

PRESS RELEASE**CHANGING CONSUMER ATTITUDES DRIVE GOLD JEWELLERY DEMAND**

2nd August 2006: The increasing independence of women in developing countries and shifts in attitudes and behaviours, combined with a significant increase in their personal wealth, have led to enormous growth in the potential market for gold jewellery. Research revealed today by the World Gold Council points to major cultural changes in developing societies that have influenced women to take more responsibility in their own appearance and independence in their purchases - a pattern set to continue as the wealth of developing countries continues to grow.

Since 2002, a significant increase in the number of women falling into gold's core target groups has contributed to an increase in overall purchases of gold. A combination of higher disposable incomes and positive shifts in consumer attitudes has meant that gold has become a more relevant and desirable product to a greater number of women. The survey showed that gold jewellery is perceived to be an integral part of a woman's appearance and as issues surrounding affordability have decreased, women have increasingly opted to buy jewellery for themselves.

The World Gold Council (WGC), the marketing organisation for the global gold market, researched over 9,000 women across all six key gold jewellery markets: China, India, Italy, Saudi Arabia, Turkey and the USA. With the exception of the USA and Italy, where samples reflected the entire female population, all other markets were representative of the urban population only, and the data was weighted to reflect this. The research was conducted with women aged 15–65 years.

Commenting on the research, Philip Olden, Managing Director, Jewellery and Marketing at the World Gold Council, said:

"Developing countries have historically accounted for the majority of gold jewellery demand, and the research points to an increasing appetite for gold amongst the emerging middle class. This is driven not only by increased wealth but also a greater sense of independence and significant changes in consumer attitudes, whereby gold jewellery is much more desirable now to women around the world than it was three years ago.

"It is clear from the research that gold jewellery markets should not be simply categorised as either "investment" or "adornment". We are seeing much more convergence. The emotional attributes and benefits of gold, as well as its practical or financial benefits, play important and complementary roles to women around the world. The rise in the gold price over the past three years has added to gold's desirability, but has also provided a stronger justification for women to buy gold jewellery."

Increase in Core Markets for Gold

The WGC identified core target groups for gold jewellery in each market based on women's behaviour and attitudes towards gold. Since 2002 these target groups have grown significantly, with an estimated increase of 56 million women in China, India, Saudi Arabia and the USA alone, totalling over 150 million in these key markets.

The research identified the key target groups that exist in all markets:

- **Women who are traditional and status conscious in their outlook:** A key segment in India. This group uses traditional symbolism to communicate to others and gold plays a strong role in this. These women have little desire to be 'modern' in their culture and opt for yellow gold in particular. They are slightly more rational than some women in their selection of jewellery, but still appreciate the emotional benefits that wearing gold can bring. Gold has the added bonus of being seen as a wise investment.
- **Women passionate about their appearance and accessories:** A key segment in all six countries. In some eastern markets these women are aiming to be more modern and progressive, but are conscious of the boundaries of tradition. Through design, gold jewellery enables these women to express their modern self without conflict, since gold is traditionally endorsed. Overall gold is extremely important to this group; they own many pieces, but still have the desire to own more.
- **Self confident, creative women:** A key segment in China, Saudi Arabia, Italy and the USA. These women have the desire to express their feelings and individual personality through their clothes, jewellery and accessories. These are creative, unique women for whom self expression, albeit in a more discreet way, is a key motivator. Gold jewellery is valued for its originality of design and colour, with white gold popular amongst these women. Originality of design is important to them.

Commenting on the impact of findings for the World Gold Council's strategy, James Burton, Chief Executive of World Gold Council, said:

"The jewellery market is fundamental to the gold industry as it accounts for around 70% of all gold demand. This study has provided the WGC with a wealth of knowledge and insight that has already been used to develop a marketing platform which encompasses the core values associated with gold. These market insights have enabled the WGC to implement both strategic and tactical marketing projects in all the key markets for gold jewellery, which have delivered strong results.

"Over the past two years countries where the World Gold Council has been conducting jewellery promotion campaigns have outperformed the rest of the world in terms of increased consumer demand. In 2005, gold jewellery demand rose 17 per cent in value terms in those markets compared to only seven per cent in non-promoted regions. These are record levels of demand in value terms and this research is critical in improving and maintaining gold jewellery's share of disposable incomes."

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Notes to Editors:

World Gold Council

The World Gold Council (WGC), a commercially-driven marketing organisation, is funded by the world's leading gold mining companies. A global advocate for gold, the WGC aims to promote the demand for gold in all its forms through marketing activities in major international markets. For further information visit www.gold.org.

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