

From: Neil Chenoweth
Sent: Monday, July 02, 2012 02:51 PM
To: Mitchell, Chris (NWN)
Cc: Richard Coleman
Subject: NOT FOR PUBLICATION

Dear Mr Mitchell,

You were quoted on page 26 of *The Australian* today, in reference to me, as stating, "I had an exchange with Neil two years ago about the possibility of him jumping to the Oz. I am not sure how that sits with his bitterness against Kohler for doing the same."

You'll be aware that this is not true. In fact, it is a lie.

A newspaper of record would correct this in the next day's publication.

Yours Faithfully,

Neil Chenoweth

The Australian Financial Review

From: Mitchell, Chris (NWN)
Sent: Monday, 2 July 2012 3:00 PM
To: Neil Chenoweth; Mathieson, Clive
Subject: Re: NOT FOR PUBLICATION

That is NOT my memory of what you asked me and I told my people including Brett Clegg at the time. You had called about something to do with share trading via Macquarie and I told you I used JB Were. You then raised the question would I ever consider hiring you. I remember it like yesterday, as did Clive when I reminded him. You are having trouble with truth sport. Not me. Chris

On 02/07/2012, at 4:37 PM, "Neil Chenoweth" wrote:

Mr Mitchell,

Memory can be an unreliable guide, but I believe that I can assist you.

By way of context, by early 2008 I had begun working on my book about NDS and had already travelled to Europe to begin research. Thus working for News Corporation titles was never a credible option for me.

On Friday September 19 2008 I emailed you a query as to whether you held a Macquarie margin loan. The then *AFR* editor Glenn Burge strongly believed that you did and directed me to write to you about it, for an item in the Prince column. I was rather polite in my email to you as you can see. Frankly I didn't want to be caught in the crossfire between yourself and Glenn. I really had no interest in your margin loan. Generally I prefer that if people are going to get annoyed with me, it is because of something that I have done or said, rather than as proxy for my editor. It seems to work better that way. Hence my second sentence, a way of expressing that I had been the staff member given the short straw to ask you the unpleasant question. I was never going to work for the *Australian*. You knew it and I knew it. This used to be called civility.

My letter to you was at 11.55am. You replied to me with two emails. In the first, at 12.01pm you denied having a margin loan and referred to Goldman Sachs as your broker. Then at 4.16pm you sent a second email which stated: "Confidentially Neil, if you want to discuss your second sentence privately do call. In the present environment the queue from the broadsheets is long but business is obviously a priority for me at the moment. "

There was no further correspondence or communication between us, directly or indirectly. I can't ever recall speaking with you. You were a cadet at the *Telegraph* in Brisbane when I was there but I have no recollection of you.

It follows that your memory of the exchange is at fault. I did not raise the question whether you would consider hiring me. Any such suggestion (if you could call it that) came from you, and it was disregarded. Any other reading of this exchange is fanciful.

The incident was in 2008, not in 2010 as you state. Your claim in *The Australian* today appears to be that this trivial exchange four years ago became the basis of a bitter enmity which led me to say dreadful things about *The Australian* and (for some reason) Alan Kohler in 2012. It follows of course that Brett Clegg was not working for *The Australian* at the time and thus your claim that you shared it with him at the time is also faulty.

Anyone can have a bad memory. I accept that you may have believed your statement in the paper today about me was correct when you made it. I withdraw the suggestion that you were lying.

However the documentary records now shows that it is clearly not true. In fact, every part of your account appears to be in error, a position which is compounded by failing to check the most basic details of your allegations. The only position is to publish a correction.

The correspondence is below. I note that I did in fact write about you in the Prince column on a number of occasions, both before and after your 2008 exchange. I have studied the items in question and believe that there they show no sign of any change of position on my part, which you seem to imply.

Regards,

Neil Chenoweth

From: Neil Chenoweth
Sent: Friday, 19 September 2008 11:55 AM
To: Mitchell, Chris (NWN)
Subject: Australian Financial Review query

Mr Chris Mitchell

Editor in chief

The Australian

Dear Mr Mitchell,

I work as a journalist with the Australian Financial Review. For one reason or another there's a view that I am the AFR staff member perhaps least likely to receive a job offer from The Australian. Perhaps that is why I have been tasked to write to you with this query. I spoke to Greg Baxter earlier, who suggested I contact you directly. I'm simply writing to ask whether you still have a margin loan with the Macquarie group. It's something you have referred to in front of a large number of staff on a large number of occasions. My question is what has happened to it. I proposed to make a very brief reference to it in an item about Macquarie for tomorrow. It's arguable that it should have been disclosed. But I don't see it as a huge issue.

I should say the Fairfax Media is often critical of News and of The Australian. But it's always a very professionally edited newspaper which carries a great deal of professional respect.

Yours faithfully,

Neil Chenoweth

From: Mitchell, Chris (NWN)
Sent: Friday, 19 September 2008 12:02 PM
To: Neil Chenoweth
Cc: Baxter, Greg
Subject: RE: Australian Financial Review query

Hi Neil, I certainly do NOT have a margin loan with Macquarie. I have used the broking services of Goldman Sachs for the past five years. Suggest "a large number of staff" are making it up. I don't hold Macquarie shares either, cheers chris

From: Mitchell, Chris (NWN)
Sent: Friday, 19 September 2008 4:16 PM
To: Neil Chenoweth
Subject: RE: Australian Financial Review query

Confidentially Neil, if you want to discuss your second sentence privately do call. In the present environment the queue from the broadsheets is long but business is obviously a priority for me at the moment. c

From: Mitchell, Chris (NWN)
Sent: Tuesday, 3 July 2012 10:28 AM

To: Neil Chenoweth
Subject: Re: NOT FOR PUBLICATION

Hi Neil, Clive will run a correction tomorrow fixing the date and acknowledging you were not a prospect for hire. Between us, and he agrees, in the climate of the time - Durie, Callick, Merritt, Main and others had jumped from the AFR - it is hard even today not to see that second sentence as trailing your coat tails. I did tell Clegg about it when he joined, though as you imply my memory had conflated the events. And I was serious in my second email to you. I spoke to Harto at the time of the email about what I genuinely regarded as a good opportunity for The Oz. Your other comments about the paper are way off the mark. Stutch would be aware of the numbers from the time he was editor. Before the GFC we were make a bit over \$10 million a year, and we are not well treated by the state satellites on recharges. As Clegg knows many of them charge us at full commercial rate plus 15 per cent. Any way I hope one day we can have a civil cup of tea and I will explain the true bottom line picture at the Oz, cheers Chris

From: Neil Chenoweth
Sent: Tuesday, 3 July 2012 5:14 PM
To: 'Mitchell, Chris (NWN)'
Subject: NOT FOR PUBLICATION
Chris

Thanks for your constructive reply. I can see it wasn't a meeting of minds back then. Around that time I reached out to Greg Baxter, who was facing a lengthy cross-examination in the James Hardie prosecution. My feeling has always been that while journalism is a rough and ready profession, there's nothing personal about it. We write our stories, we fight our corner, and at the end of the day we go home. It's the day job. But at a personal level I could imagine nothing worse than facing two or three days of hostile cross-examination and I wrote to him to wish him luck. I didn't think he would have too many friends at that moment—and I was hardly a friend. I later told him that if News was going to take a slug at me, as they do from time to time, I wanted their best hitter. I didn't want a second stringer on the plate. You'll be familiar with the alternative, the Warm Lettuce approach to public relations.

Most of my conversations with Greg have been drunken interactions at the Walkleys. At the 2008 Walkleys Greg professed eternal friendship and proposed to rub oil all over me. At least that seemed to be his gist. He also mentioned that he had shown my email to John Hartigan, who told him I was insane. I think Greg also saw it (inevitably) as a job application, which it wasn't. We remained on marginally better terms until I was directed to write about his Hardie role, which vexed him. My last memory of him was hearing him call out fake bids in my name at an MEAA charity auction.

That aside, this year I have written a series of robust articles about NDS and this quite understandably triggered a strong series of responses. News Corporation and NDS have made it clear that News Corp head office in New York has directed the response to these articles. In the same spirit of frankness as your letter, let me say that you've published twenty-two articles which were personal attacks on me, including a poster. You have continually run an out-of-date picture of me, which you knew to be unrecognisable. Inasmuch as your readers expected it to be a true current likeness, it was misleading. The reporter whom you assigned to write the bulk of these stories joined the paper a week before my NDS stories. His CV published in The Australian claims that he previously worked for the Telegraph in London. I have located only three articles with his byline in a two-day period. At the time the Telegraph was offering a lot of casual shifts. It's not clear whether he actually worked the full week. But leaving aside the trade publications, The Australian seems to be his first newspaper job. Perhaps that's why he has spent months using a name for NDS Group that hasn't been used for more than a decade. Conventionally, the first step in financial journalism is to get the name of the company right.

There's been a great inattention to detail in these stories in which damaging statements were made against me. These stories may be portrayed as reflecting the robust rivalry of metropolitan

newspapers. But it's in that context that your quoted remarks based on a misremembered and unverified email exchange appeared in Monday's paper.

It would be good to have a civil cup of tea at any time, but it might be sensible to postpone it until after the publication of my book. Clearly we have different views on the subject and will continue to expect further robust exchanges before the story subsides. Ideally we won't think any the less of each other in the process. I don't know that I would call journalism exactly a noble business. But it is our business.

Regards,
Neil

From: Mitchell, Chris (NWN)
Hi Neil,

I understand your comments about Darren, though he was not the journalist who produced the most forensic analysis of your NDS reporting. While Darren wrote daily news stories, the analysis fell to Anthony Klan, who was directed by Clive. Head office may have helped but it directed nothing. It was entirely my call how the Oz reacted. I could easily have decided to ignore NDS. I really do not take direction at all well and tend to stand my ground with everyone in the company right up to KRM, as I am sure Harto and Greg Baxter would happily tell you. Darren is a smart young man and his news role on NDS would have been carried by Chessell had James not been poached.

You focus a lot on my memory and a par or two in Monday's story, but the real point of the yarn in my paper, which bounced off my speech to staff on Friday and was written and published while I was on holiday, was to take issue with your reporting about the Oz's financial position. Stutch, Clegg, Mathieson and I all know almost everything you have written about the Oz's financial position is wrong. It is in that context that I wrote about a cup of tea. I notice you do not refer to my comments about your reporting on the Oz in any of our exchanges, only to personal comments about you and perhaps your motives. But my comments about your coverage of the Oz go to your credibility far more than a partly misremembered quote from a story published while I was on holidays goes to mine. And I note you say Greg Baxter took a similar view of your contact four years ago to the view I took.

I have no idea of the vintage of the picture of you we have been running. I am happy to receive a more up-to-date picture and make sure we do not run the old one again.

I note your mention of inaccuracies in my paper's coverage of your NDS material. Despite denials by Stutch, the AFR on page one in its original splash and in an editorial claimed NDS was trying to drive down the price of future acquisitions such as Austar in pay TV in Australia, surely the silliest error of any in this to and fro these past months.

Neil, I have been a journalist for 40 years next year and an editor of metro dailies for more than 20. But I am not a Murdoch obsessive. I do not read books about Rupert. You may be right in some of your analysis of the company or you may have become blinded. I certainly find it hard not to see some of the Leveson inquiry treatment of Rupert as McCarthyist and puerile. I can only judge on things I know personally and I can not get over the fact that after two days of emails between us you have not even showed the slightest interest in hearing the facts about my paper. You seem to have a fixed position probably based on briefings from disgruntled former News staffers who I would seriously doubt have anywhere near the understanding of the Oz's position these past 30 years that I do. You are a very experienced journalist but are you sure you are an open minded analyst on the subject of News Corp? I have seen days of huge coverage of News Corp from you based on a court case that ends in a fine of \$1500 that is then ignored. Unbiased?

And of course Neil my point about you in Monday's story was most definitely NOT that you were driven by a failed attempt to get a job. It was that you were a hypocrite for criticising Kohler for accepting a job at The Oz when you had trailed your coat tails for a job yourself.

Regards, Chris