

SOTHEBY'S HOLDINGS, INC. ANNOUNCES FIRST QUARTER RESULTS

- Significant Decrease in First Quarter Operating Expenses
- Impressionist & Modern Art Sales of \$149.1 Million Lead Competition by 20%

May 14, 2002, New York -- Sotheby's Holdings, Inc. (NYSE: BID; LSE), the parent company of Sotheby's worldwide live and online auction businesses, art-related financing and real estate brokerage activities, today announced results for the first quarter ended March 31, 2002. Net loss for the first quarter of 2002 was (\$23.1) million, or (\$0.38) per diluted share, compared to a net loss of (\$22.5) million, or (\$0.38) per diluted share, for the first quarter of 2001. Due to the seasonal nature of the art auction market, auction sales in the first quarter have historically represented approximately 9% - 13% of annual auction sales and the first quarter has historically been a loss period for the Company. Consequently, first quarter results are not indicative of expected full year results.

"Operating expenses totaled \$76.6 million in the first quarter of 2002, compared to \$87.0 million for the same period in 2001. Excluding employee retention costs and net benefits to special charges and restructuring charges, first quarter 2002 operating expenses decreased 11% to \$73.4 million from \$82.5 million for the same period in 2001. We remain pleased with the progress we continue to make in controlling costs," said William F. Ruprecht, President and Chief Executive Officer of Sotheby's Holdings, Inc.

"Auction sales (hammer price plus buyer's premium) for the first quarter of 2002 totaled \$190.1 million, a decrease of 12% compared to the first quarter of 2001," continued Mr. Ruprecht. "This decrease principally reflects a smaller amount of property offered in our London Impressionist and Contemporary Art sales in February and decreased sales in North America. Nevertheless, we had several successful sales in the first quarter, most notably our Americana Week sales that achieved a record \$27.8 million and Important Photographs from the Jammes Collection in Paris, which totaled \$10.4 million -- soundly exceeding its high estimate."

Mr. Ruprecht said: "Our first quarter was substantially better than our plan and we expect that 2002 will bring us back to profitability on the operating income line, especially as the economy recovers from last year's downturn. Additionally, buyers are increasingly attracted to art and real estate, there is a more stable competitive environment and we expect our new pricing structure to favorably impact our financial results."

Internet

Internet-related expenses for the first quarter of 2002 were \$3.1 million, as compared to \$7.8 million from the same period a year ago. The impact of the Internet related operating loss was (\$0.02) per share, as compared to (\$0.06) a year earlier.

"In the first three months of 2002, Sothebys.com had \$8.9 million in online

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auction sales, compared to \$11.9 million in the same period in 2001. Sothebys.com continues to hold special sales, including the recent successful sale of Seinfeld memorabilia. We anticipate that the level of Internet-related expenses will continue to decrease throughout 2002 due to the launching of our strategic alliance with eBay, Inc. this summer, and the access to eBay's 42 million users will be positive for our Internet business," said Mr. Ruprecht.

Second and Third Quarter Sales

"Looking to the second quarter," continued Mr. Ruprecht, "our Impressionist & Modern art sales held last week in our New York salesroom were an outstanding success. Sotheby's led the competition, achieving an excellent sales total of \$149.1 million. The Luella and Samuel Maslon Collection of Impressionist and Modern Art brought \$34.2 million -- well beyond its high estimate, with the evening sale of Impressionist & Modern Art totaling \$126.0 million and only three of the 55 lots failing to sell. Among the many high points of the evening was Alberto Giacometti's Grande tete de Diego, which sold for \$13.8 million and almost doubled its presale high estimate of \$7 million.

We were also extremely pleased with the results of our April sales. Among them was the highly successful sale of Magnificent Jewels of Janice H. Levin, which totaled \$8.2 million. The Levin Collection, along with our annual various owners sale brought our New York Magnificent Jewels total to \$17.5 million, making Sotheby's the clear leader in April Jewelry sales. Other notable April sales held in New York include A Celebration of the English Country House and 19th Century European Art, which brought \$8.2 million and \$8.3 million respectively.

In Hong Kong, our annual spring Important Watches sales were very successful bringing a combined \$5.7 million, exceeding the presale high estimate by a half million dollars. Included in these sales was an outstanding single-owner collection of Important Rolex wristwatches, which saw all but three lots sell. Another highlight from Hong Kong this spring was the sale of a recently discovered famille-rose enameled peach vase from the Qing Dynasty, that sold for \$5.3 million, breaking its high estimate of \$3.2 million and setting a world auction record for Qing porcelain. The vase, which was used as a lamp by its previous owner until it was discovered by a Sotheby's expert, is one of the rarest and most beautiful Qing pieces ever to come to auction.

Tomorrow, we will hold our Part I sale of Contemporary Art in New York, estimated at \$36.0 - \$50.2 million," continued Mr. Ruprecht. "Notable lots include Andy Warhol's Five Deaths, estimated to bring \$3.0 to 4.0 million and Gerhard Richter's 180 Farben, which is estimated to sell between \$2.0 to 3.0 million.

We also have a number of wonderful paintings and objects that we will be offering later this summer," said Mr. Ruprecht. "Highlights from our London sale of Impressionist & Modern Art in June include one of the most beautiful examples of Claude Monet's signature "water-lilies" series. The painting, estimated at \$14 to \$20 million, has not been publicly exhibited since 1925, and has never been reproduced in any literature in color, thus giving its re-emergence and exhibition at Sotheby's huge importance to both historians and collectors. In July, in our London Old Master Paintings sale, Rembrandt's magnificent Portrait of a Young Woman, which has not been publicly seen in an almost half a century and last came to the market in 1935, is estimated to sell for \$14.5 and \$21.7 million. In the same sale, the previously misidentified

painting The Massacre of the Innocents by Rubens, estimated at \$6 to \$9 million, will be offered. And in New York, a special single lot auction featuring the fabled 1933 Double Eagle gold coin, estimated to bring \$4 to \$6 million, will be held on behalf of the U.S. Government."

About Sotheby's Holdings, Inc.

Sotheby's Holdings, Inc. is the parent company of Sotheby's worldwide live and Internet auction businesses, art-related financing and real estate brokerage activities. The Company operates in 38 countries, with principal salesrooms located in New York and London. The Company also regularly conducts auctions in 14 other salesrooms around the world, including Australia, Hong Kong, France, Italy, the Netherlands, Switzerland and Singapore. 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 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 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, the Company's success in developing and implementing its Internet auction strategy, final resolution of antitrust related matters, including the European Commission investigation regarding commissions charged by the Company for auction services and other trading terms, the success of the Company's French auction business, market acceptance of the proposed revisions to the Company's existing commission rates and structures, the outcome of discussions the Company is having with representatives of the Taubman family regarding the possible sale of the Company and the successful implementation of the Company's restructuring plan.

Financial Tables Follow

<http://www.sothebys.com>

Sotheby's Holdings, Inc.'s earnings conference call will take place on Tuesday, May 14, 2002, at 4:45 PM EST. Domestic callers should dial: 800-257-7087 and international callers should dial: 303-262-2143. The call reservation number is 470427.

To listen to the conference call via web cast, please go to www.visualwebcaster.com/event.asp?id=5112 and enter the passcode 470427 when prompted. You will need Windows Media Player to access the call. Please download this program before the call begins at 4:45 PM on May 14th.

Consolidated Statements of Operations
Sotheby's Holdings, Inc.

(UNAUDITED)

	For the Three Months	
	Ended March 31,	
	2002	2001
<i>(Thousands of dollars, except per share data)</i>		
Revenues:		
Auction and related	\$35,611	\$44,123
Other	9,820	13,367
Total revenues	45,431	57,490
Expenses:		
Direct costs of services	9,284	11,518
Salaries and related costs	35,461	39,374
General and administrative	22,871	25,699
Depreciation and amortization	5,796	5,879
Retention costs	6,250	3,675
Net restructuring charges	(546)	-
Special charges	(2,510)	842
Total expenses	76,606	86,987
Operating loss	(31,175)	(29,497)
Interest income	1,120	1,383
Interest expense	(5,768)	(6,601)
Other expense	(279)	(483)
Loss before taxes	(36,102)	(35,198)
Income tax benefit	12,997	12,671
Net Loss	(\$23,105)	(\$22,527)
Basic and Diluted Loss Per Share	(\$0.38)	(\$0.38)
Basic and Diluted Weighted Average Shares Outstanding (in millions)	61.4	59.1