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## Chinalco may win Rio approval with Conditions - Citigroup

*Friday, 17 Apr, 2009*

Bloomberg quoted Citigroup said Aluminum Corp. of China, pursuing a USD 19.5 billion investment in Rio Tinto Group, may win Australian regulatory approval by reducing the convertible bond purchase and the number of directors it nominates.

Mr Clarke Wilkins analysts said Chinalco Australian Treasurer Mr Wayne Swan may cut the Rio bond sale to USD 4.8 billion from USD 7.2 billion, as the state owned Chinese company is known, may also be limited to appointing one director instead of two.

Citigroup said Rio, the world's third-biggest mining company, is under attack from Australian politicians because the investment plan would hand partial ownership of some mines and plants to Chinalco, and give the Chinese company an 18% stake with the debt conversion. Mr Swan may limit Chinalco shareholding to 15% with the bond sale reduction.

Citigroup said "If the treasurer's approval is forthcoming and the conditions are not too onerous, the deal could still be completed early in the Q1."

Rio rose 1.5% to AUD 58.23 at 11:37AM Sydney time on the Australian stock exchange. It has risen 12% since announcing the Chinalco deal on February 12th.

(Sourced from Bloomberg)

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