

Sotheby's Holdings, Inc. Board Approves Final Expansion Plan For New York City Headquarters

NEW YORK, Sept. 23 -- The Board of Directors of Sotheby's Holdings, Inc. (NYSE: BID; LSE), the parent company of Sotheby's worldwide auction, art-related financing and real estate activities, today approved the final expansion plans to build a state of the art auction facility and global headquarters at 1334 York Avenue in New York City. This construction will expand current facilities and enable the Company to consolidate its auction operations into one location.

"We are extremely pleased that the construction of our New York headquarters and auction center is well underway," said Diana D. Brooks, President and Chief Executive Officer of Sotheby's Holdings, Inc. "This project will add six stories to our current facility, creating a ten-story, 404,000 square foot building featuring additional salesrooms, exhibition space, warehouse, offices, educational facilities, a restaurant, bookstore and more. Our new headquarters, which we expect to be completed in 2000, will be a state-of-the-art auction facility and a true destination location for the art world. We believe that this new building will enable us to significantly expand our business and enhance overall shareholder value."

Implementation of this plan will result in a non-recurring charge of approximately \$15.2 million, which was approved by the Board of Directors today. Approximately \$14.1 million of this amount is a non-cash charge resulting from the impairment of existing leasehold improvements and furniture and fixtures. The remaining amount of approximately \$1.1 million is a provision resulting from estimated losses on future rental obligations on rental space in New York City that will be vacated as part of the plan.

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.