



GOLD

HE WHO HAS GOLD WILL
ALWAYS HAVE MONEY

GOLD - A BRIEF LOOK BACK IN HISTORY

The precious metal with the very special color was already captivating our ancestors 6,000 years ago. Gold embellished the sovereigns of the time as well as their buildings, and gold was the preferred material for crafting religious items. Therefore, it is among the first metals for mankind to ever extract, handle and even worship. In 600 B.C., gold eventually established itself as a stable means of payment in the form of coinage, as we recognize it today.

It has lost none of its preciousness since - on the contrary. Its rarity and durability as well as its physical and chemical qualities and the resulting various possible uses make gold an essential material in many ways even in this millennium.

GOLD - FACTS AND FIGURES

Assessments from 2007 indicate that the human race would have extracted around 170,000 tons of gold over the last 6,000 years. What at first sounds like a lot, however, equates purely on a mathematical basis to a cube of pure gold with an edge length of just 20.65 meters. A large percentage of this gold is converted into items of jewelry and art. 18 percent is located in the vaults of central banks and other monetary institutes, while 16 percent is in the form of bars or coins held by investors.

The current market for gold amounts to approximately 4,100 tons worldwide every year. A good half of this is needed by the jewelry industry; around 1,640 tons are requested by investors, and more than 450 tons are processed by industry.

This demand is met by an annual output of approximately 2,800 tons. Thus the demand for physical gold exceeds possible extraction via mines considerably. Through recycling of old gold (approximately 1,600 tons), this imbalance can be absorbed to an extent. Central banks must supply the rest to the market by selling their reserves. Since this is not possible or reasonable indefinitely, the imbalance between supply and demand will grow larger in the future.

And more fundamentally: At the current rate of extraction, it will only be possible to mine gold profitably for just under 20 more years! This clearly demonstrates: In the future, gold will become an even rarer and more sought-after material and investment item.

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GOLD IS IMMUNE TO INFLATION

Over the years, the majority of us nominally earn more money, but can we afford more too? „Inflation“ is the magic (taboo) word that makes prices constantly rising for everything we need in our daily lives. The fact is: The national debt is increasing at a rapid pace and to dizzying heights. Even a wealthy state such as Germany is so heavily in debt that it must now raise over 34 billion euros just for interest payments. Over the past few years, the United States of America have actually stood short of national bankruptcy on multiple occasions. What happens then? The states start up the printing presses to be able to handle their liability. Currency loses value and the individual citizens have less money in their pockets and can buy less as a result.

At this point, we do not wish to fuel fears but rather bring awareness. The financial and monetary crises of the last few years has distinctly shown many are vulnerable to monetary decisions made by others. Financial Security, which we all aspire to seems fragile to many. The collapse of major financial institutions, state subsidies for banks, or bailout funds hurriedly supplied to states in the euro zone were scenarios that many would have relegated to the realm of fairy tales even a decade ago. However, anyone taking a look back in history could have anticipated what would happen. The worldwide economy is based on a financial system that has existed for a good 600 years and has not been considerably developed since.

This system is based upon the notion that consumers, companies, but most notably even states, incur debts - until they have reached a level that renders amortization unthinkable. What follows is collapse with hyperinflation and a painful new start as most recently seen prior to the Second World War. The much chided governments are genuinely powerless against this cycle. Contrary to public opinion, they are also not responsible for it. For this system cannot be altered by the governments alone.

Gold owners - as is often the case in history – were among the winners during such crises. We cannot reproduce gold randomly like paper money; gold retains its value even if the price of gold fluctuates occasionally. Gold is also, in comparison to money, not dependent on the citizens' trust in states and institutions. Gold is simply gold, and the payment method with the most stable value in the history of humanity.

Here's an example: In 1900, 20 Marks equated to around seven grams of gold. At a price of 23 Pfennig, citizens were able to purchase a whole 87 loaves of rye bread with it. As of May 2014, seven grams of gold cost approximately 210 euros. A loaf of rye bread stands at an average 2.31 euros. This equates to nearly 91 loaves of rye bread and thus nearly the exact same proportion of gold to daily essentials as more than 100 years ago. Gold is simply immune to inflation.

KARATBARS®-GOLD

PROTECTION WITH CONVERSION GUARANTEE

Financial experts have always recommend to their clients about adding gold to their liquid funds, shares, and property for their retirement provisions and strategy for asset protection. Wealthy people have always done this and have secured an average annualized return of nearly ten percent over the last 40 years. Those who purchased gold twelve years ago could even look forward to an annual return of more than 20 percent.

But what about the average earner who can perhaps just manage to pay off a three bedroom apartment? What about people who do not live in the wealthy industrialized nations? Where can these people buy an ounce or even a kilo bar of gold?

This is where Karatbars® International GmbH enters the picture, as we have made it our objective to make gold accessible to every individual across the world - from just 0.1 gram. This path has been unusually successful as, just three years after the establishment of the company, we are now present in more than 120 countries across the world.

The main activity of our company is the production, handling and safekeeping of physical gold in the smallest units starting with a mass of only 0.1 gram.

Furthermore, we are developing a variety of innovative products with the 1 gram bars incorporated into them such as our Branding Karatbar®, Special Karatbar®, Collector Karatbar® or our one-of-a-kind Karatbar® Coin. We market these on fair terms and with considerable success.

Moreover, our K-Exchange Centers offer companies and their customers the possibility of using gold as a crisis-proof and inflation-protected means of exchange, thus „paying“ with gold for goods and services. To date, the number of our registered business partners has risen to more than 300,000 - and the community is growing and growing, for more and more people no longer wish to rely on paper money and its value.

In extreme cases of hyperinflation, which have occurred on several occasions in history, no service provider, no department store, and even no landlord accepted paper money in exchange for food, clothing or even a safe roof over one's head. Gold, on the other hand, has been accepted for thousands of years - even and especially in times of crisis. Those who own gold, in even the smallest units, therefore always have money.





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