

BARRON'S Online

Wednesday, August 24, 2005

INSIDE SCOOP |  Online Exclusive

Estee Lauder Exec Sells Blemished Stock

By **NAUREEN S. MALIK**

Insider Tables: [Buyers⁰](#) | [Sellers⁰](#)

ESTEE LAUDER'S NO. 2 EXECUTIVE ISN'T SHOWING a lot of confidence in his own stock.

On August 19, Chief Operating Officer Daniel J. Brestle exercised options on about 66,000 shares, and promptly sold off those share, pocketing about \$3 million, according to the Securities and Exchange Commission.

Over the past year, he has held only about 5,000 shares of Estee Lauder stock outright, according to SEC filings -- a paltry sum for a top executive.

Brestle was promoted to his current position as second in command of **Estee Lauder** in January.

Traders and analysts rating Estee Lauder have been bearish on the company in recent months, says Michael P. Painchaud, managing director of research for Market Profile Theorems, who maintains a Hold recommendation.

"The attitude on the Street is bearish to neutral -- so momentum players are not participating in this," he says.

Overall, Estee Lauder stock has fallen 12% so far this year, compared to a 1% gain of the Standard & Poor's 500 index.

At the beginning of the year, shares hovered just below five-year highs, but plunged in April after Estee Lauder reduced its growth expectations and raised concerns about sales at Federated and May department stores, two major customers.

Initially, there was some concern about margins and whether the company would be able to meet expectations because "so much of the earnings was going to come in the fourth quarter," says Sandy Beebee, an analyst at HSBC Securities. "It was kind of a frumpy rollercoaster ride [for] the year, and everything seemed to turn out all right at the end."

While Estee Lauder's sales could potentially come under pressure in its low-cost lines at Kohl's due to rising oil prices, the company's "core customer base is still in pretty good shape" through extensions in luxury brands, says Beebee.

A company spokeswoman declined to comment on Brestle's motivation for selling off shares.

Recent Insider Activity

Buyers

COMPANY NAME	INSIDERS NAME	TITLE	\$ VALUE	NO. OF SHARES IN TRANS.	RANGE OF VALUES	TRANSACTIONS DATES
Align Technology	L. Gund	UT	\$2,998,200	462,000	6.47-6.50	Aug 18-19, 2005
Heartland Payment Systems	R. Niehaus	D	1,409,853	52,800	26.37-26.89	Aug 18-19, 2005
Chesapeake Energy	A. McClendon	CEO	1,329,230	50,000	26.55-26.60	Aug 18, 2005
I-many	S. Fingerhood	D	462,300	335,000	1.38	Aug 18, 2005
General Electric	J. Immelt	CEO	341,300	10,000	34.13	Aug 22, 2005
Lowe's	O. Sloan	D	318,841	5,000	63.75-63.77	Aug 22, 2005
MDC Partners	M. Nadal	CEO	240,144	31,800	7.49-7.58	Aug 19-22, 2005
Firstenergy	T. Welsh	O	225,000	4,571	49.22	Aug 18, 2005
Chesapeake	H. Warner	D	192,290	10,000	19.04-19.25	Aug 22, 2005
Ruby Tuesday	S. Sadove	D	191,600	8,000	23.95	Aug 22, 2005

(Source: Thomson Financial/Baseline)

Sellers

COMPANY NAME	INSIDERS NAME	TITLE	\$ VALUE	NO. OF SHARES IN TRANS.	RANGE OF VALUES	TRANSACTIONS DATES
Apple Computer	R. Johnson	O	\$20,925,000	450,000	46.50	Aug 19, 2005
Yahoo	T. Semel	CEO	18,627,730	542,886	34.23-34.45	Aug 19, 2005
Yahoo	D. Filo	O	17,135,000	500,000	34.27	Aug 19, 2005
Mid America Apartment	J. Flournoy	D	12,825,000	300,000	42.75	Aug 22, 2005
Apple Computer	A. Tevanian	O	10,140,200	220,000	45.90-46.28	Aug 18, 2005
Knoll	B. Staniar	CB	5,555,744	300,000	18.40-18.75	Aug 22-23, 2005
SLM	W. Schoellkopf	D	4,815,969	93,771	51.29-51.46	Aug 22, 2005
Dell	D. Carty	D	4,365,422	120,150	36.33	Aug 22, 2005
Getty Images	J. Klein	CEO	4,159,500	50,000	83.19	Aug 22, 2005
Apple Computer	A. Tevanian	O	3,708,700	80,000	46.30-46.43	Aug 18, 2005


(Source: Thomson Financial/Baseline)

Here's a rundown of insider trading activity reported on Aug. 23, 2005. An insider is any officer, director or owner of 10% or more of a class of the company's securities. The table shows purchases and sales which must be reported to the SEC and other

regulators by the 10th of the month following the month of the trade, includes both open-market and private transactions involving direct and indirect holdings. Excludes stock valued at less than \$2 per share, acquisitions through options and companies being acquired. Included are purchases, sales and stock registered for sale for individual officers, companies, and sectors.

AC-member of the advisory committee. AF-affiliated person. AI-affiliate of investment advisor. AV-assistant vice president. B-beneficial owner of more than 10% of a security class. BC-beneficial owner as custodian. BT-beneficial owner as trustee. C-controller. CB-chairman. CC-member of the compensation committee. CEO-chief executive officer. CFO-chief financial officer. CI-chief investment officer. CO-chief operating officer. CP-controlling person. CT-chief technology officer. D-director. DO-director and beneficial owner. DS-indirect shareholder. EC-member of the executive committee. EVP-executive vice president. F-founder. FC-member of the finance committee. FO-former. GC-general counsel. GM-general manager. GP-general partner. H-officer, director and beneficial owner. I-indirect transaction filed through a trust, insider spouse, minor child or other. IA-investment advisor. LP-limited partner. M-managing partner. MC-member of committee or advisory board. MD-managing director. O-officer. OB-officer and beneficial owner. OD-officer and director. OE-other executive. OP-officer of parent company. OS-officer of subsidiary company. OT-officer and treasurer. OX-divisional officer. P-president. R-retired. S-secretary. SC-member of the science/technology committee. SH-shareholder. SVP-senior vice president. T-trustee. TR-treasurer. UT-unknown. VC-vice chairman. VP-vice president. VT-voting trustee. X-deceased.

DOW JONES REPRINTS

 This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit: www.djreprints.com. • [See a sample reprint in PDF format](#) • [Order a reprint of this article now](#).

*Half of the transactions were indirect.

E-mail comments to editors@barrons.com¹

URL for this article:

<http://online.wsj.com/barrons/article/0,,SB112488444046221726,00.html>

Hyperlinks in this Article:

(1) writeto:editors@barrons.com

Copyright 2005 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com.