

SOTHEBY'S HOLDINGS, INC. ANNOUNCES FIRST QUARTER RESULTS

- Strong Results of \$140 Million Achieved in Impressionist Evening Sale -

May 11, 2000, New York -- Sotheby's Holdings, Inc. (NYSE: BID; LSE), the parent company of Sotheby's worldwide auction, art-related financing and real estate activities, today announced results for the first quarter ended March 31, 2000. The Company's net loss for the first quarter of 2000 was \$29.1 million ((\$0.49) per diluted share) compared to a net loss of \$9.5 million ((\$0.17) per diluted share) for 1999. During the first quarter of 2000, the Company took a special (pre-tax) charge of \$1.8 million ((\$0.02) per diluted share) relating to costs incurred in connection with the Department of Justice investigation and related civil litigation currently underway. Due to the seasonal nature of the art auction market, auction sales in the first quarter have historically represented approximately 11% - 13% of total sales for the year and the first quarter historically been a loss period for the Company. Consequently, first quarter results are not indicative of expected full year results.

"Auction sales for the first quarter of 2000 totaled \$176.1 million, a 25% decrease compared to the first quarter of 1999," said William F. Ruprecht, President and Chief Executive Officer of Sotheby's Holdings, Inc. "This decrease reflects a lower number of single-owner sales in the first quarter as compared to the first quarter of 1999, which included the Rossi Sale in London, which realized \$34.2 million. Operating revenues of \$54.8 million were down 13% compared to 1999. However, increased contributions from our Financial Services and Real Estate businesses partially offset decreased revenues. Including special charges, operating expenses increased \$20.4 million to \$98.3 million, primarily attributable to expenses related to Sotheby's internet businesses.

"We launched SOTHEBYS.COM in the first quarter of 2000 and in this short time we have been extremely pleased with the early results, which show unprecedented success as an online auction venue for authenticated property", said Mr. Ruprecht. "Special "curated" theme sales have performed strongly both on SOTHEBYS.COM and on sothebys.amazon.com, the joint site we launched with Amazon.com last November. These sales are proving effective tools to promote and increase dealer participation and to focus buying interest. Sales for our Internet business for the first quarter were \$11.3 million across our two sites. March sales alone were \$4.2 million.

"Internet-related expenses for the quarter were \$19.2 million, reflecting particularly heavy marketing costs associated with the launch of both sites and a substantial expenditure associated with property handling for Sotheby's-sourced property sold on the Internet. We anticipate that the expenditure in subsequent quarters will be lower. Internet-related operating loss for the first quarter was \$17.4 million, or an impact of (\$0.19) per share. We are committed to carefully managing the cost side of this business as we see how the revenue growth develops.

"Looking to the second quarter," continued Mr. Ruprecht, "we were delighted with the results of last night's Part I sale of Impressionist and Modern Art in New York. The extremely successful auction brought \$140.4 million, compared to a low estimate of \$117 million and was our second highest various owners sale in ten years. The highlight of the auction was the sale of Claude Monet's Le Portail, which sold for \$24.2 million, far exceeding its estimated range of \$15 - \$20 million. Next week, our Part I evening sale of Contemporary Art in New York, which is estimated at \$30 - \$42 million, features Mark Rothko's work entitled Yellow over Purple, estimated at \$7 - 9 million, among other highlights. Highlights from our London Sale of Impressionist and Modern Art, which will take place in June, include Monet's La Plage a Trouville, (estimate upon request).

"Property from the Collection of Mr. and Mrs. Saul Steinberg, which includes French and English furniture, European works of art, silver and porcelain and is estimated at \$10 - \$14 million, will be offered in New York on May 26th. Turning to our online auction highlights for the second quarter, we are particularly looking forward to our sale on June 29th of the Declaration of Independence, the first printing of the most significant document in American History, one of only 25 in existence and estimated at \$4-6 million.

Sotheby's has 98 offices located in 38 countries, with principal salesrooms in New York and London. The Company also regularly conducts auctions in 15 other salesrooms around the world, including Australia, Canada, Germany, Hong Kong, Israel, Italy, Monaco, the Netherlands, Switzerland, and Taiwan. In addition, the Company engages in art-related financing and other art-related services, as well as in the marketing and brokering of luxury real estate. Sotheby's Holdings, Inc. is listed on the New York Stock Exchange and the London Stock Exchange.

Forward-Looking Statements

This release contains certain “forward-looking statements” (as such term is defined in the Securities and Exchange Act of 1934, as amended) relating to future events and the financial performance of the Company. Such statements are only predictions and involve risks and uncertainties, resulting in the possibility that the actual events or performance will differ materially from such predictions. Major factors which the Company believes could cause the actual results to differ materially from the predicted results in the “forward-looking statements” include the overall strength of the international economy and financial markets, competition with other auctioneers and art dealers, the volume of consigned property and the marketability at auction of such property, the resolution of the Department of Justice investigation and other related investigations, and civil lawsuits, and the Company’s success in developing and implementing its Internet auction strategy.

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Consolidated Statements of Income

Sotheby's Holdings, Inc. and Subsidiaries

**For the Three Months
Ended March 31,**

	2000	1999
<i>(Thousands of dollars, except per share data)</i>		
Revenues:		
Auction and related	\$ 40,389	\$ 51,665
Other	14,381	11,537
Total revenues	54,770	63,202
Expenses:		
Direct costs of services	18,748	13,004
Salaries and related costs	42,003	36,168
General and administrative	29,598	25,302
Depreciation and amortization	6,093	3,339
Special charges	1,808	-
Total expenses	98,250	77,813
Operating loss	(43,480)	(14,611)
Interest income	1,183	1,123
Interest expense	(2,895)	(1,442)
Other expense	(257)	(191)
Loss before taxes	(45,449)	(15,121)
Income tax benefit	16,361	5,595
Net Loss	\$ (29,088)	\$ (9,526)
Basic Loss Per Share	\$ (0.49)	\$ (0.17)
Diluted Loss Per Share	\$ (0.49)	\$ (0.17)
Basic Weighted Average Shares Outstanding (in millions)	58.9	57.3
Diluted Weighted Average Shares Outstanding (in millions)	58.9	57.3

If you would like to participate in Sotheby’s Holdings, Inc.’s earnings conference call which is scheduled for 4:45 PM EST Thursday, May 11th, 2000, please call Sotheby’s Investor Relations at 212-508-8070 by 2 PM EST.