

Audited Consolidated Financial Results
ZAMBIA COPPER INVESTMENTS LIMITED

(Registered in Bermuda)
("ZCI" or "the Company")
JSE code: ZCI
ISIN: BMG988431240

Consolidated Income Statement
for the period 1 January 2005 to 31 March 2006
expressed in thousands of US Dollars

	1 January 2005 to 31 March 2006	Year ended 31 December 2004 (restated)
Turnover	-	440,649
Cost of sales	-	(300,638)
	<hr/>	<hr/>
Gross Profit	-	140,011
Other operating expenses	-	(62,020)
Depreciation	-	(12,412)
	<hr/>	<hr/>
Profit from operations	-	65,579
Other income		2,485
Finance income	2,248	30
Interest expense	-	(1,331)
General and administration expenses	(1,359)	(1,090)
Loss on sale of investment in subsidiary company	-	(3,097)
Income from associated companies	37,640	25,093
Exceptional item	-	(9,763)
	<hr/>	<hr/>
Profit before taxation	38,529	77,906
Taxation	(76)	(85)
	<hr/>	<hr/>
Profit for the period / year	38,453	77,821
	<hr/> <hr/>	<hr/> <hr/>
Attributable to equity holders	38,453	77,906
Attributable to minority interest	-	(85)
	<hr/>	<hr/>
Profit for the period / year	38,453	77,821
	<hr/> <hr/>	<hr/> <hr/>
	<i>per ordinary share in US cents</i>	
Headline earnings before exceptional items	30.47	50.77
Exceptional items	-	(7.73)
	<hr/>	<hr/>
Earnings per share	30.47	43.04
	<hr/> <hr/>	<hr/> <hr/>
Number of ordinary shares in issue	126,197,362	126,197,362

Consolidated Balance Sheet
as at 31 March 2006
expressed in thousands of US Dollars

	1 January 2005 to 31 March 2006	year ended 31 December 2004 (restated)
Non-Current Assets		
Long term accounts receivable	9,477	12,910
Investment in associated companies	84,502	61,282
	<hr/>	<hr/>
	93,979	74,192
	<hr/>	<hr/>
Current assets		
Available for sale investment	2,842	-
Accounts receivable	5,296	4,892
Cash and cash equivalents	4,066	3,120
	<hr/>	<hr/>
	12,204	8,012
Current liabilities		
Accounts payable and accrued liabilities	(260)	(356)
	<hr/>	<hr/>
Net current assets	11,944	7,656
	<hr/>	<hr/>
Total assets less current liabilities	105,923	81,848
	<hr/>	<hr/>
Net assets	105,923	81,848
	<hr/> <hr/>	<hr/> <hr/>
Capital and reserves		
Capital	334,547	334,547
Revaluation reserves	42	-
Deficit on hedging reserves	(14,420)	-
Accumulated deficit	(214,246)	(252,699)
	<hr/>	<hr/>
Shareholders' equity	105,923	81,848
	<hr/> <hr/>	<hr/> <hr/>

**Consolidated Statement of Changes in Equity
for the period 1 January 2005 to 31 March 2006**

expressed in thousands of US Dollars

	Share capital	Contributed surplus	Revaluation reserve	Hedging reserve	Accumulated deficit	Minority interest	Total equity
Balance at 31 December 2003	30,299	478,508	1,220	(2,989)	(481,270)	1,255	27,023
Reversal of net loss on cashflow hedges transferred to income statement	-	-	-	2,989	-	(1,255)	1,734
Reversal of revaluation on Equity fund investment	-	-	(1,220)	-	-	-	(1,220)
Change in scope of consolidation	-	(174,260)	-	-	150,750	23,510	-
Profit for the year	-	-	-	-	77,821	(23,510)	54,311
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2004 as restated	30,299	304,248	-	-	(252,699)	-	81,848
Revaluation on available for sale investment	-	-	42	-	-	-	42
Hedging reserve of associated company	-	-	-	(14,420)	-	-	(14,420)
Profit for the period	-	-	-	-	38,453	-	38,453
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2006	30,299	304,248	42	(14,420)	(214,246)	-	105,923

Consolidated Statement of Cash Flows
for the period 1 January 2005 to 31 March 2006
expressed in thousands of US Dollars

	1 January 2005 to 31 March 2006	Year ended 31 December 2004
Cash flow from operating activities		
Cash received from customers	-	425,201
Cash paid to suppliers and employees	(1,480)	(325,967)
	<hr/>	<hr/>
Cash (absorbed) / generated by operations	(1,480)	99,234
Interest received	96	30
Interest paid	-	(1,020)
Income tax paid	(90)	(121)
	<hr/>	<hr/>
Net cash (absorbed) / generated by operating activities	(1,474)	98,123
	<hr/>	<hr/>
Cash flow from investing activities		
Purchase of available for sale investments	(2,800)	-
Proceeds from disposal of short term investment	-	981
Proceeds from partial disposal of investment in subsidiary, net of cash disposed of	5,220	(24,006)
Purchase of tangible fixed assets	-	(46,060)
	<hr/>	<hr/>
Cash generated / (absorbed) by investing activities	2,420	(69,085)
	<hr/>	<hr/>
Cash flow from financing activities		
Lease financing paid	-	(3,526)
	<hr/>	<hr/>
Cash absorbed by financing activities	-	(3,256)
	<hr/>	<hr/>
Net increase in cash	946	25,512
Net cash / (debt) at the beginning of the period / year	3,120	(22,392)
	<hr/>	<hr/>
Net cash at the end of the period / year	4,066	3,120
	<hr/> <hr/>	<hr/> <hr/>

CHAIRMAN'S REPORT

I am pleased to present the Company's audited annual financial statements for the fifteen months ended 31 March 2006. It will be noted that these results reflect a satisfactory consolidated net profit figure of USD 38.5 million, which compares favourably to the USD 13.6 million published for the period ended 31 December 2005. These figures differ slightly from the unaudited results published on SENS on 30 June 2006, most notably in the fact that the consolidated net profit figure has increased from USD 36.3 million and that a prior year adjustment has required a consequential restatement to the Company's 2004 results.

During the period, management and the newly appointed auditors discovered that the deferred sale consideration receivable from Vendanta Resources plc had been recorded at its nominal value instead of being discounted to net present value. This error has been corrected retrospectively by restating the comparative statements for 31 December 2004. The effect of the change is a decrease in the long term accounts receivable of USD 2,750,000, a decrease in current accounts receivable of USD 328,000, and an increase in the loss on sale of subsidiary company of USD 3,078,000. Accordingly, the opening reserves have been decreased by USD 3,078,000.

The Company's annual report and notice of Annual General Meeting will be posted to shareholders on Tuesday 25 July 2006, on which date the full annual report will also appear on the Company's website.

ACCOUNTING POLICIES

As shareholders are aware, the Company's financial year-end has been changed from 31 December to 31 March in order to bring the Company in line with the financial reporting period of KCM and primarily with the object of avoiding previous delays associated with timeous production of financial results. As a result, the comparative amounts for the income statement, statement of changes to equity, cash flows, and related notes are not comparable. The accounting policies applied in the preparation of the consolidated financial statements for the fifteen months ended 31 March 2006 are in accordance with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB). In 2005, the International Accounting Standards Board issued new standards and interpretations, which had no significant impact on the consolidated financial statements as at 31 March 2006.

The consolidated balance sheet of Zambia Copper Investments Limited and its subsidiaries for the fifteen-month period ended 31 March 2006 and the related consolidated statements of income, cash flow and changes in shareholders' equity for the period then ended, have been audited by KPMG Audit S.à.r.l.. The report of the auditors will be available for inspection at the registered office of the Company. These consolidated financial statements are the responsibility of the Board of Directors.

ANNUAL GENERAL MEETING – CHANGE OF DATE

Due to unforeseen delays in the finalisation of the audit, the directors have determined that the initial date scheduled for the annual general meeting would not permit shareholders to receive sufficient notice of such meeting and have accordingly deferred the meeting by one week to 16 August 2006 in terms of the notice set out below.

Notice is hereby given that the annual general meeting of the Company will be held at the offices of Maitland Luxembourg S.A., 6 Rue Adolphe Fischer, Luxembourg, on Wednesday 16 August 2006 at 11h00, to transact the business as stated in the notice of annual general meeting included in the annual report.

Thomas Kamwendo

Chairman

Bermuda, 21 July 2006

Registered office

Clarendon House, 2 Church Street, Hamilton, Bermuda

Transfer Secretaries

Computershare Investor Services 2004 (Pty) Limited, 70 Marshall Street, Johannesburg, 2001

Website: www.zci.lu