

GFMS gratefully acknowledges the generous support from the following companies for this year's *Gold Survey* and its two *Updates*

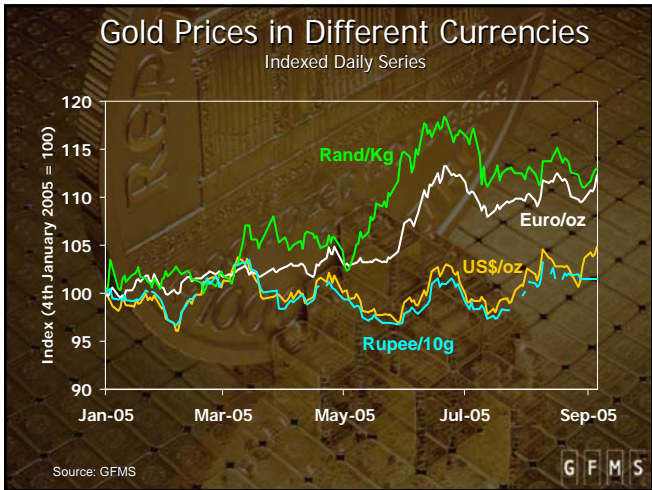
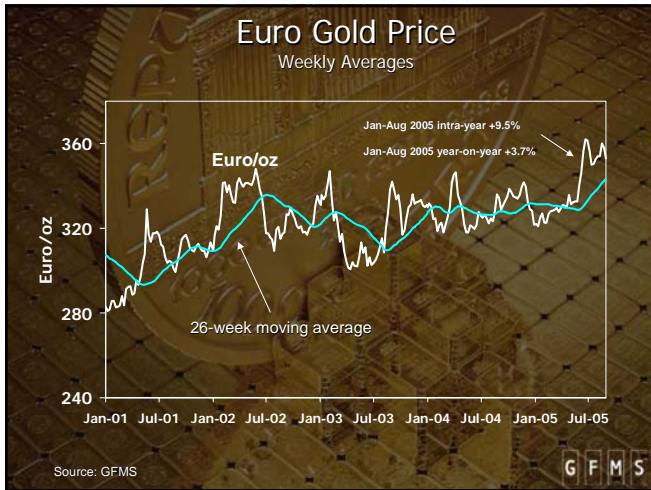
COMMERZBANK Global Precious Metals Commerzbank Global Precious Metals	THE AUSTRIAN MINT The Austrian Mint	TANAKA KIKINZOKU GROUP Tanaka Precious Metals Group	PAMP www.pamp.com
gold World Gold Council	DUBAI METALS & COMMODITIES CENTRE Dubai Metals & Commodities Centre	BARRICK Barrick Gold Corporation	JPMORGAN JPMorgan Chase Bank
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Presentation Outline

- Prices
- Demand
- Supply
- Summary & Price Outlook

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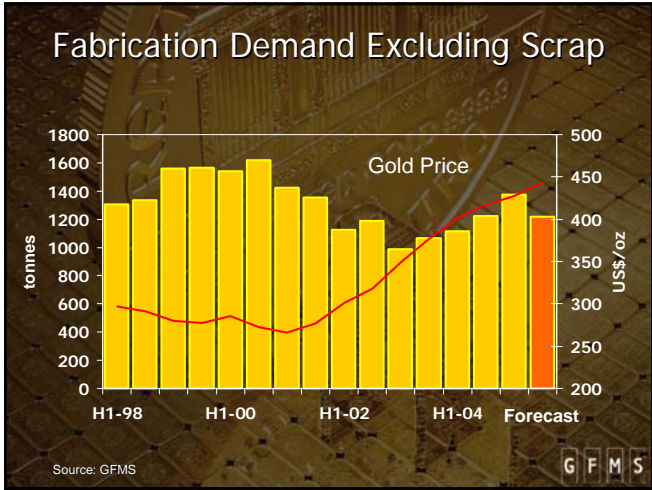
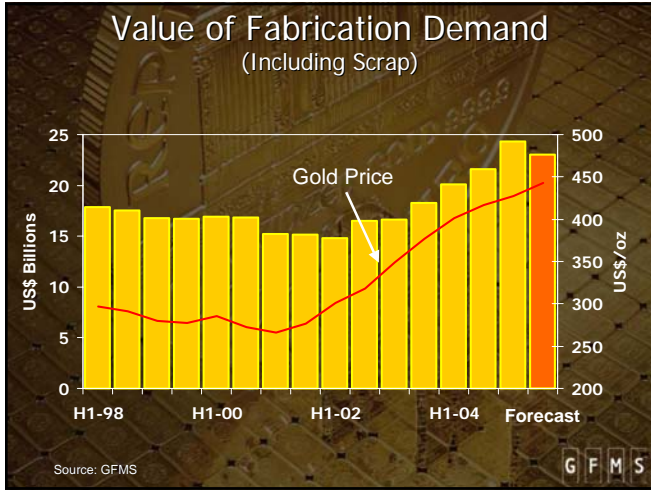


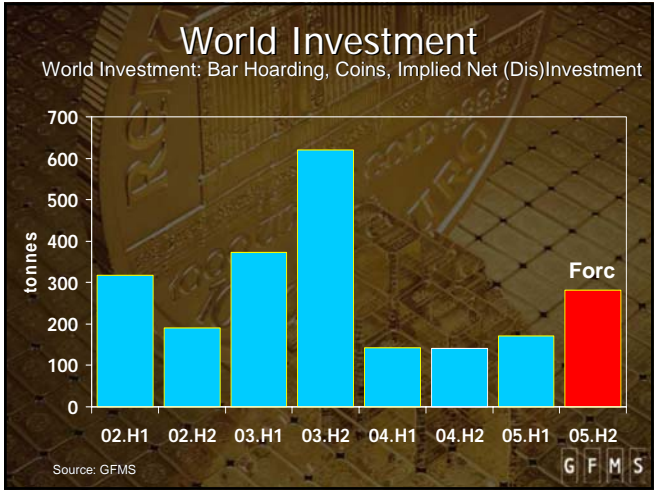
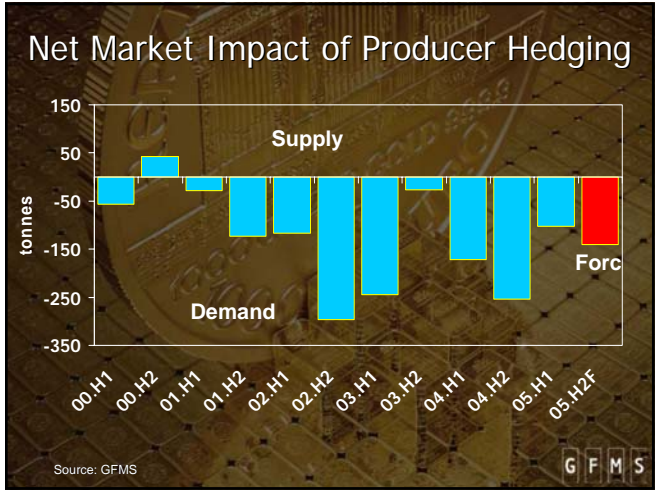
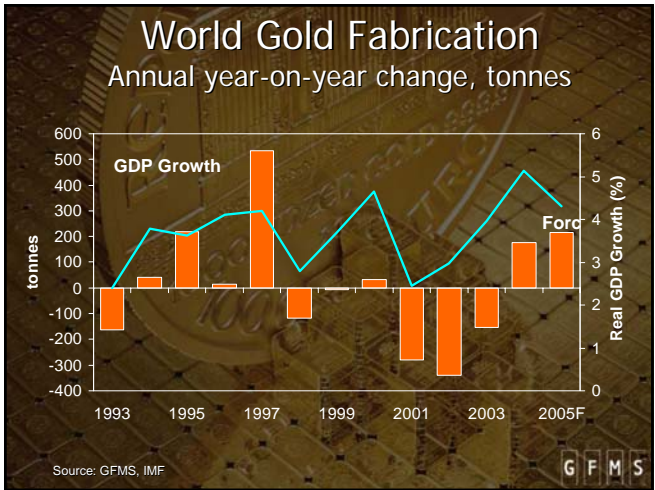
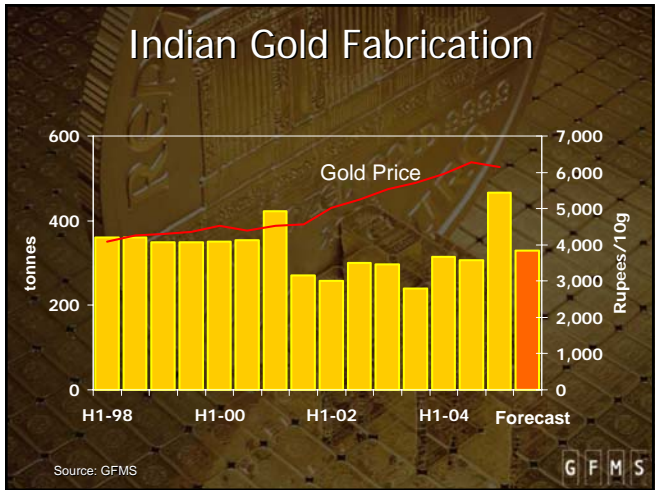
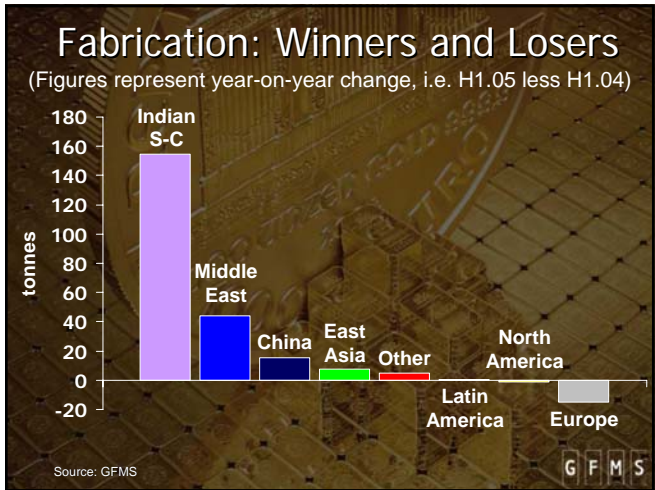


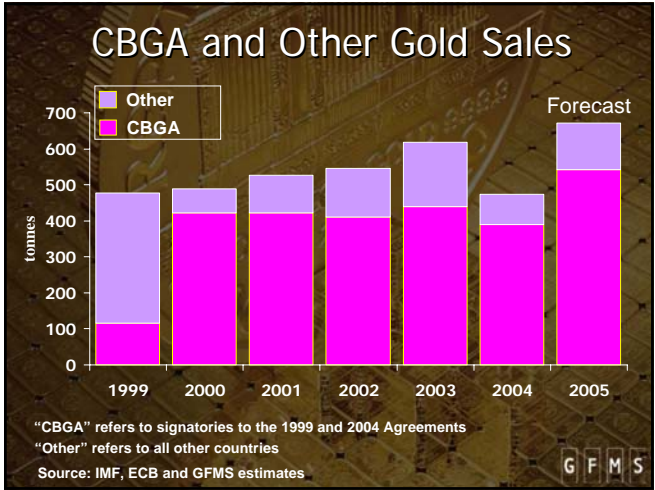
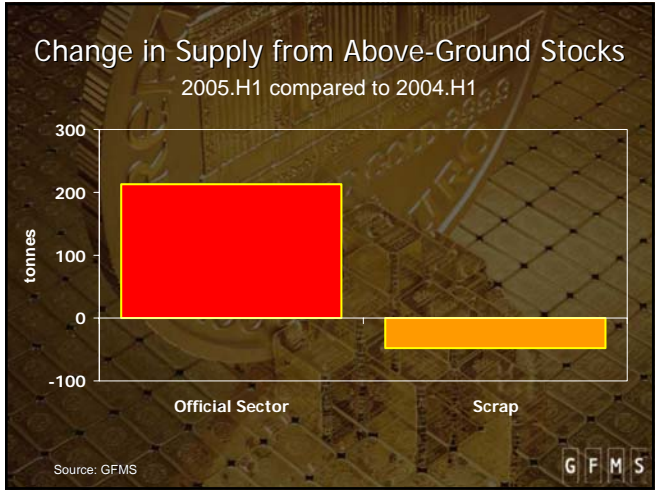
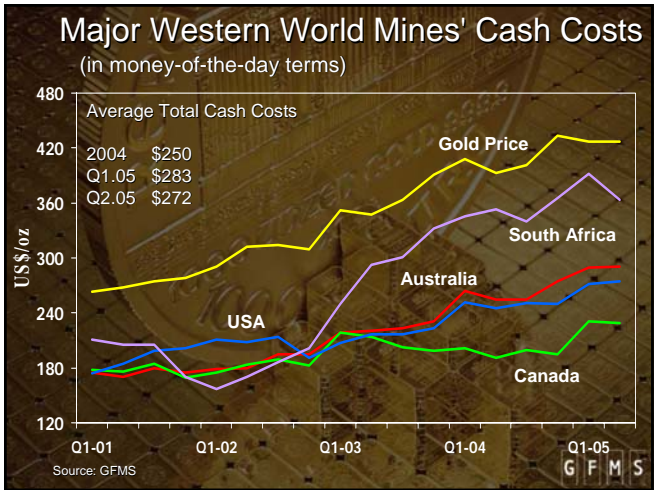
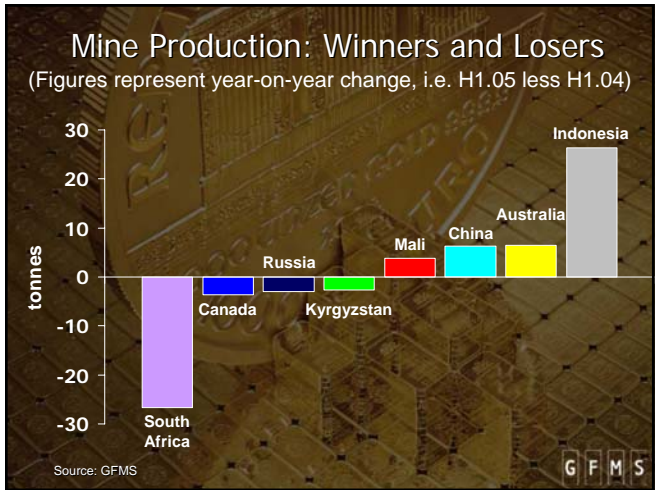
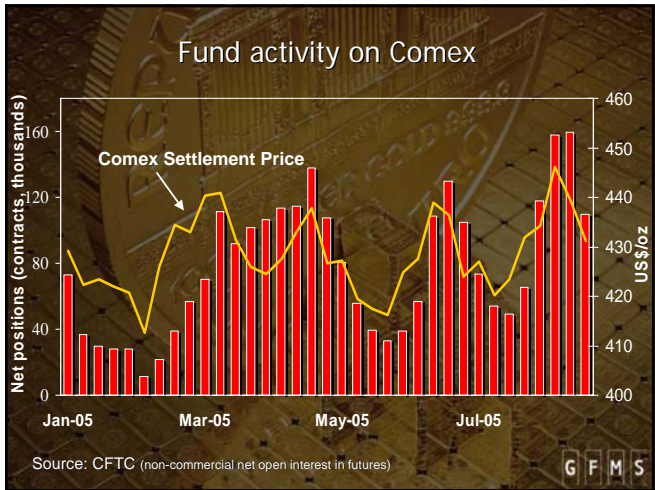
Gold Price Correlations

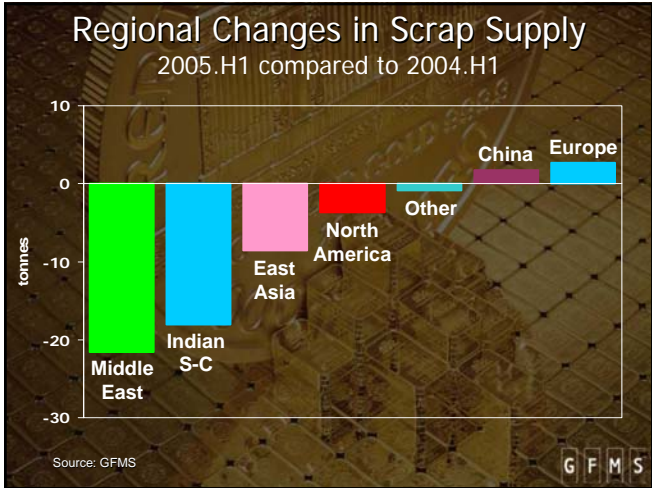
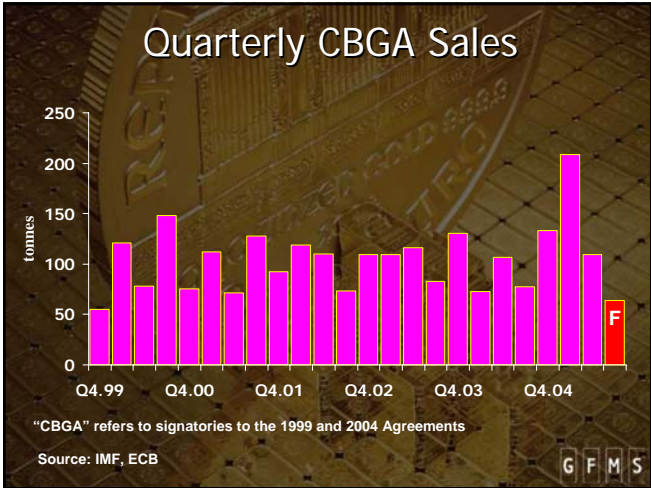
	04Q1	04Q2	04Q3	04Q4	05Q1	05Q2
US\$/Euro Rate	0.65	0.76	0.68	0.60	0.81	0.46
US\$/Yen Rate	0.40	0.71	0.43	0.41	0.61	0.22
Silver Price	0.56	0.67	0.46	0.62	0.59	0.48
Brent Oil Price	0.18	0.08	0.20	0.09	0.11	0.34
CRB Index	0.15	0.14	0.07	0.26	0.59	0.32
GFMS Metals Index	0.23	0.54	0.03	0.35	0.43	0.45

Source: GFMS, GFMS Metals Consulting









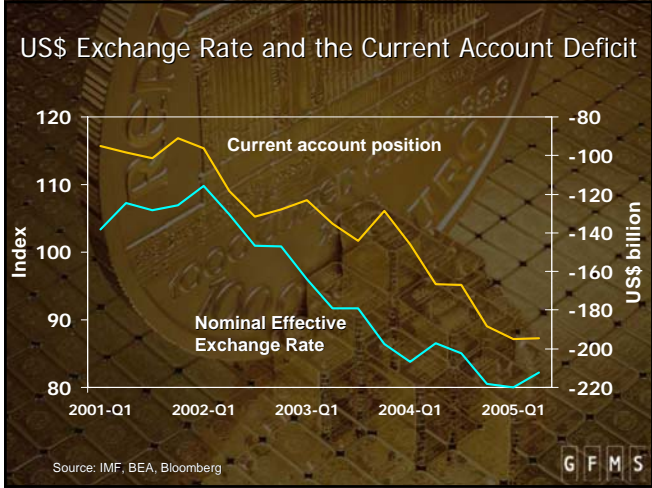
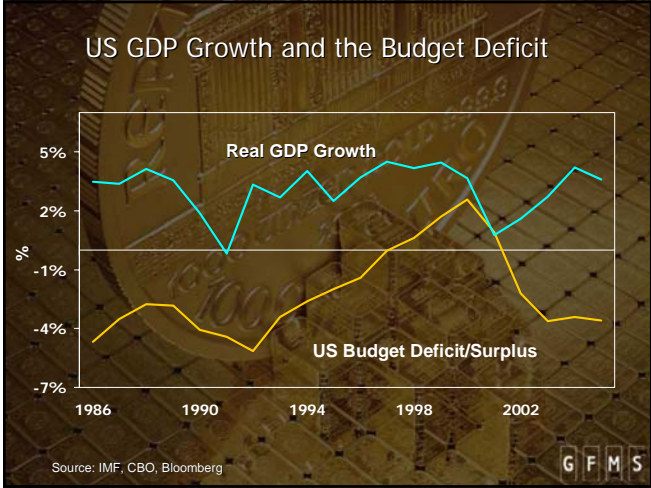
Summary and Price Outlook

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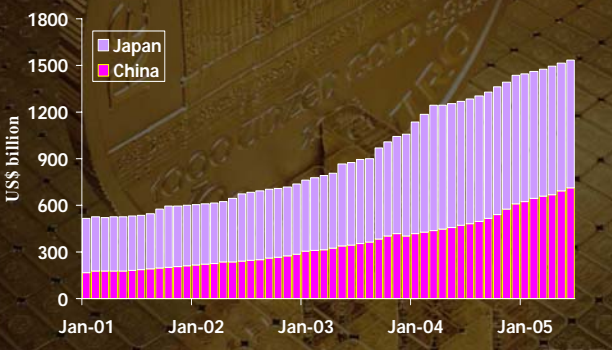
Price Outlook 1

- Strong support for the price from fabrication demand and, to a lesser extent, producer de-hedging. Supply shock in first half from official sales absorbed.
- US dollar likely to come under renewed pressure as more attention is paid to its poor and deteriorating fundamentals as opposed to short term interest rate differentials, which in any case may not increase much further.

GFMS



China & Japan Foreign Exchange reserves



Source: IMF



Price Outlook 2

- Competing assets - namely bonds and, especially, stocks - are unlikely to do well under the probable scenario of lower US and world GDP growth.
- Exposure to alternative assets set to increase. Should benefit gold directly via outright purchases and indirectly through funds buying commodity indices that include gold like the GSCI and Dow Jones AIG.



Price Outlook 3

- Inflation concerns mounting due to impact of > \$60 crude and striking rises in oil product prices in the wake of Hurricane Katrina.
- Global political environment remains supportive; US bogged down in Iraq and crisis over Iran's nuclear ambitions set to become more serious.



GFMS Gold Price Forecast for Second Half



Source: GFMS

