

THE FRENCH AUCTION MARKET

ANNUAL REPORT

2011

La
documentation
Française

FORWARD

I would like to begin this forward on a personal note by saying how pleased I am, as the new President of the Conseil des Ventes Volontaires, to perform my duty of introducing this annual report, having spent more than twenty-five years accompanying the evolution of the auction industry, and, in view of the exceptionally positive outlook for the sector that has recently emerged.

This tenth annual report for the government on the French auction sector reflects the impact of three areas of change – deontological, legal and economic – that have considerably added to the depth and diversity of the analyses we have conducted.

This changing environment has had a direct impact on the missions and activities of the CVV which, over the last decade has experienced three distinct stages in its development.

The first stage, which began at its inception, was essentially marked by the major task of certifying the new auction market operators after the implementation of the 10 July 2000 Act. This preventive control of the market's legal compliance went hand in hand with analytical work on the legal issues generated by the opening of the profession to international competition.

The second stage, initiated in 2005, was characterised by the emergence of the internet in the auction sector and by the enforcement of the delicate distinction between regulated electronic auction sales and unregulated brokerage sales. Such was the complexity of this distinction that it involved the initiation of a number of legal proceedings, some of which are still on-going.

The third stage began in 2009 with the initial impact of the European Services Directive that eventually led to the adoption in France of the Law of 20 July 2011. Between the antagonistic positions regarding the CVV's role within the new market and the repercussions of the scandal concerning the Hôtel Drouot agents that brutally exposed the need for greater formalisation of the profession's deontology, the adaptation to the new environment has been just as difficult to manage as the previous evolutions of the legal framework regulating the auction market.

However, in contrast to the previous stages, 2011 marked the start of a new phase that is less conflictive and hence more conducive to discussion and cooperation, with the Parliament's adoption, in the summer, of the reform and the completion of the sector's Code of Deontology at the end of the year.

After this brief historical summary, I would like, on behalf of the new Conseil, to express my gratitude towards my predecessors and former members of the institution for their skill, energy and devotion in pursuing the institution's objectives and for the legacy that they left behind them.

The new Conseil, which took office in October 2011, inherited an environment that was essentially free of major problems and it was therefore able to immediately concentrate on the new missions entrusted to it by parliament, in a profoundly new context.

The Law introducing the “liberalisation of public auction sales” of 20 July 2011 did in fact, in compliance with the EU Directive, replace the “Prior License” with a “Declaration to the CVV”, extend the market's field to include new goods, open up the auction market by authorising recourse to private sales and diversify operators' functional structures.

However, these innovations alone provide only a pale reflection of the actual philosophy inherent to the new law and of the Conseil's extended role in the new environment. In this respect, three aspects can be identified.

Firstly, we note that in 2011 the French parliament adopted a new approach to the auction professions' deontological requirement. Not only has it streamlined the disciplinary procedure, it has also shifted the emphasis towards prevention and has attributed the CVV with the role of compiling a Code of Deontology in consultation with the industry. The word “liberalisation” in the title of the 2011 Law should not be misinterpreted: the additional liberty awarded to auction operators goes hand in hand with greater responsibilities.

Beyond the specific context at the origin of the work done to enhance the sector's compliance, this new Code aims at achieving three objectives: strengthening the security of auction sales at a time when transparency requirements are more than ever necessary in the framework of the fight against money-laundering and of cultural asset smuggling; providing a more precise basis for disciplinary action and one that is more practical than the traditional “violations of the laws, regulations and professional duties”, which gave scant protection to defendants' rights; and lastly, to strengthen public confidence via the quality of the services offered, an objective that has been given additional thrust by the addition to the Conseil's missions of the duty to identify and promote sound practices via the pooling of its professional skills.

with respect to the second of these objectives – the legal/disciplinary aspect of the reform – the new reform's primary merit is the clarification it has brought to existing legislation concerning transaction security, for the benefit of both operators and users of the regulated auction market.

In 2011, the French parliament put a timely end to the unproductive controversies regarding the CVV's legal status by expressly endowing it with the quality of a Supervisory Authority and the status of an Institution of Public Utility, i.e. that of a private law corporation with a public service mission.

However, that is not the key point for the CVV: more significant was the parliament's decision to introduce a circumspect but firm clause recognising the CVV's proactive role vis-à-vis the public authorities and its intermediary role between the public and the profession.

Henceforward the Conseil is not only responsible for ensuring the appropriateness of existing legislation to the requirements of the auction sector (security and transparency for consumers, competitiveness for the operators) but also for proposing any regulatory changes that it may consider necessary. Such a mission implies in-depth knowledge of local data.

That is why the new Conseil has adopted the concept of decentralised actions via regional meetings with the profession and the implementation of information feedback circuits for all parties involved in the auction sector.

However, the most significant legal clarification for the public is that relating to the notion of “electronic brokerage” the practice of which has revealed the astonishing development in the balance of power generated by membership subscriptions, which have no guarantee other than contractual. The introduction in 2000 of an overly succinct regulation carrying an exception for art objects, and that was never applied, led to the maintenance by non-regulated operators of a certain confusion – contrary to consumer’s interests – between electronic brokerage, which leaves the contracting parties free, and electronic auctions, which are subject to public supervision. Until recently; the CVV’s only tool for stopping operators from conducting electronic auctions under the guise of brokerage activities was to commence legal proceedings for violation of the terms and conditions of their operating licenses. By allowing the CVV to take immediate action to stop, including under penalty, this type of confusion, the 2011 Act created an effective tool that the Conseil will not fail to use, if necessary, to defend the interests of both sellers and buyers.

There is one last mission that the 2011 Act has expressly attributed to the CVV and which was indeed already largely anticipated by the institution: that of monitoring and overseeing the economy of the auction market.

There can be no doubt that one of the major preoccupations of the market’s operators and, behind them, of all players in the market, whether operator employees (several thousand), valuers, restaurant owners, transporters or publishers is that the market could experience a sharp contraction that would jeopardise jobs in the sector.

The CVV’s Economic Observatory therefore pursues a twin objective: the gathering of reliable and detailed information from all of the sector’s component parts, at a national level and an international level, in order to compare trends from one year to the next and allow the market’s professionals to make informed and forward-looking decisions that anticipate the market’s future evolution: specialisation, restructuring, conquest of new markets, etc.

As regard the evolution of the market, 2011 was a particularly dynamic year.

Our first observation: 2011 was the best year that the French auction sector has ever experienced with a total auction turnover, all sectors combined, of 2.38 billion euros, representing an 8.6% increase versus 2010, and beating the 2009 total that was substantially assisted by the record sale of the Yves Saint-Laurent - Pierre Bergé collection. Furthermore,

the French market, which remains the fourth largest on a global level, posted a substantially faster growth rate than its traditional US and UK competitors (+1.5% and +2.1% respectively).

Our second observation is that French growth has involved all sectors – art & collectibles, horses, used vehicles & industrial equipment – thereby refuting any explanation based on a speculative vision of market. It is particularly significant and encouraging to see the progression of the latter sector which, despite the unfavourable economic context, reflects a policy of business investment and household consumption.

Our third and last observation concerns the marked diversity of the sector. This diversity can be seen in the sales channels, ranging from online sales of vehicles & automobiles to onsite sales of prestigious collections such as those of the Fabius

brothers or the Château de Gourdon. There is also substantial diversity in the type and nationality of bidders on the French market such as the increasing number of Chinese buyers and the emergence in the market for thoroughbreds of the Australian subsidiary alongside the more traditional bidders from the Gulf region. The last area of diversity we have observed concerns the different strategies deployed by online auction sites with, for example, the intense competition between the two major international auction houses on the Paris market, regardless of relocation to New-York or to London, and the emergence of a regional market open to international buyers for very expensive pieces (a Chinese scroll fetched 22 million euros in Toulouse).

What most impresses about the 2011 results is that they were the fruit of new strategies. Indeed, the 20 July 2011 Act will greatly contribute to this renewal of the French auction market and we anticipate a significant positive economic impact from its extension to new goods and its incorporation of post-auction private sales.

Naturally, a highly competitive market requires highly trained participants and today’s younger generation are just as enthusiastic as ever to embark on a career as an auctioneer. The training, originally acquired from the National Chamber of Legal Auctioneers (Chambre nationale des commissaires-priseurs judiciaires), is today organised by the National Council of Sworn Goods Brokers (Conseil national des courtiers de marchandises assermentés). I am convinced that the rapid development of the profession will necessitate a substantial and on-going adaptation of the training and we look forward to collective discussions on the level of education required and the contents of internships.

Before ending this forward, I would like to make a share two messages with our readers:

The first is a message of confidence in the capacity of the auction profession to adapt to the new environment in a context of heightened competition, without losing sight of its quintessential mission... that of ensuring fair and honest auctions with complete independence and transparency.

The second is a message of gratitude for the CVV’s commitment this changes that occurred in 2011, ten years after the initial move to open up the French auction market. I would like to thank each member of the new Conseil for their invaluable contributions to the workgroups that have been organised internally to tackle the new issues raised by the market’s giant step forward, and I am particularly grateful for the constant availability that each member has shown, which has allowed the Conseil’s collegial *modus operandi* to operate successfully .

My thanks are also extended to the Government Commissioner for his essential role in handling the deontological issues and for his indefatigable - and successful - bridge-building and mediation. Lastly I would like to thank the CVV’s different services for the efficiency of their support, their meticulous preparation of dossiers for management and their unflinching willingness to respond to urgent situations.

It only remains for me to say that the work being done is enhancing confidence in a sector that is valuable for our economy and promoting the substantial advantages that are inherent to the French auction market.

**President
Catherine Chadelat**

Le processus législatif de réforme des ventes volontaires de meubles aux enchères publiques commencé en 2009 s'est achevé en 2011 avec le vote de la loi n° 2011-850 du 20 juillet 2011 de libéralisation des ventes volontaires de meubles aux enchères publiques et l'entrée en vigueur de son décret d'application n° 2012-120 du 30 janvier 2012.

Le contenu détaillé de la réforme fait l'objet du chapitre 3 du présent rapport d'activité qui présente une analyse des principaux changements intervenus avec le vote de la loi de juillet 2011.

Ce rapport porte sur l'activité du Conseil des ventes volontaires de meubles aux enchères publiques au cours de l'année 2011, qui est restée soumise jusqu'au 1^{er} septembre 2011, date d'entrée en vigueur de la loi nouvelle, aux dispositions antérieures de la loi du 10 juillet 2000.

Dans l'introduction et le chapitre premier du présent rapport, il a donc été décidé de distinguer, lorsque cela était nécessaire, les deux périodes. Les références aux articles du code de commerce doivent ainsi être comprises comme se rattachant à la version du code en vigueur avant et après le 1^{er} septembre 2011. Par convention et pour simplifier la lecture du rapport, l'expression « sociétés de ventes volontaires », qui remplace dans la loi de 2011 celle de « opérateurs de ventes volontaires », sera privilégiée même quand le sujet traité est antérieur au 1^{er} septembre 2011. Enfin, bien que le décret d'application de la loi nouvelle n'ait été publié qu'en 2012 (le 31 janvier), ses dispositions sont reprises dans les développements qui suivent dès lors qu'il explicite la loi.



CABINET EN PLACAGE D'ÉBÈNE

*Fin du XVIII^e ou début XIX^e. Panneaux de marqueterie de marbre de couleurs, ornementation de bronze doré ciselé, plateau en granit rose, porte l'estampille de Levasseur
122,5 x 129 x 45 cm
Nantes, 6 décembre
200 000 €
Couton - Veyrac - Jamault SVV. Expert M. Fabre
©DR*

1 | PRESENTATION OF THE CONSEIL

The Conseil des ventes volontaires de meubles aux enchères publiques, more commonly known as the “Conseil des ventes volontaires” (or CVV), was established by the Law no. 2000-642 of 10 July 2000 which introduced a new regulatory framework for voluntary sales of movable assets by public auction and, notably, eliminated the monopoly enjoyed by France’s commissaires-priseurs (officially appointed auctioneers) over voluntary sales.

With this legislation as its foundation, in 2011 the government introduced the Act of 20 July 2011 which modified the CVV’s status from that of a simple company to that of a Public Utility Institution and endowed the CVV with the status of a market supervisor.

The CVV ensures the correct functioning of the French public auctions market for the benefit of its users (buyers and sellers). Its composition, powers and resources are mainly regulated by the provisions of Articles L.321-18 to L.321-23 and R.321-36 to R.321-55 of the French Commercial Code.

A | Missions – Powers – Responsibilities

■ As at 1 January 2011

The Conseil des ventes is responsible for::

- Delivering official operating licenses to auction operators (AOs) and valuers. According to Article L.321-5 of the French Commercial Code, the AOs must, under penalty of penal sanctions stipulated under Article L.321-15 of the same Code, obtain prior authorisation to conduct their activity. Delivered by the Conseil, this authorisation is granted to companies that provided a certain number of legally required guarantees in the conduct of voluntary sales of movable assets via public auctions and notably guarantees regarding their organisation, their technical and financial resources, transaction security and the integrity of their management and directors. Among their partners or employees, each auction operator must have at least one authorised commissaire-priseur (officially appointed auctioneer) The Conseil’s control of the companies operating in the auction sector thus provides a guarantee for auction participants and an assurance of equitable competition between the operators subject to the same regulations, constraints and requirements..
- Certifying appraisers upon their request.
- Keeping a record of all EU or EEA citizens who declare the conduct of voluntary auction sales on an occasional basis in France.

- Taking appropriate action in the event of non-respect by market operators of existing legal, regulatory and professional obligations. There are several levels of action available to the Conseil, none of which are mutually exclusive. The Conseil can, first of all, take administrative measures against operators such as suspending or withdrawing their license for failure to provide sufficient guarantees and insurance, or because they have initiated voluntary liquidation procedures, etc.. The Conseil is also empowered to examine claims and impose disciplinary sanctions on any company or individual that fails to comply with the sector's applicable legal, regulatory and professional obligations. The Respondent may appeal against the Conseil's decisions, whether administrative or disciplinary, through the Paris Appeal Court. The Conseil's decisions do not in any way prejudice or substitute civil or criminal legal sanctions..

- Monitoring respect by auction companies of their obligations regarding the prevention of money-laundering and terrorism financing.

- Lastly, the Conseil ensures, in conjunction with the National Chamber of Judicial Auctioneers, the organisation of the professional training of future official auctioneers wishing to obtain the qualifications required to adjudicate auction sales. After an access examination, the training includes theoretical and practical instruction that leads towards a certificate of aptitude. On questions of training, the Conseil collaborates with the competent authorities of other EU Member States to facilitate the application of Directive 2005/36/CE of 7 September 2005 relating to the mutual recognition of professional qualifications.

The Conseil publishes an annual activity report for the benefit of the government and the markets participants. To accomplish its missions, the Conseil performs a number of market monitoring activities, the conclusions of which are also published in this annual report..

■ As of 1 September 2011

The Act of 20 July 2011 has substantially modified the powers and role of the Conseil. On the one hand the Act has disposed of the obligation for operators to obtain an operating license from the CVV, and on the other hand, it has entrusted the Conseil with a range of new powers..

Henceforward the CVV is responsible for:

- Registering auction operators' declarations. Under the terms of Article L.321-4 of the French Code of Commerce, AOs must make a prior declaration of their activity to the Conseil before commencing their operations. Failure to do so will result in the sanctions stipulated in Article L.321-15 of the French Code of Commerce. This declaration must be accompanied by documentation proving that the new operator can provide certain guarantees required by law for the conduct of public auction activities, particularly with respect to its organisation, its resources, transaction security, the integrity of its directors and the qualifications of its auctioneers.

- Registering, as above, the declarations of all EU or EEA citizens who declare the conduct of voluntary auction sales on an occasional basis in France..

- Taking appropriate action in the event of the violation by a market operator of its legal, regulatory and professional obligations. The new law has considerably

modified the Conseil's disciplinary powers. All disciplinary proceedings are undertaken by the Government Commissioner on the basis of claims received or observations made. The person (or company) against whom the claim is levelled (the respondent) is invited to examine the complaint and to respond to its content. If the Government Commissioner decides to pursue the case, he instructs the respondent to attend a hearing before the Conseil's disciplinary team. At this hearing, both sides of the dispute are heard and each party's rights to legitimate defence are respected. When the Government Commissioner has put forward his conclusions, the respondent is given the last word. The CVV may impose a range of sanctions including a warning, a verdict of guilt, a temporary (maximum 3-year) or definitive suspension of part or all of the Respondent's activity, and a temporary (maximum 3-year) or definitive prohibition from organising auction sales. The Conseil's decisions may be appealed via the Paris Appeal Courts. The Conseil's decisions do not in any way prejudice or substitute civil or criminal legal sanctions.

- Monitoring, as above, AOs' compliance with their obligations regarding the prevention of money-laundering and terrorism financing.

- Identifying sound practices and promoting service quality via consultation with professionals in the sector. This latter duty represents a new mission for the CVV (see below, Chapter 3).

- The elaboration of a Code of Deontology after consultation with representative professional organisations. This latter duty also represents a new mission for the CVV (see below, Chapter 3).

- Monitoring the auction economy. For several years now, the Conseil has presented an economic analysis of the auction market. The new Act of 20 July 2011 expressly entrusts the Conseil with this mission, which was not written into the Act of 10 July 2000.

- Formulating proposals for legislative and regulatory changes (another new power)..

- Lastly the Conseil's role in the field of training has been confirmed

B I Composition

■ As at 1 January 2011

The Conseil des ventes consists of eleven members appointed for four years by the Keeper of the Seals, Minister for Justice: six qualified persons plus five professional representatives, including one appraiser. An equal number of deputies are also appointed. The members are mandated for four years. Each mandate being renewable once. The Chairman is elected by the members of the Conseil. The mixed composition of the Conseil is conceived as a guarantee that the decisions taken incorporate the skills of recognised professionals whilst maintaining the independence of the regulatory body. The mandates of the members and deputies of the Conseil des ventes are exercised on a voluntary basis.

A public prosecutor is appointed by the Keeper of the Seals to perform the functions of Government Commissioner for the Conseil des ventes.

The Conseil's operations are described in its internal regulations, the latest version of which was approved on 7 January 2010. This document details the Conseil's organisation, the rules governing the convening and modus operandi of its meetings, the powers of its President (and the procedures for his/her election) and the operational principles governing the Conseil's disciplinary procedures.

The nominative composition of the Conseil, drawn up in accordance with the Decree of 29 July 2009 published in the Journal Officiel of 2 August 2009, was as follows:

President

Francine MARIANI-DUCRAY, member of the French Council of State

Regular members

Denis ANTOINE, Director of an auction firm

Claude BOISGIRARD, Director of an auction firm

Guillaume CERUTTI, CEO of Sotheby's France

Philippe CHALMIN, University Professor

Christian DEYDIER, Antique Dealer

Bernard DAESCHLER, First Honorary President of the Reims Appeal Court

Guy JOLY, Dean of the Court of Cassation

Philippe LIMOUZIN-LAMOTHE, President of the Art Market and Cultural Assets Movement Observatory

Michel VANDERMEERSCH, Certified Appraiser

Emmanuelle VIDAL-DELAGNEAU, Development Director of Christie's France

Alternate members

Jean-Claude ANAF, Director of an Auction Firm

Francine BARDY, Advisor to the Court of Cassation

Catherine CHADELAT, Member of the Council of State

Georges DELETTREZ, Director of an Auction Firm

Éric LACOMBE, Director of an Auction Firm

Baudoin LEBON, Gallery Owner

Bernard LYONNET, Court Lawyer

Christian PATTYN, Honorary General Inspector of Cultural Affairs

Thierry POMEZ, Director of an Auction Firm

Jean-Baptiste de PROYART, Book Dealer

Thierry STETTEN, Certified Appraiser

Government commissioner

Michel SEURIN, General Lawyer

As of 1 september 2011

The Conseil consists of eleven members appointed for four years. The Keeper of the Seals, Minister for Justice appoints a member of the Council of State, two advisors from the Court of Cassation, a member of the National Audit Commission, a professional representative and a qualified personality. The Minister for Culture appoints a professional representative, a qualified personality, and a certified appraiser. Lastly, the Minister for Trade appoints a professional representative and a qualified personality.

The Alternates are appointed in an equal number and under the same conditions. The members are appointed for four-year mandates and each mandate may be renewed once. The President is appointed by the Keeper of the Seals from among the members of the Council of State, the Court of Cassation or the National Audit Commission.

Neither the Regular members nor the Alternates of the Conseil are remunerated for their services.

A public prosecutor is appointed by the Keeper of the Seals to perform the functions of Government Commissioner for the Conseil.

The Conseil's modus operandi is detailed in its internal regulations.

The nominative composition of the Conseil, as posted in the Decrees of 7, 10 and 11 October 2011 in the Journal Officiel of 12 October 2011, is as follows:

President

Catherine CHADELAT, Member of the Council of State

Regular members

Francine BARDY, Advisor to the Court of Cassation

Pierrette PINOT, Advisor to the Court of Cassation

Philippe LIMOUZIN-LAMOTHE, Senior Advisor to the National Audit Commission

Bernard VASSY, Director of an Auction Firm

Vincent FRAYSSE, Director of an Auction Firm

Jean-Claude ANAF, Director of an Auction Firm

Philippe AUGIER, Former Director of an Auction Firm

Jean-Claude MEYER, Art Collector

Jacques LE PAPE, General Inspector of Finances

Sabine BOURGEY, Numismatics Appraiser

Alternate members

Marc SANSON, Member of the Council of State

Martine RACT-MADOUX, Advisor to the Court of Cassation

Gérard PLUYETTE, Advisor to the Court of Cassation

Gilles ANDREANI, Senior Advisor to the National Audit Commission

Cyrille COHEN, Vice-President of an Auction Firm

Francis BRIEST, Co-President of an Auction Firm

François de RICQLES, President of an Auction Firm

Christian DEYDIER, President of the National Union of Antique Dealers

Christine de JOUX, General Conservator of National Heritage

Jacques ROSSI, Lawyer

Dominique CHEVALIER, Antique Dealer and Appraiser

C | Resources

The Conseil's annual budget is approximately 1.8 million euro. Its funding is ensured by the payment of obligatory professional contributions by auction operators.

The CVV provides certain services under the management of its President. The General Secretary is responsible for the functioning of these services under the authority of the CVV's President. The General Secretariat consisted of nine persons as at 1 January 2011: two seconded civil servants, six permanent staff and one person under a fixed-term contract. The Government Commissioner is protected by a member of the police force, made available to the Conseil by the Interior Ministry in exchange for payment of his salary, and is assisted by a secretary, a seconded civil servant, who is paid by the Conseil. In total, twelve persons participated in the accomplishment of the Conseil's missions during 2011.

The Conseil's funding is detailed in a specific chapter of the Annual Report. The financial and accounting management of the Conseil is audited by the National Audit Commission.



SULTAN AHMED I (1603-1617)

Firman ottoman, document sur papier
Rédigé du 4 au 13 septembre 1604
215 x 47 cm
Préempté par le musée du Louvre
Le Mans, 14 mai
Isabelle Aufauvre SVV
Expert Mme Kevorkian
155 000 €
©Thierry Ollivier



ROULEAU IMPERIAL, ÉPOQUE QIANLONG (1736-1795)

Chine, dynastie Qing, La Grande Revue IV, 1748,
rouleau, encre et couleurs sur soie, h. 69 cm, l. 24,21 m
Toulouse, 26 mars
Marc Labarbe SVV
Expert Cabinet Ansas-Papillon d'Alton
17 800 000 €
©DR

Voluntary public auction sales in 2011: an economic report

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A | INTRODUCTION

Every year since 2003, the Conseil des ventes volontaires (CVV) has presented a report on the economic activity of the voluntary public auctions market in France. The report is based on the results of an economic survey of auction operators conducted by the CVV every year. Two years ago, in 2009, the CVV decided to considerably enhance the value of its annual report by including a chapter on the International auction market that is particularly interesting for the Art & Collectibles segment. This sector includes sales of fine art (paintings, sculptures, drawings, photography, prints etc.), but also antiques, artefacts and collectibles (stamps, coins, comics, old books, collection vehicles, toys, etc.).

In order to obtain accurate quantitative analyses concerning the international market, the CVV uses an approach based on a statistical analysis of the data that ensures the highest possible quality of the figures provided

With the experience gained in 2010 and 2011, the Conseil decided to continue its collaboration with the company Noéo Conseil, a specialist data management firm.

B | MEASURING THE ECONOMIC ACTIVITY OF FRENCH VOLUNTARY AUCTION OPERATORS

1 | Presentation of the survey

At the national level, the exact condition of the auction market and its evolution is gauged and measured via a questionnaire that is sent to all declared voluntary auction operators.

The survey requests information on their total auction turnover excluding fees (TATEF; this figure represents, for any given segment or combination of segments the total sum of adjudicated amounts, i.e. of hammer prices, excluding costs and fees) generated over the past year and broken down per segment. The categories used to break down sales into different segments are now stable, thereby ensuring the continuity of the statistical series presented. In effect, the annual auction turnover is divided into 16 categories that fit easily into the three major sectors used in the analysis of the auction market : “Art & Collectibles”, “Used Vehicles and Industrial Equipment” and “Horses”.

In addition to this business-related information, the operators are invited to indicate their staff numbers and their use of internet, i.e. whether they possess their own site or use external websites and what use they make of such sites. On the other hand, no financial data is requested (earnings or sales) via this survey. Such information is acquired through other standard channels.



QUESTIONNAIRE ECONOMIQUE RAPPORT ANNUEL 2011

Nom de l'OVV :
 Département :
 N° agrément :
 Forme juridique : Code APE :

1/ Le montant des ventes annuelles

Montant total des ventes 2011 en prix marteau : _____

REPARTITION DU CHIFFRE DE VENTES 2011 PAR CATEGORIES D'OBJETS				
	Montant en prix marteau €	Nombre de ventes	Montant en salles de ventes	Montant sur Internet ¹
Art & Objets de Collection				
Art & Antiquités				
Dont tableaux, dessins, sculptures, estampes anciens et du XXème siècle				
Dont tableaux, dessins, sculptures, estampes impressionnistes et modernes				
Dont Art d'après-guerre et contemporain				
Dont Mobilier et Objets d'Art anciens				
Dont Mobilier et Objets d'Art du XXème siècle				
Autres (Art d'Asie, Arts Premiers, Archéologie, etc.)				
Joallerie & Orfèvrerie				
Vins & Alcools				
Autres Objets de Collection				
Ventes Courantes²				
Véhicules d'Occasion & Matériel Industriel				
Véhicules d'Occasion				
Dont Véhicules Particuliers				
Dont Véhicules Utilitaires				
Dont Poids lourds				
Matériel Industriel				
Chevaux				
Ventes à caractère caritatif				
TOTAL ANNUEL				

¹ Sont comptabilisées uniquement les ventes dites online, à savoir des ventes dématérialisées (enchères physiques en salle, pour lesquelles il est possible d'enchérir sur Internet) et de ventes dématérialisées.
² Les ventes courantes sont les dispersions qui n'ont pas fait l'objet d'un catalogue de vente.

2/ La structure de votre entreprise

VENTILATION DE L'EFFECTIF SALARIE						
au 31 décembre 2011	CDI		CDD		Autres (vacataires, intérimaires)	Stagiaire
	Commissaire-priseur	Autres	Commissaire-priseur	Autres		
Temps plein						
Temps partiel						

USAGE DE L'INTERNET		
	OUI	NON
Possédez-vous votre propre site Internet ?		
Si oui, l'utilisez-vous pour :		
présenter votre activité ?		
présenter des catalogues de vente ?		
que vos clients saisissent des ordres d'achat ?		
proposer des ventes dématérialisées (non liée à une vente en salle) ?		
que vos clients enchérissent en ligne sur des ventes physiques ?		
Etes-vous référencés sur des web spécialisés pour plus de visibilité sur Internet ?		
	Nom des sites	
Si oui, à quel(s) site(s) confiez-vous prioritairement votre référencement :		
site 1		
site 2		
site 3		

INTERNATIONALISATION		
	OUI	NON
Organisez-vous des ventes hors de France ?		
Possédez-vous des bureaux hors de France ?		

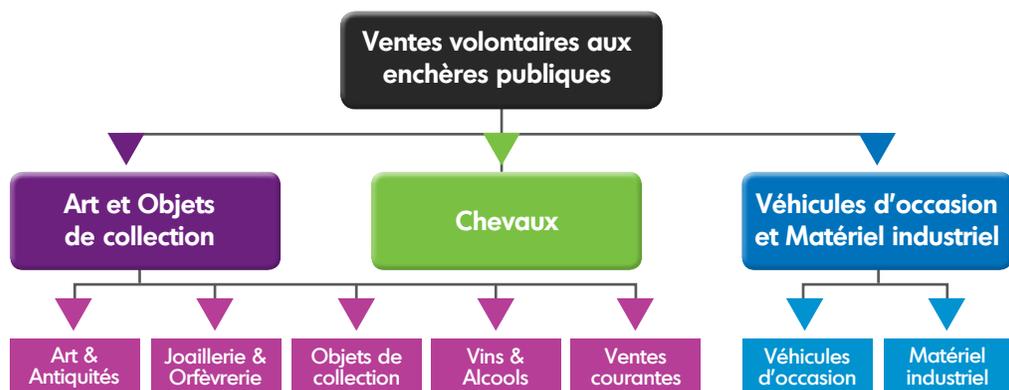
2

2 | The auction operators surveyed

The questionnaire was sent to 396 voluntary auction operators (VAOs) in the last fortnight of December 2011. As at 22 February 2012, the scheduled survey end-date, only 17 had not returned completed questionnaires, corresponding to a 4% no-response rate, similar to 2010 rate and substantially lower than the 2009 rate (16%).

3 | Sector breakdown

As indicated above, the categories used to break down sales into different segments are now stable, ensuring the continuity of the statistical series presented.



Each of the three major auction activity segments has intermediary segments

The definition of the segment “Art & Collectibles” is similar to that used in French tax legislation (Article 98 A of Appendix III of the General Tax Code) which defines the types of movable assets included in the category “Artworks, Antiques and Collectibles”. For our purposes, the following sub-segments have been added to this category:

- Wines & Spirits: because of the manner in which they are sold;
- Miscellaneous (non-catalogued sales): essentially artworks, crafts and collector’s items that are difficult to classify in any one particular category.

Usually, the regional VAOs with modest turnover figures group their sales of artworks, antiques and wines & spirits in the Miscellaneous category.

4 | Data processing

■ Sector breakdown

On the basis of the survey’s results and types of movable assets offered for sale, the VAOs have been classified into different categories. The VAOs that generate less than 95% total auction turnover excluding fees (TATEF) from a single category have been classified as ‘Generalist’. All other VAOs have been assigned to the category from which they generate more than 95% of their TATEF.

When certain information is not measurable, we attribute the company to a category on the basis of previous years' survey data.

■ Missing data

In order to integrate the economic weight of the VAOs that did not respond to the survey, the missing figures were reconstituted. The methodology applied was as follows: The TATEFs generated by each VAO have been aggregated per sector and per year in order to calculate the average annual rates of change.

On the basis of previous figures and the rates of change measured in the different categories, the missing TATEF data has been estimated at 10 million euros, i.e. less than 0.5% of the total adjudicated amount. Taking into account the distribution of values, the error risk at 1% is below ±500,000 euros, giving an excellent confidence interval that is better than last year’s.

In addition, certain VAOs did not break down their annual TATEF into sub-segments. In these cases, the sub-segmentation applied was based on previous years’ data. In the case of VAOs identified as Generalists, the 2011 TATEF was attributed to the sectors Art & Collectibles and Used Vehicles & Industrial Equipment on the basis of the observed average proportions that these two segments represent for Generalists whose figures are known.

C | MEASURING GLOBAL TURNOVER FROM AUCTION SALES IN THE ART & COLLECTIBLES SEGMENT



PABLO PICASSO (1881-1973)

Nu couché, 3/9/67
 Crayon noir, estompe, aquarelle verte
 et gouache blanche, signé et daté en
 bas à droite, 55,5 x 75 cm
 Drouot Montaigne, 16 novembre
 Baron Ribeyre & Associés SVV.
 Experts Cabinet Brun Perazzone
 455 000 €
 ©DR

To put the French market into an international perspective, the CVV's 2010 annual report presented for the first time an analysis of the global market based on an inventory of auction operators all over the world and a calculation of their auction turnover figures.

Likewise for the 2011 annual report which presents the global auction turnover for the year 2011.

The methodology elaborated and used for the 2010 annual report by the selected external data management company, Noeo Conseil, has remained essentially the same for the 2011 report. We may therefore usefully refer to the methodological annex posted by NOEO in the 2010 report.

Nevertheless, for convenience we shall reiterate the key aspects of the techniques used.

The methodology is based on a three-stage approach:

1 | Identification of auction operators

The first step was to update the exhaustive list of VAOs worldwide that organised at least one physical or online sale in the Art & Collectibles segment last year.

This list is compiled by consulting numerous information sources (mainly periodicals and specialised websites) and the information obtained is systematically cross-checked.

This initial phase identified nearly 22,000 VAOs worldwide that organise auction sales (all domains and segments combined). After exclusion of operators uniquely active in other segments like Used Vehicles & Industrial Equipment, we obtained an initial list of approximately 11,000 operators potentially capable of organising auction sales in the Art & Collectibles segment. Then each operator in this list was checked via internet to see if it was inactive or had not organised any sales in the Art & Collectibles segment.

This eliminatory work reduced the number to 2,640 operators around the world who were active in the Art & Collectibles segment in 2011. Here, "active" means any operator that organised at least one sale in this segment during the year.

As we can see from comparison with the two previous years, the number of operators active in the segment has fallen sharply. In 2010, the CVV identified 2,915 operators using the same criteria. This 9% contraction is a result of several different trends:

- more defaulting operators than new operators created over the same period: worldwide, 108 operators in the Art & Collectibles segment closed in 2011, whereas only 90 new operators were identified in the segment.
- a large number of Chinese operators ceased their activities in the Art & Collectibles segment and refocused on other segments considered more

traditional in China's provinces, such as vehicles, industrial equipment and property. In effect, 99 Chinese operators (that are still active) stopped selling art in 2011. These were mainly small firms that organised few sales in the Art & Collectibles segment in the past..

- Concentration: a small number of operators were acquired or merged, particularly specialists in the Collectibles segment. Among those that grew externally during 2011, Acker Merral & Condit, one of the global market leaders in wine auctions and Heritage, the global leader in Collectibles. Two of the largest American philately specialists, Bowers & Merena and Stack, merged in 2011.

For each operator, the sources that mention them have been noted in order to establish an initial simplified notoriety indicator.

2 | Data collection

Operator auction turnover figures have been collected via a specific process :

- 1) searches on Internet, starting with the sites of the operators themselves:
 - by direct observation of the annual turnover figures, communicated notably in the Press Release pages of these websites;
 - by adding all the sales results together (when published), either sale by sale, or lot by lot, depending on the type of information available.
- 2) sending a request for information by email to operators whose figures are not available online.
- 3) lastly, in the event of no-response, we try to collect the information we are seeking by contacting the operator by telephone and reminding it by mail.

This method was applied systematically to all the operators identified.

This second operation allowed us to gather the sales figures of 1,316 of the 2,640 operators identified in 2011 i.e. 50% of the total number (vs. 35% in 2010). Our data gathering was therefore more successful in 2011. We also took the advantage of our contacts with the operators to collect information concerning no less than 148 variables that describe each operator in detail.

3 | Econometric modelling

At this stage in the process, to determine the total global auction turnover we needed to calculate the missing data for the operators whose turnover figures we were unable to obtain.

In the first stage described above, we observed variable rates of data completeness between different countries as well as enormous disparities in the turnover figures of different countries and different regions within countries. The extreme heterogeneity of the gathered data prohibits the use of a single

variable sufficiently correlated to the observed turnovers to simply extrapolate and deduce the values of the unobserved turnover figures

■ Modeling

We therefore chose to use a multivariate method. Based on the notion that the operator turnover figure we are seeking must necessarily depend on a number of different factors (variables) such as the operator's principal characteristics (sector of activity, date of creation, language of website, etc.), its notoriety (number of links and references to it, Google, etc.), the type of sales it organises (number of sales, miscellaneous, catalogued, prestige, etc.) and its geographical location, we construct equations that, to simplify, attribute a specific coefficient to each variable. This is the most technical stage of the process. It is founded on models of the companies whose turnover figures are known and is necessarily a step-by-step approach with back-steps, adjustments and estimates.

During this stage, certain structural differences between operators, sectors and countries added further complications to the exercise by requiring the construction of several equations. For example, the variable relating to prestige sales does not have the same influence in Asia as it does in other countries. The net result is that six different models were implemented, for which the most significant variables were identified. This exercise allowed us to calculate the unobserved operator turnover figures

■ Validation

Before finally validating the method, performance tests were conducted on the data relating to French companies that can be considered the most reliable. The auction turnover figures, randomly hidden, of 50% of these operators was re-calculated by modelling and compared to the real data. The operation was performed 400 times.. The results were extremely encouraging with an average spread from the real figures of 0.16%. Lastly, at the global level, confidence intervals were measured: The auction turnover was reconstituted 400 times of groups of 1,800 operators from the 2,643 operators identified worldwide (hence, without distinguishing those whose turnover figure was known, which, were therefore included randomly in the sample) and the equations were applied to these operators. After comparing the average of the 400 turnover figures thus estimated with those obtained using the econometric method, we observed a very satisfactory confidence interval estimated at +/- 1.3%.

In conclusion, this exercise allowed us to calculate the global auction turnover for 2011 from the 54 countries that are active in this market. The proportion of the total amount representing data calculated by using the econometric method, even if it concerns the majority of operators, is in fact low (11.2%) and is considerably lower than last year (close to 18%). Finally, in terms of data quality, we may estimate a 95% probability that the error margin on the global auction turnover figure will be within +/- 1.3% (confidence interval defined above).



PAUL FOLLOT (1877-1941)

Commode galbée en bois laqué bleu sombre et filets laqués or, à dessus de marbre portor et poignées et clefs en bronze doré. Provenance : collection Paul Follot.

Drouot Montaigne, 22 mars

SVV Camard & Associés

Record mondial

100 000 €

©Camard et associés

II VOLUNTARY PUBLIC AUCTIONS SALES IN FRANCE

A | PRESENTATION OF THE VOLUNTARY AUCTION OPERATORS (VAOS)

1 | The structure of VAOs

As indicated above, 396 operators had declared the conduct of voluntary auction sales to the CVV as at 31 December 2011. Seven new operators commenced activities in 2011 and four stopped, giving a net increase of three versus end-2010.

In line with 2010, France's regional provinces accounted for 2/3 of the VAOs versus 1/3 for Paris and its surrounding Ile-de-France region



Confirming the trend observed in previous CVV reports, the auction profession is continuing to evolve even if the number of declared operators has changed little.

Thus, the number of operators conducting uniquely voluntary sales, which was 58 in 2007, was 83 by the end of 2011, a 43% rise in four years. However, the proportion of operators still conducting both voluntary and judicial sales remains high at 79%.

At the end of 2011, there were 611 certified voluntary auctioneers operating in France compared with 590 in 2010 (473 in 2002), representing a 3.6% rise in one year. The evolution of the profession is also visible in the fact that out of the 611 certified auctioneers, 259 have received their licenses since the reform of voluntary public sales introduced in 2000.

Numbers of VAOs

	2002	2007	2008	2009	2010	2011
VAOs working with judicial auctioneers	317	323	324	318	316	313
VAOs exercising uniquely voluntary sales	23	58	62	67	77	83
Total	340	381	386	385	393	396

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Number of certified voluntary auctioneers (CVAs)

	2002	2007	2008	2009	2010	2011
CVAs who were certified auctioneers before 2001	423	392	376	379	361	352
CVAs who were not certified auctioneers before 2001	50	167	192	201	229	259
Total	473	559	568	580	590	611

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CPJ : commissaires-priseurs judiciaires - CPV : commissaires-priseurs volontaires - CP : commissaires-priseurs

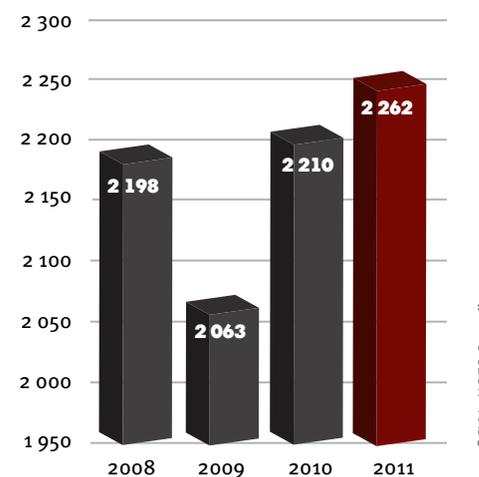
2 | VAO headcounts in 2011

The number of staff employed by VAOs is one of the main indicators of the economic health of the auction segment.

In 2011, the VAOs employed 2,262 people¹ corresponding to a 2.4% increase versus 2010.

This job creation has been accompanied by a stabilisation of the proportion of fixed-term employment contracts (fixed-term contracts and internships) which accounted for

Change in operator staff numbers



¹ Ce chiffre correspond au nombre de contrats signés et non à celui des personnes physiques, une même personne pouvant être employée par plusieurs sociétés.

Breakdown of VAO employment per contract type

(This chart presents the number of salaried contracts and not the number of staff employed by these contracts [the same person may have several employment contracts with different VAOs])

Permanent-contracts	Certified auctioneers	Full-time	191	8,4%
		Part-time	50	2,2%
	Other employees	Full-time	1182	52,3%
		Part-time	317	14,0%
Fixed-term	Certified auctioneers	Full-time	12	0,5%
		Part-time	8	0,4%
	Other employees	Full-time	72	3,2%
		Part-time	25	1,1%
Interns		Full-time	60	2,7%
		Part-time	33	1,5%
Temporary staff			312	13,8%
Total			2 262	
Annual change			+2,4%	

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9.4% of total employment in the segment in 2011. Lastly, we found that part-time employment contracts accounted for close to 18% of all the job contracts in the segment (excl. interns).

It is interesting to note that the average number of staff per VAO, which largely depends on each VAO's volume of business, is relatively stable versus 2010, except for operators that generated more than €50m in sales turnover in 2011, who posted an average headcount of 40 employees, up sharply versus 2010. This progression is mainly due to the concentration of the market around the largest operators who tend to profit more from the market's growth than their smaller peers (see below) and who adapt their headcounts to the volume of activity correspondingly.

Annual sales turnover	Number of VAOs	Salaried staff (excl. interns)		
		Total		
		Permanent	Fixed-term	Total
> 50 M €	9	347	20	367
[10-50] M €	31	358	22	380
[1-10] M €	199	779	63	842
< 1 M €	157	256	13	269

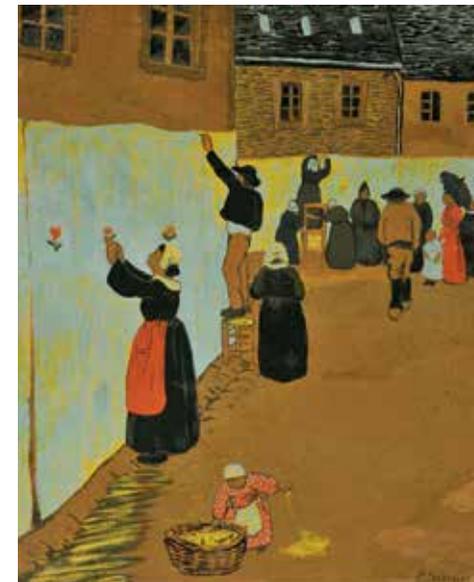
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3 | Operators' financial situations

To further develop the economic analysis of the market, and in line with the work presented since the 2009 annual report, the data concerning operators' sales volumes (at hammer prices) has been supplemented with data on their financial situations. This data was collected from the non-nominative exploitation of balance sheets and income statements, documents filed with the Clerk of the commercial court in accordance with Articles L. 232-21 et seq. of the French Code of Commerce. The financial statements available at the time this report was being drafted were those relating to 2010. Four years of data are therefore presented below. It should be remembered that 2007, a remarkable year for auction sales turnover, preceded two years of crisis (even if the overall data for the French market in 2009 was positive due to the sale of the Yves Saint-Laurent / Pierre Bergé collection) before the market recovered somewhat in 2010.

Our analysis was limited to the examination of operators' accounting profits and their income. It is important to distinguish between an operator's income and its auction turnover: the latter is recognised in third party accounts, whereas the former corresponds to the sum of the different incomes that the operators may receive. The data used were however dependent on the quality of the available information.

Moreover, the activity of VAOs was still in 2010 limited by their corporate purpose, which is to organise voluntary public auction sales. Their income therefore consisted exclusively of income relating to auction sales: Sellers' fees and buyers' fees, estimations, appraisals, pooling, etc. This limitation has been



PAUL SÉRUSIER (1864-1927)

La Fête-Dieu à Châteauneuf-du-Faou, vers 1894, technique mixte sur toile, 65 x 54 cm
 Douarnenez, 23 juillet
 Thierry - Lannon & Associés SVV
 322 000 €
 © Thierry-Lannon et associés

lifted since the law of 20 July 2011 came into force on 1 September 2011.

In 2010, our analysis involved 356 operators (out of 393 licensed). The difference was due to the fact that certain statements were not, or were no longer, accessible (not filed, license withdrawals during 2010 or initial 18 months of activity not closed by year-end 2010). The data has allowed us to draw up averages for each auction turnover tranche.

The VAOs have been grouped according to their annual auction turnover totals. Six tranches were defined. A breakdown per domain of activity (Art & Collectibles, Used Vehicles & Industrial Equipment or Horses) was not possible because of the absence of specialisation at a large number of so-called Generalist operators who do not break down their accounting data into the three segments.

The following tables present, first of all, the raw data collected: Income and profits of operators per auction turnover tranche. The auction turnover aggregates are presented at the top of the table to enhance the perspective on the income and profit data.

A second series of tables (based on the first series) presents the averages obtained by dividing the raw data by the number of operators.

The last table provides several ratios based on these averages ...

In the tables above we can see that, overall, the operators' annual income, which reached an aggregate €579.97m in 2010, increased by 5.2% in 2011. At the same time, the operators' aggregate profit of €37.2m in 2010 grew 11.7% in 2011, even this was still below the level posted in 2007.

■ Raw data

Turnover tranches	Number of VAOs				Auction turnover excluding fees			
	2007	2008	2009	2010	2007	2008	2009	2010
<200.000 €	13	18	17	14	995 128	1 619 652	1 268 904	1 076 161
200.000 - 1M€	116	125	119	114	73 263 942	77 112 055	72 578 094	68 476 754
1-5 M€	160	158	160	156	365 369 857	342 333 381	341 604 911	341 074 381
5-10 M€	32	26	28	34	215 042 513	170 095 147	193 490 294	235 596 416
10-50 M€	28	35	29	29	590 834 015	722 878 944	599 366 380	628 168 095
> 50 M€	12	9	10	9	938 409 442	754 556 457	1 019 462 263	849 298 787
Total	361	371	363	356	2 183 914 897	2 068 595 636	2 227 770 846	2 123 690 594

Turnover tranches	Number of VAOs				Chiffre d'affaires			
	2007	2008	2009	2010	2007	2008	2009	2010
<200.000 €	13	18	17	14	535 086	702 585	806 471	585 857
200.000 - 1M€	116	125	119	114	23 998 173	24 679 115	23 379 837	20 680 527
1-5 M€	160	158	160	156	99 612 789	99 619 091	100 979 865	102 992 150
5-10 M€	32	26	28	34	55 053 185	45 338 850	50 701 388	62 642 243
10-50 M€	28	35	29	29	112 785 796	127 436 526	126 947 352	151 388 340
> 50 M€	12	9	10	9	229 195 724	207 672 896	248 467 928	241 683 817
Total	361	371	363	356	521 180 753	505 449 064	551 282 841	579 972 934

Turnover tranches	Number of VAOs				Profit/loss			
	2007	2008	2009	2010	2007	2008	2009	2010
<200.000 €	13	18	17	14	46 494	28 955	-37 545	-55 233
200.000 - 1M€	116	125	119	114	1 701 119	1 118 355	372 710	1 360 753
1-5 M€	160	158	160	156	9 356 333	4 889 079	5 336 591	7 815 121
5-10 M€	32	26	28	34	4 942 943	2 517 067	2 369 888	2 451 773
10-50 M€	28	35	29	29	8 106 088	103 627	10 190 580	5 659 092
> 50 M€	12	9	10	9	20 942 602	4 433 237	15 103 604	19 957 121
Total	361	371	363	356	45 095 579	13 090 320¹	33 335 828	37 188 627

¹ The 2008 aggregate profit may appear incoherent in view of the auction turnovers and incomes posted for that year. In reality, certain operators with auction turnovers in excess of €10m had a normal level of activity in 2008, but posted negative operating incomes, often related to major investments and restructuring..

■ Averages

Average income

Turnover tranches	Average income (€)				% change 2010/2009
	2007	2008	2009	2010	
<200.000 €	41 160	39 033	47 439	41 847	-11,8%
[200.000 - 1M] €	206 881	197 433	196 469	181 408	-7,7%
[1-5] M€	622 580	630 501	631 124	660 206	4,6%
[5-10] M€	1 720 412	1 743 802	1 810 764	1 842 419	1,7%
[10-50] M€	4 028 064	3 641 044	4 377 495	5 220 288	19,3%
> 50 M€	19 099 644	23 074 766	24 846 793	26 853 757	8,1%
All tranches combined	1 443 714	1 362 396	1 518 686	1 629 137	

Average profit

Turnover tranches	Average profit (€)				% change 2010/2009
	2007	2008	2009	2010	
<200.000 €	3 576	1 609	-2 209	-3 945	-78,6%
[200.000 - 1M] €	14 665	8 947	3 132	11 936	281,1%
[1-5] M€	58 477	30 944	33 354	50 097	50,2%
[5-10] M€	154 467	96 810	84 639	72 111	-14,8%
[10-50] M€	289 503	2 961	351 399	195 141	-44,5%
> 50 M€	1 745 217	492 582	1 510 360	2 217 458	46,8%
All tranches combined	124 919	35 284	91 834	104 462	

Average hammer price (AHP)

Turnover tranches	Average hammer price (€)				% change 2010/2009
	2007	2008	2009	2010	
<200.000 €	76 548	89 981	74 641	76 869	3,0%
[200.000 - 1M] €	631 586	616 896	609 900	600 673	-1,5%
[1-5] M€	2 283 562	2 166 667	2 135 031	2 186 374	2,4%
[5-10] M€	6 720 079	6 542 121	6 910 368	6 929 306	0,3%
[10-50] M€	21 101 215	20 653 684	20 667 806	21 660 969	4,8%
> 50 M€	78 200 787	83 839 606	101 946 226	94 366 532	-7,4%
All tranches combined	6 049 626	5 575 729	6 137 110	5 965 423	

■ Ratios

Turnover tranches	PROFIT / INCOME				PROFIT / AHP				INCOME / AHP			
	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010
<200.000 €	8,69 %	4,12 %	-9,43 %	6,58 %	4,67 %	1,79 %	-2,96 %	-5,13 %	53,77 %	43,38 %	63,56 %	54,44 %
200.000 - 1M€	7,09 %	4,53 %	1,59 %	7,59 %	2,32 %	1,45 %	0,51 %	1,99 %	32,76 %	32,00 %	32,21 %	30,20 %
1-5 M€	9,39 %	4,91 %	5,28 %	7,59 %	2,56 %	1,43 %	1,56 %	2,29 %	27,26 %	29,10 %	29,56 %	30,20 %
5-10 M€	8,98 %	5,55 %	4,67 %	3,91 %	2,30 %	1,48 %	1,22 %	1,04 %	25,60 %	26,65 %	26,20 %	26,59 %
10-50 M€	7,19 %	0,08 %	8,03 %	3,74 %	1,37 %	0,01 %	1,70 %	0,90 %	19,09 %	17,63 %	21,18 %	24,10 %
> 50 M€	9,14 %	2,13 %	6,08 %	8,26 %	2,23 %	0,59 %	1,48 %	2,35 %	24,42 %	27,52 %	24,37 %	28,46 %
All tranches combined	8,65%	2,59%	6,05%	6,41%	2,06%	0,63%	1,50%	1,75%	23,86%	24,43%	24,74%	27,31%

Analysis of the averages reveals that in reality, the overall good results for 2009 presented above mask massive disparities between the different turnover tranches :

► Turnover < €200,000

Although the turnover of this tranche remained stable over the four years in question, as did the average income, there was nevertheless a constant contraction of the average profit which would appear to indicate economic difficulties for the ten or so companies that occupy this tranche. Indeed the picture is also confirmed by the change in the profitability ratio (profit / income).

► Turnover between €200,000 and €1M

The change in average income and average profit has followed the constant fall in average turnover. However, these changes are not entirely symmetrical, with profit ratios up in 2010 versus 2009. This tranche therefore looks fragile.

► Turnover between €1M and €5M

This tranche has the highest number of operators. Although its average turnover is almost stable, the average income rose, while profits pursued an uncorrelated trajectory. This tranche appears to be the most profitable along with the >€50M tranche.

► Turnover between €5M and €10M

The second most populated tranche, this has seen growing turnover and income, but its average profits are contracting. This seems to indicate difficulties for operators who maintain their business volumes but do not manage simultaneously to restructure in order to reduce costs

► Turnover between €10M and €50M

This is the most stable tranche in terms of turnover. Its average income grew while its average profit pursued an inconsistent trajectory. Its profit ratio appears to indicate a contracting level of profitability for the operators in this tranche.

► Turnover above €50M

This tranche contains very few operators; so that any significant change in one markedly affects the aggregate figures. It is in fact the only tranche that posted progressions (2010 / 2007) in turnover, income and profits. This tranche is therefore very strong, even if its profitability has not grown.

All operators combined posted a very weak Profit / Turnover ratio (less than 2%), thus highlighting the segment's structural difficulty in generating profits with very high breakeven points.

B | PHYSIOGNOMY OF THE FRENCH MARKET IN 2011

1 | Strong rise of auction turnover

In order to put the French auction market's 2011 evolution into perspective, it is worth remembering some of the macro-economic data that characterised the generally negative economic and financial context in that year: the downgrade of France's sovereign debt by the rating agencies, a public debt level estimated at 85.3% of GDP and unemployment continuing to grow, reaching 9.8% (according to the BIT) in the fourth quarter (vs. 9.2% in 2010). In addition, the INSEE's business sentiment indicator fell below the 95 points threshold compared with levels above 110 points in 2006-2007.

Nevertheless, activity on the French auction market showed a substantial increase in 2011 versus the previous year.

■ Overall trend

Total auction turnover excluding fees (TATEF), from all segments combined amounted to €2.38bn in 2011 versus €2.19bn in 2010, equivalent to an annual progression of 8.6%.

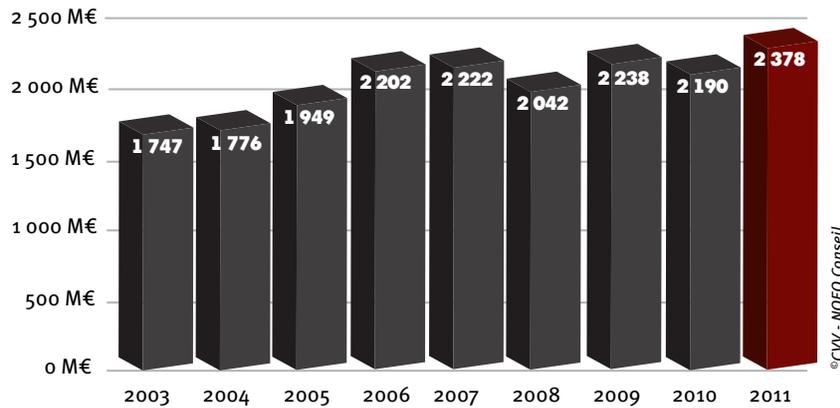
This is a historical total as it represents the largest volume of activity ever recorded in France, and higher than:

- 2009, with its €2.24bn, substantially aided by the sale of the Yves Saint-Laurent / Pierre Bergé collection at Christie's (€293M);
- 2006-2007, peak years preceding the economic and financial crisis. At the time, the French operators posted an aggregate auction turnover of €2.22bn, supported by economic growth and by the enthusiasm of new collectors on the art market.

The vibrant health of the auction market in 2011 is reflected in :

- the continued rise in the number of operators
- an increase in the number of sales organised in France : On the Art & Collectibles segment, the VAOs have organised 8% more sales than in 2010
- a higher number of exceptional results in the top-end segment, particularly in the area of Asian art sales.

Change in volume of voluntary auction sales in France, excluding fees



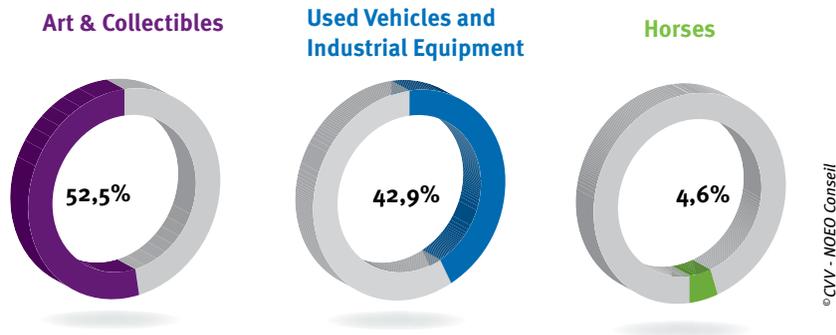
If we extend our analysis back over nine years, we find an almost continuous upward trend. The average annual progression of France's aggregate auction turnover works out at 3.47% over the period.

■ All segments have enjoyed growth

The auction market is divided into three major segments:

“Art & Collectibles”, “Used Vehicles and Industrial Equipment” and “Horses”. The relative weight of each of these segments has changed little since the introduction of the market's first reform in 2000; the Art & Collectibles segment representing 52.5% of the national aggregate turnover in 2011, compared to 52% in 2010.

Breakdown of 2010 auction turnover per activity segment



This stability in the segments' relative weight is due to the fact that each segment has posted growth.

The Art & Collectibles segment posted a 9.4% rise in 2011.

With a 7.4% progression, the Used Vehicles & Industrial Equipment segment crossed the €1bn threshold in 2011, representing 43% of the auction market.

Lastly, the Horses segment posted strong growth of 11.8%, even if its relative weight remained low at 4.6%.

It is difficult to identify precisely the reasons for this growth of the auction market in 2011, but we can offer a number of tentative explanations. For the Art & Collectibles segment, it is well known that art is considered a safe haven in times of economic crisis, as it diversifies the asset portfolios of high net worth individuals. The segment has also benefited from China's recognised importance in transactions involving artworks. For the Used Vehicles & Industrial Equipment segment, economic difficulties have rekindled the second-hand vehicle market, as companies seek to cut back on their investment costs. As regards the Horses market, the growth is linked to the way this niche market functions, which we will discuss in greater detail below

Economic table, per segment and per year

Voluntary auction turnover, excluding fees, 2003 - 2011

Art & Collectibles	2003	2004	2005	2006	2007	2008	2009	2010	2011
Miscellaneous sales	426 M€	329 M€	455 M€	374 M€	246 M€	171 M€	145 M€	101 M€	91 M€
Art & Antique	426 M€	456 M€	443 M€	661 M€	795 M€	714 M€	878 M€	776 M€	866 M€
Other collectibles	57 M€	61 M€	53 M€	105 M€	88 M€	107 M€	108 M€	137 M€	147 M€
Jewellery & Gold	51 M€	51 M€	46 M€	61 M€	72 M€	70 M€	73 M€	91 M€	102 M€
Wines & Spirits	10 M€	17 M€	14 M€	24 M€	21 M€	23 M€	17 M€	37 M€	43 M€
Sub-total	970 M€	915 M€	1 010 M€	1 224 M€	1 224 M€	1 085 M€	1 220 M€	1 142 M€	1 249 M€
Annual change		-5,7 %	+10,4 %	+21,2 %	-0,1 %	-11,3 %	+12,5 %	-6,4 %	+9,4 %

Horses	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sub-total	68 M€	73 M€	72 M€	103 M€	114 M€	102 M€	102 M€	98 M€	109 M€
Annual change		+7,2 %	-1,4 %	+42,5 %	+10,8 %	-10,1 %	-0,2 %	-4,2 %	+11,8 %

Used Vehicles & Industrial Equipment	2003	2004	2005	2006	2007	2008	2009	2010	2011
Used Vehicles	698 M€	780 M€	852 M€	837 M€	811 M€	775 M€	840 M€	872 M€	926 M€
Industrial Equipment	11 M€	9 M€	14 M€	38 M€	74 M€	81 M€	76 M€	78 M€	93 M€
Sub-total	709 M€	789 M€	867 M€	875 M€	885 M€	855 M€	916 M€	950 M€	1 020 M€
Annual change		+11,2 %	+9,9 %	+1,0 %	+1,1 %	-3,3 %	+7,1 %	+3,7 %	+7,4 %

Total	2003	2004	2005	2006	2007	2008	2009	2010	2011
Annual change		+1,7 %	+9,7 %	+13,0 %	+0,9 %	-8,1 %	+9,6 %	-2,2 %	+8,6 %

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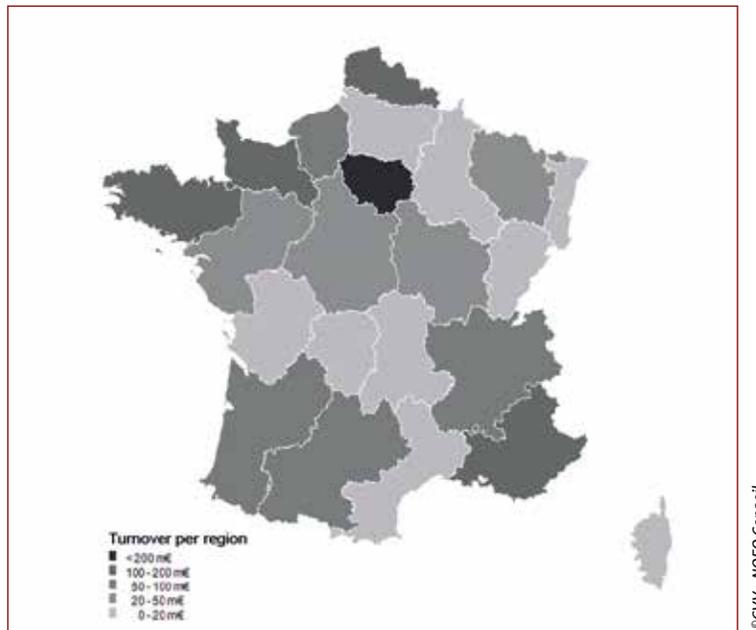
2 | Geographic presentation of the market

Historically, Paris and its surrounding area (Ile-de-France) has been the principal location for much of the French auction market, accounting for 54% of the national turnover in 2011, up one point versus 2010 (53%). The 129 companies operating in Paris and its region generated an auction turnover of €1.28bn in 2011. Indeed, their influence is expanding each year, notably due to the growing activity of the art market leaders, but also to the development of new international operators in the Used Vehicles & Industrial Equipment segment, who are nowadays mainly established in the Ile-de-France, marking a shift away from the West and North of France, which were until recently the main focus for this segment.

Nevertheless, the auction market in the rest of France is fairly evenly spread over the entire territory.

Dividing total operator turnover by the number of operators, the average annual turnover in Paris and the Ile-de-France is €9.9m versus €4.1m for the rest of the country.

2011 turnover per region



A regional comparison reveals substantial differences in turnover.

Excluding the Ile-de-France (and Paris), four regions exceeded the €100m threshold in 2011:

- Brittany thanks to the presence of major Used Vehicles auction specialists;
- Basse-Normandie which hosts international Horse sales;
- The Provence-Alpes-Côte-D'azur region, with the second highest number of operators, some of whom generate large turnovers in all three segments of the market;
- The Midi-Pyrénées region, which posted the strongest progression of the year (+38.7%), from €96m to €133m, on the back of a several major sales of Asian art and good results on the Used Vehicle market.

Inversely, four regions posted annual turnovers under €10m: Languedoc-Roussillon, Franche-Comté, Limousin and Alsace. The average annual turnover from these regions amounted to €4.2m, well below the national average of €113m. Unlike the most active regions of the market, these four regions host mainly generalist operators, who essentially organise miscellaneous sales aimed at a local clientele.

When divided by the number of inhabitants, the regional differences are even more pronounced. The national average auction expenditure per capita is €38.3 per year, up €3 vs. 2010. At the regional level, this average extends from €0.3 in Alsace to €109 in Ile-de-France (Paris included). These ratios are very strongly correlated to the quality of the lots offered.

Economic auction data by region

Voluntary auction turnover, excluding fees,

Region	Number of VAOs	2011 Turnover (€m)	2010 Turnover (€m)	Change	Per capita outlay (in €m)
Alsace	1	0,6 M€	0,6 M€	+14,0% ²	0,3
Aquitaine	19	69,3 M€	71,3 M€	-2,8%	21,7
Auvergne	8	14,4 M€	12,1 M€	+18,7%	10,7
Basse-Normandie	16	131,6 M€	120,3 M€	+9,4%	89,7
Bourgogne	15	18,5 M€	22,1 M€	-16,0%	11,3
Bretagne	15	214,3 M€	184,8 M€	+16,0%	67,7
Centre	17	42,7 M€	40,7 M€	+4,8%	16,8
Champagne-Ardenne	8	10,0 M€	11,1 M€	-9,8%	7,5
Franche-Comté	7	5,8 M€	5,0 M€	+17,0%	5,0
Haute-Normandie	20	66,4 M€	55,9 M€	+19,0%	36,5
Ile-de-France	129	1 280,9 M€	1 163,4 M€	+10,1%	109,1
Languedoc-Roussillon	6	6,5 M€	7,0 M€	-7,1%	2,5
Limousin	3	4,0 M€	3,6 M€	+12,7%	5,4
Lorraine	10	28,7 M€	34,1 M€	-15,8%	12,3
Midi-Pyrénées	18	132,9 M€	95,9 M€	+38,7%	46,4
Nord-Pas-de-Calais	13	98,4 M€	99,5 M€	-1,1%	24,5
Pays-de-la-Loire	16	25,2 M€	21,4 M€	+17,8%	7,1
Picardie	12	16,1 M€	16,8 M€	-4,5%	8,4
Poitou-Charentes	7	10,1 M€	9,0 M€	+12,5%	5,8
Provence-Alpes-Côte d'Azur	31	114,1 M€	133,1 M€	-14,2%	23,1
Rhône-Alpes	25	87,2 M€	82,2 M€	+6,1%	14,2
Total	393	2 378,0 M€	2 189,8 M€	+8,6%	38,3

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² Alsace being the smallest region, the data rounding masks a real increase of 14% in turnover from €557k to €635k.

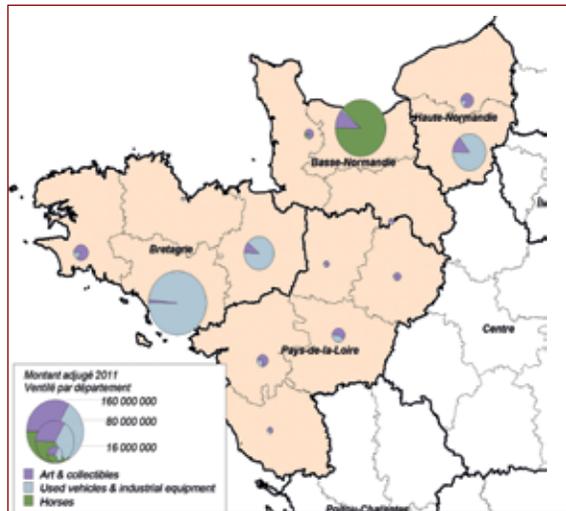
3 | Types of voluntary auction operator (VAOs)

France's auction operators may be classified into five major categories based on an analysis of the types of sales they are specialised in (i.e. representing more than 95% of their turnover), of their geographic location and their turnover.

- VAOs oriented towards an international clientele, specialised in sales of Art and Collectibles and operating in Paris or its surrounding region.

FOCUS on the region Grand Ouest

In 2011, the “Grand Ouest” (literally the “Big West” - a non-administrative geographical notion including, in this case, Brittany, Pays-de-la-Loire, Haute and Basse-Normandie) represented 22% of the national voluntary auction market (up 11.6% vs. 2010). With 67 VAOs, this zone stands out from the rest of France and hosts some of the major players in the specific segments of Used Vehicles, Industrial Equipment and Horses.



Specialised in sales of used vehicles, the company Guignard et Associées operates in Brittany and is France's third largest VAO by turnover. Its sales sites are located in Lorient, Nantes and Rouen. This operator, with its brand VPauto and its auction website, aim-cars.com, represents alone 34% of the turnover, all segments combined, of the Grand Ouest zone. Brittany is in fact France's most specialised region for Used Vehicles, since this segment represents 90% of its auction turnover.

The Basse-Normandie region contains the highest concentration of Equine operators. Indeed the region generates almost 100% of the national turnover in the Horses segment. Horse sales are a historical activity for the region and today it is one of the world's most dynamic areas in this field. Lastly, Saint-Aubin-sur-Gaillon (Haute-Normandie) hosts the French head office of the auction operator Ritchie Bros, global leader in the organisation of sales of Industrial Equipment.

The 77 operators established in Paris and the surrounding Ile-de-France region – specialised almost exclusively in sales of art, antiques and crafts – generated €879m in auction turnover in 2011, up €84m on 2010. These operators occasionally organise themed sales in one or another of France's most renowned auction segments (ancestral art, old master drawings, 20th century decorative arts or comic strip art) and also take advantage of major cultural events organised in Paris (FIAC, exhibitions, etc.) to organise concomitant sales relating to the events in question. The buyer's fee in sales organised by these operators ranges from 10% to 25%, decreasing as the turnover increases (the average fee at Drouot for example is 18%). The seller's fee is usually below 10%.

Among these operators we find international companies like Christie's, Sotheby's and Bonhams, which have managed to take advantage of the opening of the market to develop French commercial structures since 2001. But there are also a number of “historical” French operators, the largest of which are Artcurial, Piasa, Tajan, Gros-Delettrez, Cornette de Saint Cyr, Claude Aguttes. Most of these operators have several dozen employees, including valuers, and they are capable of organising sales that generate auction turnovers of several million euros.

The weight of Ile-de-France operators specialised in sales of Art & Collectibles rose from 35% in 2010 to 37% in 2011.

- VAOs oriented towards a local, sometimes national, clientele, specialised in sales of Art and Collectibles and operating in the provincial regions. This group of 87 VAOs conducts both catalogued and miscellaneous sales. Their catalogued sales are usually generalist (mixing antique furniture, paintings and art objects), usually quarterly or half-yearly and usually organised on weekends. More modest pieces of furniture and art objects are sold at miscellaneous sales on weekdays, every week or every month, with results ranging from tens to hundreds of euros. The average annual turnover of these operators is €8.1m, still below the Parisian average in this category (€11.4m), but catching up (in 2010 it was only €6.6m). These operators occasionally sell used vehicles or industrial equipment, but this activity remains marginal (below 5% of turnover).

- Generalist operators posting more modest auction turnovers. In this category we have counted 190 (87% in the provincial regions). In 2011, their aggregate auction turnover amounted to €200m giving an average of €1.05m per operator. In the majority of cases, these operators are associated with firms of certified auctioneers that also conduct judicial sales. They are equally present in both the art market and the used vehicle & industrial equipment market. Their supply and demand is essentially local. To function, these operators have a staff structure that is often small, generally a single certified auctioneer, one or two bid callers and an assistant.

- regional auction operators specialised in sales of used vehicles that have built a coherent distribution network, supplied essentially by the car rental

firms and vehicle fleet managers. These 34 VAOs are in competition with “sales to dealers”, “sales to private individuals” and “sales to employees and vehicle users”, etc. The number of these specialised auction companies remains small. To remain competitive in the face of the emergence of online auction websites and international advertisements online, these operators now have a well-established internet presence, which represents a significant avenue for future growth.

- **the other operators** oriented towards an international clientele on specific segments such as Horses (e.g. Arqana) or industrial equipment (e.g. Ritchie Bros) are located outside the capital mainly for logistical reasons. The turnover at these operators can amount to several tens of millions of euros and these companies have mostly adopted original economic models, with export as the spearhead of their development. Posting an average turnover of €20.5m per operator, this category of just 8 operators represents 10% of France’s national auction turnover.

Turnover breakdown by category – 2011



We find these different operator categories at the top end of the national ranking of auction operators, principally dominated by operators seeking to cultivate an international clientele and specialised in highly prestigious art sales, and operators specialised in used vehicles and horses.

Breakdown by category – 2011



JOHANNES BAPTISTA GABRIELLI

Violon italien fait à Florence au millésime de 1769, portant une étiquette de Gabrielli et marque au fer avec ses initiales sur le talon et l'éclisse arrière, manche d'origine, assez bon état, 353 mm Vichy, 8 décembre Vichy Enchères SVV Expert M. Rampal 142 500 € ©DR

4 | 2011 ranking of VAOs – initial observations

■ General analysis of the ranking

Classement 2011 des 20 premiers opérateurs de ventes volontaires en France

Classement par montant d'adjudication des ventes aux enchères volontaires, hors frais

Rank	Name	Region	Segment	Turnover (€m)	
				2010	2011
1	CHRISTIE'S France	Ile-de-France	Art & Collectibles	144	165
2	SOTHEBY'S France	Ile-de-France	Art & Collectibles	145	157
3	GUIGNARD ET ASSOCIES	Bretagne	UV & Industrial Equipment	119	149
4	BCAUTO ENCHERES	Ile-de-France	UV & Industrial Equipment	103	125
5	ARQANA	Basse-Normandie	Horses	89	101
6	ARTCURIAL - BRIEST - POULAIN - F.TAJAN	Ile-de-France	Art & Collectibles	82	98
7	TOULOUSE ENCHERES AUTOMOBILES	Midi-Pyrénées	UV & Industrial Equipment	59	80
8	AUSTRALE	Ile-de-France	UV & Industrial Equipment	60	69
9	MERCIER AUTOMOBILE	Nord-Pas-de-Calais	UV & Industrial Equipment	54	56
10	RITCHIE BROS. AUCTIONEERS France	Haute-Normandie	UV & Industrial Equipment	29	42
11	ANAF AUTO AUCTION	Rhône-Alpes	UV & Industrial Equipment	33	39
12	BRETAGNE ENCHERES	Bretagne	UV & Industrial Equipment	46 M€	35
13	TAJAN	Ile-de-France	Art & Collectibles	30	33
14	MILLON ET ASSOCIES	Ile-de-France	Art & Collectibles	26	31
15	AQUITAINE ENCHERES AUTOMOBILES	Aquitaine	VO et Matériel industriel	31	31
16	GROS & DELETTREZ	Ile-de-France	Art & Collectibles	11	31
17	PARCS ENCHERES	PACA	UV & Industrial Equipment	44	30
18	AUTOROLA	Ile-de-France	UV & Industrial Equipment	30	29
19	MANHEIM AUCTIONS HOUSE	Ile-de-France	UV & Industrial Equipment	15	29
20	CLAUDE AGUTTES	Ile-de-France	Art & Collectibles	26	29

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Christie's came out top in 2011 in the intense competition that pitted it against Sotheby's, a rivalry that is positive for the French market. The auctioneer, specialised in the most prestigious sales of art and collectible art objects, posted annual turnover of €164.7m versus €144.7m in 2010 representing an increase of 13.8%. **Christie's beat Sotheby's** by just €8m, a neck and neck position that also mirrors their international competition (see below). As in 2010, the two operators dominated France's national market with more than 80% of their auction turnover originating from foreign buyers.

In the ranking's third place we find **Guignard et Associés, the largest operator specialised in used vehicles** with a TATEF (total auction turnover excl. fees) up 25.2% in 2011 to €149.3m. Although the operator has held on to its leader position in the Used Vehicles & Industrial Equipment segment, it is under severe pressure from its primary competitor, the UK operator BCAuto Enchères, which posted very sharp turnover growth in 2011 (to €124.9m) and was fourth in the ranking.

Lastly, the fifth place is occupied by **Arqana**, the largest operator in the Horses segment.

The top 20 operators reflects the diversity of the French market, with twelve operators specialised in Used Vehicles & Industrial Equipment, seven in Art & Collectibles and one in Horses.



MAN TGS 35-400 8 X 4

MAN TGS 35-400 8 x 4, bienne MEILLER, 2009

Five Auction Marseille

27 mai

67 000 €

■ The share of auction turnover generated by “voluntary only” operators contracted slightly

Operators not linked to a judicial sales activity (83 in 2011, or 21% of all operators) generated 47.6% of the auction turnover, slightly down on 2011, whereas in previous years their share was on a constant growth path. It is too early to speak of a stabilisation of the market structure, bearing in mind the exceptional results posted by two auction operators backed by judicial sales activities (Marc Labarbe and Gros & Delettrez).

■ The presence of international operators

Once again in 2011, the presence of non-French operators in the national ranking has been further consolidated. Thus six of the eight declared international companies are in the Top 20: Sotheby's, Christie's, BCAuto, Autorola, Ritchie Bros and Manheim. In 2011, their combined auction turnover amounted to €547m, a very substantial increase of 21.5% on the previous year. Bonhams and Roux Troostwijk, who are not in this ranking, generated €8m and €3.3m respectively.

In sum, the market share of the international operators increased from 20.5% of the national total in 2010 to 23.5% in 2011.

■ Market concentration

The annual turnover of the TOP 20 operators amounted to €1.36m in 2011, up 11% versus 2010. The 20th operator in this ranking generated €29m in auction turnover versus €26m in 2010. The total market share of these TOP 20 operators amounted to 57% of the national auction turnover versus 55.5% in 2010, 60.2% in 2009 and 55.5% in 2008. If we strip out 2009 from this series, (substantially assisted by the sale of the Yves Saint-Laurent - Pierre Bergé collection), the market concentration around the dominant operators can be seen to be progressing.



BMW X6 XDRIVE

3.0D Exclusive 245CH BVA - (MEC 03-11)
Vente aux enchères électroniques, 31 mai
Manheim auction house
54 300 €

5 | Internet usage

Usage of the internet by auction operators is growing rapidly. At present, 61% of operators have their own websites, while others use external websites as a hosting solution or to increase their online visibility. The sites are used primarily to present the business and sales schedules or to offer access to online sales catalogues. Some operators, albeit fewer in number, use their sites to offer the possibility of web-based auction sales. These are either online (auctions that are 100% web-based) or live auctions (enabling internet bidding on a physical sale taking place in an auction room).

The internet's presence in the auction trade is on an upward trend: in 2011, 30 VAOs were expanding their presence in online sales (either exclusive or otherwise), up from 25 in 2010 and 14 in 2009. For these 30 operators, internet sales have generated €200m, equivalent to 8.4% of total turnover. **98% of web-generated turnover came from the Second-hand vehicles and Industrial Equipment segment.** In this area, certain foreign operators like BCAuto, Manheim, Autorola or Roux Troostwijk benefit from websites with high traffic thanks to their global visibility. But national operators specialised in the sale of second-hand vehicles have also found a new growth driver in the internet. For example, Guignard et Associés generated €61.3m in turnover from the internet in 2011, or 41% of total business, while Toulouse Enchères Automobile generated more than €25m from online auctions. By comparison, Sotheby's, which is the world's top online auctioneer for the Art & Collectibles segment, generated €1m via the internet in 2011.

Online sales are currently more suited to the second-hand vehicle market than the art segment. The car market is more homogenous and addresses professionals who are already at ease with using the internet. Moreover, the vehicles for sale are described in standardised and precise terms, with details about the condition of each vehicle.

The growth of online auction sales of artworks will be subject to very close scrutiny and analysis by the CVV in the coming years with the development of other modes of exchange, defined by the legislator in 2011 as online auction brokerage activities, which do not offer the same guarantees as proper auction sales.

Alongside the online auctions that are restricted to a relatively small number of operators, all auction operators use the **internet** at the very least as a **communications tool**. Nevertheless, in the absence of sufficient traffic on their own sites, numerous companies boost their visibility by also using information and reference sites. Most operators use www.interencheres.com, [43](http://www.gazette-</p></div><div data-bbox=)

drouot.com and **www.auction.fr**. According to Google Trend, which measures the number of visitors to websites, **www.interencheres.com** (which offers users free viewing of future sales calendars) is the most visited site, with peaks of more than 60,000 views a day. Although the site focuses primarily on a French clientele, given that the content is not translated, its traffic exceeds that of pay sites with a more international scope, such as Artnet.com, Artinfo.com and Artprice.com. Each of these sites attracts around 30,000 visitors a day, a volume that far outstrips the sites of individual French VAOs, with the exception of the largest international auction houses

6 | The risk of default

Although it is difficult to measure the scale of the problem, the question of unpaid purchases is a serious issue for auction operators. While certain buyers are not always aware that a completed sale is binding and requires immediate payment, delayed payments after repeated reminders or even defaults on the part of the buyer are prejudicial for both sellers and auction operators.

The law does provide some solutions to deal with these situations, for example where the highest bidder is liable and must make payment for the purchase within a timeframe of three months. It is also possible to seek payment through the courts, sometimes with the addition of compensation, although the latter can prove to be a lengthy process.

While VAOs can legitimately use a number of contractual methods in an attempt to protect themselves and their sellers from bad payers (clauses in their terms & conditions, deposits, etc.), they must nevertheless be careful to ensure that the principle of free access to auctions for all is preserved.



VIERGE À L'ENFANT TRÔNANT

Œuvres médiévales provenant de la collection

Marquet de Vasselot

Groupe en ivoire sculpté représentant la Vierge à l'enfant trônant, Paris, vers 1250-1280

Record du monde pour une œuvre d'art médiéval aux enchères

16 novembre

5 600 000 €

©Christie's Images limited 2011

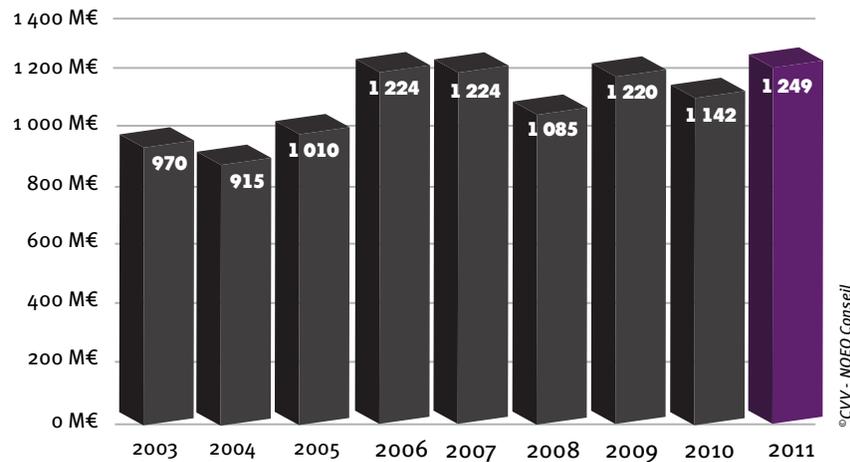
C | THE ART & COLLECTIBLES SEGMENT

1 | A year of strong growth

After a lacklustre 2010, the Art & Collectibles segment generated turnover of €1.25bn in 2011, an increase of 9.4% to an all-time high that was not even equalled in 2009, when the Yves Saint-Laurent-Pierre Bergé collection was sold.

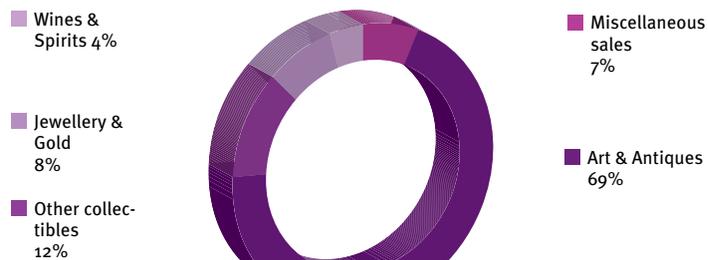
Growth in voluntary auction turnover in France

Voluntary auction turnover, excluding fees



Art & antiques represented 69% of total turnover in the Art & Collectibles segment in 2011, up from 68% in 2010 but down from 72% in 2009. This was followed by sales of Other Collectibles (12%) and Jewellery and Gold (8%). For the first time, Miscellaneous sales slipped to fourth place in the turnover breakdown for this segment.

Breakdown by sub-category of auction turnover in the Art & Collectibles segment in 2011



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The number of lots sold in the Art & Collectibles segment has been rising steadily for three years. In 2011, there were 8,970 sales, up from 8,300 in 2010 and 7,800 in 2009.

Usually based on a weekly or monthly rhythm, miscellaneous sales represented 47% of the number of sales organised by the VAOs in 2011.

■ Art & Antiques: exceptionally buoyant activity

With auction turnover of €866m, the Art & Antiques segment grew by 11.5% in 2011, comfortably outstripping the levels attained before the crisis in 2007. The figure remains €12m lower than in 2009 however. Nevertheless, **if we strip out the sale of the Yves Saint-Laurent-Pierre Bergé collection, this category has grown 48% in two years.**



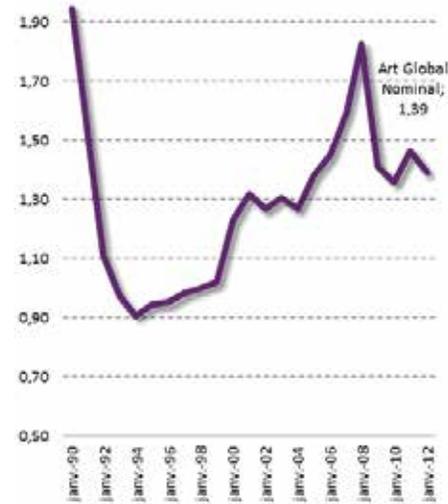
TÊTE PRÉSUMÉE D'AGRIPPINE LA JEUNE (16-59 AP. J.-C.)

Marbre micacé des îles grecques de patine ivoire
Rome, deuxième moitié du 1^{er} siècle après J.C.
Drouot Richelieu, 25 mai
SVV Delorme & Collin du Bocage
495 700 €
©Maxime Champion/Delorme & Collin du Bocage

Indice des prix de l'art* (base 1 euro au 1 ^{er} janvier 1998)			
	Art Global Nominal	Inflation	Art Global Réel
janv.-90	1,95	0,86	2,26
janv.-91	1,54	0,89	1,73
janv.-92	1,11	0,91	1,22
janv.-93	0,97	0,93	1,04
janv.-94	0,91	0,95	0,96
janv.-95	0,94	0,96	0,98
janv.-96	0,95	0,98	0,97
janv.-97	0,98	0,99	0,99
janv.-98	1,00	1,00	1,00
janv.-99	1,02	1,00	1,02
janv.-00	1,23	1,02	1,21
janv.-01	1,32	1,03	1,28
janv.-02	1,27	1,05	1,20
janv.-03	1,31	1,07	1,22
janv.-04	1,27	1,10	1,16
janv.-05	1,38	1,11	1,24
janv.-06	1,45	1,14	1,28
janv.-07	1,59	1,15	1,38
janv.-08	1,82	1,18	1,54
janv.-09	1,41	1,19	1,19
janv.-10	1,36	1,20	1,13
janv.-11	1,46	1,23	1,19
janv.-12	1,39	1,26	1,11

*sources : Artprice, Insee

Evolution des prix de l'art



At the same time however, and somewhat paradoxically, this increase in volume has been accompanied by a fall in prices. As the table and graph above show, art prices, calculated across all price segments, declined by 4.5% over 2011.

In this context, the increase in auction turnover in Art & Antiques is a result of two trends :

- the growth of the high-end segment;
- an increase in the number of items offered for sale.

The growth posted in 2011 was primarily a result of the dynamism of the top of the

top-end segment, supported mainly by American, Russian and Chinese collectors, in search of treasures from China's middle empire period, brought from China more than a century ago. Exceptional pieces that sold for several million dollars (both in Paris and in the provinces, like the Chinese scroll sold by the Toulouse-based auction operator Marc Labarbe for €22m) underpinned most of the market's growth, while the mid-range items and mixed lots struggled to find buyers and did less well than in 2010. Nevertheless, the top-end objects account for less than 1/10,000th of VAO auction turnover

Total turnover from the most important sales on the specific market for Chinese objects amounts to around €50m, equivalent to 5.7% of the Art & Antiques total. To this we can add the turnover from the numerous objects from elsewhere in Asia sold at auction.

But the 2011 results cannot be explained solely by the rise of Asian art, as demonstrated by the highest hammer prices in 2011 auctions in a number of different areas (primitive art, modern and post-war art, religious art, etc.). Examples include the highest hammer price of the year at Christie's for a set of ivory sculptures representing a seated Virgin Mary and child, sold for €6.3m, while Sotheby's excelled in primitive arts with the auction of a Fang Mvai reliquary figure, from Gabon, sold for €2.5m.

For **Artcurial**, several major pieces of modern and post-war art were picked up by international buyers, including a marine scene by Lyonnel Feininger sold to an American collector for €5.7m, Nicolas de Staël's "Nu Couché", that went for €7m, and a painting by Jean-Michel Basquiat entitled "Santo", sold for €2.6m.



QUATRE PANNEAUX EPOQUE QIANLONG (1736-1795)

Collection particulière du centre de la France quatre panneaux en zitan sculpté formant cabinet chine, dynastie qing, époque qianlong (1736-1795) ou antérieure, 241,5 x 208,3 x 53,3 ; 95 x 82 x 21 in Paris, 15 décembre
Sotheby's Paris
2 200 000 €
©Sotheby's / Art Digital Studio

L'Hôtel Drouot, which organises sales for 74 auction operators, has also recorded around ten multi-million euro sales and 24 world records. These include €2.9m for the Mayan primitive work, "Grande divinité assise", for Binoche and Giquello, €985,000 for an abstract work by Serge Poliakoff (1900-1969) for the VAO Ferri & Associés on 10 June 2011, and €2.35m for an illuminated manuscript "Livre d'heures à l'usage de Rome, dites Heures de Petau" for the VAO Gros-Delletrez.

Finally, 2011 was marked by the sale of some major collections, including that of the Château de Goudron by Christie's (€42m in turnover from a sale at the Palais de Tokyo), the former Paul-Louis Weiller collection by Gros & Delettrez (€23.7m of turnover), the Fabius Frères collection at Sotheby's (€10.2m), and finally that of Jorge de Brito at Tajan (€7.3m).

To conclude, the high number of multi-million euro sales confirm that France is capable of organising auctions in the Art & Antiques category that can rival those elsewhere, thanks in particular to the development of the internet, which enables potential buyers, wherever they may be based, to obtain clear information about the objects for sale. In reality, the question of France's positioning compared to other countries is dependent on the ability of French auction houses to find high-quality objects for sale and the strategy of international auction operators when choosing the 'best' location to sell a given object.



LOUIS-SIMON BOIZOT (1743-1809)

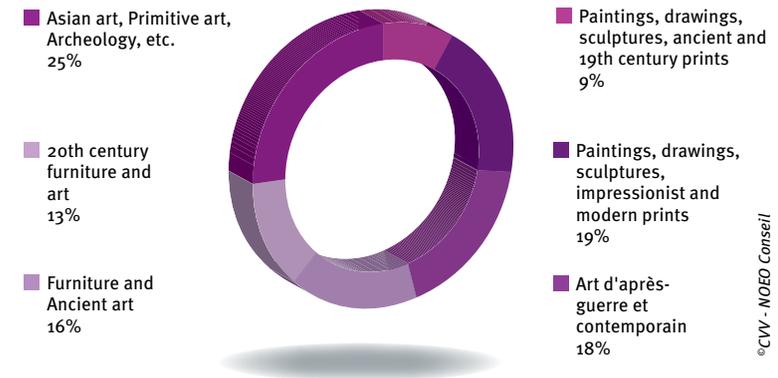
« Adam et Eve » Terre cuite
Drouot Richelieu, 18 novembre
SVV Néret-Minet & Tessier
272 000 €
© NERET-MINET & TESSIER

THE PLACE OF CONTEMPORARY ART

The economic activity from the sale of Post-War & Contemporary art is all the more important in that it is often interpreted as a measurement of a country's cultural vitality. In 2011, turnover from this segment dropped by €7m to €157m, or **18% of the Art & Antiques category**, behind sales of Impressionist and Modern art.

Breakdown of 2011 sales in Art & Antiques by category

% of total voluntary auction turnover, excluding fees



In value terms, this sub-segment is in third position behind sales of Impressionist & Modern art **and the Asian art, Primitive art and Archeology segment, which has risen for the first time to the top of the art market, with close to 25% of the total.**

In volume terms, out of the 2,769 catalogued 2011 sales in France of paintings, sculptures, prints, photographs and drawings, close to 12% of them were contemporary works. The themes of Modern and impressionist art (24%) and Ancient and 19th century paintings (14%) thus constitute the lion's share of the market for paintings.

The Modern and Contemporary art segment is dominated by Sotheby's, whose accumulated sales on this segment reached €34m in 2011, up 48%. The English auction house is followed by Artcurial, with turnover in this segment of €27.1m. Christie's was not as successful as in previous years, posting only €18.9m of turnover (down from €21.4m in 2010), ahead of Cornette de Saint Cyr, for which these sales represented 43% of its activity in 2011, down from 72% in 2010. Finally, Versailles Enchères saw auction turnover rise by 34% in 2011, making it France's top operator outside Paris on the Modern and Contemporary art segment.

The number of sales dedicated to the Contemporary and post-war art segment increased in 2011 from 289 to 342. Most took place in Paris and

the surrounding Ile-de-France region, which accounted for 63.2% of sales (versus 62% in 2010) and 93% of total French turnover. By region, the most dynamic players on the segment are located in the Provence-Alpes-Côte-D'Azur region, with Cannes Enchères, Besch Cannes Auction and Damien Leclere. Other companies organize two to four auctions a year, like the VAOs Toledano (Arcachon), Conan (Lyon) and De Baecque (Lyon).

What we often observe in Paris, just like in London and New York, is that activity on the primary market has an influence on the second market, the latter benefiting from a high number of contemporary art collectors, particularly at prestigious gatherings like the FIAC or Art Paris.

The average hammer price for a contemporary art work in Paris is €676,000, ten times higher than the regional average of €87,000. Nevertheless, the average hammer price for contemporary artworks in provincial auctions is stable, while in Paris it fell by 21.4% over the year, while the number of sales rose by 22% over the same period. This contraction of the Paris contemporary art market has been caused by a global drop in prices on this segment in the second half of the year and fewer prestigious auction sales compared to 2010

The top 5 VAOs in the Contemporary and post-war art segment

Voluntary auction turnover from contemporary art, excl. fees

Rank	Auction operator	2010 turnover	2011 turnover
1	SOTHEBYS France	□ 22,9 M	□ 34,0 M
2	ARTCURIAL - BRIEST - POULAIN - F.TAJAN	□ 16,4 M	□ 27,1 M
3	CHRISTIES France	□ 21,4 M	□ 18,9 M
4	CORNETTE DE SAINT CYR MAISON DE VENTES	□ 14,9 M	□ 10,8 M
5	VERSAILLES ENCHERES	□ 7,5 M	□ 10,1 M
Total		□ 83,1 M	□ 100,8 M
Share of the top 5 VAOs in national sales of contemporary art in France		50,1%	64,2%

©CVV - NOEO Conseil

Weight of sales of contemporary art in the overall art market

Breakdown between the Provinces / Paris 'IDF' region, in number of theme-based auctions

	Number of catalogues sales proposing paintings, drawings or photographs		Number of catalogues sales proposing contemporary art themes	
Paris and IDF region	1 515	54,7%	216	63,2%
Regions	1 254	45,3%	126	36,8%
Total	2 769		342	

©CVV - NOEO Conseil



NICOLAS DE STAEL (1914-1955)

NU COUCHÉ, (NU) 1954
Huile sur toile, signée en bas à droite « Staël »
 97 x 146 cm
 Artcurial Art contemporain 1
 6 décembre
 6 100 000 €
 ©Artcurial



ENSEMBLE DE DÉCORATIONS SAINT ALEXANDRE NEVSKI

Ensemble de décorations orné de diamants avec son écharpe, son diplôme signé par Nicolas II, empereur de Russie. Insigne en or émaillé orné de roses de diamant et de strass, poinçonné 56, monogrammé C.B, numéroté 123. Étoile en or et vermeil émaillé ornée de roses de diamant et de strass, numérotée 123.

Record mondial

*Drouot Richelieu, 15 juin
SVV Kapandji – Morhange
2 000 000 €
©Gilbert Plassard*

■ Other Collectibles

This is the second segment in the Art & Collectibles segment, with €147m of turnover in 2011, up 11.8% in value terms compared to 2010.

This is the most diversified category of all, including collectors' vehicles, militaria, old toys, musical instruments, coins, stamps, comic books, books, etc.

In 2011, this category was also marked by several record sales like the previously-mentioned sale of a mixed lot by the VOA Gros & Delettrez. Note also the sale of a set of decorations from the order of Saint-Alexandre Nevski that were acquired by a Russian collector for €2.5m at Kapandji-Morhange.

■ Jewellery and Gold: 2011 continues 2010 trend

The Jewellery and Gold segment posted yet another year of growth in 2011, the fourth consecutive annual increase. Turnover reached €102m, equivalent to a rise of 45.7% compared to 2008.

We note in particular **the exceptional year enjoyed by Artcurial** that closed with €9.2m of turnover in this category, up 53%. This puts it in first place in this category, ahead of Christie's (€6.2m). Artcurial organised seven sales and sold 3,200 lots of jewellery and watches.

The overall increase in this category did not however benefit all operators, several of which posted a decline in 2011, including Christie's (-54%), Sotheby's (-50%) and Tajan (-25%).

The French Jewellery and silverware market was also bolstered by successful sales organised by more modestly-sized VAOs, such as **Fraysse and Associés, Beaussant-Lefèvre and Fromentin**.



SAPHIR DU CACHEMIRE

*De taille coussin 6,90 ct, certifié
Brest, 7 juin
Adjug'Art SVV. Expert : Cabinet Sancy - Paris
220 000 €
©DR*

■ Wines & Spirits: sustained growth

With €43m of turnover in 2010, the Wines & Spirits category grew 16% over the year, given that the 2011 figures include the one-off sale of the Hospices de Beaune. This level of annual business confirms the global position that France has now held for several years, with 12.5% of the international market.

The national increase has mirrored that of the global wine auction market, which rose 17% to \$478m in 2011.

The market for grand cru wines has been bolstered by **Chinese demand**, to the point where Hong Kong has become the top destination for exports of Bordeaux wines (all types of sale included). This can be explained mainly by the scrapping of import taxes on wine imports to Hong Kong in 2008.

In 2011, according to an Ipsos survey, wine represented 39% of the alcoholic drinks sold in China, ahead of traditional Chinese spirits.

The intensity of Chinese demand has a direct influence on auction hammer prices, and thus helped to create a genuine speculative bubble up until the summer of 2011. The WineDex 100 index (a composite index that includes the top-value wines from the Bordeaux, Bourgogne and Rhône valley regions) gained 8.5% in the first six months of 2011. Bordeaux wines alone posted an increase of 11.5% over the same period. **At the end of summer 2011, the wine market was showing signs of stabilising**, and we were even seeing sharp declines in prices of Bordeaux Grands Crus. Due in part to the risk of bad buys created by the influx of fake wines on to the Chinese market, we may see the market for Bordeaux Grands Crus flatten out over the next few months

By contrast, classified Bourgogne Grands Crus gained 8.5% over the year. The sale of the **Hospices de Beaune**, organised by Christie's, remains the number one event on the French calendar. For the 151st edition, the 618 lots (consisting of 228 litre casks) of red wine and 143 of white were sold for a total of €5.3m, including fees, a sum that far exceeds that recorded in 2010 (€5.2m), and that was equivalent to the record-breaking sale of the 2009 vintage.



ARBOIS

Bouteille de vin jaune NLB de 87 cl, millésimée 1774
 Arbois, 5 février
 Parisud Enchères SVV
 57 000 €
 ©DR

■ Miscellaneous sales: decline enters eighth year

Miscellaneous sales lost ground for the 8th consecutive year. In total, they generated a mere €91m in 2011 (down 10% on 2010), versus €455m in 2005. On average, they generate €30,600 by sale, up sharply on 2010 (€26,200 per sale) but still far below the €43,000 observed in 2009.

Ces vacations, sans sélection particulière, constituées de pièces de gamme moyenne ou basse, ne font l'objet d'aucune promotion sur internet. Elles s'adressent à une clientèle locale constituée pour l'essentiel de professionnels.

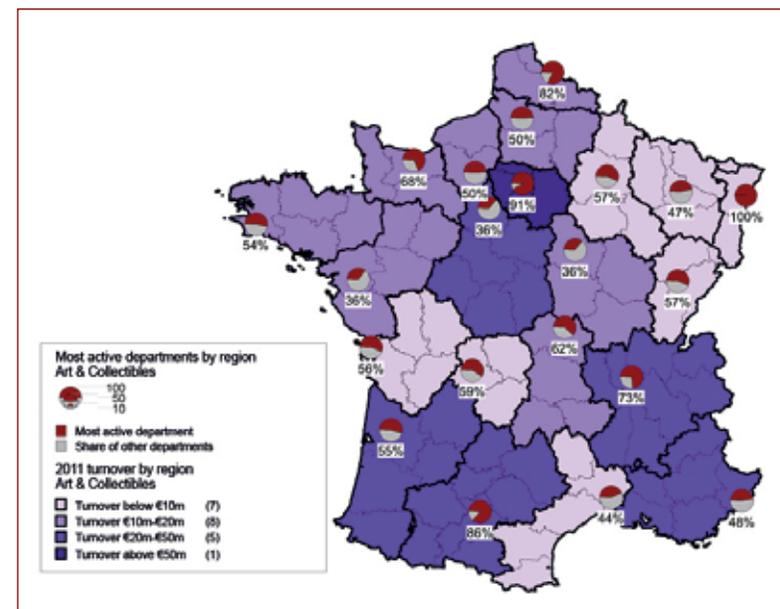
These sales tend to concern mid-range or lower-quality items, and do not benefit from internet promotion. They target a local clientele made up primarily of professional buyers.

The development on the internet of free small ads sites like Ebay or Leboncoin has had a direct impact on the Miscellaneous sales segment. Flows observed on the two sites in February 2012 were as follows :

- Ebay.fr: 280,000 advertisements and immediate purchases in the Art & Antiques section, up 41% year-on-year;
- LeBonCoin.fr: 1,350,000 advertisements by private individuals in the Furniture section (average price unknown and wider coverage than the art and antiques segment), up 12.5% year-on-year.

2 | Stabilisation of activity between Paris and its surroundings and the provinces

Turnover in Paris from the Art & Collectibles segment in 2011 was €859m, an increase of 10% compared to 2010. Paris was therefore stable, generating 68.7% of the national activity. As in 2010, the 119 VAOs based in the Ile-de-France region that are active in the Art & Collectibles segment covered 75.2% of the market in



2011. Around 40% of catalogued sales are organised in Paris, where the highest-quality items are concentrated and therefore also the record-breaking hammer prices, but the Paris region accounts for less than 11% of miscellaneous sales.

With €48.7m of auction turnover, the Provence-Alpes-Côte-d'Azur region is France's 2nd largest market for auctions of art and collectibles, both in terms of the number of VAOs and value.

However, 26 of the VAOs based in the region account for only 3.9% of the national market, down from 4.3% the previous year. Half of the regions generate turnover of between €10 and €20m. The Midi-Pyrénées region stood out in 2011 for lifting turnover to €33.3m thanks to the sale of a Chinese scroll by the VAO Labarbe for €22m.

Overall, nearly all regions showed higher turnover. Only a quarter saw a decline, and for four of them, this did not exceed 3.2%.

Auction turnover for the Art & Collectibles segment by region

Total voluntary auction turnover, excluding fees

Region	2010	2011	Variation	VAOs
Alsace	€ 0,6 M	€ 0,6 M	+14,0% ³	1
Aquitaine	€ 18,1 M	€ 20,1 M	+11,4%	18
Auvergne	€ 11,5 M	€ 12,9 M	+12,7%	8
Basse-Normandie	€ 19,4 M	€ 19,6 M	+0,7%	12
Bourgogne	€ 18,8 M	€ 15,8 M	-17,0%	15
Bretagne	€ 16,9 M	€ 17,9 M	+6,3%	11
Centre	€ 18,2 M	€ 21,6 M	+18,8%	16
Champagne-Ardenne	€ 5,3 M	€ 5,8 M	+9,7%	8
Franche-Comté	€ 3,2 M	€ 4,3 M	+34,9%	6
Haute-Normandie	€ 14,7 M	€16,7 M	+13,4%	17
Ile-de-France	€ 860,3 M	€ 939,8 M	+9,2%	119
Languedoc-Roussillon	€ 5,9 M	€ 5,8 M	-1,2%	6
Limousin	€ 3,3 M	€ 3,5 M	+7,9%	3
Lorraine	€ 7,9 M	€ 7,7 M	-2,7%	9
Midi-Pyrénées	€ 17,1 M	€ 33,3 M	+94,8%	16
Nord-Pas-de-Calais	€ 12,9 M	€ 14,0 M	+9,0%	13
Pays-de-la-Loire	€15,6 M	€ 18,1 M	+16,1%	15
Picardie	€ 12,7 M	€ 12,6 M	-1,4%	12
Poitou-Charentes	€ 7,5 M	€ 7,8 M	+4,3%	7
PACA	€ 50,3 M	€ 48,7M	-3,2%	26
Rhône-Alpes	€ 21,7 M	€ 22,3 M	+3,0%	22
Total	€ 1 142 M	€ 1 249 M	+9,4%	360

© CVW - NOEO Conseil

³ Because Alsace is the smallest region, the rounding down of the data hides the real increase in auction turnover of 14% from €557K to €635K

3 | 2011 ranking of Top 20 French VAOs in the Art & Collectibles segment

Le classement des 20 premiers opérateurs de ventes français du secteur « Art et Objets de collection » confirme la place occupée par l'Ile-de-France. Une seule société de province apparaît dans ce classement, traditionnellement dominé à 100% par Paris et sa région.

2011 rankings of top 20 French VAOs on the Art & Collectibles segment

Rankings by voluntary auction turnover, excl. fees

Rank	Name	Region	Segment turnover	
			2010	2011
1	CHRISTIE'S France	Ile-de-France	€ 144 M	€ 165 M
2	SOTHEBY'S France	Ile-de-France	€ 145 M	€ 157 M
3	ARTCURIAL - BRIEST - POULAIN - F.TAJAN	Ile-de-France	€ 82 M	€ 98 M
4	TAJAN	Ile-de-France	€ 30 M	€ 33 M
5	MILLON ET ASSOCIES	Ile-de-France	€ 26 M	€ 31 M
6	GROS & DELETTREZ	Ile-de-France	€ 11 M	€ 31 M
7	CLAUDE AGUTTES	Ile-de-France	€ 26 M	€ 29 M
8	CORNETTE DE SAINT CYR MAISON DE VENTES	Ile-de-France	€ 21 M	€ 25 M
9	MARC LABARBE	Midi-Pyrénées	€3 M	€ 20 M
10	PIASA	Ile-de-France	€ 37 M	€ 19 M
11	BEAUSSANT - LEFEVRE	Ile-de-France	€ 17 M	€ 17 M
12	BINOCHÉ et GIQUELLO	Ile-de-France	€10 M	€ 16 M
13	VERSAILLES ENCHERES	Ile-de-France	€11 M	€ 13 M
14	FRAYSSE & ASSOCIES	Ile-de-France	€10 M	€ 12 M
15	SOCIETE THIERRY DE MAIGRET	Ile-de-France	€10 M	€ 11 M
16	MARC-ARTHUR KOHN	Ile-de-France	€ 7 M	€ 11 M
17	PIERRE BERGE ET ASSOCIES	Ile-de-France	€ 20 M	€ 10 M
18	ADER	Ile-de-France	€ 8 M	€ 10 M
19	DELORME, COLLIN DU BOCAGE	Ile-de-France	€ 8 M	€ 10 M
20	OSENAT	Ile-de-France	€10 M	€ 9 M

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A comparison of the above rankings with those of 2010 reveals several changes.

At €9.3m, the entry ticket for a place in the Top 20 has never been higher. By way of a comparison, it was €7.6m in 2010 and €8.2m in 2009. Last year therefore, the top 20 operators (representing 5.5% of the total number of VAOs on the segment), with €727m of combined turnover, accounted for 58% of the market, up from 56% in 2010.

The first point of note, as we have already seen, is the return to the top spot of Christie's, ahead of Sotheby's. The two operators achieved significant growth in France, outstripping their growth measured on a global scale. The French increases stood at 14.1% for Christie's and 8.4% for Sotheby's, while they posted international growth of respectively 5.3% and 5.8%.

Artcurial, the highest placed French operator in the rankings, consolidates its third place with €98.2m of turnover in 2011, up an impressive 20% (€16.4m). This comes on the heels of the 2011 improvement and extends the company's lead on the other operators.

The VAO Gros & Delettrez posted impressive growth thanks in particular to the results of the sale of Paul-Louis Weiller's old collection.

The VAO Marc Labarbe entered the rankings thanks to the sale of a Chinese scroll.

Piasa, traditionally the top-ranked of the operators holding sales at Drouot, saw a sharp drop in activity, but the reasons for the decline are not entirely clear. This is in contrast to **Pierre Bergé & Associés**, whose own decline can be explained by the transfer of a significant share of volume to Brussels in 2011 (prior to a change of strategy in 2012).



RON ARAD (NÉ EN 1951)

*Exceptionnelle paire de sièges « Tinker chair » - 1988
Acier doux et acier inoxydable, façonné à la main, soudures en inox.
Chaise formée au battage et partiellement laquée rouge
Edition One Off. 87 x 47 x 75 cm - 94 x 49 x 74 cm
Artcurial Design
22 novembre
235 000 €
©Artcurial*

EVOLUTION OF RANKINGS FOR THE TOP PARISIAN AUCTION HOUSES

Evolution of turnover in Art & collectibles at the top Paris auction houses

	2005	2006	2007	2008	2009	2010	2011
Paris	€ 619 M	€ 830 M	€ 840 M	€ 733 M	€ 893 M	€ 781 M	€ 860 M
<i>o/w Drouot</i>	58,60 %	51,70 %	51,50 %	47,50 %	39,20 %	47,80 %	47,33 %
<i>o/w Artcurial</i>	10,60 %	9,90 %	11,20 %	8,90 %	6,20 %	10,50 %	11,40 %
<i>o/w Sotheby's France</i>	6,10 %	6,30 %	11,60 %	17,80 %	8,90 %	18,50 %	18,26 %
<i>o/w Christie's France</i>	15,20 %	20,50 %	18,20 %	16,50 %	42,90 %	18,50 %	19,19 %
Ile-de-France (excl. Paris)	€ 62 M	€ 50 M	€ 58 M	€ 57 M	€ 81 M	€ 79 M	€ 81 M
Provinces	€ 329 M	€ 344 M	€ 326 M	€ 293 M	€ 246 M	€ 282 M	€ 308 M
Total	€ 1 010 M	€ 1 224 M	€ 1 224 M	€ 1 083 M	€ 1 220 M	€ 1 142 M	€ 1 249 M

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The weighting of the top art auction houses in Paris and surroundings
Relative shares of turnover in the Art & Collectibles segment

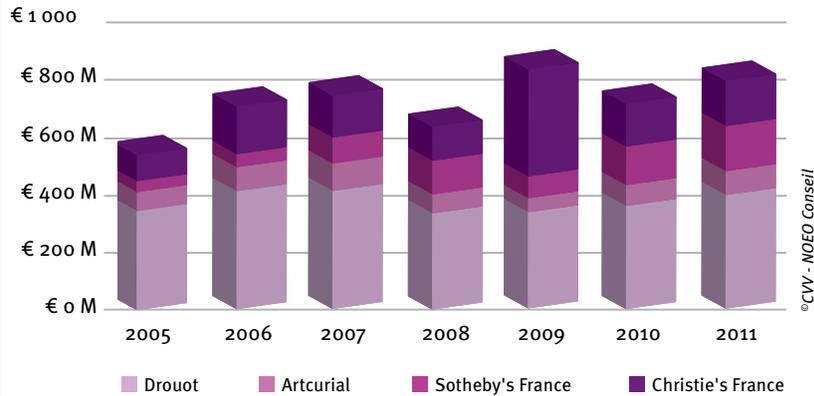
L'Hôtel des Ventes Drouot, which organizes sales for 77 VAOs, remains France's leading auction house, with €474m in turnover (incl. fees) declared in 2011, up from €434m in 2010. This was generated by the operator's two sites: Drouot-Richelieu and Drouot-Montaigne. 800,000 lots are sold each year. Nevertheless, because Drouot is not strictly speaking an auction operator, a comparison with the other VAOs is not particularly pertinent.

The VAO Millon & Associés is the biggest operator active at Drouot, accounting for 7.7% of total activity, ahead of OVV Gros & Delettrez, Claude Aguttes and Cornette de Saint Cyr. For 2012, the latter has decided to switch certain sales from sales Drouot Montaigne to the Hôtel Salomon de Rothschild. This shift could dent volumes for Drouot in 2012.

Since their arrival on the French market in 2001, Sotheby's and Christie's have established themselves as the leading French VAOs in the Art & Collectibles segment. In 2011, with a combined total of €289m, the two houses accounted for a quarter of total French turnover for the segment, a market share that is more or less identical to that observed internationally. Since 2005, their French activity has grown by 144%.

If we expand our analysis to include other regions, we can observe a stabilisation in the evolution of the relative market shares of Paris, the surrounding Ile-de-France region and the provinces

Evolution of turnover from France's top four art auction houses



IMPORTANTE MISSIVE D'UN GÉNÉRAL EGYPTIEN, YA'QUB HANNA, AU GENERAL BONAPARTE

Document majeur concernant la fin de l'expédition française en Egypte. Lettre sur papier de 29 lignes de texte en écriture naskhî à l'encre noire et or et rehauts bleus dans un encadrement doré.

La signature en bas à droite, donnant « De 'Abd Muhabbikum le Général Ya'qub Hannâ », est inscrite à l'or, dans un décrochement polylobé du cadre.

Egypte, vers 1800. Dim. : 48,7 x 18 cm

Fontainebleau, 5 juin

Jean-Pierre Osenat Fontainebleau

150 000 €

©Osenat

D | USED VEHICLES AND INDUSTRIAL EQUIPMENT

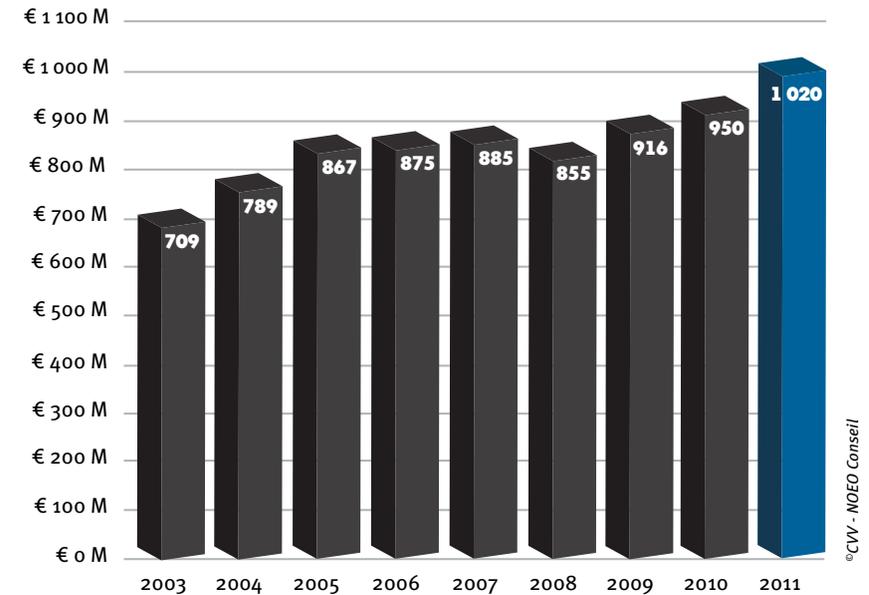
1 | A recovery in Used Vehicles and Industrial Equipment: +7.4% in 2011

While 2010 showed a slowdown of the Used Vehicles and Industrial Equipment segment, 2011 was marked by sustained growth (+7.4%), which pushed sales over the €1bn mark, a new record for the segment.

A closer look at the evolution of this category shows that the strong growth of the segment was driven by the Industrial Equipment segment, which having suffered a 6.2% drop in 2010, showed a jump of 19.2% in 2011. The Used vehicle segment showed more modest growth of 6.2%, which is nevertheless superior to the 2010 level.

Evolution of voluntary auction turnover in Used Vehicles and Industrial Equipment in France

Voluntary auction turnover in France, excl. fees



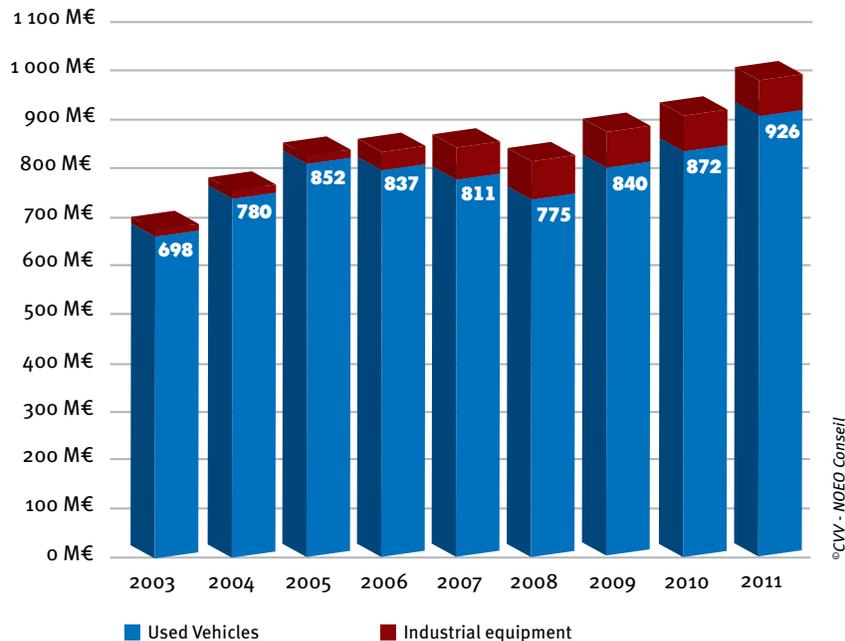


TOMBEREAU VOLVO

Tombereau VOLVO A 40 E, 2008
Enchères Mat
27 septembre
167 500 €

Evolution of share of Used Vehicles in the segment

Voluntary auction turnover in France, excl. fees



2 | Analysis by category

■ Used Vehicles: first signs of structural change

In 2010, the Used vehicle category grew by 3.8%. But the segment slowed down in 2011 after a **contraction of supply** caused by :

- A gradual reduction in the scrappage premium and government incentives that have revitalised the market for used vehicle distributors, who accordingly were less inclined to make use of VAOs to sell their vehicles;
- A cutback in investment in renewing rental car fleets. This lengthening of rental car lifespans has also reduced the supply of second-hand vehicles to VAOs.

Despite these elements, the segment's 2011 growth was the 2nd highest level in the last six years. According to the ASVA, an association that gathers together the 20 operators who each post annual turnover in excess of €10m (which is 85% of the volume generated in France), the volume of transactions was up between 2011 and 2010, from 140,000 to 152,000 vehicles exchanged. The average unit price (incl. fees) of exchanged vehicles remained virtually stable in 2011, at around €5,700 compared to €5,600 in 2010.

The used vehicle market is concentrated around 34 specialist operators that are almost exclusively active on this segment (i.e. it generates at least 95% of their total turnover). Overall, we can distinguish three categories:

- **International operators** who entered the French market fairly recently. They have a large international client base, solid experience in exploiting modern media method, are growing fast and making significant market share gains
- **Leading national operators**, around ten in number, who have opted to modernise and grow by exploiting the internet. Their websites enable them to organise online sales that provide them with a strong growth driver, since they generate €86m in turnover from online auctions, close to 38% of their total volumes



HÉLICOPTÈRE EUROCOPTER

Hélicoptère EUROCOPTER EC 1200 B No 1434,
2006, 1 175 h, kit de flottabilité (2007),
support caméra AIRFILM (2008)
OEP SARL
6 juillet 2010
760 000 €

- **Regional operators**, whose websites generate volumes that are insufficient to attract regular traffic and build buyer loyalty. The scope of these operators tends not to extend beyond local demand.

■ Growth recovers in Industrial Equipment

This segment of the auction market is less known by the general public and centres around :

- A number of specialist auction operators, including the world leader Ritchie Bros, as well as Roux Troostwijk, AVE enchères and Ouest Enchères Publiques,
- The episodic activity of a number of generalist auction companies.

The growth of €15m on this segment comes almost entirely from the French market leader, Ritchie Bros. Having posted a €6.9m contraction in turnover in 2010, the company returned to a healthy €13.4m increase in 2011, up 47%. Most of the other operators recorded stable volumes overall.



PELLE CATERPILLAR

Pelle CATERPILLAR 320DL, 3 800 h, 2008
S.A.R.L. Boisseau-Pomez
22 septembre
70 000€

3 | Ranking of top 20 VAOs in Used Vehicles and Industrial Equipment

Classement 2011 des 20 premiers opérateurs de ventes du secteur en France

Classement par montant d'adjudication des ventes aux enchères volontaires, hors frais

Rang	Nom	Région	Montant adjugé sur le secteur	
			2010	2011
1	GUIGNARD ET ASSOCIES	Bretagne	119 M€	149 M€
2	BCAUTO ENCHERES	Ile-de-France	103 M€	125 M€
3	TOULOUSE ENCHERES AUTOMOBILES	Midi-Pyrénées	59 M€	80 M€
4	AUSTRALE	Ile-de-France	60 M€	69 M€
5	MERCIER AUTOMOBILES	Nord-Pas-de-Calais	54 M€	56 M€
6	RITCHIE BROS. AUCTIONEERS France	Haute-Normandie	29 M€	42 M€
7	ANAF AUTO AUCTION	Rhône-Alpes	33 M€	39 M€
8	BRETAGNE ENCHERES	Bretagne	46 M€	35 M€
9	AQUITAINE ENCHERES AUTOMOBILES	Aquitaine	31 M€	31 M€
10	PARCS ENCHERES	PACA	44 M€	30 M€
11	AUTOROLA	Ile-de-France	30 M€	29 M€
12	MANHEIM AUCTIONS HOUSE	Ile-de-France	15 M€	29 M€
13	NORD ENCHERES	Nord-Pas-de-Calais	31 M€	27 M€
14	ENCHERES AUTO FIVE AUCTION TOURS	Centre	21 M€	20 M€
15	EST AUCTION	Lorraine	24 M€	19 M€
16	R.S.V.P.	Rhône-Alpes	18 M€	18 M€
17	TABUTIN MEDITERRANEE ENCHERES	PACA	14 M€	17 M€
18	ENCHERES MAT	Midi-Pyrénées	16 M€	16 M€
19	AIX ENCHERES AUTOMOBILES	PACA	17 M€	14 M€
20	A.C. ENCHERES	Ile-de-France	15 M€	13 M€

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Two companies dominate the classification, with total turnover exceeding €100m: Guignard & Associés, which consolidated its top place, and BCAuto Enchères. Repeating the 2010 trend, both players posted double-digit growth of respectively 25% and 21%.

In total, the five top companies in the rankings generated 47% of the segment's

total national turnover for 2011. The previous year, they had a combined weight of only 41%.

However, this growth **did not benefit everyone**. As the ranking shows, the trends are contrasting and more than half of the top 20 companies on the segment posted stability or a decline in activity.

The concentration of the market, which began several years ago, has continued to provoke structural changes. Faced with new competition from international operators and a fragmented market, **a number of consolidation initiatives are underway**. **Alcopa**, a specialist in the import of discounted goods from Asia into Europe and car distribution in Belgium and Luxembourg, decided to absorb several operators. Amongst the VAOs already integrated into or attached to Alcopa in the first quarter of 2012 are Australe (based in the Ile-de-France region), the fourth VAO on the segment, and Est Auction (in Lorraine). Alcopa thus joins another industrial group, le groupe Bernard, which, in 2005, entered the capital of the auction operator Anaf Auto Auction.

With the arrival of Alcopa on the French auction market, and based on an analysis of acquisitions made by Alcopa so far, a simulation suggests that the top five operators now control around 53% of the market. This sharp increase is yet another illustration of how the consolidation wave has gathered pace on this market since the end of the 2000s.



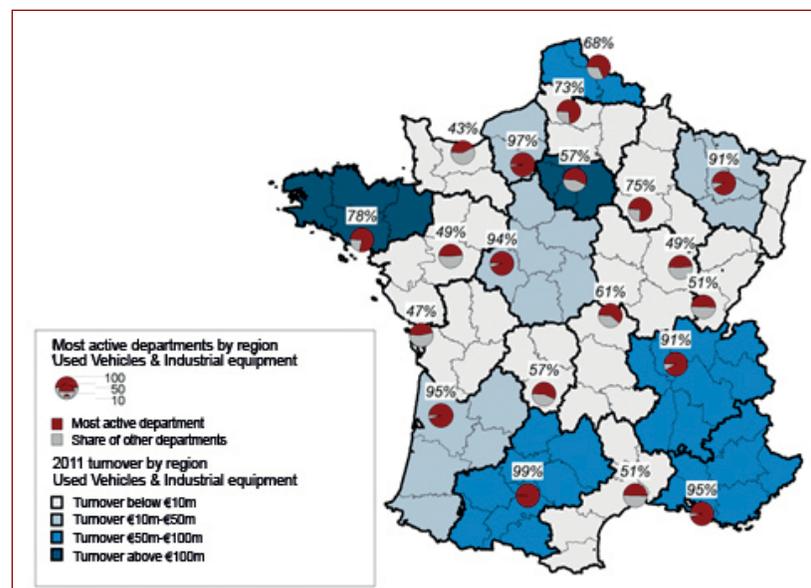
AUDI R8

R8 V8 4,2 FSI 420 CV QUATTRO
 année 2007
 18 mai
 ANAF AUTO AUCTION
 60 000€
 ©ANAF

4 | An increase carried by the Ile-de-France and Brittany

This segment can be characterised by its structure and organisation. It remains above all a regional market, with auction operators that tend to have much bigger workforces and that each year manage higher volumes (€25m on average by companies specialised in Used Vehicles and Industrial Equipment) than their peers in the Art & Collectibles segment (€6.3m).

While 274 VAOs are active on this segment, including the generalist operators from the provinces that sell used vehicles or industrial equipment in the case of sales by local SMEs, farms, etc., only 37 of them have made it their speciality. Six regions realise more than €50m a year on this segment, compared to only one (in the Ile-de-France region) in the Art & Collectibles segment.



Brittany remains the second region in this segment and benefits from the healthy growth of Guignard & Associés. Regional turnover rose 17% to €196m (versus €168m in 2010), generated by only 12 auction operators (4 specialists and 8 generalists), equivalent to an average of €16.33m per company.

Looking at the country as a whole, some regions such as Champagne-Ardenne, Lorraine or Provence-Alpes-Côte-d'Azur recorded sharp declines in activity, in excess or equal to 20%.



Site de Lorient, pouvant accueillir des ventes de plus de 1000 véhicules

Regional breakdown of auction turnover in the Used Vehicles and Industrial Equipment segment

Voluntary auction turnover, excl. fees

Region	2010	2011	Variation	VAOs*
Alsace	€ 0 M	€ 0 M	+0,0%	0
Aquitaine	€ 53,2 M	€ 49,1 M	-7,7%	13
Auvergne	€ 0,5 M	€ 1,5 M	200,0%	6
Basse-Normandie	€ 3,3 M	€ 2,8 M	-15,2%	9
Bourgogne	€ 3,3 M	€ 2,8 M	-15,2%	13
Bretagne	€ 167,9 M	€ 196,4 M	17,0%	12
Centre	€ 22,5 M	€ 21,1 M	-6,2%	11
Champagne-Ardenne	€ 5,8 M	€ 4,2 M	-27,6%	8
Franche-Comté	€ 1,8 M	€ 1,6 M	-11,1%	7
Haute-Normandie	€ 40,1 M	€ 49,7 M	23,9%	15
Ile-de-France	€ 303,1 M	€ 341,0 M	12,5%	64
Languedoc-Roussillon	€ 1,1 M	€ 0,7 M	-36,4%	5
Limousin	€ 0,2 M	€ 0,4 M	100,0%	2
Lorraine	€ 26,2 M	€ 21,0 M	-19,8%	7
Midi-Pyrénées	€ 79,0 M	€ 99,6 M	26,1%	14
Nord-Pas-de-Calais	€ 86,6 M	€ 84,4 M	-2,5%	12
Pays-de-la-Loire	€ 5,8 M	€ 7,1 M	22,4%	14
Picardie	€ 4,1 M	€ 3,5 M	-14,6%	9
Poitou-Charentes	€ 1,5 M	€ 2,3 M	53,3%	7
PACA	€ 82,8 M	€ 65,4 M	-21,0%	24
Rhône-Alpes	€ 60,5 M	€ 64,9 M	7,3%	21
Total	€ 950 M	€ 1 020 M	+7,3%	274

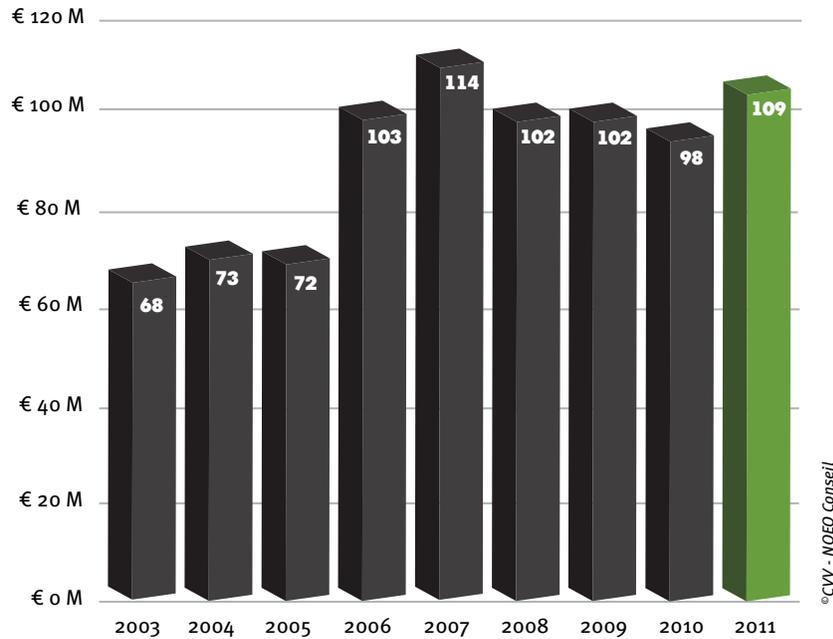
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* actives sur ce secteur

E | THE HORSES SEGMENT

1 | Arqana returns to growth

Annual evolution of turnover on the Horse segment
In millions, all segments included, excl. selling fees



The Horse auction segment grew by almost 12% in 2011, posting turnover of €109m. Although it failed to return to 2007's record high of €114m, volumes on the segment climbed again in 2011, thus marking a 60.3% increase over the 2003-2011 period.

This vitality was enabled by the market-leading auction agency Arqana, which saw business volumes rise 15.2% or €12.5m. Sales of yearlings held in 2011 generated turnover of €45m, with a maximum hammer price of €1.7m for a filly.

2011 rankings for the top operators in the Horse segment

Rankings by auction turnover, excl. fees

Rank	Name	Region	Segment turnover	
			2010	2011
1	ARQANA	Basse-Normandie	€ 82,3 M	€ 94,8 M
2	AGENCE FRANCAISE DU TROT	Basse-Normandie	€ 7,5 M	€ 6,4 M
3	F.E.N.C.E.S.	Basse-Normandie	€ 3,7 M	€ 3,9 M
4	CAEN ENCHERES	Basse-Normandie	€ 2,1 M	€ 1,7 M
5	VENTES OSARUS	Basse-Normandie	€ 1,0 M	€ 1,4 M
6	NASH	Basse-Normandie	€ 0,6 M	€ 1,0 M

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2 | Basse-Normandie: the heart of the French horse market

The Basse-Normandie region still heads the rankings for the top VAOs on the French horse segment. Deauville remains in the top four marketplaces in the world for pure-breed horses, along with Lexington (USA), Newmarket (UK) and Dublin (Ireland).

According to the Basse Normandie Conseil des Chevaux, this region is the most important in France for horse rearing, employment and training. The region's equine segment contains 93,600 horses of all types, employs 12,600 people, has 4,800 breeders and 157,000 hectares of exploited land, and generates income of €1bn.

The French horse auction market is concentrated in the hands of six auction operators specialized in horses, all based in Basse-Normandie. Alongside Arqana, we find the Agence française du trot, F.E.N.C.E.S, Caen Enchères, Ventes Osarus and Nash. They organise sales on a seasonal basis. Sales of yearlings for example take place in August, October and November.



POULICHE

*Pouliche par Galileo et Sanjida, adjugée à Waratah Thoroughbreds. Elle était présentée par le Haras de la Perelle
Deauville, ventes de yearling, août 2011
Arqana
1 700 000 €
©Dollar*

A | FORWARD

The following analysis of global auction sales in the “Art & Collectibles” segment is a continuation of the work initiated in 2009 by the Conseil des ventes. Its primary objective is to put France’s international position on the global art auction market into perspective.

The methodology developed for the elaboration of this study is presented in the Methodology section of this report. However, before discussing the results of the study, it is worth highlighting several additional methodological observations:

- The segment studied – Art & Collectibles – is broader than the segment normally presented in available studies which often only cover the “Fine Art” segment. This segment includes the following categories: Art & Antiques, Jewellery & Gold, Other Collectibles, Wines & Spirits and Miscellaneous Objects.
- The turnover figures presented below are “including fees” and therefore represent auction turnover **plus** the auctioneer’s income on that turnover, which explains the differences with the data presented in the first part of this chapter (focused on France). As a result, adjudication amounts are referred to in this section as “auction revenue” rather than “auction turnover”.
- The auction revenue figures, recorded in local currencies, have subsequently been converted into euros using the applicable exchange rate on the day of each sale.
- Lastly, the data published includes calculated data (based on the methodology used) and data collected directly, notably via internet or questionnaire (telephone and email). The collected data is by nature declarative, whatever its source (sales results published by auction operators). In other words, there may be a difference between the published adjudication results and the amounts actually received, as buyers occasionally fail to honour their commitments.

Our study allows the presentation of the following information :

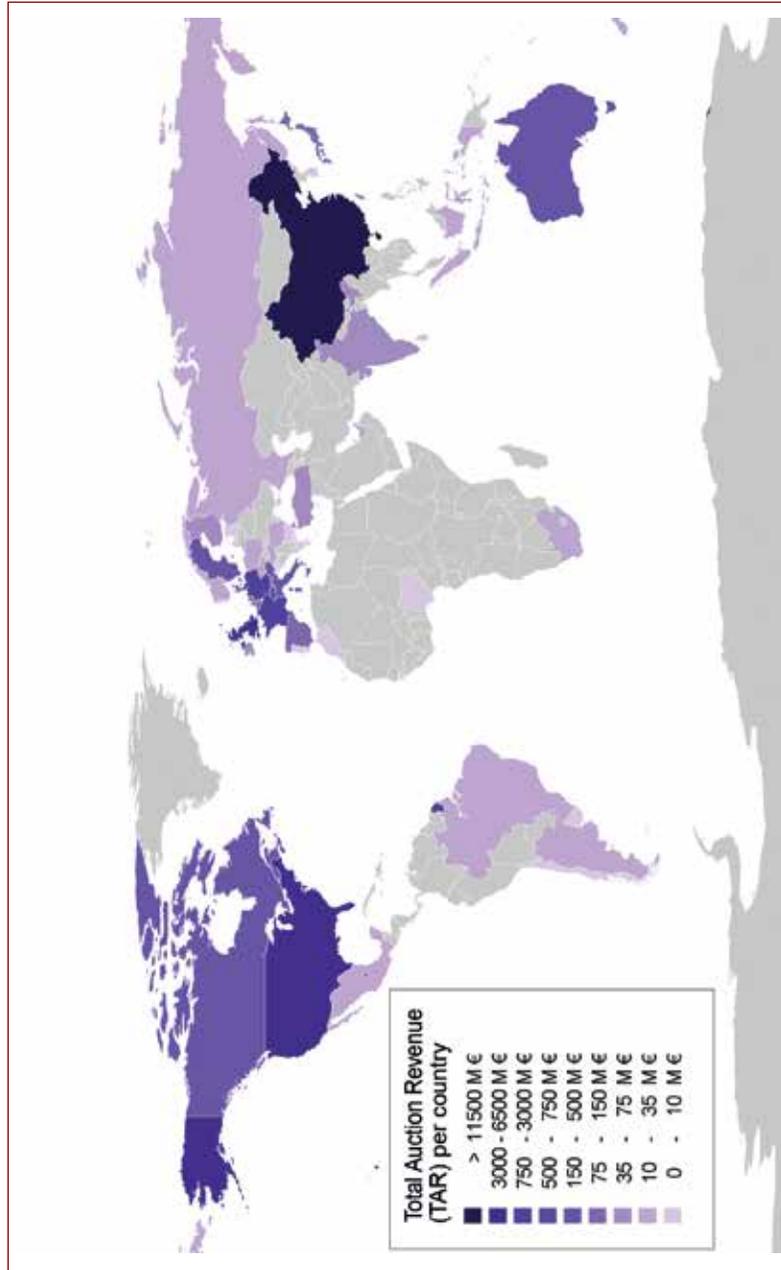
- A round-up of the 2010/2011 trends, with a number of key figures, including the total value of the global Art and Collectibles auction segment and the number of sales organised by each operator on each segment of the market;
- A ranking of the major auction companies and a classification of auction companies around the world based on their structures and their activities;
- A mapping of the 54 countries active in the Art and Collectible segment, with a primary focus on the main zones of market influence, namely Europe, Asia and North America. Together, these three continents account for close to 99% of total global auction revenue.

As indicated in the Methodology section, for 2011, 88.8% of the total auction revenue was actually **observed** (vs. 81.5% in 2010 and 77% in 2009) leaving only 11.2% estimated using the econometric method.

B | KEY FIGURES

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Map of global auction revenue in 2011 from auction sales in the "Art & Collectibles" segment
(Revenue figures including fees)



Key figures for the global "Art & Collectibles" segment in 2011

	2011	2010
Total global auction revenue	€ 26 110 M	€ 22 153 M
Number of active operators	2 640	2 915
Number of Prestige sales	12 635	12 047
Number of Miscellaneous sales	28 561	26 514
Average result per sale	€ 632 K	€ 577 K
Number of operators with TAR above €20m	141	88

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	Top 5	Total auction revenue (TAR)	Country
1	Christie's	3 546 M€	
2	Sotheby's	3 500 M€	
3	Beijing Poly International Auction Co.	1 365 M€	
4	China Guardian Auctions Co., Ltd.	1 248 M€	
5	Bonhams	613 M€	
	Total	€ 10 272 M	

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Our 2011 study covers the 2009-2011 period and therefore allows us to measure the global evolution for the entire market, as well as for each individual operator.

Total global auction revenue from the Art & Collectibles segment amounted to EUR 26.11 billion in 2011 representing an increase of 17.9% versus 2010.

This growth in activity was essentially driven by :

- **China:** China remains for the second consecutive year the global leader in

the commercial exchange of art. Its TAR amounted to 11.5 billion euros in 2011, up 51.5% vs. 2010. Remember that 2010 / 2009 growth rate was +137%;

- **the global population of millionaires:** According to the World Wealth Report 2011, published by Capgemini, the number of millionaires (in dollars) rose by 8.3% in 2011 reaching 10.9 million individuals, a substantially higher number than in 2007, before the crisis. Constituting a substantial element of the demand for the most expensive works of art, this population has increased the fastest in the Asia / Pacific region of the world (+12.1%);
- **the average revenue per sale rose 9.5% to 632 000 euros.** This progression in value seems to reflect a rise in prices and an offer of higher quality works. It has been accompanied by an increase in the total number of **Miscellaneous sales** (+7.7%), essentially driven by the development of online sales.

The global growth of the auction market recorded in 2011 had a number of distinctive features :

- **a sharp drop in the number of operators active in the segment in 2011.** The number of auction firms that conducted at least one sale in the Art & Collectibles segments fell by 8.5%. This fall reflected a number of bankruptcies and operator closures that was not offset by the number of new companies created;
- **the growth was limited to a handful of countries:** Of the 50 or so countries active in the Art and Collectibles segment, 26 recorded drops in their auction revenue totals, whereas in 2010 growth was recorded in a large majority of the active countries (only 13 countries posted contractions).

Global growth was not shared by all countries. It benefited :

- above all China, and to a lesser extent Northern Europe (Norway, Sweden, Denmark and the Netherlands, which all posted progression above 20% in 2011, but on still weak volumes). **Excluding China, total global auction revenue amounted to 14.6 billion euros in 2011, which is only +0.3% on the previous year. In this context, the progression of the French market (9.4% excluding fees and 8.6% including fees) is noteworthy;**
- **the market's largest operators,** those with an established international clientele who are able to bid for the rarest and the most expensive articles;
- **countries that are attractive to Chinese buyers,** i.e. with an offer that interests them, such as Asian artworks / art objects, Bordeaux wines or jewellery.

C | THE KEY PLAYERS ON THE GLOBAL MARKET

1 | Global ranking of auction companies operating in the Art & Collectibles segment

Following on from the work presented in previous reports, the CVV has drawn up a global ranking of auction operators active in the Art & Collectibles sector in 2011. We have limited our presentation to the Top 20 global operators.

Whereas in 2010, the entry ticket to this Top 20 was 102 million euros in auction revenue, in 2011 it was **125 million euros.**

The Top 20 global auction operators in the Art & Collectibles segment in 2011

Ranked by total auction revenue (including fees, in EUR millions))

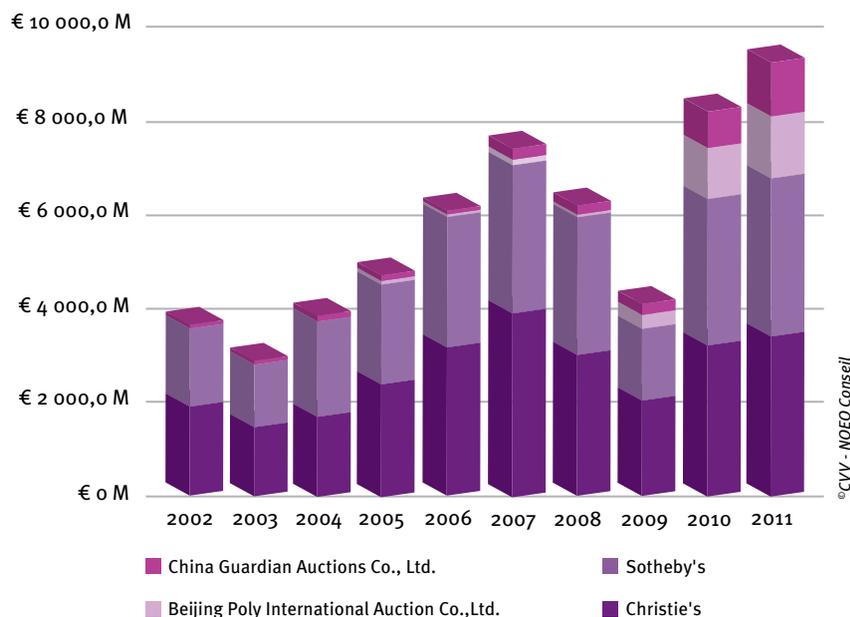
Rank	Operator	Country	Auction revenue (EUR millions)			Number of sales
			2011	2010	Change	
1	Christie's	UK	3 546,8	3 365,6	5,4%	399
2	Sotheby's	USA	3 500,1	3 308,2	5,8%	249
3	Beijing Poly International Auction Co., Ltd.	China	1 364,9	1 056,5	29,2%	6
4	China Guardian Auctions Co., Ltd.	China	1 247,7	846,1	47,5%	6
5	Bonham's	UK	613,8	421,7	45,5%	455
6	Heritage Auction Galleries	USA	594,9	518,0	14,8%	475
7	Beijing Hanhai Auction Co., Ltd.	China	534,9	386,7	38,3%	6
8	Beijing Council International Auction Co. Ltd	China	461,0	309,0	49,2%	3
9	Xiling Yinshe Auction Co., Ltd	China	295,8	207,1	42,8%	8
10	Beijing JiuGe Auctions Co., Ltd.	China	254,3	158,8	60,2%	2
11	Phillips de Pury & Company	USA	236,0	216,0	9,3%	34
12	Sungari International Auction Co.,Ltd.	China	213,7	78,0	174,1%	3
13	Macau Chung Shun International Auctions Co.,Ltd	China	202,3	63,7	217,9%	3
14	Duo Yun Xuan Auctions Co.Ltd.	China	146,6	82,9	76,9%	4
15	RM Auctions	Canada	144,7	207,7	-30,4%	8
16	Dorotheum	Austria	144,0	145,5	-1,0%	692
17	Beijing RongBao Auction Co.,Ltd.	China	138,8	108,3	28,1%	5
18	Mecum Auction	USA	129,6	117,1	10,7%	14
19	ARTCURIAL - BRIEST - POULAIN - F.TAJAN	France	127,0	102,9	23,5%	124
20	Beijing ChengXuan Auctions Co.,Ltd.	China	126,0	90,8	38,8%	2
Total			14 023	11 791	18,9%	2 498

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With an aggregate revenue of more than **14 billion euros in 2011**, the **top 20 auction operators in the ranking represent 53.4% of the global market (54.8% in 2010)**.

As in previous years, Christie's and Sotheby's occupy the first two places with respective annual auction revenues of 3.55 and 3.5 billion euros (excluding private sales), up 5.4% and 5.8% respectively versus 2010. As in 2010, the gap between the two global market leaders is extremely fine: hardly 47 million euros separates them, representing less than 1% of Sotheby's total auction revenue.

Change in annual auction revenue of the Top 4 operators (2002 to 2011) (in EUR millions, including fees)



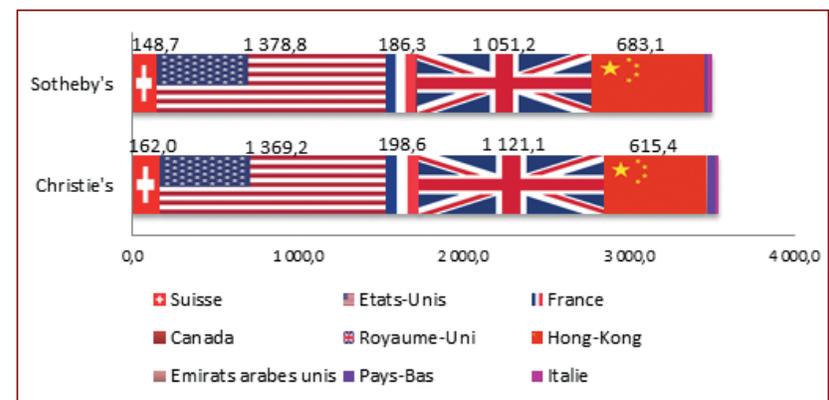
This is the second consecutive increase for the Top 2 auctioneers, although their combined volume of business is still lower than it was in 2007.

France was one of the most dynamic markets for these two operators. Sotheby's and Christie's combined French auction revenue rose 10.6% in 2011, which is double their global growth rate and stronger than the growth rates in the UK (+7.6%) and the USA (-2.3%).

The two companies together generate nearly a quarter of total global auction revenue from art sales. Nevertheless, in 2011, their combined global market share contracted in the face of Chinese competition from 30% a year earlier.

Both auctioneers have set up operational premises in numerous countries around the world; but the bulk of their annual auction revenue is generated in New York and London. Each auctioneer generates 39% of its total auction revenue in the United States.

Le produit des ventes 2011 de Sotheby's et Christie's ventilé par pays de vente (en millions d'euros, frais inclus)



For the second consecutive year, **Beijing Poly International Auction Company** is third in the global ranking. The top Chinese operator in the global ranking, it generated €1.36 billion in 2011 versus €1.06 billion in 2010 from just 6 sales, giving an average of €227 million per sales (including fees). **China Guardian Auctions**, the second Chinese operator in the global ranking, declared €1.25 billion, also from just six sales. Established in Beijing since 1993, this company is the oldest Chinese operator on the Chinese art market. In total, there are 11 Chinese operators (vs. 10 in 2010) in the Top 20 largest auction operators worldwide.

With an auction revenue of €613.8 million (up 45.5% on 2010), the international operator Bonham's moved up one position to 5th place. **Bonham's** has several subsidiaries and in 2011 it organised more than 450 sales throughout the world (UK, USA, France, Australia, Hong Kong and UAE). Its average revenue per auction sale was €1.35 million in 2011 versus €900,000 in 2010. The same average was €8.9 million at Christie's, €14.5 million at Sotheby's and €227.5 million at Beijing Poly International Auction Company.

With a TAR of €595 million in 2011 (up 14.8%), **Heritage Auction Galleries**, operating in Dallas in the United States, occupies the 6th position in this ranking. It is the global leading operator specialised in Collectibles. Its sales of stamps, coins, musical instruments, books, jewellery, posters and comic strips are essentially organised on Internet, although certain of its more prestigious sales are accompanied by paper catalogues. Founded in 1976 by Steve Ivy and Jim Halperin, Heritage Auction already has more than 700,000 collectors subscribed to its website ha.com, i.e. 200,000 more than in 2009.

Only seventeenth in 2009, the American operator **Phillips de Pury & Company** maintained its middle-ranking position of 2010 last year as well with a TAR of €236 million from 36 sales. It generated 166.1 million dollars (€118.6 million) from its two Contemporary Art Part I sales in May and November.

Two other North-American operators, **both specialised in sales of collection cars - RM Auctions and Mecum Auction** - are also in the Top 20.

Founded in 1707, the Viennese firm **Dorotheum** is the first operator in the German-speaking zone with a TAR of €144 million generated more from its turnover volume (192 catalogued sales and lots of miscellaneous online sales) than from turnover quality.

The first French company in the ranking, Artcurial-Briest-Poulain-F.Tajan is in 20th place in the 2011 global ranking (5th in Europe). The other French companies present in the Global Top 50 in 2010, slipped down the ranking in 2011. In 2010, after Artcurial, France had Pierre-Bergé & Associés and Piasa in 46th and 47th place respectively. In 2011, the second French operator, Tajan, was in 65th position, and Millon et Associés was 69th.



FERRARI 275 GTB/4

1968 FERRARI 275 GTB/4 BERLINETTE PININFARINA
 Châssis n° 10757, moteur n° 10777, vendue neuve en France, même propriétaire depuis 1974.
 Artcurial « Automobiles sur les Champs 2 »
 13 juin
 695 000 €
 ©Artcurial

2 | Acceleration of market concentration around China

The Top 10 global auction cities in the Art & Collectibles segment in 2011

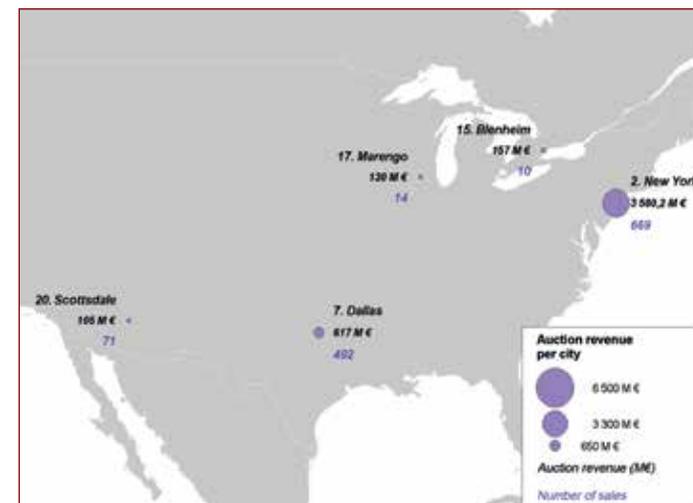
Ranked by total auction revenue (including fees, in EUR millions)

Rank	City	Country	Auction revenue (EUR millions)		Number of sales	Number of operators
			2011	2010		
1	Beijing	China	6 408,9	4 203,4	231	81
2	New York	USA	3 580,2	3 321,0	609	25
3	London	UK	2 568,6	2 326,1	1066	32
4	Hong Kong	China	1 362,7	1 129,9	74	5
5	Paris	France	1 040,9	964,9	3145	89
6	Shanghai	China	1 009,2	466,5	154	29
7	Dallas	USA	617,0	539,3	492	4
8	Hangzhou	China	388,2	297,1	35	10
9	Zurich	Switzerland	285,0	246,2	69	8
10	Guangzhou	China	261,0	119,1	22	6
Total			17 522	13 679	5 908	287

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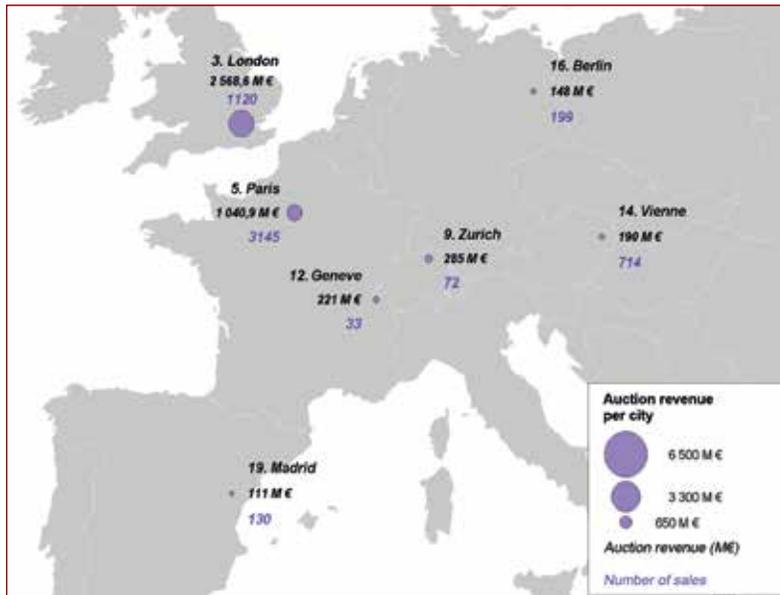
In total, the **Top 10 cities of the global auction market generated 67% of the global auction revenue** in the Art & Collectibles segment, up 3 points versus 2010. Five of these Top 10 cities are in China. **As in 2010, Paris was in 5th position. We note that the Paris auction market grew at the same pace as that of New-York.**

Ranking of the global Top 20 auction marketplaces: focus on North America



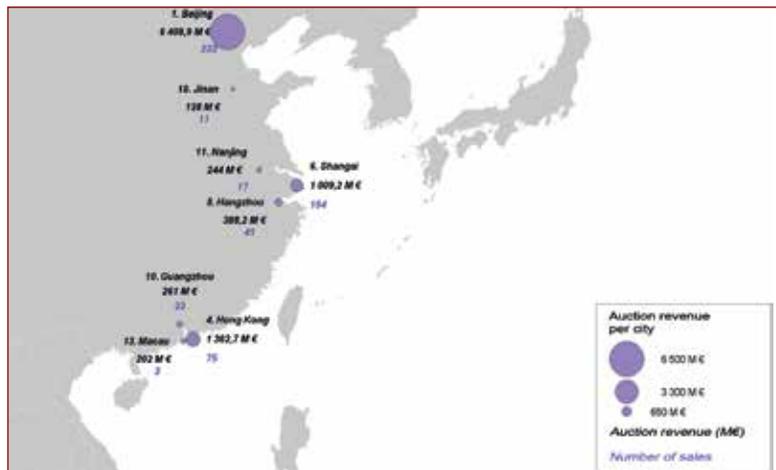
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Ranking of the global Top 20 auction marketplaces: focus on Europe



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Ranking of the global Top 20 auction marketplaces: focus on Asia



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3 | Types of auction operators worldwide

■ Internet usage

Internet usage grew significantly in 2011, with 23% of operators (vs. 16% in 2010) offering systems of dematerialised auction sales (so-called online and live auctions).

Along side France, the most advanced country in this domain remains the United States where nearly 21.6% of the operators are equipped with their own systems. When they do not own their own systems, a large majority of the other American operators use specialised platforms, such as artifact.com, the-saleroom, liveAuctioneers.com ou auctionzip.com, etc. to propose online sales.

In contrast, Chinese auction operators use internet very little. Auction sales via internet are extremely rare in China.

The global leader for online auction sales is **ha.com**, the website of Heritage Auction. This operator has been building its development around the internet and online sales for many years, and its catalogued physical sales are now the exception. This website receives 30,000 – 40,000 visitors per day, a level of traffic that is comparable to **Sothebys.com** and **Christies.com**. Indeed, these three sites, translated into several languages (including Chinese, French, German and Spanish) are by far the most used sites by collectors around the world. There visitor traffic statistics are higher than those measured on Google Trends for the main art market information websites (Artprice, Artnet).



UN CHÂTEAU FORT DÉBUT XIX^{ÈME} DE MARQUE MÄRKLIN

Galerie de Chartres, 9 avril
 IVOIRE CHARTRES
 37 500€
 ©IVOIRE CHARTRES

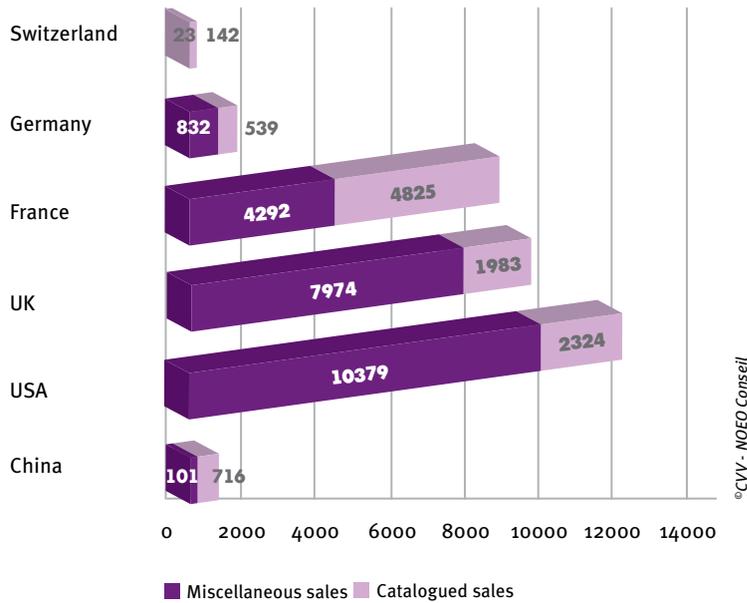
■ **Types of sales**

In 2011, **41,334** auction sales were recorded worldwide, up 7% on 2010, driven essentially by an increase in the number of Miscellaneous sales, particularly via internet. In 2011, 69.5% of all auction sales worldwide belonged to this category.

For memory, these so-called “Miscellaneous sales” (as opposed to catalogued sales) generally offer mid and low-range articles.

As we can see from the chart below, the breakdown between Catalogued and Miscellaneous differs from one country to the next.

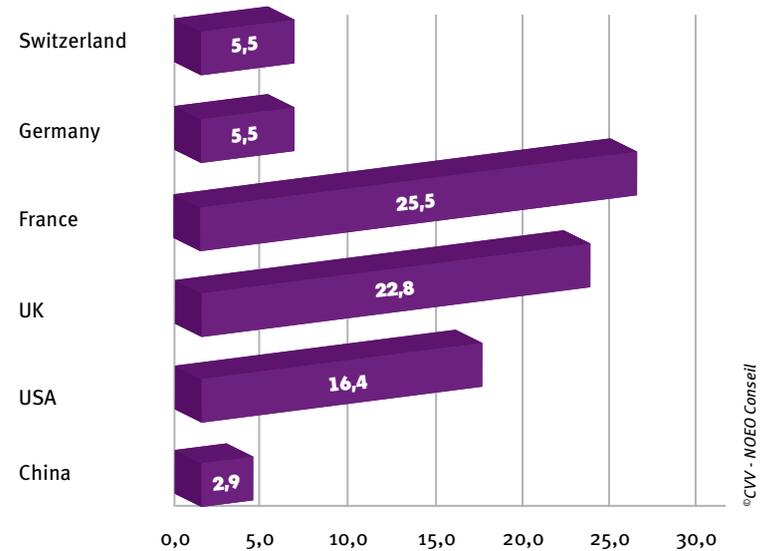
Breakdown between Prestige (catalogued) and Miscellaneous sales in the Art & Collectibles segment around the world in 2011



In 2011, France offered an almost equal share of both categories of sales with 53% being catalogued. This ratio was much lower in the United States (18%) and the UK (20%). Indeed, more than **300 UK and American operators only propose miscellaneous sales.** At the other end of the scale, China and Switzerland almost exclusively offer prestige sales. On average in these two countries, only 18% of sales are not accompanied by a sales catalogue.

Another strong feature of the French market concerns its **annual sales calendar.** On average, **the French operators organise 25.5 sales per year, a much higher frequency than in other countries.** The global average is 15.6 sales per year. Behind France, the most dynamic operators in terms of sales frequency are Sweden (23.4 sales per year), the UK (22.8) and the United States (16.4).

Number of sales per operator in the Art & Collectibles segment around the world in 2011



■ **The sub-segments of Art & Collectibles**

42% of the auction companies operating in the Art & Collectibles sector conduct sales in several of the segment’s different sub-segments such as Fine Art, Furniture and Art objects, and occasionally organise themed sales of collectible objects as well.

At the global level, 416 operators are specialised in sales of Collectibles and 90% of these only deal in one type of merchandise (collection vehicles... stamps... old coins... books... old manuscripts... militaria... posters... hunting & fishing or old toys). **216 operators only work in Fine Art** (paintings, drawings, sculptures, photographs and prints). Once again, France stands out from other countries by the fact that it has hardly any operators specialised in Fine Art or Collectibles. **Traditionally, the French operators tend to cover the entire range of art market sales, i.e. they organise dedicated theme sales as well as generalist sales.**

Les opérateurs de ventes aux enchères du secteur « Art et Objets de collection » ventilés par type d'activité (en nombre de sociétés)



©CVV - NOEEO Conseil

Breakdown of operators in the Art & Collectibles segment per type of activity (en nombre de sociétés)

Country	Fine Art	Furniture & Art Objects	Collectibles	Multi-sector
Germany	8,7%	34,0%	32,4%	24,9%
Australia	6,6%	14,8%	23,0%	55,7%
Austria	8,3%	8,3%	25,0%	58,3%
Belgium	7,3%	22,0%	19,5%	51,2%
Canada	7,1%	28,6%	28,6%	35,7%
China	26,2%	4,3%	1,8%	67,7%
Denmark	0,0%	33,3%	25,0%	41,7%
USA	2,6%	42,1%	14,9%	40,4%
France	0,8%	46,9%	1,7%	50,6%
Italy	16,3%	2,0%	14,3%	67,3%
Netherlands	0,0%	23,5%	14,7%	61,8%
UK	5,5%	48,4%	25,6%	20,5%
Sweden	0,0%	49,0%	5,9%	45,1%
Switzerland	15,6%	6,3%	34,4%	43,8%
Others	25,9%	12,4%	14,5%	47,2%

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LIVRE D'HEURES À L'USAGE DE ROME DITES « HEURES DE PETAU »

Manuscrit enluminé, composé de 44 feuillets de vélin à 33 lignes à la page, calligraphié sur deux colonnes, d'une écriture humanistique à l'encre brune, verte, bleue et rouge. Manuscrit d'origine tourangelle, début du XVI^{ème} siècle, entre 1500 et 1510
Ancienne collection Paul-Louis Weiller
Drouot Richelieu, 8 avril
SVV Gros & Delettrez
1 800 000 €
©Gros - Delettrez

D | ATLAS OF THE ART & COLLECTIBLES SECTOR

Our presentation of the global atlas of the Art & Collectibles auction market primarily focuses on the global market's three principal zones of influence: Europe, Asia and North America.

These three regions of the world represent **96.3% of the world's auction operators and account for 98.7% of total global auction revenue**, i.e. one percentage point more than in 2010.

The other zones identified, namely Oceania, South America, Africa and the Middle-East, all have respective global market shares below 0.9%.

The Middle-East, often identified as one of the art market's strong growth regions, posted a nearly 50% contraction in sales revenue in 2011, mainly due to the poor turnover figures at Christie's Dubai. The market remains limited around twelve auction operators.

1 | Aggregated data for the main countries

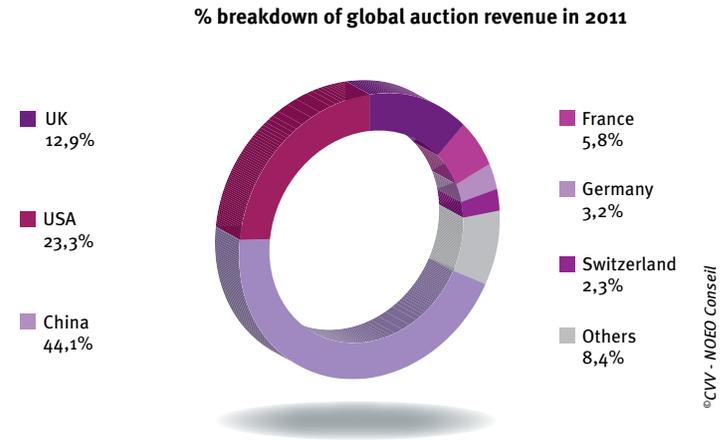
The data collected has allowed us to draw up presentations for each of the main countries operating in this market with: a breakdown of the global auction revenue, a breakdown of the number of companies and a breakdown of the number of sales. The table and diagrams shown below summarise this data and are followed by our individual country analyses.

Top 10 countries on the Art & Collectibles segment
(Revenue in EUR millions)

Rank	Country	Total Auction revenue (TAR) (in EUR millions)			Number of operators	Number of sales
		2011	2010	Change		
1	China	11517	7603	51,5%	282	827
2	USA	6071	5984	1,5%	782	12842
3	UK	3369	3299	2,1%	436	9957
4	France	1525	1405	8,6%	361	9129
5	Germany	831	761	9,2%	252	1495
6	Switzerland	609	622	-2,2%	30	165
7	Canada	272	266	2,4%	42	439
8	Sweden	212	223	-5,0%	51	1194
9	Austria	201	213	-5,7%	13	804
10	Australia	197	228	-13,4%	61	1081
	Others	1306	1549	-15,7%	330	3401
	Total	26110	22153	17,9%	2640	41334

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Market shares of top 6 countries in the Art & Collectibles segment, based on 2011 revenue totals



As indicated earlier China has once again confirmed its position as global leader on the Art & Collectibles segment. Its 51.5% growth in 2011 was one of the principal drivers of the global art economy. **Accounting for just 24.2% of the global art market in 2009, China today represents no less than 44.1% of global sales.** The expenditure per capita statistics are naturally impacted by China's massive population; nevertheless, the average amount spent per head in 2011 on Art & Collectibles in China was 8.6 euros, half that of the United States (19.6 euros per head) and a quarter of the amount spent by the French (23.5 euros per head). At the top of the per capita ranking we find Switzerland with **80 euros**, ahead of the UK with 54.2 euros.

In 2011, United States posted a modest 1.5% progression of its total auction revenue. But, after China's phenomenal increase, its global market share dropped from 27% to 23.3% in 2011.

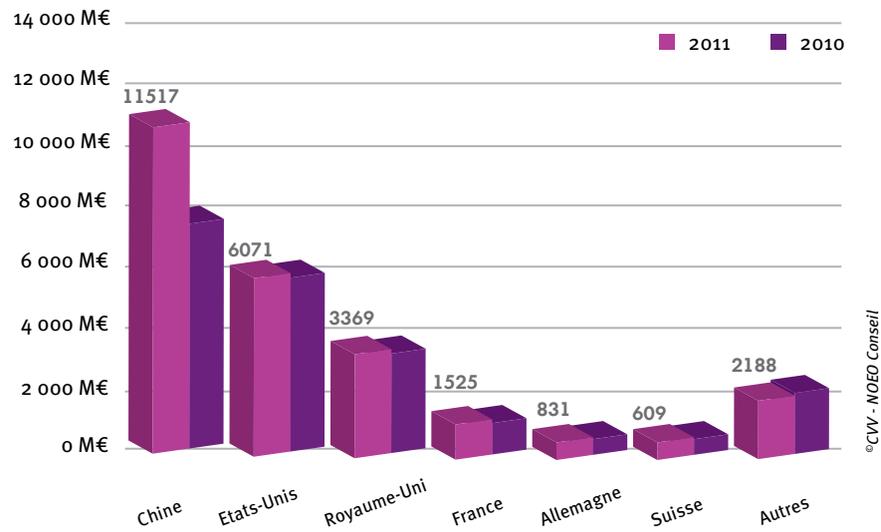
Aside from the Top 10 countries, **the total auction revenue of the other 40 national markets contracted by 15.7%**, which suggests a concentration of the global market around the leading 10 countries that today represent 95% of global auction revenue, versus 93% in 2010 and 91% in 2009.

Halfway up the ranking of the Top 10 countries, France posted the third strongest growth rate behind China and Germany, and ahead of the United States and the UK.

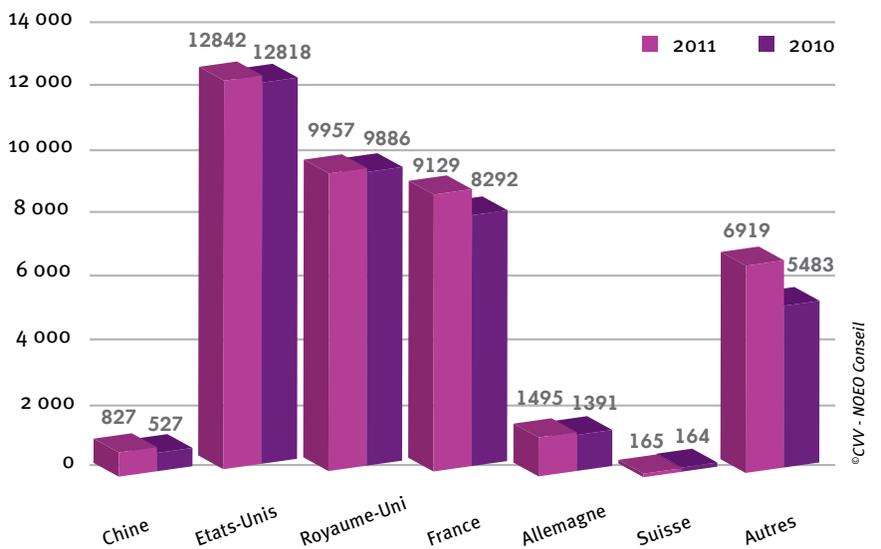
Four of the Top 10 countries posted auction revenue contraction in 2011: Switzerland, Sweden, Austria and Australia.

2010-2011 trends per country on the A&C segment

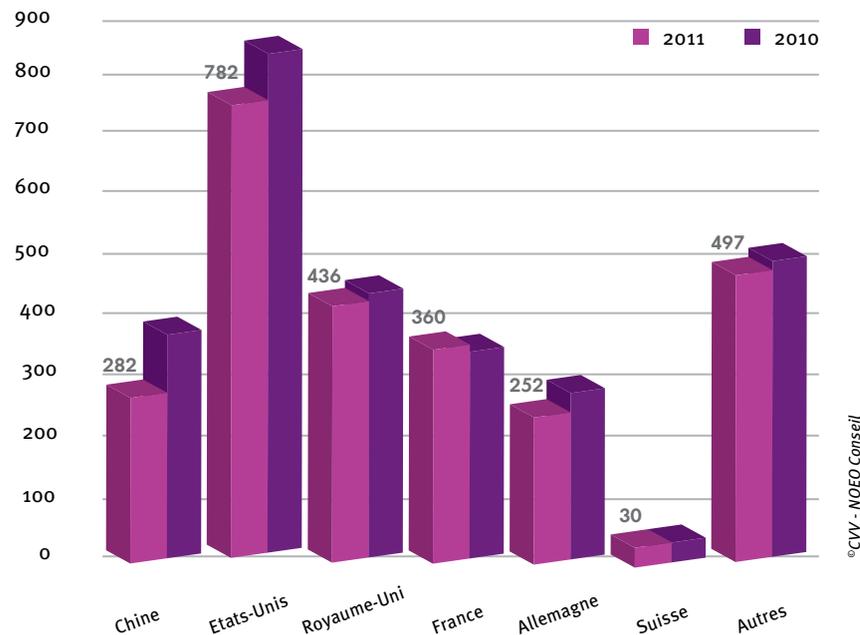
Breakdown of 2011 global auction revenue in EUR millions



Breakdown of number of auction sales in 2011



Breakdown of number of auction operators on the A&C segment in 2011

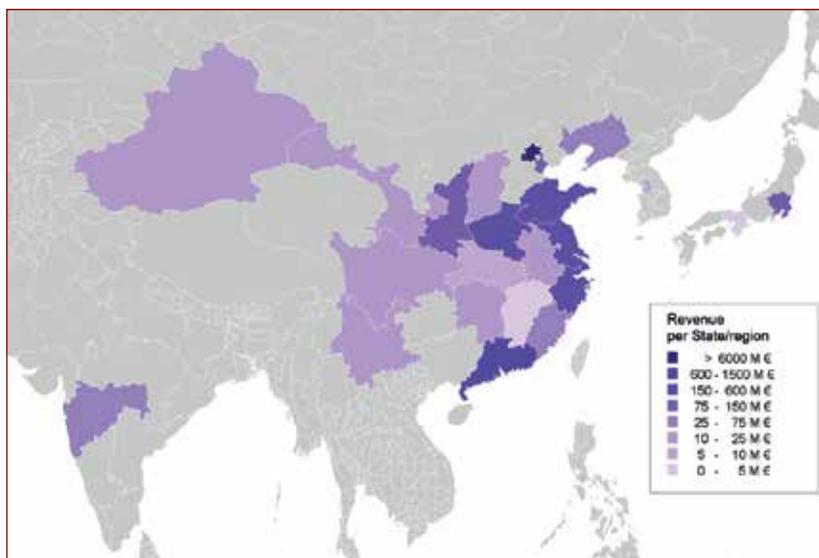


JEAN-ÉMILE PUIFORCAT (1897-1945)

Coupe argent et boules d'ivoire, marquée et datée 1955, signée « Jean E Puiforcat »
 2,2 kg, h. 27 cm
 Roubaix, 5 décembre
 May & Associé SVV
 Expert Cabinet Serret-Portier
 12 300 €
 ©Photo Jérôme Vitou

2 | Asia

2011 auction revenue in Asia Revenue per State/region



Key figures for the Asian "Art & Collectibles" segment in 2011

2011 auction revenue	€ 11 794 M	Top 5	Auction revenue in Asia	Country
Change vs. 2010	+49,4%	Beijing Poly International Auction Co., Ltd.	1 365 M€	
Number of Prestige sales	896	China Guardian Auctions Co., Ltd.	1 248 M€	
Number of Miscellaneous sales	174	Sotheby's	683 M€	
Average revenue per sale	€ 11,0 M	Christie's	615 M€	
Operators with annual TAR above €20m	86	Beijing Hanhai Auction Co., Ltd.	535 M€	

For the second year running, **Asia was the largest region of economic influence on the global auction market in the Art & Collectibles segment. Representing 11.8 billion euros in revenue, it is home to 86 of the 141 operators in the world with annual TARs above 20 million euros.**

This expansion is essentially a consequence of China's exceptional economic growth.

■ China: the global leader, undergoing profound changes

Alongside its economic growth (9.3% GDP growth), China is pursuing its extraordinary incursion into the art market.

Still considered not so long ago as an emerging country on the international auction market, China (including Hong Kong) has managed to impose itself, in less than ten years, ahead of the major historical leaders of the market. Alone, China represents 97.7% of Asian auction and its TAR is now higher than the combined totals of the United States, the UK and France together. With less than 900 sales (representing less than 2% of the number of sales organised worldwide), the 282 Chinese operators represent 44.1% of the global A&C auction market in terms of value.

The Chinese growth in this market has been driven by the astonishing rise of several major auction companies like **Poly Auction, China Guardian, Beijing Hanhai and Beijing Council International Auction**. Together, these four operators generated 3.61 billion euros of auction revenue in Beijing alone.

In Hong Kong, **Sotheby's** and **Christie's** generated respectively 683 and 615 million euros in 2011, up 20% (aggregated) on the previous year.

China's national demand primarily focuses on Porcelain, Old Master calligraphy,



CHINE, DYNASTIE MING, ÉPOQUE XUANDE (1426-1435)

*Coupe en porcelaine blanche à décor bleu sous couverte ; marque Da Ming Xuande nian zhi en bleu au revers de la bordure. Époque Xuande
Drouot Richelieu, 8 juin
SVV J.J. Mathias, Baron Ribeyre & Associés,
Farrando- Lemoine
490 000 €
©DR*

Modern and Contemporary painting and Jade. Its market is driven not just by rich collectors, the number of which is constantly growing but also by Chinese art investment funds that attracted by the profitability of this segment. The demand is today so strong and so extended that it is allowing numerous provinces to develop auction market infrastructures. And to compete with these, the largest auction operators do not hesitate to import works from other regions of the world. Thus, for example, 40% of the pieces presented by China Guardian in 2011 came from the United States, Europe or Australia.

In total, no less than **82 Chinese operators chinois generated over 20 million euros in auction revenue, versus 28 in 2010**. In this recent and rapidly developing market, the exceptional results posted by the largest operators have however had a negative impact on the business of the more modest operators. So, for example, since 2009, the number of Chinese operators active (at least 1 sale) in the A&C segment has substantially diminished: from over 400 in 2010 to 282 in 2011. The bulk of the operators that have abandoned the A&C segment have refocused on sales of industrial equipment and plant or real estate.

Despite the reduction in the number of operators, there has in fact been a substantial rise in the number of sales (+138% over two years).

So, the observed growth has in effect been mainly driven by the small group of leading auctioneers who are gradually increasing the frequency of their sales per year, a trend which could correspond, if it continues over coming years, to a major shift in strategy.

It is worth noting in passing that this strong growth of the Chinese auction market has been accompanied by a high level of payment difficulties in the form of buyers not honouring their bids or paying late. This problem, the extent of which is difficult to measure, are regularly reflected in the Chinese media and the Chinese authorities are taking action in order to avoid such practices from undermining the security of transactions and the confidence of auction users.

■ **Japan: a contraction of revenue**

In a very difficult economic context for the country in 2011, Japan's auction revenue contracted versus 2010. The eight operators in 2011 (vs. nine in 2010) generated 100 million euros from a total of 73 sales compared with 117 million euros from 94 sales in 2010.

The largest Japanese operators are **Mainichi Art Auction** with a TAR of 54.3 million euros in 2011, followed by **Shinwa Art Auction** (28.3 million euros). The most publicised sales involve artworks, essentially Impressionist, Modern and Contemporary, that have already been sold on the Western secondary market

■ **Emerging countries: zero growth**

Compared with 2010, the auction revenue figures of the other Asian countries did not grow and nor did any new operators appear on the market.

The emerging countries' auction markets remain limited to a handful of operators some of which even saw substantial drops in the TAR figures, like **Seoul Auction** in Korea for example (13.5 million euros vs. 30 million euros in 2010).

The Indonesian operator **Larasati**, with its auction rooms in Jakarta and Singapore, posted an increase from 4 to 6.7 million euros.

Lastly, India, the world's 11th economic power according to the IMF, could have major growth potential on the auction market for Art & Collectibles. However, for the time being its activity is somewhat limited with only five auction companies generating a combined TAR of under 30 million euros. The TAR of the operator **Saffronart** fell from 18.8 to 8.4 million euros in 2011. Like AstaGuru and **Bidandhammer in India**, **Saffronart** is trying to make the internet its principal growth driver. However, the revenues of these online operators did not progress in 2011. Meanwhile, after 18 months of inactivity, the Indian operator **Osian** reopened for auction business in December 2011 with a sale that generated 11 million euros.

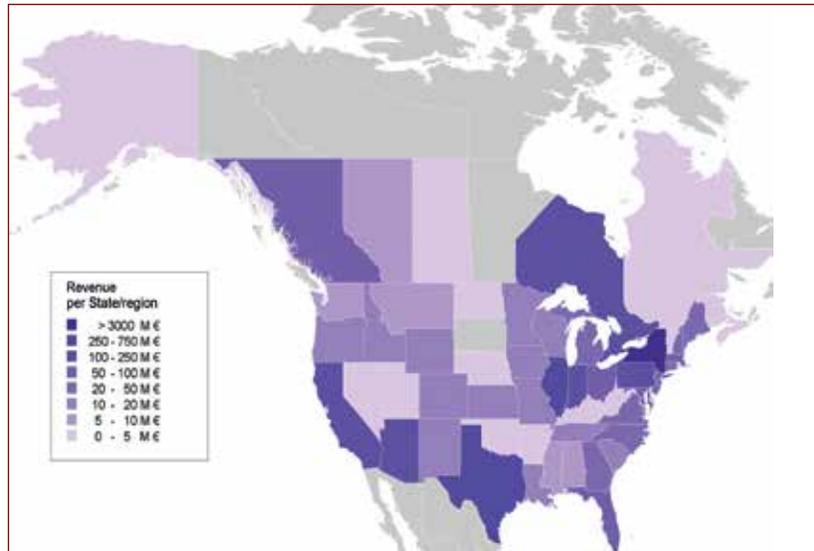


SIX FOLIOS FRAGMENTAIRES D'UN CORAN DISPERSÉ

*Écriture hijâzi sur vélin, format vertical, Arabie, probablement Médine, milieu du VII^e - début VIII^e siècle, 19,5 x 27,6 cm
Rennes, 19 septembre
Rennes Enchères SVV Expert Mme David
570 000 €
©DR*

3 | North America

2011 auction revenue in North America, per State / province



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Key figures for the North American "Art & Collectibles" segment in 2011

2011 auction revenue	€ 6 343 M	Top 5	North American auction revenue	Country
Change vs. 2010	+4,2%	Sotheby's	1 379 M€	
Number of prestige sales	2 519	Christie's	1 369 M€	
Number of Miscellaneous sales	10 623	Heritage Auction Galleries	595 M€	
Average result per sale	€ 0,48 M	Bonham's	264 M€	
Number of operators with TAR above €20m	26	Phillips de Pury & Company	236 M€	

■ The United States: moderate growth

In 2010, the United States recorded a 62% increase in its auction total national revenue. Following such a strong progression, **the 1.5% growth recorded in 2011** looks very weak and it meant **a substantial loss of global market share from 27% to 23.3% in 2011**.

Despite this weak growth, the list of operators with annual TARs above €20m contains six more operators than in 2010. There are now 24 operators generating TARs above this line. Aside from the four companies already mentioned in this report, it is worth mentioning two companies that both specialised in sales of Used Vehicles, **Gooding & Company** (94.3 million euros) and Barrett-Jackson Auction Company (89.3 million euros) as well as two of the largest operators specialised in sales of prestigious wines: Stack's (88.3 million euros) and Acker Merall (85.4 million euros).

The Top 10 American auction operators posted an average TAR growth of 6.6% in 2011, substantially higher than the national average, but nearly only a tenth of their 2010 growth rate.

Across the the 50 States, **782 companies are active on the Art & Collectibles segment**. The United States has a very large number of small size auction companies, of which 402 posted annual TARs below 1 million euros. Close to 13,000 sales were recorded for an average revenue per sale of USD 470,000.

Half of the Top 10 American auctioneers organise sales of Artworks and Antiques. This low representation of auction operators dedicated to the Art & Antiques segment is characteristic of the American market where the majority of operators are specialised in sales of Collectibles (stamps, coins and old cars), in view of the absence of a real market for old art and antiques.

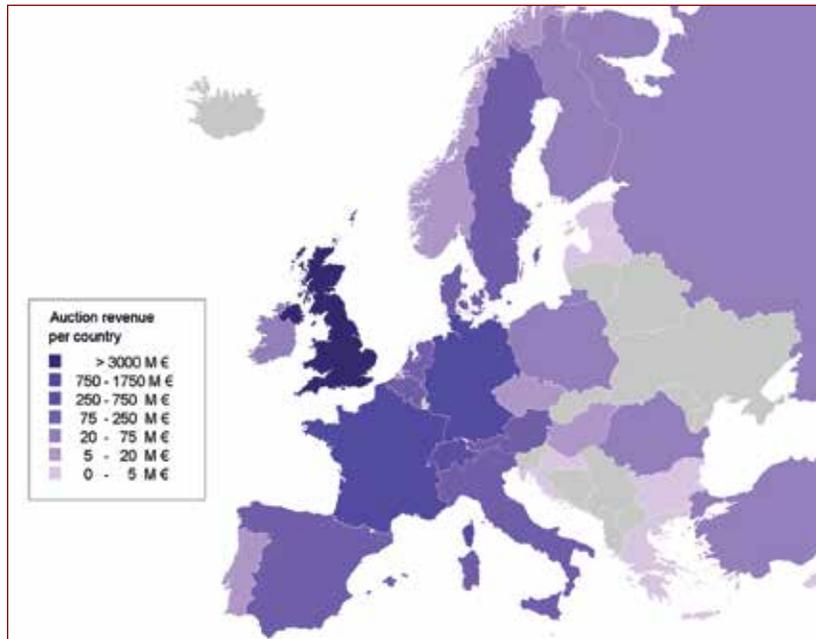
■ Canada: an essentially local market

Canada, in 7th place in the global ranking, behind Switzerland, recorded an auction revenue total of 272 million euros generated by 42 operators. The country's leading operator is **RM Auctions**, the international leader in sales of Collection Cars. Nevertheless, this operator, ranked 15th in the world, experienced a sharp fall in its auction revenue in 2011, dropping from 207.7 to 144.7 million euros, with the principal major sales in the domain having been organised by its direct competitors over the year.

The other major player on the Canadian market is specialised in Art objects. **Heffel Fine Art Auctions** also saw a reduction in its 2011 TAR (by 11.8%) giving a total of 26.1 million euros from 13 sales.

4 | Europe

2011 auction revenue in Europe, per country



Key figures for the European "Art & Collectibles" segment in 2011

2010 auction revenue	€ 7 642 M	Top 5	Auction revenue in Europe	country
Change vs. 2009	-0,1%	Christie's	1 548 M€	
Number of prestige sales	8 791	Sotheby's	1 430 M€	
Number of Miscellaneous sales	16 238	Bonham's	297 M€	
Average result per sale	€ 0,31 M	Dorotheum	144 M€	
Number of operators with TAR above €20m	33	ARTCURIAL - BRIEST - POULAIN - F.TAJAN	127 M€	

■ A. The UK, third place in the global ranking with a global market share of 12.9%

The trend observed in the UK over 2011 was very similar to the United States' trend. After posting strong growth in 2010, **the UK's auction market posted only modest growth of 2.1% in 2011**. The UK auction market for Art & Collectibles generated a TAR of 3.37 billion euros in 2011.

76% of this figure was generated in London (vs. 72% in 2010) reflecting a concentration towards the capital, at the expense of the provincial operators that mostly organise Miscellaneous sales only. 85% of provincial sales were unaccompanied by a catalogue, whereas in London, more than two thirds of the 1,120 sales organised were Prestige sales.

In total, the UK has **1,200 operators, of which 436 organised at least one sales in the Art & Collectibles segment in 2011**. Of these, **eight generated a TAR above 20 million euros in 2011 versus twelve in 2010**.

Despite a rather lacklustre year, the UK retained its global third and European leader positions.



NICOLAS VAN VERENDAEL (1640-1691)

« Nature morte aux fleurs »
Huile sur toile
Drouot Richelieu, 20 octobre
SVV APONEM – Deburaux
Record mondial
410 000 €
© Deburaux Aponem

■ France A year of records

With an annual TAR of 1,525 million euros (including fees), the French auction market showed greater resilience to the crisis than many other Western countries. **Its growth rate for 2011 of 8.6% was better than both the UK's and the USA's, the two countries with which it is often compared.** This growth appears to have been driven by a rise in both volumes and prices. The number of sales was up 10.1%, a considerably better growth rate than 2010's 6.2%. In total, Prestige sales accounted for 53% of the total volume of sales, one of the highest ratios worldwide. Indeed, the capacity to organise a large number of catalogued sales, which generate the best sales results, is clearly a substantial advantage for France on the International market.

With eleven operators posting TARs above 20 million euros (including fees), one more than in 2010, France has the highest number of operators above that threshold in Europe. Nine of them are in Paris. With a total of 1,041 million euros in auction revenue, the French capital remained the fifth most influential city in the auction world.

■ Germany: one of the strongest progressions of the year

Germany, which ranked 5th in the world both in terms of the number of auction operators (252) and in terms of its total national annual auction revenue (761 million euros in 2010), posted one of the strongest European growth rates: (+9.2% in 2011), and consolidated its 14% increase in 2010. However, this growth was also accompanied by a fall in the number of operators active in the A&C segment.

The progression of the country's TAR was therefore due to a 7.4% increase in the number of sales as well as to excellent results obtained from the most prestigious sales organised by the market's principal operators. Among these, the Berlin operator **Villa Grisebach** was the leader with a TAR of €55.4 million, up 69% and ahead of **Lempertz**, which posted a TAR of €49.2 million (up 6%) and **Nagel** which posted €48 million (up 40%). In total total, eight German companies generated TARs over 20 million euros.

Among the country's 16 länder, the excellent results earned by the largest auction operators appears to have been part of a substantial market concentration phenomenon. The Top 10 operators are located in 7 different cities: Cologne, Stuttgart, Berlin, Osnabruck, Munich, Bonn and Hamburg. **Their combined market share progressed from 30% to 38.5% in just one year.**

■ Switzerland saw a contraction of its national TAR despite the success of its key sales

The fourth country at the European level, Switzerland posted a stable number of operators active in the Art & Collectible segment (30 operateurs) sales throughout the year (165).

However, its TAR contracted by 2.2% in 2011, to 609 million euros. This national contraction was essentially caused by the weak results from a couple of large Swiss operators: **Koller** in Zurich, whose TAR fell by almost €40 million, and **Galerie Kornfeld und Cie.** Which posted a TAR down €15 million.

In total, Switzerland only has four operators that post more than 20 million euros in annual auction revenue, versus five in 2010.

■ Other European countries

Aside from the market leaders, a number of European countries posted disappointing figures in 2011.

With a 34% fall, **Italy** seems to have been the country most affected by the economic crisis. The principal Italian auction houses, **Finarte Casa d'Aste, Meeting Art, Farsetti and Sotheby's** all posted falls in their business levels. Encountering financial difficulties, **Finarte Casa d'Aste**, that was in 2010 still one of the country's Top 5 operators, closed for business in 2011.

Even **Sweden**, eighth in the global ranking, saw its TAR drop from 223 million to 212 million euros. And yet the country's leading operator, **Lauritz Christensen Auctions**, posted a 24.5% increase in TAR to 97.4 millions d'euros, representing 46% of the national total. However, the second Swedish operator, **Stockholms Auktionsverk**, experienced a 20% fall in revenue. The 50 other Swedish companies declared average TARs of 1.5 million euros compared with 1.7 million in 2010.

Austria, ninth in the global ranking (with a TAR of €201 million euros in 2011 versus €213 million a year earlier) also suffered a contraction of its market, due essentially to a fall in business at its second national operator, **Im Kinsky Kunst Auktionen**, from 41.7 to 19.2 million euros. The highly prestigious operator **Dorotheum**, the country's leading operator and fourth in Europe, generated a TAR of nearly 144 million euros in 2011, practically identical to its 2010 figure.

The Netherlands generated an annual TAR of 144 million euros thanks largely to the presence of **Sotheby's** and **Christie's**, while its 33 other Dutch operators all posted annual revenues totals below 7 million euros.

Besides **Cabral Moncada Leilões** in Portugal, **Bukowskis** in Finland and **Brünn Rasmussen** in Denmark, the other European countries like Spain, Belgium, Poland and the Czech Republic had no operators with auction revenues above the 20 million euro threshold in 2011.

CONCLUSION

Overall, 2011 was an excellent year for the global auction market; but the size of the Chinese contribution and the contrasting evolutions of the different countries on the global auction map both argue in favour of a high degree of caution in analysing the data.

It would appear, nonetheless, that we are seeing a relatively widespread structural change throughout the world characterised by major reorganisations and a market concentration trend around the largest operators.

Apart from these apparent structural changes, the cyclical improvement in the global economy in 2011 fuelled a clear increase in transaction volumes and an increase in prices at the top end of the market.

In this context, the French market did better than just resist in 2011, and it posted one of the most dynamic performances on the global market in terms not only of its growth rate, but also of its number of sales and its number of operators.



FIGURE DE RELIQUAIRE, FANG MVAÏ

*Gabon haut 53 cm
Provenance collection Marion,
Marseille. Collection Léonce et
Pierre Guerre, Marseille. Exposition
Primitivism in 20th Century Art, MoMA,
New York, 1984
Paris, 15 juin
Sotheby's Paris
2 250 000 €
© Sotheby's / Art Digital Studio*

Le Conseil des ventes volontaires de meubles aux enchères publiques, autorité de régulation, a été institué par la loi du 10 juillet 2000. En application des textes, il doit rendre compte de son activité dans un rapport annuel adressé au garde des Sceaux, ministre de la Justice, au ministre chargé de l'Économie et des Finances et au ministre de la Culture. Ce rapport est également communiqué à la Chambre nationale des commissaires-priseurs judiciaires, au Conseil supérieur du notariat, à la Chambre nationale des huissiers de justice.

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