

ZCI Limited
 (formerly Zambia Copper Investments Limited)
 (Registered in Bermuda)
 (South African registration number 1970/000023/10)
 JSE share code: ZCI
 ISIN: BMG988431240
 Euronext share code: BMG988431240
 ("ZCI" or "the Company")

Abridged report for the year ended 31 March 2010, Notice of annual general meeting

Audited Consolidated Financial Results

Shareholders are hereby advised that the Annual Report of ZCI for the year ended 31 March 2010 was posted to shareholders on 1 September 2010. This abridged report contains the audited annual financial statements for the year ended 31 March 2010.

Consolidated statement of comprehensive income For the year ended 31 March 2010

	2010 USD '000	2009 USD '000
Revenue	7,392	-
Cost of sales	(17,714)	-
Gross loss from mining activities	(10,322)	-
Administrative expenses	(1,531)	(2,177)
Other expenses	(4,439)	(737)
Selling and distribution expenses	(18)	-
Foreign exchange losses	(2,250)	-
Operating loss	(18,560)	(2,914)
Negative goodwill	33,905	-
Profit/(loss) before net finance	15,345	(2,914)
Finance income	509	3,652
Finance expense	(64)	(150)
Profit before tax	15,790	588
Income tax	970	(72)
Profit for the year	16,760	516
Other comprehensive income:		
Exchange differences on translation of foreign operations	(2,611)	-
Total comprehensive income for the year	14,149	516
Profit attributable to:		
Equity holders of the parent	18,651	516
Non-controlling interest	(1,891)	-
Total comprehensive income		
Equity holders of the parent	16,506	516
Non-controlling interest	(2,357)	-
Basic earnings per ordinary share	33.50	0.56
Diluted earnings per ordinary share	32.13	0.56

(US cents)

Consolidated statement of financial position
As at 31 March 2010

	2010 USD'000	2009 USD'000
ASSETS		
Property, plant and equipment	33,044	-
Intangible assets	50,923	-
Other financial asset	327	-
Long term receivable	3,000	-
Total non-current assets	87,294	-
Inventories	1,780	-
Trade and other receivables	984	76
Current portion of long term	3,000	-
Cash and cash equivalents	48,430	102,939
Total current assets	54,194	103,015
Total assets	141,488	103,015
EQUITY		
Share capital	102,688	102,688
Foreign currency translation reserve	(2,145)	-
Retained earnings	18,651	-
Equity attributable to equity holders of the parent	119,194	102,688
Non-controlling interest	6,286	-
Total equity	125,480	102,688
LIABILITIES		
Deferred tax	6,530	-
Environmental rehabilitation	4,051	-
Total non-current liabilities	10,581	-
Trade and other payables	5,427	327
Total current liabilities	5,427	327
Total equity and liabilities	141,488	103,015

Consolidated statement of changes in equity
For the year ended 31 March 2010

	Share capital USD'000	Revaluation reserve of available for sale investment USD'000	Foreign currency translation reserve USD'000	Assets classified as held for sale reserve USD'000
Balance as at 1 April 2008	334,547	702	-	(12,113)
Total comprehensive income for the year				
Profit for the year	-	-	-	-
Other comprehensive income	-	(702)	-	12,113
Transfer from hedging reserve	-	-	-	12,113

Revaluation on available for sale investment	-	(702)	-	-
Total comprehensive income for the year	-	-	-	-
Transactions with owners, recorded directly in equity				
Share buyback and reduction	(131,505)	-	-	-
Transfer from contribution surplus	(100,354)	-	-	-
Total contributions by and distributions to owners	(231,859)	-	-	-
Balance as at 31 March 2009	102,688	-	-	-
Arising on business acquisition	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Profit/(loss) for the year	-	-	-	-
Other comprehensive income	-	-	(2,145)	-
Foreign currency translation differences	-	-	(2,145)	-
Total comprehensive income for the year	-	-	(2,145)	-
Balance as at 31 March 2010	102,688	-	(2,145)	-

	Retained earnings/ (accumulated losses) US'000	Attributable to equity holders of the parent USD'000	Non-controlling interest USD'000	Total equity USD'000
Balance as at 1 April 2008	(100,870)	222,266	-	222,266
Total comprehensive income for the year				
Profit for the year	516	516	-	516
Other comprehensive income	-	11,411	-	11,411
Transfer from hedging reserve	-	12,113	-	12,113
Revaluation on available for sale investment	-	(702)	-	(702)
Total comprehensive income for the year	516	11,927	-	11,927
Transactions with				

owners, recorded directly in equity				
Share buyback and reduction	-	(131,505)	-	(131,505)
Transfer from contribution surplus	100 354	-	-	-
Total contributions by and distributions to owners	100 354	(131,505)	-	(131,505)
Balance as at 31 March 2009	-	102,688	-	102,688
Arising on business acquisition	-	-	8,643	8,643
Total comprehensive income for the year				
Profit/(loss) for the year	18,651	18,651	(1,891)	16,760
Other comprehensive income	-	(2,145)	(466)	(2,611)
Foreign currency translation differences	-	(2,145)	(466)	(2,611)
Total comprehensive income for the year	18,651	16,506	(2,357)	14,149
Balance as at 31 March 2010	18,651	119,194	6,286	125,480

Consolidated statement of cash flows
For the year ended 31 March 2010

	2010	2009
	USD'000	USD'000
Cash flows from operating activities		
Cash utilised by operations	(10,743)	(4,769)
Interest received	509	3,614
Interest paid	(64)	-
Income tax paid	-	(88)
Cash outflow from operating activities	(10,298)	(1,243)
Cash flows from investing activities		
Proceeds from disposal of available for sale investments	-	10,733
Proceeds from partial disposal of investment in subsidiary	-	5,220
Proceeds from disposal of assets classified as held for sale	-	213,150
Additions to maintain property, plant and equipment	(2,594)	-
Acquisition of subsidiary (net of cash acquired)	(1,438)	-
Repayment of interest bearing borrowings	(34,414)	-
Funds advanced	(6,000)	-
Cash (outflow)/inflow from investing activities	(44,446)	229,103
Cash flows from financing activities		
Repurchase own shares	-	(131,505)
Cash outflow from financing activities	-	(131,505)
Effect of foreign currency translation	235	-
Net (decrease)/increase in cash and cash equivalents	(54,509)	96,355

Cash and cash equivalents at beginning of the year	102,939	6,584
Cash and cash equivalents at the end of the year	48,430	102,939

1. Basis of preparation

The abridged consolidated financial results for the year ended 31 March 2010 have been prepared in accordance with the recognition and measurement criteria of IFRS, its interpretations adopted by the International Accounting Standards Board ("IASB"), the presentation as well as the disclosure requirements of IAS 34 Interim Financial Reporting and the Listings Requirements of the JSE Limited and the AC500 series issued by SAICA.

2. Accounting policies

The accounting policies applied in the presentation of the abridged consolidated financial results are consistent with those applied for the year ended 31 March 2009, with the exception of the following standards and interpretations, effective for the first time for the current financial year, that has been applied from 1 April 2009:

- IFRS 8 Operating Segments the application of the new standard has not impacted the way management reports segmented information as the group has only one segment.
- IAS 1 (Revised) Presentation of financial statements the revised standard has changed the way the Group's primary financial statements have been presented. The revision required information to be aggregated on the basis of shared characteristics and introduce a "statement of comprehensive income" to enable readers to analyse changes in an entity's equity resulting from transactions with owners separately from "non-owner" changes. Comparative information has been re-presented so that it also is in conformity with the revised standard.
- IAS 23 (Amendment) Borrowing Costs the amendment has not impacted the Group's results to date.
- IFRS 2 (Amendment) Share based payments the adoption of this amendment has not had any material impact on the Group financial statements as the Group already applied these principles when accounting for share-based payments in the past.
- IFRS 27 (Amendment) Consolidated and separate financial statements - there has been no impact on the Group financial statements.
- IFRS 7 (Amendment) Financial instruments: Disclosures the amendment introduced a three-level hierarchy for fair value measurement disclosures and required entities to provide additional disclosures about the reliability of those fair value measurements. These additional disclosures will be provided in the in the notes to the annual financial statements.

The Group did not early adopt IFRS 3 (2008) to account for the ACU

transaction, but applied IFRS 3 (2004).

3. Group segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The Group's only operating segment is the exploration for, and the development of copper and other base metal deposits. All the Group's activities are related to the exploration for, and the development of copper and other base metals in Botswana with the support provided from the Company and it is reviewed as a whole by the Board (who is considered the chief operating decision maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. All mining revenue derives from a single customer.

As such, no segmental report has been prepared.

4. Mineral resources and reserves

There have been no material changes to the resources and reserves as disclosed in the Executive Summary of the Competent Persons Report ("CPR") prepared by Read, Swatman & Voigt (Pty) Ltd ("RSV") of South Africa, in respect of African Copper Plc's ("ACU") mining and exploration assets. The Executive Summary of the CPR was included in the Annual Report posted to shareholders on 1 September 2010.

5. Post balance sheet events

There have been no events that have occurred after balance sheet date that would have a material impact on the reported results.

6. Audit opinion

The consolidated annual financial statements for the year ended 31 March 2010 have been audited by our auditors, KPMG Inc. Their unqualified audit report is available for inspection at the registered office of the Company (Clarendon House, 2 Church Street, Hamilton, Bermuda) and the offices of the sponsor.

These consolidated financial statements are the responsibility of the Board of Directors.

Earnings per share

	2010	2009
Basic earnings per ordinary share (US cents)	33.50	0.56
Diluted earnings per ordinary share (US cents)	32.13	0.56
Headline earnings per ordinary share (US cents)	(27.40)	(0.20)

Diluted headline earnings per ordinary share (US cents)	(28.77)	(0.20)
Number of ordinary shares in issue	55,677,643	55,677,643
Weighted average and diluted number of ordinary shares in issue	55,677,643	55,677,643

USD'000 USD'000

The following adjustments to profit attributable to ordinary shareholders were taken into account in the calculation of diluted earnings per share:

Attributable to equity holders of the parent	18,651	516
Increase in shareholding in subsidiary with respect to convertible portion of debt	(763)	-
Diluted profit attributable to equity holders of the parent	17,888	516

The following adjustments to profit attributable to ordinary shareholders were taken into account in the calculation of headline earnings and diluted headline earnings per share:

2010	USD'000	USD'000	USD'000
	Gross	Tax effect	Net
	18,651	-	18,651

Attributable to equity holders of the parent

- Negative goodwill	(33,905)	-	(33,905)
Headline loss attributable to equity holders of the parent	(15,254)	-	(15,254)
Increase in shareholding in subsidiary with respect to convertible portion of debt	(763)	-	(763)
Diluted headline loss attributable to equity holders of the parent	(16,017)	-	(16,017)

2009

Attributable to equity holders of the parent	516	-	516
- Reversal of provision on available for sale investment	(702)	-	(702)
Diluted headline (loss)/earnings attributable to equity holders of the parent	(186)	-	(186)

Chairman's Report

I am pleased to present the consolidated annual results for the year ended 31 March 2010. Shareholders will observe that the Company returned a profit of USD 16.8 million (2009: USD 0.5 million). The results are a reflection of the effect of the acquisition of ACU. The Company commenced the financial year

with a Net Asset Value per share ("NAVPS") of USD 1.84 and closed the financial year with a NAVPS of USD 2.14.

The year under review was marked by significant change. On 21 May 2009, ZCI subscribed for and acquired 676,570,500 ordinary shares in ACU a public limited Company incorporated and domiciled in England, listed on the AIM market of the London Stock Exchange as well as the Botswana Stock Exchange, effectively obtaining control of this group. The financing transaction of ACU's operations, which was approved by the Company's shareholders at an extraordinary general meeting held on 11 January 2010 effectively ended the Company's classification as a cash shell on the JSE Limited ("JSE"). The investment became the basis for the Company's relisting on the non-ferrous metal section of the JSE's main board, which was finalised on 15 January 2010. To mark this new era in its history, the Company finalised its name change in May 2010 and is now trading on both its primary and secondary listings under its new name, ZCI Limited, and with a new share code, BMG9887P1068.

The Company's newly acquired subsidiary is the focus of ZCI's business plan, as published in the Company's Circular to Shareholders dated 2 September 2008, and it is an investment of which the Group is justifiably proud. ACU holds exclusive rights for the exploration and development of copper deposits in an extensive area of Botswana. As a prerequisite to its relisting on the JSE, the Company commissioned the preparation of a Competent Persons Report ("CPR") from Read, Swatman & Voigt (Pty) Ltd ("RSV"), in South Africa on ACU's mining and exploration assets. An executive summary of the CPR was included in a Circular to Shareholders dated 17 December 2009 and is one of the many factors engendering an optimistic outlook for the future of the investment.

The year was not without its difficulties however, not least of which was the adverse economic climate in which the Company did business.

Against this background the Company concentrated its investment focus on bringing the newly acquired subsidiary to achieving full commercial production at its open-pit Mowana mine, which had been placed under care and maintenance since January 2009. Production recommenced in late August 2009 and ZCI is confident that significant progress has been made towards achieving sustainable optimum production levels. The subsidiary has turned its attention to exploiting and developing the Thakadu-Makala deposit, situated on the Matsitama belt and conserving its prospecting licences in the areas believed by management to be the most promising (or already hosting known mineralization) based on exploration work completed in and prior to 2008.

The Company continues to review other investment opportunities in accordance with its business plan. In the last quarter of the financial year the Company advanced a loan of USD 6 million at attractive rates of return to the Zambia-based Ndola Lime Company, which is the leading supplier of quicklime to the mining industry in the Zambian/Congolese Copperbelt.

In conclusion, significant progress has been made in implementing the Company's business plan and achieving long-term optimal production at ACU.

I take this opportunity of welcoming Kathryn Bergkoetter as financial director of the Company with effect from 8 September 2009. I can confirm that Ms Bergkoetter's expertise and in-depth knowledge of ZCI has made significant contributions to the Company during a time of considerable change and activity, confirming that the shareholders' faith in her is well-placed.

In accordance with the JSE Listings Requirements and the recommendations of the King Code and Report on Governance for South Africa ("King Report"), the Company appointed Professor Stephen Simukanga as the Lead Independent non-Executive Director with effect from 8 April 2010. I am confident that Professor Simukanga's integrity and diligence will be of invaluable assistance to the Company in meeting the expectations of the new era of corporate governance.

The Company is in the process of complying with the JSE's Listing Requirements to appoint a Chief Executive Officer. In accordance with a temporary dispensation granted by the JSE, ZCI will settle this issue by 31 March 2011.

It is thus on a note of determination and with a certain measure of optimism that ZCI looks to the year ahead in the belief that it is both strategically and financially placed to aggressively pursue its business plan for the coming year.

Thomas Kamwendo
Chairman,
Bermuda

2 September 2010

Explanation for the differences

At the time of publishing the Provisional Report, ZCI's Purchase Price Allocation ("PPA") as required by IFRS 3 for the acquisition of its majority stake in ACU had not been completed in full. Since the date of publication of the Provisional Report and arising from further analysis of the property, plant and equipment ("PPE") owned by ACU at the date of acquisition, the fair value of PPE was updated and included in the PPA. The inclusion of the increased value of PPE in the PPA resulted in the interlinked value attributed to the intangible mineral and mining rights being reduced. There were further correlated adjustments to deferred taxation and an increase in depreciation as the useful life of the assets were reassessed at the time of determining the fair value.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of ZCI will be held At the Hotel Novotel, 35 rue du Laboratoire, Luxembourg on 23 September 2010 at 14h00, to transact the business as stated in the notice of the Annual General Meeting, which is included as part of the Annual Report distributed to shareholders on 1 September 2010.

Registered office: Clarendon House, 2 Church Street, Hamilton, Bermuda

Company Secretary: John Kleynhans

Transfer secretaries: Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg, 2000

Auditors: KPMG Inc., 85 Empire Road, Parktown, 2193, Johannesburg

Sponsor: Bridge Capital Advisors (Pty) Limited, 27 Fricker Road, Illovo Boulevard, Illovo, 2196 South Africa

Website: www.zci.lu