

## Chinalco

### The challenge:

FCR was appointed to provide communication services to support the \$16 billion acquisition of a 9% stake in Rio Tinto by Chinalco. In an environment where iron ore prices were rising and BHP was bidding to take over Rio Tinto, the action could be interpreted as a suspicious move by the Chinese government. There was a strong possibility that public hostility could be unleashed through the media against China and Chinese companies which were virtually invisible in Australia at the time.

### The solution:

Anticipating widespread media interest, FCR worked closely with government relations adviser Hawker Britten in Australia and The Maitland Consultancy in London. Over one month, FCR prepared a detailed communication plan which included corporate positioning, anticipated attempts to destabilise the transaction and responses. It included messages, questions and answers, speaking points, letters to stakeholders and other communication collateral, and a schedule to manage the company's interaction with regulators, business leaders and politicians – including the Australian Prime Minister and Treasurer – and media engagement.

Our strategy aimed to minimise hostility and misunderstanding. FCR developed a persuasive argument why Chinalco's CEO should meet Australian journalists in Australia, despite the share transaction taking place in London. FCR advised that it was essential to ensure that any 'information vacuum' was as small as possible.

FCR spent a full day preparing the president of Chinalco and his team to meet the media. We arranged one-on-one interviews with leading

columnists, who would influence other coverage, and a Sydney media briefing.

### The result:

Our advice was crucial. Positioning Chinalco as a transparent organisation with high integrity and corporate governance helped to build support, defusing potential hostility from those opposed to the transaction.

The media conference, organised by FCR, communicated the company's messages successfully, and was attended by more than 60 business journalists. Media coverage carried Chinalco's messages, including headlines that hostility to Chinalco's move would be the wrong reaction. During the year that followed, Chinalco maintained a positive corporate reputation and successfully avoided situations where it could have been placed on the defensive by the media. The company remains a significant shareholder in Rio Tinto today.

