

Art Market Overview

Skate's Art Market Research

Skate's Products & Services

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www.skatepress.com – online access to the peer group for the world's most valuable art (Skate's Top 5000) and background check services. Also available as a mobile application for iPad users.

Skate's Artwork Background Report – standard report on any artwork (chosen by the customer) focusing on its valuation, investment risks and background information.

Private label art investment research – annual, monthly or semi-monthly publications covering the art investment market. Published and distributed as co-branded or private label research reports by financial services institutions.

Art securitization services – strategic advisory, structuring, audit, internal control and risk management services for asset managers, wealth management advisers and collection owners who enter art securitization transactions.

2011 Art Market Overview

Skate's Top 5000 total value reached \$30.5 billion, and the ranking's threshold price broke the \$2 million level.

Average annualized investment returns on the world's masterpieces peaked at 4.82%*, confirming the strong performance of exceptional artworks amidst global economic turmoil.

Skate's Art Stock Index had its worst year since 2008, losing 15% in value in 2011. This performance came despite robust auction volumes, with the index's flagship stock Sotheby's shedding over one-third of its value in 2011, producing a -35.5% return for its shareholders for the year as of December 23, 2011.

**As measured with repeat sales at auctions, includes auction fees but excludes ownership and transportation costs, before taxes.*






Skate's Achievement of the Year Awards

Achievement	Name	Comment
Artist of the Year	Zhang Daqian	The biggest gain in Skate's Top 5000 in market capitalization and the largest # of artworks traded in 2011 in Skate's Top 5000 price range
Female Artist of the Year	Tamara de Lempicka	Born in Moscow as Maria Gorska, Tamara de Lempicka became the most actively traded female artist in 2011 within Skate's Top 5000 pricing range, achieving a weighted average ERR of 13% on five repeat sales
Artwork of the Year	Eagle Standing on Pine Tree	Work by Qi Baishi was sold at China Guardian Auction for \$65,532,112 on May 22 and became the most valuable artwork sold on the auction market in 2011, now ranked # 15 in Skate's Top 5000
Best Exit of the Year	ERR of 93.82% on Three Years' Investment in <i>Lady in Solitude</i> by Fu Baoshi	The artwork was purchased for \$262,830 in 2008 and sold for \$1,932,217 on April 5, 2011, yielding an annualized investment return of almost 94%
Worst Exit of the Year	Negative ERR of -18.13% on Three Years' Investment in <i>Still Life with Mirror</i> by Roy Lichtenstein	The artwork was purchased for \$9,599,371 in 2008 and sold for \$5,800,000 on May 12, 2011, yielding an annualized investment return of -18% and a direct loss of \$3.8 million on this investment
Supply Problem of the Year	Vincent van Gogh	The largest artist by market capitalization who had no single auction record within Skate's Top 5000 in 2011
Disappointment of the Year	Damien Hirst	The most valuable living artist of those who had no auction sale record in 2011 within Skate's Top 5000 pricing range (over \$2 million per artwork)

Ten Most Valuable Artists in Skate's Top 5000 (as of December 30, 2011)

2011		2010	
Artist	Total Volume in Skate's Top 5000, USD	Artist	Total Volume in Skate's Top 5000, USD
Pablo Picasso	3,079,450,342	Pablo Picasso	2,879,510,572
Claude Monet	1,499,676,670	Claude Monet	1,490,411,425
Andy Warhol	1,487,446,640	Andy Warhol	1,285,991,395
Francis Bacon	872,327,719	Henri Matisse	798,992,611
Henri Matisse	809,719,353	Francis Bacon	738,631,619
Alberto Giacometti	692,370,280	Pierre-Auguste Renoir	705,763,264
Pierre-Auguste Renoir	679,480,108	Paul Cézanne	671,806,902
Paul Cézanne	675,024,147	Alberto Giacometti	662,775,287
Amedeo Modigliani	649,602,657	Vincent van Gogh	641,473,627
Vincent van Gogh	635,416,127	Amedeo Modigliani	640,640,637

Top Five Auction Prices Paid in 2011

Top 5 Artworks Sold in 2011					
					
Artist	Qi Baishi	Wang Meng	Clyfford Still	Roy Lichtenstein	Francesco Guardi
Title	Eagle Standing on Pine Tree	Landscape	1949-A-No. 1	I can see the whole room!... and there's nobody in it!	Venice, a view of the Rialto Bridge, looking north (from The Fondamenta del carbon)
Medium	Painting	Ink and color on paper	Oil on canvas	Oil and graphite on canvas	Oil on canvas
Size, cm	265.9 x 100.1	119.9 x 54.1	236.2 x 200.7	121.9 x 121.9	119.9 x 203.7
Auction House	China Guardian Auctions	Poly International Auction	Sotheby's	Christie's	Sotheby's
Auction Date	22-May-11	04-Jun-11	09-Nov-11	08-Nov-11	06-Jul-11
Estimate, USD	-	-	25,000,000-35,000,000	35,000,000-45,000,000	24,111,000-40,185,000
Premium Price, USD	65,532,111	62,118,990	61,682,500	43,202,500	42,913,160

Ten Most Liquid Artists (Greatest Number of Repeat Sales by Years)

2011		2010	
Artist	Number of Repeat Sales in 2011	Artist	Number of Repeat Sales in 2010
Andy Warhol	9	Andy Warhol	11
Claude Monet	8	Pablo Picasso	6
Pablo Picasso	7	Claude Monet	5
Gerhard Richter	7	Henri Matisse	5
Jean-Michel Basquiat	4	Fernand Léger	4
Alexander Calder	4	Jean-Michel Basquiat	4
Fernand Léger	3	Auguste Rodin	3
René Magritte	3	Gerhard Richter	3
Alberto Giacometti	3	René Magritte	3
Zhang Daqian	3	Alexander Calder	2

Most Valuable Living Artists*

Rank of Living Artists	Artist	Rank among All Artists in Top 5000	Market Cap **, USD	Age as of 30-Dec-11
1	Gerhard Richter	14	504,304,381	79
2	Jeff Koons	24	280,881,985	56
3	Jasper Johns	26	198,553,750	81
4	Damien Hirst	37	174,174,487	46
5	Zao Wou-Ki	66	101,085,800	90
6	Richard Prince	67	97,519,263	62
7	Zhang Xiaogang	80	78,827,011	53
8	Peter Doig	82	72,224,924	52
9	Zeng Fanzhi	86	70,674,819	47
10	Ed Ruscha	116	43,377,678	74

*Based on representation in Skate's Top 5000

**Aggregate value of artworks by the artist in Skate's Top 5000 by historical auction prices paid

Skate's Art Stock Index (Global Art Industry Performance) in 2011

All Values are in USD





Company	Listing / Currency	December 2011 Performance	YTD 2011 Performance	Price as of December-30, 2011 USD	Price 52-wk Low USD	Price 52-wk High USD	Market Cap as of December-30, 2011 USD mln
Sotheby's	NYSE / USD	-9.2%	-36.6%	28.53	25.00	55.67	1 927.17
Artprice	Paris / EUR	50.8%	457.7%	66.23	10.46	84.81	423.68
Artnet	Frankfurt / EUR	13.0%	-25.2%	5.27	4.15	11.50	29.69
Collectors' Universe	NASDAQ / USD	3.7%	4.8%	14.57	11.59	18.80	115.04
Mallett	London / GBP	3.4%	7.1%	1.12	1.00	1.24	15.44
Art Vivant	Tokyo / JPY	0.8%	-23.0%	2.30	2.28	3.21	35.51
Seoul Auctions	Seoul / WON	-6.2%	-40.3%	2.45	2.23	4.19	41.44
Shinwa Art Auction	Tokyo / JPY	3.3%	5.9%	400.55	358.94	1 028.46	23.23
Stanley Gibbons	London / GBP	-1.7%	-0.6%	2.54	2.36	3.28	63.90
MCH Group	Zurich / CHF	2.5%	-20.0%	40.56	38.11	55.12	210.02
Abbey House	Warsaw / PLN	-4.1%	254.6%	4.81	1.31	7.40	48.83
Noble Investments	London / GBP	-3.2%	32.8%	2.56	1.92	2.92	39.70
Fotoeffect	Moscow / RUB	-2.5%	-9.1%	16 135.2	16 135.2	18 531.0	453.87
Skate's Art Stocks Index		-1.6%	-13.6%	177.5	157.4	241.8	3 427.51

Skate's Art Stock Index (Global Art Industry Performance) in 2012

All Values are in USD

Company	Listing / Currency	January 2012 Performance	YTD 2012 Performance	Price as of January-23, 2012 USD	Price 52-wk Low USD	Price 52-wk High USD	Market Cap as of January-23, 2012 USD mln
Sotheby's	NYSE / USD	20.0%	20.0%	34.23	25.00	55.67	2 312.34
Artprice	Paris / EUR	-5.1%	-5.1%	62.86	10.46	85.29	402.35
Artnet	Frankfurt / EUR	-3.1%	-3.1%	5.11	4.15	11.50	28.76
Collectors' Universe	NASDAQ / USD	3.0%	3.0%	15.01	11.59	18.80	121.37
Mallett	London / GBP	2.4%	2.4%	1.14	1.00	1.24	15.80
Art Vivant	Tokyo / JPY	1.9%	1.9%	2.34	2.28	3.22	36.19
Seoul Auctions	Seoul / WON	2.9%	2.9%	2.52	2.23	4.05	42.66
Shinwa Art Auction	Tokyo / JPY	3.9%	3.9%	416.00	358.94	1 028.46	24.13
Stanley Gibbons	London / GBP	11.4%	11.4%	2.83	2.36	3.28	71.42
MCH Group	Zurich / CHF	5.0%	5.0%	42.60	38.11	55.12	220.57
Abbey House	Warsaw / PLN	-2.1%	-2.1%	4.71	1.31	7.40	47.78
Noble Investments	London / GBP	11.0%	11.0%	2.84	2.26	2.87	44.26
Fotoeffect	Moscow / RUB	4.8%	4.8%	16 906.00	16 135.2	18 531.0	475.55
Weng Fine Art	Frankfurt / EUR	80.8%	80.8%	37.50	20.74	38.79	18.75
Skate's Art Stocks Index		12.7%	12.7%	200.1	157.4	241.8	3 861.94

Skate's Top 5 Art e-Commerce Leaders to Watch

Rank	Name	Skate's Rating (0-10)	Note
1		9.975	The firm's size is comparable to that of the entire art industry, and it has best in class e-commerce skills and long experience servicing the arts and collectibles market. It must reposition itself in the art space and implement on strategy to move itself upwards in value chain. This will happen either organically or through an acquisition.
2		8.375	A listed company with an excellent product offering, including both e-commerce and content, it has a stellar track record with no reported fakes or wrongly attributed works. artnet's disappointing volumes are largely explained by a lack of modern e-commerce skills and need for a revamped business model and/or the introduction of professional e-commerce management talent.
3		7.750	A clear market leader after eBay with strong technological leadership, including those for mobile applications and the world's largest inventory sourcing and vetting ability, the company needs to introduce a B2C unit to build professional retail offering on top of successfully executed B2B solution for its venders.
4		7.250	The most aggressive and successful art auction that has consciously focused on an online strategy. The company's business model will remain handicapped until HA.com repositions itself as an art retail business and adopts focus on proper merchandising, more efficient product assortment and best in class e-commerce CRM. It should also aim to bridge the traffic gap with Liveauctioneers.com quickly, as this gap remains too wide.
5		6.775	A firm backed by venture capital that initially made the right move to aggregate various value-adding content but has somehow failed to reap benefits from full trading and content functionality integration. It has lost significantly to Liveauctioneers.com on traffic and HA.com on consumer focus.

Skate's Art Stock Index

