



Publication of *Gold Survey 2006*

Following Record Level in 2005, Official Sector Sales Plummet in the First Quarter of 2006

In GFMS' latest publication, *Gold Survey 2006*, the consultancy estimates net official sector sales reached record levels in 2005, generating a 40% year-on-year increase in the annual total. This was primarily the result of rising sales from signatories to the Central Bank Gold Agreement (CBGA), coupled with a major reduction in gross purchases outside the group. Interestingly, 41% of the 656 tonne net sales total was offloaded during the first quarter of the year. GFMS believe the high sales volume recorded over the period exerted considerable pressure on the gold price.

During the second half of 2005, a series of comments were made by some central bank officials, stressing the importance of gold as a reserve asset. Certain officials even alluded to the potential for gross purchases taking place in the future. Overall, the apparent "anti-gold" sentiment within the official sector community that had grown during the 1990s seemed to be moderating, if not fading away. This development helped to underpin the rally in the price during the fourth quarter.

Looking at central bank activity in the first quarter of 2006, provisional estimates show a dramatic fall from the very high net sales figure of last year. This decline is the result of falling CBGA sales, augmented by central banks elsewhere emerging as net purchasers of bullion. Looking ahead, GFMS expect net sales over the rest of the year to remain markedly lower than the 2005 figure.

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Gold Survey 2006 contains over 100 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 £275 or US\$495 / €395 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, Online Shop: <http://shop.gfms.co.uk>

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