

MEDIA ALERT

INVESTOR DEMAND ROBUST AND DIVERSE AS GOLD EXHIBITS STRONG 2009 PERFORMANCE

January 21, 2010, London – The combination of investors seeking protection against dollar depreciation and the spectre of future inflation combined with a shift in central bank reserve management as western central banks slowed gold sales and developing nations increased their gold reserves, supported the strong performance of gold during 2009, according to World Gold Council's latest Gold Investment Digest.

The report, which was published today, showed:

- The gold price rose for the ninth consecutive year to US\$1087.50/oz on the London PM fix at the end of December 2009, which corresponds to a 25% increase in the price of the yellow metal during the year.
- On a risk-adjusted basis, gold recorded a better performance than other assets such as US and international equities as its relatively tame volatility resulted in higher returns per unit of risk.
- Gold remained, on average, the least volatile of the commodities monitored by WGC with the exception of the S&P GS Livestock Index.
- Gold Exchange Traded Funds (ETFs) continued to attract new funds during the year – investors bought 30 tonnes of gold via ETFs in Q4 2009, contributing to an overall total of 1,762 tonnes of ETF gold holdings worth US\$62 billion at year end prices.
- Investor activity in the over-the-counter market also picked up strongly in Q4, according to GFMS, with substantial long positions being established in bullion. The report also finds an important part of this demand being long term in nature, likely driven by positive sentiment toward gold's supply and demand fundamentals and the corresponding price outlook.

Juan Carlos Artigas, Investment Research Manager, World Gold Council commented:

“As the global economy began to show signs of recovery in the second half of 2009, the gold price and demand for the yellow metal remained strong.

“This looks set to continue throughout 2010 as investors concerned about price stability, the spectre of inflation and the outlook for the US dollar seek ways to protect their wealth. However, WGC estimates that just 1 per cent of global assets are invested in gold, leaving ample scope for further growth in investor allocations.”

The full report can be downloaded from http://www.gold.org/assets/file/rs_archive/GID_Jan_2010.pdf

ENDS

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Notes to Editors:

WORLD GOLD COUNCIL

World Gold Council

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.

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