

# Media uncovered

## HAVE YOU GOT SOMETHING TO UNCOVER?

If so get in touch with the Sunday Express, 245 Blackfriars Road, London SE1 9UX, or call us on 020 7922 7440.



## Quote of the week

'Normally I have weeks or months to do a piece... it's the quickest thing I've done in my life'

ARTIST GILLIAN WEARING ON HER INFAMOUS G2 COVER

## The buzz from the Baltic...

● THERE was a cracking Mirror front page last week, with a declaration of war against Saddam Hussein in which it brilliantly replaced key words such as "shall" with "shell" and "mobilise" with "mobil". The clever splash made clear the link between a war in Iraq and the need to keep major oil companies happy. Marvellous. In fact, so marvellous that it was first used - in exactly the same way - by the Fifth Estate anarchist newspaper in 1999.

● Talking of the Mirror, more troubles for the City page now that columnist Suzy Jagger has departed for the Times. Gone is "Suzy in the City" which confusingly becomes "Mirror on the City" - as edited by the legendary Clinton Manning - but only for a while. Jagger's replacement is thought to be the Mail's Lucy Farndon, who will soon give us "City Lucy". As one hack puts it: "What we're really saying is who gives a \*\*\*\* about the City."

● Staff at the Daily Mail are curious about the £74,000 "benefit in kind" that editor Paul Dacre received last year towards a flat in central London. No hacks recall being invited round for a cup of tea with the great man or the leader ever mentioning this new abode. Coincidentally, Dacre has been busy building a new holiday home in Mauritius, where the going rate for a nice three-bed by the beach is, er, £74,000.

● The Mail has been noticeably low-key about the storm brewing around the England cricket team's plans to play in Zimbabwe next month. From being venomously against it, the paper's sports pages have been offering a rare balanced view on the pros and cons. The shift in stance surely has nothing to do with the fact that, if the trip is off, only two, rather than five, Mail hacks will be off to Southern Africa for the six-week cricket World Cup freebie.

● Another sensational offer from the Evening Standard, where readers on Thursday were treated to a free CD of hits from the Eighties. The full range of "classics" feature, apart from tracks from Eighties megastars Wham! It turns out that the Standard wasn't happy with the payment of huge royalties to Wham's record label and drafted in Kajagoogoo. No wonder sales are plunging.

● We don't want to boast but, last week, we gave you our share tips for 2003. We suggested you ditch all investments in newspaper and television groups and stick your cash into digital radio companies instead. Figures out on Friday show every digital radio on sale at Christmas was sold, with sales up 165 per cent in 2002 and set to rocket all year long.

## Rothermere faces flak over big earners

By Rebecca Wright

DAILY MAIL owner Lord Rothermere fears a storm of protest at next month's annual general meeting following the payment of record salaries, interest-free loans and housing costs to directors.

The tycoon will face questioning from angry shareholders on February 12, many furious that Daily Mail editor Paul Dacre earned £834,000 last year including a £74,000 benefit in kind for a central London flat.

The £80,000 rise on his previous year's income came as DMGT shares plunged 13 per cent in the last year to 600p. Dacre now earns over £300,000 more per year than Rothermere.

Shareholders will also want to question DMGT's generosity towards the managing directors of Associated Newspapers and Nortcliffe Newspapers. Associated boss Murdoch McLennan was given a £181,000 interest-free loan to help with relocation costs last September, with his counterpart at

Northcliffe, Kevin Beatty, receiving £205,072.

The figures appear in the company's 2002 annual report, published last week.

The size of Dacre's annual package will particularly infuriate shareholders as last month he was given share options worth £330,000.

He is part of an executive share option scheme that could see him pocket £14 million in

2008 if performance targets are met. But under his reign, the Daily Mail's circulation fell nearly two per cent in the year to November 2002 - despite unprecedented investment and spending. In the six months to November 2002, the Mail On Sunday - where Dacre is editor-in-chief - lost nearly one per cent of its readership.

While Dacre will have been celebrating his cash bonanza this week, the report confirms that DMGT's turnover fell one per cent to £1.94 billion in the year to September 2002.

Questions may also be raised over the role of Padraic Fallon, chairman of Euromoney Institutional Investor - 71 per cent owned by DMGT. Although its revenues fell last year by 12 per cent to £180 million, Fallon became the group's top earner with a £1.96 million package (including profit share payments). The annual report also discloses that Euromoney is the subject of a £50 million libel claim, although no provisions have been made in the accounts.

On top of a falling share price, shareholders are becoming increasingly concerned over the group's near-£1 billion debt. Worryingly, the accounts reveal a £216.2 million deficit in the company's pension schemes, compared to a £29.2 million surplus in 2001.

Last October, Credit Suisse First Boston placed an "under perform" rating on DMGT's shares, putting a 535p value on them for this year - 65p below their current value.

Nevertheless, speculation is rife that owner Lord Rothermere wants to expand his activities, particularly in Australia where over £200 million has been spent acquiring radio licences.

A source says: "He has a lot of ideas and ambitions in Australia but as anyone can see from these accounts, not much could be funded at the moment without a rights issue." Australia??

# Mirror's new shares scandal



DYNAMIC DUO: Alan Nixon (right) holds shares in football agency ProActive Management, run by his friend Paul Stretford (above)

TRINITY MIRROR is at the centre of a major new share-dealing scandal after revelations that one of its leading sports reporters has been giving favourable coverage to a company in which he owns a sizeable stock.

Alan Nixon - who regularly contributes to the Daily Mirror and the Sunday People - has 20,000 shares in ProActive Management, the football agency run by his pal Paul Stretford.

In the last year alone, Nixon has given the company eight "plugs" across Fleet Street. These included exclusive revelations on the firm's contract to act for teenage soccer sensation Wayne Rooney. Two articles on Rooney and ProActive featured in the Daily Mirror last week, just as shares in ProActive slumped to 7.75p, close to their all-time low.

Following the City Slickers scandal three years ago, Trinity Mirror assured the City and the Press Complaints Commission that no reporters would hold stocks in companies they wrote about and that all their investments would be declared in advance to the company.

Sources at Trinity Mirror admit they had "no idea" about Nixon's share-dealing activities. He is thought to have purchased the shares in 2001.

ProActive Management was founded in 1987 by Stretford, specialising in the management and marketing of footballers. Seven years later, former soccer stars Kevin Moran and Jesper Olsen became directors and it floated in 2001.

Shortly before the flotation, Nixon wrote a glittering profile of the company in The Independent,

## Anil Bhojru and Harry Harris expose another case of unacceptable journalistic malpractice as nightmare returns to haunt Trinity Mirror



ALL THE RIGHT CONNECTIONS? Sports writer Alan Nixon plugged the fact that ProActive had signed soccer's wonderboy Wayne Rooney, left, but his predictions about another of the agency's clients, Jung-Hwan Ahn, right, proved less than reliable



huge shock to everyone. Judging by our history, you would expect Nixon to be fired immediately.

"Writers on the sports desk may have to make a legal declaration of what shares they do or don't hold in sports companies.

"The best thing that could happen is for the DTI to come back in and investigate the matter thoroughly. Anything less will just not be enough to satisfy the City."

The company's official stance is not to comment but the scandal is bound to exercise new chief executive Sly Bailey, who takes up her position in three weeks' time. It will also heap further pressure on Trinity Mirror's legal director Paul Vickers, who oversaw new company guidelines following the last shares scandal.

At 409p, Trinity Mirror shares have risen 25 per cent in the past three months. Analysts are hopeful that Bailey will be able to inject financial direction into the group, which is still suffering from last year's disastrous £20 million Daily Mirror relaunch.

Many City experts are convinced that Bailey will initiate a break-up of the group, splitting its profitable regional newspapers from the more volatile national titles.

The source said: "This latest scandal will convince her that Trinity Mirror has to get out of nationals."

describing Stretford as a man with "global ambitions" and heaping praise on his "down-to-earth style".

The publicity helped ProActive hit the stock market with a value of £32 million and expand internationally. It now has 262 professional players on its books, including more than 100 from overseas. It has 10 offices worldwide and employs more than 80 staff.

Despite the success of its flotation, the company's shares have steadily dipped in the past year, with ProActive's market value now barely £9.5 million. The shares hit an all-time low of 7p in July last year but received a boost following an article by Nixon that claimed South Korean World Cup star Jung-Hwan Ahn -

managed by the company - was on his way to the Premiership. The move never took place.

Nixon was poached last year by the Daily Mail but has since returned to the Mirror's offices, breaking major football news stories for the Mirror and Sunday People each week.

AFTER being lambasted by the PCC following the City Slickers share scandal, these revelations will come as a huge embarrassment to Trinity Mirror. The group is still the subject of a Department of Trade and Industry investigation over the debacle. One senior desk editor on the Daily Mirror said: "This is a

## Lawson's black mark

SUNDAY TELEGRAPH editor Dominic Lawson has written a personal letter of apology to Harrods boss Mohamed Al Fayed following the paper's admission that allegations made against the tycoon last May were completely false.

Last week, on top of an official apology in open court, the paper devoted much of page 3 to a printed apology and published a 500-word letter from Al Fayed in the letters page. It has also agreed the payment of "substantial damages" and settlement of Al Fayed's legal costs.

A spokesman for the Harrods owner said a "package of measures" had been agreed that was "almost unprecedented in Fleet Street history".

Legal sources say this included the penning of a "personal" letter from Lawson to Al Fayed, in which he unreservedly apologised for publishing the story.

In the letter, Lawson is thought to have given a personal undertaking

By Alex Bridger

never to repeat the allegations and also assured the Harrods owner that he will in future work to PCC guidelines when considering the publication of personal allegations against any public figure.

The paper is thought to have paid damages and costs totalling £230,000 to Al Fayed.

A Harrods spokesman said: "The offending story was based on a not very sophisticated hoax, which was recognised as such by all other British newspapers and ignored... this was the culmination of a series of unfounded, unfair and inaccurate attacks which the Sunday Telegraph made on Mr Al Fayed since the death of his son five years ago."

The apology comes at a critical time for the Sunday Telegraph, where ABC recorded sales for December 2002 fell to 746,968, down 5.01 per cent year on year.

## Falling sales easy as ABC

THE Daily Mirror's circulation crisis has deepened with a record 116,000 readers ditching the paper in December, according to the latest ABC figures. Sales were down more than five per cent last month and more than two per cent of readers left in the year to December.

The Sunday Mirror dropped nearly seven per cent in the past year and the Sunday People crashed by just over 15 per cent. More than 100,000 People readers are thought to have gone to the Daily Star Sunday, where sales are close to 500,000. The Daily Star itself recorded a 17.69 per cent rise in sales in the year to December.

The Daily Express and Sunday Express also had reason to celebrate, putting on 3.2 per cent and 8.9 per cent respectively.

Less happy were the Mail titles, the Daily Mail dropping nearly one per cent in December against the previous month and The Mail on Sunday down five per cent in the same period.

The Sunday Telegraph was down just over five per cent in the year to December, while the Daily Telegraph fell more than six per cent.

## Rusbridger loses it

IT'S THE question most hacks at the Guardian have been asking all week: has our editor lost the plot?

After coming to terms with falling sales and a rumoured spending freeze, editor Alan Rusbridger last week took his paper to unprecedented levels of absurdity with a crudely obscene cover illustration for the G2 review section and a spectacularly bizarre front-page splash.

"It was like he'd decided to become a tabloid editor but not a very good one," says one executive.

Rusbridger's desperate efforts for attention came to a head on Tuesday with the G2 front cover illustration by Turner Prize-winning artist

By Rebecca Wright

Gillian Wearing, which featured the text "F\*\*k Cilla Black" (without asterisks).

The paper claims the cover was six months in the making, as part of a project to ask five leading British artists to illustrate G2 covers throughout the week.

But readers complained in their thousands, with many parents furious at the use of foul language. Even the Guardian's own David Lee described it as "pathetic".

Rusbridger's bizarre streak was repeated on the front page with a story claiming that 17 per cent of teachers planned to quit the profession within five years.

MPs publicly dismissed the findings in the Guardian-sponsored survey, pointing out that most people in any profession expect a change within five years - hardly a crisis for the teaching industry, then.

Sources say Rusbridger is "feeling the pressure" after losing more than four per cent of his readers in the six months to November 2002. Executives at owners Guardian Media Group are thought to have imposed a spending freeze.

"It means we can only attract readers by our editorial coverage," explains one desk editor.

So far, the attempts seem to have backfired spectacularly.

## Mail's flight offer probed

THE Advertising Standards Authority has received a formal complaint over the Daily Mail's "free flights" promotion, writes Rebecca Wright.

Last week the paper launched its "Fabulous return scheduled flight for every reader" promotion. Readers were invited to collect nine tokens over 13 days, each featuring different destinations. They would then receive return flights to one of the destinations on the tokens.

However, after the paper launched the campaign with strong suggestions that readers could be given flights to Barbados, New York and Sydney, the ASA is investigating claims that most offers will only be for domestic travel.

Friday's token featured return trips to Belfast, Glasgow and Manchester - destinations covered by the sponsors of the initiative, British Midland bmi.

The ASA says it will monitor what flights are actually offered to readers later this month before deciding what action to take.