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SOTHEBY'S ANNOUNCES 2011 SECOND QUARTER AND FIRST HALF RESULTS

- Second Quarter Results are Best Quarterly Results in Company History
 - Highest Ever First Half Consolidated Sales¹ of \$3.4 billion
 - Record First Half Revenues of \$489.4 million
- Highest Ever Quarterly Net Income of \$127.2 million in the Second Quarter

August 3, 2011, New York -- Sotheby's (NYSE: BID) today announced results for the second quarter and first half ended June 30, 2011.

For the three and six months ended June 30, 2011, Sotheby's net income increased by 48% and 54% to \$127.2 million and \$129.7 million, respectively, when compared to the prior year. This improvement is principally due to significantly higher auction and private sale commission revenues, partially offset by a decline in auction commission margin² to 16.4% in both periods, from 18.7% in the second quarter of 2010 and 18.3% in the first half of 2010. Competitive pressures to win high value consignments resulted in lower commission margins, as Sotheby's consolidated sales reached a record \$3.4 billion in the first half of 2011.

The net income improvement versus 2010 is also partially offset by a \$39.4 million, or 28%, increase in operating expenses in the second quarter and a \$54.1 million, or 23%, increase in the first half. This is largely due to higher salaries and related costs – a \$22.2 million, or 30%, increase in the second quarter and a \$27.5 million, or 23%, increase in the first half – primarily stemming from higher incentive compensation costs, attributable to the improvement in Sotheby's financial performance, and to higher full-time salaries, due to strategic headcount and salary increases. Also, general and administrative expenses increased \$7.9 million, or 24%, in the second quarter and \$9.8 million, or 15%, in the first half, largely due to increased consulting fees to develop Sotheby's strategic initiatives and unfavorable movements in foreign currency exchange rates.

“This is the best quarter in Sotheby’s history,” said Bill Ruprecht, President and Chief Executive Officer. “Great works of art are enormously desirable to collectors from every corner of the world right now. Our operating metrics, in terms of earnings and EBITDA margins³, are at historic levels, and we continue to enjoy great opportunity in both traditional as well as newer market environments.

Mr. Ruprecht continued: “Record first half consolidated sales (up by 44%) reflected the surge of activity from buyers and sellers across China as well as significant increases in auction sales in each of our four principal selling centers. Private sales, up 114% in the half, were another important contributor to these outstanding results. As I look back on these extraordinary six months for our business, the global appeal of art was one of the few constants in a period of continued economic uncertainty.

“An exciting fall season is already taking shape and our clients around the world can expect a number of wonderful sales and objects at Sotheby’s this autumn,” concluded Mr. Ruprecht.

Second and Third Quarter Sales

Sotheby’s London sales included some tremendous successes. Exceptional sales of Contemporary Art surpassed the high estimate and brought \$174 million and \$206 million for the evening and series, respectively, with the superb Duerckheim Collection contributing almost \$100 million to that result. The Impressionist and Modern Art sales series achieved a combined \$181 million, comfortably within the presale estimate and included the highest price of the London Impressionist week when Egon Schiele’s 1914 *Cityscape Hauser mit bunter Waesche (Vorstadt II)/ Houses with Laundry (Suburb II)* sold for \$40 million, almost double the previous record for the artist at auction.

Our Old Master and British Paintings Evening Sale in July achieved \$76.5 million and included the second highest price for any work of art sold at auction thus far this year. Achieving that distinction was Guardi’s *Venice, a View of the Rialto Bridge, Looking North, from the Fondamenta del Carbon*, which sold for \$42.9 million, becoming the second highest price ever achieved for an Old Master Painting at auction.

Also in London, the Evill/Frost sale, which brought \$69.4 million and was a record for a sale of 20th Century British Art, and the Hascoe sale, which set a record for Czech Modern Art when it brought \$18 million, were among the wonderful accomplishments in our London season.

Upcoming Sales

The Chinese Works of Art auction in New York on September 14th will be led by *A Rare and Impressive Archaic Ritual Bronze Food Vessel (Hu) Late Shang / Early Western Zhou Dynasty 11th/10th Century BC* and is estimated to bring \$2.5/3 million. The piece is notable both for its highly sophisticated casting and distinguished provenance. The total sale has a pre-sale estimate of \$20/28 million.

On September 15th, the South Asian Art sales, including the Indian Miniature Paintings sale has an overall pre-sale estimate of \$2.5/3.6 million and will feature significant paintings from the 1960s and 1970s by leading modern artists.

Sotheby's Hong Kong will be holding its autumn sales series from October 1st to 6th. Highlighting the Magnificent Jewels and Jadeite sale is an *Important and Impressive 9.27-Carat Fancy Vivid "Golconda" Pink Diamond and Diamond Ring* (pre-sale estimate of \$13/19 million). Also, the second part of the Meiyintang Collection, the monumental Chinese art collection from Europe will be offered this season – *The Meiyintang Collection, Part II – An Important Selection of Imperial Chinese Porcelains*. The sale will present iconic pieces of Imperial Chinese porcelain from the early 15th to the 18th centuries, including *An Extremely Rare Blue and White Vase with Fruit Sprays, Meiping, Ming Dynasty, Yongle Period* and *A Fine and Rare Famille-Rose "Peach" Vase, Tianqiuping, Seal Mark and Period of Qianlong* (each with a pre-sale estimate of \$10/13 million).

From October 18th to 21st in New York, Sotheby's will offer a second sale of property from the Collections of Lily and Edmond J. Safra. From magnificent European furniture and works of art, to Russian works of art, silver, bookbindings and 19th century interior paintings, this sale is estimated to achieve in excess of \$40 million.

Highlighting our November 2nd Evening sale of Impressionist and Modern Art in New York is one of the most accomplished and celebrated landscapes created by Gustav Klimt, *Litzlberg am Attersee*. The painting, which is estimated in excess of \$25 million, follows the sale of *Kirche in Cassone* which set an auction record for a landscape by the artist when it achieved \$43.2 million in our February 2010 London sales.

In association with the auction house PIASA, Sotheby's will offer works from the Fabius Frères Gallery collection on the 26th and 27th of October in Paris. The 400 sculptures, pieces of furniture, works of art, drawings and 19th century paintings, estimated to sell in the region of \$14.5 million, will be on view at the Galerie Charpentier for five days prior to the sale.

Beyond Limits, the company's annual selling exhibition of monumental sculpture, to be staged within the historic grounds of the ancestral home of the Duke and Duchess of Devonshire at Chatsworth will be open to the public from September 16th to October 30th. Now in its sixth year, *Beyond Limits* will showcase installations by artists such as Fernand Léger, René Magritte, Nadim Karam, Takashi Murakami and William Turnbull.

Additional Upcoming Sales

Sotheby's Asia Week series of auctions in New York will open on 13 September with an auction of *Fine Classical Chinese Paintings*. Over 80 lots will be offered with an estimate of \$2.6/3.7 million. The sale includes a wide variety of classical Chinese paintings from the Ming to Qing dynasties (16th century to 19th century), with works from some of the most well-known literati painters, court painters and talented folk painters. Highlights include a group of 15 fan paintings from the prominent 15/16th century Wu School (Suzhou), **Calligraphy in Running Script** by unquestionably the most influential artist of the 17th century Dong Qichang and an exquisite rare early Qing **Portrait of a Prince**.

The *Chinese Works of Art* auction in New York on 14 September will be led by **A Rare And Impressive Archaic Ritual Bronze Food Vessel (Hu) Late Shang / Early Western Zhou Dynasty 11th/10th Century BC** estimated to bring \$2.5/3 million. The piece is notable both for its highly sophisticated casting process and distinguished provenance which includes a Japanese collector in the second half of the 19th century and subsequently the collection of the well-known Kyoto collector Sadajiro Kawai (1947-1953). Other highlights include a Fangyi archaic bronze, **A Rare Archaic Bronze Ritual Food Vessel (Fangyi)** (est. \$1.5/2.5 million) and **A Rare Imperial Numbered 'Jun' Jardiniere, Early Ming Dynasty** (est. \$100/150,000).

On 15 September the *South Asian Art Including Indian Miniature Paintings* sale will feature approximately 95 lots including significant paintings from the 1960s and 1970s by leading modern artists M. F. Husain, Jehangir Sabavala and Jagdish Swaminathan as well as an eclectic selection of Indian miniatures including a fine group of late 18th and early 19th century paintings from the Kangra ateliers of the Punjab Hills region of North India. Among the highlights of the modern paintings is Jagdish Swaminathan's **Untitled (Bird, Tree, Mountain series)** from 1974 which is estimated to bring \$180/220,000 while the circa 1880 painting **Krishna and the Cow** from the Punjab Hills is a highlight of the miniatures in the sale estimated at \$30/50,000.

On 6, 7 & 8 September, Sotheby's London will offer *The Philatelic Collection of Lord Steinberg*, offering rare mint multiples from Great Britain and the British Empire. Lord Steinberg (1936-2009), founder of Stanley Leisure in his native Belfast, assembled 33 stamp albums over the course of his lifetime. Notably, he only collected mint blocks of four or more multiples. His exceptional, unique collection is estimated in the region of £4 million.

On 20 September, Sotheby's New York will offer an exceptional selection of fine white and colored diamond jewels with the auction of *Important Jewels*—the first jewelry sale of the fall season in New York. Collectors will discover an array of beautiful and wearable signed pieces from every important style and period, from the bold, animal forms of David Webb to the classic elegance of Cartier's Art Deco designs.

Sotheby's New York will offer 20th century furniture, ceramics, glass and carpets from the Chicago home of collector Colleen Sullivan in a dedicated auction on 21 September 2011. *A Midcentury Eye: The Collection of Colleen Sullivan* will showcase works by prominent European and American designers from the 1930s through the 1960s. With the majority of the pieces estimated between \$5,000 and \$35,000, the auction represents a rare opportunity for both new and seasoned collectors to acquire quality works from influential designers at an accessible price.

On 1 November, Sotheby's will hold its second-annual sale of *Important Russian Art* in New York. In response to persistent demand for works of the finest quality, Sotheby's introduced this sale in both London and New York to

showcase rare pieces with exceptional provenance. The November auction will feature important works by artists including Aristarkh Lentulov, Petr Petrovich Konchalovsky and many others.

The New York sale of *19th Century European Art* on 4 November will be highlighted by James-Jacques-Joseph Tissot's **Sur la Tamise (Return from Henley)** (est. \$1.5/2.5 million). The size, format and subject anticipate Tissot's *Femme à Paris* series of 15 large-scale paintings that were first exhibited in Paris in 1885, alongside the present work. The *Femme à Paris* series depicted what Michael Wentworth has termed "the goddesses of modern life—society ladies, shop girls, the demi-monde, and circus performers among others, in a format that bestowed upon them the majesty and monumentality that was typically reserved for the goddesses of historical painting."

Spring & Summer 2011 Sales

Fine Art

The *Impressionist & Modern Art Evening Sale* on 3 May in New York brought a total of \$170,478,000, within its overall pre-sale estimate (\$158.9/229.7 million). The auction was 74.6% sold by lot, and saw a total of 37 works sell for over \$1 million. Pablo Picasso's **Femmes lisant (Deux personnages)** was the top lot of the night, achieving \$21,362,500 (est. \$25/35 million). Auction records were established for the Surrealist artist Paul Delvaux, whose **Les Cariatides** sold for \$9,042,500 (est. \$5/7 million), and for a sculpture by Paul Gauguin, whose **Jeune tahitienne** brought \$11,282,500. The Gauguin sculpture also marked the eighth-highest price for any work by the artist at auction. The following day, the *Impressionist & Modern Art Day Sale* totaled \$38,982,225 (est. \$34.3/48.6 million).

Sotheby's two-day sale series of *Impressionist & Modern Art* in London on 22 & 23 June achieved a combined total of £111,590,250 (\$181,028,706). The *Evening Sale* was led by Egon Schiele's 1914 cityscape **Häuser mit bunter Wäsche (Vorstadt II) / Houses with Laundry (Suburb II)**, which sold for a record £24,681,250 (\$40,099,627), almost double the previous record for the artist at auction. The monumental work—on offer from the Leopold Museum in Vienna—was bought by an anonymous telephone bidder. Alberto Giacometti's **Trois hommes qui marchent II** sold for £10,681,250 (\$17,353,827), and Marc Chagall's **Au-Dessus de la ville** soared past the high estimate of £850,000 to sell for £1,833,250 (\$2,978,481), in the process setting a record for a work on paper by the artist. Overall the sale achieved a total of £96,968,000 (\$157,543,910), well within the pre-sale estimate of £77/111 million, and the *Impressionist & Modern Art Day Sale* brought a total of £14,622,250 (\$23,484,796).

Sotheby's New York sales of *Contemporary Art* commenced on 9 May with the two-part Evening Sale of the sale of *The Collection of Allan Stone*, which brought a total of \$54,805,500, well above the pre-sale high estimate of \$46.8 million, and was 93% sold by lot. The auction was held 50 years after the founding of The Allan Stone Gallery, and celebrated the artists represented and collected by the renowned New York dealer. The evening was led by John Chamberlain's **Nutcracker**, which sold for \$4,786,500 and set a new record for the artist at auction (est. \$1.2/1.8 million). The sale also was characterized by strong prices and global demand for West Coast artist Wayne Thiebaud, with 17 works bringing a total of \$27,528,500, well above the high estimate of \$18.3 million.

The following evening, the various owner *Contemporary Art* auction brought a total of \$128,104,500, within the pre-sale estimate of \$120.8/171.4 million, and saw a strong sell-through rate of 84.5% by lot. A series of strong prices for Andy Warhol highlighted the sale, including his **Sixteen Jackies** that sold for \$20,242,500 (est. \$20/30 million) and **Shadow (Red)** from 1978 that fetched \$4,842,500 (est. \$700/900,000). In addition, Jeff Koons's **Pink Panther**, one of the most important works by the artist ever to appear at auction, sold for \$16,882,500. On 11 May the *Contemporary Art Day Sale* totaled \$59,973,375 (est. \$47/66.1 million).

Sotheby's London sales of *Contemporary Art* on 29 & 30 June brought a combined total of £128,609,750 (\$205,997,377), which represents the highest-ever total for a sales series of Contemporary Art in London. The *Evening Sale* realized £108,803,550 (\$174,129,201), in excess of pre-sale expectations (est. £74/105 million) and the highest-ever total for any single sale of Contemporary Art in London. The top-selling lot was Francis Bacon's

Crouching Nude from 1961, which achieved £8,329,250 (\$13,330,132). The first 34 lots of the sale, on offer from the Duerckheim Collection, realized £60,401,650 (\$96,666,801), almost double their low estimate of £31.8 million. The Collection established five new artist records for Sigmar Polke, Blinky Palermo, Eugen Schönebeck, Markus Lüpertz and Georg Baselitz. The next day, the *Contemporary Art Day Sale* brought £19,806,200 (\$31,868,176), above pre-sale expectations (est. £13.3/18.8 million). Forty-four out of 46 artworks generously donated by leading contemporary artists in aid of the Serpentine Gallery's new space, the Serpentine Sackler Gallery, were sold for a total of £4,545,675 (\$7,313,991), more than double their combined pre-sale low estimate of £2.2 million.

The *Impressionist, Modern & Contemporary Art* sale in Paris on 31 May & 1 June achieved a total of €40,993,500 (\$59,057,930), well in excess of the pre-sale high estimate of €34.9 million. Highlights included **Peinture** by Pierre Soulages, which almost doubled its high estimate of €1.2 million in selling for €2,304,750 (\$3,314,784) and set a new record for the artist at auction and Nicolas de Staël's **Agrigente**, which also set a new for the artist record when it brought €2,472,750 (\$3,556,408) (est. €1.2/1.8 million).

The *Old Master & British Paintings Evening Sale* in London on 6 July brought a total of £47,640,900 (\$76,492,229). The sale was highlighted by Francesco Guardi's **Venice, a View of the Rialto Bridge, Looking North, from the Fondamenta del Carbon**, which sold for £26,697,250 (\$42,865,105) against an estimate of £15/25 million. This price marks the 2nd-highest paid for any Old Master Painting at auction, a record for any Venetian view painting at auction, and a record for the a work by Guardi. Seven further artist records were achieved, including one for Hans Schäufelein, whose rare double-sided altarpiece panel **The Dormition of the Virgin** realized £2,729,250 (\$4,382,084) (est. £1.5/2.5 million), and for Correggio, whose **Madonna and child with the infant Saint John the Baptist** sold for £3,625,250 (\$5,820,701) (est. £2/3 million). Sir Anthony Van Dyck's **Portrait of a Carmelite monk, head and shoulders** brought £713,250 (\$1,145,194) (est. £600/800,000). John Constable's **Salisbury Cathedral from the Meadows**, a recently re-discovered view of Salisbury Cathedral by the artist, sold for £657,250 (\$1,055,281) (est. £500/700,000).

The London Evening Sale of *Treasures: Princely Taste* on 6 July was led by a **Magnificent Pair of Italian Carved Giltwood Settees** created for one of the most sumptuous Rococo interiors in Italy: the Gilded Gallery of Palazzo Carrega Cataldi. The settees sold for £1,721,250 (\$2,763,639), over three times the pre-sale high estimate of £500,000, and set a record for Italian seating furniture at auction. Another highlight of the sale was an exquisitely-carved **Chalcedony Cover**, the lost partner of a magnificent cup in the collection of the Louvre. The recently-re-discovered masterpiece sold for £1,497,150 (\$2,403,985) (est. £800,000/1.2 million). The sale's outstanding selection of rare and important decorative art—with links to some of the greatest collectors in European history—achieved a total of £10,832,600 (\$17,392,823), within the £9.4/14.6 million estimate.

The *Photographs* auction in New York on 6 April brought a total of \$5,632,187, exceeding its pre-sale high estimate (\$2.8/4.3 million). The sale saw exceptional prices for 20th-century modernist works by Man Ray and Jaromír Funke, 19th-century American photographers including Mathew Brady and Timothy O'Sullivan, and contemporary artists such as Peter Beard. The top lot of the sale was Man Ray's **Untitled (Photomontage with Nude and Studio Lamp)**, which sold for \$410,500, several times its high estimate of \$150,000.

On 12 April the *Russian Art* auction in New York achieved \$16,089,390, in excess of the pre-sale high estimate and the highest result for an auction in New York in this category since April 2008. The sale was led by Henryk Siemiradzki's **The Sword Dance**, which achieved \$2,098,500 and set a new record for the artist at auction (est. \$600/800,000). A further highlight was Peter Petrovich Vereshchagin's **View of St. Petersburg** from the collection of Mikhail Baryshnikov, which sold for \$746,500 above a pre-sale high estimate of \$500,000. The Russian works of art on offer were led by **An Important and Rare Micromosaic Table by Gioacchino Barberi, Made for the Russian Court, 1830-33**, which more than tripled its high estimate in bringing \$1,986,500 (est. \$400/600,000).

The *Russian Art* series in London on 6, 7 & 8 June realized a combined total of £21,467,350 (\$35,262,163). The *Important Russian Art* auction brought £14,095,400 (\$23,170,019), comfortably within pre-sale expectations (est. £12.4/18.2 million). The top-selling lot was Vasily Vasilievich Vereschagin's **The Taj Mahal, Evening**, which sold for £2,281,250 (\$3,749,919), far surpassing its pre-sale estimate of £250/450,000. Five new artist records were established for Vasily Vereschagin, Paolo Sala, Valerian Kamenev and Konstantin Bogaevisky, and Alexander Laktionov. The highest price achieved in the *Russian Works of Art, Fabergé & Icons* sale was for **A Rare Silver Gilt and Enamel Pictorial Box**, which brought £211,250 (\$347,084), well above pre-sale expectations (est. £30/50,000).

The 5 May sale of *19th Century European Art* in New York totaled \$44,653,250, well over its pre-sale estimate (est. \$20.5/29.5 million). The auction was led by **The Meeting of Antony and Cleopatra: 41 BC** by Victorian artist Sir Lawrence Alma-Tadema, which sold for the remarkable price of \$29,202,500—nearly six times the pre-sale high estimate of \$5 million. Other highlights included works by William Bouguereau, Joseph Pollet and Jean-Baptiste-Camille Corot.

The sale of *19th Century European Paintings* in London on 18 May, which included works by Spanish, Orientalist, German, Austrian and Central European artists, brought a total of £5,403,625 (\$8,785,214) (est. £6.5/9.3 million). A notable highlight of the German, Austrian and Central-European Paintings section of the sale was Polish artist Henryk Siemiradski's **By the Fountain**, which sold for £301,250 (\$489,772) (est. £250/350,000). The Orientalist section was led by Hermann Corrodi's **View across the Bosphorus, Constantinople**, which achieved £361,250 (\$587,320) (est. £300/400,000). The Spanish Painting session was led by **Arabe delante de un tapiz (Arab Before a Tapestry)**, one of the most important works by Mariano Fortuny to appear at auction in the last decade. Bidders excited by the painting, which had never before been exhibited in public, drove the final selling price to £735,650 (\$1,196,020), a new record for the artist at auction (est. £150/250,000).

The Hascoe Family Collection of Important Czech Art in London on 13 June brought a total of £11,103,903 (\$18,032,738), far exceeding its pre-sale estimate and setting 13 new artist records in the process (est. £4.2/6.3 million). The top lot of the sale was František Kupka's **Movement**, which brought £1,497,250 (\$2,431,534) and doubled its pre-sale high estimate of £700,000. Emil Filla's **Sculptress in the Studio** also soared above its estimate of £100/150,000, to sell for £623,650 (\$1,012,808), while Josef Čapek's double-sided work **Sailor and Phantomas** achieved £565,250 (\$917,966) (est. £150/200,000).

The *Old Master and 19th Century Paintings* sale in Paris on 23 June was highlighted by the €1,241,252 (\$1,773,492) result for an exceptional set of seven sketches by Jean-François de Troy, done for his cartoons for the *Story of Esther* tapestry-suite made by the Manufacture des Gobelins (cumulative est. €1.2/1.9 million). Further highlights included **Noah's Ark on Mount Ararat**, an exceptional example of Simon de Myle's work, which soared to €1,095,150 (\$1,564,739) (est. €300/400,000). Overall the sale totaled €7,628,365 (\$10,899,332) (est. €4.8/6.9 million).

On 19 May, the auction of *American Paintings, Drawings & Sculpture* in New York achieved \$27,124,125, above a pre-sale low estimate of \$25.3 million. Six of the paintings on offer brought prices over \$1 million, and new artist records were set for Ernest Leonard Blumenschein, William J. McCloskey and William Aiken Walker. The sale was led by George Bellows's **Dock Builders** from the Collection of Edward P. Evans, which sold for \$3,890,500 (est. \$2/3 million). Other highlights included **Flood Disaster (Homecoming - Kaw Valley)** by Thomas Hart Benton, which fetched \$1,874,500 (est. \$800,000/1.2 million).

On 25 May, the three Evening Sales of Latin American Art achieved a combined total of \$21,672,625—the highest total for an evening of auctions in this category at Sotheby's. The night began with the single owner sale of *A Discerning Eye: Latin American Masterpieces from a Private Collection*, which totaled \$5,423,750 (est. \$5.6/7.9 million). This was followed by the single-artist auction *Fernando Botero: A Celebration*, which brought a total of \$7,456,125 (est. \$6.7/9.3 million). The first session of the various-owner *Latin American Art* auction went on to

achieve \$8,521,500, selling 88% by lot (est. \$6.7/9.1 million). The highest price of the evening was for **A Family** by Botero, one of a series of family scenes painted throughout the artist's career, which sold for \$1,398,500 (est. \$1/1.5 million). The *Latin American Art Day Sale* on 26 May brought the overall total for the series to \$26,853,025—the highest two-day Latin American Art total since spring 2008.

The Evill/Frost Collection, Sotheby's three-part single-owner sale of the greatest collection of 20th-Century British Art ever to come to the market, brought a combined total of £42,484,639 (\$69,343,051) on 15 & 16 June in London, far exceeding the series' pre-sale high estimate of £19 million. In addition, the entire sale series was 100% sold. The top lot was Stanley Spencer's **Sunflower and Dog Worship**, which sold for £5,417,250 (\$8,852,870), well over the £1.5 million high estimate and a new record for the artist at auction. Spencer's **Workman in the House** sold for £4,745,250 (\$7,754,680), one of seven works by the artist in the Evening Sale, which when combined raised a total of £23,016,750 (\$37,613,974). The sale also offered early examples of Lucian Freud's exceptional ability as a draughtsman, including **Boat on a Beach**. The 1945 work records a trip Freud made to the Scilly Isles, and sold for £2,617,250 (\$4,277,110), significantly above the pre-sale estimate of £400/600,000 and the highest price at auction for a work on paper by the artist.

The sale of *Modern & Contemporary Art* on 25 & 26 May in Milan brought an overall total of €7,693,800 (\$10,871,672) (est. €8.9/12.4 million). The sale was led by **Senza titolo, arazzo**, a 1988 work by Alighiero Boetti that fetched €492,750 (\$689,446) (est. €350/450,000). Other highlights included two works by Lucio Fontana: **Concetto spaziale - Attese, idropittura su tela**, which sold for €384,750 (\$538,335) (est. €180/250,000), and **Concetto spaziale, bianco, idropittura su tela**, which brought €360,750 (\$504,754) (est. €200/300,000).

Sotheby's Zurich auction of *Swiss Art* on 30 May totalled CHF9,453,500 (\$11,013,345) (est. CHF10.9/14.4 million), and was led by Ferdinand Hodler's masterpiece **Femme joyeuse (Joyful Woman)** that fetched CHF2,882,500 (\$3,359,006) (est. CHF2.5/3 million). Strong prices also were achieved for works by eminent Swiss artists from the 19th and 20th centuries, including Albert Anker and Félix Vallotton.

Hong Kong Asia Week – Spring 2011

The spring sale series in Hong Kong brought a total of HK\$3.49 billion (\$447 million), a 75% increase from the spring 2010 total of HK\$2 billion (\$256 million) and the highest-ever total for a sales series in Hong Kong. Virtually every day saw records broken, including a record for any work of Contemporary Chinese Art, as well as the highest totals at Sotheby's Hong Kong for the sale categories of Fine Chinese Paintings, 20th Century Chinese Art, Modern and Contemporary Southeast Asian Paintings, Watches and Wine.

The fine art sales commenced on 3 April with a record for a single-owner sale of Contemporary Chinese Art at auction, when 105 masterpieces from *The Ullens Collection – The Nascence of Avant-Garde China* brought HK\$427,239,250 (US\$54,774,263) against a pre-sale estimate of HK\$100/130 million.

The following day, the sale of *Modern & Contemporary Southeast Asian Paintings* fetched a stunning total of HK\$108 million (\$13.8 million), tripling the pre-sale estimate of HK\$36 million. The sale set the world record for any Contemporary Southeast Asian painting at auction when the thought-provoking piece **Grayground** by Filipino artist Ronald Ventura sold for HK\$8,420,000 (US\$1,082,896) against an estimate of HK\$220/350,000.

Also on 4 April, the sale of *20th Century Chinese Art* totaled HK\$235,892,753 (US\$30,338,167), double the pre-sale estimate and the highest-ever total in this category at Sotheby's Hong Kong.

The 5 April auction of *Fine Chinese Paintings* brought a superb total of HK\$648 million (\$83 million) (est. in excess of HK\$150 million), marking the highest total Sotheby's has ever achieved for a sale in this category. The sale was led by **Spring Mountains in Sichuan** by Zhang Daqian which fetched HK\$64,500,000 (\$8,269,230) (est. in the region of HK\$18 million).

On 7 April, *The Meiyintang Collection - An Important Selection of Chinese Imperial Porcelains* was led by **An Exquisite Blue and White 'Fish Pond' Brush Washer, Mark and Period of Xuande**, which sold for HK\$51,060,000 (\$6,568,358) (est. HK\$40/60 million), and **An Outstanding Underglaze-Red 'Chrysanthemum' Dish, Ming Dynasty, Hongwu Period**, which brought HK\$40,980,000 (\$5,271,667) (est. HK\$25/35 million). Overall, twelve lots sold for more than HK\$10 million, and the sale brought HK\$399,392,000 (\$51,204,103) (est. HK\$710 million / 1.07 billion). In addition, several lots were sold privately after the sale, including: **A Falangcai ("foreign colour") vase with golden pheasants and a poetic colophon, Jingdezhen imperial kilns, Jiangxi province, and Beijing palace workshops, Qing dynasty, Qianlong enamel mark and period** which sold for HK\$200,000,000 (\$25,641,026) and **A Blue-and-white 'palace bowl' with melons Jingdezhen imperial kilns, Jiangxi province, Ming dynasty, Chenghua mark and period** that was bought for HK\$90,000,000 (\$11,538,462).

The *Important Watches* sale on 8 April achieved an impressive total of HK\$73,086,250 (\$9,370,032), comfortably within the pre-sale estimate (est. HK\$46/92.3 million). This marked the highest total for a various-owner sale in this category at Sotheby's Hong Kong, with a sell-through rate of 97%. World auction records were set for multiple timepieces over the course of the auction.

On 31 May, the sale of *The Mei Yun Tang Collection of Paintings by Chiang Dai-chien*, Sotheby's first-ever mid-season standalone art sale in Asia in nearly forty years, realized HK\$680,740,000 (\$87,274,359), far above the pre-sale estimate of HK\$130 million. All 25 masterpieces on offer sold. The highlight of the sale was **Lotus and Mandarin Ducks** by Zhang Daqian, which sold for HK\$191,060 (\$24,494,872)—a record for the artist at auction and nine times over the pre-sale estimate of HK\$20 million.

Jewelry & Watches

The 14 April auction of *Magnificent Jewels* in New York achieved a spectacular \$39,367,350, exceeding the pre-sale high estimate of \$35.6 million and selling 84.2% by lot. This represents the highest-ever total for a spring auction of jewelry at Sotheby's in New York, and marks the highest total for any jewelry sale in New York for the spring 2011 season. Competition was especially fierce for *Magnificent Jewels* from a Distinguished Family Collection—a wonderful group featuring romantic diamonds and fabulous Cartier designs from the firm's creative peak—that brought \$7,885,125, more than double its high estimate.

The *Important Watches & Clocks* auction on 13 April in New York totaled \$5,789,318, meeting the pre-sale high estimate of \$5.8 million and selling 88.5% by lot. This marks the second-highest total ever for a various-owner Watch sale at Sotheby's New York. The auction was led jointly by **A Fine and Rare 18K Yellow Gold Perpetual Calendar Chronograph Wristwatch with Register, Tachometer and Moon-Phases, Ref 1518, 1950** and **A Magnificent and Rare Parcel-Gilt Bronze Vase-Form Musical Singing Bird Automaton Clock with Hour and Half Hour Striking, circa 1828, No. 581**, each of which brought \$302,500.

Sotheby's Geneva sale of *Magnificent & Noble Jewels* on 17 May brought an outstanding total of CHF78,944,900 (\$89,121,687), a figure well above pre-sale expectations (est. CHF 41.9/69 million) and the third-highest total for a sale of jewellery at auction. The sale was spearheaded by the most important emerald and diamond tiara to appear at auction in over 30 years, which fetched \$12,736,927 (CHF 11,282,500) (est. CHF4.6/9.2 million). This marks a new record price for a tiara at auction. Another highlight of the sale was a **Superb Fancy Intense Pink Diamond**, weighing 10.99 carats, which achieved CHF9,602,500 (\$10,840,358)—the third-highest price for a pink diamond sold at auction (est. CHF8.3/14.8 million).

Sotheby's Geneva sale of *Important Watches* on 15 May was led by a **Highly Rare Yellow Gold Chronograph Wristwatch Patek Philippe** which fetched CHF 722,500 (\$815,637) and one of the most exclusive examples of a stainless steel **Rolex Daytona "Paul Newman"** with inverted lines, which realized CHF206,500 (\$233,150).

Covering five centuries of watchmaking history, from 1580 to the present day, the 280-lot sale realized CHF7,754,000 (\$8,753,568).

Decorative Arts

Sotheby's auctions of the Stuart Cary Welch Collection in London on 6 April and 31 May brought a combined total of £29,313,565 (\$48,082,309), well above pre-sale expectations (est. £4.7/7.1 million). *The Stuart Cary Welch Collection Part I: Arts of the Islamic World* on 6 April realized £20,909,750 (\$34,187,441), almost six times the pre-sale estimate (est. £3.5/5.3 million) and a record for an auction of Islamic Art. The sale also brought a record for an Islamic work of art at auction, set by a leaf from the **Shahnameh** made for the Shah Tahmasp of Persia. The illustrated folio, which is regarded as one of the supreme illustrated manuscripts of any period or culture, sold for £7,433,250 (\$12,153,364), well above its £3 million high estimate. Another important highlight was **Five Holy Men**, attributed to Govardhan, from Mughal India, circa 1625-30. The folio achieved £2,953,250 (\$4,828,564) against an estimate of £200/300,000. *The Stuart Cary Welch Collection Part II: Arts of India*, on 31 May totalled £8,403,815 (\$13,894,868) (est. £1.2/1.8 million). The top lot was **Sri Bhairavi Devi with Shiva, Attributable to Payag**, Mughal, circa 1630-35, which sold to an institution for £1,385,250 (\$2,290,372), 70-times the pre-sale estimate (est. £30/40,000). Jasaraja Jirila's **Vasudhara Mandala** from 1365 established an auction record for a Nepalese painting in selling for £825,250 (\$1,364,468), above its high estimate of £400,000.

The summer sale of *Antiquities* in New York on 8 June brought \$11,320,691, with 90% of the lots sold (est. \$4.4/6.7 million). The highlight of the auction was a **Marble Mythological Sarcophagus Panel of the Rape of Persephone**, Roman Imperial, circa A.D. 190-200, which soared over its high estimate in selling for \$1,874,500 (est. \$400/600,000).

The May sales of African, Oceanic and Pre-Columbian Art on 13 May in New York opened with the single-owner sale of *The Robert Rubin Collection of African Art*, which totaled \$11,742,188, many multiples of the pre-sale estimate (est. \$2.5/3.9 million). In addition, the sale was 94% sold by lot. The Collection was led by an iconic **Songye Male Power Figure** that sold for \$2,098,500, setting a new record for a Songye work at auction (est. \$150/250,000). The various-owner sale of *African, Oceanic & Pre-Columbian Art* totaled \$10,104,504 in the afternoon, comfortably over its high estimate of \$5.9 million. In total, six objects sold for more than \$1 million, with strong institutional bidding throughout the auction.

On 18 May in New York, Sotheby's set a record for a piece of American Indian Art at auction when an **Oglala Sioux Beaded and Fringed Hide War Shirt** that once belonged to the famous and celebrated Sioux Chief Black Bird sold for \$2,658,500 (est. \$250/350,000). The *American Indian Art* sale totaled \$4,809,503, well over the high estimate of \$4 million and the highest-ever total for a various-owner sale in this category.

The sale of *African & Oceanic Art* in Paris on 15 June began with an exceptional ensemble of ten works from one of the oldest and most prestigious French collections of African Art: the **Pierre Guerre Collection**. The works totalled €3,831,425 (\$5,507,800), comfortably over their cumulative estimate. The Collection was led by a **Fang Mvai reliquary figure** that sold for €2,584,750 (\$3,715,700) and established a new world record for a Fang Mvai reliquary figure (est. €2/3 million). Oceanic Art was also in demand, with 35 pieces bringing a total of €6,380,150 (\$9,142,300). Overall the sale brought €15,189,275 (\$21,835,190) well over the €5.7/8.4 million estimate.

On 20 May the third offering of *Books and Manuscripts from the James S. Copley Library* in New York brought a total of \$2,562,265 and was 85% sold by lot (est. \$2.7/4 million). The auction was led by an **Autograph George Washington Letter** to Nathaniel Gorham, signed 21 July 1788, celebrating ratification, which fetched \$182,500 (est. \$80/120,000).

The *Fine Books & Manuscripts* sale on 17 June in New York fetched a total of \$3,282,193 (est. \$3.7/5.6 million). A **Remarkable Intact Sketchbook Used by Mark Chagall from the 1940s to the 1960s** led the sale, bringing \$602,500 (est. \$600/800,000), while an **Exceptional and Supremely Insightful Collection of Unpublished**

Letters and Documents from René Magritte to his Art Dealer Aleader Iolas fetched \$458,500 (est. \$150/250,000).

The Paris auction of *Asian Art* on 9 June brought €17,947,575 (\$26,222,304), more than double the pre-sale high estimate of €8.3 million. **Qianlong Period** jades were particularly sought-after, with an **Archaic-Style Rhyton Jade** achieving €1,968,750 (\$2,876,440) (est. €150/200,000). Other highlights included a **Pair Of 19th Century Qing Dynasty Display Cabinets with Carved Dragon Decoration**, which fetched €1,296,750 (\$1,894,620) (est. €10/15,000), and a **Large, Rare, 18th-Century Qing Dynasty Famille Rose Porcelain Bottle-Vase** that brought €780,750 (\$1,140,700) (est. €50/70,000).

From 14 to 17 March, Sotheby's Amsterdam sale of *Property from the Estate of Queen Juliana of the Netherlands* brought a grand total of €6,986,786 (\$9,706,742), well in excess of the pre-sale estimate of €1.5 million. Remarkably, all 10,000 items offered in the 1,535 lots were sold. The proceeds were donated to The Red Cross and other charities.

Wine

The overall total for Sotheby's wine sales for the first six months of 2011 was \$53,070,963, a 49.6% increase over the equivalent total for last year. The highest total for a single auction came from *The Ultimate Cellar* on 2 & 3 April, which brought HK\$96,812,100 (\$12,443,259), in excess of the high estimate of HK\$77.4 million. The top lot, a case of **Romanée Conti 1990**, was sold for HK\$1.8 million (\$232,692) (est. HK\$1.3/1.9 million). On 1 April, *The Classic Cellar from a Great American Collector VII* totaled HK\$39,715,830 (\$5,091,773) (est. HK\$24.3/36.5 million).

¹Defined as the sum of Aggregate Auction Sales, Private Sales and Dealer revenues. Aggregate Auction Sales represent the hammer (sale) price of property sold at auction plus buyer's premium and Private Sales represent the total purchase price of property sold in private sales brokered by Sotheby's.

²Defined as total auction commission revenues as a percent of Net Auction Sales. Net Auction Sales represent the hammer (sale) price of property sold at auction.

³Non-GAAP financial measure. See Appendix B for a reconciliation of the non-GAAP financial measures in this release to the comparable GAAP amounts.

Note: Estimates do not include buyer's premium.

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 six 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-Q (and/or 10-K) for a complete list of Risk Factors.

Financial Tables Follow

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 will be available at <http://investor.shareholder.com/bid/events.cfm>.

Sotheby's earnings conference call will take place on Wednesday, August 3, 2011, at 4:45 PM EDT. Domestic callers should dial: 888-371-8897 and international callers should dial: 970-315-0479. The call reservation number is 85136109.

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.

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