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**SOTHEBY'S INTERNATIONAL REALTY® LUXURY NETWORK EXPANDING
IN MORE THAN 35 COUNTRIES AROUND THE WORLD**

PARSIPPANY, N.J., (July 18, 2006) – Sotheby's International Realty Affiliates, Inc. announced the Sotheby's International Realty® network is now operating in 18 nations and has executed master franchise agreements to expand into 19 additional countries and territories. Since September 2004, more than 100 firms around the world have signed multi-year franchise agreements to operate Sotheby's International Realty® offices.

Sotheby's International Realty® affiliates are part of a truly global full-service luxury real estate network. Franchisees are provided with worldwide marketing support and business development tools to enhance their position as a luxury leader in their respective markets. In turn, the franchise affiliates provide real estate clientele with global marketing exposure and high quality real estate services.

“We began to create the Sotheby's International Realty franchise network less than 30 months ago, and are extremely pleased with the response from the luxury market,” said Michael R. Good, president & CEO of Sotheby's International Realty Affiliates, Inc. “For far too long, luxury real estate firms and their clientele only could choose to be part of referral networks offering little more than marketing support for select listings. Not only do we provide superior global marketing exposure for our affiliates' property listings, we also support these firms with a full range of products and systems that help strengthen their businesses.”

“With deep roots in the world-renowned Sotheby's auction house, our brand attracts savvy international real estate buyers and sellers. Our network's innovative real estate services are designed to connect these highly desired consumers with our franchisees and their sales professionals,” added Good.

The Sotheby's International Realty® luxury network currently has more than 325 offices located in 18 countries including Anguilla, Australia, Bahamas, Bermuda, Canada, Cayman Islands, Costa Rica,

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Dominican Republic, France, New Zealand, Saint Barthelemy, Saint Maarten / St. Martin, South Africa, Spain, Switzerland, Turks & Caicos, United Kingdom and the United States.

Master franchise agreements have also been signed in 19 additional countries and territories, including Argentina, Barbados, Brazil, British Virgin Islands, Mexico, Monaco, Nicaragua, Panama, Portugal, Puerto Rico, Russia, Saba, St. Eustatius, St. Kitts & Nevis, St. Lucia, Thailand, United Arab Emirates, Uruguay and the U.S. Virgin Islands. Sotheby's International Realty® offices will be operational in these regions in the near future.

About Sotheby's International Realty Affiliates, Inc.

Founded in 1976 to provide independent brokerages with a powerful marketing and referral program for luxury listings, the Sotheby's International Realty® network was designed to connect the finest independent real estate companies to the most prestigious clientele in the world. In February 2004, Cendant Corporation (NYSE: CD), the world's leading real estate brokerage franchisor, entered into a long-term strategic alliance with Sotheby's Holdings, Inc. (NYSE: BID; LSE: STBA). The agreement provided for the licensing of the Sotheby's International Realty® name and the development of a full franchise system by Sotheby's International Realty Affiliates, Inc., a Cendant subsidiary. The agreement also included the acquisition of the company-owned real estate brokerage offices by NRT Incorporated, a Cendant subsidiary that owns and operates those offices today as Sotheby's International Realty, Inc. Affiliations in the system are granted only to brokerages and individuals meeting strict qualifications. Sotheby's International Realty Affiliates, Inc. supports its affiliates with a host of operational, marketing, recruiting, educational and business development resources. Franchise affiliates also benefit from an association with the venerable, 260-year-old Sotheby's auction house. For more information, visit www.sothebysrealty.com.