



News Release

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Sotheby's Prices \$150 Million Senior Unsecured Notes

New York, NY – June 12, 2008 – Sotheby's (NYSE: BID) today announced the pricing of \$150 million of senior unsecured notes due 2015 through an offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). The closing of the offering is expected to occur on or about June 17, 2008.

The notes will be sold to investors at a price of 98.681% of the principal amount thereof, plus accrued interest from June 17, 2008. The notes will pay interest semiannually at a rate of 7.75% per annum and will mature on June 15, 2015.

Sotheby's expects to use the proceeds from this offering, together with the proceeds from its concurrent offering of \$175 million of senior convertible notes, to finance the acquisition of its York Avenue property and to redeem its \$100 million of existing 6.875% Notes due 2009. In addition, Sotheby's expects to use a portion of the proceeds from the transactions and from the warrant sales referred to below to fund convertible note hedge transactions that Sotheby's has entered into with the initial purchasers of the convertible notes or their affiliates. Sotheby's has sold warrants to the initial purchasers of the convertible notes or their affiliates and will use the proceeds of those warrant sales to partially offset the cost of the convertible note hedge transactions. Any remaining proceeds from these transactions will be used for general corporate purposes.

The notes have not been registered under the Securities Act or any applicable state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful. This announcement does not constitute a notice of redemption of the 6.875% Notes due 2009 referred to above.

Sotheby's is a global company that engages in art auction, private sales and art-related financing activities. The Company operates in 40 countries, with principal salesrooms located in New York, London, Hong Kong and Paris. Sotheby's also regularly conducts auctions in six other salesrooms around the world. Sotheby's is listed on the New York Stock Exchange under the symbol BID.

Forward Looking Statements

This communication contains forward-looking statements relating to the terms and timing of the proposed offering, the expected use of proceeds from the offering and Sotheby's ability to implement its strategic and business initiatives. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are subject to risks, uncertainties, assumptions and other factors that are difficult to predict and that could cause actual results to vary materially from those expressed in or indicated by them. Additional risks and factors are identified in Sotheby's filings with the U.S. Securities Exchange Commission (the "SEC"), including its annual report on Form 10-K for the fiscal year ended December 31, 2007 and its quarterly report on Form 10-Q for the quarter ended March 31, 2008, which are available on the SEC's website at <http://www.sec.gov>. Sotheby's undertakes no obligation to revise or update any forward-looking statement, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.