

MEDIA ALERT

GOLD PRICE BREAKS THROUGH US\$1000 BARRIER AS INVESTORS SEEK OUT WEALTH PRESERVATION

8 September, 2009: The gold price today broke through the 'symbolic' \$1000.00/oz mark reaching \$1004.50 on the 11am London price fix, and topping \$1007 during morning trading. Before early September, the highest 2009 price was on 20 February when gold fixed (in the afternoon) at \$989 and it has traded in the range \$870 to \$993 ever since, with an average price over that period of \$879.

The rise translates to an annual increase of more than 21 per cent on the average price in September 2008, which was \$829.93oz

Aram Shishmanian, CEO of World Gold Council, commented:

"Reaching the \$1000 mark once again shows that this price level is no longer the watershed for gold that it once was. The sustained demand we are seeing from investors is, however, not wholly about returns. Investors are turning to gold as they seek assets which preserve their wealth, whatever the financial weather. 2009 has seen record inflows into exchange traded funds and significant increases in retail demand for bars and coins as investors around the world took steps to diversify risk in a systematic way and improve their portfolios' long term prospects.

"The stability in the gold price over the long term is testament to the diversity of gold's demand base, which insulates the price from movements in any single category or country. This is a luxury many other assets, more closely linked to industrial output or consumer spending, do not enjoy. This diverse demand base has helped support the price despite a pressure on jewellery demand driven by ongoing economic uncertainty and high local gold prices."

Today's \$1000/oz record follows a sustained rise in price over the past seven years.

World Gold Council identified the following short term reasons for the recent gold price rise:

- *Recognition of gold as an asset class.* Both retail and institutional investors are increasingly turning to gold as an independent asset class to ensure their portfolios are properly diversified and risk-mitigated.
- *Continued fears over inflation:* Leading economists are predicting rising inflation as a result of governmental measures to stimulate recession-hit economies. Gold is a proven hedge against inflation; while its real value can vary in the short term, its purchasing power has remained stable over centuries.
- *Weakening dollar.* Gold is a statistically proven hedge against fluctuations in the US dollar, the world's main trading currency. The dollar having traded at highs earlier in the year has weakened against the Euro and Sterling in recent months.

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- *Equity market performance:* Ongoing concern about whether the recent rise in equity markets is sustainable in the short-term, is encouraging investors to look to gold's unique wealth preservation qualities to underpin their portfolio strategies.

For further comment on the recent gold price movements or for any other information please contact:

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Notes to Editors:

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.