

SOTHEBY'S HOLDINGS, INC. ANNOUNCES NINE MONTH AND THIRD QUARTER 1999 RESULTS

- Nine Month Total Revenues of \$254.5 Million -

- Nine Month Loss Per Diluted Share of (\$0.03) -

November 15, 1999, 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 nine months and third quarter ended September 30, 1999. For the first nine months of 1999 the Company reported total revenues of \$254.5 million, compared to \$266.4 million for the corresponding period of 1998. Net loss for the first nine months of 1999 was \$1.6 million or (\$0.03) per diluted share, compared to net income of \$6.5 million or \$0.11 earnings per diluted share for the corresponding period of 1998. Internet related expenses for the first nine months of 1999 were \$23.0 million or (\$0.25) per diluted share.

For the quarter ended September 30, 1999, the Company reported total revenues of \$45.3 million, compared to \$51.3 million in the corresponding period of 1998. The Company's net loss for the third quarter of 1999 was \$23.8 million or (\$0.41) per diluted share, compared to a net loss for the third quarter of 1998 of \$20.8 million or (\$0.37) per diluted share. The third quarter is a period of minimal sales activity in the art auction market (8% of total 1998 auction sales for Sotheby's) and, therefore, the Company historically reports a loss in the period.

"Despite the 4% growth in auction sales, total operating revenues for the first nine months of 1999 decreased 4% to \$254.5 million, due to the significant reduction in revenue from our financial services business," said Mrs. Brooks. "In addition, the sales mix moved to higher end, single-owner sales, which resulted in margin pressure on auction revenues.

Mrs. Brooks continued: "Our revenues were further offset by continued and anticipated investments in our two major internet initiatives – sothebys.com and sothebys.amazon.com, as well as higher expenses related to these initiatives. To date, we have signed up over 4,500 dealers from around the world to sell on these two sites – three times our highest expectations. These two combined sites will offer thousands of works of art, objects and collectibles with every lot guaranteed for authenticity and condition by experts in the field.

"Internet related expenses relating to the sothebys.com and sothebys.amazon.com auction sites for the first nine months of 1999 were \$23.0 million or (\$0.25) per diluted share. We anticipate that our internet related expenses will be in the range of \$40 million for the full year.

"We were very pleased with the results of our sales of Impressionist and Modern Art, which we held last week in New York. They brought \$242.7 million, the highest total seen since the spring of 1990. The Saidenberg Collection of 46 works brought \$70.3 million, with Picasso's *Woman Sitting in a Garden* selling for \$49.5 million, the second highest price ever for Picasso at auction. Part I of our Impressionist and Modern Art auctions achieved \$144 million, also the highest total for a Part I auction at Sotheby's in 9 years. The combined sales showed a lower buy in rate than we have seen in some time. We are hopeful that this strong market will continue when our sales take place in London in December, where our excellent sale of Impressionist and Modern Art includes 25 works of Picasso from the Collection of Gianni Versace, as well as several other important highlights."

Sotheby's has 107 offices located in 41 countries, with principal salesrooms located in New York and London. The Company also regularly conducts auctions in 17 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 statement

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, and the Company's success in developing and implementing its Internet auction strategy.

If you would like to participate in Sotheby's Holdings, Inc. earnings conference call which is scheduled for 10:30 AM EST Monday, November 15th, 1999, please call Sotheby's Investor Relations at 212 508-8070 by 9:00 AM EST.

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