

SOTHEBY'S HOLDINGS, INC. ANNOUNCES THIRD QUARTER AND NINE MONTH 1998 RESULTS

**- Nine Month Net Income of \$16.1 Million Excluding Non-Recurring Charges -
- Nine Month Total Revenues of \$266.4 Million -**

November 9, 1998, 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 third quarter and nine months ended September 30, 1998. For the first nine months of 1998 the Company reported total revenues of \$266.4 million, compared to \$236.4 million for the corresponding period of 1997. Net income for the first nine months of 1998 was \$6.5 million (\$0.11 per diluted share) compared to net income of \$11.2 million (\$0.20 per diluted share) for the corresponding period of 1997. Excluding a non-recurring charge of \$15.2 million, net income for the first nine months of 1998 totaled \$16.1 million compared to net income of \$16.9 million, excluding non-recurring charges of \$9.0 million, for the corresponding period of 1997. The impact of the non-recurring charges on diluted earnings per share was (\$0.17) and (\$0.10) for the nine months ended September 30, 1998 and 1997, respectively.

In late October, a note receivable which represented approximately 54% of the Company's outstanding notes receivable as of September 30, 1998, was repaid by the borrowers. The loan had an original maturity of December 31, 2001 and the prepayment of this loan will result in the recognition of the remaining loan origination fee of \$18.7 million as revenue in the fourth quarter of 1998. As a result of this significant transaction, the Company expects to accelerate certain business initiatives that will result in additional fourth quarter expenses.

For the quarter ended September 30, 1998, the Company reported total revenues of \$51.3 million, which equaled the corresponding period of 1997. The Company's net loss for the third quarter of 1998 was \$20.8 million ((\$0.37) per diluted share) compared to a net loss for the third quarter of 1997 of \$11.3 million ((\$0.20) per diluted share). Excluding a non-recurring charge of \$15.2 million, the Company's 1998 third quarter net loss totaled \$11.2 million compared to a net loss of \$9.2 million, excluding non-recurring charges of \$3.5 million, for the corresponding period of 1997. The impact of the non-recurring charges on diluted earnings per share was (\$0.17) and (\$0.04) for the third quarter of 1998 and 1997, respectively. The third quarter is a period of minimal sales activity in the art auction market (8% of total 1997 auction sales for Sotheby's) and, therefore, the Company historically reports a loss in the period.

The 1998 third quarter includes a non-recurring charge of \$15.2 million (pre-tax) relating to the expansion of Sotheby's auction facility in New York City. Approximately \$14.1 million of this amount is a non-cash charge resulting from the impairment of existing leasehold improvements and related furniture and fixtures and the remaining amount of approximately \$1.1 million is a provision resulting from estimated costs of future rental obligations on rental space in New York City that will be later vacated as part of the Company's expansion plan.

"This major expansion of our York Avenue headquarters will result in an exciting, state-of-the-art auction and cultural facility which we believe will be the best in the world," said Diana D. Brooks, President and Chief Executive Officer of Sotheby's Holdings, Inc.

"Our results for the first nine months of 1998 were in line with our expectations," continued Mrs. Brooks. "We are encouraged by the 13% increase in auction sales for the first nine months of 1998 which totaled \$1.125 billion, reflecting the strength of the U.S. art auction markets and excellent prices realized for several works of art in London. As a result of this ongoing improvement in auction sales and continuing record contributions from our financial services and real estate businesses, total revenues grew to \$266.4 million, an increase of 13% compared to 1997. However, this growth in revenues continues to be offset by ongoing investments in expertise and new initiatives which we remain confident will best position Sotheby's for future growth opportunities.

"Next week we will be holding the strongest series of Impressionist, Modern and Contemporary art since 1990. The sales carry a combined low estimate of \$240 million and feature property from several outstanding single-owner collections. The centerpiece of the week is thirty-seven works of art from the Reader's Digest Collection, considered one of the finest corporate collections in America ever formed, which has a low estimate of \$70 million and includes works from Modigliani, Cezanne, Renoir, Monet and Manet. Modern Art from the Morton G. Neumann Family Collection featuring works by Picasso, Miro, Dubuffet, Klee and Giacometti will also be sold in a separate sale and

is estimated to bring \$16 million. Finally, seven Modern and Contemporary works from the Mildred and Herbert Lee Collection will be offered in our Contemporary evening sale and are estimated to bring in excess of \$13 million."

Sotheby's has 110 offices located in 46 countries, with principal salesrooms located in New York and London. The Company also regularly conducts auctions in 18 other salesrooms around the world, including Australia, Canada, Germany, Hong Kong, Israel, Italy, Monaco, the Netherlands, Spain, 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.

Consolidated Statement of Income
Sotheby's Holdings, Inc. and Subsidiaries
(UNAUDITED)

	For the Nine Months Ended September 30,	
	1998	1997
<i>(Thousands of dollars, except per share data)</i>		
Revenues:		
Auction and Related	\$ 219,660	\$ 203,424
Other	46,766	32,974
Total Revenues	266,426	236,398
Expenses:		
Direct Costs of Services	50,428	41,265
Salaries and Related Costs	105,754	92,326
General and Administrative	68,440	65,714
Depreciation and Amortization	9,731	8,415
Non-Recurring Charges	15,200	9,000
Total Expenses	249,553	216,720
Operating Income	16,873	19,678
Interest Income	2,006	2,058
Interest Expense	8,394	3,679
Other Expense	(188)	(224)
Income Before Taxes	10,297	17,833
Income Tax Expense	(3,810)	(6,598)
Net Income	\$ 6,487	\$ 11,235
Basic Earnings Per Share	\$ 0.11	\$ 0.20
Diluted Earnings Per Share	\$ 0.11	\$ 0.20
Basic Weighted Average Shares Outstanding (in millions)	56.6	55.9
Diluted Weighted Average Shares Outstanding (in millions)	57.0	56.2

Prior period amounts have been restated to conform to current year presentation

Consolidated Statement of Operations
Sotheby's Holdings, Inc. and Subsidiaries
(UNAUDITED)

	For the Three Months Ended September 30,	
	1998	1997
<i>(Thousands of dollars, except per share data)</i>		
Revenues:		
Auction and Related	\$ 34,478	\$ 39,903
Other	16,810	11,411
Total Revenues	51,288	51,314
Expenses:		
Direct Costs of Services	9,057	9,321
Salaries and Related Costs	32,562	29,376
General and Administrative	21,523	23,151
Depreciation and Amortization	3,313	3,231
Non-Recurring Charges	15,200	3,500
Total Expenses	81,655	68,579
Operating Loss	(30,367)	(17,265)
Interest Income	686	650
Interest Expense	3,309	1,880
Other Expense	(13)	(54)
Loss Before Taxes	(33,003)	(18,549)
Income Tax Benefit	12,211	7,227
Net Loss	\$ (20,792)	\$ (11,322)
Basic Loss Per Share	\$ (0.37)	\$ (0.20)
Diluted Loss Per Share	\$ (0.37)	\$ (0.20)
Basic Weighted Average Shares Outstanding (in millions)	56.9	55.9
Diluted Weighted Average Shares Outstanding (in millions)	56.9	55.9

Prior period amounts have been restated to conform to current year presentation