

Nine Month Report 2012

BUSINESS DEVELOPMENT

BUSINESS DEVELOPMENT

Overview of The Business Development for the Nine Months

Ended September 30, 2012

In the first nine months of 2012, the company's revenue increased by 2.8% in EUR terms, from EUR 9,932,000 in the same period of 2011 to EUR 10,208,000. However, this revenue fell in USD by 6.4%, from USD 13,967,000 to USD 13,080,000.

artnet Auctions continues to grow strongly; revenue in this segment increased in EUR terms by 18.8% (USD 8.2%) to EUR 1,887,000 (USD 2,418,000) for the nine months ended September 30, 2012 from EUR 1,589,000 (USD 2,234,000) in the same period in 2011.

In the first nine months of 2012, the buyer and seller premiums for *artnet Auctions* totaled 19% on average, compared to 21% in the same period of 2011. Revenue growth is due to improved average lot price (up 33% to USD 8,900 on average in the first nine months of 2012, compared to USD 6,700 in the same period in 2011).

Revenue for *artnet Galleries* increased by 4.7% in EUR terms in the first nine months of 2012 to EUR 3,786,000 (however, these fell in USD by 4.6% to USD 4,851,000). A new product offering and marketing initiatives are in place to fight the downturn in *artnet Galleries* memberships, which have reached a low of 1,700.

artnet Price Database Fine Art and Design and *artnet Price Database Decorative Art* revenue increased by 5.5% in EUR terms, or EUR 194,000 to EUR 3,733,000 (a decrease of 3.9%, or USD 193,000 to USD 4,784,000). Revenue for *artnet Analytics*, a product newly launched in July 2012, amounted to EUR 67,000 (USD 86,000).

Revenue for *artnet Advertising* fell by 32.7% in EUR terms to EUR 801,000 (and by 38.7% in USD to USD 1,026,000). The continued downturn in revenue in the third quarter is due to the exit by a key account manager, and the loss of his close personal contact with customers. The sales team has been restructured, and further improvements to the website and targeted sales activities starting in the fourth quarter will generate new revenue in the future.

The *artnet Magazine* was discontinued in June 2012. Revenue was EUR 41,000 (USD 53,000), compared to EUR 50,000 (USD 70,000) in the same period in 2011.

RESULTS OF OPERATIONS, FINANCIAL POSITION, AND NET ASSETS

Earnings

Earnings from continued operations fell by EUR 933,000 (USD 1,310,000), from EUR 921,000 (USD 1,295,000) to EUR 12,000 (USD 15,000). Exchange rate fluctuations caused revenue in EUR terms to increase. Revenue in US dollars, the currency in which business activities are primarily conducted, fell by USD 888,000. In addition, the operating result was depressed by the increase in the Cost of Sales (EUR 729,000) and Other Operating Expenses (EUR 478,000). The increase in the Cost of Sales compared to the same period of the previous year is primarily due to higher salaries in *artnet Auctions*, and the newly introduced product *artnet Analytics*. The increase in other operating expenses (downturn in USD by USD 51,000) was due to higher expenses for product development and the increase in other administrative expenses (i.e., relocation to new offices). The increase in development costs was due to higher personnel and consulting expenses in connection with the reorganization and redesign of the website.

The loss from the discontinuation of *artnet Magazine* totaled EUR 1,290,000 (USD 1,653,000) in the first nine months of 2012 compared to EUR 1,030,000 (USD 1,448,000) in the same period of 2011. Adjustments to provisions have caused a positive outcome of EUR 129,000 in the third quarter for discontinued operations. The premature end to the rental agreement (a follow-on tenant was found faster than had been expected) for the Paris offices and the positive outcome to the negotiations for compensation for former employees led to the reversal of the provisions that had been formed.

Total net loss fell from EUR 156,000 (USD 219,000) in the previous year by EUR 1,123,000 (USD 1,420,000) to EUR 1,279,000 (USD 1,639,000) in 2012. The slump in advertising income during the third quarter, which was not compensated by corresponding major expenses, also contributed to the strong downturn in consolidated earnings, and to the one-off costs such as compensation and consulting costs resulting from the reorganization (in addition to the liquidation of the Magazine division). In addition, product development costs are far higher

than the expenses in the previous year due to higher maintenance expenses for redesigning the website. These additional expenses were the primary factor depressing earnings in the third quarter.

Diluted earnings per share were EUR 0.23 (USD 0.30) compared to EUR 0.03 (USD 0.04) in the same period in 2011.

Currency Conversion

Currency conversion in the consolidated statement of comprehensive income is based on the average exchange rate for the period ending September 30, 2012 and 2011, respectively. In the first nine months of 2012, the average exchange rate was 0.780 EUR/USD compared to 0.711 EUR/USD in the same period of the previous year. Currency conversion for the balance sheet is based on the exchange rate at the end of the period. As of September 30, 2012, the rate was 0.778 euros/dollars compared to 0.772 on December 31, 2011.

artnet is subject to exchange rate fluctuations because it invoices in euros, US dollars, and British pounds, but conducts most of its business in the United States. The Group works to reduce its exposure to exchange rate differences by billing European customers in euros and British customers in British pounds, and by paying vendors in the same currency with these cash funds.

Financial Position

The artnet Group's cash flow from operating activities was EUR 644,000 as of September 30, 2012, as compared to EUR 322,000 as of September 30, 2011. There is a downturn of EUR 917,000 from continued operations. This strong downturn in cash flow is due to the reduction in revenue, mostly in marketing, and a downturn in the new contracts concluded and renewals. In addition, the cash flow from operating activities from continued operations was impacted by higher personnel expenses and additional costs for reorganization and redesigning the website. The cash flow from the discontinued Magazine division developed positively compared to the previous year.

The artnet Group's cash flow from investing activities was EUR 625,000 as of September 30, 2012, as compared to EUR 308,000 as of September 30, 2011. In 2012, construction and furniture purchases for the new office in New York account for EUR (296,000) (USD 383,000) of the Group's cash flow from investing

activities. The capitalized costs for analysis and development activities in the artnet Analytics segment total EUR 165,000 (USD 214,000); the remainder is due to the renewal of hardware and software for the network infrastructure.

The cash flow for financing activities was EUR 149,000 as of September 30, 2012, compared to EUR 120,000 as of September 30, 2011, and comprised payments for the redemption of liabilities from finance leases (i.e., IT and office fittings). The increase is due to the conclusion of new lease agreements in connection with fittings for the new office facilities.

In total, the cash balance decreased from EUR 2,112,000 (USD 2,736,000) on December 31, 2011 to EUR 703,000 (USD 904,000) on September 30, 2012. The strong reduction in cash and cash equivalents is due to the stagnating revenue and the downturn in USD revenue, as well as capital expenditure (i.e., artnet Analytics and the relocation to the new office). In addition, one-off expenses resulting from the reorganization which has been started also led to a cash outflow. After completion of the reorganization and maintenance activities, as well as targeted sales drives, a positive cash flow is forecast for November. The savings activities implemented and an increase in new agreements concluded mean that the company's financing has been secured. In addition, negotiations are being held with banks for credit lines.

The cash investment policy for the Group is conservative and based on short-term investments. This policy allows all cash to be liquid and available. As of September 30, 2012, the liquidity per share totaled EUR 0.13 (USD 0.16) based on an average of 5,552,986 shares in circulation, compared to EUR 0.38 (USD 0.49) on December 31, 2011.

Asset Position

Consolidated total assets amounted to EUR 6,85,000 (USD 8,811,000) on September 30, 2012, compared to EUR 7,437,000 (USD 9,631,000) on December 31, 2011, representing a downturn in EUR terms of 8% (9% in USD).

Trade accounts receivable fell by EUR 31,000 (USD 48,000) to EUR 910,000 (USD 1,170,000).

Non-current assets increased by EUR 813,000 (USD 1,028,000) to EUR 2,712,000 (USD 3,487,000). The Group's non-current assets are primarily in USD. The increase is driven by capital expenditure for the new office building in the amount of EUR 585,000 (USD 743,000) for construction and office furniture and EUR 268,000 (USD 345,000) for furniture under finance leases, as well as the capitalization of development costs for artnet Analytics of EUR 166,000 (USD 214,000), only partially offset by continuing depreciation and amortization from prior periods.

Total current liabilities increased by EUR 286,000 (USD 344,000) from EUR 2,634,000 (USD 3,411,000) as of December 31, 2011 to EUR 2,920,000 (USD 3,755,000). This increase is mainly due to the deferred liabilities for the discontinuation of the Magazine division, and the closure of the office in France in the amount of EUR 241,000 (USD 309,000).

Non-current liabilities in the amount of EUR 283,000 (USD 364,000) increased by EUR 232,000 (USD 298,000) compared to EUR 51,000 (USD 66,000) on December 31, 2011. This increase is due to the conclusion of long-term lease agreements for furniture and fittings for the new office.

The artnet Group's consolidated equity was EUR 3,649,000 (USD 4,692,000) on September 30, 2012 compared to EUR 4,752,000 (USD 6,154,000) on December 31, 2011.

artnet Price Database constitutes an intangible asset that has been developed by gathering auction information over the last 20 years. This valuable asset to the Group has not been attributed full earnings recognition on the balance sheet due to accounting rules. Balance sheet assets would be substantially increased if this recognition were allowed by law.

Employees

As of September 30, 2012, there were 117 full-time employees in the Group, versus 111 in the same period of 2011. Additionally, the artnet Group had 12 part-time employees as of September 30, 2012, as compared to 18 in the same period a year ago. The Group had 9 freelance employees in sales and other areas, compared to 11 freelance employees on September 30, 2011. The restructuring activities introduced led to a reduction of five full-time employees compared to the second quarter. It was also

possible to reduce the number of part-time employees (down two employees) and the number of freelance employees (down two employees).

GENERAL INFORMATION AND BUSINESS ACTIVITIES

artnet AG is a holding company. Its shares are listed on the regulated market (Prime Standard) on the Frankfurt Stock Exchange. Its primary equity interest is its wholly-owned subsidiary Artnet Worldwide Corporation, which was formed in 1989 in New York. artnet AG ("artnet" or "the Company") and Artnet Worldwide Corporation ("Artnet Corp.," collectively "the artnet Group" or "the Group") operate under the trade name "artnet."

Artnet Corp. has two wholly-owned subsidiaries: artnet UK, which provides sales and client support in the United Kingdom, and artnet France sarl. artnet France sarl's business operations were discontinued in June 2012.

The company's websites www.artnet.com, www.artnet.de, and www.artnet.fr offer the world's most comprehensive overview of the market, and thus attracted an average of 1.6 million unique visitors per month in the first nine months of 2012. The provision of timely information about artwork values, artists, galleries, price developments, and exhibitions enable collectors and art professionals to better navigate the art market.

As of September 30, 2012, the *artnet Galleries* division spanned 1,700 of the world's most famous art galleries and auctioneers on five continents. Members of *artnet Galleries* are indexed by specialty and location, and represent an aggregate 170,000 works in inventory from 35,000 artists. *artnet Galleries* offer all forms of Contemporary, Modern, and Classic Fine Art, as well as Design objects, crafts, and antiquities from all eras.

The *artnet Price Database*, which comprises the *artnet Price Database Fine Art and Design* and the *artnet Price Database Decorative Art*, is an online database with 7 million illustrated auction results from more than 850 leading international auctioneers. It gives price transparency to an otherwise secretive market for artworks and antiquities. Subscribers to the *artnet Price Database Fine Art and Design* and the *artnet Price Database Decorative Art* receive access to current results as well as

auction results dating back to 1985. They also receive the most up-to-date and impartial value for artworks they would like to buy or sell. The *artnet Price Database* is widely subscribed to by appraisers, dealers, auctioneers, financiers, as well as private and government institutions, including the IRS and the FBI. Most importantly, it provides an illustrated "blue book" for private collectors with which to appraise the works they own, and measure opportunities at upcoming auctions or on the dealer market. Dealers and auctioneers also use comparable sales from the *artnet Price Database* to support the valuation and sale of important works of art.

artnet Analytics Reports allow collectors and financial analysts alike to gauge the value of artists and art categories over time, and compare their performance to financial indices, such as the S&P 500, Dow Jones, or alternative assets. The Analytics Reports are based on the exclusive in-house statistical methodology derived from *artnet Price Database* auction results.

With *artnet Auctions*, artnet has become a business-to-customer transaction platform with an integrated information resource. The main advantages for buyers and sellers on *artnet Auctions* are the attractive pricing and the fast turnaround, which can be finalized in a few weeks, compared to the six months or a year required by brick-and-mortar art auctioneers. *artnet Auctions* routinely sees works by blue-chip Modern and Contemporary artists sold in the five and six-figure range.

artnet Monographs is an online art library developed in close collaboration with artists, estates, foundations, and art galleries. This source for monographs for Modern and Contemporary artists is growing constantly; it is characterized by a large selection of artworks and 156 biographies. This academic resource can be viewed free of charge on the artnet website.

Redline Capital Management S.A. published the offer document within the meaning of Section 11 of the Wertpapiererwerbs- und Übernahmegesetz (WpÜG - German Securities Acquisition Act) on August 31, 2012 for the voluntary public takeover offer for all shareholders of artnet AG to acquire the shares of artnet that they hold according to Section 14 (2) and (3) of the WpÜG. The offer was geared to acquiring control of the target company, and was thus a voluntary public takeover offer within

the meaning of the WpÜG. The offer documents were sent to the board of directors on August 31, 2012. The bidder made its decision to issue an offer without this being requested, and had not coordinated this with either the board of directors or the supervisory board. At no point in time were there any agreements or deals between the bidder and artnet prior to the offer or the opinion presented. According to the provisions and conditions of the offer document, the bidder made an offer to all of artnet's shareholders to acquire their registered shares of artnet (ISIN DE000A1K0375/German Securities Code (WKN) A1K 037), each with a proportionate interest in the share capital of EUR 1.00, including dividend rights for fiscal year 2012 and all of the other incidental rights on the date of processing at an offered price of EUR 6.40 per share of artnet.

The board of directors performed an internal enterprise valuation based on the corporate forecasts. After considering the overall circumstances in this internal enterprise valuation, the board of directors and supervisory board came to the conclusion that the compensation of EUR 6.40 per share of artnet that was offered was not reasonable from a financial perspective.

The deadline for acceptance of the offer ended at midnight (CET) on September 28, 2012.

The attempt made by Redline Capital Management S.A. to acquire a majority of the company via a voluntary takeover offer made to the shareholders of artnet AG has failed. The acceptance rate for Redline's takeover offer was just 19.93% of the share capital. The offer now has to be reversed.

KEY EVENTS AFTER THE BALANCE SHEET DATE

It was not possible to use the offices in Manhattan for a week as a result of Hurricane Sandy. However, the website's operation was secured, and so the hurricane only had a minor impact on the company's direct business operations. However, as some of our customer galleries were damaged by the hurricane, it is not yet possible to conclusively estimate the impact that this will have on our company.

RISK OF THE FUTURE DEVELOPMENT

The company is aware of the risks as a result of the strong downturn in revenue, in particular for Advertising, and the

downturn in cash and cash equivalents. Corresponding activities (optimizing the sales strategy and savings activities) were put in place at an early stage to combat this trend. However, these will only start to visibly bring successes, such as the increase in new contracts concluded, in the fourth quarter.

OUTLOOK

artnet initiated extensive restructuring activities in 2012, which will lead to long-term cost savings. These activities have now mostly been fully implemented. The associated additional expenses will depress consolidated earnings and cash and cash equivalents in the fourth quarter, however they ensure that artnet will start the New Year much leaner and with enhanced performance. In spite of the initial success of these long-term activities, revenue on a USD basis in the artnet Advertising, *artnet Galleries*, and *artnet Price Database* segments are expected to be lower on a year by year basis. In contrast, revenue in the *artnet Auctions* segment will be higher than in the previous year, although they will still lag expectations. This is primarily due to restructuring activities which affected sales in particular, and to artnet's economic environment, which continues to be difficult. The ongoing risks from the European financial crisis will continue to impact global economic growth in the coming months. After a slight recession in the eurozone and moderate growth in the United States, the forecasts for 2013 are reserved, but we are still facing the situation with confidence.

We have laid the foundations for the future with our restructuring activities, and now we can reap the fruit from our work. This also includes product development. Over the past few years, artnet has made major investments in developing new products, and has financed these entirely with equity. The product range is now mostly complete, and we can turn our concentration to other tasks.

The focus in the fourth quarter and in 2013 will thus be reinforcing our sales activities and marketing.

Berlin, November 15, 2012

Chief Executive Officer
Jacob Pabst

artnet AG CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of September 30, 2012 and December 31, 2011

	30/09/2012 Consolidated USD	31/12/2011 Consolidated USD	30/09/2012 Consolidated EUR	31/12/2011 Consolidated EUR
Cash and cash equivalents				
Cash and cash equivalents	903,981	2,735,520	702,935	2,112,368
Accounts receivable-net	1,169,749	1,217,974	909,597	940,519
Prepays and other current assets	908,449	676,248	706,410	522,199
Total current assets	2,982,179	4,629,741	2,318,942	3,575,086
NONCURRENT ASSETS				
Property and equipment	1,538,434	792,402	1,196,286	611,893
Intangible assets	1,948,545	1,666,614	1,515,188	1,286,959
Security deposit	434,659	634,498	337,991	489,959
Deferred tax asset	1,907,577	1,907,577	1,483,332	1,473,031
Total noncurrent assets	5,829,215	5,001,091	4,532,797	3,861,842
TOTAL ASSETS	8,811,394	9,630,832	6,851,739	7,436,928
LIABILITIES AND SHAREHOLDER'S EQUITY				
CURRENT LIABILITIES				
Accounts payable	495,519	504,209	385,315	389,350
Accrued expenses and other liabilities	1,032,157	1,038,247	801,740	801,734
Provisions for restructuring costs	309,073		241,200	
Finance Lease obligation	249,846	129,308	194,280	99,852
Deferred revenue	1,668,864	1,739,107	1,297,709	1,342,939
Total current liabilities	3,755,459	3,410,871	2,920,244	2,633,875
LONG TERM LIABILITIES				
Long term portion of Finance Lease	363,586	65,557	282,724	50,623
TOTAL LIABILITIES	4,119,045	3,476,429	3,202,968	2,684,498
SHAREHOLDERS' EQUITY				
Common stock	5,941,512	5,941,512	5,631,067	5,631,067
Treasury stock	(269,241)	(269,241)	(264,425)	(264,425)
Additional paid-in capital	52,156,288	52,061,314	50,797,598	50,723,480
Accumulated deficit	(51,784,190)	(51,827,976)	(51,482,744)	(51,514,219)
Current net profit or loss	(1,638,892)	43,786	(1,278,991)	31,475
Foreign currency translation	286,871	205,008	246,266	145,052
TOTAL SHAREHOLDERS' EQUITY	4,692,349	6,154,403	3,648,771	4,752,430
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8,811,394	9,630,832	6,851,739	7,436,928

artnet AG CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Nine Months Ended September 30, 2012 and 2011

For the Three Months Ended September 30, 2012 and 2011

	01.01 -30.09.2012 restated USD	01.01 -30.09.2011 restated USD	01.01 -30.09.2012 angepasst EUR	01.01 -30.09.2011 restated EUR	01.01 -30.09.2012 restated EUR	01.01 -30.09.2011 restated EUR	01.01 -30.09.2012 restated EUR	01.01 -30.09.2011 restated EUR
Revenue								
artnet Galleries	4.851.451	5.083.104	3.786.072	3.614.595	1.559.502	1.666.522	1.247.813	1.177.206
artnet Price Database	4.783.960	4.977.285	3.733.402	3.539.347	1.579.655	1.602.097	1.264.349	1.131.488
artnet Auctions	2.417.980	2.234.476	1.886.992	1.588.936	613.959	696.769	496.452	491.936
artnet Advertising	1.025.859	1.672.192	800.580	1.189.096	233.095	519.584	189.518	366.825
Total revenue	13.079.249	13.967.057	10.207.046	9.931.974	3.986.211	4.484.972	3.198.132	3.167.455
Cost of sales	5.676.838	5.204.249	4.430.204	3.700.742	1.940.776	1.806.817	1.550.447	1.277.014
Gross profit	7.402.411	8.762.808	5.776.842	6.231.233	2.045.435	2.678.155	1.647.685	1.890.442
Other operating expenses								
Selling and marketing	1.680.321	1.953.524	1.311.322	1.389.151	479.437	523.391	385.681	368.894
General and administrative	3.499.506	3.569.874	2.731.014	2.538.538	1.325.130	1.159.955	1.055.005	819.302
Product development	2.142.455	1.782.362	1.671.972	1.267.438	639.204	466.138	513.266	328.444
Non-cash compensation	94.974	162.320	74.118	115.426	4.830	54.309	4.635	38.371
Total other operating expenses	7.417.255	7.468.081	5.788.426	5.310.552	2.448.600	2.203.794	1.958.587	1.555.010
Profit or Loss from operations	(14.844)	1.294.728	(11.584)	920.681	(403.165)	474.362	(310.902)	335.432
Interest expense	(22.333)	(16.715)	(17.429)	(11.886)	7.990	(5.113)	5.944	(3.609)
Interest income	13.132	13.014	10.248	9.254	3.202	2.354	2.595	1.649
Other income/expense	19.899	27.321	15.528	19.428	1.017.59	(13.282)	78.626	(9.538)
Profit or loss prior to tax provision	(4.146)	1.318.348	(3.237)	937.477	(290.215)	458.321	(223.737)	323.934
Income taxes	18.211	(89.434)	14.212	(63.596)	7.022	(45.549)	5.588	(32.288)
Net profit or loss from continuing operations	14.062	1.228.914	10.974	873.881	(283.194)	412.772	(218.149)	291.646
Net loss discontinued operations	(1.652.954)	(1.447.832)	(1.289.966)	(1.029.554)	129.037	(509.574)	83.593	(360.201)
Net loss	(1.638.892)	(218.918)	(1.278.991)	(155.673)	(154.158)	(96.802)	(134.556)	(68.555)
Other comprehensive income								
Exchange differences on translating	81.863	(63.168)	101.214	(157.359)	36.782	(10.892)	(41.315)	219.897
Total comprehensive income	(1.557.029)	(282.086)	(1.177.777)	(313.032)	(117.376)	(107.694)	(175.871)	151.342
Earnings per share								
Net profit per basic share	(0.30)	(0.04)	(0.23)	(0.03)	(0.03)	(0.02)	(0.02)	(0.01)
Net profit per diluted share	(0.30)	(0.04)	(0.23)	(0.03)	(0.03)	(0.02)	(0.02)	(0.01)
Earnings per share: Continuing								
Per basic share	0.00	0.22	0.00	0.16	(0.05)	0.07	(0.04)	0.05
Per diluted share	0.00	0.22	0.00	0.16	(0.05)	0.07	(0.04)	0.05
Weighted average shares								
Basic	5.552.986	5.552.986	5.552.986	5.552.986	5.552.986	5.552.986	5.552.986	5.552.986
Diluted	5.552.986	5.587.986	5.552.986	5.587.986	5.552.986	5.587.986	5.552.986	5.587.986

artnet AG CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY (USD)

For the Nine Months Ended September 30, 2012 and 2011

	Common stock		Additional paid-in capital	Treasury stock	Accumulated deficit	Foreign currency translation	Total
	Shares issued	Amount					
BALANCE - December 31, 2010	5,631,067	5,941,512	51,833,659	(269,241)	(51,827,976)	39,679	5,717,633
Net income/(loss)					(218,918)		(218,918)
Foreign currency translation						(63,168)	(63,168)
Total comprehensive income/(loss)					(218,918)	(63,168)	(282,086)
Non-cash compensation			172,590				172,590
BALANCE - September 30, 2011	5,631,067	5,941,512	52,006,249	(269,241)	(52,046,894)	(23,489)	5,608,137
BALANCE - December 31, 2011	5,631,067	5,941,512	52,061,314	(269,241)	(51,784,190)	205,008	6,154,404
Net income/(loss)					(1,638,892)		(1,638,892)
Foreign currency translation						81,863	81,863
Total comprehensive income/(loss)					(1,638,892)	81,863	(1,557,029)
Non-cash compensation			94,974				94,974
BALANCE - September 30, 2012	5,631,067	5,941,512	52,156,288	(269,241)	(53,423,081)	286,871	4,692,349

artnet AG CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY (EURO)

For the Nine Months Ended September 30, 2012 and 2011

	Common stock		Additional paid-in	Treasury stock	Accumulated deficit	Foreign currency	Total
	Shares issued	Amount					
BALANCE - December 31, 2010	5,631,067	5,631,067	50,559,842	(264,425)	(51,514,219)	(97,739)	4,314,526
Net income/(loss)					(155,673)		(155,673)
Foreign currency translation						(157,359)	(157,359)
Total comprehensive income/(loss)					(155,673)	(157,359)	(313,032)
Non-cash compensation			122,729				122,729
BALANCE - September 30, 2011	5,631,067	5,631,067	50,682,571	(264,425)	(51,669,892)	(255,098)	4,124,223
BALANCE - December 31, 2011	5,631,067	5,631,067	50,723,480	(264,425)	(51,482,744)	145,052	4,752,430
Net income/(loss)					(1,278,991)		(1,278,991)
Foreign currency translation						101,214	101,214
Total comprehensive income/(loss)					(1,278,991)	101,214	(1,177,777)
Non-cash compensation			74,118				74,118
BALANCE - September 30, 2012	5,631,067	5,631,067	50,797,598	(264,425)	(52,761,735)	246,266	3,648,770

	30/09/2012 Consolidated USD	30/09/2011 Consolidated USD	30/09/2012 Consolidated EUR	30/09/2011 Consolidated EUR
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit/(loss)	(1,638,892)	(218,918)	(1,278,991)	(155,673)
Net profit/(loss) from continuing operations	14,062	1,228,914	10,974	873,881
Net profit/(loss) from discontinued operations	1,652,954	(1,447,832)	(1,289,966)	(1,029,554)
Adjustments to reconcile net profit to net cash provided by (used in) operating activities:				
Depreciation and amortization	382,574	596,635	298,561	424,267
Provision for doubtful accounts	220,038	83,444	171,717	59,337
Non-cash compensation	94,974	172,590	74,118	122,729
Other non-cash transactions	76,670	(75,651)	74,583	(111,167)
Accounts receivable	(171,813)	257,669	(134,083)	183,228
Prepaid and other current assets	(232,201)	(163,770)	(181,210)	(116,457)
Security deposits	199,839	(11,385)	155,954	(8,096)
Accounts payable	(8,690)	(28,803)	(6,782)	(20,482)
Provisions	---	7,961	---	5,661
Accrued expenses and tax liabilities	302,982	(170,850)	236,448	(121,491)
Deferred revenue	(70,242)	81,310	(54,621)	59,795
TOTAL ADJUSTMENTS	794,131	749,150	634,686	477,326
NET CASH PROVIDED BY /USED IN OPERATING ACTIVITIES	(844,761)	530,232	(644,305)	321,652
NET CASH PROVIDED BY /USED IN OPERATING ACTIVITIES: continuing operations	491,757	1,928,035	398,713	1,315,630
NET CASH PROVIDED BY /USED IN OPERATING ACTIVITIES: discontinued operations	(1,336,517)	(1,397,803)	(1,043,018)	(993,978)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	(375,512)	(24,396)	(293,050)	(17,348)
Purchase and development of intangible assets	(425,505)	(408,647)	(332,064)	(290,589)
NET CASH USED IN INVESTING ACTIVITIES	(801,017)	(433,043)	(625,114)	(307,937)
NET CASH USED IN INVESTING ACTIVITIES: continuing operations	(789,285)	(431,686)	(615,958)	(306,969)
NET CASH USED IN INVESTING ACTIVITIES: discontinued operations	(11,732)	(1,357)	(9,156)	(968)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of financial lease	(190,953)	(168,801)	(149,020)	(120,034)
NET CASH USED IN FINANCING ACTIVITIES	(190,953)	(168,801)	(149,020)	(120,034)
NET CASH USED IN FINANCING ACTIVITIES: continuing operations	(190,953)	(168,801)	(149,020)	(120,034)
NET CASH USED IN FINANCING ACTIVITIES: discontinued operations	---	---	---	---
Effects of exchange rate changes on cash	5,193	12,483	9,007	(5,807)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	(1,831,539)	(59,129)	(1,409,433)	(112,126)
CASH – Beginning	2,735,520	3,575,208	2,112,368	2,697,852
CASH – Ending	903,981	3,516,079	702,935	2,585,726
Notes on discontinued operations:				
NET CASH PROVIDED BY /USED IN OPERATING ACTIVITIES: discontinued operations				
Net loss	(1,490,200)	(1,447,832)	(1,162,952)	(1,029,554)
Depreciation	7,364	43,351	5,747	30,827
Accrued expenses and tax liabilities	309,073	---	328,438	---
Non-cash items	---	6,678	---	4,749
NET CASH PROVIDED BY /USED IN OPERATING ACTIVITIES: discontinued operations	(1,061,978)	(1,397,803)	(828,768)	(993,978)
NET CASH USED IN INVESTING ACTIVITIES: discontinued operations	(11,732)	(1,357)	(9,156)	(968)
TOTAL CASH USED IN DISCONTINUED OPERATIONS	(1,073,711)	(1,399,160)	(837,924)	(994,946)

Notes on the Consolidated Interim Financial Statements for the Nine Month Period in 2012

Corporate Information

Artnet AG (hereinafter referred to as "artnet AG" or "the Company") is a publicly-traded corporation headquartered in Berlin, Germany. The address of its registered office is Oranienstraße 164, 10969 Berlin, Germany. artnet AG was incorporated under the laws of Germany in 1998.

artnet AG holds a 100% interest in Artnet Worldwide Corporation ("Artnet Corp."), which has its registered office in New York, NY, United States, and which in turn holds a 100% interest in artnet UK Ltd. and artnet France sarl. artnet AG and Artnet Corp. together with Artnet Corp.'s wholly-owned subsidiaries are referred to as "the Group" or "the artnet Group."

The Group's business is to provide an online resource for art collectors, galleries, publishers, auction houses, and art enthusiasts to sell and buy art at galleries and auction houses around the world, and learn about art and artists. Additionally, the Group launched artnet Online Auctions (now *artnet Auctions*) in 2008. This product is a web-based trading platform for Modern and Contemporary Art by emerging and renowned artists alike.

artnet AG's board of directors released the consolidated interim financial statements for publication on November 14, 2012.

Basis of Presentation

These unaudited interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) for interim financial information effective within the European Union. In particular, they correspond to the "Interim Financial Reporting" guidelines in IAS 34. They also comply with the German accounting Standard (DRS) No.16 on interim reporting and §§ 37x, 37w of the Securities Trading Act. These financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

The following new or revised standards and interpretations became mandatory in fiscal 2012:

IFRS 7 Financial Instruments: Disclosures—Transfers of financial assets

The application of this standard does not have a significant impact on the presentation of the interim consolidated financial statements in 2012.

In June 2012, the management of the Company decided to discontinue one of its segments, *artnet Magazine*, and, in connection, to close its office in Paris, France. These interim financial statements disclose the results for continued operations and discontinued operations in line with IFRS 5 - Discontinued Operations for both 2012 and 2011.

A detailed description of all other accounting policies is published in the notes on the annual consolidated financial statements for 2011.

The management of the Company is convinced that the consolidated interim financial statements include all adjustments of a normal and recurring nature considered necessary for a fair presentation of results for the interim period for the continuing operations. Results for the period that ended on September 30, 2012 are not necessarily indicative for future results.

The consolidated interim financial statements as of September 30, 2012 and the group interim management report have not been audited in accordance with Section 317 of the German Commercial Code or reviewed by an auditor.

The consolidated financial statements have been prepared on a historical cost basis. The balance sheet date is September 30, 2012.

Reporting Period

The consolidated interim financial statements were prepared for the reporting period from January 1 through September 30, 2012. The fiscal year for all Group companies coincides with the calendar year.

Foreign Currency Translation and Transactions

Amounts mentioned in the interim consolidated financial statements and notes to the interim consolidated financial statements are stated in euros (EUR), unless otherwise noted. The reporting currency is euros.

The currency of the primary economic environment in which the artnet Group operates is US dollars, which is the functional currency of the operating subsidiary Artnet Corp. Transactions in currencies other than US dollars are recorded at the exchange rates prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses from foreign currency transactions are recognized as other income/expenses.

On consolidation, the assets and liabilities of the Group's operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. The accumulated gains and losses resulting from translation are recorded as a separate component of the Group's equity.

Currency exchange rates that are significant to the artnet Group are the translation of US dollar (USD) to euro (EUR) and of US dollar (USD) to British pound (GBP). The following exchange rates have been used for the currency translation in the periods presented:

	USD in EUR		USD in GBP	
	30.09.2012	31.12.2011	30.09.2012	31.12.2011
Stichtagskurs	0.778	0.772	0.619	0.647
Periodendurchschnittskurs	0.780	0.719	0.634	0.623

Basis of Consolidation and Consolidated Companies

The consolidated financial statements include the legal parent company, artnet AG, its wholly-owned subsidiary Artnet Corp., as well as the subsidiaries of this company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

On February 23, 1999, artnet AG entered into a transaction with Artnet Corp. which was treated as a recapitalization of Artnet Corp., with Artnet Corp. as the acquirer of artnet AG (reverse acquisition). The Company accounted for the business combination of artnet AG and Artnet Corp. as a reverse acquisition in accordance with IFRS 3.

On November 1, 2007, Artnet Corp. established artnet UK Ltd, which is a wholly-owned subsidiary and acts as a sales agent for Artnet Corp. in the United Kingdom.

On July 3, 2008, Artnet Corp. established Artnet France sarl, which is a wholly owned subsidiary of Artnet Corp. In June 2012, the management of the Company decided to close the offices of artnet France sarl.

All significant inter-company transactions, balances, income, and expenses are eliminated during consolidation.

Share capital

Conditional Capital—Share Based Payments

The shareholders' meeting on July 15, 2009, conditionally increased the capital stock by EUR 560,000 through the issue of up to 560,000 new no-par value bearer shares, which can be issued as stock options to members of the Company's board of directors and members of the management of affiliated entities, as well as to employees of artnet AG or its affiliated entities (Conditional Capital 2009/I).

The entry of the amendments of the articles of incorporation into the Company's commercial register, as required for the effectiveness of these resolutions by the shareholders' meeting, took place on February 2, 2010.

Authorized Capital

The shareholders' meeting of artnet AG on July 15, 2009, authorized the board of directors, with the approval of the supervisory board, to increase the capital stock by up to EUR 2,800,000 before July 14, 2014, through the issue of 2,800,000 new no-par value bearer shares in exchange for cash contributions or contributions in kind (Authorized Capital 2009/I). No common shares were issued under the Authorized Capital 2009/I in 2012 and 2011.

The entry of the amendments of the articles of incorporation into the Company's commercial register, as required for the effectiveness of these resolutions by the shareholders' meeting, took place on February 2, 2010.

Treasury Shares

On September 30, 2012, artnet AG held an unchanged number of 78,081 treasury shares, or 1.4% of the share capital.

Income Taxes

Income tax expense is recognized in the interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Due to its tax loss carry-forward, Artnet Corp. only has to pay the alternative minimum corporation tax.

The Group reviews the carrying amount of its deferred tax asset once per year, and will be reviewing the deferred tax asset in the fourth quarter of 2012, based on the most recent budget for the fiscal years 2013 to 2015.

Segment Reporting

The Group reports on the operating segments in the same way it reports operating segment information to the management and supervisory board.

The four continuing Group's reportable segments are as follows:

- The *artnet Galleries* segment presents the member galleries' artworks that are available for sale online.
- The *artnet Price Database* segment comprises all database-related products. These products include the *artnet Price Database Fine Art and Design* and the *artnet Price Database Decorative Art*, as well as the products based thereupon, including artnet Market Alert, artnet Analytics Reports, and *artnet Monographs*. Das Segment artnet Advertising erstellt Banner und nationale sowie internationale Werbung zur Wiedergabe auf der Website.
- The artnet Advertising segment produces banner and national advertising on the website.
- *artnet Auctions* provides an online platform to buy and sell artworks online.

Previously reported as a segment, *artnet Magazine* was discontinued in June 2012. Segment reporting below has been restated for both 2012 and 2011 without *artnet Magazine* and without the French office.

Segment performance is evaluated based on profit or loss before taxes. Expenses that are not directly attributable are allocated to the reportable segments primarily based on the headcount and revenue for each reportable segment.

A measure of total assets or liabilities for each reportable segment is not provided to the management. As a result, total assets or liabilities are not disclosed for each reportable segment.

EUR					
Period to September 30, 2012	artnet Galleries	artnet Price Database	artnet Auctions	artnet Advertising	Total
Umsatzerlöse	3,786,072	3,733,402	1,886,992	800,580	10,207,046
Ergebnis vor Steuern	264,175	500,636	(978,809)	75,557	(138,441)

EUR					
Period to September 30, 2011	artnet Galleries	artnet Price Database	artnet Auctions	artnet Advertising	Total
Revenues	3,614,595	3,539,347	1,588,936	1,189,096	9,931,974
Profit before taxes	342,794	688,925	(515,480)	128,854	645,093

Discontinued Operations

In June 2012, the management of the Company decided to discontinue the *artnet Magazine* division.

The discontinuation of the *artnet Magazine* division also includes the closure of our Paris office, which mostly dealt with preparing the French magazine. The loss in 2012 and 2011 from the discontinued operations is disclosed in EUR:

artnet Magazine	2012	2011
Revenues up to and including September	41,000	77,000
Actual expenses up to and including September	(1,331,000)	(1,107,000)
Magazine Loss	(1,290,000)	(1,030,000)

Earnings Per Share

Basic earnings per share are calculated by dividing net income by the weighted-average number of common shares outstanding during the year.

Diluted earnings per share are calculated in the same manner as basic earnings per share, with the exception that the average number of shares outstanding increases by adding the potential number of shares from stock option conversions.

The calculation of earnings per share is based on the following data:

Artnet Magazine	January 1 - September 30, 2012 EUR	January 1 - September 30, 2011 EUR
Numerator (Earnings):		
Group profit or loss for the first nine months	(1,278,991)	(155,673)
Numerator (Earnings):		
Group profit or loss for the first nine months in continued operations	10,974	873,881
Denominator (Number of Shares):		
Weighted average number of ordinary shares used to calculate basic earnings per share (issued and fully paid ordinary shares)	5,552,986	5,552,986
Effect of potential shares: stock options	0	17,000
Weighted average number of ordinary shares used to calculate dilutive earnings per share	5,552,986	5,569,986

The weighted average exercise price is higher than the average share price in 2012. In consequence, there are no diluted shares.

Employees

As of September 30, 2012, there were 117 full-time employees in the Group, in contrast with 111 full-time employees in the same period of 2011. Additionally, the artnet Group had 12 part-time employees as of September 30, 2012, as compared to 18 in the previous year. The Group had 9 freelance employees in sales and other areas, compared to 11 freelance employees on September 30, 2011.

Accounting Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with IFRS necessitates estimates and assumptions that influence assets and liabilities, income and expenses, as well as information in the notes to the financial statements. Actual results and developments may differ from these estimates and assumptions.

Estimates made by management that have a significant effect on the interim consolidated financial statements include the recognition of deferred tax assets and of development costs, the measurement of provisions and accruals, the useful lives of non-current assets, and the assessment of bad debt provisions on accounts receivables.

Other Disclosures

Redline Capital Management S.A. published the offer document within the meaning of Section 11 of the Wertpapiererwerbs- und Übernahmegesetz (WpÜG - German Securities Acquisition Act) on August 31, 2012, for the voluntary public takeover offer for all shareholders of artnet AG to acquire the shares of artnet that they hold according to Section 14 (2) and (3) of the WpÜG. The offer was geared to acquiring control of the target company and was thus a voluntary public takeover offer within the meaning of the WpÜG. The offer documents were sent to the board of directors on August 31, 2012. According to the provisions and conditions of the offer document, the bidder made an offer to all of artnet's shareholders to acquire the shares of artnet held in their name (ISIN DE000A1K0375/German Securities Code (WKN) A1K 037), each with a proportionate interest in the share capital of EUR 1.00, including dividend rights for fiscal year 2012 and all of the other incidental rights on the date of processing at an offered price of EUR 6.40 per share of artnet.

The board of directors performed an internal enterprise valuation based on the corporate forecasts. As a result of this internal enterprise valuation, and after considering the overall circumstances, the board of directors and supervisory board came to the conclusion that the compensation of EUR 6.40 per share of artnet that was offered was not reasonable from a financial perspective.

The deadline for acceptance of the offer ended at midnight (CET) on September 28, 2012.

The attempt by Redline Capital Management S.A. to acquire a majority interest in the company via a voluntary takeover offer to artnet AG's shareholders has failed. The acceptance rate for Redline's takeover offer was just 19.93% of the share capital. The offer now has to be reversed.

In a suit dated September 7, 2012, Redline Capital Management S.A. (registered office in Luxembourg) raised an objection to the resolutions passed in artnet AG's ordinary general meeting on August 8, 2012, agenda item 4 (resolution on changes to the articles of incorporation) and, as an alternative, provided an action for nullification. The suit and action for nullification is currently pending at Berlin Regional Court. The plaintiff mostly asserts formal defects in passing the resolution. As a result of the legal counsel obtained, the board of directors is convinced that the suit and action for nullification is most probably unfounded and illegal according to the current estimate of the legal situation, which is not yet conclusive.

If, however, the suit or the action for nullification should still be successful, it would not be possible to complete the changes to the articles of incorporation resolved under agenda item 4.

Related Party Transaction

Mr. Jacob Pabst was elected to artnet AG's board of directors with effect from July 12, 2012. The previous sole member of the board of directors, Hans Neuendorf, announced that he was resigning from office during the course of the general meeting on August 8, 2012. Two members of the board of directors worked for the company for the transitional period.

On August 10, 2012, a consulting agreement was concluded with Gallerie Neuendorf AG for a two-year period. Hans Neuendorf is Gallerie Neuendorf's CEO. The agreement is for ongoing strategic advice concerning product development and business growth, in particular at an international level. The agreement has an annual lump-sum remuneration of EUR 360,000. EUR 50,000 has been expensed to date for 2012.

Disclosure according to Section 26 of the WpHG (German Securities Trading Act)

1) July 2, 2012

1.

Weng Fine Art AG, which has its registered office in Krefeld, Germany, informed us that its share of the voting rights in artnet AG exceeded the thresholds of 5% and 10% on June 27, 2012, and

on this date such amounts to 10.01% (563,485 voting rights) of the total of 5,631,067 voting rights in artnet AG.

Of this total, 6.40% of voting rights, or 360,485 of the total of 5,631,067 voting rights in artnet AG, are attributable via Redline Capital Management, Société Anonyme with its registered office in Luxembourg, Luxembourg, according to Section 22 (2) of the WpHG

2.

Mr. Rüdiger K. Weng, of Germany, informed us that his share of the voting rights in artnet AG exceeded the thresholds of 5% and 10% on June 27, 2012, and on this date such amounts to 10.24% of voting rights, or 576,485 of the total of 5,631,067 voting rights in artnet AG.

Mr. Rüdiger K. Weng's total voting rights are allocated as follows: 3.84%, corresponding to 216,000 of the total of 5,631,067 voting rights in artnet AG, are attributed to Mr. Rüdiger K. Weng according to Section 22 (1) Sentence 1 No. 1 of the WpHG; of these voting rights, Mr. Rüdiger K. Weng is attributed 3.61% of voting rights, or 203,000 of a total of 5,631,067 voting rights, in artnet AG via Weng Fine Art AG. 6.40% of voting rights, which corresponds to 360,485 of the total of 5,631,067 voting rights in artnet AG, are attributed to Mr.

Rüdiger K. Weng via Redline Capital Management, Société Anonyme with its registered office in Luxembourg, Luxembourg, according to Section 22 (2) of the WpHG.

2) July 2, 2012

1.

Redline Capital Management, Société Anonyme, with its registered office in Luxembourg, Luxembourg, informed us that its share of the voting rights in artnet AG exceeded the threshold of 10% of voting rights on June 27, 2012, and on this date such amounts to 10.01% of voting rights, or 563,485 of the total of 5,631,067 voting rights, in artnet AG.

Of this total, 3.61% of voting rights, or 203,000 of the total of 5,631,067 voting rights in artnet AG, are attributable to Redline Capital Management, Société Anonyme via Weng Fine Art AG with

its registered office in Krefeld, Deutschland, according to Section 22 (2) of the WpHG.

2.

Instacom International S.A. SPF, with its registered office in Luxembourg, Luxembourg, informed us that its share of the voting rights in artnet AG exceeded the threshold of 10% of voting rights on June 27, 2012, and on this date such amounts to 10.01% of voting rights, or 563,485 of the total of 5,631,067 voting rights in artnet AG.

Instacom International S.A. SPF's total voting rights are attributed as follows: 6.40%, or 360,485 of a total of 5,631,067 voting rights in artnet AG, are attributed to Instacom International S.A. SPF within the meaning of Section 22 (1) No. 1 of the WpHG via Redline Capital Management, Société Anonyme. 3.61% of voting rights, which corresponds to 203,000 of the total of 5,631,067 voting rights in artnet AG, are attributed to Instacom International S.A. SPF via Weng Fine Art AG with its registered office in Krefeld, Deutschland, according to Section 22 (2) of the WpHG.

3.

Mr. Vladimir Evtushenkov, of Russia, informed us that his share of the voting rights in artnet AG exceeded the threshold of 10% on June 27, 2012, and on this date such amounts to 10.01% of voting rights, or 563,485 of the total of 5,631,067 voting rights in artnet AG.

Mr. Vladimir Evtushenkov's total voting rights are attributed as follows: 6.40%, which corresponds to 360,485 of the total of 5,631,067 voting rights in artnet AG, are attributed to Mr. Vladimir Evtushenkov within the meaning of Section 22 (1), sentence 1, No. 1 WpHG via Redline Capital Management, Société Anonyme and Instacom International S.A. SPF. 3.61%, which corresponds to 203,000 of the total of 5,631,067 voting rights in artnet AG, are attributed to Instacom International S.A. SPF via Weng Fine Art AG with its registered office in Krefeld, Deutschland, according to Section 22 (2) of the WpHG.

3) July 26, 2012

On June 27, 2012, Weng Fine Art AG, with its registered office in Krefeld, Germany, informed us that its share of the voting rights in artnet AG exceeded the thresholds of 5% and 10% on June 27, 2012, and on this date such amounts to 10.01% of voting right, or 563,485 of the total of 5,631,067 voting rights in artnet AG. On June 27, 2012 Mr. Rüdiger K. Weng, Germany, informed us that his share of the voting rights in artnet AG exceeded the thresholds of 5% and 10% on June 27, 2012 and on this date such amounts to 10.24% of voting rights, or 576,485 of the total of 5,631,067 voting rights in artnet AG.

With regard to the targets pursued with the acquisition of voting rights and the origin of the funds used for their acquisition, Mr. Rüdiger K. Weng provided the following information for himself personally and for Weng Fine Art AG on July 25, 2012, according to Section 27a (1) of the WpHG:

1. Objective of the acquisition of voting rights (Section 27a (1) Sentence 1 in connection with Sentence 3 of the WpHG)

- a. The investment serves to implement strategic objectives.
- b. After the reporting parties acquired further shares of artnet AG, after exceeding the thresholds, they do not currently intend to acquire further voting rights in artnet AG either via an acquisition or in any other manner.
- c. The reporting parties aim to influence the memberships of administrative, management, and supervisory bodies of artnet AG.
- d. The reporting parties do not currently aim to make any material changes to artnet AG's capitalization, in particular with regard to the relationship between equity and borrowing and the dividend policy.

2. Origin of the funds used to acquire voting rights (Section 27a (1) Sentence 4 of the WpHG)

The voting rights were acquired using equity.

4) July 26, 2012

On June 27, 2012, Redline Capital Management, Soci t  Anonyme, with its registered office in Luxembourg, Luxembourg, informed us that its share of the voting rights in artnet AG exceeded the threshold of 10% of voting rights on June 27, 2012, and on this date such amounts to 10.01% of voting rights, or 563,485 of the total of 5,631,067 voting rights in artnet AG. On June 27, 2012, Instacom International S.A. SPF, with its registered office in Luxembourg, Luxembourg, informed us that its share of the voting rights in artnet AG exceeded the threshold of 10% of voting rights on June 27, 2012, and on this date such amounts to 10.01% of voting rights, or 563,485 of the total of 5,631,067 voting rights in artnet AG. On June 27, 2012, Mr. Vladimir Evtushenkov, of Russia, informed us that his share of the voting rights in artnet AG exceeded the threshold of 10% on June 27, 2012, and on this date such amounts to 10.01% of voting rights, or 563,485 of the total of 5,631,067 voting rights in artnet AG.

With regard to the targets pursued with the acquisition of voting rights and the origin of the funds used for their acquisition, Redline Capital Management S.A., Instacom International S.A. SPF, and Mr. Vladimir Evtushenkov provided the following information on July 25, 2012, according to Section 27a (1) of the WpHG:

1. Objective of the acquisition of voting rights (Section 27a (1) Sentence 1 in connection with Sentence 3 of the WpHG)

- a. The investment serves to implement strategic objectives.
- b. The reporting parties do not currently intend to acquire further voting rights in artnet AG either via an acquisition or in any other manner.
- c. The reporting parties aim to influence the memberships of administrative, management, and supervisory bodies of artnet AG.
- d. The reporting parties do not currently aim to make any material changes to artnet AG's capitalization, in particular with regard to the relationship between equity and borrowing and the dividend policy.

2. Origin of the funds used to acquire voting rights (Section 27a (1) Sentence 4 of the WpHG)

The voting rights were acquired using equity.

5) August 3, 2012

On August 3, 2012, Ms. Renate Bothe, of Germany, informed us, according to Section 21 (1) of the WpHG, that her share of the voting rights in artnet AG exceeded the thresholds of 3%, 5%, and 10% on August 8, 2012, as a result of the power of attorney to exercise voting rights at the general meeting of artnet AG, and on this date such amounts to 12.58% of voting rights, or 708,180 of the total of 5,631,067 voting rights in artnet AG.

Of this total, 8.88% of voting rights, or 500,000 of the total of 5,631,067 voting rights in artnet AG, are attributable to Ms. Renate Bothe via Mr. Robert de Rothschild, New York, United States, according to Section 22 (1) Sentence 1 No. 6 of the WpHG.

2.16% of voting rights, or 121,680 of a total of 5,631,067 voting rights of artnet AG, are attributed to Ms. Renate Bothe via Ms. Christiane Waldbauer, Hamburg, according to Section 22 (1) Sentence 1 No. 6 of the WpHG. 1.33% of voting rights, or 75,000 of a total of 5,631,067 voting rights of artnet AG, are attributed to Ms. Renate Bothe via B. Metzler seel. Sohn & Co. KGaA, according to Section 22 (1) Sentence 1 No. 6 of the WpHG.

0.2% of voting rights, or 11,500 of a total of 5,631,067 voting rights of artnet AG, are attributed to Ms. Renate Bothe via Ms. Nicole von Bredow, according to Section 22 (1) Sentence 1 No. 6 of the WpHG.

After the end of artnet AG's general meeting on August 8, 2012, Ms. Renate Bothe is due 0% of the voting rights in artnet AG, which corresponds to 0 voting rights of a total of 5,631,067 voting rights in artnet AG.

6) August 8, 2012

1.

Redline Capital Management, S.A., with its registered office in Luxembourg, Luxembourg, informed us that its share of the voting rights in artnet AG fell below the threshold of 10% of voting rights on July 23, 2012, and on this date such amounts to 9.94% of

voting rights, or 559,531 of the total of 5,631,067 voting rights in artnet AG.

Of this total, 3.55% of voting rights, or 200,100 of the total of 5,631,067 voting rights in artnet AG, are attributable to Redline Capital Management S.A. via parties including Weng Fine Art AG, which has its registered office in Krefeld, Deutschland, according to Section 22 (2) of the WpHG.

2.

Instacom International S.A. SPF, which has its registered office in Luxembourg, Luxembourg, informed us that its share of the voting rights in artnet AG fell below the threshold of 10% of voting rights on July 23, 2012, and on this date such amounts to 9.94% of voting rights, or 559,531 of the total of 5,631,067 voting rights in artnet AG.

Instacom International S.A. SPF's total voting rights are attributed as follows: 6.38%, or 359,431 of a total of 5,631,067 voting rights in artnet AG, are attributed to Instacom International S.A. SPF within the meaning of Section 22 (1) of the WpHG via Redline Capital Management S.A. 3.55% of voting rights, or 200,100 of the total of 5,631,067 voting rights in artnet AG, are attributable to Instacom International S.A. SPF via parties including Weng Fine Art AG, which has its registered office in Krefeld, Deutschland, according to Section 22 (2) of the WpHG.

3.

Mr. Vladimir Evtushenkov, of Russia, informed us that his share of the voting rights in artnet AG fell below the threshold of 10% on July 23, 2012, and on this date such amounts to 9.94% of voting rights, or 559,531 of the total of 5,631,067 voting rights in artnet AG.

Mr. Vladimir Evtushenkov's total voting rights are attributed as follows:

6.38% of voting rights, or 359,431 of a total of 5,631,067 voting rights in artnet AG, are attributed to Mr. Vladimir Evtushenkov within the meaning of Section 22 (1) of the WpHG via Redline Capital Management S.A. and Instacom International S.A. SPF. 3.55% of voting rights, or 200,100 of the total of 5,631,067 voting rights in artnet AG, are attributable to Mr. Vladimir Evtushenkov

via parties including Weng Fine Art AG, which has its registered office in Krefeld, Deutschland, according to Section 22 (2) of the WpHG.

7) August 8, 2012

1.

Weng Fine Art AG, which has its registered office in Krefeld, Germany, informed us that its share of the voting rights in artnet AG fell below the threshold of 10% on July 23, 2012, and on this date such amounts to 9.94% of voting rights, or 559,531 of the total of 5,631,067 voting rights in artnet AG.

Of this total, 6.38% of voting rights, or 359,531 of the total of 5,631,067 voting rights in artnet AG, are attributable to Weng Fine Art AG via parties including Redline Capital Management, S.A., which has its registered office in Luxembourg, Luxembourg, according to Section 22 (2) of the WpHG.

2.

Mr. Rüdiger K. Weng, of Germany, informed us that his share of the voting rights in artnet AG fell below the threshold of 10% on July 23, 2012, and on this date such amounts to 9.94% of voting rights, or 559,531 of the total of 5,631,067 voting rights in artnet AG.

The total voting rights are attributed to Mr. Rüdiger K. Weng as follows: 0.0018% of voting rights, which corresponds to 100 of the total of 5,631,067 voting rights in artnet AG, are attributed to Mr. Rüdiger K. Weng according to Section 22 (1) Sentence 1 No. 1 of the WpHG. 3.55% of voting rights, which corresponds to 200,000 of the total of 5,631,067 voting rights in artnet AG, are attributed to Mr. Rüdiger K. Weng according to Section 22 (1) Sentence 1 No. 1 of the WpHG and Section 22 (2) of the WpHG via Weng Fine Art AG. 6.38% of voting rights, or 359,431 of the total of 5,631,067 voting rights in artnet AG, are attributed to Mr. Rüdiger K. Weng via Redline Capital Management, S.A., which has its registered office in Luxembourg, Luxembourg according to Section 22 (2) of the WpHG.

8) August 20, 2012.

1.

Weng Fine Art AG, which has its registered office in Krefeld, Germany, informed us that its share of the voting rights in artnet AG fell below the thresholds of 5% and 3% on August 15, 2012, and on this date such amounts to 2.20% of voting rights, or 124,000 of the total of 5,631,067 voting rights in artnet AG.

2.

Mr. Rüdiger K. Weng, of Germany, informed us that his share of the voting rights in artnet AG fell below the thresholds of 5% and 3% on August 15, 2012, and on this date such amounts to 2.20% of voting rights, or 124,100 of the total of 5,631,067 voting rights in artnet AG.

All of the voting rights are attributed to Mr. Rüdiger K. Weng according to Section 22 (1) Sentence 1, No. 1 of the WpHG. Of these voting rights, 2.20%, or 124,000 of a total of 5,631,067 voting rights in artnet AG, are attributed to Mr. Rüdiger K. Weng via Weng Fine Art AG.

9) 22. August 2012

We received the following notice within the meaning of Section 25 (1) WpHG on August 17, 2012:

1. Issuer: artnet AG, Oranienstraße 164, 10969 Berlin
2. Reporting party: Redline Capital Management S. A., Country: Luxembourg, Registered office: Luxembourg
3. Threshold affected: Exceeded
4. Reporting threshold affected: 5%
5. Date threshold affected: May 21, 2012
6. Voting rights held by reporting party: 9.07%, which corresponds to 510,783 voting rights
7. Details to voting rights: Voting rights due to financial/other instruments according to Section 25 of the WpHG: 8.88%, which corresponds to 500,000 voting rights. Thereof held indirectly: 0%, which corresponds to 0 voting rights. Share of voting rights according to Sections 21, 22 of the WpHG: 0.19%, which corresponds to 10,783 voting rights.
8. Details of financial/other instruments according to Section 25 of the WpHG:

Expiry: May 21, 2012

We received the following notice within the meaning of Section 25 (1) WpHG on August 17, 2012:

1. Issuer: artnet AG, Oranienstraße 164, 10969 Berlin
2. Reporting party: Instacom International S.A. SPF, Country: Luxembourg, Registered office: Luxembourg
3. Threshold affected: Exceeded
4. Reporting threshold affected: 5%
5. Date threshold affected: May 21, 2012
6. Voting rights held by reporting party: 9.07%, which corresponds to 510,783 voting rights
7. Details to voting rights: Share of voting rights due to financial/other instruments according to Section 25 of the WpHG: 8.88%, which corresponds to 500,000 voting rights. Thereof held indirectly: 8.88%, which corresponds to: 500,000 voting rights. Share of voting rights according to Sections 21, 22 of the WpHG: 0.19%, which corresponds to 10,783 voting rights.
8. Details of financial/other instruments according to Section 25 of the WpHG: Chain of controlled companies: Redline Capital Management S. A.

Expiry: May 21, 2012

We received the following notice within the meaning of Section 25 (1) WpHG on August 17, 2012:

1. Issuer: artnet AG, Oranienstraße 164, 10969 Berlin
2. Reporting party: Vladimir Evtushenkov, Country: Russia
3. Threshold affected: Exceeded
4. Reporting threshold affected: 5%
5. Date threshold affected: May 21, 2012
6. Voting rights held by reporting party: 9.07%, which corresponds to 510,783 voting rights
7. Details to voting rights: Share of voting rights due to financial/other instruments according to Section 25 of the WpHG: 8.88%, which corresponds to: 500,000 voting rights. Thereof held indirectly: 8.88%, which corresponds to: 500,000 voting rights. Share of voting rights according to Sections 21, 22 of the WpHG: 0.19%, which corresponds to: 10,783 voting rights.

8. Details of financial/other instruments according to Section 25 of the WpHG: Chain of controlled companies: Redline Capital Management S. A., Instacom International S.A. SPF

Expiry: May 21, 2012

August 22, 2012

We received the following notice within the meaning of Section 25 (1) WpHG on August 17, 2012:

1. Issuer: artnet AG, Oranienstraße 164, 10969 Berlin
2. Reporting party: Redline Capital Management S. A., Country: Luxembourg, Registered office: Luxembourg
3. Threshold affected: Fallen below
4. Reporting threshold affected: 5%
5. Date threshold affected: May 29, 2012
6. Voting rights held by reporting party: 0%, which corresponds to 0 voting rights
7. Details of voting rights: Share of voting rights due to financial/ other instruments according to Section 25 of the WpHG: 0%, which corresponds to: 0 voting rights. Thereof held indirectly: 0%, which corresponds to 0 voting rights. Share of voting rights according to Sections 21, 22 of the WpHG: 0.19%, which corresponds to 10,783 voting rights. Notice of voting rights provided within the meaning of Section 25 (1) of the WpHG.

We received the following notice within the meaning of Section 25 (1) WpHG on August 17, 2012:

1. Issuer: artnet AG, Oranienstraße 164, 10969 Berlin
2. Reporting party: Instacom, International S.A. SPF, Country: Luxembourg, Registered office: Luxembourg
3. Threshold affected: Fallen below
4. Reporting threshold affected: 5%
5. Date threshold affected: May 29, 2012
6. Voting rights held by reporting party: 0%, which corresponds to 0 voting rights
7. Details of voting rights: Share of voting rights due to financial/ other instruments according to Section 25 of the WpHG: 0%, which corresponds to 0 voting rights. Thereof held indirectly: 0%, which corresponds to 0 voting rights. Share of voting rights according to Sections 21, 22 of the WpHG: 0.19%, which corresponds to 10,783 voting rights. Notice of voting rights provided within the meaning of Section 25 (1) of the WpHG.

We received the following notice within the meaning of Section 25 (1) WpHG on August 17, 2012:

1. Issuer: artnet AG, Oranienstraße 164, 10969 Berlin
2. Reporting party: Vladimir Evtushenkov, Country: Russia
3. Threshold affected: Fallen below
4. Reporting threshold affected: 5%
5. Date threshold affected: May 29, 2012
6. Voting rights held by reporting party: 0%, which corresponds to 0 voting rights
7. Details of voting rights: Share of voting rights due to financial/ other instruments according to Section 25 of the WpHG: 0%, which corresponds to: 0 voting rights. Thereof held indirectly: 0%, which corresponds to: 0 voting rights. Share of voting rights according to Sections 21, 22 of the WpHG: 0.19%, which corresponds to: 10,783 voting rights.

August 29, 2012—Correction to notice dated August 22, 2012

We received the following notice within the meaning of Section 25 (1) WpHG on August 28, 2012:

1. Issuer: artnet AG, Oranienstraße 164, 10969 Berlin
2. Reporting party: Redline Capital Management S. A., Country: Luxembourg, Registered office: Luxembourg
3. Threshold affected: Fallen below
4. Reporting threshold affected: 5%
5. Date threshold affected: May 29, 2012
6. Voting rights held by reporting party: 0%, which corresponds to 0 voting rights
7. Details of voting rights: Share of voting rights due to financial/ other instruments according to Section 25 of the WpHG: 0%, which corresponds to 0 voting rights. Thereof held indirectly: 0%, which corresponds to 0 voting rights. Share of voting rights according to Sections 21, 22 of the WpHG: 9.07%, which corresponds to 510,783 voting rights. Notice of voting rights provided within the meaning of Section 25 (1) of the WpHG.

We received the following notice within the meaning of Section 25 (1) WpHG on August 28, 2012:

1. Issuer: artnet AG, Oranienstraße 164, 10969 Berlin
2. Reporting party: Instacom International S.A. SPF, Country: Luxembourg, Registered office: Luxembourg

3. Threshold affected: Fallen below
4. Reporting threshold affected: 5%
5. Date threshold affected: May 29, 2012
6. Voting rights held by reporting party: 0%, which corresponds to 0 voting rights
7. Details of voting rights: Share of voting rights due to financial/ other instruments according to Section 25 of the WpHG: 0%, which corresponds to 0 voting rights. Thereof held indirectly: 0%, which corresponds to 0 voting rights. Share of voting rights according to Sections 21, 22 of the WpHG: 9.07%, which corresponds to 510,783 voting rights. Notice of voting rights provided within the meaning of Section 25 (1) of the WpHG.

We received the following notice within the meaning of Section 25 (1) WpHG on August 17, 2012:

1. Issuer: artnet AG, Oranienstraße 164, 10969 Berlin
2. Reporting party: Vladimir Evtushenkov, Country: Russia
3. Threshold affected: Fallen below
4. Reporting threshold affected: 5%
5. Date threshold affected: May 29, 2012
6. Voting rights held by reporting party: 0%, which corresponds to 0 voting rights
7. Details of voting rights: Share of voting rights due to financial/ other instruments according to Section 25 of the WpHG: 0%, which corresponds to: 0 voting rights. Thereof held indirectly: 0%, which corresponds to 0 voting rights. Share of voting rights according to Sections 21, 22 of the WpHG: 9.07%, which corresponds to 510,783 voting rights.

Key events after the balance sheet date

It was not possible to use the offices in Manhattan for a week as a result of Hurricane Sandy. However, the website's operation was secured, and so the hurricane only had a minor impact on the company's direct business operations. However, as some of our customer galleries were damaged by the hurricane, it is not yet possible to conclusively estimate the impact that this will have on our company.

Berlin, November 15, 2012

Chief Executive Officer
Jacob Pabst

Authorities

artnet AG

Supervisory Board

John Hushon, *Chairman*

Prof. Dr. Walter Rust, *Deputy Chairman*

Dr. Jochen Gutbrod

Management Board

Jacob Pabst, *CEO*

Artnet Worldwide Corporation

Jacob Pabst, *CEO*

artnet UK Ltd.

Jacob Pabst, *CEO*

artnet France sarl

Jacob Pabst, *CEO*

Offices

artnet AG

Oranienstraße 164

10969 Berlin

info@artnet.de

Tel. +49 30 209178-0

Fax +49 30 209178-29

Artnet Worldwide Corporation

233 Broadway, 26th Floor

New York,

NY

10279-2600

USA

info@artnet.com

Tel. +1 212 497 9700

Fax +1 212 497 9707

artnet UK Ltd.

Morrell House

98 Curtain Road

London EC2A 3AF

Großbritannien

info@artnet.co.uk

Tel. +44 20 7729 0824

Fax +44 20 7033 9077

Investor Relations

You can find information for investors and the annual financial statements at www.artnet.com/investor-relations/.

If you have further queries, please send an email to ir@artnet.de or send your inquiry by mail to one of our offices.

Information on artnet Stock

The common stock of artnet AG is traded on the Prime Standard of the Frankfurt Stock Exchange under the symbol "ART." You can find notices of relevant company developments on <http://www.artnet.com/investor-relations/>.

German Securities Code Number

WKN A1K037

ISIN DE000A1K0375

©2012 artnet AG, Berlin

artnet AG
Oranienstraße 164
10969 Berlin

artnet[®] auctions For Galleries and Collectors