

An On-line Advantage

As the internet becomes an increasingly powerful tool for reaching home buyers, traditional media offers far less value.

In the past decade, on-line real estate searches have increased dramatically, rising to nearly 80% of all home buyers in 2005.¹ Research also shows a 23% increase in unique visitors to real estate sites from April 2005-April 2006.²

An NAR survey of recent home buyers asked where they learned about the properties they ultimately purchased. The survey demonstrated that the internet is delivering nearly five times the value of traditional advertising. Only real estate professionals themselves were more successful in bringing buyers and sellers together.¹

The purchasing power of on-line clients continues to grow as well, with affluent consumers (household incomes over \$150,000) becoming the fastest growing of all income groups on-line in 2005. A clear example of this trend is offered by auction house site sothebys.com, which launched a registration program in late 2005. In the first few months alone over 250 million transactions were completed by site members.

As an internationally recognized off-line brand, Sotheby's International Realty enjoys a major advantage in the

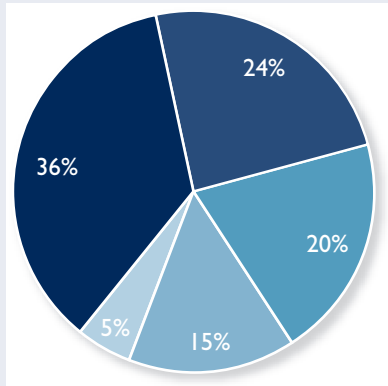
on-line marketplace. We supplement and leverage that advantage through several major initiatives.

- **Sothebys.com** - Property searches can be launched from the home page of the fine art auction site
- **Sothebysrealty.com** - Site promoted through substantial national ad campaign targeting 163 million impressions
- **PrimeLocation.com** - Leading property search site in Europe that exclusively features our U.S. listings
- **Realtor.com** - All MLS listings are posted as enhanced showcase listings
- **NYTimes.com** - All listings over \$400,000 are posted daily. All listings over \$1 million will also be featured in the Great Homes section. (The Real Estate section receives 1.3 million unique visitors per month)
- **IHT.com** - Selected listings priced over 1 million are posted to the *International Herald Tribune* site weekly (2.8 million unique visitors per month)
- **Google, Yahoo and MSN** - over \$1 million invested in ad campaigns and organic search engine promotion efforts

The expanding role of the internet in the home buying process combined with Sotheby's International Realty's name recognition and broad distribution in the medium is a distinct advantage for our sellers. They allow us to target a broad and qualified audience of purchasers more effectively than ever before.

Information Source for Property Purchased¹

- Agent
- Internet
- Other³
- Yard Sign
- Newspaper



Profile of the Internet Consumer⁴

Median age	39
Married	90%
4-year college degree	85%
Post graduate work	11%
Annual income	\$185,088

Total internet users with household incomes over \$150,000: 10.3 million⁵

¹2005 National Association of Realtors® Profile of Home Buyers and Sellers
²Inman News 3/12/06 ComScore report
³"Other" category consisted of builder, friend, neighbor, relative, each at 7% or less
⁴Realtytimes 3/30/05
⁵Nielsen/NetRatings study 2005