

Press Office | +1 212 606 7176 | Diana Phillips | Diana.Phillips@Sothebys.com

Investor Relations | +1 212 894 1023 | Jennifer.Park@Sothebys.com

SOTHEBY'S ANNOUNCES 2008 FOURTH QUARTER AND FULL YEAR RESULTS

- Full Year Revenues of \$691.6 million and Net Income of \$28.3 million

February 26, 2009, New York -- Sotheby's (NYSE: BID) today announced results for the fourth quarter and twelve months ended December 31, 2008.

For the quarter ended December 31, 2008, the Company reported operating revenues of \$166.2 million, a \$179.6 million, or 52%, decrease from the fourth quarter of 2007. This deterioration is primarily due to a 46% decline in net auction sales from \$1.9 billion to \$1.0 billion, significant auction guarantee losses and inventory writedowns, all attributable to a downturn in the international art market that began in September 2008, and which resulted from a weakening global economy, as well as turbulence in the global financial and credit markets. For the fourth quarter ended December 31, 2008, the Company reported an operating loss of (\$0.7) million and a net loss of (\$8.5) million, or (\$0.13) per share compared to operating income of \$141.6 million and net income of \$102.4 million, or \$1.55 per diluted share for the fourth quarter of 2007. This decline is largely due to the aforementioned revenue decreases as well as a \$13.2 million impairment loss in the Company's Dealer segment related to goodwill and intangible assets and \$4.3 million in restructuring charges. Partially offsetting the impact of these factors is a \$44.4 million, or 45%, decrease in salaries and related costs over the period primarily due to a \$26.7 million, or 75% decline in accrued incentive bonus costs as a result of the much lower profitability of the quarter as compared to the prior period. Fourth quarter adjusted operating income*, which excludes the \$13.2 million impairment loss as well as the \$4.3 million in restructuring charges, is \$16.8 million*.

For the full year 2008, consolidated sales (aggregate auction sales, private sales and dealer revenues) were \$5.3 billion and operating revenues were \$691.6 million, representing decreases from the prior year of 14% and 25%, respectively, primarily due to the previously mentioned sales decline, auction guarantee losses and inventory writedowns experienced in the fourth quarter of 2008. Net income for the full year 2008 was \$28.3 million, a \$184.9 million, or 87%, decrease from the prior year largely due to the fourth quarter revenue shortfalls. Also contributing to the decreased profitability is a lower level of private sale commissions, higher borrowing costs and a higher effective tax rate, partially offset by lower salaries and related costs.

As discussed above, in the fourth quarter of 2008, the Company recorded restructuring charges of \$4.3 million related to headcount reductions in its North American operations. Additionally, in 2009, the Company will record approximately \$9 million in further restructuring charges for employee-related charges (\$6 million), as well as lease exit and facilities-related costs (\$3 million). Following the full implementation of the North American and European restructuring plans in the first quarter of 2010, management expects to achieve annual cost savings of approximately \$17 million in salaries and related costs, resulting from a 15% reduction in global headcount, and approximately \$4 million in savings for facilities-related costs. In addition to this restructuring plan, management is implementing a number of other cost savings initiatives impacting all areas of expense. As a result, management has targeted annual savings in 2009 of approximately \$100 million versus actual 2008 results. This \$100 million savings target includes any 2009 savings resulting from the North American and European restructuring plans discussed above.

“The global economic crisis which erupted in the autumn of 2008 had a major impact on our business in the fourth quarter,” said Bill Ruprecht, President and Chief Executive Officer of Sotheby’s. “For the first nine months of 2008, our aggregate auction sales were at record levels. But from October onwards, virtually every auction around the world experienced declines. As a result, we immediately took steps to strengthen our business. We began a worldwide restructuring, initiated global cost cutting measures and dramatically curtailed the use of guarantees. To date in 2009, auction commission margin is 17.3%, up 27% from the 13.6% in the first quarter of 2008.

“We continue to make strategic investments in our business,” continued Mr. Ruprecht. “Earlier this month, we successfully completed the repurchase of our flagship facility in New York City. We acquired the building for \$370 million, funding a significant portion of the purchase price by assuming the seller’s mortgage. Replacing our lease obligation which had a 10.4% interest rate with a mortgage obligation of 5.6% allows us to save approximately \$4 million in cash interest expense in 2009. This is the premier auction facility in the world and a strategic asset and we are delighted to own it once again. And we remain committed to our focus on our top clients and on the high end of the business. Sotheby’s sold the top lot of the year, Francis Bacon’s *Triptych, 1976*, (\$86.3 million), the top lot of the autumn auction season, Kazimir Malevich’s *Suprematist Composition* (\$60.0 million) and the top Contemporary lot of the autumn season, Yves Klein’s *Archisponge* (\$21.4 million) while continuing to reduce lot volume in 2008.

“As we begin 2009 our financial condition remains healthy. We are well-positioned to operate in this very challenging economic environment. And, very importantly, as we saw in our recent London sales, demand remains positive for great works which are well estimated and fresh to the market. In a turbulent world, art continues to represent both value and relevance.”

Year to Date 2009 Sales

In New York, the Old Masters Paintings sale in January totaled \$63.9 million and was highlighted by JMW Turner’s *The Temple of Jupiter Panellenius* which sold for \$13.0 million, the second highest price for the artist at auction. Another highlight was

Hendrick ter Brugghen's *Bagpipe Player in Profile* which sold for \$10.2 million, surpassing the pre-sale estimate of \$4/6 million and setting a record for the artist at auction.

The London Impressionist and Modern Art and Contemporary Art sales earlier this month brought a total of \$98.9 million for the week of sales – in line with the pre-sale low estimate of \$100 million for the series. The top lot at any auction house was sold at Sotheby's, Edgar Degas' *Petite Danseuse de Quatorze Ans*, for \$19 million, a record for Degas sculpture at auction. Highlighting the Contemporary Art sales was Lucio Fontana's *Concetto Spaziale* which brought \$6.4 million. The sell through rate for the week of sales was a robust 85%.

Upcoming Sales

On March 18th and 19th, Sotheby's will hold its inaugural series of sales in Doha, Qatar. The four sales of Contemporary Art, Orientalist Art, Islamic Art and Watches are estimated to realize a total of \$25/34 million over the two-day period. Highlighting the sales is the *Pearl Carpet of Baroda* which was commissioned by the Maharaja of Baroda. Bidding on this exceptional piece will start around \$5 million but is expected to rise considerably higher. Leading the Contemporary Art sale is Andy Warhol's *Round Jackie*, a poignant image of Jackie Kennedy based on a news photograph taken of her while she was still in the White House (pre-sale estimate of \$2.5/3.5 million).

Beginning on April 4th, Sotheby's will be holding its spring series of sales in Hong Kong. This sales series will mark the inauguration of wine auctions at Sotheby's Hong Kong, in addition to the existing sales of Modern and Contemporary Chinese and Southeast Asian Art, Chinese classical paintings and works of art, jewelry and watches. Highlighting the sales is one of the most precious and rarest Tang dynasty artifacts that has ever come on the market, a *Magnificent Large Tortoiseshell Octagonal Box and Cover Inlaid with Mother-of-Pearl* that has a pre-sale estimate in excess of \$5 million. Close to 1,200 lots with a total pre-sale low estimate of \$82 million will be on offer.

Earlier this month, the finest private library of Hebrew books and manuscripts in the world, the Valmadonna Trust Library, was on view in Sotheby's galleries. 10,000 visitors came to Sotheby's New York to view the remarkable collection which stirred such excitement that on the final day of the exhibition there were lines around the block. The collection includes the only surviving manuscript written in England before the expulsion of the Jews in 1290; arguably the finest copy of the Babylonian Talmud produced between 1519 and 1523 by famed printer Daniel Bomberg, which was previously in the collection of Westminster Abbey; as well as the preeminent group of Hebrew books in existence from the dawn of printing (15th century). Sotheby's has been asked to sell the entire library privately to a single buyer, with an estimated price at more than \$40 million.

* Non-GAAP financial measure. See Appendix B.

Note: Estimates do not include buyer's premium.

Spring 2009 Highlights – Upcoming Sales

Sotheby's 2009 sales are already off to a strong start. In January, the sale of *Important Old Master Paintings and Sculpture* in New York achieved a total of \$63,888,875, with 11 works commanding prices above \$1 million. The sale was highlighted by one of the most important oil paintings by Joseph Mallord William Turner remaining in private hands, **The Temple of Jupiter Panellenius**, which sold for \$12,962,500, the second highest price ever achieved for the artist at auction. A new auction record was established for Hendrick ter Brugghen when his 1624 canvas, **Bagpipe Player in Profile**, soared past a pre-sale estimate of \$4/6 million to sell for \$10,162,500.

Sotheby's week of *Impressionist & Modern and Contemporary Art* sales in London this February realised a combined total of £69,010,575 (\$98,884,169). The *Impressionist & Modern Art* sales on 3 and 4 February realised a combined total of £43,857,125 (\$62,417,280). Two works commanded prices in excess of £5 million, and six for more than £1 million. The top price of the series was for Edgar Degas's **Petite danseuse de quatorze ans**, which was sought-after by three bidders before selling to a private Asian collector for £13,257,250 (\$18,823,969). The *Contemporary Art Evening Sale* on 5 February saw 25 of the 27 works offered sell, realising a total of £17,879,250 (\$25,785,250). The top-selling lot was the rediscovered painting **Concetto Spaziale** of 1961 by Italy's foremost Contemporary artist Lucio Fontana. The painting, which had never before appeared at auction and had remained hidden from public view for almost 50 years, sold for £4,409,250 (\$6,359,020).

From 9-19 February, Sotheby's New York exhibited in its entirety, for the first time ever, *The Valmadonna Trust Library*, the finest private library of Hebrew books and manuscripts in the world. Nearly 10,000 visitors came to Sotheby's to view the extensive group of over 11,000 works, which is monumental in its significance as a primary source on both world history and Jewish life and culture. The collection boasts rarities dating from the 10th century to the early 20th century from Italy, Holland, England, Greece, Eastern Europe, the Ottoman Empire, North Africa, India, and China, documenting the spread of the Hebrew press and the dissemination of Jewish culture around the globe. Among the treasures in the collection are: *the only surviving manuscript written in England before the expulsion of the Jews in 1290; arguably the finest copy of the Babylonian Talmud produced between 1519 and 1523 by famed printer Daniel Bomberg, which was previously in the collection of Westminster Abbey; as well as the preeminent group of Hebrew books in existence from the dawn of printing (15th century)*. Sotheby's has been asked to sell the entire library privately to a single buyer, with an estimated price at more than \$40 million.

Carpets from *The Barbara Zidell Sedlin Family Collection* will be offered in New York 3 March. The auction is estimated to bring between \$2/3 million and comprises nearly 130 lots from the personal collection of Ms. Sedlin as well as the remaining inventory of her gallery, *The Ghiordian Knot*. Highlights of the auction include a late 18th century **Agra Carpet** (est. \$80/120,000) with an elegant and intricate design as well as a **Karachopt Kazak Rug** with spacious design and brilliant coloring (est. \$50/70,000).

On 4 March, Sotheby's will stage the first-ever dedicated sale of *Turkish Contemporary Art* in London. The 73 lots, comprising paintings, photographs, sculptures and installations by 53 artists, are estimated to raise in excess of £1.2 million. The selection of exceptional works represents the originality and dynamism of Turkish Contemporary Art, which is increasingly sought after, and includes rare and important works by Turkey's modern masters such as Erol Akyavas's 1980 oil on canvas **The Kiss** (est. £25/35,000) and Mubin Orhons's 1961 Untitled oil on canvas (est. £60/80,000). Turkey's foremost conceptual artists will also be represented in the sale, and this group will be led by an outstanding work by the hyperrealist artist Taner Ceylan, entitled **Spiritual** (est. £30/£40,000), and **Red VI** (est. £20/30,000), by Seyhun Topuz, a work by one of Turkey's most exceptional sculptors today.

Sotheby's spring Asia Week sales in New York will be held on 17-18 March. Leading off the sale is *Fine Chinese Ceramics and Works of Art* which includes a carefully curated selection of ceramics, paintings, and sculpture. Among these lots are works from The Gordon Getty Collection, including a 'Familie-Rose', **"Boys at Play" lantern-shaped vase, Qianlong iron-red seal mark and period** (est. \$300/500,000). Another work from the Getty collection is a unique large **"Figures and Landscape" automaton, Qing Dynasty, from the 19th century** (est. \$250/300,000). This work features three glass cases depicting a lush mystical mountain setting within, complete with model pavilions, bridges and a pagoda. The components of the electrically wired central case spring to life when activated; such works are exceedingly rare. From another consigner comes a **finely-carved and large pale celadon marriage bowl, Qing Dynasty, Qianlong period** (est. \$400/600,000), formerly in the Collection of R. H. R. Palmer. Additionally, a rare painting entitled **Eight Beauties**, signed Hua Xuan, of an extravagantly large size – 230 by 52 inches – it is estimated to sell for \$200/300,000.

The sale of *Indian and Southeast Asian Art* in New York comprises Modern and Contemporary art, Indian Miniatures, and ancient Himalayan and Indian Works of Art. Among the Modern highlights is **Horses**, a seminal painting by M.F. Husain, which is a modern reflection on the animal's embodiment of power in classical Indian art (est. \$100/150,000). Akbar Padamsee's **Nude** from 1960, created during the artist's short-lived gray period, demonstrates Padamsee's remarkable capacity for expressiveness using a monochromatic palette (est. \$200/300,000). Contemporary works in the sale include **Ambassadors**, a striking photographic print on archival paper by Vivek Vilasini, inspired by Renaissance paintings (est. \$10/15,000). Also offered is an outstanding group of 30 Indian Miniatures which includes an **Illustration from the Sudner Shringar: Radha with her Attendant**, India Kangar or Guler, from circa 1870 (est. \$15/20,000), which shows a scene from the *Sunder Shringar*, a 17th-century love poem. An extraordinary lot from the sale's Works of Art selection is a distemper-on-cloth **Mandala painting of Manjushri and The Pancharaksha**, produced in 14th century Nepal or Tibet (est. \$150/200,000).

On 18 March, Sotheby's London will offer an exquisite collection of furniture and works of art from the home of *Gianni Versace* on the shores of Lake Como, Villa Fontanelle, Moltrasio. One of fashion's most internationally celebrated designers, Gianni Versace's style and creative flair was exemplified in the stunning neo-classical interior design of his villa. His discerning approach to furnishing his home resulted in the impressive collection of continental furniture, sculpture and silver works and 18th and 19th century paintings being offered in this single-owner sale. The 550 lots are expected to fetch in excess of £2 million.

Sotheby's first-ever major international auction series in the Middle East will take place on 18 and 19 March at the Ritz Carlton Hotel in Doha, Qatar. **The Pearl Carpet of Baroda**, one of the most extraordinary masterpieces of its kind ever to come on the market, will form the centrepiece of these sales and be sold alongside other objects in the *Arts of the Islamic World* auction on 19 March. The carpet is traditionally believed to have been created as a gift for the tomb of the Prophet Mohammad in Medina and was commissioned by "Gaekwar" Kande Rao, the Maharaja of Baroda. The intended gift was clearly never delivered as the Maharaja died before he made the donation and the carpet therefore remained in his family. Bidding on this lot will start around \$5 million but is expected to rise considerably higher.

Sotheby's inaugural sale of *Contemporary Art* in Doha on 18 March will offer works by many of the most celebrated artists of the last 50 years. Leading the sale is an important work by Andy Warhol, **Round Jackie**, a poignant image of Jackie Kennedy which is based on a news photograph taken while she was still in the White House (est. \$2.5/3.5 million). Spearheading an exquisite selection of works by Arab and Iranian artists is a brilliant calligraphic work by Iranian artist Mohammad Ehsai that uses the technical expertise gained during the artist's formal calligraphic training to create a stunning contemporary visual scheme. His composition **Creation** (est. \$300/400,000) shows not only his accomplished technical skill on a large-scale but also his versatility and willingness to move away from the classical formalism of the calligraphic orthodoxy.

The Orientalist Sale, on 18 March in Doha, is expected to fetch in the region of \$5 million, and it will present an impressive showcase of Middle Eastern-inspired works by European artists, including superb examples by eminent Austrian, Swiss, French, Italian and Polish artists in the field. Among the highlights of the sale are three works by the Austrian artist, Rudolf Ernst, including his **A Hard Bargain**, which is estimated to sell for \$450/550,000.

Sotheby's first-ever watch auction in the Middle East will take place in Doha on 19 March. A selection of exceptional wristwatches includes a **white gold and diamond set Audemars Piguet Royal Oak** which has a total diamond weight of approximately 40 carats. This faultless and immaculate watch, which is unique and numbered '1,' is remarkable for the detail shown on the face and bracelet which both use large numbers of diamonds to create a magnificently stunning timepiece, and is estimated to sell for \$250/350,000.

To coincide with the *Salon du Dessin* this spring, Sotheby's Paris will stage its first-ever sale devoted exclusively to drawings on 26 March. *The Robert Lebel Collection* of 170 drawings spanning the 16th to the 19th centuries is estimated to bring €1.1/1.6 million. The heart of the collection consists of Italian drawings, and features several Renaissance masterpieces including **Study for the Madonna with the Long Neck** by Francesco Mazzola, more commonly known as Parmigianino. This is a preparatory drawing for the famous painting in Florence's Uffizi Gallery is estimated to sell for €500/700,000.

Sotheby's spring sales series in *Hong Kong* from 4-8 April will mark the inauguration of wine auctions in Asia, in addition to the existing sales of modern and contemporary Chinese and Southeast Asian art, Chinese classical paintings, ceramics and works of art, jewellery

and watches. Over 1,700 lots estimated in excess of HK\$600 million (\$76.9 million) will be offered. Among the extraordinary treasures on offer is a **Magnificent Large Tortoiseshell Octagonal Box and Cover Inlaid with Mother-of-pearl** which will be featured in a single-lot sale entitled: *A Tang Imperial Heirloom*. The box represents one of the most precious and certainly rarest Tang dynasty artifacts that have ever come on the market and it is expected to fetch in excess of HK\$40 million (\$5.1 million). Other highlights from the *Chinese Ceramics and Works of Art* sales include an offering of the *Eight Treasures from a European Collection* which embodies many key decorative trends in Imperial porcelain of the high Qing period. The highlight of this collection is a **Celadon-glazed Reticulated Vase** which demonstrates the intricate balance between elegance of form, sobriety of color and technical prowess. The only other piece similar, and most likely its pair, is part of the Imperial Collection and remains today in the Palace Museum, Beijing. The estimate for the eight lots is HK\$50/73 million (\$4/9.4 million).

Highlighting the 20th Century Chinese Art sale is an extremely rare work by Lin Fengmian entitled **Chinese Opera Figures: Heroines of the Yangs –Mu Guiying Taking Command** est. HK\$1.5/2 million (\$195/260,000). This extraordinary and colorful work is from The Private Collection of Monsieur and Madame Helle, once Consul General at the Norwegian Consulate in Shanghai during the early 1960s, and has been held in the family ever since. Another highlight, **Mount Jiuhoa**, by Li Keran est. \$HK2.8/4 million (\$360/515,000) is a magical portrayal of one of the four sacred mountains of Chinese Buddhism.

Among the highlights of the Jewellery sale is a **Magnificent Diamond and Seed Pearl Pendant Necklace**, by James de Givenchy for Taffin -- the D-colour, internally flawless heart-shaped diamond weighing 28.28 carats, and with an estimate of HK\$23/28 million (\$3/3.6 million).

Sotheby's annual sale of Russian Art in New York on 21 April will include **Columbus Sailing from Palos** by Ivan Konstantinovich Aivazovsky (est. \$1.5/2 million). Aivazovsky journeyed to America to represent Russian artists at the World's Fair in 1893. When selecting which pictures to include, he considered the fact that the four hundred year anniversary of Columbus' discovery of America was at hand. Years earlier he had begun a series of colossal canvases depicting the life of Christopher Columbus and his discovery of America, and he continued to paint Columbus-themed imagery while in New York in 1892. Sotheby's previously sold two other works from this series in 2006 and 2008, but Aivazovsky's stunning portrayal of Columbus' departure from Palos, Spain, on August 2, 1492, is among the finest of such compositions to ever appear at auction. Among the decorative works of art featured in the sale is an exciting group of enamels including two rare pieces that demonstrate the superior technique of 19th century Russian goldsmiths. A rare **Russian gilded silver and shaded enamel pictorial punch bowl and ladle** by Fabergé's regular supplier Feodor Rückert includes figures of brave warriors and lovely maidens of Old Russia, all in high relief and seemingly floating above fearsome eagles (est. \$150/200,000).

Sotheby's spring sale of 19th Century European Art on 24 April in New York will feature the very best examples of the artists, schools and styles of the category. Among the highlights are number of rediscovered works by artists such as Giovanni Boldini, Ludwig Deutsch, and Jules Breton, including his **Washerwomen of the Breton Coast**, which has been lost since the 1890s (est. \$400/600,000). This masterwork had once belonged to Edwin Denison Morgan, Governor of New York during the beginning of the Civil War, and trusted advisor to Abraham Lincoln. The sale will also include a spectacular pastel by Jean-François Millet, **Woodcutter and His Wife** (est. \$300/400,000), which is among the artist's finest; **Portrait of Eliska Poliková** by Alphonse Mucha (est. \$100/150,000), which was acquired directly from the artist in 1932 and has remained in the same family ever since; as well as other important works by Jean Beraud and Sir John Lavery, among others.

Sotheby's evening sale of *Important Watches* on 10 May in Geneva will include an **exceptional and rare gold, rock crystal, onyx, enamel and diamond set mystery clock, Cartier, circa 1919** (est. CHF220/250,000, \$180/200,000). The Cartier "*Pendule Mystérieuses*" or "Mystery Clocks" exude a mystic elegance that has captured the imagination of Cartier collectors for decades. Among the wristwatches on offer are an **exceptional and fine platinum split seconds chronograph wristwatch Patek Philippe, circa 2005** (est. CHF300/500,000, \$250/450,000); and a **rare oversized yellow gold chronograph wristwatch with registers and tachometer Patek Philippe, circa 2002, Ref 5070J** (est. CHF40/60,000, \$35/55,000). Within the pocket watch section are a **gold, enamel and pearl-set cylinder pair cased clockwatch, George Prior, n°25719, London circa 1800** (est. CHF12/15,000, \$10/2,000) and a **gold and enamel quarter repeating verge watch, Julien Le Roy, n° 41778, Paris, circa 1800** (est. CHF10/12,000, \$8/0,000).

Among the highlights of the 12 May sale of *Magnificent and Noble Jewels* in Geneva is a **Cartier aquamarine and diamond parure**, dated 1912, composed of a necklace, a corsage ornament and an aigrette tiara (each piece is estimated at CHF120/170,000, \$100/150,000). By family tradition, the *parure* was part of the collection of Olga, Princess Paley (1865-1929), the second wife of Grand Duke Paul Alexandrovich of Russia. This section of *Noble Jewels* also features a **pair of diamond and miniature portrait bracelets of King Ludwig I of Bavaria and his wife Queen Therese, née Princesse of Saxe – Hildburghausen** which was formerly the property of Queen Therese of Bavaria (est. CHF100/130,000, \$85/110,000).

On 15 May, Sotheby's New York will offer a single-owner sale of *African and Oceanic Art* from the Collection of American sculptor Chaim Gross (1904-1991) and his wife Renee, who were among the earliest collectors of African and Oceanic Art in the United States. Assembled in the 1940s and 1950s, the collection has remained intact and largely unchanged since then. At the heart of the collection is a group of important works acquired privately between 1940 and 1944 from the legendary *Vanity Fair* editor Frank Crowninshield. Among the highlights of the sale is an **Ngbaka Male Ancestor Figure from the remote Ubangi region of the Democratic Republic of the Congo** (est. \$400/600,000). The collection is estimated to bring more than \$4 million.

The spring sale of American Indian Art in New York on 20 May will comprise several distinguished private collections, among them: The Estate of Herbert Wellington; Property from the Collection of Morton and Estelle Sosland, sold to benefit the Greater Kansas City Community Foundation; the Estate of Milton and Frieda Rosenthal; and Property from the Collection of Mrs. Novella and the Late Edwin C. Lineberry. The Wellington Collection comprised the landmark exhibition and book *Pleasing the Spirits*, and it was the first private collection of Native American material ever shown at The Metropolitan Museum of Art. A highlight of the collection is an **extraordinary basket woven by the renowned weaver Dat So La lee** that is estimated at \$175,000/225,000. It is the first work by the artist to be offered at public auction in more than a decade.

Fall 2008 Highlights – Recent Sales

Fine Art

Sotheby's historic and ground-breaking two-day auction in London on 15 and 16 September of new works by Damien Hirst – *Beautiful Inside My Head Forever* – realised a combined total of £111,464,800 (\$200,752,179) – well in excess of its high estimate (£68-98 million). The auction saw three lots sell for over £5 million and 18 lots sell for more than £1 million. **The Golden Calf** made £10,345,250 (\$18,661,796) – establishing a new auction record for a work by the artist in sterling.

Sotheby's London October Series of *Contemporary Art* sales, including *Modern and Contemporary Design* and *20th Century Italian Art*, brought a combined total of £43,912,225 (\$76,289,896). The Evening Sale of *Contemporary Art* on 17 October realised £22,008,250 (\$38,135,896), the second highest total achieved for an October sale of Contemporary Art at Sotheby's. The top selling lot was Andy Warhol's series of ten skull paintings, **Skulls** which sold for £4,353,250 (\$7,543,312).

Sotheby's 3 November Evening Sale of *Impressionist and Modern Art* totaled \$223,812,500. Three record-setting works commanded prices over \$30 million, with Kazimir Malevich's **Suprematist Composition** selling for \$60,002,500 (becoming the top lot of the season in New York and also setting a new record for a Russian work of art at auction); Edvard Munch's **Vampire** achieving \$38,162,500, a record for the artist at auction; and Edgar Degas' **Danseuse au repos** selling for \$37,042,500, not only a record for the artist at auction, but also for any work on paper ever sold at auction.

Sotheby's Evening Sale of *Contemporary Art* on 11 November totalled \$125,131,500, equivalent to the results achieved in the fall of 2006. The top lot of the sale was Yves Klein's **Archisponge (RE11)** which sold for \$21,362,500. Artist records were set for Philip Guston when his **Beggar's Joys** achieved \$10,162,500; John Currin, whose **Nice 'N Easy** realized \$5,458,500; and Richard Serra whose **12-4-8** sold for \$1,650,000.

The series of *19th Century European Paintings* sales in London on 12 November (which included The Orientalist Sale, Symbolism & The Poetic Vision and Spanish Painting) brought a total of £8,151,000 (\$12,612,857). Francesco Hayez's **Il Bacio** sold for £780,450 (\$1,207,668), a new auction record for the artist; other highlights included a painting entitled **Antes del Baño** by the Spanish artist, Joaquin Sorolla, sold for £1,777,250 (\$2,750,117).

The two-day sale of *Latin American Art* at Sotheby's New York on 18 and 19 November totalled \$20,263,126. A total of 15 artist records were set, and the highlight of the sale was Rufino Tamayo's impressive mural, **America**, measuring 4 by 14 meters, which sold for \$6,802,500.

On 19 November in London, Sotheby's spectacular single-owner sale '*A Great British Collection*' - the collection of Victorian and 20th Century British Art formed by Sir David Montagu Douglas Scott and his wife, Valerie Finnis - realised £4,620,071 (\$6,923,176). The top-selling lot was Sophie Anderson's **No Walk Today**, which was hotly contested by at least four bidders before selling for £1,038,050 (\$1,555,518), a new auction record for the artist by a considerable margin.

Sotheby's 2008 winter series of *Russian Art* sales in London on 24 and 25 November totalled £25,248,388 (\$37,929,446), the third highest total for a series of Russian Art sales at Sotheby's. The sale of *Imperial and Royal Presents* realised the remarkable total of £1,951,713 (\$2,912,541). More than 120 clients registered to bid in the sale, which included Fabergé, Russian Works of Art and Vertu, including presents from HH Maria Fedorovna, Empress of Russia to her sister HRH Thyra, Princess of Denmark, Duchess of Cumberland. The top-selling lot was a **Fabergé silver-gilt pearl and enamel heart-shaped photograph frame** which realised £229,250 (\$342,110), almost three times its pre-sale low estimate. The Evening Sale brought a total of £14,155,600 (\$21,124,402). The highest price achieved was for Mikhail Fedorovich Larionov's **Reclining Nude**, which sold within estimate for £1,385,250 (\$2,067,209).

A sale of *Contemporary Art* in Milan on 25-26 November raised a total of €8,598,725 (\$11,091,065), bringing Sotheby's total for Contemporary Art in Italy in 2008 to €25,083,080 (\$32,357,273). The sale was highlighted by Piero Manzoni's **Achrome** which brought €576,750 (\$743,921).

Sotheby's biannual sale of *Swiss Art* in Zurich on 26 November realised a total of CHF5,987,501 (\$5,029,261) bringing the total of the year to CHF21,846,051 (\$20,470,097), the third best annual result ever for Swiss art sales at Sotheby's. Among the best prices achieved last November was **Der Mäher** by Ferdinand Hodler which brought CHF1,426,500 (\$1,198,203) and **Drei Bauern** by Ernst Ludwig Kirchner which sold for CHF722,500 (\$606,871).

Sotheby's London series of *Old Master Paintings* sales on 3 and 4 December realised a combined total of £16,918,800 (\$25,128,039). The Evening Sale made £13,334,000 (\$19,862,326) and the top-selling lot was Frans van Mieris the Elder's **A Young Woman in a Red Jacket Feeding a Parrot**, which soared above pre-sale expectations, bringing £3,625,250 (\$5,400,172) against an estimate of £500/700,000. The second-highest price of the sales was an eagerly sought-after portrait on marble of **Bindo Altoviti** by Girolamo da Carpi which fetched £3,065,250 (\$4,565,996) against an estimate of £200/300,000.

The sale of *Impressionist and Modern Art* in Paris on 3 December realised an impressive total of €12,763,700. The top-selling lot in the sale was Georges Seurat's masterwork **Au Divan** which realised €4,992,750, almost five times its pre-sale high estimate.

Decorative Arts

The single-owner sale of *Property of Rear Admiral Edward P. Moore and Barbara Bingham Moore* on 26 September, part of Sotheby's fall series of Americana auctions in New York, included the **Important Reginald M. Lewis Queen Anne Carved Walnut Compass-Seat Stool, Philadelphia, Pennsylvania, circa 1750**, which brought an unprecedented \$5,234,500, establishing a record for any seating furniture at auction. The price, which was more than ten times the high estimate of \$500,000, eclipsed the previous record which had been held for over twenty years. The sale brought a total of \$9.99 million. Sotheby's sale later that day of *Important Americana* brought \$2.9 million, bringing the day's grand total to \$12.9 million.

The 2 October sale of *The Collection of Léon Lévy* at Sotheby's in Paris realized a total of €12,248,200 (\$17,067,254) with 81.5% of the sold lots exceeding their high estimate. Highlighting the sale was a **rare pair of Louis XVI candelabra, with Sèvres biscuit caryatids and gilt-bronze mounts attributed to Pierre-Philippe Thomire**, which had been a gift from Louis XVI to the Princess of Asturias, future Queen of Spain, in 1785, that sold for €1,408,750 (\$1,950,964), setting a world record price for a candelabra at auction.

The sale of *Fine 20th Century Design* on 6 November in London realised £1,903,600 (\$3,018,158), the highest-ever total for a various owner sale of this kind at Sotheby's in London. Major Art Deco pieces, German designs circa 1900 and Contemporary Design were highly sought after. The top lot was **Semiramis** by Demeter H. Chiparus, which sold for £112,850 (\$178,924).

Sotheby's highly anticipated 14 November auction in New York of *African and Oceanic Art from the Collection of Frieda and Milton Rosenthal* surpassed pre-sale estimates, bringing \$10,859,944 (est. \$6,849,500/10,808,000). This offering represented the most important collection of African and Oceanic Art to be offered in forty years in New York, and was the highest total for a single-owner sale in that category in this location. The centerpiece of the sale, a **Magnificent and Highly Important Senufo Pair of Male and Female Ancestor Figures, Ivory Coast**, also known as the "Rosenthal Primordial Couple" sold for \$4,002,500, a record for a Senufo sculpture at auction.

Sotheby's fall sale of *Photographs* on 14-15 October brought \$5,666,312 with solid prices achieved for works by Man Ray, Ansel Adams, Richard Prince, Edward Weston, Paul Outerbridge, Richard Avedon, Dorothea Lange and Carleton Watkins. The top lot of the sale, Man Ray's **Jacqueline Goddard**, sold for \$374,500, over its high estimate.

Asian Art

Sotheby's four sales of Asian art from 16-19 September in New York brought \$26,008,097. The sale of *Fine Chinese Ceramics and Works of Art Including Chinese and Japanese Art from the Collection of Frieda and Milton Rosenthal* brought \$6,348,433, highlighted by its cover lot, a **magnificent and extremely rare polychrome wood and gesso sculpture of Guhyasadhana Avalokitesvara, Ming Dynasty, Xuande period**, which sold for \$1,202,500. Strong prices were also achieved for a **set of four 'Zitan' Armchairs, Qing dynasty, Early 18th century**, which sold for \$332,500 and a **Japanese gilt-wood seated figure of Yakushi Nyorai, 10th/11th century**, which brought \$290,500.

The first of two auctions dedicated to works from South Asia, the *Modern & Contemporary Art South Asia: India-Pakistan* sale, which included a diverse offering of paintings, sculpture and photography, brought \$7,845,500. Leading the Modern portion of the sale, a rarely available Tyeb Mehta, **Falling Figure with Bird**, achieved the highest price of the week at Sotheby's, selling for \$1,538,500. The top lot of the Contemporary works on offer, Subodh Gupta's **One Cow**, sold for \$866,500.

A sale of *Indian and Southeast Asian Works of Art* featured classic sculpture and a selection of fine Indian miniatures and realised a total of \$3,300,876. The top lot of the sale was a four-armed **Male Deity, probably Vishnu, from the 9th century**, which sold for \$266,500, followed by a gray schist **Bust of Buddha, Gandhara, 3rd century**, which brought \$242,500.

Sotheby's sale of *Asian Art* in Paris on 18 December totalled €5,430,500. The first session, entitled *Marques d'Empereurs (Imperial Seals)*, included a number of items acquired by Emile Guimet – who founded the Paris Museum of Asian Art at the start of the 20th century. The most sought-after seal was a **Tai Sahng Huang Di jade seal** from the Qianlong Period (1736-95), which sold for €612,750. An exceptional **blue-and-white Chinese porcelain charger** decorated with two fish (Yuan Dynasty, 1279-1368) posted the top price of the entire sale - €1,655,150.

Jewelry & Watches

Sotheby's fall sale of *Important Jewels* in New York on 25 September realized \$13,125,363. Diamond prices remained strong, and signed period pieces of jewelry continued to garner tremendous attention. Results from the top three collections in the sale far surpassed expectations. The top lot of the sale was a **sapphire and diamond ring, Van Cleef & Arpels, Paris**, from the Estate of Odette Valabregue Wurzbürger, which brought \$656,500.

The auction of *Important Watches* on 17 October in New York brought \$4,104,190 and demonstrated continued interest in pieces from the renowned collection of the Time Museum in Rockford, Illinois. A **Gold Hunting Cased Perpetual Calendar Five-Minute Repeating Split Second Chronograph Watch by the American Waltham Watch Co.**, formerly from the Time Museum Collection, set a world record for an American watch and a record for a Waltham watch when it brought \$266,500 (est. \$50/70,000), with interest from at least five different bidders.

The 16 November evening sale of *Important Watches* in Geneva brought CHF 6,834,750 (\$5,754,723), with two lots commanding prices over CHF1 million (\$1 million). The top lot of the sale was the **"Unique Patek Philippe, Ref. 3448"**, an automatic perpetual

calendar wristwatch with a leap-year subsidiary dial, manufactured between 1970 and 1975 which sold for CHF 1,840,900 (\$1,550,001). That price was closely followed by CHF1,678,500 (\$1,413,263) realised for the “**Pink Patek Philippe Ref. 2499**”, a pink gold perpetual calendar chronograph wristwatch with moon-phases, 1951, First Series.

The December sale of *Magnificent Jewels* in New York brought \$20,348,375. The cover lot, a **Fancy Vivid Yellow Diamond**, brought \$2,658,500, and the back cover lot, a **pear-shaped D color type Ila Diamond Ring**, achieved \$1,224,900. The sale also showed the strength of colored stones with a **12.42 carat Colombian Emerald** bringing \$218,500, well above estimate, and a per carat price of over \$24,000 for a pair of **Burmese sapphires**.

Wine
Aulden Cellars • Sotheby’s season opener, *Finest and Rarest Wines* on 20 September brought \$2,867,397, well within pre-sale expectations. Rare red Burgundies and mature Champagnes continued to bring very strong demand, selling above the high estimates and showing that there was continued demand for rare wine that comes with impeccable provenance.

An Evening of Exceptional Wines on 28 October achieved \$2,156,523, ushering in a period of price adjustments, following a two-year period of unprecedented increases. However, the prices achieved were still significantly higher than they were three years ago. Important buyers from Asia participated, and the largest buyer was from mainland China. All three of the celebration lots in honor of the 20th Anniversary of Ornellaia sold well to benefit *Friends of Florence* and the restoration of the Uffizi Gallery’s Tribuna gallery.

The 22 November sale of *Four Fabulous Cellars* totaled \$1,130,835. This sale showed that where prices were more attuned to the current market there was demand. More affordable, mature wines, which people can drink now, held their price better than younger wines which need more time. At the top end of the market the wines that had increased in price the most were seeing the most pronounced price drops—the market for DRC and Pétrus were the most affected, which is why the sales results by value (54%) were significantly lower than the pre-sale estimates.

#

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 40 countries, with principal salesrooms located in New York, London, Hong Kong and Paris. The Company also regularly conducts auctions in seven other salesrooms around the world. 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 success of our risk reduction and margin improvement efforts, the amount of quality property being consigned to art auction houses and the marketability at auction of such property. Please refer to our most recently filed form 10-K for a complete list of Risk Factors.

Financial Table Follows

All Sotheby’s Press Releases and SEC filings are available on our web site at www.sothebys.com. In addition, an outline of the conference call is available at <http://investor.shareholder.com/bid/events.cfm>.

Sotheby’s earnings conference call will take place on Thursday, February 26, 2009, at 4:45 PM EST. Domestic callers should dial: 877-857-6150 and international callers should dial: 719-325-4783. The call reservation number is 7429391.

To listen to the conference call via web cast, please go to <http://investor.shareholder.com/bid/events.cfm>. You will need Windows Media Player or Real Player to access the call. Please download either of these programs before the call begins. The web cast will be available for replay for two weeks after the call.