

REVIEWED INTERIM REPORT
ZAMBIA COPPER INVESTMENTS LIMITED

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

Consolidated Income Statement
for the six months ended September 30, 2007
expressed in thousands of US Dollars

	Reviewed Six months ended September 30, 2007	Audited Year ended March 31, 2007	Reviewed Six months ended September 30, 2006
Finance income	221	730	359
General and administration expenses	(3,892)	(849)	(239)
Income from associated companies	36,268	85,577	44,869
Profit before taxation	<u>32,597</u>	<u>85,458</u>	<u>44,989</u>
Taxation	(32)	(60)	(30)
Profit for the period / year	<u><u>32,565</u></u>	<u><u>85,398</u></u>	<u><u>44,959</u></u>
Headline earnings per ordinary share in US cents	25.80	67.67	35.63
Net profit per ordinary share in US Cents	<u><u>25.80</u></u>	<u><u>67.67</u></u>	<u><u>35.63</u></u>
Number of ordinary shares in issue	126,197,362	126,197,362	126,197,362

Consolidated Balance Sheet
as at September 30, 2007
expressed in thousands of US Dollars

	Reviewed September 30, 2007	Audited March 31, 2007
Non-current assets		
Long term accounts receivable	5,055	4,890
Investment in associated companies	-	170,313
	<hr/> 5,055	<hr/> 175,313
Current assets		
Available for sale investment	12,718	10,593
Accounts receivable	5,252	5,250
Cash and cash equivalents	1,763	2,856
Assets classified as held for sale	205,398	-
	<hr/> 225,131	<hr/> 18,699
Current liabilities		
Accounts payable and accrued liabilities	(2,937)	(188)
	<hr/> (2,937)	<hr/> (188)
Net current assets	<hr/> 222,194	<hr/> 18,511
Total assets less current liabilities	227,249	193,714
	<hr/> 227,249	<hr/> 193,714
Net assets	<hr/> <hr/> 227,249	<hr/> <hr/> 193,714
Capital and reserves		
Capital	334,547	334,547
Revaluation reserve	1,098	573
Deficit on hedging reserve	(12,113)	(12,558)
Accumulated deficit	(96,283)	(128,848)
Total Equity	<hr/> 227,249	<hr/> 193,714
	<hr/> <hr/> 227,249	<hr/> <hr/> 193,714
Number of ordinary shares in issue	126,197,362	126,197,362
Net asset value (per ordinary share) in USD cents	180.07	153.50

**Consolidated statement of changes to equity
for the six months ended September 30, 2007
expressed in thousands of US Dollars**

	Share capital	Contributed surplus	Revaluation reserves	Hedging reserve	Accumulated deficit	Total
Balance at March 31, 2006	30,299	304,248	42	(14,420)	(214,246)	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
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at September 30, 2006	30,299	304,248	(1)	(9,432)	(169,287)	155,827
Revaluation on available for sale investment	-	-	574	-	-	574
Hedging reserve of associated company	-	-	-	(3,126)	-	(3,126)
Profit for the period	-	-	-	-	40,439	40,439
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at March 31, 2007	30,299	304,248	573	(12,558)	(128,848)	193,714
Revaluation on available for sale investment	-	-	525	-	-	525
Hedging reserve of associated company	-	-	-	445	-	445
Profit for the period	-	-	-	-	32,565	32,565
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at September 30, 2007	30,299	304,248	1,098	(12,113)	(96,283)	227,249

Consolidated statement of cash flow
for the six months ended September 30, 2007
expressed in thousands of US Dollars

	Reviewed Six months ended September 30, 2007	Audited Twelve months ended March 31, 2007	Reviewed Six months ended September 30, 2006
Cash flow from operating activities			
Cash paid to suppliers and employees	(1,145)	(876)	(400)
Cash absorbed by operations	(1,145)	(876)	(400)
Interest received	57	114	77
Income tax paid	(33)	(76)	(30)
Net cash absorbed by operating activities	(1,121)	(838)	(353)
Cash flow from investing activities			
Purchase of available for sale investments	(1,600)	(7,220)	(2,000)
Proceeds from partial disposal of investment in subsidiary	-	5,220	-
Dividends received from associated company	1,628	1,628	-
Cash generated / (absorbed) by investing activities	28	(372)	(2,000)
Net decrease in cash	(1,093)	(1,210)	(2,353)
Net cash at the beginning of the period / year	2,856	4,066	4,066
Net cash at the end of the period / year	1,763	2,856	1,713

**Notes to the interim financial statements
for the six months ended September 30, 2007
expressed in thousands of US Dollars**

1. ACCOUNTING POLICIES

These consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. IAS 34 does not require a full set of disclosures for interim financial statements. These consolidated interim financial statements are in compliance with IFRSs when users of such information have access to the most recent IFRS annual financial statements, which are available on our website.

In its consolidated interim financial statements, Zambia Copper Investments Limited applied the same accounting policies as described in the consolidated financial statements for the year ended 31 March 2007. Following the change in majority ownership of KCM with effect from 31 October 2004, the results of KCM have been included according to the equity accounting method for associated companies until 30 September 2007, date at which this investment has been classified as held for sale in accordance with IFRS 5 (see note 5 below).

The consolidated balance sheet of Zambia Copper Investments Limited and its subsidiaries (the "Group") for the period ended 30 September 2007 and the related consolidated statements of income, cash flow, and change to shareholders equity for the period then ended, have been reviewed by KPMG Audit S.à.r.l. Luxembourg, in accordance with the International Standard on Review Engagements (ISRE) 2410, 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 2007 and 30 September 2006. The review report is available for inspection at the registered office of the Company. The majority shareholder of KCM has exercised an option to purchase ZCI's shares of KCM. The negotiations relating to the option are nearing completion; therefore the investment in KCM was reclassified as held for sale at 30 September 2007.

	2007	2006
Value at 1 April	170,313	84,502
Share of associated companies' profit	36,268	44,869
Dividends received	(1,628)	-
Share of equity movements	445	4,988
	<hr/>	<hr/>
Value at 30 September	<u>205,398</u>	<u>134,359</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. Gains and losses arising from changes in the fair value are recognized directly in equity until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the net profit and loss for the period.

5. ASSETS CLASSIFIED AS HELD FOR SALE

As at 30 September 2007, the investment in KCM meets the criteria to be classified as held for sale. The investment is measured at its carrying value as of 30 September 2007 and equity accounting is discontinued as from that date.

CHAIRMAN'S STATEMENT

I am pleased to present the Company's reviewed interim financial statements for the six months ended 30 September 2007. Based on a further profitable period for Konkola Copper Mines ("KCM"), ZCI is showing a net profit figure of USD 33 million, which is in line with expectations. Continuing the positive trend from last year, KCM declared an interim dividend during October 2007, of which ZCI will again receive just over USD 1.6 million. While welcoming the fact that KCM continues to declare dividends, the Directors are firmly of the view that these are below the levels that KCM's shareholders should expect and will maintain pressure on the KCM Board in this respect.

The most significant development that occurred during the period under review, was the resolution of the arbitration proceedings relating to the material dispute between ZCI and Vedanta Resources plc ("Vedanta") concerning the interpretation of the Vedanta Call Option Deed ("the Deed"). Shareholders will recall that the negotiations between ZCI and Vedanta resulting from the exercise by Vedanta of its call option in terms of the Deed, over the remaining 28.4% of KCM shares held by ZCI through its wholly owned subsidiary, ZCI Holdings S.A., had been delayed since the material dispute arose on September 2006. The arbitrator's decision was delivered in July 2007 and he determined that the ZCI's 28.4% stake in KCM is to be valued as at the date on which the call option was exercised by Vedanta, namely 12 August 2005.

The receipt of the arbitration decision has allowed the parties to finalise the terms of engagement of the independent investment bank ("the Bank") and the Bank has commenced with the valuation process. The Bank initially indicated that its valuation would be delivered to ZCI and Vedanta by mid December 2007, provided that there are no unforeseen delays in the valuation process. As has recently been announced however, due to the difficulties inherent in the production of a valuation as at August 2005, the Bank has requested an extension for the delivery of the valuation report to mid-January 2008. ZCI will release a detailed summary of the valuation report once this has been received from the Bank. 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. ZCI will ensure that detailed announcements are released to shareholders as developments occur in this process.

It should be noted that, based on the accounting requirements provided for in IFRS 5, the Directors have decided that it is appropriate that the investment in KCM be reflected in the accounts as a held-for-sale investment in the present financial statements, rather than purely as an "investment in an associated company". This requirement is based on the fact that ZCI and Vedanta are following a contractually defined process which, with the arbitration now having been completed and given that the Bank is underway with its valuation, the call option process is expected to be completed one way or another before the end of the Company's present financial year. Should Vedanta elect not to pay the option exercise price as determined by the Bank, ZCI will revert to equity accounting for its investment in KCM, which will be retrospectively applied.

A final point that I wish to highlight is the fact that the Board is actively considering and evaluating the various options that are open to ZCI and its shareholders, in the event that Vedanta elects to accept the option exercise price determined by the Bank and, as a consequence, should the sale complete. These options will be presented to the shareholders in order that all stake holders are involved in agreeing the future direction of the Company.

Thomas Kamwendo
Chairman

Bermuda
28 December 2007