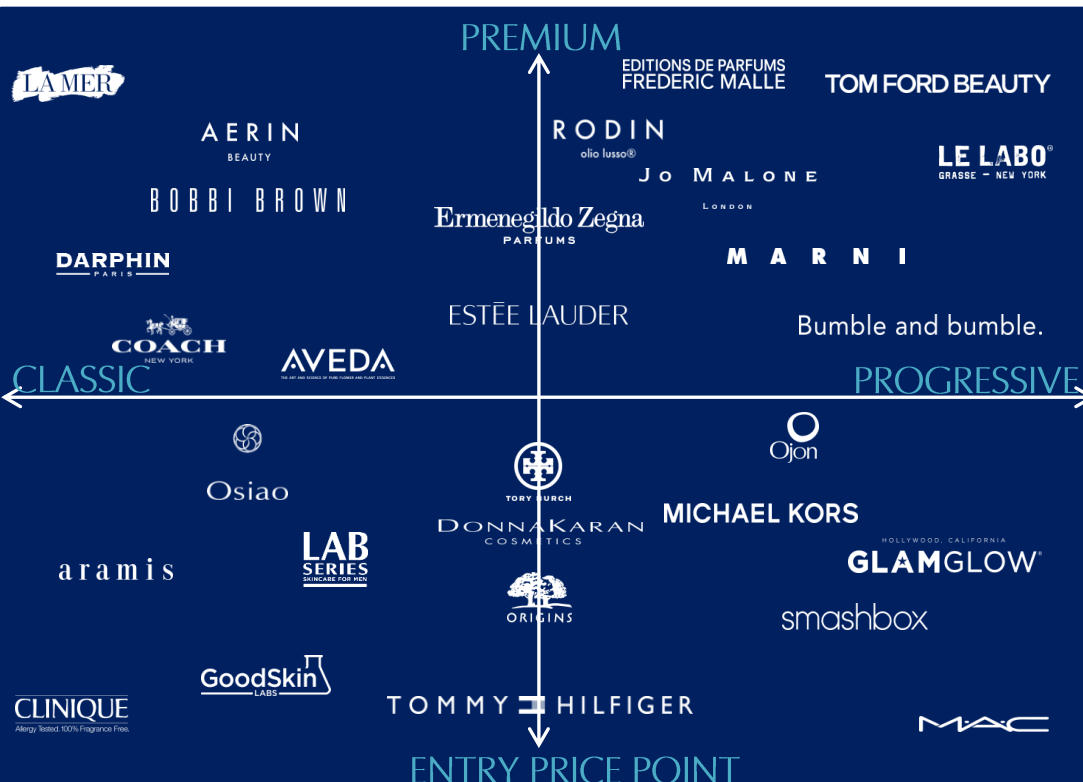
DATA DASHBOARD DEALS DASHBOARD CFO REPORT COMPLIANCE

4:09 pm ET Aug 24, 2015 CURRENCY

Rattled by Currency Shake Ups, More Companies Turn to Hedging

Stocks sell off on growth fears

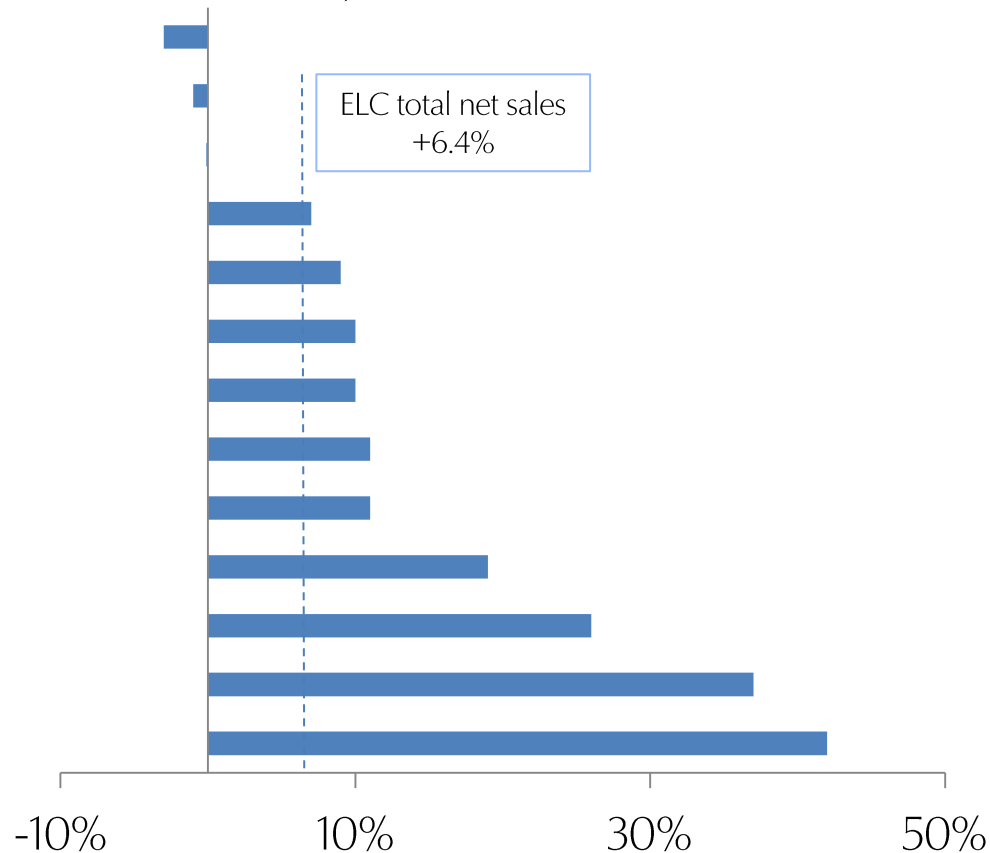
MULTIPLE ENGINES OF GROWTH FUEL LONG-TERM SUSTAINABILITY - Brand opportunities



- Powerful portfolio allows us to serve geographies, channels, categories and consumers
- Prestige price points from entry level to luxury/premium
- Serving consumer tastes from classic to progressive
- Allows for bigger share of consumers' beauty routine

MULTIPLE ENGINES OF GROWTH FUEL LONG-TERM SUSTAINABILITY -- Brand opportunities

Fiscal 2015 net sales growth by brand
in constant currency



- Brands representing 1/3 of sales are growing double-digits
- Portfolio balance reduces volatility
- MAC is one of our biggest brands, growing double digits
- Mid-sized, contributing more significantly to growth
- Small brands have potential

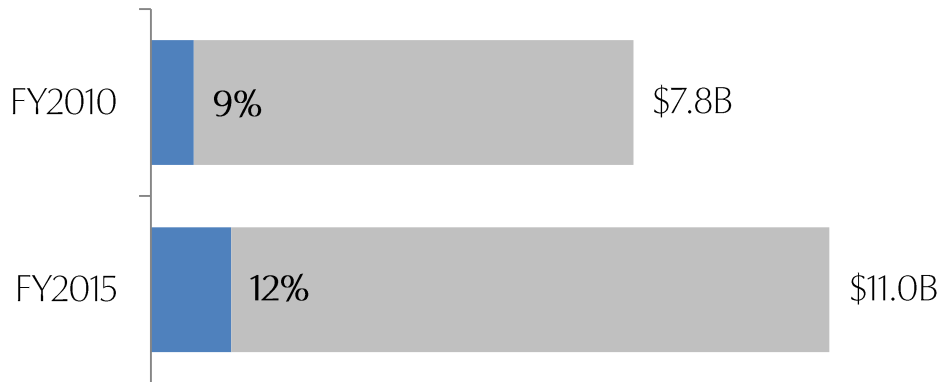
MULTIPLE ENGINES OF GROWTH FUEL LONG-TERM SUSTAINABILITY - Channel opportunities



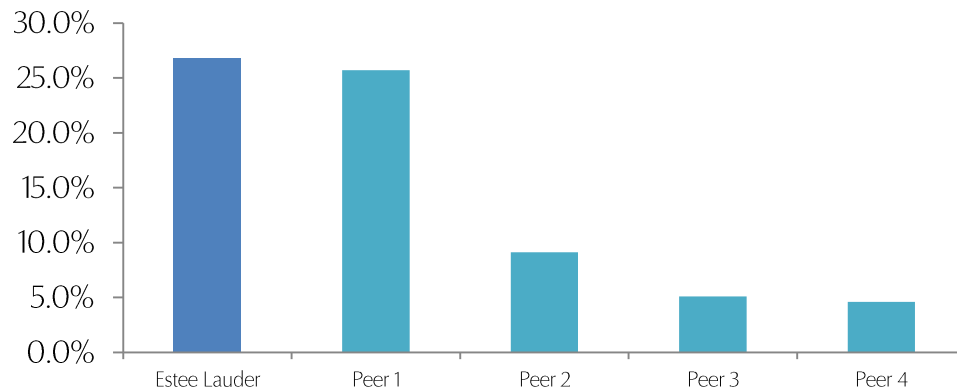
- Channels representing 1/3 of sales are growing double-digits
- Many department stores growing strongly
- Specialty-multi promising globally
- Travel retail passenger growth continues
- Freestanding retail store expansion accelerating
- E-commerce grew 28% with brand sites, retailer sites and 3rd party

TRAVEL RETAIL IS ACCRETIVE TO LONG-TERM GROWTH AND MARGIN

Net Sales – Travel Retail 5 Year CAGR +13%



2014 Share of Skin Care and Makeup Combined



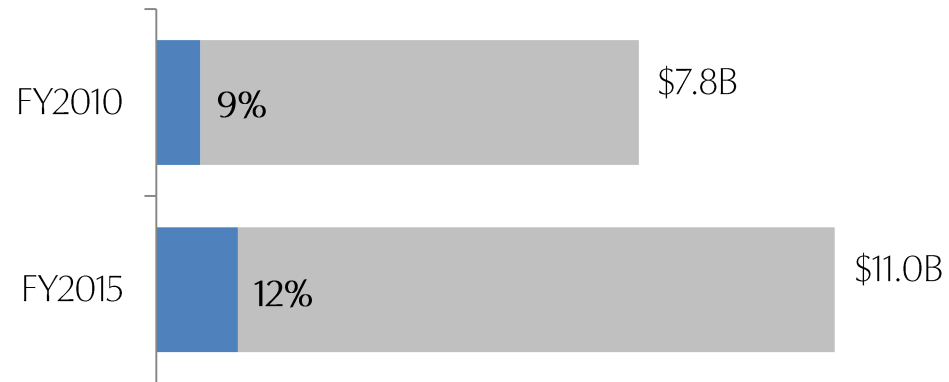
- Equity driver for the brands
- International passenger traffic rising
- Increase conversion beyond 15%
- Expanding brands within current distribution and in new airports
- Newly acquired brands add incremental opportunity

ACCELERATE FREESTANDING RETAIL STORES

- ~1,060 Company-operated stores globally
- Enter markets where prestige distribution is undeveloped
- Drive brand equity
- Build awareness
- Engage directly with the consumer

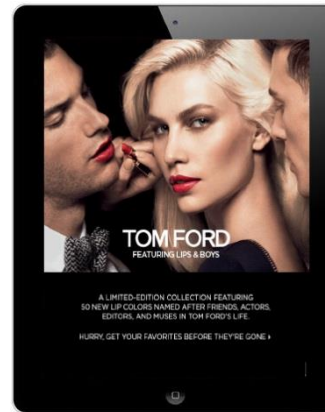
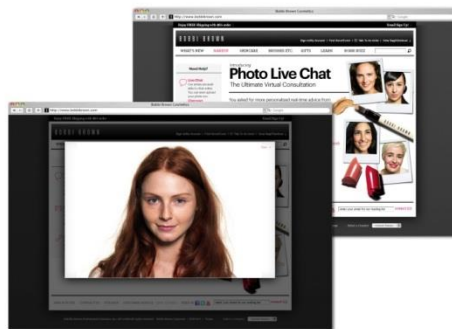
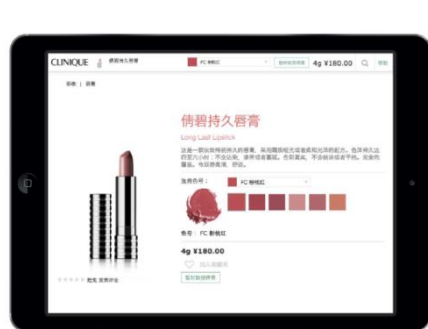
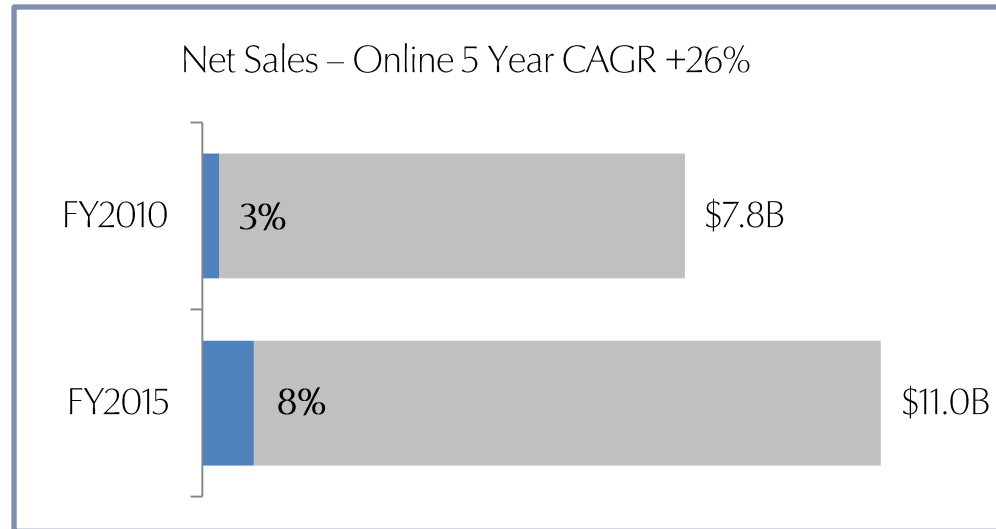


Net Sales – Retail Store 5 Year CAGR +13%



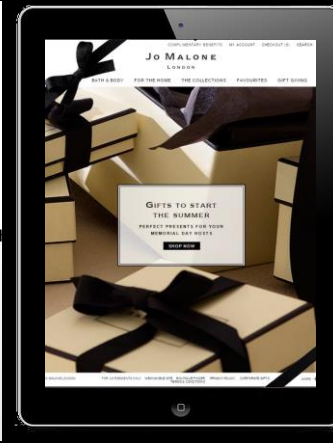
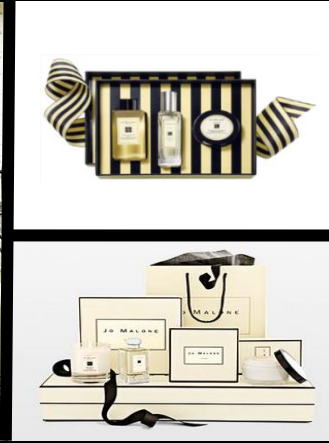
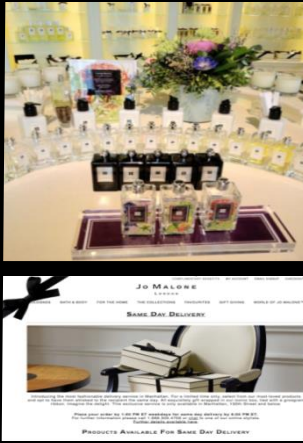
ACCELERATE E/M- COMMERCE

- Leader in prestige beauty with 1st mover advantage
- ELC Online grew 28% in FY2015
- US and UK >12% of sales online
- ELC sites in >30 countries and growing
- Opportunity to add brands to existing markets and expand into new markets

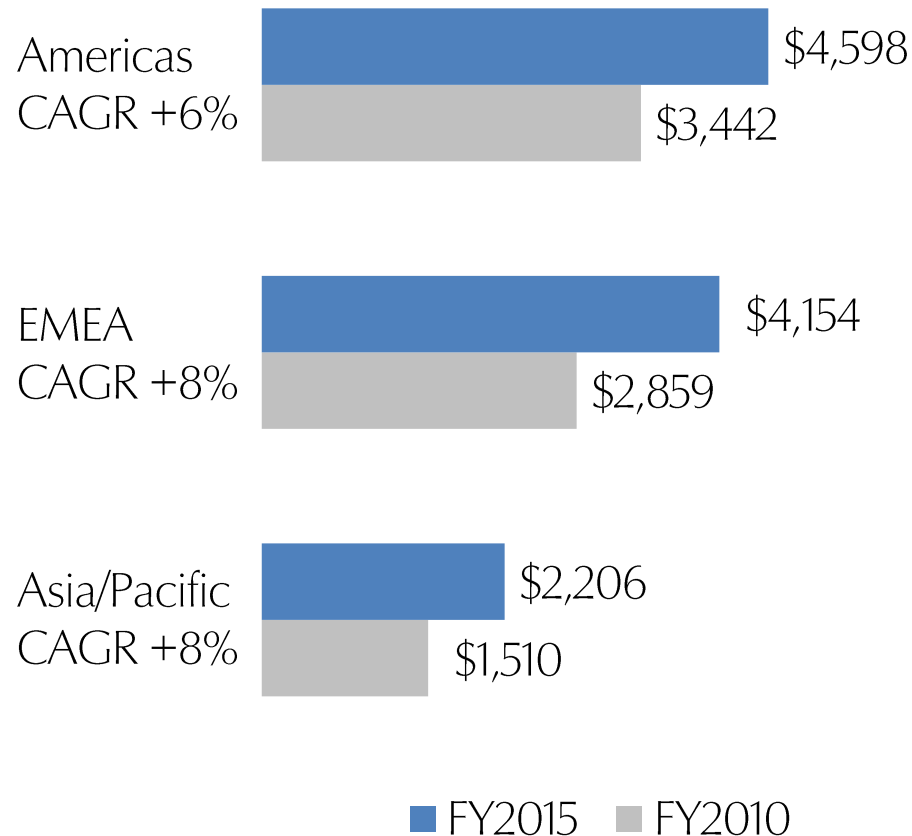


FY2015 figures are adjusted for SAP sales shifts

LEVERAGE RETAIL AND DIGITAL ADVANTAGE: OMNICHANNEL CAPABILITIES



MULTIPLE ENGINES OF GROWTH FUEL LONG-TERM SUSTAINABILITY - Geographic opportunities



- Markets representing 1/3 of sales are growing double-digits
- US continues to grow, sourcing from mass, developing brand portfolio
- UK grew double-digits two years in a row
- Emerging markets excluding China rose 26%, led by Turkey, Brazil and South Africa
- Significant China opportunity

EMERGING MARKETS – RAPID LONG-TERM GROWTH

MAC in Turkey

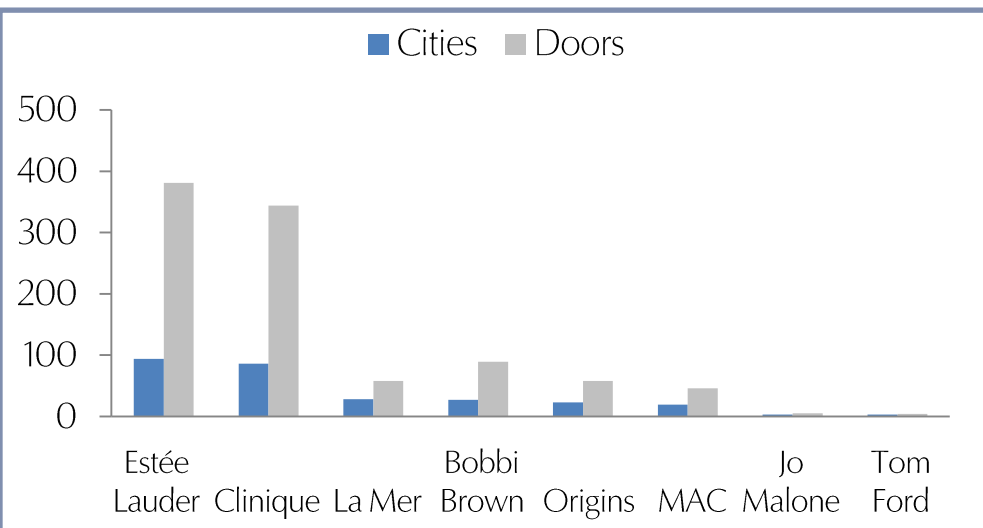
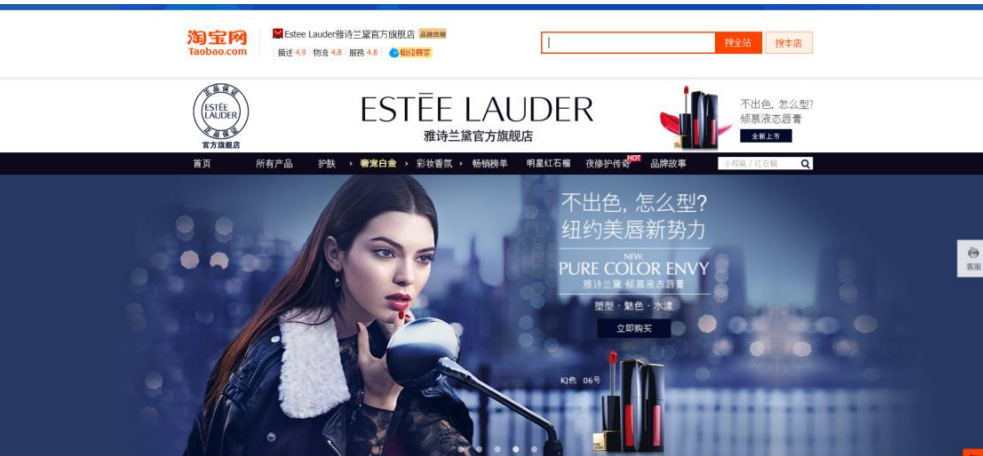
- Combined, larger than China
- Grew 26% in FY2015
- Sustainable double-digit growth
- Strong macro trends / growing middle class
- Sourcing consumers from mass
- Brand portfolio strength
- Incremental investment



Bobbi Brown launch in Mumbai, India



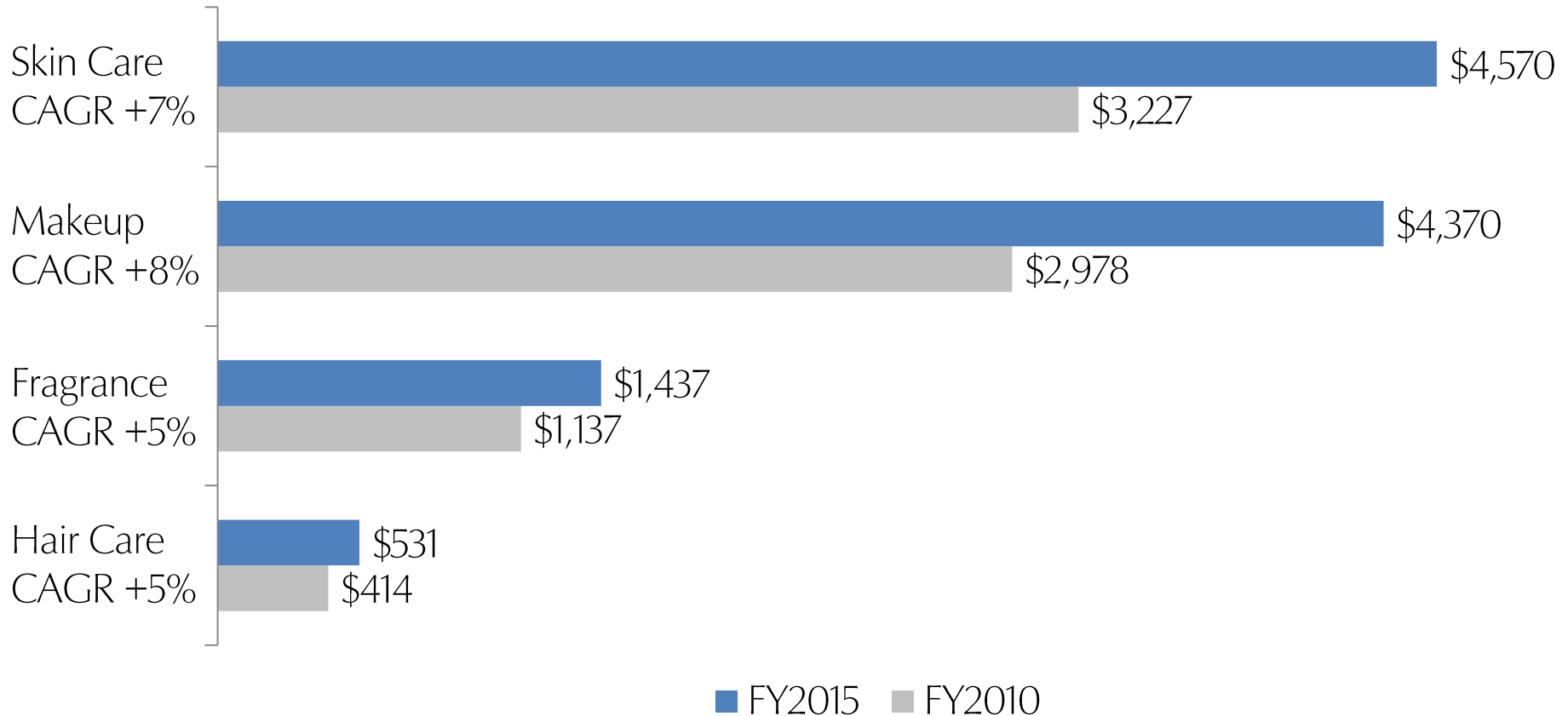
CHINA: A SIGNIFICANT LONG-TERM GROWTH OPPORTUNITY



- #3 ELC market at approximately 6% of global sales
- Grew 6% in FY2015
- 5 year net sales CAGR +23%
- 14 brands sold in China, less than half the portfolio
- 99 cities, <500 doors
- E-commerce more than doubled in FY2015

CATEGORY STRENGTH PROVIDES CONSISTENCY

(Millions)



FY2015 figures are adjusted for SAP sales shifts

CATEGORIES DRIVING LONG-TERM GROWTH

Makeup



© 2011 Estée Lauder

MAKEUP THAT'S GOING PLACES

NEW
**DOUBLE WEAR
MAKEUP TO GO**
8-hour wear at the push of a button.

Hydrating, luminous, flawless all day. Innovative compact keeps liquid makeup fresh and spill free. Press once for a light touch, twice for more coverage. Take it everywhere.

NEW
Liquid Compact
in 20 Shades

ESTÉE LAUDER



CATEGORIES DRIVING LONG-TERM GROWTH

Makeup



CATEGORIES DRIVING LONG-TERM GROWTH

Skin care

©2015 Estée Lauder, LLC



Join the cult.
Drier skins welcome.

The lotion is a cult classic. Loved by millions. So we asked our dermatologists for a formula drier skins could call their own. Get addicted to that healthy glow.

New Dramatically Different™ Moisturizing Cream. clinique.com

CLINIQUE
Allergy Tested. 100% Fragrance Free.

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NEW DIMENSION
The Transformative Beauty of Contouring



SHAPE+SCULPT Eye Contouring Kit TIGHTEN+TONE Expert Liquid Tape SHAPE+FILL Expert Serum SHAPE+SCULPT Face Contouring Kit

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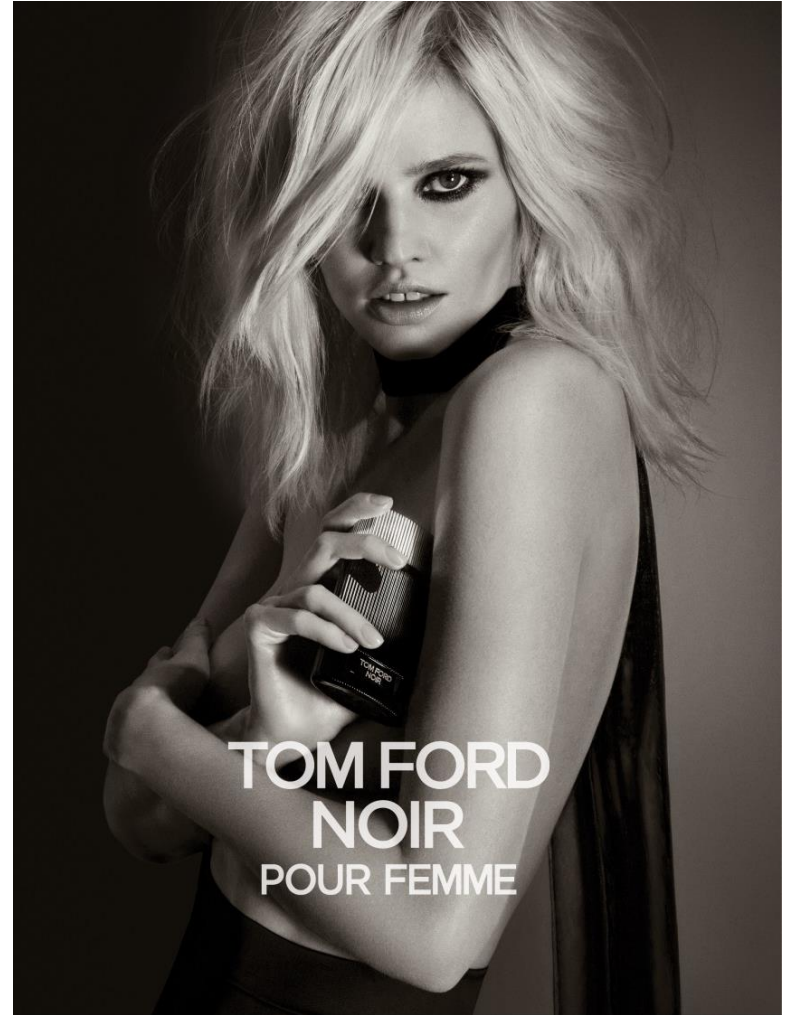
CATEGORIES DRIVING LONG-TERM GROWTH

Skin care



CATEGORIES DRIVING LONG-TERM GROWTH

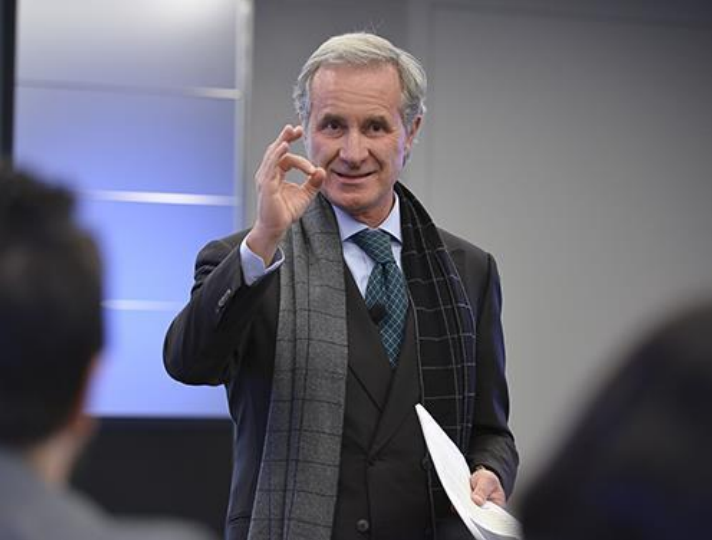
Fragrance



CATEGORIES DRIVING LONG-TERM GROWTH

Hair care





Millennials Are Addicted To Their Mobile Phones

Millennials are the mobile generation. They are the first generation to come of age during the digital revolution, making them early adopters and heavy users of connected devices

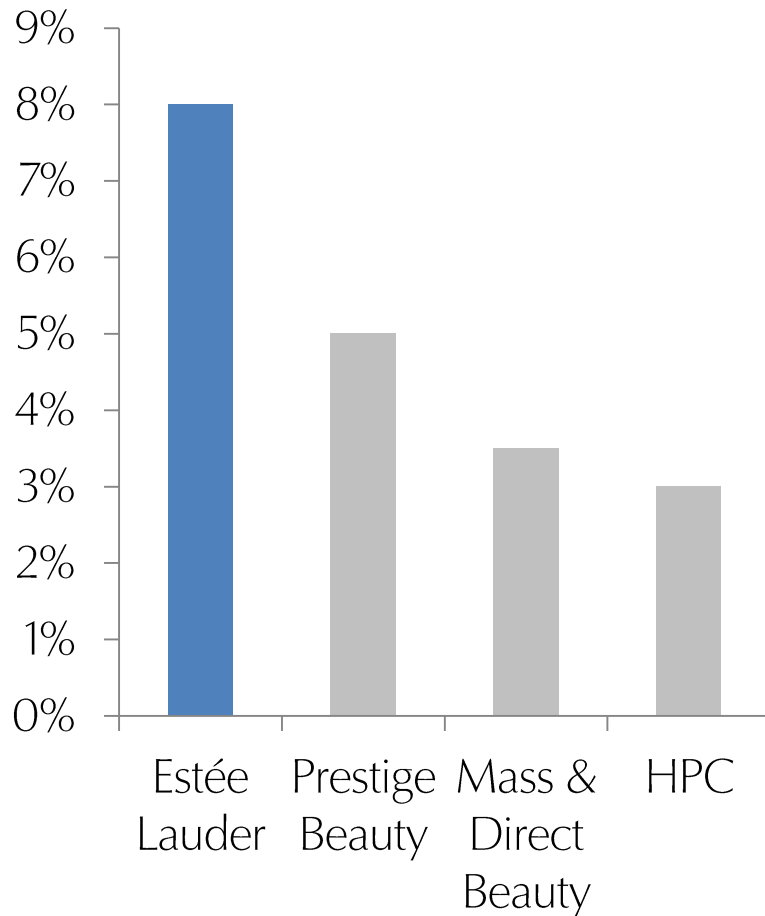
The world is becoming ever more connected and that will include our products



FINANCIAL OVERVIEW

ELC HAS CONSISTENT, BEST-IN-CLASS SALES GROWTH

5 YEAR GLOBAL SALES GROWTH



- Prestige beauty has consistently grown mid-single digits
- ELC grew ~3pp faster than global prestige beauty over 5 years
- Goal to grow at least 1pp faster than prestige beauty
- Acquisitions targeted to add another point of growth over three years
- Potential from geographic, brand and channel expansion
- Pricing / mix

Note: All ELC figures are before charges and SAP sales shifts for FY2010-FY2015.

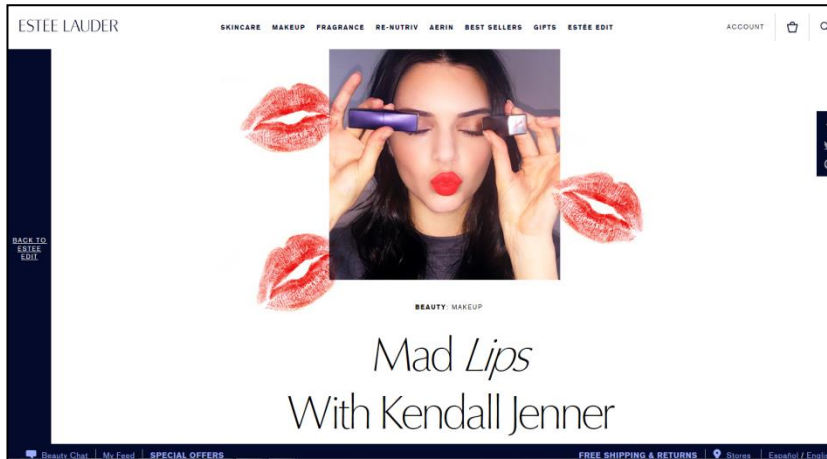
Beauty data: ELC estimates, Euromonitor 2014, Generations for skin care, makeup and fragrances.

HPC: Average of past five years organic sales growth for select European and US based consumer goods companies.

SMI-ENABLES COST SAVINGS AND EFFICIENCIES

- Cost of Goods
 - Fewer returns
 - Lower obsolescence and destructions
- Operating Expenses
 - Indirect procurement
 - Demo/A&P effectiveness
 - Collateral & visual merchandising
 - Shipping & warehousing
 - Productivity improvements
- ~\$200 million in savings targeted for FY2016

OPTIMIZING RESOURCE ALLOCATION TO THE BEST OPPORTUNITIES TO SUSTAIN GROWTH



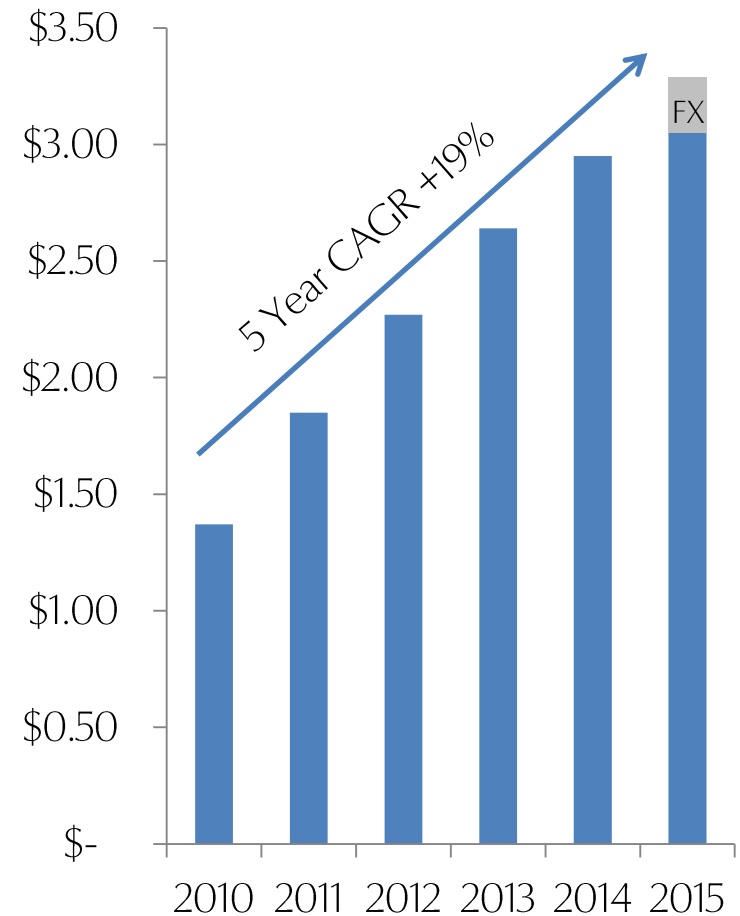
- Reinvestment in growth drivers and modernization
 - Freestanding retail stores
 - Information technology
 - R&D / innovation
- Changing media investment
 - Digital increasing
 - Brand mix effects



ELC HAS SUSTAINED DOUBLE-DIGIT EPS GROWTH

- Leveraging topline growth
- Margin expansion
- Impact of acquisitions and currency
- Opportunities in tax rate and share repurchases
- Double-digit EPS growth can continue

EPS TRENDS

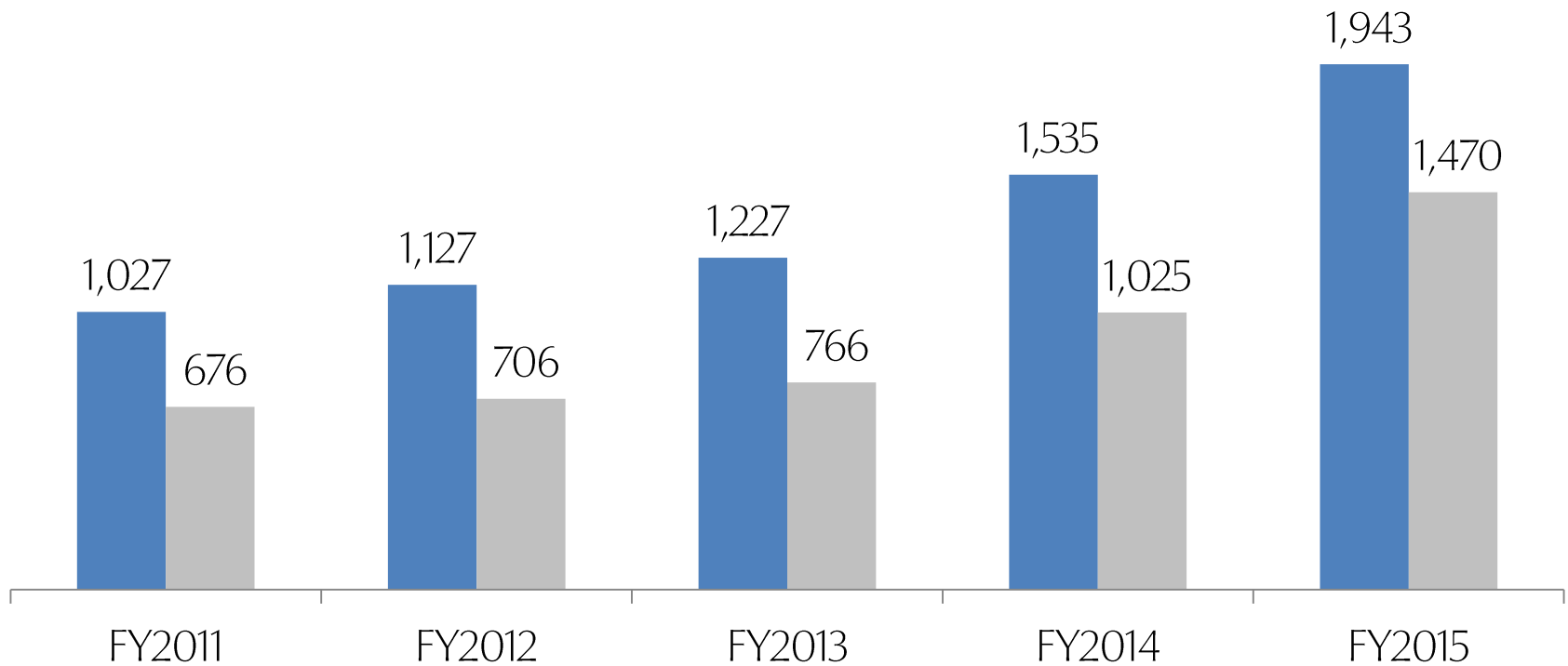


Note: All figures are before charges and SAP sales shifts

STRONG AND INCREASING CASH FLOW

\$ Millions

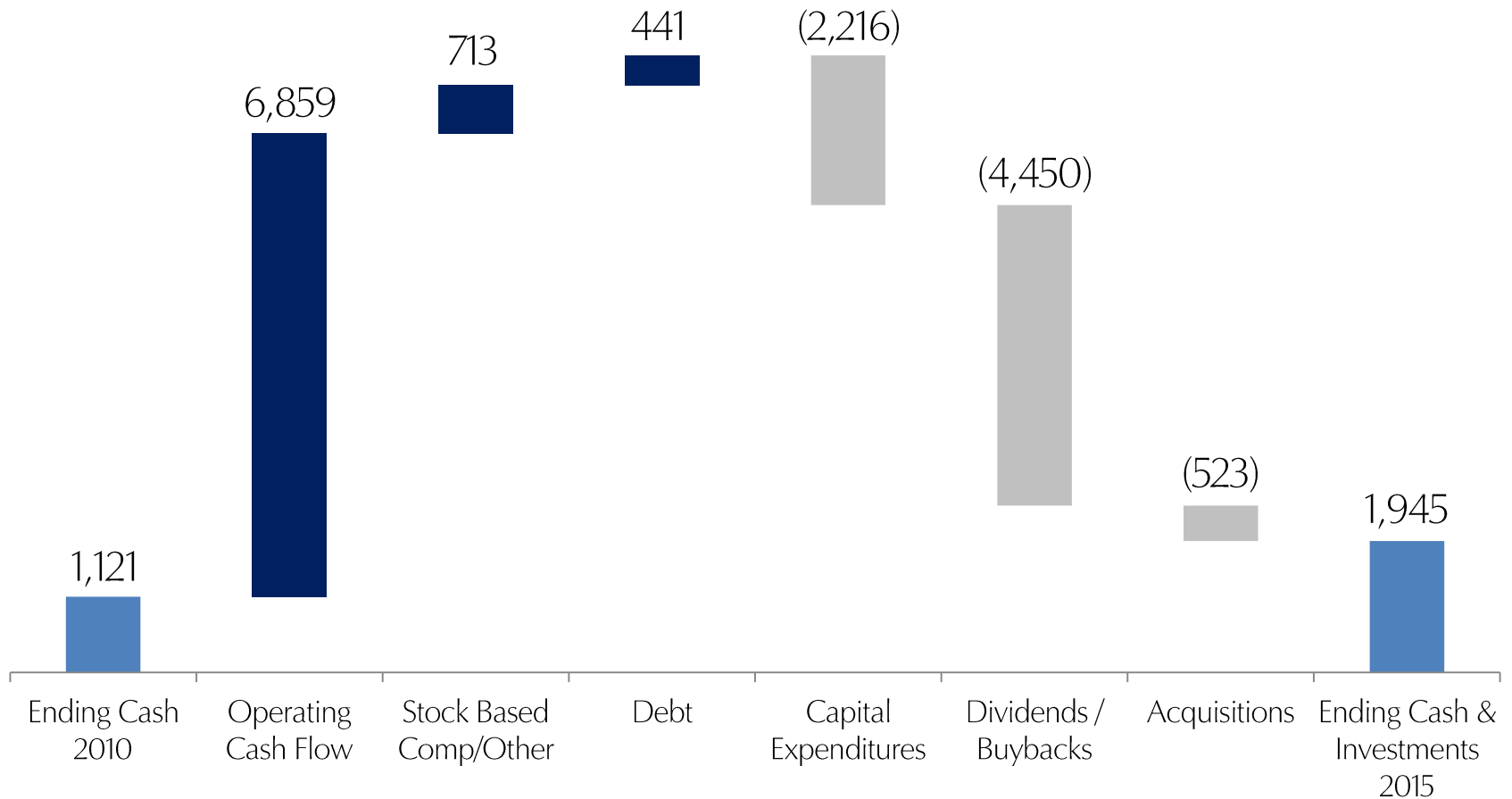
■ Operating Cash Flow ■ Free Cash Flow



ELC GENERATES AND DEPLOYS STRONG CASH FLOW

FY2010 – FY2015

\$ Millions



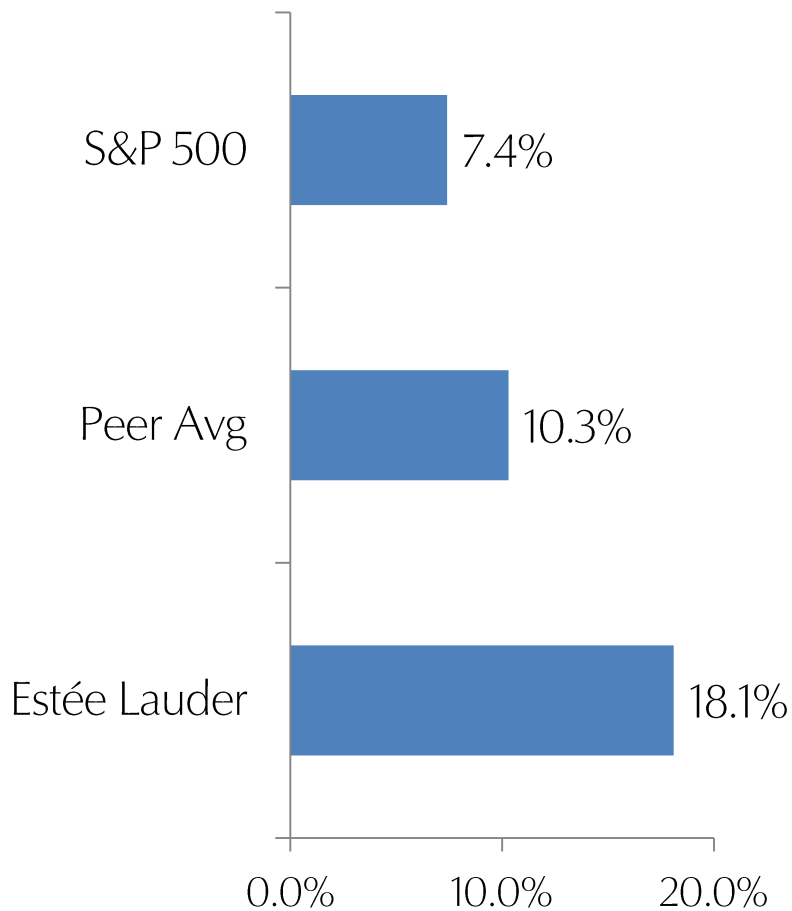
NEAR AND LONG-TERM GOALS REFLECT STRATEGIC CHOICES AND FOCUS ON SUSTAINABILITY

	Fiscal 2016	FY2016 - FY2018
Net sales growth	+4% to +7%	
Adjusted net sales growth in constant currency	+6% to +8%	+6% to +8%
Operating margin	Flexibility	+90 bps to +130 bps
Diluted EPS	\$3.10 to \$3.17	
Adjusted EPS growth in constant currency	+8% to +10%	+Double-Digits
Inventory days to sell	Improvement	~155 days

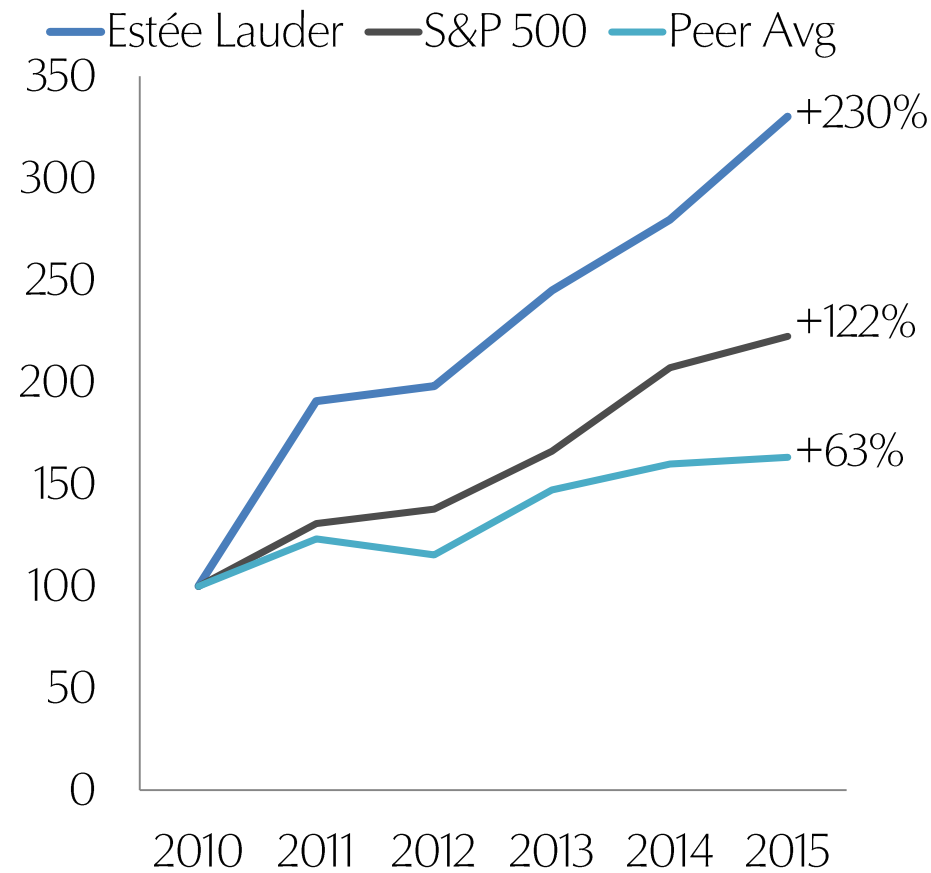
Note: Adjusted net sales and EPS growth is adjusted for SAP sales shifts in fiscal 2015.

CREATING VALUE FOR STOCKHOLDERS WITH ABOVE-AVERAGE TOTAL SHAREHOLDER RETURN

ONE YEAR



FIVE YEAR



Source: Bloomberg, S&P 06/30/15. Peer group includes P&G, Avon, Beiersdorf, LVMH, L'Oreal and Shiseido.

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