PRESS RELEASE

17 February 2010

Strictly under embargo until 06.00 GMT 17 February 2010

DIVERSITY OF GLOBAL GOLD MARKET KEEPS 2009 DEMAND ABOVE $US100 BILLION MARK

London, 17 February 2010: In 2009, dollar demand for gold remained above the $US100 billion mark for the second year in succession against the backdrop of continued turbulence in financial and commodity markets.

According to World Gold Council's ("WGC") Gold Demand Trends published today, this resilience in demand was achieved in the context of average gold prices 12% higher than those in 2008, at $US972.35/oz.

Total identifiable gold demand in tonnage terms fell 11% to 3385.8 tonnes(t) during 2009 when compared to the exceptional levels reached in 2008, masking a progressive recovery in jewellery and industrial demand after a weak first quarter and resilient investment demand during the year under review.

Against the backdrop of the extraordinary fourth quarter demand recorded in 2008, the final quarter of 2009 showed a decline in total identifiable demand of 24% in tonnage terms. During this period, the gold price averaged $US1099.63, up 38% on the final quarter of 2008. Total identifiable demand during the final three months was equivalent to a 5% rise in $US value terms.

Critically, diversity in the gold market both on the supply and the demand side, as well as geographically, has provided significant price support for gold over the course of the year.

Aram Shishmanian, CEO of World Gold Council, commented:

"2009 was a year which provided a clear illustration of the diversity inherent in the global gold market. As the year progressed a rebalancing of gold market fundamentals occurred, ensuring that as investment demand came off from the exceptional levels seen in the first quarter, total demand for the year remained robust thanks to a rebound in jewellery and industrial demand.

"Gold's broad demand and supply drivers provide a unique balance in the face of economic volatility and uncertainty. This ensures gold retains its intrinsic appeal irrespective of the prevailing market conditions."

The 2009 figures, compiled independently for WGC by GFMS Limited, show that the 49% recovery in jewellery demand from a very weak first quarter was largely driven by a rebound in the Indian market enabling it to maintain its position as the world's largest gold consumer. However, China was the only gold jewellery market to grow (6%) in 2009.

While total jewellery demand was 8% lower in the final quarter of 2009 when compared with the same period last year, it showed clear signs of a rebound in the last quarter of 2009 when compared to earlier quarters in the year. Demand recovered to 500.4t, up from 336.3t in the first three months of the year, suggesting increasing consumer confidence within the context of a higher gold price.

Identifiable gold investment in 2009 was up 7% relative to 2008, but down 50% when compared to the peak levels reached during the final quarter of 2008. When including inferred investment, which includes the over-the-counter market, then total investment in 2009 was double the levels of 2008, but much of this was in the first quarter.

China was the only non-western country to record growth (22%) in investment demand in 2009. More generally strong investment in western markets offset weak levels of investment demand in non-western markets.

In contrast, ETF demand in 2009, at 594.7t, was 85% higher than in 2008, equivalent to an inflow of $US17.7bn, due primarily to an exceptional first quarter. ETF demand was 67% lower for the fourth quarter than during the same period in 2008 when inflows were at unusually high levels.

Industrial demand benefited from a rebound in electronics demand, reflecting improved economic conditions. A comparison of fourth quarter 2009 and 2008 shows that industrial demand enjoyed a rise of 11%, albeit from a depressed base.

Significant drivers in the gold market were also apparent on the supply side in 2009, with the first quarter comprising the majority of the 11% annual increase in supply when compared to 2008 levels. The single biggest contributor to the first quarter rise was recycled gold as consumers took advantage of gold's higher trading range.

However, supply was clearly supportive for the gold price over the remainder of the year. Recycling activity fell sharply in the second quarter, although it remained above historical norms. In the second half of the year producer de-hedging increased sharply, resulting in a downward impact on supply. The year also saw a significant reduction in net official sector sales, which totalled just 44t compared with an average of 444t per year over the five years to 2008.

The full 2009 Q4 Gold Demand Trends report, including country breakdowns, can be viewed at: http://www.gold.org/assets/file/pub_archive/pdf/GDT_Q4_2009.pdf

ENDS

For further information regarding Gold Demand Trends:

Sonia Kribi, Capital MS&L on + 44 (0) 207 307 5337, or e-mail sonia.kribi@capitalmsl.com

Tom Fraser at World Gold Council, on + 44 (0)207 826 4705, or e-mail tom.fraser@gold.org

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.