



Press Release

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SOTHEBY'S INCREASES DIVIDEND 50%

August 8, 2007, The Board of Directors of Sotheby's (NYSE:BID) has declared a quarterly dividend of \$0.15 a share for the third quarter of 2007, an increase of 50% from the previous \$0.10 a share dividend. The third quarter dividend is payable on September 15, 2007 to shareholders of record as of August 31, 2007. This reflects an increase in the annual dividend rate from \$0.40 a share up to \$0.60 a share.

"Since the resumption of our dividend in August 2006, after a six-year hiatus, our financial performance has only been getting stronger", said Bill Ruprecht, Sotheby's President and Chief Executive Officer. "This 50% increase in our dividend solidifies our belief in the future and is a very important indicator of the health of our company. We are very pleased to have the ability to reward our shareholders in this tangible way, which would not have been possible without the hard work and support of our global team of employees, as well as our Board of Directors."

"Given our strong performance since the resumption of our dividend last year and our exceptionally strong cash flow, this is the right decision for the Company and for our shareholders", said Sotheby's Chief Financial Officer, Bill Sheridan.

About Sotheby's

Sotheby's is a global company that engages in art auction, private sales and art-related financing activities. The Company operates in 35 countries, with principal salesrooms located in New York and London. The Company also regularly conducts auctions in 13 other salesrooms around the world, including Australia, Hong Kong, France, Italy, the Netherlands, Switzerland and Singapore. Sotheby's is listed on the New York Stock Exchange under the symbol BID.

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 performances 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, but are not limited to, the overall strength of the international economy and financial markets, political conditions in various nations, competition with other auctioneers and art dealers, the amount of quality property being consigned to art auction houses and the marketability at auction of such property.