artnet Releases Preliminary Annual Results for 2014

New York / Berlin, March 18, 2015 — artnet AG expects slightly improved revenues compared to the last forecast for the 2014 fiscal year, following a strong fourth quarter. However, the group’s consolidated annual result is expected to amount to -3.1 million EUR due to extraordinary effects. Capitalized development expenses of intangible assets for the product artnet Analytics in the amount of 0.5 million EUR (0.7 million USD) and deferred tax assets in the amount of 0.8 million EUR (1.0 million USD) were written off. In addition, a loss of 0.2 million EUR (0.3 million USD) resulted from a currency exchange valuation of an intragroup liability from artnet AG to Artnet Worldwide Corporation. These extraordinary effects have not resulted in a cash outflow.

In addition, the Paris Court of Appeal has ordered artnet AG, artnet France sarl., and Artnet Worldwide Corporation to pay approximately 0.8 million EUR; the court ruled in favor of a photographer who sued artnet for copyright infringement. For this judgement, as well as for a pending proceeding on the same matter in Germany, a provision in the amount of approximately 1.0 million EUR has been created. artnet prevailed in the first case at first instance, and will decide on further action after a thorough examination of the written opinion of the Court of Appeal.

Following a phase of reorganization and consolidation in 2012 and 2013, the company expanded with targeted investments. Part of this expansion was the launch of the 24/7 art news platform, artnet News, which launched in February 2014, and doubled artnet’s monthly visitors to 1.8 million. Additionally, the artnet site redesign was launched, introducing a new interface with optimized technology. The advertising segment, in particular, benefited from this. "The brand profile has been strongly enhanced through the redesign and artnet News" says CEO Jacob Pabst. "Through these improvements, we gained luxury brands as advertising clients in 2014, as artnet is an ideal platform for these brands to reach..."
their target audience. The expected increase in revenue for the segment for 2014 is promising, and we aim to carry the momentum into 2015.”

2014 was a particularly challenging market for small and mid-size galleries. As a result, the artnet Gallery Network lost members, and remains the only segment showing lower revenue, as reported in the 2014 nine-month report. For 2015, a positive result is expected in this segment from partnerships with art fairs, including TEFAF Maastricht and Frieze New York. Galleries participating in these fairs are given the opportunity to create a membersite within the Gallery Network, making their inventory accessible to a wider audience. In doing so, artnet aims to expand the number of galleries in the network. According to Pabst, “TEFAF Maastricht and Frieze New York are among the most important art fairs in the market. Neither of these art fairs have agreed to this kind of online partnership before, which reflects positively on the artnet brand and the Gallery Network in particular.”

For artnet Auctions, a double-digit increase in revenue is anticipated for the 2014 fiscal year. The trade turnover increased by 15% compared to the previous year. For the Price Database, the segment with the highest revenue, a positive increase is expected in the 2014 fiscal year, as well. A slight increase for this segment was forecast compared to the previous year. For the Price Database and artnet Auctions, preliminary numbers indicate the highest revenue in the company’s history.

The announced result is preliminary and unaudited.

The artnet 2014 annual report will be published on April 30, 2015.

For more information, please contact:

**Thierry Dumoulin**
Vice President of Marketing
+1-212-497-9700 ext. 205
tdumoulin@artnet.com
About artnet

artnet is the leading online resource for the international art market. Established in 1989, artnet provides reliable information and market transparency to art collectors. With our comprehensive suite of products, artnet can empower anyone with a passion for art.

With 24/7 worldwide bidding, artnet Auctions & Private Sales is a dynamic marketplace for collecting art. Our online auction platform provides a unique collecting experience with seamless flow between consignors, specialists, and collectors. Our auctions and private sales community influences new collectors and inspires everyone to collect art.