

PRESS RELEASE

WORLD GOLD COUNCIL WELCOMES IMF SALE OF GOLD TO RESERVE BANK OF INDIA

November 3, 2009: The World Gold Council is pleased to note that the International Monetary Fund has completed the sale of 200 tonnes of gold to the Reserve Bank of India. This amount represents almost half of the total sales volume of 403.3 tonnes approved by the IMF in September 2009.

The transaction is an important step in the IMF's limited gold sales program, which is designed to help put the Fund's finances on a sound long-term footing and enable it to step up concessional lending to the world's poorest countries.

Aram Shishmanian, Chief Executive Officer, World Gold Council, said:

"Gold always plays an important role as a protector of wealth, and in these current times of financial instability, that role has taken on a newfound prominence. The fact that these sales will effectively rescue the IMF from a difficult situation regarding its own finances is proof of gold's unique investment characteristics, long-recognised by central bankers and institutional and individual investors alike.

"The IMF has clearly indicated its preference to sell the entire 403 tonnes to other official sector institutions, rather than over an extended period of time via CBGA3. In light of this, and the well-publicised concerns of many central banks over the level of their exposure to the US dollar, further off-market transactions must be a clear possibility."

The sale raised US\$6.7 billion, equivalent to SDR 4.2 billion, and was executed at market prices, in line with the IMF's Articles of Agreement. It also took place in accordance with the stated commitment of the IMF to follow the recommendations of The Crockett Report of 2007 and ensure that its gold sales do not disrupt the smooth functioning of the gold market.

It was the Crockett Report that first proposed the IMF should adopt a new income model, including the establishment of an endowment, funded by the proceeds of limited and structured gold sales. More recently at the G-20 Leaders Summit in April of this year, heads of state proposed to use additional resources from the gold sales to provide an extra US \$4 billion for poor and indebted countries over the next 2-3 years.

Given the IMF's status as effectively the global "lender of last resort", World Gold Council believes it is imperative that the organisation continues to hold large gold reserves and acknowledges the IMF's public declarations that:

"The IMF should continue to hold a relatively large amount of gold among its assets, not only for prudential reasons, but also to meet unforeseen contingencies."

ENDS

For further information:

Matt Graydon, Director, Corporate Communications, World Gold Council, on + 44 (0)207 826 4716, or e-mail: matt.graydon@gold.org

George Milling-Stanley, Managing Director, Government Affairs, World Gold Council, on +1 212 317 3848, or email george.milling-stanley@gold.org

WORLD GOLD COUNCIL

Notes to Editors:

World Gold Council

The 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.

Crockett Report

A copy of the full Crockett Report can be found at:
<http://www.imf.org/External/np/oth/2007/013107.pdf>