

PRESS RELEASE  
MID-YEAR REVIEW 2009  
Record turnover during crisis

During the first half year 2008 the world still seemed in order. *Im Kinsky Kunst Auktionen* euphemistically announced an increase in the mid-year turnover to a record high of €12.45 Mio. In autumn things changed drastically: The insolvency of the *Lehman Brothers Bank* and the collapse of the American property market led to the imbalance of the entire financial sector and to an economic crisis, which affected the entire world. The art market was not spared from these turbulences either.

Of course a disaster on the international market didn't come about. It came to price corrections for some formerly highflying, contemporary (American and English) artists, but in general the prices remained stable. At the autumn auctions of *Im Kinsky* there were significantly fewer sales and therefore a lower turnover than expected. However, throughout the year the turnover remained at a high level.

As a result we were expecting difficult times ahead for the year 2009. But already the anniversary auction in February 2009 proved us wrong. After the last auction before summer we are able to announce a record result for the **first half-year 2009: €14 Mio. This is an increase of 11.2 %.**

Admittedly, at our auction things were looking up from the beginning. At the **anniversary auction on February 24<sup>th</sup> 2009** there was no sign of a crisis. In any case we immediately felt at ease thanks to the great atmosphere in the crammed auction-hall. The highlight of the auction, **Max Oppenheimer's "Die Geißelung"** fetched the highest price of the evening with **€557.000**, in spite of an export ban by the Federal Monuments Office (and there was definitely a high buying interest from foreign art collectors), **"Die drei Musen"** by **Ernst Klimt**, the early deceased younger brother of Gustav Klimt, achieved a sensational increase from €18.000 to **€237.000**. Numerous price records (for Oppenheimer, Ernst Klimt, Herbert Ploberger, Karl Prantl, Joannis Avramidis, Oskar Mulley, Helene Funke and others were registered and at the end of the auction we were wondering were the crisis was.



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Apart from this great success, which was mainly linked to the top-class offers, we also felt the recession of the global economy. At the auction in April it was apparent that some of our regular clients were absent. They either had financial problems, as they told us, or the daily incoming bad news spoiled their interest in buying. But there were at least partly replaced by new customers, who showed a sudden interest in the art market. These people also had lost money at the stock market; now they wanted to possess something which at least could be touched and looked at and which would give them pleasure even if it also here came to price corrections.

However, such price corrections are not to be expected. Already after 1929 art proved itself to be of stable value. At the beginning of this century the *Dresdner Bank* compared the returns of shares, bonds and art over a period of more than a hundred years and came to the conclusion that all reviewed documents either went under during World War I, the Great inflation at the beginning of the twenties, the Global economic crisis or during World War II. Nevertheless art overcame these crises.

The consequences of course are: unpredictability of price formation, brought on by new market participants (and the absence of previous ones). The sales in general have also suffered. **In April** a controversial, but highly valued Rubens-study as well as a portrait, attributed to **Anthonis van Dyck**, of Queen Henrietta Maria of England, remained unsold. Instead telephone bidders fought determinedly for **Faustino**



**Bocchi's "Festtag im Zwergenreich"** and the end result of **€93.750** put the auctioneers into high spirits. This event was even exceeded by **Jan van de Venne's "Versuchung des Hl. Antonius"**, when the estimated value of **€15.000** was raised to **€94.400**. A mythological scene from the workshop of **Bartholomäus Spranger** then took the biscuit: Valued at only **€5.000** the painting fetched forty times more than its lower estimated price: **€200.000**.

Of course success is always accompanied by a good portion of luck. *Im Kinsky* was confided with the entire art gallery of **D&S Antiques**, which is specialized in antique clocks. Just as four years earlier during the liquidation of Michael Stoff's art business, extremely low bidding limits were set and the bidding not only went up but also went down. "Everything has been sold" and the white flag went up. Here too, the result was to a great extent due to new clients. The fact that since 1945 only twice was a **100% sell-out** achieved in Austria emphasizes how

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outstanding an event this was. And that this succeeded in a period when macroeconomics - carefully formulated - are a little problematic, illustrates this even more.



The unpredictability of the market was also a highly visible factor at the last auction. “*Das Stehende Mädchen*” by **Egon Schiele** was valued at €70.000, but was raised to an amazing price of **€383.000**; Schiele’s aquarelle nude couldn’t even keep up with this, it was auctioned at €303.000. Also the price for a nude drawing by **Gustav Klimt** (€200.000) is basically a sensation. Especially the high prices held which hid the fact that the sales, except for the Jugendstil, were weak.

It nearly seemed as if that what was accepted by the market went extremely well – the rest failed without a whimper. This development was the same for the contemporary artists, although here the sales were considerably better. **Friedenreich Hundertwasser’s** “*Zwiegespräch*” was sold for **€193.000** and is the highest price which has ever been reached for this artist in Austria. A record was also achieved by **Arik Brauer**, whose opus “*In statu nascendi*” brought in **€112.000**. With **€140.000** the “*Kirchenmodell*” by **Fritz Wortruba** fetched one of the highest prices which has ever been registered for this artist. The interest was



exceptionally high in the sector of Jugendstil. And just like in the other sectors, there were one-off prices for one-off items: A silver gilt brooch by Josef Hoffmann designed for the Wiener Werkstätte 1910 was raised to **€187.500**: one of the rare winter putti by **Michael Powolny** fetched **€56.000**.

All in all the first half-year 2009 indicates the following:

- The interest in contemporary art which seemed to slacken off in autumn 2008 has returned. Here the sales figures are highest, but not to the same level as in the previous year. *Im Kinsky* managed to maintain the position as market leader. Of the top 100 artists (according to the ranking of the magazine *Format* of the beginning of June 2009) 62% reached their highest prices at *Im Kinsky*.
- The top-selling section is and will remain the Classic Modernism. Nowhere else higher prices are to be fetched for works of art (mainly of Austrian provenance). That the works

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by Oppenheimer, Schiele, Klimt and Walde lead the top ten is therefore not a coincidence. Furthermore, there is a constant international demand for Schiele and Klimt, who therefore have a high price level.

- By contrast the paintings of the 19<sup>th</sup> century remain little in demand. Here the market needs to offer something unique in order to motivate the collectors. Just like die “Drei Musen” by Ernst Klimt as well as the “Konstantinbogen in Rom” by Rudolf von Alt were capable of installing such a motivation.
- Old Masters showed a strong sign of life with three breakaways. Jugendstil is even successful when bidders from the US are partly abstinent (which they are at the moment). The strong demand for Lötz Glas and the Wiener Werkstätte comes mainly from Austrian collectors. And the antiques – supported by the special circumstances of the D&S auction – once again showed a strong sign of life.

Louis Pasteur once revealed that his recipe for success was nothing but endurance. This might be overmodest. But in the present situation, when nobody can tell what will happen next, great perseverance is definitely not a disadvantage. In any case the unexpected successes of the last auctions allowed us to take a deep breath.

Kind regards,

Yours Otto Hans Ressler

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