

Unaudited Consolidated Financial Results and Further Cautionary Announcement
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
Turnover	-	440,649
Cost of sales	-	(300,638)
Gross Profit	-	140,011
Other operating expenses	-	(62,020)
Depreciation	-	(12,412)
Profit from operations	-	65,579
Other income	-	2,485
Interest income	133	30
Interest expense	-	(1,331)
General and administration expenses	(1,359)	(1,090)
Income on sale of investment in subsidiary company	-	(19)
Income from affiliated company	37,640	25,093
Exceptional item	-	(9,763)
Profit before taxation	36,414	80,984
Taxation	(76)	(85)
Profit after taxation	36,338	80,899
Profit attributable to minority interest	-	(23,510)
Net Profit	36,338	57,389
<i>per ordinary share in US cents</i>		
Headline earnings before exceptional items	28.79	53.21
Exceptional items	-	(7.73)
Earnings per share	28.79	45.48
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
Non-Current Assets		
Long term accounts receivable	10,440	15,660
Investment in associate	84,502	61,282
Available for sale investment	2,842	-
	<u>97,784</u>	<u>76,942</u>
Current assets		
Accounts receivable	5,296	5,220
Cash and short-term investments	4,066	3,120
	<u>9,362</u>	<u>8,340</u>
Current liabilities		
Accounts payable and accrued liabilities	(260)	(356)
	<u>9,102</u>	<u>7,984</u>
Net current assets	<u>9,102</u>	<u>7,984</u>
Total assets less current liabilities	<u>106,886</u>	<u>84,926</u>
Net assets	<u><u>106,886</u></u>	<u><u>84,926</u></u>
Capital and reserves		
Capital	334,547	508,807
Revaluation reserves	42	-
Hedging reserves	(14,420)	-
Accumulated deficit	(213,283)	(249,621)
	<u>106,886</u>	<u>84,926</u>
Shareholders' equity	<u><u>106,886</u></u>	<u><u>84,926</u></u>

**Consolidated statement of changes to equity
for the period 1 January 2005 to 31 March 2006**
expressed in thousands of US Dollars

	Share capital	Contributed surplus	Accumulated deficit	Revaluation reserve	Hedging reserves	Total
Balance at 31 December 2003 as restated	30,299	478,508	(481,270)	1,220	(1,734)	27,023
Reversal of net loss on cashflow hedges transferred to income statement	-	-	-	-	2,989	2,989
Reversal of Minority interest on cash flow hedges	-	-	-	-	(1,255)	(1,255)
Reversal of revaluation on Equity fund investment	-	-	-	(1,220)	-	(1,220)
Change in scope of consolidation	-	(174,260)	174,260	-	-	-
Profit for the year	-	-	57,389	-	-	57,389
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Balance at 31 December 2004	30,299	304,248	(249,621)	-	-	84,926
Revaluation on Equity fund investment	-	-	-	42	-	42
Hedging reserve of associated company	-	-	-	-	(14,420)	(14,420)
Profit for the period	-	-	36,338	-	-	36,338
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Balance at 31 March 2006	30,299	304,248	(213,283)	42	(14,420)	106,886
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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)
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Cash (absorbed) / generated by operations	(1,480)	99,234
Interest received	96	30
Interest paid	-	(1,020)
Income tax paid	(90)	(121)
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Net cash generated / (absorbed) by operating activities	(1,474)	98,123
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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	5,220	2,320
Purchase of tangible fixed assets	-	(46,060)
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Cash generated / (absorbed) by investing activities	2,420	(42,759)
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Cash flow from financing activities		
Lease financing paid	-	(3,526)
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Cash absorbed by financing activities	-	(3,256)
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Change in scope of consolidation	-	(26,326)
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Net increase in cash	946	25,512
Net cash / (debt) at the beginning of the period / year	3,120	(22,392)
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Net cash at the end of the period / year	4,066	3,120
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Cash deposits and cash at bank	4,066	3,120
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Net cash at the end of the period / year	4,066	3,120
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CHAIRMAN'S REPORT

I am pleased to present the Company's unaudited annual financial statements for the fifteen months ended 31 March 2006. The Company's audit is nearing finalisation and will be completed shortly once the Company receives the signed audited financial statements of Konkola Copper Mines plc ("KCM"). It will be noted that these results reflect a satisfactory consolidated net profit figure of USD 36.3 million, which compares favourably to the USD 13,6 million published for the period ended 31 December 2005.

Shareholders will recall that, with effect from the date of the acquisition by Vedanta Resources plc ("Vedanta") of 51% of Konkola Copper Mines plc ("KCM"), on which date KCM's accounting status in ZCI's books changed from Subsidiary to Associated Company, the book cost of the Company's investment in KCM was USD36.2 million. This is the cost brought forward as at 1 January 2005 as the cost of ZCI's investment in its Associate. In the present financial statements, this cost has been increased by the Company's share in the income of KCM, of which ZCI's share amounts to USD 37.6 million. The Directors are of the opinion that the present results correctly reflect the Company's 28.4% share in the income of KCM.

The results indicate that while KCM and by extension, the Company, have benefited from the consistently high price of copper over the past 10 months, the Directors are of the view that disappointingly low production levels at KCM have resulted in KCM not having been able to maximise its profitability further by taking advantage of the currently favourable copper market.

The period commenced with the sad passing of the previous Chairman, Jean-Pierre Rozan. This unfortunate event necessitated certain changes to the Company's board and in January 2006, Michel Clerc, Chairman of AMZCI, the association of minority shareholders in France, was elected to the Board. In February 2006, I was elected to assume the position of Chairman of the Company.

The most significant issue that has occupied the attention of the Board as well as those of our shareholders over the past ten months and beyond, is the continuing negotiation with 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. In August 2005, Vedanta gave notice that it intended to exercise its call option and since that date, the Board of ZCI has attempted to finalise the terms of reference to be submitted to the Independent Bank ("the Bank") for the purposes of settling the letter of engagement and enabling the Bank to progress with the valuation.

The Board is extremely conscious of the fact that this process could be the most significant event in the history of the Company and is making every effort to ensure that the interests of the Company and its shareholders are protected. It is evident from the length of the negotiations to date, that the ultimate outcome of the call option process is substantial for both parties and your Board is mindful of the fact that continued vigilance will be necessary to ensure that the Company's rights and interests are not undermined. The Directors believe that the appointment of the Bank is likely to be finalised shortly and that the remaining few issues remain to be resolved between Vedanta and the Bank directly, after which further announcements will be made. At that stage, shareholders will be advised of the approximate timing of the valuation and the expected duration of the entire process to its ultimate conclusion.

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 advised to continue to exercise caution when dealing in ZCI's securities until detailed announcements are made.

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 principal accounting policies applied in the preparation of these financial statements for the fifteen months ended 31 March 2006 are in accordance with International Financial Reporting Standards.

The consolidated balance sheet of Zambia Copper Investments Limited and its subsidiaries (the "Group") 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, are in the process of being audited by KPMG Audit S.à.r.l., Luxembourg. These consolidated financial statements are the responsibility of the Board of Directors. The Group reduced its shareholding in KCM from 58% to 28.4% in 2004. While the financial information on KCM has been subject to audit by an external auditor as at 31 March 2006, the signed audit report of this associated company (KCM) has not been received by the Company. As the investment in this associated company represents the main asset of the Group and due to the significance of the matters described above, KPMG are not in a position to form an opinion at this stage. The audit is expected to be completed shortly. The audit report will be available for inspection at the registered office of ZCI once the audit is completed.

ANNUAL GENERAL MEETING

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 9 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, 30 June 2006

Registered office

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Transfer Secretaries

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Website: www.zci.lu