

Monday, 31 October 2011

(10.15 am)

Discussion re housekeeping

MRS JUSTICE GLOSTER: Two things. I have a law student sitting with me as a marshal this week.

Secondly, can I reiterate, please, that no headphones are to leave the court. If anybody is seen leaving the court with a headphone, they will not be allowed back into this court. Is that clear? Thank you.

Just a second, Mr Gillis. (Pause)

Yes, Mr Gillis.

MR GILLIS: My Lady, before Mr Berezovsky calls his next witness, could I just deal with one matter arising from Mr Nevzlin's evidence on Friday and that's a note that the interpreter has provided correcting two mistakes in the translation. My Lady, could I hand that up.

MRS JUSTICE GLOSTER: Yes, please do. (Handed)

MR GILLIS: As my Lady will see, it's a note from Natasha Ward, who was the translator, and she has listened to the Russian audio tape and, having done so, has corrected two errors in the English translation. We ourselves had some concerns about some other errors which we thought we had picked up.

But the two errors that she has picked up is, first

of all, in the context of the discussion about whether Mr Khodorkovsky had seen copies of the partnership documentation, Ms Ward indicates that she interpreted the word "signed" when in actual fact, having listened to the audio tape, she now believes that was just electronic distortion.

MRS JUSTICE GLOSTER: Yes.

MR GILLIS: Then the second mistake that she has identified is that she missed out the word "list" in the description of whether Mr Berezovsky figured in the list of shareholders.

MRS JUSTICE GLOSTER: Yes, that's extremely helpful. Is this a routine that's being done with all translations and all translators? Somebody is checking from the --

MR GILLIS: I think Ms Bayliss is saying no.

MR SUMPTION: My Lady, I think this arises because there are two of them in the booth: the one who is not actually translating listens out while the other is and picks up things that need to be checked with the tape later, and they have access to the tape for the purpose of doing that. I don't believe it's systematic but it is a system which is likely to pick up the more obvious errors.

MRS JUSTICE GLOSTER: Well, it's a very good system, if I may say so, and it's one that ought to be used so that

everybody is comfortable with the integrity of the final transcript at the end of the day.

MR SUMPTION: May I suggest, since these changes have not actually been made on the transcript, that notes like this should simply be filed with the relevant transcript.

MRS JUSTICE GLOSTER: What, the hard copy and the electronic copy?

MR SUMPTION: Yes. The alternative would be issuing a new transcript, which --

MRS JUSTICE GLOSTER: Yes. Well, perhaps those sitting behind you and behind Mr Gillis can make arrangements so that this note is reproduced at the back of the electronic transcript and at the back of any hard-copy versions of the transcript.

MR SUMPTION: I imagine that can be done.

MR GILLIS: My Lady, yes. If I can say, from our part, we did in fact check the Russian audio tape against the translation over the weekend.

MRS JUSTICE GLOSTER: Yes. That's a matter for you, obviously. Anybody can raise points that arise.

MR GILLIS: Exactly so. I don't know whether there are any points that arise out of that that we may wish to raise but if we do, we'll do that at a convenient point.

MRS JUSTICE GLOSTER: Very well. I'm also reminded that

it's important to leave the headphones away from the microphones. Very well.

Yes, Mr Gillis.

MR GILLIS: My Lady, Mr Berezovsky calls his next witness, Ms Duncan.

MRS JUSTICE GLOSTER: Thank you.

MS MICHELLE DUNCAN (affirmed)

MRS JUSTICE GLOSTER: Do sit down, Ms Duncan, if you would like to.

THE WITNESS: Thank you.

Examination-in-chief by MR GILLIS

MR GILLIS: Ms Duncan, could you just start by confirming that you don't have a telephone or electronic device with you?

A. No.

Q. Thank you very much indeed.

Could the witness be provided with D1, open at tab 6. Could I ask you to turn to page 7 of that document D1/06/90. Is that your signature?

A. Yes.

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

A. Yes.

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

belief?

A. Yes.

MR GILLIS: Thank you. Can you wait there. Mr Jowell has some questions for you.

Cross-examination by MR JOWELL

MR JOWELL: Ms Duncan, Cadwalader was retained on this case at the end of October 2007; that's right?

A. Yes.

Q. And you received the papers from Carter Ruck in the course of the last full week of that month?

A. Yes.

Q. And am I right in assuming that at that time you were instructed, you had not previously acted for Mr Berezovsky; he was new to you?

A. No.

Q. So you cannot have had great knowledge of his business dealings or his history other than what you got from the papers or what was in the public domain?

A. None whatsoever.

Q. Now, you say in your witness statement that Mr Berezovsky himself was unavailable to meet you at the end of October and early November. Do you recall that?

A. Yes.

Q. And in November Mr Dubov, of Mr Berezovsky's office, organised a meeting for you with Mr Patarkatsishvili in

Tel Aviv that took place on 29 and 30 November 2007?

A. Yes.

Q. You recall. So at the time you attended those meetings, you had been on the case for just a little over a month?

A. Yes.

Q. And in that month, between the time that you were officially instructed on the case at the end of October and your meeting in Tel Aviv, had you attended any previous meetings about the case with Mr Berezovsky himself? I'm not asking you about the content of the communications but simply whether such meetings took place.

A. No.

Q. So you had not attended any meetings with Mr Berezovsky other than your original --

A. Only the initial meeting we had in mid-October where we were beauty-parading.

Q. Yes, where you were pitching for the case?

A. Yes.

Q. Did you know in advance that Mr Berezovsky was going to attend the Tel Aviv meeting with Mr Patarkatsishvili?

A. No.

Q. So when you saw that Mr Berezovsky was there, you must have seen that this was an important opportunity to get information from Mr Berezovsky as well as from

Mr Patarkatsishvili, since this was your first meeting with your client?

A. Yes, although I think we understood that the primary purpose of the meeting was to meet with Badri. Sorry, it's easier for me to call him Badri.

Q. Yes. No, please do.

A. But, yes, it was obviously an important opportunity for us to get some evidence or to have a discussion with Mr Berezovsky.

Q. Obviously, yes.

Now, in advance of the Tel Aviv meetings Mr McKim had prepared a draft witness statement in Mr Patarkatsishvili's name; that's correct?

A. Yes.

Q. But that was never, as far as you know, sent to him?

A. I don't believe so. I think it was just for our internal purposes.

Q. And at the meeting you didn't show the witness statement to him?

A. No.

Q. And you didn't refer to it?

A. No.

Q. Now, you've said that there were two meetings in Tel Aviv: a roughly four-hour meeting on 29 November and a much shorter meeting early on 30 November. Is that

right?

A. Yes.

Q. At the much longer meeting you allowed Mr Berezovsky and Mr Patarkatsishvili to talk so that you could get a feel from them for their account of the events relevant to the case?

A. Yes.

Q. And it was Mr Berezovsky who did most of the talking, wasn't it?

A. Yes.

Q. Now, ms Duncan, could I ask you to be given bundle R(D) at tab 29, page 91. This is your manuscript note of the meeting. This is R(D)2/29/91.

A. Yes. Sorry, I've got the original manuscript notes here with me and if you want to ask me about these, I'm happy for you to look at them, but I'd rather look at the original original rather than the photocopy, just because it's clearer.

Q. It's difficult because your original original is probably not paginated in the same way that this is. So you may have to look from --

A. The original original is, but not the transcript, obviously. But it's fine, I can look at this, but --

Q. It's just that the pagination we have for the bundles I assume won't be on your original, so it's difficult

for me to --

A. Okay, I understand. That's fine.

MRS JUSTICE GLOSTER: Well, if you need to look at your own original notes, you can do so if the need arises.

THE WITNESS: Thank you.

MR JOWELL: In any event, for present purposes right now, I don't think we're going to need to look at the precise detail just yet. Page 91 is the beginning of the note and if you turn forward to page 113, so that's R -- you'll see the pagination is confusingly on the left-hand side. So it's R(D)2/29/113.

A. Headed "Day 2"?

Q. We get to "Day 2".

So it appears that your notes of the meeting on day 1 start at page 91 and go through to page 112, so 21 pages in all; is that right?

A. Yes.

Q. You've confirmed that the first meeting was a four-hour meeting?

A. About four hours.

Q. About four hours. So with 21 pages of notes, you were taking notes at a rate of a little over five pages an hour; is that about right?

A. Maths isn't my strong point. But yes, I'm sure that's right.

- Q. And your notes on the second day start on page 113, as we've seen, and they go through to page 119?
- A. Yes.
- Q. And that's a little over five pages of notes and that meeting was about an hour long?
- A. Yes.
- Q. So that also tallies with a rate of note-taking of about five pages an hour?
- A. Yes.
- Q. Now, I'm sure that if anything important had been said by either Mr Berezovsky or Mr Patarkatsishvili of clear relevance to one of the main issues in the claim, you would have expected that to be reflected in your notes, wouldn't you?
- A. I would have hoped so.
- Q. Now, if we turn to the next tab in this bundle, to tab 30, so that's R(D)2/30/120. Do you see that?
- A. Yes.
- Q. This is your typed version of the same meeting?
- A. Yes.
- Q. And in the left-hand column you've tried to attribute who said what at the meeting either to Mr Berezovsky, which is a "BB", or to Mr Patarkatsishvili as an "AP"; that's right?
- A. Yes.

- Q. And each horizontal grey-shaded stripe across the page, that indicates a new page of your manuscript notes, doesn't it?
- A. Yes.
- Q. So if we just turn the pages of your typed notes, we see that on the first page that corresponds to about two and a half pages of your manuscript note, doesn't it?
- A. Yes.
- Q. And along the left-hand column that's all attributed to BB?
- A. Yes.
- Q. And if we turn over the page to the next page, again it's about two and a half pages and that is all attributed to BB?
- A. Yes.
- Q. And if we go over to the next page, 122, about the top third of the page, one manuscript page roughly is attributed -- or two-thirds of a manuscript page are attributed to BB?
- A. Yes.
- Q. So we can see that the first six pages of your manuscript notes effectively are attributed to Mr Berezovsky?
- A. Yes.
- Q. So, judging by your note-taking rate of about five pages

an hour, Mr Berezovsky probably spoke for about an hour before Mr Patarkatsishvili got a word in edgeways?

A. It wasn't quite like that. Mr Berezovsky did a lot of the talking but occasionally they would chat between themselves in Russian. But yes, broadly, in terms of going through the background -- and I think you see the first few paragraphs are largely historical -- pages, rather, are largely historical -- Mr Berezovsky did most of the talking.

Q. Yes. And it would be fair to say, wouldn't it, that this became a meeting as much with Mr Berezovsky as with Mr Patarkatsishvili?

A. Yes.

Q. Now, neither you nor Mr McKim speak Russian, do you?

A. No.

Q. Could I ask you to be given bundle D2 and to turn up Mr McKim's evidence, which is at tab 14 at paragraph 23 D2/14/61. Do you have that?

A. Yes.

Q. Do you have paragraph 23? It's at D2/14/61.

A. Yes.

Q. The first sentence says:

"During the meeting, Mr Berezovsky and Mr Patarkatsishvili frequently discussed matters between themselves in a foreign language, which I presume was

Russian."

And I think you've indicated the same --

A. Yes.

Q. -- so I would assume you agree with that?

A. Yes.

Q. And obviously you had no way of knowing what they were saying on those occasions?

A. No.

Q. So if they had been disagreeing between themselves privately, unless it was obvious from their tone of voice, you would not have known about that?

A. No.

Q. And Mr Berezovsky's English was much better than Mr Patarkatsishvili's English; that's right?

A. Yes.

Q. And there was no independent translator present for Mr Patarkatsishvili, was there?

A. No.

Q. Could I take you to another part of Mr McKim's statement, which is at paragraph 22, and the last two sentences of that. Do you see it there in D2/14/61?

He says:

"If the question from us was fairly simple and Mr Patarkatsishvili understood our English, he would often attempt to reply in English. However, if either

the question or the answer started to get in any way complicated Mr Berezovsky would act as a quasi-translator."

Do you agree that's essentially a fair description?

- A. I think -- the first sentence I think is fine, that -- I would agree with, in that if the question was simple, then Badri would answer it directly. I think right at the outset of the meeting Mr Berezovsky said that he wasn't there to speak for Badri but he was there to help with the translation because he also accepted, as did Badri, that his English wasn't as good as Mr Berezovsky's. And so if the question was complicated or it didn't appear that Badri had understood it, then Mr Berezovsky would translate it for him in Russian; but for the most part Badri attempted to answer in English.
- Q. Right. But the way the meeting went, it wasn't a formal question-and-answer session? So that you didn't pose a specific question to Mr Berezovsky or to Mr Patarkatsishvili and then one or other of them would answer independently? It wasn't --
- A. The first day, no, very rarely.
- Q. They would -- rather they would discuss a particular subject matter with each of them interjecting on occasion; is that right?
- A. Well, they were sort of -- we asked them to tell their

story, you know, from the beginning and to -- you know, some history about ORT, then Sibneft, going through to Rusal sort of chronologically, and that's the way they told the story. And occasionally we would interject with questions --

Q. Yes, and they would each chip in at times?

A. And they would each chip in from time to time.

Q. Now, again, going back to Mr McKim's statement, the second sentence of paragraph 23, he says:

"When Mr Berezovsky was explaining matters to us it was sometimes difficult to know whether he was explaining his personal knowledge of events, whether he was explaining his and Mr Patarkatsishvili's joint recollection or whether he was translating Mr Patarkatsishvili's answers directly."

Presumably you agree with that?

A. Well, not entirely because I think, as I've said, on the whole Badri attempted to answer the questions that -- or Badri spoke in English to us directly as regards his recollection. So there are certain bits of my notes that I quite clearly just remember Badri telling us directly in English; there are other parts where, yes, Mr Berezovsky appeared to be translating for him.

Q. But since -- and when Mr Berezovsky was translating, you weren't in a position to know whether the translation

was accurate or not?

A. No.

Q. Could I ask you next to turn to paragraph 40 of Mr McKim's statement which is at D2/14/67, and in this paragraph Mr McKim is talking about his notes of the meeting, which he says have been lost or destroyed. And if I could just ask you to look at the penultimate sentence, it says:

"I do not believe that my notes would have specified who was speaking at any given point; as mentioned above, the vast majority of the answers or explanations being given were coming jointly from Mr Berezovsky and Mr Patarkatsishvili, with Mr Berezovsky doing most of the talking."

Do you see that?

A. Yes.

Q. Now, with a few exceptions, your own manuscript note also generally doesn't specify whether it is Mr Berezovsky or Mr Patarkatsishvili who is speaking? The manuscript note.

A. Yes.

Q. They don't, do they?

A. No.

Q. But in your typed-up notes which you've kindly provided, you have sought to attribute statements to one or other

of them?

A. To the extent that I can recall.

Q. Yes.

Now, you've said in your statement that you created your typed note at the time you were preparing your witness statement. I wonder if you could tell us --

A. No, I created the typed notes when I was preparing this witness -- when I was preparing this witness statement, yes, sorry. I misheard you.

Q. Could you tell us approximately at what point in time -- since we don't know exactly when you prepared your witness statement -- you created the transcription with the attributions?

A. It would have been in May of this year.

Q. May of this year. So the meeting was in November 2007, so it was three and a half years afterwards?

A. Yes.

Q. So you must have had very little actual recollection of who said what, or who said precisely what at the meeting, three and a half years afterwards?

A. Some things I can distinctly recall. But on the whole, yes, a lot of it I can't recall accurately to the extent -- but I think when I went through the notes and the transcript, what I sought to do there was where I could actually recall who was speaking at the time,

that's where I've put the sort of "AP"/"BB" notations.

Q. I see. But after a while it becomes uncertain, does it?

A. Yes.

Q. I see. So the initial -- so in fact the attributions may be a bit misleading then. The initial bit of the attribution you're confident of, but after that, as it were, there's a long section that is attributed to an "AP" or a "BB"; one can't be sure that later in that long section it's not one or the other one?

A. Sometimes -- some of it I could recall from the way the notes are written because they spoke very different forms of English, so -- and some of those notes are literal sort of -- some of my manuscript notes are sort of literally writing down what they said and they both spoke in a particular way. Some of them I can recall because, for example, the meetings at Munich Airport, they were something that only Badri could have told me about.

Q. I see. But apart from those occasions where it's clear that only one or other of them could have been speaking because only they attended the particular meetings or where you've actually made the attribution in your note, it must be a very uncertain business now making these attributions?

A. Yes. It's not exact.

Q. And indeed Mr McKim has said that he couldn't have made the attributions even at the time. So that's rather indicative, isn't it, that it must be very difficult to do it three and a half years after?

A. It's not as easy as it would have been at the time.

Q. And your manuscript notes -- well, could I ask you first to go back to your witness statement, something that you said, at, in the D1 bundle, 06 at page 87, at paragraph 21 D1/06/87. Do you see -- it's the very last sentence of the paragraph; it just starts with the word "Mr" at the bottom of the page. If we turn over the page to D1/06/88, it says:

"Mr Patarkatsishvili would often start his answers in English, but would switch to Russian if he struggled to explain himself properly."

Now, your manuscript notes obviously don't distinguish which sentences of Mr Patarkatsishvili were said entirely in English and which were partly in English and partly in Russian, and which were entirely in Russian, do they?

A. No.

Q. And obviously it's impossible for you to now know, looking back at your manuscript note, which bits of information seemed to come from Mr Patarkatsishvili, were delivered by him in English or by him partly in

English and partly in Russian, or by him in Russian and translated by Mr Berezovsky?

A. With very few exceptions, yes.

Q. Yes.

Now, could I ask you just to confirm a few passages in your notes which are in shorthand. And I should say in advance, I'm not asking you to comment on these sentences; I just want you to make sure that I've not --

A. To translate them.

Q. Yes, exactly -- mistranslated them.

A. Sure.

Q. I think we can do this from the typed-up notes, which are in the R(D) bundle at tab 30.

A. Yes.

Q. So if we start at R(D)2/30/123 and do you see the last box at the beginning of the -- at the bottom of the page?

A. Yes.

Q. "BB..."

That's Boris Berezovsky.

"... [and] I decided 2.5 [billion]."

A. Yes.

Q. "We started to disc[uss] with him. I [understood] his pressure -- I had no choice but to take what he offered -- not poss[ible] to negot[iate because] if we

didn't agree w[ith] his price, he [could] walk away & give us nothing.

"[Mr Berezovsky] felt differently."

Is that a correct transcription of your --

A. Yes.

Q. And if we just go forward to the next page, 124 R(D)2/30/124, and again the top box with the "AP" against it.

A. Yes.

Q. The first full sentence, it says:

"We were outside [the] co[mpany], no other income -- [Mr Berezovsky] needed [dollars] to fund political career.

"So accepted 1.35 [billion]. Also agreed he needed to pay 500 [million] in three [months] and balance in 12-15 months.

"Agreed this, shook hands -- that is all.

"[Meeting] only took 1 hour."

That's a correct reading?

A. Yes.

Q. Just two more. Then at page 125, R(D)2/30/125, do you see in the middle of the page, just below the horizontal grey shaded area there's an "AP"?

A. Yes.

Q. And it says:

"[Nikolai Glushkov] not ment[ioned] directly at [the meeting] in Munich [because] others there -- oblique ref[erence] '[you] rem[ember] our main [point]'."

A. Yes.

Q. Correct?

And finally if I could ask you to go to 129, R(D)2/30/129, and I just want to make sure that I've read the last two lines correctly of this page:

"[Roman Abramovich] never threatened to walk away -- just an impression... BP [Mr Patarkatsishvili] had.

"V[ery] careful ab[ou]t negot[iating] strategy."

A. Yes.

Q. Thank you very much.

Ms Duncan, one final thing. Could I remind you of the last sentence of paragraph 29 of your witness statement, which is back in the D1 bundle, D1/06/89.

A. Sorry, which paragraph?

Q. It is paragraph 29.

A. Yes.

Q. You say there:

"Nor did Mr Patarkatsishvili contradict Mr Berezovsky when Mr Berezovsky said that Mr Patarkatsishvili might join the action later."

A. Yes.

Q. So are you suggesting there that Mr Berezovsky, at the

meeting in Tel Aviv, said that Mr Patarkatsishvili might join the action later?

A. I believe he said that at the outset of the meeting, when he explained why Badri wasn't party to the action now but was willing to cooperate.

Q. I haven't seen any reference to that in your notes. Is that because you didn't regard this as something important enough to note down?

A. Well, it was obviously important but in the context of what we were there for, which was to sort of really speak to Badri and, as we found out, Mr Berezovsky about their recollection of events, wasn't something that obviously I recorded; it was something that -- and as you'll see the notes, the notes really talk about the story they told us, not other matters that we might have discussed outside of that.

Q. I see.

Then in the next paragraph, in paragraph 30, you mention a car journey with Mr Glushkov and Mr Dubov --

A. Yes.

Q. -- where Mr Glushkov again told you that Mr Patarkatsishvili was thinking of joining the claim.

A. Yes.

Q. Now, could I ask you to look at Mr Dubov's statement about this, which is in D1, tab 12 in the same bundle,

at page 258. So D1/12/258. If you could go to page 294 of that D1/12/194 and could I just ask you to read to yourself paragraph 159 and over the page to 160.

(Pause)

A. Yes.

Q. I just draw your attention to the last sentence at paragraph 160 at D1/12/295. He says:

"I recall that Michelle..."

That's you.

"... was very pleased by the news as she had not previously been told that Badri might join the claim."

Now, are you saying that Mr Dubov's impression was wrong because you actually had previously been told that Badri might join the claim?

A. I think what we'd previously been told by Mr Berezovsky -- and Mr Dubov wasn't present when Mr Berezovsky said this -- is that, you know, Badri might join the claim later but that he didn't want to at that point because he still had a relationship with Mr Abramovich and was hoping for an amicable settlement. Sort of thinking about it, I think what Mr Berezovsky meant was he was -- he hoped that Badri might join the claim later.

But apart from that, I can't comment on this.

I think this was probably the first time where we sort

of got a more positive indication that Badri might join the proceedings, although at that point I think in fairness the conversation I had with Mr Glushkov was about Badri deciding that he wanted to sue Mr Deripaska.

Q. I see. And in the four weeks after that car journey and Mr Patarkatsishvili's death, you never heard once back from Mr Patarkatsishvili to indicate that he was going to join the claim, did you?

A. No. Mr Glushkov said on that Friday that he was going to arrange a meeting with Badri early in the following week that, you know, he didn't. I think I might have followed up with him a couple of times but it never happened.

Q. It never happened?

A. No.

MR JOWELL: Ms Duncan, I have no further questions. Thank you.

MRS JUSTICE GLOSTER: Yes.

MR MALEK: I have no questions, my Lady.

MR ADKIN: No questions.

MR MUMFORD: No questions.

MRS JUSTICE GLOSTER: Yes, Mr Gillis.

Re-examination by MR GILLIS

MR GILLIS: Ms Duncan, two questions.

You were asked if you had met Mr Berezovsky before

the Tel Aviv meeting at the end of November and you indicated that you hadn't. Could I ask you to look at Mr McKim's statement, which we have at bundle D2 at tab 14, and if I could ask you to turn to page 57 and it's paragraph 10 that I would ask you to look at D2/14/57.

A. Yes.

Q. Before the Tel Aviv meeting with Mr Patarkatsishvili and Mr Berezovsky, had you had access to those people who are named in paragraph 10?

A. Yes.

Q. The other matter I was wanting to ask you about was that you were taken to the notes of your meeting. We have the typed version at R(D)2, tab 30, at page 120 R(D)2/30/120.

A. Sorry, what's the reference again -- oh, tab 30.

Q. R(D)2, tab 30.

A. Yes.

Q. Page 120. And it was suggested to you that Mr Berezovsky spoke for about the first hour.

A. Yes.

Q. Now, given your appreciation of Mr Patarkatsishvili's understanding of English, I would like to ask you: did Mr Patarkatsishvili appear to understand what Mr Berezovsky was saying to you?

A. Yes.

Q. And did Mr Patarkatsishvili ever indicate to you that he disagreed with what Mr Berezovsky was saying?

A. No. He seemed quite content to simply sit back and listen.

Q. And when Mr Berezovsky was translating for Mr Patarkatsishvili, did Mr Patarkatsishvili give any impression of disagreeing with what Mr Berezovsky was saying on his behalf?

A. Not that I can recall.

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

MRS JUSTICE GLOSTER: No. Thank you very much indeed, Ms Duncan, for coming along.

THE WITNESS: Thank you.

(The witness withdrew)

MR GILLIS: My Lady, could I call Mr Berezovsky's next witness, Mr McKim.

MRS JUSTICE GLOSTER: Yes.

MR IAN MCKIM (sworn)

MRS JUSTICE GLOSTER: Please sit down if you would like to.

THE WITNESS: Thank you.

Examination-in-chief by MR GILLIS

MR GILLIS: Mr McKim, good morning.

A. Good morning.

Q. Again, could I start by asking you to confirm that you do not have a telephone or an electronic device?

A. Not up here, no.

Q. Thank you.

Could Mr McKim be given bundle D2 at tab 14 D2/14/55. Is that the front page of your witness statement?

A. It is.

Q. And could I then ask you to turn to page 71 D2/14/71.

A. Yes.

Q. And is that your signature?

A. It is.

Q. Could you please confirm that this is your second witness statement in this action?

A. Yes. I believe I gave a very short procedural statement very early on, to introduce a document in an earlier hearing, but this is the -- my second statement in the action and the only statement of any substance I believe I gave.

MR GILLIS: So, my Lady, although it's described as being his first statement at page 55, it's his second statement. The first statement, for the record, is at bundle J1, tab 1 at page 10 J1/1.01/89. It's dated 15 April 2008 and is simply in relation to an application to amend the claim form.

Subject to that, can you confirm that the contents of this, your second witness statement, are true to the best of your knowledge, information and belief?

A. Yes, they are.

MR GILLIS: Thank you. If you could wait there, Mr Jowell has some questions for you.

Cross-examination by MR JOWELL

MR JOWELL: Mr McKim, you're a qualified barrister and until recently you worked at Cadwalader solicitors; is that right?

A. That's right.

Q. You were brought into this case by Ms Duncan, who was then a partner at Cadwalader, at the end of October 2007?

A. Yes.

Q. And at around that time you were provided with a copy of the particulars of claim dated 6 September 2000 (sic) that had been prepared by Carter Ruck; that's right?

A. Yes.

Q. And those particulars of claim had already been signed by Mr Berezovsky, hadn't they?

A. I believe so, yes.

Q. Excuse me, I said 2000; I meant to say 2007.

A. Yes, I assumed that's what you meant.

Q. And there was a dispute at that time over whether those

signed particulars of claim had been validly served on Mr Abramovich at the Hermes store; you're aware of that?

A. So I understand, yes.

Q. And Ms Duncan informed you in early November 2007 that she had agreed with Skadden that Cadwalader would serve a new version of the particulars of claim by 8 January 2008?

A. Yes.

Q. And she told you that one of the main tasks that you and she had was therefore to try and do all the preparatory work necessary to amend the particulars before Christmas?

A. Yes.

Q. And for that purpose you and Ms Duncan were no doubt keen to meet Mr Berezovsky?

A. Yes.

Q. And you were also keen to meet with Mr Patarkatsishvili, who was potentially an important witness?

A. Yes.

Q. And you had been provided with the final versions of proofs of evidence that had been taken by Mr Stephenson and Mr Lankshear following their interviews with Mr Patarkatsishvili in Georgia in 2005; that's right?

A. Yes.

Q. And in the course of November you took the initiative to

put together a further document, something you called a witness statement for Mr Patarkatsishvili; that's right?

A. Yes, the witness statement was solely my idea. It was clearly something that had to be done. It may have been discussed between ourselves and counsel that we needed to get this document up and running, but I certainly was the one that kick-started the drafting of it in that form.

Q. Yes. And near the end of November you learnt that Ms Duncan had arranged for you and her to meet Mr Patarkatsishvili in Tel Aviv?

A. Yes.

Q. But before you'd even gone to Tel Aviv, you had already created a first draft of Mr Patarkatsishvili's witness statement, hadn't you?

A. Yes, to save time afterwards, after we got back.

Q. Yes. And in preparing that you'd had no input from Mr Patarkatsishvili himself directly?

A. Not directly. It was based on documents that I'd seen.

Q. Yes.

Now, in order to produce that draft witness statement, you included the account of events contained in the two proofs of evidence that had previously been prepared, but you also made various additions to those

two proofs; that's right?

A. Yes.

Q. Could we just go to the first draft of the witness statement you prepared, which is in the R(D) bundle. Could I ask you to be given the R(D) bundle, R(D)2 at tab 28, page 62 R(D)2/28/62. You'll see this is the first draft of the witness statement that you prepared, isn't it?

A. I'd have to flip through it, but I'll take your word for it.

Q. It's the one dated 19 November at the bottom.

A. Yes, okay.

Q. And you see in the top right, it says:

"1. Claimant.

"2. Boris Berezovsky.

"3. First Statement."

And so on?

A. Yes.

Q. That's what one would normally put in the top right-hand corner of a witness statement by Mr Berezovsky, isn't it?

A. It is. I probably pasted that entire top table from another statement or asked a secretarial trainee to do that.

Q. Yes, indeed. And at paragraph 4 of the statement you

actually state:

"The contents of this..."

Quite properly, you state that:

"The contents of this witness statement are largely drawn from the draft proofs taken from Badri in 2005 and the prior witness statements given by Boris in other actions, supplemented by press coverage and other research."

Do you see that?

A. Yes.

Q. So you also included material in this document that had come from Mr Berezovsky and from other sources?

A. Yes.

Q. Now, before you went to Tel Aviv neither you nor, as far as you're aware, Ms Duncan had sent to Mr Patarkatsishvili a copy of this witness statement, did you?

A. Not directly.

Q. No. And he didn't receive a copy of it from other sources as far as you're aware?

A. Not as far as I'm aware.

Q. As we've already discussed with Ms Duncan, there were two meetings in Tel Aviv: one on the 29th and one on 30 November. And you confirm that, as Ms Duncan said, you didn't make any reference to this witness statement

during those meetings, did you?

A. No.

Q. But after the meeting you did create a second draft of Mr Patarkatsishvili's witness statement dated 7 December; that's right? Do you recall that?

A. Yes, I would have started work on that as soon as we got back and the date that you've just mentioned is probably a date it was circulated to somebody. But certainly there was a further drafting effort taking place after that.

Q. Yes.

MRS JUSTICE GLOSTER: Can I be clear. Did you take this statement with you to the meeting with Mr Patarkatsishvili?

A. I probably had it in my bag and on my person and there at the meeting, but there were no documents passed back and forth between myself and Ms Duncan on the one hand and Mr Berezovsky and Mr Patarkatsishvili on the other.

MRS JUSTICE GLOSTER: So there was no question of you going through the draft with Mr Patarkatsishvili at the meeting?

A. No. That didn't happen.

MRS JUSTICE GLOSTER: Yes, I see. Thank you.

MR JOWELL: Your notes of the meeting in Tel Aviv have unfortunately been lost or destroyed; that's right?

A. Yes, unfortunately that's right.

Q. But in order to prepare the second draft of the witness statement, you used those notes, presumably, as well as your understanding or impression you had gained from the meeting; that's right?

A. Yes.

Q. And in paragraph 34 of your witness statement D2/14/65 you explain that the way you prepared the second statement of Mr Patarkatsishvili, you sought to include everything relevant that was said at the meeting, whether it came from Mr Berezovsky or Mr Patarkatsishvili, and you didn't try to distinguish the information that specifically came from Mr Patarkatsishvili rather than from Mr Berezovsky. Do you recall that evidence?

A. Yes, I recall that.

Q. And you also explained in your witness statement at paragraph 40 D2/14/67 that your manuscript notes would not have specified who was speaking at any given point for the most part, whether Mr Berezovsky or Mr Patarkatsishvili? You will recall I took Ms Duncan to that passage earlier.

A. Yes.

Q. Yes. And the reason you didn't specify in your notes who was speaking at any given point was because, with

Mr Berezovsky acting as a quasi-translator, as you put it, for Mr Patarkatsishvili, you generally just assumed that the answers were given on his behalf; is that right?

A. Yes.

Q. And it was all too much of a muddle to really distinguish who was saying what precisely?

A. Well, that might be going a bit far. I mean, there were certain elements of the story that it was obvious had to be coming from Badri and it would have appeared from Mr Berezovsky's translation that he wasn't embellishing it or muddling his own recollection because he couldn't have had a direct recollection to muddle in. But I think it's fair to say that there were other aspects of the meeting where it wasn't crystal-clear whether there was an embellishment from Mr Berezovsky or whether Mr Patarkatsishvili's words were coming unfiltered.

Q. But, just to go back to what you said earlier, as you don't speak Russian, you weren't in a position to judge the accuracy of Mr Berezovsky's translation of anything?

A. No, I wasn't in a position to judge the word-for-word translation. It's an impression based on --

Q. You just assumed that it was correct?

A. Well, I just assumed the translation was correct. What I'm saying is that there were different spells during

which there was clearly a discussion going on between them and there were spells when the answer was coming very quickly from Mr Berezovsky.

- Q. But you had no way of verifying whether Mr Berezovsky, even when he was translating something that could only have originated from Mr Patarkatsishvili, you had no way of knowing whether he was translating it accurately?
- A. No, no way of knowing whether the translation was accurate, no.
- Q. And it was often difficult, wasn't it, to know if Mr Berezovsky was speaking for himself or on Mr Patarkatsishvili's behalf?
- A. Yes, that was often the case.
- Q. And, as Ms Duncan says in her witness statement, Mr Patarkatsishvili would often start a sentence in English and then revert to Russian, wouldn't he?
- A. Yes.
- Q. And Mr Berezovsky would then take over and act as quasi-translator?
- A. Yes.
- Q. So, except where you specifically now recollect Mr Patarkatsishvili having said something in particular at the meeting, it would be fair to say that the understanding or impression that you came away with from the meeting as to Mr Patarkatsishvili's position on the

various factual issues in this case, that could have come from what Mr Berezovsky said or from what Mr Patarkatsishvili said, or from something that Mr Berezovsky said translating what Mr Patarkatsishvili had said?

A. Yes. My -- my understanding of Mr Patarkatsishvili's position would have been based on a combination of --

Q. Of all of those sources, yes.

A. -- those factors.

Q. I'm sorry.

A. Yes.

Q. Yes.

And after the Tel Aviv meetings you had no further contact with Mr Patarkatsishvili himself; is that correct?

A. That's correct.

Q. And then after that, the second draft of the witness statement dated -- you produced a second draft of the witness statement dated 7 December and then you produced further drafts of the witness statement?

A. Yes.

Q. And further amendments were made in those further drafts?

A. Yes.

Q. But, as you say in your witness statement, none of those

further amendments made to the draft were as a result of comments from Mr Patarkatsishvili because you had no comments from Mr Patarkatsishvili?

A. Not after Tel Aviv, no.

Q. No.

Now, if I could, I'd like, if I may, just to trace through with you two specific aspects of the account attributed to Mr Patarkatsishvili in the various documents. Could I start --

MRS JUSTICE GLOSTER: Could I have a reference, please, to the next version of the draft witness statement?

MR JOWELL: My Lady, the next version of the draft witness statement is the one of 14 November and that is in R(D)3/33/54.

MRS JUSTICE GLOSTER: Thank you. Is that where you're going next?

MR JOWELL: No, my Lady, I'm going to... And then there's a final version which is at R(D)3/34/76 which is undated, but it must have been either in late December or in January, or possibly February.

I'd like, if I may, just to trace through what was said first about the position of Mr Glushkov at the meeting in Munich --

A. Okay.

Q. -- in May 2001. Could I ask you to start with the

Lankshear Stephenson proof of evidence of June, which is in the R(D) bundle at tab 6. So that is R(D)1/06/79.

A. Yes, I think I've got that.

Q. Are you on that page?

A. You're taking me to a page in the body of the document?

Q. Yes, indeed.

A. Yes, I think I've got that.

Q. And do you see starting at line 377 on the left-hand side it says:

"When negotiating this deal there was no specific mention made of [Nikolai Glushkov] but this was not necessary as it was clear that his release was one of the reasons we were prepared to sell."

A. Yes, I see that.

Q. Could I next ask you to go to the original particulars of claim, the Carter Ruck particulars of claim that had been signed by Mr Berezovsky by the time you came into the case. Those are in the K2 volume. If I could ask you to be provided with K2. If you could go to K2/03, page 8 K2/03/8.

A. Yes.

Q. So you'll see that these say -- picking it up at paragraph 14, these say that:

"In or around May 2001, a meeting took place between the Defendant and Mr Patarkatsishvili (representing

himself and the Claimant) at Munich Airport..."

Then if you go over to the next page, K2/03/9, paragraph 15, and you see it says:

"At the... meeting, the Defendant [Mr Abramovich] told Mr Patarkatsishvili..."

And do you see subparagraph (4):

"... that, notwithstanding that the assurances given by him in December 2000 had not been honoured, if the Claimant were to sell his beneficial interest in Sibneft, Mr Glushkov would be released from prison and, by implication, that if the interest were not sold, Mr Glushkov would remain in prison."

And then at 16 it says:

"In making the statements identified above to Mr Patarkatsishvili, it was the Defendant's intention that Mr Patarkatsishvili should pass them on to the Claimant..."

And then 17 again refers to "Each of the... statements".

So the particulars of claim allege that at the Munich meeting Mr Abramovich had made an express statement that Mr Glushkov would be released if he sold the Sibneft shares, whereas what was in the proof of evidence from Mr Patarkatsishvili was that it wasn't specifically mentioned at the Munich meeting. Do you

see that?

A. Yes, I see that.

Q. Now, in order to assist, what we've done is to create a version of the very first witness statement that you created in November 2007, the one that you created before the meeting in Tel Aviv, and we have marked it up against the 2005 proofs of evidence --

A. Yes.

Q. -- to see what it was that you added to those proofs. I think a -- I understand that a copy of this was provided to Addleshaw Goddard on Friday and they were asked to supply it to you. I don't know if you had a chance to look at it?

A. I got that document Friday night and I looked at it on Saturday. I don't have a copy on my person now. So I'm sure I'll get one.

Q. It's in the bundle at R(D)3/35/100. It should hopefully have made it into your R(D) bundle.

A. Is that a bundle I should have here?

Q. Have you got the R(D) bundle in front of you?

A. R(D), yes.

Q. Yes. At the very back, it should be at tab 35. Have you got that? We've got copies if --

A. What tab number, sorry?

Q. 35.

A. No, this one stops at 34. I'll see what's there.

Q. Yours stops at 34?

A. It stops at 34.

Q. Can we provide you the document.

MRS JUSTICE GLOSTER: I'd like a hard copy of this document,
please. (Handed)

MR JOWELL: If I could ask you to turn to page 120 in this
document --

A. Yes.

Q. -- and to look at paragraph 92 R(D)3/35/120. You set
out in 92 the text from the proofs of evidence:

"We agreed a price... When negotiating this deal
there was no specific mention made of
[Nikolai Glushkov]..."

And then, quite properly in square brackets and in
italics, you note:

"NB -- Particulars of Claim state that release of
Glushkov was discussed -- confirm position."

You've quite properly highlighted the inconsistency
between the proofs of evidence and what was in the
particulars of claim and you raised the need to confirm
the position; that's right?

A. Yes, I'm pleased to see that it's there at the first
opportunity.

Q. Yes. Could I ask you next to go to Ms Duncan's note of

the meeting with Mr Patarkatsishvili and Mr Berezovsky, which is in the R(D) bundle, R(D)2/30/125. This is her typed-up version.

Do you see just around the middle of the page, I asked Ms Duncan to confirm the reading of this earlier this morning:

"[Nikolai]..."

Just below the horizontal break.

A. Yes, I see the point.

Q. "[Nikolai Glushkov] not ment[ioned] directly at [the meeting] in Munich [because] others there -- oblique ref[erence] '[you] rem[ember] our main [point]'."

After the meeting with Mr Berezovsky and Mr Patarkatsishvili you produced your second draft of the witness statement, as we've said. Could I ask you to turn to that now, which is at tab 32 of the R(D) bundle, to see how you dealt with this point. R(D)3/32, page 46 R(D)3/32/46.

A. Yes.

Q. And you'll see you leave in the sentence from the proof about there being no specific mention and then you say -- and then you've added in:

"We did not mention Glushkov by name, due to the presence of Irina and Ruslan Fomichev but I asked Roman whether he was aware of 'our main issue' and he

confirmed that he knew what I meant."

So you've added something similar to what is recorded in Ms Duncan's note, namely that Mr Patarkatsishvili raised the question of Mr Glushkov not by name, due to the presence of others, but obliquely referred to it as their main, his main or "our main issue". Do you see that?

A. Yes.

Q. And you've also added something that is not recorded in Ms Duncan's note, namely that Mr Abramovich confirmed that he knew what Mr Patarkatsishvili meant.

Now, given that that reference to a confirmation is not in Ms Duncan's note, is it possible that that was something that you just assumed took place?

A. I don't think so. I think it would have been either in my note or something I specifically recall.

Q. But you can't now be sure?

A. I can't now be certain. But I'd say it's more probable than not that I wouldn't have just put that in without hearing something about it.

Q. But you wouldn't have been told precisely -- if you were told that he confirmed it, you wouldn't have been told precisely how he confirmed it, whether it was a nod or a wink or a "yes" or in some other way?

A. No. The best of my recollection is that there was some

form of confirmation; but, as you say, the precise form of that, I don't recall that being pressed.

Q. And it's unlikely that you would have been told; otherwise you would have put it in the statement?

A. If there -- that extra detail had been given, I'm sure I would have put it in.

Q. Now, could I now ask you to go to the particulars of claim that was served by your firm on 8 January, which are in the K2 bundle, K2/04, at page -- they start at page 16 but I'm interested in page 29. So it's K2/04/29. So these are now the amended particulars of claim, if you like, that...

A. Yes.

Q. And could I ask you to look at paragraph 46 at the bottom of the page:

"The meeting took place at Munich Airport in early May 2001. It was attended by Mr Patarkatsishvili and Mr Abramovich. Also in attendance for some parts of the meeting were Ruslan Fomichev... who was acting for Mr Patarkatsishvili and/or Mr Berezovsky, and Irina Panchenko... an executive of Sibneft and financial adviser to and acting for Mr Abramovich. Mr Abramovich knew and intended that any statements made by him would be passed on to Mr Berezovsky; and understood that Mr Patarkatsishvili was acting for himself and for

Mr Berezovsky at this meeting."

And then subparagraph 1:

"At the meeting:

"(1) In the absence of Mr Fomichev and Ms Panchenko, who had left the room,

"(a) Mr Patarkatsishvili raised the issue of releasing Mr Glushkov from jail. Mr Abramovich told Mr Patarkatsishvili that, although Mr Glushkov had not been released in December 2000, if Mr Berezovsky and Mr Patarkatsishvili were to sell their interest in Sibneft to him, Mr Glushkov would now be released..."

Do you see that?

A. Yes, I see that.

Q. So that is an allegation that there was a direct -- prior direct conversation about Mr Glushkov, not in the presence of the others at the meeting and not one that was oblique. Do you agree?

A. Yes.

Q. Now, I'm not asking you what the source for that allegation was, but it clearly cannot have been what Mr Patarkatsishvili told you at the Tel Aviv meeting.

Do you agree?

A. Well --

Q. Because it's in contradiction to what he told you at the meeting, isn't it?

- A. Well, only if I'd finished putting things from my notes into the draft witness statement on the date you mentioned. But I can't clearly recall now what the source of that additional information was.
- Q. No, and I'm not asking you to recall what it was. But it can't have been Mr Patarkatsishvili because Mr Patarkatsishvili said that it was because of the presence of Mr Fomichev and Ms Panchenko it was mentioned obliquely, whereas what is said here is that in the absence of Mr Fomichev and Ms Panchenko the issue was -- there's a clear statement.
- A. I do have a recollection that at some point along the way the issue was fleshed out that there was a spell in Munich when the four of them were in the room and there was a spell in Munich when the two of them were in the room. And, as I say, it may be that there was something in my notes that hadn't made it into the draft witness statement by the time I prepared the drafts on 7 and 14 December, but I can't now recall what the situation is.
- Q. Well, it doesn't -- there was no other meeting with Mr Patarkatsishvili?
- A. There was no other meeting, no.
- Q. And the meeting notes of Ms Duncan say that it was not directly mentioned, don't they?

A. Ms Duncan's notes do say that, yes.

Q. Thank you.

Could I finally ask you to go to tab 34 of the R(D) bundle, which is the final version: R(D)3, tab 34, page 92 R(D)3/34/92. If you could go to paragraph 65 of that.

A. Yes, I've got that.

Q. Just incidentally, do you know what -- this is the last version of the witness statement of Mr Patarkatsishvili. Do you happen to know when this was prepared? Clearly it would have been after 14 December, but do you know when?

A. I don't know when.

Q. And at paragraph 65 this inserts some new text which says that -- which mentions that -- you'll see:

"A meeting was set up in Munich in April/early May 2001 to finalise a deal and agree a price. Roman came to the airport with his financial manager Irina Panchenko. Ruslan Fomichev also came with me, although neither he nor Ms Panchenko were present for the bulk of the discussions between me and Roman."

This is now an insertion of the allegation that they were not present for a large part of the meeting.

And then in paragraph 69 at the bottom of the page, it then states:

"Roman also indicated that, although Glushkov had not been released from prison after the sale of ORT, if we sold our interests in Sibneft then Glushkov would be released. There was no mention of Glushkov in the presence of Mr Fomichev and Ms Panchenko, but after they had returned I asked whether he was aware of 'our main issue' and he confirmed that he knew what I meant."

Do you see that?

A. Yes, I see that.

Q. Now, that rather suggests that there were two conversations about Mr Glushkov between Mr Patarkatsishvili and Mr Abramovich: first, a conversation like the one in the particulars of claim between Mr Abramovich and Mr Patarkatsishvili when they were alone in which Mr Abramovich indicated that Mr Glushkov would be released; and then a second conversation in the presence of Mr Fomichev and Ms Panchenko where they asked -- where it was asked if he -- where Mr Patarkatsishvili asked Mr Abramovich if he was aware of his main issue and he confirms that, "he knew what I meant".

Do you agree that that's the natural reading of that?

A. Yes, I do.

Q. Now, again, that version of events wasn't what

Mr Patarkatsishvili had told you in Tel Aviv, was it?

- A. As I say, I do recall at some point that additional information was clarified but I can't recall whether it happened at the Tel Aviv meeting or --
- Q. From somewhere. But presumably that was something that you hoped Mr Patarkatsishvili would be saying in evidence?
- A. Well, it's probably something we expected he would say. Like I say, I can't recall precisely the source, but I'm sure we wouldn't have gone that far in the particulars of claim unless we were reasonably confident that it would be substantiated.
- Q. But, as you said, these later amendments didn't come from Mr Patarkatsishvili, did they?
- A. Not directly, no.
- Q. Could I move on to how another point was developed through the documents. Could we go back to the proofs of evidence of Mr Lankshear and Mr Stephenson, again at tab 6 --

MRS JUSTICE GLOSTER: Just before you move on, you say, Mr McKim:

"... I can't recall precisely the source, but I'm sure we wouldn't have gone that far in the particulars... unless we were reasonably confident... it [could] be substantiated."

Who was your source providing you with information?

A. It would have been various sources. We -- after Tel Aviv we still had regular meetings with Mr Berezovsky's assistants and I believe did meet Mr Berezovsky between Tel Aviv and the service of the particulars of claim, but I can't now recall specific incidents which would have led to that additional wording being put in the draft.

MRS JUSTICE GLOSTER: Yes, I see. Thank you.

MR JOWELL: Could we go back to R(D) tab 6, Mr McKim, at page 78, R(D)1/06/78.

A. Yes.

Q. You'll see there's a passage here in the proof of evidence relating to the sale of Sibneft.

A. Yes.

Q. And if you just cast your eye -- could I ask you to cast your eye over that, from 361 and over the page.

A. I've read down to 375. Is that what you --

Q. Yes.

A. Yes.

Q. If I could just -- could I then particularly draw your attention over the page at 381, which says:

"Following the Munich meeting, I kept in contact with [Mr Abramovich]. He was always complaining that he was experiencing political pressure from the Kremlin.

I initiated the sale against the background of complaints from [Mr Abramovich]. I thought that it was a better option to sell and to relieve the pressure on [Mr Abramovich]. I believed from what [Mr Abramovich] said at the time that had we stayed in the company then there was a risk that the company would have become a target."

So you'll see there that that records Mr Patarkatsishvili saying that he believed, from what Mr Abramovich said, that "there was a risk that the company", meaning Sibneft, "would have become a target". Do you see that?

A. Yes.

Q. Could I ask you then to go back to the Carter Ruck particulars of claim, the ones you were provided with in November, at K2, tab 3, page 9 K2/03/9. Could I just draw your attention to paragraph 15, subparagraph (3).

A. Yes.

Q. That says that at the meeting the defendant told Mr Patarkatsishvili:

"... that if the Claimant did not relinquish his interest in Sibneft it would simply be seized by the Russian State without compensation. Accordingly, he had no alternative but to dispose of it to the Defendant."

Now, that seems to be alleging something rather

different from what is in the proof of evidence that we've just seen, namely that there was a statement not, or not just, that the Russian State might target Sibneft the company but rather or also that the Russian State would expropriate Mr Patarkatsishvili's and Mr Berezovsky's supposed specific interest in Sibneft.

Do you see that distinction?

- A. Yes, if you accept that the phrase "the company [becoming] a target" refers to the company itself and not shares in it, then yes, that is a construction.
- Q. Yes. There's clearly a distinction there, isn't there?
- A. Yes, there could be. Yes.
- Q. And if -- can we go now to the mark-up of the witness statement that you prepared before the meeting in Tel Aviv, the one with the compare version, which is at page 119 of that. This is how you've dealt with the sale of Sibneft.

Have you got that at page --

- A. Yes, I've got that.

MRS JUSTICE GLOSTER: This is R(D)3/35/119.

MR JOWELL: Yes, my Lady.

You'll see that in paragraph 87 you quite properly put in some questions about the proof, what's in the proof, and then at paragraph 89 you've added new material in square brackets, again quite properly. And

you say:

"[Mr Abramovich] made it clear that if [we/the Claimant] retained our shares, then Sibneft, its management and its owners would be faced with persecution from the Russian Prosecutor and tax authorities. He also said that if [we/the Claimant] retained our shareholdings Sibneft would come under attack in the same manner as companies owned by [Mr] Gusinsky had done."

Then in paragraph 90:

"Further, [Mr Abramovich] said that if we did not sell soon, the Russian State would seize our shares without compensation. We therefore had no alternative but to sell to him."

Now, those were all paragraphs which you added in; that's right?

A. Yes.

Q. Now, could I ask you to go back to K2 which are the original particulars of claim again, at K2/03, page 9 K2/03/9.

A. Yes.

Q. If we look at paragraph 15, 15(1) says the defendant told Mr Patarkatsishvili:

"... that so long as the Claimant continued to hold any beneficial interest in Sibneft, Sibneft, its

management and its owners would face continued persecution from the Russian Prosecutor's office and tax authorities..."

That is identical, pretty much, isn't it, to the first sentence of paragraph 89?

A. Yes, I probably drew from that language in the original particulars when I was drafting --

Q. Yes.

A. -- that additional paragraph in the statement.

Q. And 15(2):

"... that if the Claimant did not relinquish his interest in Sibneft, it would come under attack by those in power in Russia in a manner similar to companies controlled by Mr Gusinsky."

That's really the same as the second sentence of paragraph 89, isn't it?

A. Yes.

Q. And then (3):

"... that if the Claimant did not relinquish his interest in Sibneft it would simply be seized by the Russian State without compensation. Accordingly, he had no alternative but to dispose of it to the Defendant."

That's really identical to paragraph 90, isn't it?

A. Yes.

Q. So those subparagraphs presumably are what you hoped

Mr Patarkatsishvili would say in order to make his witness statement compatible with the particulars of claim?

A. Yes, there's an open square bracket at the beginning of paragraph 89 which, to me, suggests that I had that in as something of a confirmation rather than something that I was more confident that he was going to say.

Q. Yes. Now, if we go on to paragraph 91 of the comparison document R(D)3/35/120, we see that you've added the second sentence:

"Any sale to a third party would have required his cooperation..."

And then the last sentence of paragraph 91, you've added:

"I was also well aware of [Mr Abramovich]'s... relationship with Putin, and had absolutely no doubt that the state persecution and... seizure of our interests he referred to would happen if he wanted it to."

Now -- and you then add in additional material also in 93 and 94. Do you see that?

A. Yes.

Q. Now, could I ask you to be given bundle J2, J2/2. Could I ask you to go to tab 23 in that. So it's J2/2.23/275.

A. Yes.

Q. This is Mr Berezovsky's second witness statement, dated 17 July 2009. Do you see that?

A. Yes, I've got that.

Q. Could I ask you to go to page 296 of that. So that's J2/2.23/296.

A. Yes.

Q. Do you see in paragraph 117(b) he says:

"I was also well aware of Mr Abramovich's close relationship with President Putin... and had no doubt that the state persecution and the seizure of our interest that Mr Abramovich threatened would happen if he wanted it to."

A. Yes.

Q. And that's identical to what you had in paragraph 91 of Mr Patarkatsishvili's statement?

A. Yes.

Q. Now, all of those square-bracketed paragraphs presumably represented the evidence that you hoped you would get from Mr Patarkatsishvili. Is that correct?

A. It was evidence we anticipated we would get rather than evidence we were crossing our fingers and imagining he might not give. But, yes, as I've said, the fact that I've square-bracketed it meant it was something that we'd not seen being attributed to him before but it was

something that it looked like, from the context, should have been or was going to be attributed to him and something that needed to be asked of him.

Q. I see. You were very confident, were you, that he would give that -- he would be giving that evidence?

A. Less confident in the square-bracketed stuff.

Q. I see. Well, because that had not come from him, had it?

A. Well, not before I'd spoken to him, no. But it was something that looked like it should have been coming from him and therefore it was something we needed to put to him.

Q. Now, can we turn up the next version of the witness statement --

MRS JUSTICE GLOSTER: How much longer are you going to be with this witness? Just because of the break.

MR JOWELL: My Lady, I think probably about 20 minutes.

MRS JUSTICE GLOSTER: Right, well then I'll take the break now. Ten minutes, please.

You're not to talk to anybody about your evidence.

MR SUMPTION: My Lady, before your Ladyship rises, can I give your Ladyship the seventh witness statement of Mr Abramovich. It's quite short, but your Ladyship might find it useful to glance through it before he starts his evidence.

MRS JUSTICE GLOSTER: Yes. I'll hear any objections later,
Mr Rabinowitz. Thank you very much.

(11.30 am)

(A short break)

(11.45 am)

MRS JUSTICE GLOSTER: Yes, Mr Jowell.

MR JOWELL: Mr McKim, can I ask you to turn next to the
R(D) bundle, tab 32, R(D)3/32/46. This is your
witness statement that you produced after the meeting in
Tel Aviv.

If we look at paragraph 69, the last sentence is:

"I was also well aware of Roman's close relationship
with Putin, and had absolutely no doubt that the state
persecution and the seizure of our interests he had
referred to in the preceding weeks would happen if he
wanted it to."

Now, that is identical to what was in the previous
draft, isn't it?

A. Yes.

Q. Likewise, over the page at page 47 R(D)3/32/47, in
paragraph 71, the second sentence:

"I told him that the Kremlin definitely wanted us
out of Sibneft, and that selling to Roman was the only
option that would avoid the dire consequences threatened
by the Kremlin."

That was also identical to what was in the previous draft?

A. Yes.

Q. Both of those you had inserted yourself, as compared to the proofs? I'm not suggesting there's anything wrong with that, I'm just --

A. Well, no, it was under my supervision. I may not have done it myself.

Q. Now, you've already told us that at the meeting in Tel Aviv you didn't refer to the witness statement that you'd prepared. So I take it that you obviously didn't then put these precise propositions to Mr Patarkatsishvili from the witness statement and ask him whether he agreed with them or not?

A. Not straight out of the witness statements; although, as I've said before, or said in my witness statements, at any rate there were certain areas we'd identified as being things we needed to cover with Mr Patarkatsishvili.

Q. But you didn't, for example, say to him -- read out the last sentence of paragraph 69 and say, "Do you agree with that?"

A. We didn't do that, no.

Q. No. You just came away from the meeting with the overall impression or understanding that he would

subscribe to those sentences, perhaps also from other information you had?

- A. Somewhere between those two extremes, perhaps. The -- I can't now recall precisely what words were used by myself or Michelle in questions to Mr Patarkatsishvili and precisely what words over and beyond what I've already set out in the witness statement were used in response. But there were areas that were put to him where we needed explanation and they would have resulted somewhere along the line in these statements.
- Q. Now, you said in your witness statement that if a question or answer got in any way complicated then Mr Berezovsky would act as quasi-translator. Do you remember that?
- A. Yes.
- Q. So if you had posed a question to the effect of, "Did you have absolutely no doubt that the State persecution and seizure of your interests you had referred to in the preceding weeks would happen if you wanted it to?", that would have presumably been something complicated that would have been translated by Mr Berezovsky?
- A. As I say, I don't recall what precise wording was used. It's entirely possible that the concept was got over in a more simple way, but I can't now recall.
- Q. But it's likely that if you spoke about a phrase like

"State persecution" or "seizure of interests", those would have been translated, surely?

A. I couldn't say.

Q. You couldn't say.

Now, in your witness statement you also say that you recall Mr Patarkatsishvili at the Tel Aviv meeting using the expression "playing a game" in relation to the alleged statements of Mr Abramovich referring to pressure from the Kremlin.

A. Yes.

Q. Do you recall that?

MRS JUSTICE GLOSTER: What paragraph?

MR JOWELL: It's in paragraph 31(c) D1/14/63, my Lady, and in paragraph 48(d) D2/14/70.

I just wanted to ask you: you can't now, I assume, at this distance of, time, state whether, when he used the expression "playing a game", that was an expression he used in English or it was something he said in Russian which was translated by Mr Berezovsky.

A. That I'm fairly confident is something he said to us in English.

Q. You see, I find that quite surprising because when Mr Berezovsky gave evidence, the expression "playing a game" seemed to be one of his favourite expressions. Are you sure about that?

- A. It may have been something that Badri repeated in English. But I'm -- as I say, I'm fairly confident that it was wording that Badri used.
- Q. But you can't be sure whether that was translated by Mr Berezovsky or not, can you?
- A. Well, if Badri had said it in English, it wouldn't have needed translation. And, as I say, I'm fairly sure that that was a word that Mr -- a phrase that Mr Patarkatsishvili used in English.
- Q. And you -- there was no way of knowing precisely the context in which he used that expression in English is there, now? You can't say precisely?
- A. Well, the context was the issue that was put to him about, "What precisely was Mr Abramovich saying to you? Was it" -- again, without -- I don't want to stray into privileged areas, but we were discussing the difference between what is a warning and what is a threat and so on with him, and we did put to him, "What precisely was Mr Abramovich saying and what impression were you getting from him?", and that's the context in which it came about.
- Q. But precisely what he meant by "playing a game", you couldn't -- you can't recall clearly what he meant by that?
- A. Well, my recollection is that Mr Patarkatsishvili said

that Mr Abramovich was trying to phrase his discussions between the two of them in the context of claiming to be on Mr Patarkatsishvili's side and potentially also a victim rather than being the instrument, and Mr Patarkatsishvili's characterisation of that was: "Yes, that's what he was saying, but he was playing a game. I knew all along that" -- again, this is what he -- I recall him saying -- "I knew all along that he was really the instrument and that by claiming to be a potential victim alongside us he was playing a game".

- Q. But that explanation of what was meant by "playing a game", that would surely have been something translated by Mr Berezovsky?
- A. Again, because it's something that we wanted to hear directly from Mr Patarkatsishvili and because it's something that evidently came out in more simple English than other parts of the eventual statement that you've identified, that's something that would have been a greater proportion coming directly from Mr Patarkatsishvili; but again it's something that, as we've discussed --
- Q. But some of --
- A. -- Mr Berezovsky may have interjected on.
- Q. Mr Berezovsky may have interjected, I'm grateful.

Could I ask you to go back to the proof of evidence

at tab 6 of this bundle, page 78. R(D)1/06/78. Could I just remind you again of lines 361 to 364 which state that:

"In early 2001 I proposed to [Mr Berezovsky] that we sell our shares in Sibneft. At this time it was clear that I would not be able to return to Moscow and would be forced to live as a political emigre. To live in such circumstances without money is difficult.

[Mr Berezovsky] resisted my proposal at first but finally agreed to sell. I spoke with [Mr Abramovich]".

Do you see that?

A. Yes.

Q. Could I next ask you to go to Ms Duncan's note, which is at tab 30 of this bundle, R(D)2/30, at page 124

R(D)2/30/124. You may recall -- the top box against "AP", you may recall that Ms Duncan transcribed this for us earlier this morning. Mr Patarkatsishvili says:

"We were outside [the] co[mpany], no other income -- [Mr Berezovsky] needed [income] to fund political career."

Do you see that?

A. Yes, I see that.

Q. So it is clear that Mr Patarkatsishvili's position, both in the proof of evidence and at the meeting in Tel Aviv, was that both he and Mr Berezovsky were in need of money

in early 2001 and that was at least one of the reasons why he wanted, as he put it, to sell his interests in Sibneft. That's what those notes record, isn't it?

A. Well, we can't rule out the possibility that they would have been quite happy to have peace restored between themselves and Mr Abramovich and the flow of dividends restored. So I'm not sure we can jump to that conclusion.

Q. Well, they do record that they were in need of money, do they not, those notes?

A. Yes, they do.

Q. And they do record that that was one of the reasons why they decided to sell? That's what they say.

A. Yes, that was possibly one of the reasons.

Q. Yes.

Could I next ask you to turn to your witness statement at paragraph 24, which is in D2, tab 14 D2/14/61. Do you see the second sentence? You say there:

"The one fact I recall being disagreed was the precise location of a meeting that they both had with Mr Abramovich somewhere in France, which I believe was in relation to the sale of Sibneft."

A. Yes, I see that.

Q. So can I take it from that that you do believe that you

were told at the Tel Aviv meeting that Mr Patarkatsishvili, Mr Berezovsky and Mr Abramovich did have a meeting in France with Mr Abramovich in relation to what they called the sale of Sibneft, but they disagreed on the possible location of where that meeting was in France? Is that correct?

A. I think that's fair.

Q. So, for example, the meeting could have been in Paris or it could have been in Megeve or it could have been somewhere else, but it was in France?

A. The two locations they were talking about was the Le Fouquet restaurant and Cap d'Antibes.

Q. Was that not in relation to the sale of the ORT shares?

A. Possibly. I can't recall now exactly what the detail of the meeting was, but I recall that factual disagreement between those two locations.

Q. I see. It must be very difficult to recall the detail of this meeting at this distance of time, Mr McKim?

A. Well, yes. That's my best recollection now, today.

MR JOWELL: Mr McKim, I have no further questions. Thank you very much.

MRS JUSTICE GLOSTER: Thank you. Mr Malek?

MR MALEK: No questions, my Lady.

MRS JUSTICE GLOSTER: Mr Adkin?

MR ADKIN: My Lady, no.

MRS JUSTICE GLOSTER: Mr Mumford?

MR MUMFORD: My Lady, no.

MRS JUSTICE GLOSTER: Mr Gillis.

Re-examination by MR GILLIS

MR GILLIS: Mr McKim, just a few questions.

You were asked about occasions when Mr Berezovsky translated for Mr Patarkatsishvili. Given Mr Patarkatsishvili's English abilities, did he appear to understand, so far as you were concerned, what Mr Berezovsky was saying on his behalf?

- A. He seemed to understand, yes. He seemed to remain engaged.
- Q. And apart from the location of the meetings you were just being asked about, did he ever give any indication of disagreeing with what Mr Berezovsky was saying?
- A. Not that I can recall.
- Q. You were asked a series of questions about the comparite(?) document which we have at R(D)3 at tab 35 R(D)3/35/100, and could I just start by clarifying: is it your understanding that this is a comparison to the 19 November draft before the Tel Aviv meeting?
- A. My understanding is that this document is intended to show what I added to the previous proofs prepared by the previous law firms before I went to Tel Aviv.
- Q. Before you went to Tel Aviv?

A. Yes.

Q. Could I ask you to look at your witness statement, which we have at bundle D2, at tab 14, and if I could ask you to turn to paragraph 41, which we have at page 67 D2/14/67, and you explain there that:

"... within a few days of our return from Tel Aviv, I used my notes of the meetings to update Mr Patarkatsishvili's witness statement. Once that process had been completed, in accordance with my usual practice, I would have treated the draft witness statement of Mr Patarkatsishvili as [being] the best record of our meetings with him."

Can I just clarify: is the draft that you prepared in consequence of that process, is that the draft that we have at R(D)3 at tab 33 R(D)3/33/54?

A. There would have been various iterations. But yes, that's a more advanced, post-Tel Aviv draft of the documents I had up and running.

Q. And can I ask you this: did you regard that draft as having been substantiated by what you had been told at the meeting and the prior work that you had done?

MR JOWELL: My Lady, I hesitate to interrupt --

MRS JUSTICE GLOSTER: I think that's a leading question, Mr Gillis, isn't it?

MR GILLIS: All right.

Can I then just get you to confirm that this is the draft that you produced in consequence of the work that had been undertaken at the Tel Aviv meeting?

A. Yes.

Q. You were asked about the phrase "playing games" and whether this was a phrase used by Mr Patarkatsishvili.

A. Yes.

Q. Do you recall that?

A. Yes.

Q. Could I ask you to look at R(D)2 at tab 30, at page 129 R(D)2/30/129, and looking -- do you have page 129?

A. Yes, I do.

Q. Looking between the hole-punches, can you see --

A. Yes, I think I can see what you're going to look at.

Q. -- "start to play his game"?

A. Yes.

Q. Could you identify who that phrase has been attributed to?

A. That's been attributed to Mr Patarkatsishvili.

Q. You were asked about R(D)1, tab 6, at page 78 R(D)1/06/78, where Mr Patarkatsishvili talked about living as an emigre. Do you remember that?

A. Yes, I do.

Q. Could I ask you to look at R(D)3 at tab 30, at page 128.

A. Is that R(D)2? I've got R(D)2/128.

Q. I'm sorry, R(D)2, tab 30 at page 128 R(D)2/30/128.

A. Yes, I've got that.

Q. And could I ask you to look at the very bottom of the page and over to the top of the next page.

A. Yes.

Q. Does that conform with your understanding of what Mr Patarkatsishvili was saying as regards his attitude to selling the Sibneft shares?

MR JOWELL: My Lady, I'm afraid that is a --

MRS JUSTICE GLOSTER: Yes, I think that's another one, isn't it, Mr Gillis?

MR GILLIS: Sorry?

MRS JUSTICE GLOSTER: It's another leading question. If you ask it in a leading form, it doesn't have much weight at the end of the day.

MR GILLIS: No, well -- no, I'm obliged.

Can I ask you whether that conforms with your recollection of what Mr Patarkatsishvili was saying?

MRS JUSTICE GLOSTER: Answer the question.

A. Yes, it does, to the best of my present recollection.

MR GILLIS: Thank you. I have no further questions.

MRS JUSTICE GLOSTER: Thank you very much.

Thank you very much, Mr McKim, for coming along.

(The witness withdrew)

MR RABINOWITZ: My Lady, that is the last of our witnesses,

so...

MRS JUSTICE GLOSTER: Subject to one more who is being interposed: Mr Pompadur is coming.

MR RABINOWITZ: Mr Pompadur, yes.

I think we now move on to Mr Abramovich.

MRS JUSTICE GLOSTER: Very well.

MR RABINOWITZ: Can I ask this, my Lady: that we have ten minutes just to rearrange ourselves, just so I can get my files in place and so on.

MRS JUSTICE GLOSTER: Yes, certainly. I'll rise.

(12.05 pm)

(A short break)

(12.15 pm)

MR SUMPTION: My Lady, unless your Ladyship wishes me to, I don't intend to ask each witness about electronic instruments but I do undertake that my solicitors will check with each witness before they take the stand that they have not got any.

MRS JUSTICE GLOSTER: Fine.

MR SUMPTION: Is that acceptable?

MRS JUSTICE GLOSTER: Okay. It's not just having it turned off; they mustn't have any electronic equipment.

MR SUMPTION: They shouldn't have it in their possession at all.

MRS JUSTICE GLOSTER: Yes, very well.

MR SUMPTION: We will make sure that that is something that they are told straightaway before being called.

MRS JUSTICE GLOSTER: Right.

MR SUMPTION: My Lady, I call Mr Abramovich.

MRS JUSTICE GLOSTER: Very well.

MR ROMAN ABRAMOVICH (affirmed)

(All answers interpreted unless otherwise indicated)

MRS JUSTICE GLOSTER: Sit down, Mr Abramovich, if you would like to.

Examination-in-chief by MR SUMPTION

MR SUMPTION: Mr Abramovich, I wonder if somebody would pass you bundles E1, E5 and E8. I'm going to start by identifying your various witness statements and I'm then, when I've done that, going to ask you whether they represent your evidence.

Could you please start by turning in bundle E1 to tab 3 E1/03/34. The Russian text of this statement comes at the back of the tab and the English translation at the beginning. Is this your third witness statement?

A. Yes.

Q. And is it signed by you on the final page, at page 234 of the bundle E1/03/234?

A. Yes.

Q. Leaving that open, could you please take bundle E8 at flag 18 E8/18/220 and could you please turn to

paragraph 16 in the Russian version of this statement.

Now, if you would look at paragraph 16 and then turn to page 162 of your third witness statement, the big one, paragraph 162 E1/03/83. Is that a modification that you wish to make to paragraph 162 of your main witness statement?

A. Yes.

Q. Now, if you look at the previous paragraph of the seventh witness statement E8/18/220, the second one I referred you to, there is a correction that you wish to make, I think, to paragraph 232.

Would you like to turn to paragraph 232 in your main witness statement E1/03/104. Do you wish to modify paragraph 232 in the way suggested at paragraph 15 of the shorter one that you've got open?

A. Yes.

Q. Now, could you please now take bundle E5 at flag 11 and turn to paragraph 7. Sorry, give me a moment. (Pause)

Sorry, in E5 you should be looking, forgive me, at tab 14.

MRS JUSTICE GLOSTER: Right, well, I'm lost.

MR SUMPTION: Yes, so am I. It's the fifth witness statement that I want to ask the witness to refer to: it's at flag E8, tab 3 E8/03/26. My apologies.

MRS JUSTICE GLOSTER: Right. Now, before you go any

further, Mr Sumption, the corrective affidavit --

MR SUMPTION: That was the seventh. I haven't formally proofed it yet, but I intend to do so.

MRS JUSTICE GLOSTER: Okay. The document which I have at E8, flag 18, is not a corrective affidavit --

MR SUMPTION: No, it --

MRS JUSTICE GLOSTER: -- and therefore I am confused when you've been referring the witness to that affidavit as a corrective affidavit. It didn't seem to me to have any corrections in it.

MR SUMPTION: Well, parts of it are, because if your Ladyship looks at page 7 --

MRS JUSTICE GLOSTER: Oh, I see. Paras 14 to 16 --

MR SUMPTION: Paras 14 to 16 are corrections.

MRS JUSTICE GLOSTER: Yes, right. So that is what you have been taking the witness --

MR SUMPTION: That is what I've been taking him to.

MRS JUSTICE GLOSTER: Right. I don't have, for those sitting behind you, tabs 16 and 17.

MR SUMPTION: You will by 2 o'clock.

MRS JUSTICE GLOSTER: Very well.

So now we are in tab 3, are we, of E8?

MR SUMPTION: We are now still in bundle E8 and we should be looking at the fifth witness statement behind tab 3
E8/03/26.

MRS JUSTICE GLOSTER: Right. I'm with you. Thank you.

MR SUMPTION: Mr Abramovich, have you got bundle E8, tab 3?

And if you would like to turn to paragraph 7 on page 29 of that bundle E8/03/29. This is a paragraph that contains some corrections and clarifications to previous evidence.

Paragraph 7.1 is a correction to a reference given in your main witness statement at paragraph 262. Could you turn to paragraph 262 of your main statement E1/03/115, and just confirm that that's a correction that you wish to make?

A. Yes.

Q. Now, I would now like you to please close those bundles and take bundle E5, flag 11 E5/11/2. Is this your fourth witness statement?

A. Yes.

Q. And is it signed by you on page 148 in the Russian text?

A. Yes.

Q. Now, there is, I think, one correction that you wish to make to that, if you would leave it open and take in bundle E8 your fifth witness statement and turn to paragraph 8 on page 30 E8/03/30. There's some rather confusing duplicate numbering here. But if you look at page 30 and paragraph 8 on that page and the subparagraphs that follow, these are various corrections

made to your fourth witness statement. Are they corrections that you wish to make?

A. Yes.

Q. Now, your fourth witness statement has an annex, an appendix which you will find at bundles E6 and E7. Bundle E6 E6/01/1 contains the first part of an English and Russian text of the Le Bourget transcript. If you look at the extreme right-hand column, you'll see that there is a commentary attributed to you.

A. Yes.

Q. And is that a commentary that you have prepared as part of your evidence on the relevant parts of the Le Bourget transcript?

A. Yes.

Q. Could you please now turn in bundle E8 to flag 3 E8/03/26. Is this your fifth witness statement?

A. Yes.

Q. And is it signed by you on page 39 E8/03/39? Page 39 of the bundle numbering. Is that your signature?

A. Yes.

Q. And in the same bundle, perhaps you could turn to flag 8 E8/08/101. Is this your sixth witness statement?

A. Yes.

Q. And is it signed by you on page 126 of the bundle numbering E8/08/126?

A. Yes.

Q. Then in flag 18 of the same bundle E8/18/213, is this your seventh witness statement served very recently?

A. Yes.

Q. And is that signed by you on the second-last page of the bundle?

A. Yes.

Q. Now, subject to the corrections which are referred to in the later witness statements, are all of these five statements and your commentary on the Le Bourget meeting true to the best of your knowledge and belief?

A. Yes.

MR SUMPTION: Thank you, Mr Abramovich.

MR MALEK: My Lady, just to explain to your Ladyship what we're proposing by way of a procedure going forward as far as the Chancery defendants are concerned, it's agreed that we will go next and ask any questions that we have by way of cross-examination. As it is, we do not have any questions for Mr Abramovich and that's likely to be the case with all of his other witnesses. But what we have agreed, subject to your Ladyship's agreement, is that if any point emerges out of Mr Rabinowitz's cross-examination which affects us and which is new, with your Ladyship's permission, we may want to ask some questions before Mr Abramovich's

re-examination takes place.

MRS JUSTICE GLOSTER: Right. Does that go for Mr Adkin and Mr Mumford as well?

MR ADKIN: My Lady, it does.

MR MUMFORD: Yes, it does.

MRS JUSTICE GLOSTER: Thank you very much.

Yes, Mr Rabinowitz.

Cross-examination by MR RABINOWITZ

MR RABINOWITZ: Good afternoon, Mr Abramovich.

Mr Abramovich, I think even the translator will need you to speak into the mic so that they can hear what you're saying, so it's something that will go on to the transcript. Do you understand?

A. Yes, I understand, but I don't hear myself.

Q. But we can hear you. So as long as we can hear you, that's okay.

I think also, just to explain, Mr Abramovich -- and perhaps to everyone else -- there's a delay between my asking you a question and you hearing it in Russian and that I think it's always worth waiting for me to finish before you start answering or you won't have the translation and I promise to try and do the same when you answer the question to me. Do you follow?

A. Yes, I agree.

Q. All right, thank you.

Now, can we just begin then by dealing fairly briefly with your personal history. You were born on 24 October 1996 (sic); that is right, I think?

A. '66. '66.

Q. That's wrong. 1966, I'm sorry. That is a good start. We can agree about that.

Do you recall in what year you graduated from high school?

A. I don't really remember. '82 or '83?

Q. If you were 18 when you graduated, that would be 1985.

A. I graduated at the age of 16 and then I went to uni, university.

Q. All right. So you graduated in 1983 or 1984, you think?

A. In 1984 I was already called up for my military service.

Q. So -- well, I'm not sure about that. Didn't you, after high school, be admitted to the Industrial Institute of Ukhta?

A. I -- I really -- I did go to Ukhta Industrial Institute.

Q. That was before you were drafted in the army, according to your witness statement.

A. Yes, it was before.

Q. But you didn't graduate at that stage; you left Ukhta and you were then drafted into the army. Is that right?

A. No, that's not so.

Q. Do you want to tell us what is so then, please?

- A. After leaving school, I entered Ukhta Industrial Institute. I studied there for a year and a half and then I was called up to the armed forces.
- Q. Right. And how long did you spend in the armed forces then?
- A. Two years.
- Q. So you would have finished the armed forces then, would you, in 1986?
- A. Yes, that's so.
- Q. And then do you say that after that you went to Ukhta?
- A. After that I went back to Ukhta, indeed.
- Q. And then when you graduated from the army you were still a private, not an officer; is that right?
- A. Yes, I was a private when I left the armed service, yes.
- Q. And even though you returned to the Institute of Ukhta, you didn't graduate; is that right?
- A. That is so.
- Q. In fact, rather than graduating from the Industrial Institute of Ukhta, you went into business in 1987?
- A. Partly so.
- Q. Do you want to tell me about the part which wasn't so then, please?
- A. I was working and I was studying in the Moscow Road Construction and Automobile Institute.
- Q. So you say that after 1987, when you went into business,

you were both working in business and, you say now, studying in the Moscow Road Institute?

A. Yes.

Q. You don't mention this in your witness statement, do you, Mr Abramovich?

A. Well, I describe my biography in general.

Q. Well, in fact, Mr Abramovich, you describe your biography in a way which is not in general; it's in quite detail. You never mention in your witness statement going to what you refer to as the Moscow Road Institute, do you?

A. Because I didn't graduate; I studied for four years and I left it. I didn't graduate it. I didn't have a degree.

Q. Can I then ask you, please, to go to bundle H(A)07 and go to page 41, if you would, please H(A)07/41. If you have that, can you go to page 83 in the bundle H(A)07/83.

Do you see that on page 83 of the bundle, Mr Abramovich, it lists the name of the management of Sibneft? And you can see that you are identified second in the list, "Head of the Moscow office of Sibneft". Do you see that?

A. Yes.

Q. If we then look at what it says about you, your brief

biography, "Roman Abramovich", it says:

"Mr Abramovich graduated in 1987 from the Moscow Road Engineering Institute."

Now, you've just told us that that is not true, Mr Abramovich, haven't you?

- A. I did not write the final diploma work but I did everything else.
- Q. But you did not graduate, did you?
- A. In the English language there isn't an analogous expression of unfinished higher education. But it is true: I didn't actually graduate, I did not finish it.
- Q. And didn't you tell us when you were answering the last question that after you finished the army and went into work, it took you four years, you said, while you were studying to finish at the Moscow Road Institute? Isn't that an answer you gave earlier?
- A. I didn't get the question, please.
- Q. Mr Abramovich, when I first asked you about your history and, as I suspect you anticipated, I was going to ask you about the Moscow Road Institute, I said to you, "What did you do after 1987? You went into work?" And your answer to me was: no, in 1987 you began work, but you also studied for four years at the Moscow Road Institute. Do you remember that?
- A. Yes.

- Q. Can you then explain to me, Mr Abramovich, why in this brief biography it says that you graduated in 1987 from this institute?
- A. It's a mistake.
- Q. Did you read the circular before it was distributed in 1987, Mr Abramovich?
- A. I don't remember. Most likely, yes, but I'm sure I didn't pay much attention to this part. It is obvious that in 1987 I couldn't have graduated from anywhere.
- Q. Well, it is obvious, Mr Abramovich, but I suggest to you this is the only part in this whole circular which relates specifically to your own personal situation and I suggest to you you must have read this. (Pause)
- Do you want to answer that?
- A. I don't remember, but it's a mistake of a technical arithmetical nature. In 1987 I couldn't have graduated from any university, even if I hadn't served in the army.
- Q. No, indeed you couldn't, Mr Abramovich. But you were willing to allow this statement to go out, a statement about which much has been made in other parts of this, where you must have recognised that what it was saying about you was untrue?
- A. I didn't understand it. The circular was prepared in English only.

Q. Can we then just go, please, to bundle H(A)97, page 2 H(A)97/2. Just so you know what this is, Mr Abramovich, this is a witness statement which you made in earlier litigation with which you were involved: it's the Yugraneft litigation. You can see that if you go back to page 2 of this bundle. Do you see that?

A. Yes.

Q. And go to page 20 H(A)97/20. You'll see that this appears to have been signed -- we don't have a signed version here; it was presumably signed in the Russian version -- on 28 February 2008. Do you see that?

A. I don't see it yet. I think it's only an English version here in this bundle.

Q. That is right. That's fine. Do you see that -- the only point I want to make to you is that it was produced on 28 February 2008. Do you see that?

A. Yes, I can see.

Q. Right. Now, can I ask you, please, to go to page 4 of the bundle H(A)97/4. At paragraph 8 on page 4 --

MR SUMPTION: My Lady, there is a Russian version of this which begins at page 21 in the same flag.

MRS JUSTICE GLOSTER: Yes. Mr Abramovich, you might prefer to read it in the Russian.

MR RABINOWITZ: And the relevant paragraph will be on page 23 H(A)97/23. We're looking at paragraph 8.

What this says, Mr Abramovich, in paragraph 8, where you are here describing what you say is your background:

"I attended the Industrial Institute in the city of Ukhta and I completed mandatory service in the Soviet Army. I then studied briefly at the Moscow... Transport Institute before I entered private business."

This seems to suggest, Mr Abramovich, that it was -- that you studied at the Moscow Auto Transport Institute before you went into business, whereas I think what you've previously said in answer today is that you were doing these things at the same time, over a period of four years.

- A. I was studying and I was doing business at the same time. I was studying -- I was studying in the evenings and then by correspondence. I don't know if the -- if in England people can do the same, but I was studying in evenings and then by correspondence.
- Q. The difficulty about that, Mr Abramovich -- and I don't want to spend too much more time on this -- is that this isn't what you say at paragraph 8. In paragraph 8 you say, in effect, that you studied briefly at the Moscow Auto Transport Institute before you entered into private business, and that suggests that your evidence in the Yugraneft proceedings was that the business followed a period of study at the Moscow institute. (Pause)

Do you want to comment on that or shall we move on?

A. Yes, I would like to comment. In my witness statement it says that at the time when I was studying in the Moscow Road Institute, I was working in a state organisation. I didn't mean I was in business. But later I also went into business.

Q. All right.

Can we just go back to what you say you did in 1987, when you tell us in your witness statement that you went into business. It's right, isn't it, that what you mean by this was that in 1987 you were head of a welding unit in a construction and installation directorate? Is that right?

A. And also that. And that as well.

Q. And how long was that for?

A. I don't remember now anymore.

Q. You say "that as well" and I now just want to be clear about what "as well" you say you were doing in 1987. Because you were working at -- you were studying for the Moscow institute, you were involved with this construction and installation directorate. Was there something else that you say you were doing in 1987?

A. And I was also involved in business.

Q. All right. After I think you finished with the construction and installation directorate, is this

right: you organised a cooperative called Uyut which made plastic toys?

A. Yes.

Q. And it was at Uyut, wasn't it, where you were making these toys, that you first worked with Mr Shvidler? Or had you worked with him before this?

A. I don't remember Mr Shvidler working in Uyut in particular, but it looks like it must be so.

Q. And is this also where you worked for the first time with people called first Valery Oiff -- and I apologise if I've mispronounced that -- and Andrey Bloch?

A. I think so.

Q. Now, next can we come to the question of your law qualification. At paragraph 3 of your third witness statement you told us that you had:

"... completed [your] higher education in May 2001, having graduated from the correspondence department of the Moscow State Law Academy."

Do you remember saying that?

A. Yes.

Q. And would it be fair to say that this paragraph gives the impression that you in fact have a law degree?

A. I don't understand very well what "a law degree" means. But to some extent, yes, I graduated from Moscow Legal Academy and I have a diploma certifying that

I graduated. That's what I mean.

Q. Now, is the position in relation to this law qualification that you have now further explained at paragraph 35 of your sixth witness statement? Can we just have a look at that, please: it's at bundle E8, tab 8, page 111 E8/08/111. In the Russian it's page 125, I'm sorry E8/08/125. Do you have that?

Just looking at what you said, paragraph 35, this is about halfway down, about five lines down, you say:

"In 2000, I entered the distance learning department of the law faculty and decided to major in state and legal sciences where focus is made on such disciplines as the theory of state and law and administrative law. In 2001, I graduated from this course..."

Now, can I ask you next, please, to go to H(A)97 at tab 2, which is where -- you may have it in front of you -- it's where you made your Yugraneft statement. Sorry, page 2. H(A)97, page 2 H(A)97/2. Someone will take you -- I think the Russian one starts at page 22 H(A)97/22.

You see, at paragraph 8 H(A)97/4, if you're there again, in the paragraph we were looking at earlier, after the reference to your studying at the Moscow Auto Transport Institute and entering private business, you said:

"I later received a law degree from the Moscow State Law Academy."

Perhaps you can clarify: do you or do you not have a law degree?

A. Yes, I do have a degree of a lawyer.

Q. A law degree; yes?

A. It's difficult for me to interpret what you mean by "a law degree". I have a diploma of a lawyer.

Q. All right. Would it be fair to say that the position you've taken is to wish to stress that there is nothing in your legal training that will have provided you with any knowledge or insight in relation to commercial or business legal matters?

A. Well, I'm giving the facts.

Q. I'm just trying to understand your position in terms of how much law you understand. What I asked you is: would it be fair to say that the position you have taken is to wish to stress that there is nothing in your legal training that will have provided you with any knowledge or insight in relation to commercial or business legal matters?

A. Once again, I just give you the facts: I have a diploma of a Moscow legal academy, I studied there for a year, and that's it. I don't quite understand what I should answer to your question.

Q. The answer that I'm asking you for, Mr Abramovich, in fact comes out of your own witness statement. You have bundle E8 there in front of you. In the English it's at paragraph 35 at page 111 E8/08/111. Someone will find it for you in the Russian: page 125 E8/08/125.

You see, the point I was making to you is the point that you yourself had been making in your witness statement:

"Nothing in that course provided me with any knowledge or insight in relation to commercial or business legal matters..."

I don't understand why you wouldn't agree with that.

A. I agree. I never insisted that I was a good student, that I knew everything about law.

Q. Can we just move on then from your early years and I'd like to understand your evidence about the team of people who have been around with you over the years.

In paragraph 14 of your third witness statement -- that's at E1, tab 3, page 38; in Russian at page 138. I'm not sure it's worth turning it up; I was just referring to it because you refer there to your "close friend and business colleague" Mr Shvidler, who has, you say, provided invaluable assistance in business in a number of industries. Do you recollect saying that?

A. Yes.

- Q. Mr Shvidler and you are very close, are you not?
- A. Yes, it's true.
- Q. You've worked together since about 1987?
- A. With a small break, yes.
- Q. And Mr Shvidler says that when you're in the same city you typically have both lunch and dinner together every day, is that correct?
- A. Yes, that is correct.
- Q. Can you explain what financial arrangements you have or have had with Mr Shvidler over the years?
- A. At present we are partners. In the past he was an employee, now if we talk about it formally, but I always considered him my partner.
- Q. You always considered him your partner. But are you saying that you've never actually been partners until very recently?
- A. It depends on what you mean by this word. Whether we invested money together in '87? Absolutely not.
- Q. Well, you tell me what you mean by this word. You can tell me how you're distinguishing what you identify and perhaps describe as being a partnership from what you think I mean by that.

What was your relationship from 1987?

MR SUMPTION: Well, my Lady, how can he possibly answer a question like that?

MR RABINOWITZ: I'll put it again.

What was your relationship from 1987?

A. It's difficult for me to say how you would interpret something.

Q. What was your relationship with Mr Shvidler from 1987?

A. We were friends.

Q. And you say he was your employee?

A. Yes, he was my employee.

Q. So you would have had a financial arrangement with him which, what, involved you paying him a salary?

A. Yes, I paid him a salary. That is true.

Q. And do you say that Mr Shvidler had no ownership interest in Runicom SA or Runicom Limited?

A. Runicom SA and Runicom Limited belonged to me.

Q. So it follows that Mr Shvidler had no ownership interest in either of those companies, does it?

A. As far as I know, none.

Q. Mr Abramovich, if you didn't know whether he had an ownership interest, who possibly could?

A. He didn't have any.

Q. What about in --

MRS JUSTICE GLOSTER: Just a second. Did he get performance-related remuneration?

A. It really depends on which year we're talking about.

MRS JUSTICE GLOSTER: Yes, I see. Thank you.

MR RABINOWITZ: Can I just follow up --

A. Mainly he received a salary.

Q. When you say, "It... depends on which year we're talking about", can you identify which year you say he would have received performance-related payments?

A. Most likely when he worked in Sibneft he received bonuses that were performance-related.

Q. And that would have been from when, 1995?

A. Much later. In '95 Sibneft did not belong to us.

Q. You tell me which year you say he would have received performance-related bonuses then?

A. I don't know exactly, but I think probably starting from '97 or so.

MR RABINOWITZ: My Lady, this is as convenient a time as any. We've got a few more questions on this.

MRS JUSTICE GLOSTER: Oh, right. I hadn't noticed the time. Very well. 2.05.

Mr Abramovich, you mustn't talk to anybody about the case or your evidence during the break or in the evenings; you understand that, do you?

Very well. 2.05, please.

(1.05 pm)

(The short adjournment)

(2.05 pm)

MRS JUSTICE GLOSTER: Yes, Mr Rabinowitz.

MR RABINOWITZ: My Lady, just so you know, I've been asked to slow down. So if you I think I'm going inordinately slowly, that is because I've been asked to, so that the simultaneous translation can keep up.

MRS JUSTICE GLOSTER: And it's right I should be on channel 1, is it?

MR RABINOWITZ: Yes, I believe so.

Mr Abramovich, I was asking you about your financial arrangements with Mr Shvidler. Do you say Mr Shvidler never had any interest in any Sibneft shares?

A. Mr Shvidler never had, so far as I know, any interest in Sibneft shares.

Q. And it was Mr Shvidler who effectively ran Runicom SA; is that right?

A. Yes.

Q. And the documents show that Mr Shvidler effectively ran Sibneft from 1996. Would that be right as well?

A. I believe that prior to '97 maybe Mr Shvidler worked in Sibneft but the company was actually run and managed by Viktor Andreyevich Gorodilov.

Q. So Mr Shvidler was involved, you say, with Sibneft from 1996 but you think it was being managed by Mr Viktor Gorodilov?

A. Prior to the privatisation of the company, so far as I can recall, Mr Shvidler had never worked in Sibneft

before it was privatised.

- Q. Well, he was the chief financial officer and vice president from 1996 until July 1998, wasn't he?
- A. Could you ask that question again, please? I'm not sure I understood you.
- Q. He was the chief financial officer and vice president of Sibneft from 1996 until 1998, wasn't he?
- A. I think so.
- Q. Well, that's his own evidence, Mr Abramovich.
- A. I simply do not recollect. When I was writing the evidence I was working with documents, so that must be more correct.
- Q. And then Mr Shvidler became president of Sibneft and also president of the management board from 1998 until October 2005; is that right?
- A. Yes, that is correct.
- Q. Yet, Mr Abramovich, Mr Shvidler seems to have received, relative to the value he was generating for you, a minimal salary at Sibneft. Is that right?
- A. Unfortunately I'm not aware of this, I have no recollection of this.
- Q. Do you have any recollection of what his salary was?
- A. No, I do not recall what his salary was.
- Q. There's an offering circular of 2002 which I'd like to show you, if I may, for your comment. Can you please be

given bundle H(A)44 and go to page 79 H(A)44/79.

Just so you can see what this is, if you go back to page 41 of that file H(A)44/41, you'll see the beginning of the document. Do you see that at the bottom of the page -- you can see it's a Sibneft offer for a loan participation note, but at the bottom of that page it shows the date of the document, or at least the date of the offering circular, as being 1 March 2002?

A. Unfortunately it's all in English. I would love to be able to assist the court but the problem here is that it's all in English here. I can see the date here but I'm not sure I understand what it's all about, unfortunately.

Q. All right. So take it from me that the date of the circular is March 2002, okay?

A. I will take it from you. I trust you.

Q. Thank you, Mr Abramovich.

Can you go, please, back to page 79 H(A)44/79.

Now, at page 79 there is a heading, "Compensation and Share Ownership", and I will read that so that it can be translated for you, if I may:

"In 2000 Sibneft did not pay any of its Board of Directors any base salary bonuses and benefits in kind for acting as Directors of Sibneft. The total aggregate remuneration, including base salary, bonuses and

benefits in kind, paid or granted by Sibneft to certain Directors and members of the management board for management services in 2000 was approximately US\$200,000."

Okay? So the suggestion in the circular is that the aggregate amount of all payments made to directors, including bonuses, was \$200,000. Does that give you some assistance as to what Mr Shvidler's salary would have been, certainly in the year 2000?

A. Unfortunately it is of no help to me.

Q. Well, you'll have to explain why it's of no help because in a public document Sibneft has made clear that the total amount that it is paying all the directors -- and one would include Mr Shvidler in that -- was an aggregate amount of \$200,000. That suggests that his salary from Sibneft would have been fairly small, doesn't it?

A. Well, obviously the salary that was being paid to him was less than \$200,000; that much I can agree with.

Q. And that suggests that any wealth that Mr Shvidler will have accumulated was certainly not from a salary that he was paid by Sibneft, wouldn't it?

A. I really don't know what to say. What kind of assets are you talking about which were not a part of the salary? I'm not sure I understand the question.

Q. Well, the question is clear -- well, let me put it this way.

We've seen reports that suggests Mr Shvidler is worth many billions of dollars, with a chateau in France and property in England and elsewhere. Are you aware of the fact that Mr Shvidler is a very wealthy man?

A. Well, if you ask me, from my point of view this is a slight exaggeration on the part of the newspapers.

Q. Do you say that Mr Shvidler is not a very wealthy man?

A. Well, it's a rather bizarre description. It's really hard for me to say what is a wealthy person, what is not a wealthy person. Well, he's a rich person but I do not know to what extent he is satisfied with the income that he makes; that I don't know.

Q. Well, whatever his income, Mr Abramovich, what is clear is that he wouldn't have become wealthy on any basis from the salary that he was receiving from Sibneft; that is right, isn't it?

A. This is absolutely correct. In the year 2000 he simply did not have any of those assets or properties that you have just listed.

Q. So if he didn't make whatever money he has made from a salary in Sibneft and he did not have any stake in your businesses, can you explain how he came to make the substantial wealth that he has now made?

A. I have already mentioned that we had become partners, from a certain point of time we started investing money together, but also at the time when he was working in Sibneft he did not have that wealth that you are now referring to. Now, if you're asking whether or not he was my partner in Sibneft, the answer is: no, he was not my partner in Sibneft.

Q. It's right --

MRS JUSTICE GLOSTER: Just a second. Mr Abramovich, please could you tell me when Mr Shvidler became your business partner, roughly, the year?

A. I believe that it was in '03, maybe '04, maybe even later. I think Pharmstandard was the very first transaction that we did together but I wouldn't dare be very specific about this. I think it was when we were doing the Pharmstandard transaction.

MRS JUSTICE GLOSTER: And what is the percentage of your partnership or does it change depending on the transaction, the respective percentage interests of your partnership?

A. It changed depending on the company into which we were making our investments and depending on the transactions. We never had any ongoing partnership relationship. There were some projects into which we invested together, then there were other projects into

which we invested separately.

MRS JUSTICE GLOSTER: And was it as much as a 50/50 split in your business interests in some transactions, so far as he was concerned?

A. From what I recall, we never had a 50/50 split. Most probably not.

MRS JUSTICE GLOSTER: Right, thank you.

MR RABINOWITZ: What was the split then, Mr Abramovich?

Let's take Pharmstandard. You mentioned a company called, I think, Pharmstandard. Can you just explain what that is?

A. It was a company that produced medication, medicines, for the Russian market.

Q. And what about a company called Chusovoy Metals Company: were you partners in that?

A. To be honest, I do not recall what the situation was with respect to Chusovoy. We only owned it for a very brief period of time. I think I was there alone actually. And also I think that our ownership interest there was really insignificant.

Q. And is it right that Mr Shvidler is the chairman of the board of directors of Millhouse LLC?

A. Yes.

Q. And this is right, isn't it: that Millhouse LLC is a company that you established in Russia in April 2006

which you use as an investment adviser?

A. Yes.

Q. You've mentioned so far, I think, just Pharmstandard. What other partnership interests do you say you either have or had with Mr Shvidler?

A. We have invested together into some real estate in Russia, if I recall correctly. Evraz as well, we also invested together into Evraz. I cannot recall anything apart from that off the cuff.

Q. Mr Shvidler has been assisting you in the conduct of this litigation; that's right, isn't it?

A. Yes.

Q. Can you explain in what way Mr Shvidler has been assisting you in the conduct of this litigation?

A. He is not assisting me; he's assisting the court by providing witness evidence.

Q. He's doing more than that, Mr Abramovich. He's assisting your team in the conduct of this litigation beyond just providing evidence; that's true, isn't it?

A. Well, maybe I misunderstood the term that you're using. So far as I understand, he is only providing witness evidence. So far as assistance in the litigation is concerned, I think Andrey De Cort is in charge of that.

Q. Let me show you a document which is at J4, tab 1.11, page 105 J4/1.11/105. If you look at paragraph 48

there, please. I'll just tell you what this document is: it's a skeleton argument that your counsel produced for a conjoined CMC -- that's a case management conference -- fairly recently. And if you look at the last sentence of paragraph 48 -- I'll just read this for you, then it can be translated:

"The final individual present..."

And he's referring to a note of a meeting where Mr Shvidler was present.

"The final individual present, Mr Shvidler, is an associate of Mr Abramovich and has been assisting in the Commercial Court Action."

Now, it's obvious from what is there said, Mr Abramovich, that they don't just mean that he's giving witness evidence. Do you follow?

- A. I'm trying -- I'm trying, I'm doing my best to understand what you're saying, but I'm not sure that I understand this exactly and fully.
- Q. Tell me this: have you discussed your evidence with Mr Shvidler?
- A. Yes.
- Q. And has he discussed the evidence that he is giving in this litigation with you?
- A. Could you kindly repeat the question?
- Q. Has he discussed the evidence that he is giving in this

litigation with you?

A. I have read his evidence.

Q. Mr Abramovich, that is not the question I asked you.

You told us that you had discussed the evidence that you are giving with him and my question to you was whether he had discussed the evidence that he's giving in this litigation with you.

A. I believe that this was a mutual discussion, possibly, if -- to the extent that I understand your question correctly. If you're asking me whether or not we agreed on our evidence, no, we did not agree on that. He has his evidence and I have my own evidence and there may be particular specific items on which I may disagree.

Q. But the two of you discussed the evidence that you were going to give; is that right?

A. Yes.

Q. Now, apart from Mr Shvidler, you have made clear in your evidence that you have, for a long time, had the same small team of people with you; correct?

A. Yes, that is correct.

Q. And these are people you say you know and trust and rely upon?

A. Yes, that is true.

Q. Can you tell us who are the individuals who make up the small team of people, please?

- A. I'm not sure I understand what you mean. Do you mean what kind of people they are, are they good people or bad people, or who they are by name?
- Q. Just -- if you could just identify them by name, please.
- A. Shvidler, Panchenko, Gorodilov, Tenenbaum. The majority of those people take part in these proceedings, but not all of them.
- Q. In fact I think all of those do take part in these proceedings, Mr Abramovich, the ones that you've listed.
- A. Yes, I listed those people who do take part in these proceedings. But whether or not these are all the people who are my friends and my partners, no, this is not an exhaustive list of my friends and partners.
- Q. Well, you say "friends and partners". Which of those people are your partners?
- A. Now, if I understand your question correctly, you're asking me who are the people who I invest together with. That includes Mr Shvidler and I think that Mr Gorodilov as well, but I'm not sure about the others.
- Q. My question to you, Mr Abramovich, was about the same small team of people that had been with you for a while, people who you say you know and trust and rely upon.

You've identified Ms Panchenko, Mr Tenenbaum, Mr Shvidler and Mr Gorodilov, all of whom are witnesses in this litigation. Is there no one else who you would

say is a part of your small team of people that you trust and rely upon?

- A. Well, the group of associates whom I trust and rely upon is larger than just those four or five people who are present here and those who are providing witness statements.

MRS JUSTICE GLOSTER: Mr Rabinowitz, I think you've got to be a bit more specific as to the business context at which this question is directed.

MR RABINOWITZ: Let me ask it in this way: is Ms Khudyk not a person who has been with you for a long time and who you know and trust and rely upon?

- A. I know Ms Khudyk but, to be honest, prior to these proceedings I had seen her probably on six or maybe eight occasions. But I definitely do trust her.

Q. And there have been a number of names of witnesses from Chukotka who you may or may not be calling. Are any of those family members?

- A. Ruchina Ida is my cousin. She is my cousin.

Q. What about Mr Voloshin: is he someone you have known for a long time and trust?

- A. It is true. I've known him for a long time and I believe that he is a friend.

Q. And when preparing your pleaded case in these proceedings -- do you know what I mean by a "pleaded

case", your pleading? A defence? I'm just asking whether you know what I mean when I say "your pleaded case", "your defence": the document that you produced. Do you know what I'm referring to?

A. I'm not sure I understand your question fully. You've been referring to those papers. So what was the question: what papers I know?

Q. All I want to understand from you is this: do you know -- I was going to ask you a question about the position as it was when you prepared your pleaded case, your defence. Now, what I want to first ascertain is that you know what I'm referring to.

Do you know what I'm referring to when I talk about "your defence", your amended -- the defence in these proceedings?

A. Sorry, you mean the document that Paul Mitchard was preparing?

Q. Well, let me make sure that we're referring to the same document. Can you be given bundle A1 and go to tab 3, please A1/03/35.

This is what we refer to as the defence. This is the most recent version, but this is the document we refer to as your defence. Do you understand now what I'm referring to?

A. Yes, I understand. But unfortunately, because it's only

in English, from what I can see now, I cannot read it.

Q. That's not a problem at the moment, Mr Abramovich.

My question is this: when you were preparing your defence, your pleading in this action, were you assisted in your recollection by any of the members of your team? And I have in mind Ms Panchenko, Mr Tenenbaum, Mr Shvidler in particular.

A. The problem is that I cannot recognise this document.

I cannot answer your question. I cannot confirm this nor can I deny this. I simply do not know what this is.

Q. Well, Mr Abramovich, we have a problem that the only document that we have in this case, which is your defence, is the one in English. Now, it's one that, as I believe, you actually have signed. If you go to page 84 A1/03/84, you'll see that you have signed this document.

A. Yes, I can see that I have signed this document.

Q. So you have plainly seen this before?

A. I have seen this document, but I believe that it was in Russian and therefore at that time I felt more comfortable; or maybe it was a translation that I was happy with. But the way this document is shown to me now, I cannot recollect it.

Q. For the purposes of my question it doesn't matter whether you saw one in Russian or one in English because

my question to you was this: when you were preparing your defence in these proceedings, were you assisted in your recollection by any of the people who you've identified as being those closest to you, whom you trust?

A. Not so far as I can say, to the extent that I understand the substance of this document properly, but I cannot confirm this.

Q. Right. That's a rather convoluted answer to really what was a very simple question, Mr Abramovich.

The question is simply this: when you produced your defence, the written pleading, were you assisted by discussing the matter with the people who you say were closest to you and whom you trusted? I'm not asking you about any particular paragraph.

A. Most probably I have discussed this document with them. I'm trying to be of assistance but unfortunately I cannot tell you anything. Most probably we did discuss that. The question is: when was this document prepared?

Q. Well, whenever it was prepared, would you have been discussing it with your close team of advisers in their preparation?

A. With a -- yes, with a very high extent of probability, I would say.

- Q. And who do you say, with a very high extent of probability, you would have been discussing it with?
- A. I'm sure I discussed it with Shvidler and Tenenbaum but this is the way I feel about this: my problem really is that I don't know how to answer your question because I don't know what this document is about, what it says.
- Q. You've told us that you discussed your evidence in your witness statement with Mr Shvidler. Can you identify --
- A. (Untranslated)
- Q. Sorry, Mr Abramovich?
- MRS JUSTICE GLOSTER: What's the problem? Is there a problem with the loudspeaker?
- THE WITNESS: Unfortunately I did not hear that.
- MR RABINOWITZ: Let's start again. I thought you were trying to say something, but...
- MRS JUSTICE GLOSTER: Put the question again, Mr Rabinowitz.
- MR RABINOWITZ: You have explained to us that before producing your witness statement, you discussed your evidence with Mr Shvidler. Did you discuss your evidence also with Mr Tenenbaum?
- A. What I meant was my third witness statement and that I did discuss both with Mr Shvidler and with Mr Tenenbaum.
- Q. Did you, before producing that witness statement, discuss it with someone -- with people other than

Mr Shvidler and Mr Tenenbaum? Did you discuss it with Mr Gorodilov?

A. If you mean the third witness statement, then there is a high probability that I did.

Q. And did you discuss it -- and I do mean the third witness statement -- also with Ms Panchenko?

A. I don't think so.

Q. And you tell us you discussed what you were putting in your witness statement with those, I think, three individuals. Did they discuss with you what they were going to be saying in their witness statements as well?

A. What they were going to put into their evidence statement is not something that they discussed with me, but I did read their witness statements.

Q. So you say you discussed with them what you were going to put into theirs (sic), but they didn't discuss with you what they were going to put into their own statements?

MRS JUSTICE GLOSTER: No, it's the other way round, I think, Mr Rabinowitz.

MR RABINOWITZ: Sorry. They discussed with you what you were going to put into your statement, but they didn't discuss with you what they were going to put into their statements?

A. Could you kindly repeat your question, please?

- Q. They discussed with you what you were going to put into your statement, but they didn't discuss with you what they were going to put into their statements?
- A. We discussed the situation on the whole, in general. I cannot say that we went into the details of the witness statements or anything. I don't really know what to say in response to your question.
- Q. Just give us a straight answer, if you would, Mr Abramovich. You've told us that they discussed with you what you were going to put into your statement. I'm asking whether you also discussed with them what they were going to be putting into their statements, and the answer to that is either, "Yes, we did discuss that", or, "No, we didn't".
- A. We have never discussed who will say what in his or her witness statement. This is my answer.
- Q. Now, presumably you have spent some time preparing to come and give evidence in court today; is that right?
- A. Yes, that is right.
- Q. And have you been assisted by anyone in preparing the evidence that you're going to be giving today?
- A. Yes. I have been assisted, yes.
- Q. I'm not asking you about the lawyers from Skadden who are involved in this, but would you identify for us who else has assisted you in terms of preparing to give

evidence today?

A. There is a specialised company, Bond Solo or something like that.

MRS JUSTICE GLOSTER: What do they do?

MR RABINOWITZ: What do they do, Mr Abramovich? I think they're called Bond Solon.

A. They told us that you need to breathe slowly, that you have to look at the judge, there is a certain etiquette that you have to comply with. That's -- on the whole that's what they taught us.

MRS JUSTICE GLOSTER: Apart from that, I think the question that Mr Rabinowitz is putting to you is: amongst your own team, did someone help you prepare for giving evidence in court?

A. No.

MR RABINOWITZ: Are you sure about that, Mr Abramovich?

A. If I understood your question correctly, then yes, I am sure.

Q. But just so we're sure that you did understand the question correctly, in terms of preparing to come and be giving evidence today -- leave aside Bond Solon, who don't deal with the substance -- the question is: did anyone else, part of your team, assist you in preparing to come and give evidence today?

A. No.

Q. Very well. I want to turn next to deal with the substance of the Sibneft claim with you.

Our case, as you know, is that discussions leading to the 1995 agreement between you and Mr Berezovsky, and then between you, Mr Berezovsky and Mr Patarkatsishvili, began in 1994 and continued until shortly before the decree creating Sibneft in 1995.

Now, I know we will disagree on the substance of what was agreed between the three of you, but do you agree with the timing?

A. Could I ask you to repeat that question? It's a very long question and I'm not sure that I understood everything.

MRS JUSTICE GLOSTER: Mr Rabinowitz, you're going to have to put specific timings or at least ballpark timings to the witness if you want him to agree with "the timing".

MR RABINOWITZ: Very well.

There were discussions between you, Mr Berezovsky and Mr Patarkatsishvili beginning in December 1994; is that correct?

A. No, this is not correct.

Q. Let me just put the other part of the question to you: and those discussions continued until shortly before the decree creating Sibneft in August 1995; is that correct?

A. This is not correct.

- Q. When do you say the agreement was reached between you and Mr Berezovsky in relation to the plan with respect to Sibneft?
- A. If the name Patarkatsishvili does not appear in your question, then the answer is that the agreement was reached I believe in February 1995.
- Q. Now, just so you know what we say, we say the agreement reached over the period, finally arrived at in August 1995, was to the effect that the three of you, as partners, would work together to bring about the creation of and then to acquire ownership and control of Sibneft, and you dispute that, I think.
- A. What you're saying is wrong.
- Q. I just want to tell you what our case is and to get your response to it. Okay?
- Now, our case is that you would each have certain roles. You were going to coordinate contacts in the oil industry and would manage Sibneft following the acquisition of control. Do you agree that that was to be your role?
- A. No, I do not agree with that.
- Q. And we say that Mr Berezovsky would be responsible for lobbying and he and Mr Patarkatsishvili would secure access to necessary funds as well as leading commercial negotiations with key business counterparties, such as

Omsk Oil Refinery and Noyabrskneftegas. Do you agree with that or do you disagree with that?

A. I do not agree with that.

Q. Do you also not agree that you all concluded a legally binding agreement under which Mr Berezovsky and Mr Patarkatsishvili would receive 50 per cent of the benefit of acquiring Sibneft, both 50 per cent of the ownership interest and 50 per cent of any profits generated as a result of acquiring ownership and control of the company?

A. I -- forgive me, could you please split your question up into smaller parts? I'm not sure I understood everything.

MRS JUSTICE GLOSTER: There's a double negative: that may be the problem, Mr Rabinowitz.

MR RABINOWITZ: Do you agree that you concluded a legally binding agreement with Mr Berezovsky and Mr Patarkatsishvili under which Mr Berezovsky and Mr Patarkatsishvili would receive 50 per cent of the benefit of acquiring Sibneft?

A. No, I do not agree with that.

Q. And I'll explain that "50 per cent of the benefit of acquiring Sibneft" would include both 50 per cent of the ownership interest and 50 per cent of any profits generated as a result of acquiring ownership and control

of the company. Do you agree with that?

A. I disagree with that.

Q. Am I right that you also disagree that there was an agreement that you would offer Mr Berezovsky and Mr Patarkatsishvili, and they would offer you, the opportunity to participate in any future businesses on the same terms?

A. I disagree with that as well.

Q. We say there was such an agreement. But you say that the 1995 agreement, whatever it was, was entirely limited to Sibneft; is that right?

A. The '95 agreement was limited only to Sibneft and to the money that we had discussed. We did not take -- discuss any ownership interests or participatory interests, much less with Mr Patarkatsishvili because he did not attend, he was not around.

Q. Now, what I would like to do next, Mr Abramovich, is to try and understand how much of the two cases -- that's to say Mr Berezovsky's case and your case -- are common ground. I'm going to put a series of points to you and then ask you to comment. Okay?

Now, Mr Sumption in opening said this, these were his words:

"Mr Berezovsky says repeatedly in his witness statement that without particular influence over

President Yeltsin, Mr Abramovich would have got nowhere in the world of Russian business and would certainly not have acquired control of Sibneft. We accept [said Mr Sumption] that that was so."

Now, Mr Sumption was speaking as your advocate and so I imagine that you will agree that without Mr Berezovsky you would not have acquired control of Sibneft?

A. I agree with this statement.

Q. And is it also your case, as Mr Sumption suggested in opening, that without access to someone who is politically influential, like Mr Berezovsky, "nobody could acquire or build up a... business in Russia in the 1990s"? That is what he said. Do you agree with that?

A. Well, this is a slight exaggeration but I would agree with this in part only.

Q. What part do you agree with, first?

A. Let me say what I disagree with. You said that, "Only Mr Berezovsky" -- or at least the interpreter said that, "Only Mr Berezovsky could", and so on and so forth. So this is the part with which I disagree.

Q. In fact that may have been a slight mistranslation.

The point that Mr Sumption had made in opening was that without access to someone who was politically influential, like Mr Berezovsky, "nobody could acquire

or build up a... business in Russia in the 1990s"?

Do you agree with that?

- A. On the whole I would agree with that. But I did not need Mr Berezovsky to gain access to the business, in order to build up a large piece of business. Yes, he was very useful for that.
- Q. It's your case, isn't it, that Mr Berezovsky did help you with Sibneft? I think we've established that.
- A. I absolutely agree with that, yes.
- Q. But not, I think you say, with any other businesses?
- A. I do not agree with other businesses, so far as other businesses are concerned.
- Q. When you say -- well, the translation is that you "do not agree with other businesses". The point is that Mr Berezovsky, you say, wasn't helping you with other businesses; is that right?
- A. He only helped me with Sibneft.
- Q. Do you say you paid for access to someone like Mr Berezovsky to assist you with any other business that you were conducting in the 1990s?
- A. No, I'm not saying this.
- Q. So it follows then that it's your evidence also that you could not and did not build up any other substantial businesses in Russia in the 1990s; that's right, isn't it?

A. This is a very relative thing, serious, large business. Our business was a serious business. Compared with Sibneft it was not very significant, but it was a significant piece of business.

Q. Mr Sumption also described as common ground that you agreed in 1995 that Mr Berezovsky would lobby to enable you to gain control of Sibneft and that once you had control of Sibneft, you would be responsible for managing Sibneft.

A. Forgive me. Could you repeat your question, please?

Q. Well, Mr Sumption described it as common ground that you agreed in 1995 that Mr Berezovsky would lobby to enable you to gain control of Sibneft and that once you had control, you would be responsible for managing Sibneft. That's what Mr Sumption said was common ground and I take it you agree with what Mr Sumption says there?

A. Yes, I agree.

Q. Mr Sumption also told the court that -- and these are his words:

"As Sibneft prospered and Mr Abramovich was in a position to pay more, Mr Berezovsky demanded more."

Is that your evidence?

A. Yes, this is my evidence.

Q. Mr Sumption also referred in this regard -- that is to say in regard to your paying Mr Berezovsky as a result

of what you say were his increasing demands -- to ongoing discussions leading to periodic agreements as to how much you would pay.

Again, is that your evidence as well?

A. I'm sorry, could you split it up into smaller questions?

It's very difficult for me to follow your train of thought.

Q. Well, let's see if I can. This is what Mr Sumption said to the court, okay? I'm trying to understand whether you agree with what he told the court your case was.

What Mr Sumption said was that as a result of -- that the way in which one arrived at you paying Mr Berezovsky ever greater amounts, as you say, because of his ever greater demands, was following ongoing discussions leading to periodic payments. Is that what you say happened?

A. Yes, that is true.

Q. Mr Sumption also told the court that in 1995 Mr Berezovsky did give a personal assurance to Mr Smolensky that SBS would be repaid. Mr Sumption said that he accepted that that is what happened and I just want you to say whether you agree with what Mr Sumption said about that.

A. I agree with that.

Q. Mr Sumption also told the court -- and these were his

words -- that:

"... there are legitimate issues about the fairness of Russian criminal proceedings in cases involving high-profile political figures."

Do you accept that that is accurate?

- A. I honestly do not have any view on that, but that is possible.
- Q. Do you accept that Mr Berezovsky could not expect to get a fair trial in Russia and that that has been the position since, at the latest, 2000? Sorry, at the latest, late 2000.
- A. I disagree with that.
- Q. You say that Mr Berezovsky could have got a fair trial in Russia, do you?
- A. The way I see it, Mr Berezovsky could have got a fair trial in the Russian Federation, in the Russian court.
- Q. Very well.

Now, just moving on from those points, Mr Sumption also identified in his written opening three "compelling reasons", he said, why the 1995 agreement "[could] not have involved an interest in Sibneft or its profits". Do you recall Mr Sumption identifying three compelling reasons why he said the 1995 agreement could not have involved an interest in Sibneft or its profits?

MRS JUSTICE GLOSTER: Well, it's not a memory test,

Mr Rabinowitz. Put them to him, please.

MR RABINOWITZ: Well, let me identify the first of those reasons.

The first reason identified by Mr Sumption was that he said Mr Berezovsky's case was:

"... not consistent with the way in which, between 1995 and 1997, the shares in Sibneft were actually acquired."

Do you recall that?

A. Yes, I recall that.

Q. And in particular Mr Sumption suggested to the court that -- and this is what he said:

"... Mr Abramovich acquired Sibneft with his own funds..."

Is that your evidence?

A. Yes, it is.

Q. Mr Sumption also contended that:

"The critical point about the loans for shares auction [was] that the successful [bid]..."

And these were his words:

"... would not acquire any Sibneft shares at all either immediately or in the event of a default."

In fact, he went so far as to tell the court that success in the loans for shares auction was "completely irrelevant to the question of title of the company

shares". Do you remember that?

A. Once again, could you repeat your last question, please?

Q. I just want to know -- I'll tell you what Mr Sumption said. Mr Sumption said that success in the loan for shares auction was "completely irrelevant to the question of title to the company shares". Okay?

A. I agree with that.

Q. And Mr Sumption also said that your only interest -- your only interest -- in the creation of Sibneft and in winning the loan for shares auction was so that -- and these were his words:

"... any shares that [you] might buy in [Sibneft] at stages two and three would greatly increase in value."

Is that your evidence as well?

A. Unfortunately, what is it that is increasing in value? Please could you clarify?

MR SUMPTION: My Lady, it may be that stage two and stage three need to be explained to the witness, unless he has a complete recall of my every word. Let me see if I can help --

MR RABINOWITZ: Stage one was acquiring control of management in the December 1995 auction. Okay? Stage two was acquiring shares in Sibneft as the state sold off that part of the company which was not the subject of the December 1995 auction. And stage three

was acquiring the shares which were auctioned following the State's default in not paying back the loan.

MR SUMPTION: I'm sorry to intervene but describing shares as "the subject of the... 1995 auction" is begging a substantial question. It may be more intelligible if my learned friend spoke in terms of 49 per cent or 51 per cent, which would at least identify the shares he's asking about.

MRS JUSTICE GLOSTER: Well, what I'm going to do, Mr Rabinowitz, is I'm going to take the break for ten minutes and perhaps you could come back to the question after the break.

Mr Abramovich, please don't discuss your evidence with anybody. I won't say this every time now, but you mustn't discuss the evidence or the case with any of your team or anyone else.

Okay. Ten minutes.

(3.08 pm)

(A short break)

(3.22 pm)

MRS JUSTICE GLOSTER: Yes, Mr Rabinowitz.

MR RABINOWITZ: Mr Abramovich, I asked you a question which involved reference to various stages and I've been asked to clarify what I meant by those stages. What I'm going to do is identify by reference to what Mr Sumption said

in his written opening what stage one and stage two and stage three were and then I'll ask the question again.

Do you follow?

A. Yes. Yes, I do.

Q. Very good.

"The first stage was..."

And I'm using Mr Sumption's word. This is in the transcript, N1, tab 2, at page 16:

"The first stage was the loans for shares auction in December 1995."

Okay?

A. Yes, there was such a stage.

Q. "Stage two was the sale..."

And these again are Mr Sumption's words:

"... again by auction, of the remaining 49 per cent, the minority holding which the State sold off to private investors."

A. Yes, I would in fact split the second stage into three.

There were three auctions: one was a special cash auction and two investment auctions.

Q. Very well. "Stage three", said Mr Sumption:

"... was after the State defaulted at... the end of 1996, that event triggered the right of sale of the 51 per cent."

And, as Mr Sumption explained:

"The auction of those shares occurred in May 1997."

So that is stage three.

A. Yes.

Q. What Mr Sumption told the court in opening, what he said was this: that your only interest in the creation of Sibneft and in winning the loan for shares auction was, and these were his words, so that:

"... any shares that [you] might buy in [Sibneft] at stages two and three would greatly increase in value."

Is that your evidence as well?

MR SUMPTION: My Lady, that was not, with great respect, what I said and it may well be sensible for my learned friend to put his question without reference to quoting me.

MR RABINOWITZ: Day 2, page 28, line 8.

MR SUMPTION: What I said was that that was the result.

MRS JUSTICE GLOSTER: Well, I'm going to look at the transcript, Mr Sumption.

MR RABINOWITZ: "He wanted [to buy them] because he wanted to" --

MRS JUSTICE GLOSTER: No let me look at the transcript, please, Mr Rabinowitz. Day 2, page...?

MR RABINOWITZ: Page 28, lines 6 to 8.

MRS JUSTICE GLOSTER: Right. Well, put the question by reference is to what Mr Sumption said in the transcript.

MR SUMPTION: Mr Sumption said that you wanted to buy -- you wanted Sibneft to be created because:

"... [you] wanted to amalgamate the two businesses and build up the company, with the result that any shares that [you] might buy in it at stages two and three would greatly increase in value."

Is that your evidence or not?

A. No, if the question is whether on the first stage I knew that the shares would be much more valuable later, no, I didn't know that.

MRS JUSTICE GLOSTER: Right. Can I put the question, please. The question I think that you're being asked is: do you agree with the following statement of your case by Mr Sumption? Mr Sumption said:

"What Mr Abramovich wanted was management control. He wanted that because he wanted to amalgamate the two businesses and build up the company, with the result that any shares that he [Mr Abramovich] might buy in it at stages two and three would greatly increase in value."

Is that your case and your evidence?

A. This reflects my case. The point is that we have sort of compressed the time. If we talk about '95 and '96, then we didn't discuss the value and the price of shares at that time; it was pointless. We talked only about

management control.

If we are now discussing later years, the year 2000 et cetera, then one can talk about the value of shares or price of shares. Prior to that, Sibneft was not being traded, therefore the shares were valueless.

MRS JUSTICE GLOSTER: Okay. Answer my question, please: why did you want management control of Sibneft?

A. That gave me access to oil flows, crude oil flows and oil product flows that Sibneft produced. If I may, I'll explain. My business was trading and logistics of crude oil and oil products. The volumes that Sibneft provided for me once Sibneft was set up increased greatly. This was not the only business for me but was a very significant business for me and I needed management control over it.

MRS JUSTICE GLOSTER: Thank you. Yes, Mr Rabinowitz.

MR RABINOWITZ: Now, you accept -- I want to go back to when you first met with Mr Berezovsky, if I may.

You accept, I think, that you met Mr Berezovsky for the first time at the end of 1994; is that right?

A. We met at the end of '94; yes, you're right.

Q. And it's also correct, is it not, that at the time you met Mr Berezovsky you had had a number of businesses in various industries in various countries?

A. Yes, that is correct.

- Q. But you were not at that stage, were you, a well-established business figure in Russia?
- A. I was not a well-established, well-known business figure at that stage. That doesn't reflect whether I had a big business or a small business; it's just that I created little noise around myself.
- Q. And I think it's your evidence, is it not, that you founded your first petroleum trading companies between 1991 and 1996?
- A. Yes, that is so, but I think closer to '91 than to '96.
- Q. Can we just look at paragraph 6 of your third witness statement. E1, tab 3, page 36 E1/03/36. Sorry, in the Russian you should go to page 136 E1/03/136.
- At paragraph 6 of your witness statement, Mr Abramovich, you refer to a small business, it's a Russian MP, called AVK. Do you see that?
- A. Yes, I can see that.
- Q. What you don't mention about this business, AVK, is that you had some difficulties with the law in relation to AVK, didn't you?
- A. No, you are mistaken.
- Q. Right. Can I hand up, please, a document to you in Russian, together with an English translation of that document. (Handed)
- MRS JUSTICE GLOSTER: Is this on the website?

MR RABINOWITZ: No, it's not. It will be put on to the website. Your Ladyship will be given a hole-punched hard copy.

MRS JUSTICE GLOSTER: Could I have a hard copy, please. Excuse me. Could I have a hard copy of this document, please. (Handed)

MR RABINOWITZ: You should, I hope, have, Mr Abramovich, a document in Russian -- everyone else is seeing a translation -- headed "Order". You can see it's dated 9 June 1992. Do you see that it is an order for the instigation of criminal proceedings? Do you see that? "Order for the Instigation of Criminal Proceedings and Completion of Processing"; do you see that?

A. Yes, I can see that.

Q. And it is signed by, at the bottom, Senior Investigator Gorbik SV. That's a senior investigator for particularly serious offences. Do you see that at the bottom?

A. Yes, I can see that.

Q. Do read, please, if you would, what Senior Investigator Gorbik says, having considered the file. He has ruled as follows, that:

"Abramovich RA, working as director of the small company ABK... for the purpose of procuring a financial gain on a particularly large scale by means of fraud

through concerted agreements with unidentified officials of Ukhta Oil Refinery... and the external trading company AVEKS-Komi... under fake certificate 5 of 28 February 1992 and other deliberately forged documents of ABK, received at the station Podmoskovnaya Moscow Commercial Station... [3 million kilograms] of diesel fuel for a total value of 3,799,388... roubles in five railway cisterns, coming from Ukhta Oil Refinery, under fake agreement... of 14 February 1992, which he emptied and appropriated."

And he says:

"In light of the availing evidence indicating the perpetration of the offence and on the basis of [certain] articles... of the Criminal Code... [he orders the following]:

"1. To instigate criminal proceedings under Article 93-1 of the Russian Criminal Code."

And it appears against you, Mr Abramovich. Do you see that?

Now, can I now hand up a further document, again in Russian and English, this time dated 19 June 1992.

(Handed)

This time this is a remand order made against you, Mr Abramovich, an order for "detention and remand measures to be taken against the suspect", and you are

the suspect in question. Do you see that?

Mr Abramovich, you need to say "da" or "yes" because a nod doesn't come up on the transcript.

A. Yes.

Q. And this is issued not by an investigator but by Senior State Judicial Officer Second Class GS Ponomarev. Do you see that?

And at the bottom of the page you will see that this order for your detention, and I'm reading here, is:

"... in view of the seriousness of the offence of which he..."

That's you Mr Abramovich.

"... is suspected and also the fact that [you] may attempt to escape and prevent the instigation of the indictment of the proceedings."

Now, you said you didn't have any trouble with the law in relation to AVK. Would you like to comment on these two documents?

A. If you may, I will comment -- if I may, I will comment.

Yes, indeed. Indeed the investigator thought that something had disappeared. Indeed, at that time, in '92, there were problems with the banking system. The consignment was not mine; my company was dealing with logistics. At the time when the refinery discovered it, that they haven't got the money yet, and whilst I was

under arrest, they received the money. I was released and there were no problems. This was an incident -- a coincidence. The only person in Moscow who got caught in this was myself.

Q. Mr Abramovich --

A. There was no hearing. The criminal case was dropped because of no crime.

Q. Mr Abramovich, do you see that one of the things that it appears you have been accused of at this stage, certainly at the stage of these documents, was involvement with the creation of fake documents, fake certificates and other deliberately forged documents?

Can I ask you this: would you accept that the production of fake documents is a wrong thing to do?

A. I agree that it is a very bad thing to do. The thing is that I have not falsified any documents. By the time the money had arrived, the problem disappeared all by itself. And then there was an expert analysis undertaken and it turned out that the power of attorney was not false; it was true.

Q. I just want to be clear about that. Are you saying that neither you nor anyone within your close and trusted group working at Sibneft and Runicom has ever created a fake document?

A. None of my people close to me has ever faked a document.

- Q. Right. Can we just go back to your witness statement. You mentioned, going back to paragraph 6, a company called Unicom in Romania. It's actually in a footnote, footnote 3. Do you see that, Unicom in Romania?
- A. May I -- may I make a little correction? If backdating documents is something that's not very ethical, then perhaps we can be accused of that.
- Q. So you're now qualifying your previous answer: you now are saying it may be that backdating documents is something you do or have done; is that right?
- A. This practice existed in Russia and for sure we must have done it.
- Q. I just want to be even clearer about this, Mr Abramovich. Are you accepting that this is something you have done in the context of the documents that we're going to be looking at in this case?
- A. In the course of this case we say that certain documents have been signed two days earlier or not. So this answers your question and I confirm it.
- Q. And you were aware of this?
- A. Yes, I was.
- Q. We'll come on to those in due course, Mr Abramovich.
- Now, we were looking at your witness statement and we were looking at paragraph 6 and footnote 3 to paragraph 6. You mention there a company called Unicom

(Romania). Do you see footnote 3?

A. Yes.

Q. Can you tell the court, please, the industry in which this company was active?

A. To be honest, I don't remember. Perhaps petrochemicals.

Q. You managed to remember it enough to put it in your witness statement, but you say you have no idea what it did?

A. I remember the name of the company but I don't remember what specifically it was involved in. I seem to remember it was dealing with petrochemical industry.

Q. Can you tell us whether this was the only company you were involved with in Romania?

A. I think there were two companies but I don't remember what the second one was called.

Q. Now, we've just been looking at a company called Unicom in Romania. What about a company called Unicom Transit Limited: where was that based? Do you remember?

A. I think Unicom Transit Limited did not belong to me. I don't recall this name.

Q. What about a company called Unicom Management Services in Cyprus: is that one of yours?

A. I don't think so.

Q. Is there a company called Unicem in Switzerland? Do you remember that? I should tell you that's in your witness

statement.

A. It was called Unicem and it was involved in cement.

Q. Thank you very much. A company called Unicon Consulting: was that one of yours? With a N rather than a M.

A. No.

Q. Can I just ask you, please, if you could go to bundle H(F)1 at page 27 H(F)1/27. Just so you know what this is, Mr Abramovich, it's part of a file that was disclosed by you of documents you had received from Mr Jacobson, previously of Curtis & Co, this weekend. So he disclosed it this weekend and it's part of the Curtis & Co file.

At H(F)1, page 27, we have a record that Mr Curtis made of a meeting which it appears that you and Mr Shvidler had with Mr Curtis in Moscow in May or June 1995.

Let me just stop there so that the translator can catch up.

A. What is the question, please?

Q. I haven't yet asked a question. I'm just trying to explain to you what the document is.

We can see that this is a meeting with you, Mr Abramovich: if you look at the top left-hand corner of the document, you will see "Roman" and "Eugene". Do

you see that?

A. Yes, I can see that.

Q. And if you go to, in the same file, page 14 H(F)1/14, at page 14 there is a letter to Mr Shvidler from Stephen Curtis dated 7 June, and these are all 1995 documents. He refers to a meeting he had with -- so this is Mr Curtis referring to a meeting that he'd had with Mr Shvidler and you in Moscow. Do you see that? That helps us date the document that we have at page 27.

Can you go back to the document at page 27, please H(F)1/27. Can I read, if you're there, so that you can have it translated, what this appears to say:

"Meeting -- Moscow Tuesday.

"Roman.

"Eugene.

"Matters for discussion/action.

"Lockheed -- discussion with Charles Lloyd [and] Larry Whitfield re owners of Channel 1 Russia."

There's a reference to Mr Berezovsky. And then it says:

"Mig spare parts/tanks -- discuss Sheikh Mohammed."

And then I can't make out the words immediately below that. There's a reference to someone called Khalid. "Spare parts" and then it says:

"Possible interest.

"UAE.

"Fujerah (?)"

Which, as I understand, is in the UAE:

"Angola."

And then on the left-hand side do you see:

"Tank prices -- \$4 [million] -- get [something] less."

Then below that:

"Weapons generally.

"Brazilians -- wanted to buy tanks."

Were you engaged in weapons trading in 1995,

Mr Abramovich?

A. I was never involved in arms trading. In the Russian Federation, arms trade is the prerogative of the State and the State alone. If I understand -- if I remember the meeting correctly, Mr Curtis said that he had clients that were interested in that, whereas we traded petrochemicals and other products.

Q. Well, why would he have raised this with you unless he thought that this would have been of interest to you, Mr Abramovich?

A. It's difficult for me to guess. The tank plant is in Omsk, close or nearby our refinery; perhaps we discussed it because of this vicinity. Perhaps there's also an aviation plant there, so perhaps we were discussing

engines as well.

- Q. Now, can I just check this: you were, at the time you met Mr Berezovsky, obviously not yet a politician, were you? That came later?
- A. Is this a question? You're asking me whether I was a politician? I was not a politician.
- Q. And it's also right -- I think it follows from answers you gave earlier -- you weren't an academic; you didn't have any higher education qualifications? That's right?
- A. When I met Mr Berezovsky it is true that I did not have a higher education diploma nor was I an academic.
- Q. It's also right, isn't it, that at the time you met Mr Berezovsky at the end of 1994, you didn't then have control of State assets, for example the Noyabrskneftegas plant or the Omsk Oil Refinery?
- A. The State was in control of Omsk Oil Refinery and Noyabrskneftegas plant. Of course I could not have been in control of that.
- Q. In fact, towards the end of 1994 you were predominantly an oil trader, albeit a moderately -- a successful one; is that right?
- A. Our principal business was not crude oil but oil products beside that: timber, sugar, foodstuffs, all kinds of products. But our main business was petrochemicals and oil products.

- Q. And what you had been successful in doing -- this is right, is it not -- is that you had bought these oil products in Russia and sold them on the world market, benefiting from the price differential between the Russian price of the oil product and the world market levels?
- A. This is a simplified reflection. In fact we were refining these products in other countries, we were generating power, we're selling power, getting other products and selling those. But if you simplify them, yes, you're right.
- Q. Do you say that you conducted this business in this way without any krysha, whatever that means?
- A. I insist that we conducted this business without any krysha, whatever that word may mean.
- Q. At this time, in 1994, you realised, of course, that if you could get more oil products, perhaps an exclusive contract with a company like Omsk Refinery or Noyabrskneftegas, then you could make even more money for yourself in this way?
- A. If you could, could you repeat the question, please? What do you mean by "exclusive contract"? I didn't quite get that.
- Q. An exclusive contract means that the only person to whom they would supply the oil products would be you; they

wouldn't supply them to anyone else.

Do you want me to repeat the question?

A. If I got an exclusive contract, would I earn more money?

Of course I would earn more money. There's no question about that.

Q. And even if you didn't get an exclusive contract, as long as you had more oil products from, for example, oil refinery or Noyabrskneftegas, you would make more money?

A. At that time the products we got from Omsk Refinery amounted to 15 per cent of our turnover. But if I got an exclusive contract, of course I'd earn more.

Q. Now, I want to ask you about the idea to create a vertically integrated oil company such as that which Sibneft became, involving both a production company and an oil refinery. Okay?

A. Okay.

Q. Mr Abramovich, you don't claim, do you, to have been the first person to have thought about this idea to have a vertically integrated oil company; that is to say a company where the entity that produces the oil is integrated with an entity that refines the oil produced by the oil production company?

A. No, I do not say that. I think Rockefeller was the first to come up with that idea.

Q. And again, correct me if I'm wrong, but you don't even

claim, do you, that the idea of combining Noyabrskneftegas and Omsk refinery into a vertically integrated company, really this Sibneft idea, was yours either?

A. I think it was my idea.

Q. You think it was your idea.

Mr Abramovich, the truth of this is, isn't it, that the idea of creating a vertically integrated oil company was not yours at all? Do you dispute that?

A. Yes, I dispute that.

Q. This was an idea that was brought to your attention after you'd attended a meeting in October 1994 with an assistant to the general director of Noyabrskneftegas, I think the director general there was Mr Viktor Gorodilov, and that person told you about a disagreement between the management of Noyabrskneftegas and the management of Omsk Oil Refinery concerning the creation of a new oil company. Do you dispute that?

A. To be honest, again, I didn't quite catch the question.

Q. The point is this. You say it was your idea to have a vertically integrated oil company, correct, between Omsk and Noyabrskneftegas?

A. It was my idea to integrate Noyabrskneftegas and Omsk, yes.

Q. And I'm suggesting it wasn't your idea at all; it was an

idea that was brought to you at a meeting that you attended in October 1994 with an assistant who had been sent by the general director of Noyabrskneftegas, who told you about a disagreement between the management of Noyabrskneftegas and the management of Omsk Oil Refinery concerning the creation of a new oil company. Do you dispute that?

A. Yes, I do dispute it. I don't think you quite understand what you're talking about. The idea -- the thing is that the idea to create vertically integrated oil companies of course was not mine. And I did know that Omsk and Noyabrskneftegas were at loggerheads; I'd been working with Omsk for a while and I had visited Noyabrsk. The idea to join these two companies was my idea because the initial idea of director general of Noyabrskneftegas, Viktor Gorodilov, was to create a vertically integrated company together with Surgut and we agreed to create it together with Omsk.

Q. Let's have a look at your witness statement together, if we can. Can you go to paragraph 48 of your third witness statement. It's at page E1, tab 3, page 47 in English E1/03/47 and page 147 E1/03/147 of the Russian. You say:

"By mid 1994, Petroltrans had already been the main oil products supplier to the Republic of Moldova,

therefore, I became very interested when in October 1994 Mr... Cherniy, a Minister of the Republic of Moldova and the head of the State Committee for Oil Products, contacted me, asking to meet with Mr... Poltorak, who was then an assistant to the General Director of Noyabrskneftegas. At the end of October 1994, we had a meeting in the Moscow office of Petroltrans which was also attended by Ms... Polyakova, head of the Representative Office of the Republic of Moldova and Mr E Ya Poltorak. I understood that there was disagreement between the management of Noyabrskneftegaz and the management of the Omks Oil Refinery as to the creation of a new company and that generally these companies were not managed in a sufficiently efficient [way]."

And what is clear from that, Mr Abramovich, is that what you're saying is that there had been discussion and disagreement between the management of Noyabrskneftegas and the management of Omsk Oil Refinery about the creation of a new oil company, and that is what you claim to be your own idea: the creation of a new company involving these two entities.

- A. With the participation of these two entities there has not been a discussion about creating a vertically integrated companies before we met there. Once again,

I repeat: Noyabrskneftegas wanted to join forces with Surgut and they did discuss it.

- Q. You see, the difficulty about that answer, Mr Abramovich, is what you say in the last sentence of paragraph 48. Because what you say, following reference to this discussion, is to say:

"... I agreed to deal with the issue of creating a new oil company formed from Omsk Oil Refinery and Noyabrskneftegaz."

Which is precisely the idea that is referred to at this meeting in October 1994. It's plain that you are talking about the same company being created from the same two entities.

- A. At this meeting I proposed this idea. This is what I'm trying to explain to you.

- Q. The problem about that, Mr Abramovich, is that's not what you say in your witness statement. It's clear from your witness statement that they had been discussing the creation of a new oil company, the management of these two companies, from Noyabrskneftegas and Omsk Oil Refinery, and what you are saying in your witness statement -- which is completely different from what you're telling the court now -- is that they asked you to help with this and that you agreed to do it. That is what you say at the end of the paragraph.

A. My feeling is that I'm saying exactly the same. Maybe I'm not -- I can't sense the problem because it's all being translated and interpreted, but I think I am actually stating exactly the same thing.

Q. With respect, Mr Abramovich, you're plainly not.

MRS JUSTICE GLOSTER: Well, that's a matter for comment.

MR RABINOWITZ: Can we look at another document. Can you please go to H(C)8, page 111T in translation, page 111 in the Russian H(C)8/111T.

Again, Mr Abramovich, just so that you know what this is, if you go back a page to 110, you'll see that this is the minute of an interview conducted by the Russian authorities with Mr Viktor Gorodilov.

Can you just tell us: Mr Viktor Gorodilov was in 1995 the general director of Noyabrskneftegas; is that right?

A. Yes, that is so.

Q. And if you go back to page 111, you can see that just before he is asked questions, there is -- you can see this in bold, two-thirds of the way down -- Mr Gorodilov had his rights and duties as a witness explained to him, including, as you see in this paragraph, the fact that it was a criminal offence to give knowingly false testimony. Do you see that?

A. Yes, I can see that.

Q. If you look at the bottom of page 111, Mr Viktor Gorodilov is asked this:

"Question by investigator: Would you describe how Siberian Oil Company..."

Which is Sibneft.

"... was created? How were you, Boris Berezovsky, Mr Patarkatsishvili, Roman Abramovich and your son, Andrei Gorodilov, involved in this? What contribution did SBS-Agro Bank (formerly known as Stolichny Bank Sberezheniy) make to the financing of the purchase of Sibneft shares?"

And this is his answer:

"Sibneft was formed on general terms. It took a long time to establish this company. I initiated the creation of this company. The goal pursued in creating Sibneft was the optimum organisation of a number of interconnected oil companies."

Do you see that? Can you say "da", please.

A. Yes.

Q. Only if the answer is "da", obviously.

And then if you go to page 112 H(C)8/112T, Mr Gorodilov gives the Russian authorities some information about your involvement, Mr Abramovich, in the creation of Sibneft. Just looking at page 112, about 13 lines from the end of the page on the English

version, you see he says:

"I am not aware of the role that Roman Abramovich and [Mr] Patarkatsishvili played in the formation of Sibneft. I think that Abramovich appeared at Sibneft later."

Do you see that?

A. Yes, I can see the words.

Q. And Mr Gorodilov, as you've told us, is the director general of Noyabrskneftegas. What he says here is hardly consistent with it being your initiative, is it?

A. What Mr Gorodilov says here does not correspond to my evidence. I can see that.

Q. Now, it's right, is it not, that the top management of Omsk Oil Refinery and Noyabrskneftegas were the so-called "red directors"; is that right?

A. Yes, that is so.

Q. And they had worked in their respective industries for decades and they climbed to the top of very significant State assets; that's right, isn't it?

A. You can say that is exactly what happened with Gorodilov Viktor. I mean, he was the one to put in the first nail into what was meant to be a...

THE INTERPRETER: Sorry, nail in a positive sense, that he was at the very beginning of creating the enterprise.

A. But I can't say that about Mr Litskevich.

MR RABINOWITZ: By 1995 Mr Gorodilov had been the director general of Noyabrskneftegas for around 14 years; that's what he told the Russian investigators and I don't suppose you'd disagree with that?

A. No, of course I won't disagree with that. Yes, he had been working there for 14 years and I'm not going to disagree what he said to Russian investigators. That's what he said.

Q. And the red directors, including Mr Gorodilov, were or would have been very influential and powerful men?

A. You're asking a very general question. What do you mean in terms of "powerful"? Was it political power you're meaning?

Q. Well, let's compare them if we can: his position, Mr Gorodilov's position, to your position. Compared to you, Mr Gorodilov was a man, by virtue of him being a red director, who had power and influence; would you accept that?

A. In Noyabrsk he had absolute power and absolute influence; I agree with that. In Noyabrsk.

Q. What I don't understand, Mr Abramovich, about your evidence at paragraph 48 is this. You say that you met, in effect, with a representative of Mr Viktor Gorodilov in October 1994 and the idea of this creation of a new oil company involving Omsk and Noyabrskneftegas was

discussed; but according to you -- I'm just looking at the last sentence here -- you say that:

"... [you] agreed to deal with the issue of creating a new oil company formed from Omsk... and Noyabrskneftegas."

Do you see that?

- A. I'm not looking at it yet. Just a second. Yes, I am looking at it and I can see it.
- Q. Can you explain why the management of Noyabrskneftegas, or indeed anybody else connected with either Noyabrskneftegas or Omsk, should have thought that you would be the one who could personally achieve something which they could not?
- A. I was recommended by the fuel and energy minister of Moldova.
- Q. Yes, but what was it about you, Mr Abramovich, that you say made you the person that people would turn to for putting these two companies together?
- A. Nobody turned to me to put these two companies together. It was my idea and it was born at this meeting. The thing is I worked with Omsk and I worked a lot with Noyabrsk. So at this meeting I had this idea, as I already said before, Viktor Gorodilov's initial idea was to create a company on the basis of just Noyabrsk or Noyabrsk together with Surgutneftegas. Omsk had

a separate idea, to create a financial industrial group on the basis of Omsk Refinery, and to join these two enterprises was my idea. This is precisely what I'm trying to explain.

Q. Is this right: following your, as you put it here, agreeing with the Noyabrskneftegas management to deal with the issue of creating a new company formed from Omsk and Noyabrskneftegas, you went looking for someone who could provide you with the political clout to create this combined company and you used your contacts with Mr Aven to meet Mr Berezovsky?

A. Well, we're distorting the story slightly. But on the whole I didn't use Aven's contact; I came with this idea to Mr Aven.

Q. You came with the idea to Mr Aven and he put you in contact with Mr Berezovsky; is that your evidence?

A. My evidence is that he suggested that I discuss this with Berezovsky.

Q. And would it be fair to describe what happened in this way: that when you discussed this with Mr Berezovsky, you proposed to him that there was the potential to make a lot of money by consolidating control over Noyabrskneftegas and Omsk and also by directing sales through your trading companies?

A. The word "control" I find a bit perplexing. Could you

repeat that sentence again?

- Q. You proposed to Mr Berezovsky that there was the potential to make a lot of money by consolidating control over Noyabrskneftegas and Omsk and also by directing sales through your trading companies?
- A. No, I would feel more comfortable -- I feel more comfortable about the second part, when you're saying that if the trade goes through my companies, then a lot of money can be earned. I feel more comfortable with that. But as for the control, if you allow me, I'll go back to my written evidence and have a look at that.
- Q. The trouble about that, Mr Abramovich, is that is exactly what your written evidence says.

Go back, if you would, to paragraph 53. It's at page 48 of E1 in the English E1/03/48 and I hope someone can find it for you in the Russian. You say here:

"I remember explaining to Mr Berezovsky that I wanted to combine the Omsk Oil Refinery and Noyabrskneftegas into a single company, whose management I would control. I explained that there was the potential to make a lot of money by consolidating control over these companies and directing their sales through my Trading Companies."

So those were your words, Mr Abramovich.

A. Yes, I confirm it.

Q. And by "a lot of money", is it fair to say that you were thinking at that time in the realms of increasing your annual income from \$40 million to \$100 million or so? Is that right?

A. Indeed, I assumed that one could earn in the order of \$100 million.

Q. And what you say -- is this right -- that you were thinking at the time in the realm of increasing your annual income from \$40 million to \$100 million?

A. Once again, I'm trying to explain that I assumed that the income can grow up to 100 million.

Q. So that you would increase your income from \$40 million to \$100 million a year?

A. Indeed, I came up with this assumption. It wasn't an exact figure; it was just my feeling.

MRS JUSTICE GLOSTER: Could I be clear: when you're talking, Mr Abramovich, about your income being increased from \$40 million to \$100 million, are you talking about the income of the companies combined or your company or your personal income?

A. I meant the income from operations with Sibneft -- from oil business, I would say that. Income from oil business.

MR RABINOWITZ: Is that your personal income or is it your

trading companies' income that you're talking about here?

- A. It's difficult for me to remember what I meant, but because all the companies belonged to me, both are true. Both statements would be true.

MRS JUSTICE GLOSTER: Again, if you're talking about income, do you mean revenue or net profit after expenses?

- A. At that time I wasn't thinking in those terms. I suppose I meant net income but I can't tell you 100 per cent for sure. It was a very approximate figure based on my intuition, on my feelings. At that time we did not think or operate in those terms.

MRS JUSTICE GLOSTER: So we're talking turnover?

- A. No, I was talking about profit. But I can't give you greater detail, I'm afraid.

MR RABINOWITZ: Now, you say this was your feeling about what you would do. Isn't this right that this is exactly what you told Mr Berezovsky: that you currently generated \$40 million a year through your trading companies and that you expected, if the scheme that you were proposing to him worked, to be able to generate -- to be able to increase that to around \$100 million a year?

- A. Yes, I said that. I passed on to him or shared with him my feelings.

MR RABINOWITZ: My Lady, that may be a convenient moment.

MRS JUSTICE GLOSTER: No, I'm going to sit until 4.30.

MR RABINOWITZ: Now, I've asked you some questions about your position as it was in late 1994, when you met Mr Berezovsky, and perhaps I could just ask some questions about Mr Berezovsky at the time you met him at the end of 1994.

He was, was he not, extremely well known in Russia at that time?

A. Looking at it with my eyes of that time, then yes, I would agree with you.

Q. And were you aware when you met him of his academic career; that he was a doctor of mathematics, for example?

A. No, I didn't know anything about his academic career.

Q. Would you have known that he was a member of the Russian Academy of Sciences or is your answer to that the same?

A. No, I didn't know that.

Q. Did you know of his work with Avtovaz, the Russian State car manufacturer?

A. I knew he was trading cars, both new cars and secondhand cars. I knew that.

Q. Did you know of Logovaz and its extensive car dealership?

A. I didn't know about extensive dealership but I knew that

Logovaz was trading Avtovaz vehicles.

Q. You knew of Mr Berezovsky's involvement in AVVA?

A. I think so. I think I did know. This was one of the pyramids that existed at the time.

Q. You knew too that Mr Berezovsky was associated with Consolidated Bank?

A. I beg your pardon, what time are we talking about exactly?

Q. The end of 1994.

A. I don't think I knew about the Consolidated Bank back in '94. Apropos, I think I learnt about AVVA in '95. If possible, please indicate very clearly what time you mean.

Q. I'm just trying to find out, at the end of 1994, what you knew about. So we're talking about the end of 1994.

Did you know that Mr Berezovsky had acquired ORT with the other wealthy and influential businessmen?

A. I think at that time, in '94, I probably did know that he acquired ORT. I think I learnt about that at the time of this cruise of ours.

Q. Mr Abramovich, do you suggest that despite Mr Berezovsky's involvement with, for example, Logovaz, Avtovaz, the other companies which you may or may not have known about, do you suggest that at the time you met him Mr Berezovsky was not a businessman in the sense

of being interested in actually establishing and managing a business?

A. If we're talking about '94 again, I knew nothing about it.

Q. Can I just ask you, please, to look at paragraph 34 of your third witness statement, page 43 in the English E1/03/43. I'm not sure where the Russian is -- 143 E1/03/143.

Now, you're talking here about Mr Berezovsky in paragraph 34 and you say:

"[He] was not a 'businessman' in the sense that I understand the term. I never knew him to be interested in actually establishing and managing a business."

Is that your evidence or not?

A. Yes, this is my evidence, but I'm not saying -- I'm not discussing 1994 here. This is my general view.

Q. Can you just look then at paragraph 33, just so that you can get the context of what you're saying. You say:

"As I explain further below, my relationship with Mr Berezovsky began in late 1994..."

So what you're saying in the paragraphs that follow relate to your relationship with Mr Berezovsky as it began in late 1994. Or do you disagree with that?

A. Please repeat the question.

Q. If you look at the context in which paragraph 34 appears, where you say that he was not actually interested in establishing and managing a business, it immediately follows from paragraph 33. Paragraph 33 appears to be talking about the position in late 1994.

Now, my question to you is: the comment you make in paragraph 34 about him not being interested in establishing a business, are you saying that doesn't relate to the period of time when you met him in late 1994? Do you say it relates to another time?

A. My comment reflects 1995, when he said he's only interested in politics and not in business. In '94 I had no knowledge about what Mr Berezovsky was interested in. We met practically prior to the New Year. The year has finished almost. It was the very end of '94 when we met.

Q. Would you say, though, that you were a businessman at this time, in late 1994?

A. I would say that I was, yes.

Q. Can you tell us this. You say that Mr Berezovsky was not a details person. Are you a details person?

A. I think to a greater extent than Mr Berezovsky, but not much either.

Q. And you also say in your evidence that Mr Berezovsky, when you met him, was no longer interested in actually

establishing and managing a business.

Can you tell me this: the pre-Sibneft businesses which we've heard about, Runicom and the like, did you establish and manage these?

- A. Yes, yes, all the businesses that happened pre-Sibneft I created and managed together with my friends, comrades, partners, but I was the only owner.
- Q. And when you obtained Sibneft, did you manage Sibneft or had you lost interest in management by this time?
- A. Can you repeat that again, please? We're talking now about '97; am I right?
- Q. When you obtained control of Sibneft, did you manage Sibneft or had you lost interest in management too by this time? Late 1995.
- A. In '95 I physically could not have obtained control over Sibneft. That was only through a relationship with the higher management of the company. I obtained control in '97. I had -- I could get access to product flows and oil flows, I could have, as you mentioned, an exclusive contract; but I could not get control until '97.
- Q. Did you ever manage Sibneft?
- A. If the question is whether I was ever president of Sibneft, no, I never have been.
- Q. Not whether you were president; whether you ever managed Sibneft?

A. I think so. After '97 I could have said that I was. But formally, no, but I was one of the managers of Sibneft. I must have managed it through the board of directors. If that is what you mean, then yes, I did.

MRS JUSTICE GLOSTER: Would you describe yourself as an executive director of Sibneft?

A. I would not describe myself in this way. I was not engaged in day-to-day running of Sibneft.

MRS JUSTICE GLOSTER: But strategy, were you involved in the strategy for the future development of the company?

A. Yes, indeed. That is exactly what I was engaged in for this company.

MRS JUSTICE GLOSTER: Is that a convenient moment?

MR RABINOWITZ: It is.

MRS JUSTICE GLOSTER: Very well. Now --

MS DAVIES: My Lady --

MRS JUSTICE GLOSTER: Just a second, Ms Davies.

Before anybody leaves the building or leaves the courtroom, can I remind them to leave their headphones on the chairs, please.

Secondly, I'd like to know from counsel when I'm going to be dealing with the issue about the witnesses.

MS DAVIES: That's what I was just about to raise, my Lady. My learned friend, just as we came back in after lunch, indicated that they no longer oppose the revocation of

my Lady's order in relation to the six Chukotka witnesses. The application I effectively made on Friday, it's no longer opposed.

MRS JUSTICE GLOSTER: Right.

MS DAVIES: So what we will do is produce a consent order and perhaps we can put that before my Lady first thing tomorrow morning.

MRS JUSTICE GLOSTER: Well, I had better -- I have only had a quick read of a bit of this. Perhaps you could produce the draft, but before I indicate that I'm happy to make such an order, I just had better see precisely what you're asking me to do.

MS DAVIES: Of course, my Lady.

MRS JUSTICE GLOSTER: Very well.

That's agreed, is it Mr Gillis?

MR GILLIS: My Lady, yes it is.

MRS JUSTICE GLOSTER: Very well.

Right. I'll repeat the direction I gave earlier: don't talk about your evidence or the case with anybody overnight. Do you understand? Yes? You do understand?

THE WITNESS: (Not interpreted) Yes.

MRS JUSTICE GLOSTER: Very well. 10.15 tomorrow.

(4.32 pm)

(The hearing adjourned until
Tuesday, 1 November 2011 at 10.15 am)

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