

Friday, 28 October 2011

(10.15 am)

(Proceedings delayed)

(10.39 am)

MRS JUSTICE GLOSTER: I'm sorry I have kept the parties waiting but I was doing another case over in the main building.

MR GILLIS: Not at all, my Lady.

My Lady, Mr Berezovsky calls his next witness, Mr Reuben.

MRS JUSTICE GLOSTER: Very well.

MR GILLIS: Can Mr Reuben come to the witness box, please.

My Lady, I'm sorry he's not in court. I thought he was.

MRS JUSTICE GLOSTER: Right. This afternoon, everybody's got the headphones, have they?

MR GILLIS: Yes, I think the suggestion is that there should be a trial run over the lunch break and I think the technicians are fixing that up.

MRS JUSTICE GLOSTER: Yes. I think someone is going to need to tell me at lunchtime how to use the headphones so we don't waste time.

MR SUMPTION: My Lady, I told your Ladyship yesterday that there were 50 available; I understand that that number has been increased to 125.

MRS JUSTICE GLOSTER: Yes. That's for Monday?

MR SUMPTION: Yes.

MRS JUSTICE GLOSTER: Presumably also for this afternoon.

MR SUMPTION: I imagine so, but I doubt whether there will be quite as many takers.

MR DAVID REUBEN (sworn)

MRS JUSTICE GLOSTER: Please sit down, Mr Reuben, if you would like.

THE WITNESS: Thank you.

Examination-in-chief by MR GILLIS

MR GILLIS: Good morning, Mr Reuben. My name is Richard Gillis and I represent Mr Berezovsky.

Could you please start by giving the court your full name?

A. My full name is Reuben David Reuben, but I'm known as David Reuben.

Q. Thank you. And could you please give the court your present main address?

A. At the moment I would say Millbank Towers, Millbank, London.

Q. Thank you. And please could you confirm that you do not have a mobile phone or an electronic device with you?

A. At this moment?

Q. Or if you do, that it's off.

A. I don't have one with me.

Q. Thank you.

Mr Reuben, I understand that you are a reluctant witness and that you attend under a witness summons. Is that correct?

A. That is correct.

Q. Well, in those circumstances, I particularly thank you for attending.

Mr Reuben, I understand you have a brother.

A. I do.

Q. And could I ask what your brother's name is?

A. I have two brothers: one is called Simon and another one called Ellis.

MRS JUSTICE GLOSTER: Excuse me, could you please face the court while you're giving your evidence.

A. I beg your pardon.

One called Simon and the other is Ellis.

MR GILLIS: And in late 1999 did you and your brother Simon have business interests in Russia?

A. Our company had business interests in Russia.

Q. And what was that company?

A. Trans-World -- it was the Trans-World Group.

Q. Thank you. Now, in what sector of the industry were those business interests?

A. In many sectors: they were in aluminium, in steel, in minerals and in trading.

Q. I'd like to focus just on the aluminium industry.

A. Okay.

Q. And at this distance in time, could you give the court the name of the aluminium interests in which TWA was interested and which were sold in 2000?

A. There was Bratsk, there was Krasnoyarsk, there was Sayanagorsk, there was Bogoslovsky, there was -- that's in Russia you're talking about, right?

Q. In Russia.

A. Okay. Those are in Russia.

Q. It's not intended as a memory test. Could Mr Reuben be provided with bundle R(B)1, open at tab 22

R(B)1/22/211.

Mr Reuben, as you can see from the top of the page, this is a contract that's dated 10 February 2000 and it refers to having been made in Moscow.

A. Yes.

Q. Now, my first question is: do you recognise this contract? A long time ago.

A. It's a long time ago. I assume it is.

Q. Could I just ask you to turn to the next tab, tab 23 --

A. Okay.

Q. -- and go to page 43 R(B)1/23/43. We have the numbers in the bottom right-hand corner.

A. 43?

Q. Yes. So it's tab 23, page 43.

A. Okay.

Q. Now --

A. I see it.

Q. I don't know, do you read Russian at all?

A. No.

Q. No. If you can take it from me that against the number 3, I think it's party 3. Now, is that your signature?

A. No.

Q. That's not. All right. Could I take you back to tab 22.

A. Tab 22, sure.

Q. I should ask you: do you recognise who that signature is? It's just that the Russian version is signed but the English version isn't.

A. Yes.

Q. On page 43. Tab 23, page 43.

A. It seems like Dmitry Bosov equals party number 3.

Q. I see. Does your signature appear on that page?

A. No, it does not.

Q. All right. Could I take you back to tab 22 so that we can look at the English version.

A. Okay.

Q. Could you look at the fourth line of the text.

A. That is correct.

Q. And are you described as being --

A. Correct.

Q. -- party 3?

A. Yes.

Q. Then can I ask you to look at paragraphs 1 and 2.

A. Yes.

Q. In particular the wording after "Party 3", which you've indicated is yourself.

A. Yes.

Q. Does this contract describe the interests in the aluminium assets that you and the companies that you are associated with, which is the terminology we see opposite your name, it's the aluminium assets that you and those companies controlled?

A. Roughly speaking, yes, if I'm not reading everything. But then generally, yes.

Q. So I think --

A. You're talking about "Party 3 controls"; is that where you mean?

Q. Yes, that's right.

A. "... about 14.5% of [the] shares... of [Kraznoyarsk], including, without limitation..."

That is correct. That is correct.

Q. I think you mentioned KrAZ and Bratsk --

A. Right.

Q. -- as we refer to it.

A. Right.

Q. And then I think if one looks at paragraph 2, we see a reference to Achinsk. Now, is that the Achinsk aluminium refinery?

A. Alumina. Alumina refinery.

Q. Alumina refinery?

A. That is correct.

Q. I should know better. The alumina refinery.

A. Right.

Q. And that was also an aluminium asset --

A. That's right, part of the aluminium assets.

Q. -- that you controlled?

A. That is correct.

Q. Now, despite the fact that you are described as being party 3 here, you've indicated on the signed version --

A. Yes.

Q. -- which we have at tab 24 at page 43 R(B)1/24/43 that your name does not appear?

A. Did you say tab 23, 43?

Q. Yes.

A. Let me look at it again. Yes, my signature doesn't appear. That's not my signature.

Q. All right. Are there any signatures there that you

recognise who may have been signing on your behalf?

A. No.

Q. All right.

So far as you understand, is this the operative contract under which the interests that you controlled were sold?

A. Yes.

Q. Despite the fact that your signature does not appear?

A. That's right.

Q. Your brother Simon, did he have an interest in TWA as well?

A. Yes, he did.

Q. Your brother Simon does not appear to be mentioned in this contract.

A. My brother Simon did not participate in any part of the metal business in -- so he would not be involved. I was representing this part of the business.

Q. So your brother Simon had no interest in the aluminium assets?

A. He had equal interest to me in the aluminium assets but did not participate in this side of the business at all, or very little, if any.

Q. He had an equal interest in the aluminium assets?

A. Equal interest with me.

Q. With you?

A. Yes.

Q. In general terms, what was the nature of your business relationship with your brother in relation to the aluminium assets?

A. He allowed me to run that -- I ran that segment while he ran a different segment of investments in which I very rarely participated, except in discussions or at the board meetings.

Q. Did you -- I think you've indicated you shared the interests?

A. Yes, we are. But it just so happens he had not very much knowledge of the metal business at all and I had very little knowledge of his investment business. We stuck to two businesses although we were partners in that -- in those businesses.

Q. You were partners in those businesses, okay.

A. Right.

Q. Coming back to the contract, could I ask about the other parties, 2 to 5 --

A. Yes.

Q. -- who are identified in the contract. Now, party 2.

A. Yes.

Q. Who is party 2?

A. Party 2 is Lev Chernoi, who was also a shareholder equal to me in many of these assets. We were --

- Q. That's what I was wanting to look at.
- A. Right.
- Q. So --
- A. We were like partners in the assets.
- Q. So you were partners in the assets?
- A. Right.
- Q. So can I just clarify exactly, if one looks at paragraphs 1 and 2, I think you have indicated, again if one looks against party 2, one can see that there are shared interests that are controlled in KrAZ and Bratsk and Achinsk.
- A. I think they are mirror, mirror with me.
- Q. Thank you. And can we just quickly identify parties 4 and 5 and --
- A. Yes.
- Q. Who is party 4?
- A. Party 4 is Dmitry Bosov, somebody who was associated with us and had some shares in some of the businesses.
- Q. And did he have a position within TWA -- sorry, Trans-World?
- A. He had no position in TWA but there was a -- he had a company, he ran a company in which TWA was a partner.
- Q. So that is Mr Bosov.
- A. Yes.
- Q. And then party 5?

- A. Party 5 is Mr Vasiliiy Anisimov and we had common interests in two plants: one of them is he had shares in Krasnoyarsk and the other was in another company called Bogoslovsky.
- Q. Does paragraph 2 also indicate that he had an interest in the Achinsk alumina refinery?
- A. At this moment I can't remember if he did. It indicates it here, and if it indicates it here, he probably did have.
- Q. If I can ask you in paragraph 2 where it says:
- "Parties 2, 3, 4 and 5 together control about 10% of AGK shares."
- A. Yes.
- Q. And then if you look at the line above, is "AGK" the Achinsk alumina refinery?
- A. Yes, it is.
- Q. And then, just before we leave the contract, could I ask you to go back to the top of this page.
- A. Yes.
- Q. And can you see that we have a definition of party 1?
- A. Yes.
- Q. And party 1 is described as Mr Abramovich, Mr Shvidler and Mr Patarkatsishvili; is that correct?
- A. Yes, that is correct.
- Q. Now, if I could ask you to look at paragraphs 4 and 5 of

the contract.

A. Yes.

Q. If I could just ask you to read those paragraphs.

A. Yes.

Q. I'm not going to be asking you a detailed question.

A. Which one, the fourth?

Q. Paragraphs 4 and 5.

A. "Party 4 controls... 25%" --

MRS JUSTICE GLOSTER: No, just read it to yourself I think.

THE WITNESS: Oh, I beg your pardon.

MR GILLIS: No, paragraph 4 and paragraph 5, which just starts, "Party 1 shall..."

A. Okay, I've done that.

Q. And having read those paragraphs, could you very briefly explain to the court the nature of this contract? What is happening under this contract?

A. Under this contract our aluminium positions in total was being sold.

Q. Thank you. So it's a contract of sale and purchase?

A. A contract for sale.

Q. And going back to the definition of party 1, is Mr Patarkatsishvili identified as being one of the purchasers?

A. That is correct.

Q. Is Mr Patarkatsishvili someone who was known to you in

1999, before this contract was concluded?

A. Yes.

Q. So, Mr Reuben, I'd now like to move backwards in time from 10 February contract to the negotiation of the contract and to ask a few questions about the negotiation and the ultimate conclusion of that contract. Do you follow?

A. I follow.

Q. Do you remember when the negotiations started which led to the ultimate sale of these aluminium assets?

A. I would say a few months prior. Exactly I can't remember, but maybe three/four months prior to that.

Q. So the back end of 1999?

A. Yes, the back end.

Q. Do you recall who was involved in those first negotiations?

A. Negotiate -- there were two negotiations: I was negotiating personally to find a buyer myself; and this group of people, which is, well, shareholders common with me, were looking -- were talking to other people at the time and one of them was Badri, Mr Patarkatsishvili.

Q. So who was undertaking the negotiations with Badri?

A. These negotiations weren't being taken where we coordinated -- we were not -- it was not what you would call -- I was not -- they kept it away from me, their

part of the negotiation, and I kept my part of the negotiation away from them, trying to find a solution to present to them.

MRS JUSTICE GLOSTER: Could I be clear. When you say "they kept... their part of the" --

A. My own parties. This is not the -- I'm not talking about Mr Abramovich or -- I'm talking about my own partners.

MRS JUSTICE GLOSTER: Yes.

A. There were -- these three were together negotiating to find a buyer on their own accord. I had no involvement in it except by general lip service. No details were given, just --

MRS JUSTICE GLOSTER: But Mr Chernoi, Mr Bosov and Mr Anisimov?

A. They were in discussions.

MRS JUSTICE GLOSTER: When you say the three of them --

A. That's it. They were --

MRS JUSTICE GLOSTER: -- you're talking about them?

A. That's right.

MRS JUSTICE GLOSTER: So the three of them were in discussions with --

A. Discussions with that group, that's right.

MRS JUSTICE GLOSTER: -- certain parties and you were in discussions --

A. I was with somebody else.

MRS JUSTICE GLOSTER: Yes.

A. In other words, we both had different preferences where we would like to have seen the sale. And --

MRS JUSTICE GLOSTER: Yes. And were you negotiating with Mr Patarkatsishvili?

A. No, I was not.

MR GILLIS: So if I understand it, it's as if there were two parallel sets of negotiations?

A. That is correct.

Q. So can we just take it in stages. The negotiations that you were involved with, could I ask just very briefly who you were negotiating with?

A. With another group which had nothing to do with any of this case or action.

Q. All right. And the three that you have identified of Mr Chernoi, Mr Reuben (sic) and Mr Anisimov --

A. Not Mr Reuben, Mr Bosov.

Q. Mr Bosov, I'm sorry. Mr Chernoi, Mr Bosov and Mr Anisimov, I think you indicated that they were negotiating with Badri?

A. Right.

Q. How did you know that to be the case?

A. Excuse me. When I say they were negotiating with Badri, they weren't negotiating with Badri; they were having

their own negotiations. The fact that I met Badri and I saw them, we were discussing things, I can't swear who exactly they were negotiating with when I'm not there.

Q. No, all right.

MRS JUSTICE GLOSTER: So the position is you knew Mr Patarkatsishvili?

A. I knew them. I never met Mr Abramovich at this time; I never even heard of Mr Shvidler at this time.

MRS JUSTICE GLOSTER: Yes. But although you knew Mr Patarkatsishvili you were not yourself involved --

A. Negotiating --

MRS JUSTICE GLOSTER: -- with him?

A. No, not negotiating with him. No, I wasn't.

MR GILLIS: Can I now move on just a little bit.

A. Yes.

Q. Was there a time, once these negotiations that the three were conducting with Mr Patarkatsishvili, was there a time after that when you met Mr Patarkatsishvili?

A. No, I met him before, some months before. I was on a plane going to Moscow with him and I believe Mr Anisimov and during this trip the discussions were taking place in general between them, mostly in Russian, talking about how they would go about selling this or how he would -- they were trying to get him to buy the product and he was -- they were talking about tactics of

how they would go about it. From time to time Mr Badri would translate to me part of the conversations that was of interest to me.

- Q. Can you identify to the best of your ability when this discussion took place, this flight?
- A. I would say it was about a few months prior to the actual sale of this contract, before the signatures were signed.
- Q. And is this right: that they were discussing the possible purchase of aluminium assets?
- A. That is correct.
- Q. And who did you understand the prospective purchasers to be?
- A. I understood it to be like this. You see, I didn't know at that time the names, I never met Mr Shvidler, so therefore I would say I understood this to be like the Sibneft people, you know, who were buying it.
- Q. When you say "the Sibneft people", what did that --
- A. I would assume it was Mr Berezovsky, Mr Badri and, I assume -- funny enough, it was during this conversation I asked Mr Patarkatsishvili, "Is a Mr Deripaska behind you in this aluminium?" And he said, "No", and he said, "No, we would only do it if Mr Abramovich was in it". "Roman", he used the word "Roman", because I asked somebody, "Who is Roman?" and

they explained to me.

Q. And did you know who Mr Berezovsky was?

A. I knew Mr Berezovsky. He was -- he was known in Russia at the time.

Q. And in your conversations with Mr Patarkatsishvili about the purchasers and the purchaser not being Mr Deripaska, was mention made of Mr Berezovsky?

A. No, just -- and even if it is, I can't remember.

Q. You said earlier that reference was made to Sibneft.

A. Yes.

Q. Is that something that Mr Patarkatsishvili himself said?

A. No, my own partners were talking as well, they were discussing this. You see, we never specifically mentioned who one person is or one company is. So when we talk about the sale, we are talking about Badri and his partners. It was common knowledge Mr Badri was a partner of Mr Berezovsky; he said so, it was a known factor, so I assumed it to be that way. I have never seen any documents or papers. I was not a friend of either of them to say. I was not the enemy either. But I really had no idea what or where or how. That was how we assumed it to be.

Q. Thank you.

Can I now move on from the plane journey and can you recall how the negotiations for the sale of the

aluminium assets was progressed?

A. I had an offer from the party that I was discussing and I .phoned up Mr Lev Chernoi and Dima Bosov and I tried to explain to them that I'm talking to these people and they -- I had a call and they said they were going to come to London to meet with me. And when they came to London, they told me that they now have a fixed offer and that was the price. I refused the price. Then they came back and they increased it to -- a bit, where we all agreed to sell it, and that was in London. And we shook hands and they left and then I was called to come and sign that agreement.

Q. All right. We'll come to that in a moment.

A. Okay.

Q. You have explained previously that you were concerned to establish that Mr Deripaska was not behind the purchase?

A. I was not concerned, I just asked that question: is Deripaska behind? In other words, I was afraid that Mr Patarkatsishvili is going to partner this deal, buy it and sell it to -- or combine with Deripaska. And he said: no, he was not going to do it, that they were going to do it with Roman. They were going to do it with Roman and if he didn't do it, they wouldn't do the deal.

Q. So he indicated that it was to be done with Roman?

A. That is right.

Q. So Mr Patarkatsishvili was not acting just for himself, he was acting on behalf of others as well; is that correct?

A. Yes.

Q. And who were the others, so far as you were aware, that he was acting on behalf of?

A. I can identify a name because Mr Abramovich is a big name today, but at that time I had not known of him too much. I never -- so I would say in my mind I thought it is the people who owned Sibneft and Sibneft was the -- whoever owned Sibneft was the same party that was buying this.

Q. And what was your understanding of who owned Sibneft at the time?

A. At that time?

Q. Yes.

A. I knew Mr -- I knew Badri was involved, I knew Mr Patarkatsishvili (sic) was involved, I knew Mr Abramovich was involved, and those are the only three names that I ...

Q. Sorry, I think you said you knew Mr Badri was involved and you knew Mr Patarkatsishvili was involved and you say --

A. No, Badri is Patarkatsishvili.

- Q. Well, exactly. That's why I wanted to come back.
- A. Yes.
- Q. You said you knew these three names, but two of the names you gave were actually for Badri.
- A. Sorry, I beg your pardon.
- Q. So who was the first?
- A. I said Mr Abramovich probably was in -- Roman was inside.
- Q. I think if you look at the transcript, you've indicated you were referring to three names?
- A. Yes: Badri, Berezovsky and Mr Abramovich.
- Q. Thank you. Can we then move to the conclusion of the 10 February contract.
- A. Yes.
- Q. I think maybe you still have that open at tab 22 R(B)1/22/211.
- A. Yes.
- Q. Is it right that we can see that it refers to Moscow, 10 February 2000?
- A. It does.
- Q. Did you attend in Moscow for the signing?
- A. I did.
- Q. Can you recall the approximate date of the meeting?
- A. Approximate date?
- Q. Yes.

- A. No, I can't. I assume it was on 10 February 2000.
- Q. But that is simply because of the date that appears on the contract?
- A. Absolutely.
- Q. Do you recall where in Moscow the signing took place?
- A. It took place which I believe the offices of Mr Abramovich.
- Q. And was that his private office or was it a company?
- A. I have no idea. I've never been there before. I never asked. I just went there and we were around a table, a few people talking, and it was there. I didn't know whose office it was; I just assumed because I was told it was Mr Abramovich's office.
- Q. All right. And can you recall who attended the meeting?
- A. The ones I can remember that attended the meeting was a Mr Shvidler, because I was introduced to him, Mr Patarkatsishvili, myself, Dima Bosov, Mr Anisimov, Lev Chernoi, and there may have been others, I just can't remember. But they were the main people that I can recollect.
- Q. Was that the first time you'd met Mr Shvidler?
- A. First time I was introduced to Mr Shvidler.
- Q. And was Mr Abramovich at the meeting?
- A. No, he was not at the meeting.
- Q. Did you subsequently meet him?

A. Yes.

Q. At this stage, was your understanding as to who the purchasers were the same as you have already described to the court?

A. Yes.

MRS JUSTICE GLOSTER: You say you subsequently met Mr Berezovsky; had you met him --

MR GILLIS: No, Mr Abramovich.

MRS JUSTICE GLOSTER: I'm so sorry, Mr Abramovich. You had not met him before?

A. No.

Q. Do you know who Mr Anisimov regarded the purchasers to be?

A. No, I don't know. In other words, I would be speculating if I answered that question.

Q. You described the discussion that you had on the aeroplane. Was Mr Anisimov a party to that discussion?

A. Yes, he was.

Q. Then a few final questions.

Can I take you back to the contract that we have at R(B)1 at tab 22 R(B)1/22/211.

A. R(B)1, tab -- yes.

Q. Tab 22. We see that party 1, that is the purchaser, is described as being Mr Abramovich, Mr Shvidler and Mr Patarkatsishvili.

A. Right.

Q. Do you see that?

A. Yes.

Q. Now, did you regard Mr Patarkatsishvili as being one of the purchasers?

A. Yes.

Q. Did you attach any significance to the fact that Mr Berezovsky was not made as one of --

MR SUMPTION: My Lady, with great respect, there are limits beyond which one should not be suggesting the answer to the witness.

MRS JUSTICE GLOSTER: I think you've got to formulate it a bit more carefully, Mr Gillis, please.

MR GILLIS: Well, I'm content to leave it.

Did you subsequently meet Mr Berezovsky?

A. What do you mean "subsequently"?

Q. Subsequent to the conclusion of the 10 February contract did you meet Mr Berezovsky?

A. I met Mr Berezovsky after that contract, yes.

Q. Yes.

MRS JUSTICE GLOSTER: Had you met him before the contract?

A. Yes, I did.

MR GILLIS: When you met him, was there on any subsequent occasion any discussion about this aluminium transaction?

A. I met him once, I believe, and I congratulated him on the deal because it was all -- if I'm not mistaken, I think it was in the press that he was -- or something quoted him and one time I just congratulated him on a good buy.

Q. And can you recall when that meeting was approximately?

A. No, I can't recall.

Q. Can you recall where that meeting was?

A. I can't recall. I think it was either in London or in Moscow. But I can't recall because this is very significant to you in this case; to me it's just another man that I met. It's not something that I would remember or was not of any importance to me.

MR GILLIS: I understand.

Mr Reuben, thank you very much. I think Mr Sumption may have some questions for you.

MR SUMPTION: I have no cross-examination.

MRS JUSTICE GLOSTER: Thank you.

MR ADKIN: My Lady, neither do I.

MRS JUSTICE GLOSTER: Mr Malek?

Cross-examination by MR MALEK

MR MALEK: Yes, just one question. Mr Reuben, I act on behalf of Mr Anisimov.

Can you confirm Mr Anisimov and you do not speak a common language, do you?

A. That is not -- we do not.

MR MALEK: I've no questions.

MRS JUSTICE GLOSTER: Any re-examination?

MR GILLIS: My Lady, no.

MRS JUSTICE GLOSTER: Mr Reuben, thank you very much indeed
for coming to the court.

THE WITNESS: Thank you very much.

(The witness withdrew)

MR GILLIS: My Lady, I think with that we can resume with
Mr Lindley.

MRS JUSTICE GLOSTER: Shall I take the break now?

MR GILLIS: That might be convenient.

MRS JUSTICE GLOSTER: Very well. Ten minutes.

(11.15 am)

(A short break)

(11.28 am)

MR MICHAEL LINDLEY (continued)

MRS JUSTICE GLOSTER: Mr Lindley, you're still on your oath,
you understand.

Cross-examination by MR ADKIN (continued)

MR ADKIN: Mr Lindley, yesterday you will recall I was
asking you about the work you had done with
Mr Patarkatsishvili and I took you to paragraph 9 of
your statement D1/07/94, in which you said that you
were first instructed by Mr Patarkatsishvili in relation

to a personal matter in the spring of 2006 and had periodic dealings with him, including professional dealings, up until his death in February 2008. Do you remember that?

A. Correct.

Q. Yes. And it's clear, isn't it, from the 1 per cent commission agreement you entered into with Mr Berezovsky that you're now assisting him, Mr Berezovsky, in his actions against Mr Patarkatsishvili's estate?

A. I think I made it clear yesterday that I'm assisting Mr Berezovsky in the management of his litigation.

Q. Did you at any time inform Mr Patarkatsishvili's estate that you were acting for Mr Berezovsky in his claims against the estate?

A. What do you mean by "claims against the estate" and "acting for Mr Berezovsky in his claims against the estate"?

Q. You've confirmed that you are assisting Mr Berezovsky in his claims against the estate?

A. That's correct, in a management --

Q. Have you at any time informed --

A. -- in a management role.

Q. Have you at any time informed Mr Patarkatsishvili's estate that that is what you are doing?

A. I haven't, no.

- Q. To your knowledge, did Mr Berezovsky or anyone else acting for him inform Mr Patarkatsishvili's estate of what you are doing?
- A. Not to my knowledge.
- Q. Have you taken any steps to ensure that knowledge which you have obtained from Mr Patarkatsishvili whilst acting for him is not passed on to those acting against his estate?
- A. I think this goes back to correspondence. There's been correspondence in relation to this which goes back to 2010 with the interim administrators. Do you recall?
- MRS JUSTICE GLOSTER: Well, don't ask the questions, please, just answer the question.
- A. I think that it's been dealt with to a certain extent in the correspondence that I engaged in with the interim administrators.
- MRS JUSTICE GLOSTER: Why is this relevant to the overlap issues, Mr Adkin?
- MR ADKIN: My Lady, that's the last question I have on that topic.
- Mr Lindley, you said yesterday that one of the functions you perform for Mr Berezovsky is financial management in relation to the litigation.
- A. Correct.
- Q. Were you involved in negotiating, producing or recording

any agreement between Mr Cherney and Mr Berezovsky?

A. I've got no knowledge of any dealings between Mr Berezovsky and Mr Cherney, so the answer to that is no.

Q. Could you go, please, to bundle R(D), tab 24 R(D)2/24/30. This is your note or the typed-up version of your handwritten note of a meeting with Mr Patarkatsishvili and Mr Berezovsky on 13 July 2007.

Could you go, please, to page 41.001 of this tab R(D)2/24/41.001. Do you have that?

MRS JUSTICE GLOSTER: Just for the record, this is bundle R(D)2, tab 24.

MR ADKIN: I'm so sorry, my Lady. Bundle R -- on Magnum, I'm so sorry, there seems to be a disconnect between the hard copies and the Magnum.

MRS JUSTICE GLOSTER: Well, otherwise it doesn't get hyperlinked. That's why I'm bothering to do it.

MR ADKIN: My Lady, yes.

Do you have that page, Mr Lindley?

A. No.

MRS JUSTICE GLOSTER: Well, can you look at it on the screen, please.

A. Okay, I've got it.

MR ADKIN: This is still in the same document. Six lines down from the top you will see the word "Contract". Do

you see that?

A. Yes.

Q. Then:

"Sibneft contracts governed by English law."

A. Yes, I see that.

Q. And so is it a fair assumption from that note that you were discussing the law governing the Sibneft contracts?

A. I think I explained yesterday but if I didn't make myself clear, I'll explain myself now.

Q. Could you just answer that question, Mr Lindley, please.

A. I think I just need to explain this to be able to answer the question. I wasn't involved in any of the discussions and I think by the time this note was taken on the 13th, I was a passive observer. So I don't think it's right to say that I was in a position to be taking part in discussions and negotiations. I just want to make that clear.

Q. I understand that, Mr Lindley, and you made that clear yesterday but I'm grateful for your having repeated it. What I want to understand is what you understand your note to mean.

Do you understand your note which says, "Sibneft contracts governed by English law", to mean that you were discussing at that time the governing law of the Sibneft contract? (Pause)

A. I think the comments obviously that were in the notes is a reflection of something that was said during the course of the meeting. Beyond that, I can't really comment.

MRS JUSTICE GLOSTER: Do you have any independent recollection apart from what's in the note?

A. No, my Lady.

MR ADKIN: You may not be able to recollect this but I'll ask you to see if you can help. The next line down:

"Rusal -- important -- BB -- place where the deal was done."

Are you able to help us with what that means and are you able to help us with what discussions it reflects?

A. Again, I'm in the same position as I was a minute ago in relation to "Sibneft contracts". I can see what's written there; beyond that, I don't have any independent recollection.

Q. Thank you.

I want to ask you briefly about Mr Patarkatsishvili's grasp of English. You said in your witness statement -- and for the transcript this is D1/07/94 at paragraph 12 -- that "Mr Patarkatsishvili had a reasonable grasp of English", but during your meetings in June 2007 he occasionally needed the assistance of others to interpret what he said.

Now, as I understand that, you are talking there only about what was spoken, so Mr Patarkatsishvili's understanding of spoken English. You're not talking about his ability to read English?

A. I think that's a fair comment.

Q. So far as you are aware, the position with Mr Patarkatsishvili's written English was different, wasn't it? Or do you just not know?

A. I don't know.

Q. Thank you.

Could you please go to bundle H(A)95 at page 56 H(A)95/56. Do you recognise this document?

A. Yes, I do.

Q. And you can take it from me that this is the last in time of a number of draft deeds and we understand, having been told this by Mr Berezovsky's solicitors, that you produced these draft deeds. That's correct, isn't it?

A. That's correct.

Q. Would you please go to page 59 H(A)95/59, and that records the first -- on that page at the bottom, you'll see "The First Schedule". Do you see that?

A. Yes.

Q. And over the page is a second schedule. Yes? I'm sorry, Mr Lindley --

A. Yes I -- yes, I see it.

Q. -- unfortunately the nod doesn't make its way on to the transcript.

And you can take it from me as well that the schedules are set out in three of the draft deeds and are the same save that one asset moves from the second schedule to the first schedule because it appears to have been sold.

Now, as we understand the draft deeds, these schedules are intended to set out joint investments held by Mr Patarkatsishvili and Mr Berezovsky. Is that your understanding?

A. These were provisional schedules and they were by no means a comprehensive list of assets which form part of the joint venture.

Q. Were you ever instructed by Mr Berezovsky, Mr Patarkatsishvili, Dr Nosova or any other person to place into these schedules any of the assets I'm about to name: Metalloinvest or MGOK?

A. Can you repeat the question, please.

Q. Were you ever instructed by Mr Berezovsky, Mr Patarkatsishvili, Dr Nosova or any other person to place into these schedules any of the assets that I'm about to name, and I'm going to list three assets and you can take it from me that none of them appears in the

schedule.

 Metalloinvest or MGOK? If you simply can't remember, Mr Lindley, just --

A. Sorry, I'm just reading your question so I can answer it properly.

Q. Of course. (Pause)

A. Okay, what's your question?

Q. Well, you've just read it, I assume.

A. I've read that. I thought you said something else afterwards.

Q. Metalloinvest?

A. I didn't know about that asset at the time.

Q. Kulevi Port?

A. I wasn't aware of that asset at the time.

Q. The Mosselprom factory?

A. I wasn't aware of that asset at the time.

MR ADKIN: Mr Lindley, thank you.

 My Lady, I have no further questions for this witness.

MRS JUSTICE GLOSTER: Thank you.

MR MUMFORD: My Lady, I have no questions either.

MRS JUSTICE GLOSTER: Thank you, Mr Mumford.

 Yes, Mr Gillis.

MR GILLIS: My Lady, just a few short questions.

 Re-examination by MR GILLIS

MR GILLIS: Mr Lindley, you were asked about the circumstances giving rise to the conclusion of your commission agreement and we have that agreement at H(A)98/43.004. You've explained that Mr Berezovsky wished to ensure that the litigation could continue in the event of his death.

Could I ask you to look at recital D of the agreement.

A. Mm-hm, yes.

Q. Does that reflect your understanding of that aspect of the agreement?

A. Yes, Mr Berezovsky was very concerned that the litigation should continue in the event of his death and at the time that this agreement was prepared Mr Berezovsky was very worried that there were threats to his life. So it was something that was, you know, an important part of this agreement.

Q. You were asked about your attendance at the Badri proofing sessions on 11 and 13 June. Could I just ask you to elaborate on how much you understood about the Abramovich action at the time you attended those meetings?

A. Absolutely -- well, virtually nothing.

Q. For example, do you think you had read the claim form at that stage?

A. I think that I might have read the letter before action and I may have seen the claim form if it had been issued. But in terms of knowledge of that case, I couldn't profess to have any real knowledge of that case whatsoever. It's just something that I wasn't involved in.

Q. Do you think you had done any other pre-reading, as it were, before the meeting?

A. No, because I attended the meeting expecting to discuss other issues and I wasn't even aware that the Roman Abramovich case was going to be a major item for discussion during the course of these meetings.

Q. Can I take you to bundle R(D), which you may have before you. I'm wanting to look at tabs 19 and 25.

Now, can we start at tab 19 at page 150

R(D)1/19/150. Do you have that?

MRS JUSTICE GLOSTER: Again, for the transcript, it's R(D)1, tab 19.

MR GILLIS: My Lady, I'm obliged. I'm sorry, mine is labelled just R(D).

MRS JUSTICE GLOSTER: No, it doesn't matter. I'm just reading it so it gets hyperlinked.

MR GILLIS: Do you see the passage that starts in the middle of the hole-punch:

"- verbal agreement 50-50 of all business.

"- when buy Rusal..."

Do you see that section?

A. I do.

Q. You were asked some questions about that and you were then asked to look at tab 25 at page 45.001, R(D)2, tab 25 at page 45.001 R(D)2/25/45.001 --

A. I've got it.

Q. -- and you were asked some questions about the first three paragraphs.

A. Right.

Q. And it was put to you that that was referring to the same 50/50 partnership as was referred to in the earlier note. Do you recall that?

A. I do.

Q. Now, Mr Lindley, I would just like to clarify. Going back to tab 19 in R(D)1 R(D)1/19/141, are those your notes of the 11 June meeting? If I could ask you to look at page 141.

A. Mm-hm. Yes, they are the notes of my meeting of 11 June.

Q. And the note of the meeting that we have at R(D)2 at tab 25 R(D)2/25/45, is that the attendance note of the meeting on 13 June?

A. I think it is because there's a reference to the discussion of a potential criminal case being brought

against Roman Abramovich in relation to Nikolai Glushkov being placed in prison and I can see the reference in this note to that discussion:

"The discussion... turned to the potential criminal case."

And I think if you look at my notes, my handwritten notes of the 13th, a substantial part of the discussion is taken up in connection with Nikolai Glushkov and a criminal case. So I think that this note probably relates to something that was discussed on the 13th.

Q. Can I ask you to turn back to R(D)1, tab 20

R(D)1/20/151.

A. Yes.

Q. Is that your attendance note in relation to the 11 June meeting?

A. That's correct.

Q. One final question. This morning you were asked some questions by Mr Adkin about the economic divorce deeds and you were asked if Mr Berezovsky or Mr Patarkatsishvili had ever asked you to paste into the economic divorce deeds references to Metalloinvest, Kulevi Port or Mosselprom.

So far as you are aware, did Mr Berezovsky or Mr Patarkatsishvili ever see the economic divorce deeds?

A. The schedules were prepared by myself in conjunction

with LMC. I don't think that -- well, I'm sure that Mr Berezovsky never even -- never saw these deeds. I think that the deed of 4 September was shown to Mr Patarkatsishvili but he rejected that document in quite forceful terms.

But in relation to the preparation of those schedules, neither Mr Berezovsky nor Mr Patarkatsishvili had any involvement in that and those schedules were provisional and they were produced in conjunction with discussions with LMC. I mean, ultimately that document was rejected by Mr Patarkatsishvili.

MR GILLIS: Thank you.

My Lady, I have no further questions.

MRS JUSTICE GLOSTER: Right.

Very well, you may be released.

THE WITNESS: Thank you.

(The witness withdrew)

Discussion re housekeeping

MR GILLIS: My Lady, we next have Mr Nevzlin --

MRS JUSTICE GLOSTER: On the video?

MR GILLIS: -- on the video at 2 o'clock.

If the Chancery defendants are content, there is one matter of housekeeping that we could get out of the way and that is in relation to the definition of the overlap issues.

MRS JUSTICE GLOSTER: Right. Are there any other witnesses today apart from Mr Nevzlin?

MR GILLIS: My Lady, no.

MRS JUSTICE GLOSTER: So on Monday we've got...?

MR GILLIS: On Monday we've got Mr Lankshear, Ms Duncan and then Mr McKim.

MRS JUSTICE GLOSTER: Yes. And what about --

MR SUMPTION: My Lady, can I tell my learned friend and your Ladyship that we will not require Mr Lankshear to attend.

MR GILLIS: I'm obliged.

MRS JUSTICE GLOSTER: And that will conclude the witnesses for Mr Berezovsky, will it?

MR GILLIS: Subject to interposing at a later stage Mr Pompadur.

MRS JUSTICE GLOSTER: Right.

MR GILLIS: Yes, that would then be the close of Mr Berezovsky's evidence.

MRS JUSTICE GLOSTER: Yes, apart from Mr Pompadur.

So the housekeeping issues are?

MR GILLIS: Yes. This, I think, is agreed. Your Ladyship may recall that at the beginning of the trial Mr Berezovsky sought permission to amend paragraphs C64 and C59B of his particulars of claim in the Commercial Court action.

MRS JUSTICE GLOSTER: Yes.

MR GILLIS: The purpose of that amendment was to plead
a resulting trust or a constructive trust as --

MRS JUSTICE GLOSTER: That was ultimately agreed, was it?

MR GILLIS: That was ultimately agreed as between
Mr Berezovsky and Mr Abramovich in the Commercial Court
proceedings.

My Lady, that then just left the question of whether
those additional claims, which are obviously
Rusal-related claims, should also be determined as
against the Chancery defendants as overlap issues. My
Lady, the position is that that has now also been
agreed, subject to your Ladyship's consent.

MRS JUSTICE GLOSTER: Yes.

MR GILLIS: So it's been agreed that your Ladyship should
determine those resulting trust/constructive trust
issues as against the Chancery defendants as well as
overlap issues.

That's subject to one proviso, which I'll show you
in a draft order that I'll be handing up, but it's
a proviso which I don't think will affect your
Ladyship's determination of those issues. The proviso
is this: that the Chancery defendants wish to reserve
their right to argue in the Chancery actions that no
such claims have been pleaded against them and that if

permission to amend were to be sought, it should be refused on grounds including that those claims would be time-barred against them.

So, my Lady, in essence, in order to avoid disrupting this trial while those applications are made to the Chancery Division and determined --

MRS JUSTICE GLOSTER: So I'm sort of deciding them

de bene esse in relation to the Chancery defendants, without deciding the limitation issue.

MR GILLIS: My Lady, exactly so.

So, my Lady, might I hand up a copy of the draft order which has been agreed between Mr Berezovsky and the Chancery defendants. (Handed)

MRS JUSTICE GLOSTER: Thank you. So whether they arise out of the same cause of action is basically an issue that's being parked?

MR GILLIS: Exactly.

My Lady, if I could just start by taking you to the annex because --

MRS JUSTICE GLOSTER: Yes.

MR GILLIS: -- as your Ladyship will recall, we have the overlap issues defined in your Ladyship's order of 16 August 2010, which we have at bundle I2, at tab 6 I2/06/24.

MRS JUSTICE GLOSTER: Yes.

MR GILLIS: We have some amendments to that.

Fundamentally, the main amendment is subparagraph 4, which is to bring in as the alternative to 3(c), which is the express English law trust claim:

"Did the claimant acquire an interest in Rusal under an English law resulting trust or constructive trust, other than as a result of the joint venture agreement alleged by the claimant in the main Chancery action?"

So, my Lady, essentially that mirrors the claim that we see in paragraphs C64(2) and (3) in the Commercial Court proceedings. So that is the issue that your Ladyship is being invited to determine as against the Chancery defendants as well.

Then we have the formulation of the proviso in paragraph 2 of the order. So paragraph 1 is indicating that the overlap issues to be tried and determined, as set out in paragraph 1 of the 16 August order, be amended in the way I've shown you.

MRS JUSTICE GLOSTER: Yes.

MR GILLIS: Then your Ladyship is to decide that issue without prejudice to the Chancery defendants' right to contend in the Chancery action that those claims have not been pleaded against them and that if an application to amend were to be made, it should be refused inter alia on grounds of time bar.

MRS JUSTICE GLOSTER: Yes, I see. So this is effectively saying that Mr Berezovsky can't rely on this order as the grounds for an argument that there has been an agreement to an amendment in the Chancery action?

MR GILLIS: Exactly so.

MRS JUSTICE GLOSTER: Mr Adkin, is that agreed?

MR ADKIN: My Lady, it is, and your Ladyship has it exactly right.

MR GILLIS: My Lady, I understand the Salford defendants, Mr Mumford is content with that order and it has also been approved by Ms Tolaney on behalf of the Anisimov defendants.

MRS JUSTICE GLOSTER: Right. That's the position, is it Mr Mumford?

MR MUMFORD: My Lady, that's absolutely right.

MRS JUSTICE GLOSTER: And Mr Malek, that's the position?

MR MALEK: That's correct.

MRS JUSTICE GLOSTER: Very well. I make an order in those terms.

What's the position in relation to the Customs officials, the border officials?

MR GILLIS: My Lady, we are in the process of writing to Skaddens to indicate that we will not be pursuing that application and maybe I could update your Ladyship on that. It may be that I should do that after Skaddens

have actually received the letter.

MRS JUSTICE GLOSTER: Okay. It's just I have got the application, as it were, on my table to deal with and if I'm not going to be asked to deal with it, that's fine.

MR GILLIS: We're not going to be pursuing it, but I would like to show your Ladyship the correspondence which has been received.

MRS JUSTICE GLOSTER: Presumably there will still be an argument, will there, as to the weight of the evidence?

MR GILLIS: Absolutely so.

MRS JUSTICE GLOSTER: Or there may still be an argument.

MR GILLIS: As your Ladyship will recall, we weren't trying to suggest that the consequence of the Polanski decision was that if you made the order and there was a non-attendance, the evidence would be shut out, because --

MRS JUSTICE GLOSTER: So I'm going to have to hear argument, am I, about what the consequences are?

MR GILLIS: No, because I'm not going to be pursuing the application.

MRS JUSTICE GLOSTER: I see.

MR GILLIS: We accept that even if your Ladyship made the order and there was noncompliance with it --

MRS JUSTICE GLOSTER: They could still use the evidence?

MR GILLIS: -- the evidence would still be admissible; it's

just another factor that goes to weight.

MRS JUSTICE GLOSTER: Right.

MR GILLIS: But your Ladyship is going to have to determine what weight to attach to the hearsay evidence in any event and we can make our submissions in relation to that in consequence of the responses that we have received, which is basically -- and I can take your Ladyship to it later. Mr Sumption was not happy, I think is how he put it, with how I had summarised it previously.

MRS JUSTICE GLOSTER: Okay. Well, I'll wait until you get the response from Skaddens. There's no point doing it until then.

MR GILLIS: Essentially we're being told that no further information can be provided above and beyond the information provided in the last letter, which I'll show your Ladyship in due course.

MRS JUSTICE GLOSTER: Very well. Mr Sumption, you're content with that course?

MR SUMPTION: Yes.

MRS JUSTICE GLOSTER: Right. Are there any other housekeeping matters I should deal with?

MR GILLIS: Not at the moment.

MRS JUSTICE GLOSTER: Where is the list of issues?
Am I getting that?

MR SUMPTION: I understand that this was supplied to your Ladyship's clerk a week ago.

MRS JUSTICE GLOSTER: I have the dramatis personae. It may be --

MR SUMPTION: It was supplied by Addleshaws two weeks ago.

MRS JUSTICE GLOSTER: Well, then he's just overlooked it. I'll chase it up with him.

MR SUMPTION: The fault may well be ours, but that's what I'm told.

MRS JUSTICE GLOSTER: No, no, no, I'm sure it's on this side. I will track it down.

MR SUMPTION: My Lady, on this apparatus, all one does is plug it in to the thing that looks like a mobile phone but I hasten to say is not --

MRS JUSTICE GLOSTER: Shall we just -- since we've got five minutes.

MR SUMPTION: -- and switch to channel 1.

MRS JUSTICE GLOSTER: So we're all happy to use it.

MR SUMPTION: Well, I don't know about that.

MRS JUSTICE GLOSTER: Before I put them on, we switch to channel 1?

MR SUMPTION: We switch to channel 1, having simply plugged the socket into the hole at the top. Then there's an on/off button halfway up the front of it. On the side your Ladyship will see there's a channel thing which

will enable you to get from zero to channel 1 and that's the English-language version.

MRS JUSTICE GLOSTER: Yes. And if we want it in some other language, you go to another channel?

MR SUMPTION: If your Ladyship wants to listen to it in Russian, I think it's channel 2.

MRS JUSTICE GLOSTER: Very well. Have members of the press been provided with them or will they be available this afternoon?

MR SUMPTION: I presume that they will be available somewhere --

MRS JUSTICE GLOSTER: Well, I will just check they are.

Can I say to members of the press or indeed members of the public, none of these headsets are to leave the building or to leave this room because they're very valuable. So can you make sure -- because I don't want you all to be searched as you leave the building -- that you do leave them on your seats.

Very well.

MR GILLIS: My Lady, could I just raise I think two other points.

Firstly, Mr Sumption has indicated that Mr Abramovich does not require Mr Lankshear to attend for cross-examination. Is that the same for the other Chancery defendants as well, that they do not require

him to attend?

MRS JUSTICE GLOSTER: Right. What's the position?

MR MALEK: Yes, that's correct.

MR MUMFORD: So far as we're concerned, yes.

MR ADKIN: My Lady, I think the answer is likely to be yes but I had better take instructions and I will let Mr Gillis know as soon as I've done that, which will be later today.

MRS JUSTICE GLOSTER: Yes, very well.

MR GILLIS: My Lady, the second thing is just to note this: my learned friend Mr Sumption indicated that there was a further witness statement from Mr Abramovich which he indicates he hopes to be able to serve today. My Lady, depending upon the length of that and the issues that it deals with, it may impact the timing of the start of cross-examination on Monday.

MR SUMPTION: My Lady, it's a short witness statement which deals with a small number of issues that have arisen in the course of the evidence that has been called to date.

MRS JUSTICE GLOSTER: Very well. Well, if there is going to be an argument about that, I'll hear that tomorrow afternoon, when you've seen the statements.

MR GILLIS: On Monday?

MRS JUSTICE GLOSTER: Oh, you're quite right. I lost track of time. Have you seen it yet?

MR GILLIS: No. My Lady, that's the difficulty.

MR SUMPTION: We expect to serve it in the course of today.

MR GILLIS: My Lady, it may not be an issue but I thought I would just raise it.

MRS JUSTICE GLOSTER: Yes. Since I presume you're working over the weekend anyway, Mr Gillis, it will have to be quite a long statement for you not to be able to take it on board, for your team not to be able to take that on board.

MR GILLIS: I will pass that on to Mr Rabinowitz. I'm sure he will thank you for your Ladyship's observation.

MRS JUSTICE GLOSTER: Very well. There's no point in sitting earlier? If you wish me to sit earlier for the video, I can do so, but --

MR GILLIS: No, I think because of the time difference, 2 o'clock is the earliest we can start.

MRS JUSTICE GLOSTER: Very well. Then I'll adjourn until 2 o'clock.

(12.05 pm)

(The short adjournment)

(2.00 pm)

MR GILLIS: My Lady, as I think you know, English is on channel 1. It has been pointed out if people could keep receivers away from microphones that would help, because otherwise there tends to be a problem with feedback.

MRS JUSTICE GLOSTER: Yes, okay.

Right, shall we swear the interpreter first, please.

MADAM INTERPRETER (sworn)

MRS JUSTICE GLOSTER: Yes, Mr Gillis.

MR GILLIS: Thank you. Could the translator in New York be sworn as well.

MRS JUSTICE GLOSTER: Yes. Could the translator in New York be sworn as well, please.

MADAM INTERPRETER (sworn)

MRS JUSTICE GLOSTER: Thank you very much, madam interpreter.

Right, may the witness be sworn now.

MR LEONID NEVZLIN (sworn)

(All answers interpreted unless otherwise indicated)

MRS JUSTICE GLOSTER: Thank you very much. Please sit down.

THE WITNESS: (Not interpreted) Thank you.

THE INTERPRETER: Just explaining to the witness that he will hear Russian, he won't hear English.

MR GILLIS: Good morning, Mr Nevzlin. My name is Richard Gillis and I represent Mr Berezovsky. Can you hear me?

A. (Not interpreted) Good morning.

(Interpreted) Yes, I hear you.

Q. Before we begin, could you just confirm that you have no mobile telephone or no electronic device or, if you do,

that they have been switched off?

A. I do not have any electronic device.

Q. Thank you.

Could Mr Nevzlin be provided with bundle D1 open at tab 4 D1/04/58.

A. Yes.

Q. That should be the first page of your witness statement and could I ask you to turn to page 72 in the bundle D1/04/72. We have the numbers in the bottom right-hand corner.

A. Okay, I have it.

Q. Is that your signature?

A. It is my signature.

Q. And can you please confirm that this is your first and only witness statement in these proceedings?

A. It is my first and only witness statement in the course of these proceedings.

Q. And can you confirm that the contents of this, your witness statement, are true to the best of your knowledge and belief?

A. This witness statement is the truth, to the best of my knowledge, information and belief.

MR GILLIS: Thank you. Could you just wait there.

Ms Davies has some questions for you on behalf of Mr Abramovich.

Cross-examination by MS DAVIES

MS DAVIES: Mr Nevzlin, you first met Mr Berezovsky in the late 1980s or early 1990s; is that correct?

A. Beginning of the '90s would be most correct.

Q. And you subsequently became friends; is that right?

A. Yes, you could call our relationship a friendship.

Q. And you remain friends today; is that right?

A. Yes, you could indeed say that.

Q. And over the years since the early 1990s, you have been in regular contact with Mr Berezovsky; is that correct?

A. Yes, that is.

Q. And you remain in regular contact with Mr Berezovsky today, 2011?

A. We meet fairly often, as far as we can, Mr Berezovsky and I.

Q. Have you seen Mr Berezovsky in Israel recently?

A. Yes.

Q. When was that exactly?

A. It was literally a few days ago, a week ago I'd say.

Q. And during that meeting did you discuss any matters relevant to this case?

A. Yes, we did.

Q. What did you discuss that was relevant to this case?

A. Only the overall information for Mr Berezovsky that I was going to be a witness and that on all the

questions that I was asked, I would speak the truth and nothing but the truth.

Q. When did you first meet Mr Patarkatsishvili?

A. I think that too was at the beginning of the '90s, later than I met Mr Berezovsky but not significantly later.

Q. And did you also become friendly with him?

A. We had a good relationship but I wouldn't call it as close as a friendship.

Q. Did you keep in regular contact with him until his death in 2008?

A. Yes, I was in regular contact with him, as much as the way we both moved around a lot permitted, but more I was in contact with Mr Berezovsky.

Q. Mr Nevzlin, I presume, but please correct me if I'm wrong, that you have a broad understanding of the nature of the claims that Mr Berezovsky makes against Mr Abramovich in these proceedings?

A. I think I do understand what is it about.

Q. And over the years you must have spoken to Mr Berezovsky or Mr Patarkatsishvili about the events that give rise to those claims on a number of occasions; is that right?

A. We certainly very often discussed the events which led to the situation that we all find ourselves in.

I couldn't say that we discussed it in terms of the actual court case that the claimant has brought, but

certainly we discussed it in general terms, without doubt.

Q. Now, when you saw Mr Berezovsky last week in Israel, did you discuss the evidence that he had given to the English court? Did he tell you anything about that evidence?

A. I don't remember us discussing that.

Q. Does Mr Berezovsky or any entity associated with him owe you any money?

A. No. Neither Berezovsky, neither he himself nor anyone connected to him owes me any money.

Q. You have not loaned Mr Berezovsky or an entity associated with him \$5 million then?

A. No, I haven't loaned anything to Mr Berezovsky or to anyone connected with him.

Q. Mr Nevzlin, is it fair to say that you are a critic of the current political administration of Russia?

A. It would be fair to say that I am not a supporter or an admirer of that regime.

Q. And in particular you're not an admirer of Prime Minister Putin?

A. Not a supporter of Mr Putin, prime minister.

Q. But you are a supporter of Mr Berezovsky's opposition to that administration; is that right?

A. I don't really understand your question.

- Q. You agree with Mr Berezovsky's opposition to the political administration in Russia; is that right?
- A. I know that Boris Berezovsky is also in opposition to that government and I consider that there are issues on which we would agree but issues on which we would not agree. We -- Mr Berezovsky and I can be both in opposition but have different views on various things.
- Q. Is it also fair to say, Mr Nevzlin, that you do not like Mr Abramovich?
- A. Yes, I think rather -- I find him rather anti -- not very sympathetic, rather antipathetic. I have reasons for that which are in my witness statement.
- Q. Now, you tell us in your witness statement that you did not meet Mr Abramovich until 1996. Would I be right in understanding that prior to your meeting in 1996 you had not previously heard of Mr Abramovich?
- A. No. Many years have now passed, at least 15, because it was the end of 1995/the beginning of 1996. That was then and certainly I had not heard of Mr Abramovich before I actually met him; that I can say without any doubt.
- Q. And is it right also that you had not had any dealings with any of the companies that he owned before you met him?
- A. As far as I know, none.

- Q. And again putting ourselves back in the position you were in in 1996, is it right that you did not know at that time what Mr Abramovich's commercial background was?
- A. I found out various things after I met him from people who knew him, but not from him personally.
- Q. What did you know in 1995/6 about the financial situation of the trading companies that Mr Abramovich owned?
- A. No, I can put it like this: the fact that then I knew nothing about his business affairs means that he was not a very significant figure in the Russian Federation.
- Q. You see, you say in your statement, for example at paragraph 16, which is on page D1/04/62 for the transcript, that in 1995 Mr Abramovich had no money. Do you see that?
- A. I said that very specifically about the situation with Sibneft.
- Q. You did not know in 1995 or 1996 how much money Mr Abramovich actually had, did you?
- A. At that time I knew the main information about the various elements in Russia who would be capable of participating in the privatisation and Mr Abramovich did not have that kind of fortune. Even if he had enough money to live on, to run his business, he didn't have

the kind of fortune on the scale that would be necessary to participate in the privatisation. That's what I knew about him.

Q. Now, you were not personally involved in the events that led to the creation of Sibneft; is that right?

A. I was not part of the Sibneft project.

Q. You tell us in paragraph 21 of your statement, at bundle D1/04/64, that you had "a high-level role" in relation to Bank Menatep's support for the bid made by SBS and NFK in the Sibneft loans for shares auction. What do you mean by --

A. What I meant was that, as a shareholder in the bank and then later in Yukos at the high level, in fact I was number two after Khodorkovsky, that I was working on the overarching aspects but I wasn't dealing with the specifically business and documentary aspects.

Q. What involvement did you actually have in the provision by Bank Menatep of a guarantee to support the bid?

A. As a shareholder in the bank, a large-scale shareholder in the bank, I would, as a minimum, have been aware of the situation and not objected to it.

Q. Now, Bank Menatep provided a guarantee in relation to the loan that was provided by SBS in support of the bid; were you aware of that?

A. I think that is the case. I did know.

- Q. Bank Menatep did not itself provide any funding to support the bid; its role was solely that of guarantor. That's correct, isn't it?
- A. I don't quite understand the question. Be it a guarantee or be it provision of funds, both are money for a bank. So for a bank, SBS-Agro or Menatep, these banks, if they provide a guarantee, that means they're taking on part of the risk in this transaction.
- Q. Well, the loan that SBS Bank provided to support the bid was in the amount of US\$97 million. Would you have been aware of that?
- A. I remember it was around US\$100 million.
- Q. That amount, we know from other evidence in this case, was fully secured by funds that had been deposited in a bank account with SBS Bank on behalf of Mr Abramovich. Were you aware of that?
- A. Firstly, I didn't know anything about that; and secondly, I don't think that there could have been a deposit on behalf of Mr Abramovich.
- Q. Why don't you think there could have been a deposit on behalf of Mr Abramovich?
- A. Because I'm absolutely sure that Mr Abramovich at that time did not have \$100 million in his assets.
- Q. The truth is, Mr Nevzlin, that you don't know the details of the deposits that were made with the

SBS Bank, do you, and where they came from?

- A. It would be strange if I did know the details of all deposits going into SBS Bank, on the one hand. On the other hand, as a participant in some of the meetings, I can say that Mr Smolensky, the head of the SBS Bank, had two requirements: the first was a Menatep Bank guarantee and the other was the personal guarantee because the money was being advanced to Mr Berezovsky and not to Mr Abramovich.
- Q. The money was in fact being advanced to the Russian State, wasn't it, Mr Nevzlin, as part of the loans for shares auction?
- A. So now you're asking about Abramovich's money in the SBS Bank deposit or about something different?
- Q. I'm asking about the SBS loan. That was in fact advanced to the Russian State?
- A. If you are asking me about the conditions for the loans for shares auctions at that time, the point of those loans for shares auctions was to provide loans to the Russian government's budget.
- Q. And Bank Menatep provided a guarantee in relation to the SBS loan but, given that the SBS Bank was fully secured by deposits, Bank Menatep had no financial exposure as a result of the guarantee, did it, Mr Nevzlin?
- A. No, it is not the case. The point of giving a guarantee

is that you take on the risk if that guarantee is called upon. Naturally, I don't know anything about the deposits you were talking about, but if SBS didn't require a Menatep Bank guarantee it would not have asked for one; and Menatep Bank, by providing the guarantee, took on the exact same degree of risk as the amount that their guarantee provided.

- Q. Well, the guarantee was necessary as a result of the rules of the Central Bank, which limited a bank's commitments to a proportion of its capital. Presumably you're aware of those rules?
- A. You know, I worked in the bank for long enough and certainly sometimes situations arose to do with liquidity and capital when banks were limited in the amount of their own capital they could provide. I don't know if this is about that; I think not.

And in general I would like to say that over these 15 years the banking rules and regulations in Russia have changed so much that now the rules and the law in place for that particular case, I cannot say that I remember or that anybody else does.

- Q. You were not involved, were you, in the negotiations that took place between Mr Abramovich and Mr Kagalovsky in relation to Bank Menatep's involvement in the bid?
- A. I did not participate in the negotiations between

Mr Kagalovsky and Mr Abramovich, obviously.

Q. Now, you refer in the last sentence of paragraph 21 of your statement D1/04/64 to the fact that the detail of the arrangements was a matter for "others, in conjunction with Mr Abramovich's managers". Do you see that at the end of paragraph 21?

A. Yes, I do.

Q. And you identify various people there including Mr Davidovich, Ms Oiff and Ms Panchenko. Were you intending to suggest -- sorry.

A. Given the names of those people who worked very closely with Abramovich and who I remember in various situations as being close to Abramovich, I can say for sure that I was just listing the people who normally drew up documents for Abramovich. But certainly the key person here was Evgeny Shvidler.

Q. Were you intending to suggest that Mr Davidovich, Ms Oiff or Ms Panchenko were individuals working on the loans for shares auction on Mr Abramovich's behalf?

A. No, I would not say that exactly. I listed the people who normally were the ones who drew up documents at Mr Abramovich's request.

Q. Are you suggesting that those people normally drew up documents on Mr Abramovich's request back in 1995 or 1996?

- A. I cannot say that about them all for sure; I just listed the people who often appeared on behalf of Mr Abramovich when this or that document was being drafted. If any of these people was not participating in the negotiations in 1995/1996 preparing for the auction, I may be mistaken by giving somebody's name along with the others in that long list; and if I am mistaken then I apologise. But I've given the names of the people who I remember as being there always when there was a negotiation, a transaction that Mr Abramovich was engaged in.
- Q. Would you agree, Mr Nevzlin, that you do not know who was involved in the loan for shares auction on Mr Abramovich's behalf?
- A. You know, if you are asking me can I give you 100 per cent answer about who, 15 or 16 years ago, was there on behalf of Menatep or Khodorkovsky, my bank, I would find that quite difficult to do.
- Q. I understand, Mr Nevzlin. It wasn't a criticism. I was just trying to establish what you knew. The answer, I think, is: no, you don't know?
- A. Yes. I can assume, knowing the people who always worked with him, but I cannot give you an exact, truthful guarantee that I know.
- Q. Now, save for your involvement with Bank Menatep, you

did not have any other personal involvement in the Sibneft loans for shares auction, did you?

A. My participation, as I said, I didn't participate in the Sibneft loans for shares auction; I only know about it as a shareholder in the Menatep Group, the Yukos bank, and Yukos later, only because I was one of the large shareholders and was well informed.

Q. You also did not have any involvement in any of the auctions by which the shares in Sibneft were sold to private investors, did you?

A. Of course not.

Q. Nor did you subsequently have any direct involvement in the business or management of Sibneft, did you?

A. I hope that that is the case. I certainly did not take any part in managing Sibneft, nor could I.

Q. So your information about the management of Sibneft must be derived from what other people have told you; that must be right, must it not?

A. Certainly, as in all such cases, information always comes from people. There is no other way to get information.

Q. And your principal sources in that respect no doubt included Mr Berezovsky and Mr Patarkatsishvili?

A. Yes, and Mr Abramovich and Mr Shvidler, if we're talking about Sibneft.

- Q. If you turn to paragraph 18 of your statement at page D1/04/63, you say there that Mr Patarkatsishvili explained to you that the arrangement was that Mr Abramovich's people would become the managers of the company in return for getting a share of the company. Do you see that?
- A. Yes. I do, yes.
- Q. When are you suggesting that Mr Patarkatsishvili told you that?
- A. That was immediately after the Sibneft loans for shares auction. I, like many others, was interested in the shareholder structure of Sibneft and I received the information, which I have both from Patarkatsishvili and from Berezovsky and from Abramovich and later Shvidler. And as it says rightly here, Mr Abramovich and his team would be managing the company but the partners would be Berezovsky and Patarkatsishvili and Abramovich.
- Q. Taking it in stages, Mr Nevzlin, at that time, immediately after the loans for shares auction, no one owned any Sibneft shares, did they? All they'd obtained was a right to manage Sibneft.
- A. You know, when people acquire or invest in any business and agree on the partnership relationship within the business, they're, as it were, on the shore. And as we know from the process itself, all the companies which

participated in these loans for share auctions, all, further down the line, became the owners of these privatised countries (sic). And the question of ownership structure was discussed and decided by them before they entered the auction, before they made their investment.

- Q. You see, you also refer in paragraph 18 to Mr Patarkatsishvili having said that Mr Abramovich's people who would be managing Sibneft included Mr Davidovich. Do you see that?
- A. I get the feeling that Davidovich actually joined Sibneft somewhat later and that that's what you're asking me about and I bring his name in at an earlier stage. If that's what you're asking about, I have to admit that I don't know the exact date on which any specific manager appeared in Mr Abramovich's team, but I do know that this person played an active part in the management of Sibneft.
- Q. You're right, Mr Nevzlin: Mr Davidovich did not join Sibneft until 1997. So if Mr Patarkatsishvili mentioned Mr Davidovich, this conversation must have been after 1997?
- A. It all is possible, you know, but that doesn't affect the sense of this conversation, especially as Patarkatsishvili was not the only source of information

about the shareholder structure of the Sibneft company. So if I made a mistake in naming Davidovich before he actually joined the company, then I apologise, but I can assure you that in subsequent years he was either the right hand or the left hand of Mr Abramovich or Mr Shvidler.

Q. Mr Nevzlin, I understand the difficulty because it must now be impossible, must it not, for you to distinguish any one conversation you have had with Mr Patarkatsishvili over the years about Sibneft from any other?

A. That is not the case. I basically remember all conversations on important subjects from my past and I could say that conversation with Badri Patarkatsishvili was not the most important conversations I had on this subject but in my memory I have several other discussions about the ownership structure of Sibneft.

Q. In paragraph 18 you also say that Mr Patarkatsishvili also told you that he and Mr Berezovsky "would always have the final say in any major decisions affecting the company", that is Sibneft.

A. Yes, that is the case; and more than that, Mr Abramovich and Shvidler confirmed that to me later.

Q. Well, taking it in stages, Mr Nevzlin, firstly,

Mr Patarkatsishvili didn't say that, did he?

- A. Let me read my statement again. What I've written here is the truth: that is what he said to me.
- Q. Well, you see, in his oral evidence to this court Mr Berezovsky repeatedly said that Mr Abramovich was responsible for managing Sibneft and was responsible for everything so far as Sibneft was concerned; and if that evidence is correct, Mr Patarkatsishvili cannot have told you what you say here about decision-making at Sibneft.
- A. I insist that the management of the company was carried out by Abramovich and his team but the partnership relationship was that they were equal partners and the final say was Berezovsky's and Patarkatsishvili's. But I'm not talking about the day-to-day running of the company; I'm talking about the taking of major decisions by shareholders.
- Q. You said a moment ago that both Mr Abramovich and Mr Shvidler told you the same thing. But neither of them actually did, did they, Mr Nevzlin?
- A. No, that is not the case. Mr Abramovich and Mr Shvidler, at the first attempt to combine Yukos and Sibneft, told me several times that the final say would be Boris Berezovsky's and we found ourselves in a situation when Berezovsky did actually have to use

that right to have the final say on Sibneft.

Q. What situation are you referring to?

A. I mean the situation in 1998 when we'd almost completed the merger and almost set up a new company called Yuksi, which was announced by Mr Chernomyrdin, the prime minister of Russia, as a done deal, and at the last meeting Mr Abramovich said they are not going to participate, they're going to leave.

Q. Exactly. That was Mr Abramovich's decision, wasn't it?

A. No, because Abramovich said this was the decision agreed with Mr Berezovsky but if we wanted to change that decision and complete the merger then we would have to talk to Berezovsky.

Q. Could you look at paragraph 32 of your witness statement, halfway through it, at the top of page D1/04/67, at the end of paragraph 32, where you're dealing with the first Yuksi deal and where you say that:

"During that time, I also recall that Mr Berezovsky said in conversations with me that Mr Abramovich and Mr Shvidler opposed the deal, and on this basis the deal would not go ahead."

That's correct, isn't it: it was because Mr Abramovich and Mr Shvidler opposed the deal?

A. I say that Abramovich and Shvidler opposed the deal

which they had said and that Berezovsky had to take a decision; in other words, he had to side with his shareholders or side with the Yukos shareholders to complete the deal. So what happened is in tune with what it says here in writing.

Q. Well, Mr Nevzlin, Mr Berezovsky in his own evidence does not suggest he was the person who decided to halt the first Yuksi deal. That's not what happened, is it, Mr Nevzlin?

A. He said the same thing to me and to Khodorkovsky. Moreover, after Abramovich and Shvidler said, "No, we won't complete the deal", and they recommended that we talk to Berezovsky, the decision was halted for a certain degree of time until Mr Berezovsky took his final decision; it was a period of something like two or three weeks. And later he said to both me and to Khodorkovsky that he really wanted that deal, but he had discussed it with his junior partners and decided with them because it was more important for him to be in tune and to be living in harmony with his partners.

Q. Mr Nevzlin, if any of that had happened, it would have appeared in your witness statement; the truth is it didn't.

A. I haven't understood. Could you clarify? What didn't happen?

- Q. The conversations you've just told us about with Mr Berezovsky.
- A. Firstly, they certainly did happen and I came to this court to tell the truth and I swore that I would tell the truth. You keep trying to accuse me of lying but neither in my written statement nor in my current testament have I said a single word in lie. I could forget something, I could forget names on a list or I could add somebody who wasn't there, but on all the factual issues I am giving honest factual witness.
- Q. After Sibneft's creation did you personally monitor Sibneft's financial performance?
- A. Inasfar as any business person or any investor monitors the activities of the biggest companies in their country, I was aware of what was happening in Sibneft, mostly from the media.
- Q. You knew then, did you, that Sibneft did not declare any dividends until the year 2000?
- A. I don't remember.
- Q. Now, in relation to the first Sibneft-Yukos proposed merger that you've just been telling us about, at that time you were the first deputy general director of Itar-Tass, a State-owned media company; is that right?
- A. Yes, and it still is. It's still the State media company to this day.

- Q. So at that time you did not have any day-to-day involvement in Yukos; is that correct?
- A. I had a pretty active participation in Yukos's affairs as a large-scale shareholder in Yukos but I didn't have anything to do with the operations of the company.
- Q. You were not personally involved in any of the negotiations that led to the first proposed merger between Yukos and Sibneft?
- A. It's not exactly the case. I didn't participate in the negotiations on the specific legal and practical steps to be taken; but on the overall decision to merge and on the meetings about that merger decision between the shareholders, those I did participate in.
- Q. Well, you tell us in paragraph 20 of your witness statement, if you could look at the top of page D1/04/64, that you were not personally involved during the merger negotiations.
- A. Yes, but -- now I'll clarify this. Yes, but of course I was in constant contact with Khodorkovsky and other shareholders and managers and the Yukos company, but I didn't participate at the signing process. I wasn't part of the technical and legal procedures, part of those negotiations, and I could not have participated.
- Q. Now, you also suggest in this paragraph that Mr Khodorkovsky told you:

"... that he had been shown [some] papers by Mr Abramovich which made it clear that Mr Berezovsky and Mr Patarkatsishvili had a fifty per cent stake in Sibneft."

Do you see that?

A. Yes, I did say that.

Q. Do you recall --

A. Because Khodorkovsky, when he met Dubov and me, other Yukos shareholders, told us that he had seen with his own eyes the partnership agreement, the partnership documents signed between Abramovich and Berezovsky -- Patarkatsishvili, Abramovich and Berezovsky. And, as I wrote in my statement -- and I don't think I'm wrong -- they were Runicom papers, I think.

But I have not seen those papers myself, I don't know any of the details; all I know is that there was no point in Mr Khodorkovsky saying that to me and Mr Dubov if that was not the case.

Q. So you recall Mr Khodorkovsky telling you that he had seen a signed partnership agreement between Mr Abramovich and Mr Berezovsky; is that right?

A. No, to be exact, he said that he saw documents which illustrated, which showed that they had a 50 per cent partnership. I didn't ask him anything and he didn't tell me anything about whether these were signed or not

signed; I just heard that word, "Runicom", and that is all I know. I don't know or remember anything more.

Q. Do you have a transcript in front of you?

A. Yes.

Q. If so, could someone please stop it and could we scroll back to [draft] lines 14 to 15 on page 70, where you said that:

"... [Mr] Khodorkovsky... told us that he had seen with his own eyes the partnership agreement" --

A. Yes.

Q. -- "the partnership documents signed between [Mr] Abramovich and [Mr] Berezovsky..."

A. In paragraph 20 of my written statement you will find exactly what I saw. This is what I remember as reality.

Q. So you didn't see a partnership -- no, Mr Khodorkovsky didn't say he'd seen a partnership agreement or signed documents relating to the partnership between Mr Abramovich and Mr Berezovsky; is that correct? What you said a moment ago was wrong?

A. Let me say it again so that there should be no difference between the written and the oral and no translation mistakes. I said that Mr Khodorkovsky told Mr Dubov and me that he saw papers that showed that Abramovich, Berezovsky and Patarkatsishvili were 50 per cent partners in Sibneft. That is what I said

and I'm looking at the transcript and I see that this time it's been translated correctly.

Q. Did Mr Khodorkovsky tell you what those papers comprised?

A. No, he didn't. As I said earlier, all I remember from the conversation was that he mentioned the Runicom company but he didn't give any details.

Q. You see, Mr Abramovich's evidence is that there were never any Runicom papers showing Mr Berezovsky as a shareholder; and if that's right, Mr Khodorkovsky cannot have told you this, can he?

A. Yes, certainly if Khodorkovsky had not seen anything then this situation would not have arisen. If he told us he'd seen something, then that would be what had happened.

Q. Now, at the time of the merger Mr Khodorkovsky gave some public interviews and I just wanted to look at one of them with you. It's in bundle H(A)10, page 29 H(A)10/29, and 29R is the Russian version. You should have been handed an interview with Mr Khodorkovsky given to the Kommersant newspaper on 20 January 1998. Do you have that? It's at H(A)10/29 in English and H(A)10/29R in the Russian.

A. (Untranslated)

Q. Now, if you look at the Russian version -- and you'll

have to bear with me a little bit, Mr Nevzlin, because I don't speak or read Russian, so we might just have to try and find the right paragraph together. Page 30R, the second page of the Russian version. Are you looking at page 30R, the second page of the Russian version?

A. Mm-hm.

Q. The fourth bullet down, do you see a bullet starting with the word "Yes"?

A. Yes.

Q. If you could read that. For those following in English, it's the last bullet on page 29:

"Yes. We have discussed this deal. And with Mr Berezovsky also, though he is not a direct Sibneft shareholder."

A. Yes, I've read it.

Q. So you can see that Mr Khodorkovsky is there publicly confirming that Mr Berezovsky is not a Sibneft shareholder, although he will become a shareholder in the new company. Do you see that?

A. You know, yes, I do see it. Unfortunately, though, I have to disagree with you.

Q. Well, my question --

A. What Khodorkovsky meant was that Mr Berezovsky is not a Sibneft shareholder but he is part of the group as one of the co-owners and for that reason he will be

a shareholder in the new company. He is not in the list.

Q. Well, what I suggest --

A. So I can fully confirm that factually Mr Berezovsky was a shareholder in Sibneft.

Q. Well, what I suggest to you, Mr Nevzlin, is that Mr Khodorkovsky did not tell you that he had seen papers showing Mr Berezovsky had a 50 per cent stake in Sibneft.

A. You're wrong. As I said, I came here to tell the truth and the interview which you're showing me, which obviously he gave before he saw those partnership documents, is just confirmation of the fact that Berezovsky was a partner in the group which owned Sibneft. That's what I state.

Q. You just said obviously Mr Khodorkovsky gave this interview before he saw the partnership documents. On what basis do you say that?

A. Firstly, the meaning. And secondly, logically, this interview was from 20 January, the very beginning of 1998, but as I remember it wasn't January, it wasn't -- it was later; not much later, February maybe. But in any case, we can see from this interview that Khodorkovsky had an interest, had a stake in knowing who were the real shareholders in Sibneft and, as

I understand, as you know from my written testimony, he learnt that, he understood that during the course of the merger.

Q. You can't possibly recall now, in 2011, can you,

Mr Nevzlin, whether your discussions with

Mr Khodorkovsky about this topic were before or after this press interview?

A. You know, that isn't significant, firstly. Secondly, what Khodorkovsky said in the interview and what he later said to me are fully in tune with reality and the truth because one confirms the other. Perhaps there was a mistranslation from Russian into English and that threw you. But these words saying that Berezovsky is part of the group who own it explains the situation of how things stood with the ownership of Sibneft at that time.

Q. Now, in paragraph 42 of your statement, at page

D1/04/68 --

A. Yes.

Q. -- you refer to a dinner you had with

Mr Patarkatsishvili in Jaffa in Israel.

A. Yes. I can even tell you why I remember that dinner so well, if it's of interest.

Q. Well, can we start by trying to place the dinner in time because you tell us that Mr Glushkov was still in prison

but it was a few years later. Does that mean it was a few years after Mr Glushkov had been arrested?

A. I think -- I think, yes, he was still in prison.

Q. And you also tell us that you moved to Israel in August 2003 and this dinner took place in Israel.

A. That's absolutely correct. But this does not have anything to do with 2003; this was much later.

Q. Well, Mr Glushkov was released in March 2004. So did this dinner --

A. So that means this was at the very beginning of 2004.

Q. What exactly is it that you recall Mr Patarkatsishvili told you about Mr Abramovich during this dinner?

A. Just what I put in my witness statement: he said that they were counting on, after the sale of their share in Sibneft to Mr Abramovich, that Glushkov would be released, but they were tricked and that didn't in fact happen.

Q. And was that the first occasion on which Mr Patarkatsishvili told you that about Mr Abramovich?

A. I think, yes. I don't remember. The reason why I remember this meeting is because both Patarkatsishvili and Berezovsky arrived in Tel Aviv at the same time. As I understood it, Patarkatsishvili had a period when he couldn't travel to Israel because of his legal business going on with Russia and this was quite a significant

event, that they both had come to Israel and they invited me to dinner to talk.

- Q. Now, in paragraphs 43 to 50 of your statement you provide some evidence relating to the second proposed merger between Yukos and Sibneft in 2003, starting at page D1/04/69.
- A. (Untranslated)
- Q. By this time, 2003, you were a member of the upper house of the Russian Parliament, so you were not directly involved in the management of Yukos; is that right?
- A. Yes. It's not very different from the situation of '97, when I was second in the list of shareholders in terms of size of shareholding. And therefore all the policy and investment decisions were agreed and discussed by the owners, so I was very much a part of what was happening as a shareholder in Yukos.
- Q. But you were not directly involved in the negotiations that led to the merger being documented and agreed in 2003?
- A. This is absolutely in line with the first attempt at merger; the same is true. I didn't take part in any of the political or legal negotiations or the drafting of any documents.
- Q. And nor were you involved in the negotiations which were also ongoing in relation to the further merger of the

new Yuksi company with a western oil company; is that correct?

- A. Naturally I didn't participate in those kind of negotiations, although I did participate in some of the meetings at the top level and I was informed about what was happening with the merger, the merger between Yukos and Sibneft and the negotiations with Chevron and ExxonMobil.
- Q. Presumably you discussed those matters with Mr Khodorkovsky?
- A. As far as was of interest or as far as he considered it necessary to tell me, we discussed them.
- Q. And prior to his arrest in October 2003, Mr Khodorkovsky was the chief executive of Yukos; is that right?
- A. Yes, you could put it that way. I think his actual job title was president.
- Q. And he was also the major shareholder?
- A. That's absolutely right.
- Q. Now, you did attend two meetings with Mr Abramovich and Mr Shvidler in Israel which took place after Mr Khodorkovsky's arrest?
- A. Yes, that is so.
- Q. Those took place also after the merger had started to be implemented; is that correct?
- A. Could you clarify the question?

- Q. The merger between Yukos and Sibneft had started to be implemented before Mr Khodorkovsky was arrested and before your meetings; is that correct?
- A. Without any doubt, that is so.
- Q. Would you agree that the period immediately after Mr Khodorkovsky's arrest was a very difficult time for Yukos?
- A. Not only for Yukos. That period after the arrest of Khodorkovsky, it was a difficult time for all his friends and partners, including those who were in Israel.
- Q. But Yukos had lost its president and there was no obvious person to fill Mr Khodorkovsky's shoes, was there?
- A. That is not the case.
- Q. Now, have you read the account given by Mr Abramovich and the account given by Mr Shvidler in their statements of the meetings with you in Israel?
- A. No, I haven't read them.
- Q. Could you be given Mr Abramovich's fourth witness statement, which is in bundle E5, tab 11. The Russian version, which I assume you will want to look at, Mr Nevzlin, starts at page 143 E5/11/143. It's paragraphs 163 and onwards that I'm interested in, which start at page 66 in the English version E5/11/66. So

143 in the Russian version; 66 in the English version.

A. Mm-hm.

Q. Could you just read paragraphs 163 to 167, please,
Mr Nevzlin. (Pause)

A. How many paragraphs should I read?

Q. Through to 167, please, Mr Nevzlin. (Pause)

A. I've read them.

Q. Just for the record, my Lady, there's a very similar
account given by Mr Shvidler in his fourth witness
statement, but it's in English so I wasn't going to take
Mr Nevzlin to it. But it's paragraphs 107 to 115 of
Mr Shvidler's witness statement at bundle E4, tab 10
E4/10/195.

Mr Nevzlin, Mr Abramovich's account of events at the
two meetings with you in those paragraphs you have just
read is what actually happened at those meetings, is it
not?

A. Not entirely. I've read here a description of the
situation as told by Roman Abramovich so as to make
himself look positive, in a positive light.

Q. There was no attempt by Mr Abramovich to take advantage
of Mr Khodorkovsky's arrest, was there?

A. That's not true, there was.

MS DAVIES: Thank you very much, Mr Nevzlin.

MRS JUSTICE GLOSTER: Yes, Mr Malek.

MR MALEK: I've no questions, my Lady.

MR ADKIN: No questions.

MR MUMFORD: No questions from me.

Re-examination by MR GILLIS

MR GILLIS: Mr Nevzlin, if I could ask a few questions in re-examination.

You were asked about your recent meeting with Mr Berezovsky in Israel; do you recall that?

A. Yes.

Q. Would many people have been aware of that meeting taking place?

A. Nobody at any point, including this last meeting, tried to make these meetings secret. They were perfectly open. We spoke in public places, at a cafe table by the seaside in Tel Aviv and so on. So I can say that since we're people who are easy to recognise, people see us in Israel and recognise us, then I think anyone could know about those meetings; but I didn't tell anyone specifically that I was going to these meetings.

I can't speak for Boris.

Q. Thank you.

You were asked about SBS's funding of the loans for shares scheme and you said that Mr Smolensky had two requirements: firstly a guarantee from Bank Menatep; and then secondly a personal guarantee.

Now, I'm not sure that you said who the personal guarantee was going to be from. So can you explain who --

- A. I said the personal guarantee of Berezovsky, in the context that Smolensky insisted that he was giving the money under Berezovsky's personal guarantee, it was his authority, his high profile, the fact that he was known in the business community, the fact that he had those contacts, and what was important for Smolensky was that it was Berezovsky who asked him for the money. That is how things stood at that time.

- Q. Thank you.

You said that after the loans for shares auction you were interested to understand the ownership structure. Do you recall saying that?

- A. Yes, I said that it would be interesting to know the ownership structure because it was such a big oil company in the Russian oil sector.

- Q. And you said that you heard about the ownership structure from Mr Abramovich and Mr Shvidler as well as from Mr Patarkatsishvili.

Now, can you recall what Mr Abramovich said to you about the ownership structure?

- A. Yes, and Mr Berezovsky too, of course. Now, even -- now that so many years have passed, I can just remember the

overall, the overall meaning. He said -- and he said this several times -- that they were equal partners, him and Berezovsky, but that Berezovsky had the final say. So he was like the *primus inter pares*, the senior among equal shareholders.

Q. Can I be clear: is that what Mr Abramovich was saying?

A. Yes.

Q. Did you have conversations with Mr Shvidler about the ownership structure?

A. Yes. As I said earlier and in my statement, this issue arose and became significant for us during the first merger, during that period. That was when we discussed that subject together and nobody had any doubt that Shvidler, Abramovich and Berezovsky all knew that they were equal partners in the Sibneft company, with a slightly senior position with the right of final say in Mr Berezovsky's hands.

Q. And can I just ask one final question about the proposed Yuksi merger.

Would Mr Khodorkovsky have had an interest in knowing the identity of the major shareholders in the company he was proposing to merge with?

A. Without doubt, that was necessary to know during the merger process. In any case, that information would become public, but of course it was desirable for

Khodorkovsky to find out before it was published.

Q. And would Mr Khodorkovsky have permitted the merger to proceed to the point where it was practically completed without knowing this information?

A. No, he was absolutely convinced that we know the ownership structure and nothing further would have happened because for Khodorkovsky it was very important that there was transparency and honesty; that the business that he was doing should be to international standards on transparency and honesty.

MR GILLIS: Thank you. I have no further questions. Does your Ladyship?

MRS JUSTICE GLOSTER: No. Thank you very much indeed for coming along, Mr Nevzlin, to give your evidence over the video-link. You may be released.

THE WITNESS: Thank you, my Lady.

(The witness withdrew)

Discussion re housekeeping

MR GILLIS: My Lady, looking forward to Monday, the family defendants have confirmed that they do not require Mr Lankshear to attend for cross-examination so there is no need for your Ladyship to read that statement before Monday.

So on Monday it will be Ms Duncan --

MRS JUSTICE GLOSTER: Well, it's still part of your

evidence?

MR GILLIS: It's still part of the evidence, of course, but there's no need for your Ladyship to refresh your memory.

MRS JUSTICE GLOSTER: Yes.

MR GILLIS: Then it will be Ms Duncan and Mr McKim.

MRS JUSTICE GLOSTER: Yes, very well.

MS DAVIES: My Lady, there's one further matter of housekeeping that's arisen during the course of today that I wonder if I may raise.

MRS JUSTICE GLOSTER: Yes, please do.

MS DAVIES: It relates to the evidence from various witnesses who say they saw Mr Abramovich in Chukotka after the date of 10 December.

In light of the evidence given by Mr Berezovsky, we had written to Addleshaw Goddard asking for their confirmation that they accepted that the alleged Cap d'Antibes meeting did not take place in the period 10 to 26 December 2000 and we received a letter to that effect today. So they've now conceded that it did not take place after 10 December.

My Lady will recall that Mr Abramovich flew to Chukotka on 10 December and on that basis one would have thought that the evidence of his movements in Chukotka and all the Chukotka witnesses are therefore irrelevant

to the issues my Lady has to decide. However, in their letter Addleshaw Goddard also indicated that it was for Mr Abramovich and his legal team to decide which witnesses he wants to call and asked us to confirm whether or not we proposed to continue to call the Chukotka witnesses.

My Lady may recall that a number of those Chukotka witnesses are witnesses in relation to which my Lady made an order at the PTR on the claimant's application, giving the claimant permission to call them to give evidence and be cross-examined on their statements, we having put in letters from them which we intended to rely on on a hearsay basis. The basis on which that application was made -- and it was not opposed -- was set out in Mr Hastings's ninth witness statement, which is at bundle J10/1, tab 2, page 8 J10/1.02/8, in which it was suggested that it was proportionate to require cross-examination of these individuals because they supported the contention that Mr Abramovich remained in the territory of Chukotka for the very substantial part of December 2000.

Of course, at the stage that my Lady made this order, which was the PTR, Mr Berezovsky was still saying that the meeting at Cap d'Antibes took place at the very end of December 2000, a day or two before Christmas, and

we did not oppose the application in those circumstances.

However, in light of the letter that we've received today, matters have obviously changed. Mr Abramovich's movements in the period after 10 December have no relevance to the issues my Lady has to decide and we therefore ask my learned friend whether, given that he had obtained this order and obtained permission to call these individuals, he still wanted them to be called; to which we understand that they do, but only because of issues of credit.

Now, in those circumstances we would in fact invite my Lady to rescind the order that she has made because we would submit that had my Lady been asked in July, at the PTR, for these individuals to be cross-examined on their statement solely on the grounds of credit, the order would not have been made and the changed circumstances therefore require the order to be revisited.

Now, I raise this today because there are practical implications, obviously, about sorting out --

MRS JUSTICE GLOSTER: Sorry, whose credit? The credit of?

MS DAVIES: My learned friend Mr Gillis may have to explain that.

MRS JUSTICE GLOSTER: Right.

MS DAVIES: There are practical implications about the Chukotka witnesses and the video-link and so on, so we really need to know what's happening about these witnesses. But we do submit it's not an appropriate use of the procedure, or indeed in fact now the court's time at this trial, to require video-link evidence from Chukotka of six individuals solely on the grounds of something to do with credit.

MRS JUSTICE GLOSTER: Right. Can you just take me back -- I was closing off some documents. Can you just take me back to what you've said in the transcript about the dates?

MS DAVIES: Yes, of course, my Lady.

In terms of the events in December 2000, Mr Abramovich flew, on our evidence, to Chukotka on 10 December, arriving on 11 December, and he remained there until 26 December. There are six individuals, whose names I'm afraid I will mispronounce --

MRS JUSTICE GLOSTER: No, never mind about that. Yes.

MS DAVIES: -- who gave evidence that they had seen him in Chukotka on various dates in that period and in relation to whom my Lady made an order at the PTR --

MRS JUSTICE GLOSTER: I remember that. I remember that. I just want to get the dates.

MS DAVIES: Those are the dates that, in the letter that we

received over the short adjournment, have now become irrelevant. I'm afraid I don't have copies of it but I can read the relevant sentence:

"Our client accepts that the Cap d'Antibes meeting did not take place in the period 10 to 26 December 2000."

None of these individuals give any evidence about Mr Abramovich's movements outside those dates because --
MRS JUSTICE GLOSTER: Do they give evidence about anything else?

MS DAVIES: It's all about his movements in Chukotka.

(Pause)

MRS JUSTICE GLOSTER: Right, I've got the dates.

MS DAVIES: And that was the sole ground on which it was sought to cross-examine them.

MRS JUSTICE GLOSTER: Can you just take me to the order I made?

MS DAVIES: Yes, it's in bundle L(2011)12 at page 239 L(2011)12/239. I hope it will come up on the screen because we don't have hard copies of the L series. It's paragraph 1.

MRS JUSTICE GLOSTER: Just a second. (Pause)

Not including Deripaska?

MS DAVIES: No, it's solely individuals who -- I'm afraid I don't have it. I think it's the first six, certainly

the first four, but I can't see the second page at the moment.

MRS JUSTICE GLOSTER: Yes, I see. Thank you. So you're saying that --

MS DAVIES: Yes, five and six.

MRS JUSTICE GLOSTER: What do they say in the letter about their intentions in relation to cross-examination?

MS DAVIES: My Lady, they say:

"Nevertheless, it is for Mr Abramovich and his legal team to decide which witnesses he wants to call. If the witnesses to which you refer are not called, we reserve the right to make adverse comments during closing submissions. Accordingly, please now confirm before your client commences his evidence which witnesses are intended to be called in the time period presently allocated in the timetable for Chukotka, including which of Ms Rudchenko..." et cetera.

MRS JUSTICE GLOSTER: Hang on a moment, Ms Davies. Are there hearsay statements? Are there notices from your client stating his intention to rely on the contents of the following statements as hearsay statements?

MS DAVIES: Yes, they were served at the time that these statements were served, yes.

MRS JUSTICE GLOSTER: So you don't have to call them?

MS DAVIES: We don't have to call them.

My learned friend then made an application for permission to call them to cross-examine them on their statements --

MRS JUSTICE GLOSTER: Yes, and that was agreed to.

MS DAVIES: -- which is the order that my Lady then made.

MRS JUSTICE GLOSTER: Yes.

MS DAVIES: So once we received this letter telling us it was actually for us to decide whether to call them --

MRS JUSTICE GLOSTER: But you're not proposing to call them?

MS DAVIES: We're not proposing --

MRS JUSTICE GLOSTER: You're just relying on the hearsay statement in the notice?

MS DAVIES: We are, because it's irrelevant. But my learned friend said to us over the short adjournment that he still would like them to be called because there are issues going to credit. So he's --

MRS JUSTICE GLOSTER: Well, I'll hear from Mr Gillis.

Mr Gillis, why do you need to call -- I don't understand where we're at on these.

MR GILLIS: My Lady, the position I think is this: the main factual question which is going to be before your Ladyship is Mr Abramovich's whereabouts between 7 and 10 December but there are issues which we wish to raise with Mr Abramovich as to the credibility of the evidence that he has adduced as to his whereabouts during that

period.

Now, prior to cross-examination I obviously don't want to say too much about that, but we will be questioning the credibility of the evidence that has been adduced in relation to that and in that context we also want to look at the credibility of the evidence that he has adduced in relation to his whereabouts in Chukotka in the period of the 11th to the 26th.

MRS JUSTICE GLOSTER: Okay. So you want to say, although it's no longer a main issue in the proceeding, you want to say, "You lied when you said you were in such-and-such a town because you can't have been for the following reasons", or whatever, to take an example.

MR GILLIS: Exactly so.

So, my Lady, that is why, although the concession has been made in respect of the period after 11 December, in our view there are relevant issues which will be before your Ladyship --

MRS JUSTICE GLOSTER: Do you want these people to be cross-examined by you or not?

MR GILLIS: My Lady, yes, we do. We want the opportunity to cross-examine certain of them and the nature of that cross-examination will be more apparent --

MRS JUSTICE GLOSTER: To demonstrate, for example, if it were to suit your book in relation to cross-examining

Mr Abramovich as to credit, that when they said they saw him post a letter in the postbox or whatever, they were lying; that sort of example?

MR GILLIS: My Lady, yes. Obviously I don't want to say too much, but that would be an example.

MRS JUSTICE GLOSTER: Okay. Well, then you had better give me some learning, hadn't you, on whether or not it's legitimate?

So you're maintaining your wish to cross-examine these people solely as to credit --

MR GILLIS: Yes, we are.

MRS JUSTICE GLOSTER: -- where the purpose for which they were called, namely to demonstrate where Mr Abramovich was, is now no longer in contention in the proceedings.

MR GILLIS: Yes. If it were the case, to take an example, that we were able to demonstrate that evidence had been fabricated in relation to that latter period, your Ladyship may regard that as being relevant in the assessment of the evidence that had been adduced in relation to the earlier period.

So, my Lady, that is why we maintain the position that we wish to cross-examine these individuals.

MRS JUSTICE GLOSTER: So it goes to Mr Abramovich's credit?

MR GILLIS: Yes. My Lady, these issues are likely to become clearer in consequence of cross-examination of

Mr Abramovich.

MRS JUSTICE GLOSTER: When are witnesses 1 to 6 due to appear by way of video-link? They're all video-link, are they?

MR GILLIS: My Lady, they are.

MRS JUSTICE GLOSTER: So it's not too much of a hassle; it's just a question of --

MR GILLIS: In our submission the appropriate way to proceed is that the order for permission of cross-examination should remain. It is hoped that the parties can continue to cooperate in terms of organising these individuals to give their video-link evidence. If, in the light of the cross-examination of Mr Abramovich, it becomes apparent that it's not necessary, then that can be discontinued.

But at the present time our position is that we wish to cross-examine these people and I don't have the letter in front of me but the point we make is that if those individuals are not available for cross-examination, we reserve the right to make adverse comment.

MRS JUSTICE GLOSTER: There is actually some learning, isn't there, on the law relating to the ability to cross-examine witnesses as to credit?

MR GILLIS: My Lady, yes, there is.

MRS JUSTICE GLOSTER: I don't know whether there's a point there or not. But you're saying I don't need to visit that at this stage, until we've heard what Mr Abramovich says in cross-examination?

MR GILLIS: My Lady, that is our position.

MRS JUSTICE GLOSTER: When are they going to turn up in front of the video camera?

MR GILLIS: I think they're not due for about two and a -- I don't have the detail to hand, but I think it's about two and a half weeks' time.

MS DAVIES: No, my Lady, it would be the end of the week after next, so the 11th.

The reality is we do actually need to know because these are six separate individuals who need to make arrangements and Mr Abramovich, on the current timetable, is not due to finish his evidence until the beginning of that week and that just won't give us enough time. It's also fair to say that we've previously indicated -- and it's also correct -- that if they are to come, it needs to be earlier rather than later because the weather deteriorates in Chukotka and so getting people there is very dangerous.

But I would say, my Lady, we would submit that it's not appropriate to subpoena people, effectively, or make this sort of order where it goes solely to credit. That

is an issue that, if my Lady would like to see some learning on, we ought to --

MRS JUSTICE GLOSTER: I think I would because I can see there might be a point there, but I haven't got the principle at my fingertips.

MS DAVIES: My Lady, perhaps we can then raise it first thing on Monday morning. What I would be very concerned about is leaving this over until whenever Mr Abramovich finishes his evidence which will not be until the 7th.

MRS JUSTICE GLOSTER: Well, I'm not going to cut down on court time; we'll just have to do it around court time, if you see what I mean.

MS DAVIES: Of course, my Lady.

MRS JUSTICE GLOSTER: Perhaps you could see, if there are any cases or if there is a principle that guides me, perhaps you could fish it out.

MS DAVIES: I'm sure there are, Mr Sumption also tells me there are, both on the principle of whether it is appropriate to require witnesses to be called solely as to credit and secondly whether it's possible to cross-examine solely as to credit another witness.

MRS JUSTICE GLOSTER: That's the bell that's ringing.

MS DAVIES: Both of those we would say are engaged here and they create a problem with what is now proposed.

MRS JUSTICE GLOSTER: Yes, okay.

I don't know what my schedule is on Monday but what I suggest is that at 4.15 on Monday you can let me know what the legal principles are and perhaps also somebody could identify where the letters are.

MS DAVIES: Of course, my Lady.

MRS JUSTICE GLOSTER: But I'm not proposing to do anything on this particular issue over the weekend. But I think, Mr Gillis -- I do see the points of both sides, but I do think I need to look at the law a bit on this.

MR GILLIS: Yes.

MRS JUSTICE GLOSTER: Very well. What time would the parties like to start on Monday?

MR GILLIS: We're content with 10.15.

MS DAVIES: Yes.

MR GILLIS: I'm sorry, could I suggest 10.30 because I think Mr Rabinowitz is wanting to bring all of his papers into court before Mr Abramovich gives his evidence.

MRS JUSTICE GLOSTER: Yes.

MR GILLIS: I think probably McKim and Duncan are likely to be relatively short. So could I suggest we start at 10.30.

MRS JUSTICE GLOSTER: Are you content with that, Mr Sumption?

MR SUMPTION: I don't want to quarrel about a quarter of an hour but the rest of us have all had the experience

of humping our things over to court; it's just a question of leaving chambers in time. 10.15 seems a perfectly acceptable --

MRS JUSTICE GLOSTER: Is Mr Rabinowitz going to be here for the first two witnesses or is he coming over at the break?

MR GILLIS: My Lady, I don't know. All of Mr Rabinowitz's H files have gone, so that's 100 and whatever it was. I don't know how many of the other files have --

MRS JUSTICE GLOSTER: I think what I'll do is I'll start as normal at 10.15 and if we need a bit more of a break to set everything up when the witnesses come in, we can just have a longer shorthand --

MR GILLIS: I'm content with that.

MRS JUSTICE GLOSTER: If you need any more time. I'm sure the clerks at 1 Essex Court can manage, Mr Gillis.

Very well. 10.15.

(3.37 pm)

(The hearing adjourned until
Monday, 31 October 2011 at 10.15 am)

INDEX

MR DAVID REUBEN (sworn)	2
Examination-in-chief by MR GILLIS	2
Cross-examination by MR MALEK	25
MR MICHAEL LINDLEY (continued)	26
Cross-examination by MR ADKIN (continued)	26
Re-examination by MR GILLIS	34
Discussion re housekeeping	39
MADAM INTERPRETER (sworn)	51
MADAM INTERPRETER (sworn)	51
MR LEONID NEVZLIN (sworn)	51
Cross-examination by MS DAVIES	53
Re-examination by MR GILLIS	84
Discussion re housekeeping	87