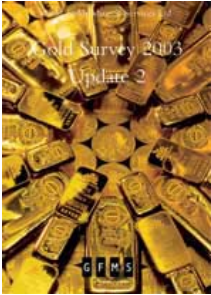




Publication of Gold Survey 2003 - Update 2

Investment poised to drive gold prices higher in the first half of 2004.



Rising investment demand for gold was the main driver for higher gold prices last year. GFMS estimate that there was a net inflow of around \$10 billion into the metal from investors and speculators in 2003, approximately double the value of such fresh demand in 2002.

Investment demand is forecast by GFMS to remain buoyant and to drive gold prices higher in the first half of 2004. Positive price developments are expected to play an important part in drawing investors to the yellow metal. In addition, economic and financial concerns, such as the weak dollar and very low short term interest rates, will continue to encourage buy-side interest. Another positive will be the growing interest in alternative investments, and especially commodities, from funds and private investors. Also, political tensions, especially the ongoing threat of terrorist action, should tend to boost demand for gold.

The majority of the growth in investment demand has come from commodity trading advisors, hedge funds and high net worth private investors via futures and over-the-counter markets in North America and Europe. To-date, demand from retail investors and the larger mutual and pension funds has been fairly modest. Nevertheless there has been some widening of investor interest in gold, a trend that GFMS expect to gather pace in 2004.

Demand has mainly taken the form of purchases of futures contracts and other "paper" gold instruments such as exchange traded funds, certificates, warrants and over-the-counter derivatives. Some buyers have also purchased the metal on a spot basis and through forward contracts. In contrast, direct purchases of bullion bars and coins have made only a small contribution to demand. This is, in part, due to the weakness of investment demand in the traditionally price sensitive Asian markets where local investors still mainly prefer direct purchases (on lower prices) of physical bullion to paper claims on gold. GFMS expect these broad trends to continue during the first half of 2004.

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Gold Survey 2003 – Update 2 provides an initial review of the gold market in 2003 and a forecast for the first half of 2004 with 30 pages of statistics, commentary and analysis on all aspects of world gold supply/demand and on gold prices in various currencies. The publication can be ordered from GFMS for £195 or US\$295 / €290 per copy. For orders and to receive further product information please contact Ms L Perrard on Tel: +44 (0)20 7478 1777, Fax: +44 (0)20 7478 1779, Email: sales@gfms.co.uk, Web Site: www.gfms.co.uk

About GFMS Limited

GFMS Limited is one of the world's foremost precious metals consultancies, specialising in research into the global gold, silver, platinum and palladium markets. GFMS is based in London, UK, but has representation in Australia, India and Russia, and a vast range of contacts and associates across the world.

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