

PRESS RELEASE

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INVESTMENT DEMAND WILL CONTINUE TO SUPPORT ROBUST GOLD MARKET DURING 2010

Demand for gold will remain robust during 2010 as a result of accelerating demand from India and China, as well as increasing global investment demand driven by continuing uncertainty over public debt and economic recovery, the World Gold Council ("WGC") said.

According to the WGC's Gold Demand Trends report for Q2 2010, published today, demand for gold for the rest of 2010 will be underpinned by the following market forces:

- India and China will continue to provide the main thrust of overall growth in demand, particularly for gold jewellery, for the remainder of 2010.
- Retail investment will continue to be a substantial source of gold demand in Europe.
- Over the longer-term, demand for gold in China is expected to grow considerably. A report recently published by The People's Bank of China and five other organisations to foster the development of the domestic gold market will add impetus to the growth in gold ownership among Chinese consumers.
- Electronics demand is likely to return to higher historic levels after the sector exhibited further signs of recovery, especially in the US and Japan.

Marcus Grubb, Managing Director, Investment at the WGC commented:

"Economic uncertainties and the ongoing search for less volatile and more diversified assets such as gold will underpin investment demand for gold in the immediate future. Further, in light of lingering concerns over public debt levels and the euro, European retail investor demand has increased significantly.

"Over the past quarter, demand for gold jewellery in key Asian markets has been challenged by rising local prices. Nevertheless, we are seeing a deceleration in the pace of decline in demand, providing a strong outlook for ongoing recovery in this crucial market segment."

GLOBAL DEMAND STATISTICS FOR Q2 2010

- Total gold demand¹ in Q2 2010 rose by 36% to 1,050 tonnes, largely reflecting strong gold investment demand compared to the second quarter of 2009. In US\$ value terms, demand increased 77% to \$40.4 billion.
- Investment demand² was the strongest performing segment during the second quarter, posting a rise of 118% to 534.4 tonnes compared with 245.4 tonnes in Q2 2009.
- The largest contribution to this rise came from the ETF segment of investment demand, which grew by 414% to 291.3 tonnes, the second highest quarter on record.
- Physical gold bar demand, which largely covers the non-western markets, rose 29% from Q2 2009 to 96.3 tonnes.

¹ Total gold demand refers to total identifiable gold demand in the Q2 GDT 2010 report.

² Investment demand relates to identifiable investment demand in the Q2 GDT 2010 report.

- Global jewellery demand remained robust in Q2 2010. In the face of surging price levels, consumption totalled 408.7 tonnes during the second quarter of 2010, just 5% below year-earlier levels.
- Gold jewellery demand in India, the largest jewellery market, was little changed from year-earlier levels, down just 2% at 123.0 tonnes. In local currency terms, this translates to a 20% increase in the value of demand to Rp216 billion.
- China saw demand for gold jewellery increase by 5% to 75.4 tonnes³. While growth in demand in tonnage terms was hindered by extreme weather conditions, the growth in the local currency value measure of demand was 35% to RMB 19.8 billion.
- With the return of demand for consumer electronics, industrial demand grew by 14% to 107.2 tonnes, compared to Q2 2009.

Marcus Grubb added:

“While many investors turned to gold as a ‘flight to quality’ in response to the uncertain financial environment, this interest has proved resilient even though a sense of optimism has started to return to some sectors of the investment community. In addition to the ETF market and physical bar and coin market, the demand for gold through internet based investment platforms is likely to provide further sources of investment demand.”

The full 2010 Q2 Gold Demand Trends report, which includes comprehensive data for the second quarter of 2010, can be viewed at: www.mediacentre.gold.org

ENDS

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Notes to Editors:

World Gold Council

The World Gold Council's mission is to stimulate and sustain the demand for gold and to create enduring value for its stakeholders. It is funded by the world's leading gold mining companies. For further information visit www.gold.org.

³ This figure does not include demand in Hong Kong and Taiwan.