

SOTHEBY'S HOLDINGS, INC. ANNOUNCES FIRST QUARTER RESULTS

- First Quarter 1999 Diluted Net Loss Per Share of \$0.17 -

-- First Quarter Auction Sales Totaled \$235.7 Million -

May 13, 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 first quarter ended March 31, 1999. The Company's net loss for the first quarter of 1999 was \$9.5 million ((\$0.17) per diluted share) compared to a net loss of \$6.3 million ((\$0.11) per diluted share) for 1998. Due to the seasonal nature of the art auction market, auction sales in the first quarter have historically represented approximately 10% - 13% of total sales for the year and the first quarter is a loss period for the Company. Consequently, first quarter results are not indicative of expected full year results.

"Our results for the first quarter of 1999 were in line with our expectations," said Diana D. Brooks, President and Chief Executive Officer of Sotheby's Holdings, Inc. "We had several successful auctions in the first quarter, including the Giuseppe Rossi Sale in London, which brought \$34.2 million and the Alberto Pinto Sale in New York, which brought \$6.3 million. Nevertheless, revenues were down 7% as a result of a lower average loan portfolio and a 6% decrease in auction sales, due to lower sales of Old Master Paintings and Drawings and Asian art in New York.

"Looking to the second quarter," continued Mrs. Brooks, "the Impressionist and Modern art series in New York that concluded yesterday brought \$208 million, compared to a low estimate of \$169 million and compared to \$108 million for the same series of sales in the spring of 1998. The highlight of the series was the sale of fifty paintings from the Collection of the late Mr. and Mrs. John Hay Whitney which brought \$128.3 million, the second highest single-owner evening sale ever. Every work sold and remarkable prices were achieved for two masterpieces: Cézanne's Rideau, Cruchon et Comptoir, a still life circa 1893-94, sold for \$60.5 million, making it the fourth most expensive painting ever sold at auction. Seurat's Paysage, L'île de la Grande-Jatte which was painted in 1884, sold for \$35.2 million. Each painting had been estimated to bring in excess of \$25 million and each achieved a world auction record for the artist. Last month in New York, we also held a very successful six-session sale of furniture, decorative and fine arts from the residences owned by Mr. and Mrs. Whitney, which realized \$13.2 million, nearly twice the pre-sale estimate, with 95% of the 1,240 lots selling, bringing the total for the Whitney Estate to more than \$170 million, with several paintings still to be sold in our American and Old Master Paintings sales later this month.

"Next week, our sale of Contemporary art in New York will feature Lucien Freud's monumental work entitled The Painter's Mother (est. \$3/4 million), as well as property from the Kraetz Collection, including Andy Warhol's Marlon from 1966 (est. \$1.5/2.0 million). Among the highlights of our Impressionist sale in London in June is an outstanding Edgar Degas pastel of a ballet dancer, Danseuse au repos, which is expected to bring \$8 million (£5 million). In June, we will participate in the sale of the contents of the magnificent Château de Groussay, estimated in excess of \$20 million, in a house sale at the Château, located outside of Paris, together with French auctioneers, Maître Hervé Poulain, Vice President of Drouot, and Maître Rémi Le Fur.

"We are pleased to report that the two most important corporate initiatives for Sotheby's this year - the development of sothebys.com, our Internet auction business and the expansion of our New York headquarters - are both progressing as scheduled. The response to our dealer initiative has been excellent, with over 2,700 dealers participating in sothebys.com. We expect to hold our first Internet auctions of art, antiques, jewelry and collectibles in late summer and the first major sale on the internet will take place at the end of September with the auction of baseball memorabilia from the famed collection of Barry Halper, which will also be included in a live auction.

"Our other initiative is the expansion of our New York location, which we expect to revolutionize the way we conduct business. Most of our New York operations will be consolidated in one convenient location and our current space will be expanded from 160,000 to 400,000 square feet. We expect to move into the top 6 floors in September of this year, and the 10 floor building will be completed in the autumn of 2000, with the redesigned building becoming a major arts destination, with four times more exhibition space than the current site."

Sotheby's has 107 offices located in 41 countries, with principal salesrooms 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.

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 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.

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Financial Table Follows

ALL SOTHEBY'S PRESS RELEASES ARE PUBLISHED ON OUR WEBSITE AT www.sothebys.com

If you would like to participate in Sotheby's Holdings, Inc.'s earnings conference call which is scheduled for 10:30 AM EST Thursday, May 13th, 1999, please call Sotheby's Investor Relations at 212-508-8070 by 9:00 AM EST.

Consolidated Statements of Income

Sotheby's Holdings, Inc. and Subsidiaries

For the Three Months

Ended March 31,

1999 1998

(Thousands of dollars, except per share data)

Revenues:

Auction and related revenue	\$51,665	\$55,266
Other revenue	11,537	13,057
Total revenues	63,202	68,323

Expenses:

Direct costs of services	13,004	17,877
Salaries and related costs	36,168	33,119
General and administrative	25,302	21,863
Depreciation and amortization	3,339	3,233
Non-recurring charges	0	0
Total expenses	77,813	76,092

Operating loss **(14,611)** (7,769)

Interest income **1,123** 647

Interest expense **(1,442)** (2,774)

Other expense	(191)	(76)
Loss before taxes	(15,121)	(9,972)
Income tax benefit	(5,595)	(3,689)
Net Loss	(9,526)	(\$6,283)
Basic Loss Per Share	(\$0.17)	(\$0.11)
Diluted Loss Per Share	(\$0.17)	(\$0.11)
Basic Weighted Average Shares Outstanding (in millions)	57.3	56.1
Diluted Weighted Average Shares Outstanding (in millions)	57.3	56.1
Dividends Per Share	\$0.10	\$0.10

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