

REVIEWED INTERIM REPORT
ZAMBIA COPPER INVESTMENTS LIMITED

(Registered in Bermuda)
("ZCI" or "the Company")

Consolidated statement of earnings
for the six months ended September 30, 2006
expressed in thousands of US Dollars

	Reviewed Six months ended September 30, 2006	Audited Fifteen months ended March 31, 2006	Unaudited Six months ended September 30, 2005
Turnover	-	-	-
Cost of sales	-	-	-
Gross Profit	-	-	-
Finance income / (loss)	359	2,248	893
General and administration expenses	(239)	(1,359)	(430)
Income from associated companies	44,869	37,640	6,178
Profit before taxation	44,989	38,529	6,641
Taxation	(30)	(76)	(29)
Net Profit	44,959	38,453	6,612

per ordinary share in US cents

Headline earnings before exceptional items	35.63	30.47	5.24
Exceptional expenses	-	-	-
Earnings per share (EPS)	35.63	30.47	5.24
Number of ordinary shares in issue	126,197,362	126,197,362	126,197,362

**Consolidated statement of financial position
as at September 30, 2006**

expressed in thousands of US Dollars

	Reviewed September 30, 2006	Audited March 31, 2006
Non-current assets		
Long term accounts receivable	9,797	9,477
Investment in associated companies	134,359	84,502
	<u>144,156</u>	<u>93,979</u>
Current assets		
Available for sale investment	4,799	2,842
Accounts receivable	5,245	5,296
Cash and cash equivalents	1,713	4,066
	<u>11,757</u>	<u>12,204</u>
Current liabilities		
Accounts payable and accrued liabilities	(86)	(260)
	<u>(86)</u>	<u>(260)</u>
Net current assets	<u>11,671</u>	<u>11,944</u>
Total assets less current liabilities	155,827	105,923
Net assets	<u><u>155,827</u></u>	<u><u>105,923</u></u>
Capital and reserves		
Capital	334,547	334,547
Revaluation reserve	(1)	42
Deficit on hedging reserve	(9,432)	(14,420)
Accumulated deficit	(169,287)	(214,246)
	<u>155,827</u>	<u>105,923</u>
Number of ordinary shares in issue	126,197,362	126,197,362
Net asset value (per ordinary share) in USD cents	123.48	83.93

**Consolidated statement of changes to equity
for the six months ended September 30, 2006**
expressed in thousands of US Dollars

	Share capital	Contributed surplus	Accumulated deficit	Revaluation reserve	Hedging reserves	Total
Balance at March 31,2005	30,299	304,248	(247,216)	-	-	87,331
Profit for the period	-	-	6,612	-	-	6,612
	<u>-</u>	<u>-</u>	<u>6,612</u>	<u>-</u>	<u>-</u>	<u>6,612</u>
Balance at September 30, 2005	30,299	304,248	(240,604)	-	-	93,943
Revaluation on available for sale investment	-	-	-	42	-	42
Hedging reserve of associated company	-	-	-	-	(14,420)	(14,420)
Profit for the period	-	-	26,358	-	-	26,358
	<u>-</u>	<u>-</u>	<u>26,358</u>	<u>-</u>	<u>-</u>	<u>26,358</u>
Balance at March 31, 2006	30,299	304,248	(214,246)	42	(14,420)	105,923
Revaluation on available for sale investment	-	-	-	(43)	-	(43)
Hedging reserve of associated company	-	-	-	-	4,988	4,988
Profit for the period	-	-	44,959	-	-	44,959
	<u>-</u>	<u>-</u>	<u>44,959</u>	<u>-</u>	<u>-</u>	<u>44,959</u>
Balance at September 30, 2006	30,299	304,248	(169,287)	(1)	(9,432)	155,827
	<u><u>30,299</u></u>	<u><u>304,248</u></u>	<u><u>(169,287)</u></u>	<u><u>(1)</u></u>	<u><u>(9,432)</u></u>	<u><u>155,827</u></u>

Consolidated statement of cash flow
for the six months ended September 30, 2006
expressed in thousands of US Dollars

	Reviewed Six months ended September 30, 2006	Audited Fifteen months ended March 31, 2006	Unaudited Six months ended September 30, 2005
Cash flow from operating activities			
Cash received from customers	-	-	-
Cash paid to suppliers and employees	(400)	(1,480)	(375)
<i>Cash utilized by operations</i>	(400)	(1,480)	(375)
Interest received	77	96	11
Interest paid	-	-	-
Income tax paid	(30)	(30)	(29)
<i>Net cash utilized by operating activities</i>	(353)	(1,474)	(393)
Cash flow from investing activities			
Purchase of available for sale investments	(2,000)	(2,800)	-
Proceeds from partial disposal of investment in subsidiary	-	5,220	-
Purchase of tangible fixed assets	-	-	-
<i>Cash absorbed by investing activities</i>	(2,000)	(2,420)	-
Cash flow from financing activities			
Lease financing paid	-	-	-
<i>Cash absorbed by financing activities</i>	-	-	-
Net (decrease) / increase in cash	(2,353)	946	(393)
Net cash at the beginning of the period	4,066	3,120	2,777
Net cash at the end of the period	<u>1,713</u>	<u>4,066</u>	<u>2,384</u>
Cash deposits and cash at bank	1,713	4,066	2,384
Short term loans and bank overdraft - unsecured	-	-	-
Net cash at the end of the period	<u>1,713</u>	<u>4,066</u>	<u>2,384</u>

**Notes to the interim financial statements
for the six months ended September 30, 2006
expressed in thousands of US Dollars**

1. ACCOUNTING POLICIES

The financial statements were prepared in accordance with International Financial Reporting Standards and in terms of the same accounting policies applied during the previous financial period. Following the change in majority ownership of KCM with effect from 31 October 2004, the results of KCM are included according to the equity accounting method for associated companies.

The consolidated balance sheet of Zambia Copper Investments Limited and its subsidiaries (the “Group”) for the period ended 30 September 2006 and the related consolidated statements of income, cash flow, and change to shareholders equity for the period then ended, have been reviewed by KMPG Audit S.à.r.l. Luxembourg, in accordance with the International Standard on Review Engagements (ISRE) 2400, applicable to review engagements, and their review report is available for inspection at the registered office of the Company. These consolidated interim financial statements are the responsibility of the Board of Directors.

2. ASSOCIATED COMPANIES

The Group reduced its shareholding in KCM from 58% to 28.4% in 2004. The financial information on this associated company was subject to a review by an external auditor as at 30 September 2006. The review report is available for inspection at the registered office of the Company.

	2006	2005
Value at 1 April	84,502	66,478
Share of associated companies’ profit	44,869	6,178
Share of equity movements	4,988	-
	<hr/>	<hr/>
Value at 30 September	<u>134,359</u>	<u>72,656</u>

3. LONG TERM ACCOUNTS RECEIVABLE

Resulting from the Vedanta transaction the Company will receive consideration of USD 23,200,000 for a waiver of their pre-emptive subscription rights to KCM shares. This amount is receivable over a period from 4 November 2004 to 31 December 2008. The deferred consideration is recorded at its discounted net present value.

4. AVAILABLE FOR SALE INVESTMENT

The investment represents investments in an equity mutual fund. The fair value for available for sale investments is based on dealer price quotations. The Group has not designated any financial assets that are classified as held for trading as financial assets at fair value through profit and loss.

CHAIRMAN'S STATEMENT

I am pleased to present the Company's reviewed interim financial statements for the six months ended 30 September 2006. It will be noted that these results reflect a net profit figure of USD 44,9 million, which compares favourably to the USD 38,5 million published for the fifteen-month period ended 31 March 2006. ZCI's investment in Konkola Copper Mines ("KCM") remains profitable. The positive effect of high copper prices continues to be felt, but the Director's concerns relating to low production levels at KCM remain largely unresolved.

On a more positive note, I am delighted to announce that at the end of November 2006 and after the close of the financial period under review, ZCI received its first dividend payment in many years from KCM. The amount of USD 1,6 million received by the Company, may be lower than the Board and shareholders would have hoped, but it is an extremely encouraging sign of the effects of current copper price levels on the profitability of KCM and by extension, ZCI.

As shareholders will have noted from the regular announcements posted by ZCI on the stock exchanges and on the Company's website, negotiations with Vedanta Resources plc ("Vedanta") resulting from the exercise by Vedanta of its call option in terms of the Vedanta Call Option Deed ("the Deed"), over the remaining 28.4% of KCM shares held by ZCI through its wholly owned subsidiary, ZCI Holdings S.A., continue to be the Company's primary focus. Although these negotiations have proved to be extremely time consuming, progress has been made and agreement had been reached on the terms of engagement of the independent bank that will undertake the valuation. However, as was announced in October 2006, a material dispute has arisen between ZCI and Vedanta relating to the interpretation of the Deed and the appointment of the independent investment bank cannot be finalised and the valuation process cannot progress until the dispute is resolved. As a last resort, ZCI issued a notice of arbitration to Vedanta.

In terms of the confidentiality provisions of the Deed, the Company is regrettably unable to release detailed information relating to the subject matter of the arbitration or the arbitration proceedings, but the Board is satisfied that the current proceedings are crucial to protect the interests of ZCI and its shareholders. Preparations for the arbitration proceedings are continuing and the parties have agreed on the appointment of the arbitrator. It is expected that the arbitration will be heard in mid-2007. Once the ruling is received, the independent bank's terms of engagement will be finalized and it will be able to undertake its valuation. The Company will continue to keep its shareholders informed of the progress of these proceedings insofar as it is able to do so without falling foul of its confidentiality obligations.

Shareholders are reminded that in the event that Vedanta is unwilling to pay the option exercise price as determined by the Bank, it shall not be required to proceed with the associated purchase of ZCI's KCM shares. In terms of the provisions of the Deed, ZCI shall be bound to accept the valuation made by the Bank. As before, shareholders are reminded to exercise caution when dealing in ZCI's securities until detailed announcements are made.

Thomas Kamwendo
Chairman

Bermuda
23 January 2007