

Thursday, 3 November 2011

(10.15 am)

MR ROMAN ABRAMOVICH (continued)

Cross-examination by MR RABINOWITZ (continued)

MR RABINOWITZ: Good morning, Mr Abramovich.

By March 1996 you did not need any political lobbying from Mr Berezovsky anymore; do you agree?

A. By March '96 I did need political lobbying services.

Q. From Mr Berezovsky?

A. Yes.

Q. Do you want to explain why you needed political lobbying services from Mr Berezovsky in March 1996?

A. Without Mr Berezovsky, alone I couldn't have maintained my grip on the company, until the company was fully privatised. For sure, without Mr Berezovsky, I would not have managed to keep hold of it and manage it. My authority was not sufficient to work with, say, Mr Gorodilov; he was an important figure. Without Berezovsky, I would not have been able to keep it going.

Q. By March 1996 NFK had won the loans for shares scheme; that was in December 1995. Do you agree?

A. Yes, in December '95 indeed NFK obtained the right to manage Sibneft shares.

Q. And Runicom had acquired a further 12.2 per cent of Sibneft in January 1996; do you agree with that?

- A. Yes, indeed.
- Q. I suggest to you, Mr Abramovich, that there was no risk at all to you of anyone else being able to obtain control of Sibneft given the position you had become placed in by March 1996.
- A. I don't agree with this.
- Q. And I suggest to you also that in fact a close association with Mr Berezovsky at that time, because of the political risk it would entail, would have been of more harm than any good that you would derive from having his public support.
- A. I disagree with this as well, totally disagree with it.
- Q. And I suggest to you that that is why you approached Mr Berezovsky at that time and asked him to agree to distance himself from Sibneft.
- A. I never asked for that. Moreover, it was impossible to have done that. If I understood you correctly, you said that it would have been harmful for me or for Sibneft company? Our association would have been harmful for me personally or for Sibneft? Could you specify?
- Q. What you suggested to Mr Berezovsky was that it was harmful for Sibneft for him to be associated with Sibneft at that time.
- A. So, for me to understand exactly what you mean, prior to '96 elections I allegedly told Berezovsky that his link

or his association with Sibneft was harmful to Sibneft;
is that what you mean?

Q. That is what my question involves saying, yes.

A. This did not happen. In the files of the case there is a document, I think it's called letter number 13; may we look at that, if that's possible?

Q. I'm sure that, if it's relevant, Mr Sumption will take you to that. We will have a look for it later on.

Can we move on, though. I want to go forward from 1996. Your case on krysha is that you paid Mr Berezovsky primarily for his political assistance, even after 1996; is that right?

A. Yes, that is so.

Q. And if these krysha payments were for political assistance, it follows that you would have considered yourself under no obligation at all to continue paying Mr Berezovsky if he ceased providing or being able to provide political assistance; is that right?

A. I think on the contrary: we made him a member of the board of directors so that he can be associated with the company to a maximum possible degree. So I don't quite understand what you mean when you say "cease to provide assistance".

Q. My question is this: if your krysha payments were for political assistance, lobbying assistance that

Mr Berezovsky was providing, then it would follow that if Mr Berezovsky was no longer providing lobbying assistance, you would have considered yourself under no further obligation to keep making payments to him; is that right?

A. No, that is not right. He continued providing the services we agreed upon and I continued paying. Moreover, the traditional krysha concept did not envisage breaking up such an agreement unilaterally; two parties had to agree and then somehow exit from this arrangement.

Q. But if the services were no longer being provided, you would have no longer been under any obligation of whatever sort to keep paying. Do you agree with that?

A. No, I do not agree. I don't agree with the fact that the services were not provided and I do not agree with the statement that I could have broken up that agreement or arrangement unilaterally. I could not have done it just off my own -- on my own.

Q. Do you accept that Mr Berezovsky's relations with the Yeltsin regime became weaker in the period from 1998 to 2000?

A. Well, this is a long period of time; many things happened. If we look at these two years as a whole, then no, I do not agree.

Q. Would you accept that by this time -- and I mean the period 1998 to 2000 -- Mr Berezovsky's access to the presidential administration had been reduced to the point where he was only given the opportunity to discuss political matters and to meet with senior members of the presidential administration when he had a particular view that he wished to communicate to President Yeltsin?

A. Mr Berezovsky had never had frequent meetings with President Yeltsin. From what I know, he had three or four personal meetings overall, which doesn't mean at all that he was unable to exercise political influence. The main work that he did was with people around the president's people and the president's circle who could influence the president's opinion.

After '96 Yeltsin did not feel well physically, he was not a well man. If I remember correctly, he had two heart attacks. So the role of his circle was ever more important; and Mr Berezovsky was not only part of that circle, he had personal contacts with every member of that circle. So his influence in fact at that time was very, very significant, very high.

Q. Mr Voloshin, who you are calling as a witness, says about the period 1998 to 2000 that he can agree with Mr Berezovsky and confirm that his influence was not so great at that time. Do you say Mr Voloshin, who was

part of the presidential administration, is wrong about that?

A. I cannot comment on what Mr Voloshin says. I can only tell you what I know myself and I know what I was paying for.

Q. Well, you in your evidence, Mr Abramovich, have not been able to identify a single action on Mr Berezovsky's part which you say he provided between 1998 and 2000; that's right, isn't it?

A. The concept of krysha doesn't envisage specific services or actions. This is not an exchange of services; it's just an arrangement that covers a period.

Q. With respect, Mr Abramovich, you've described krysha as being, when we got down to it, Mr Berezovsky lobbying on your behalf, and what I'm putting to you is that you have not been able to identify a single action in your evidence taken by Mr Berezovsky which you say he provided between 1998 and 2000.

A. Well, perhaps I cannot remember a specific action but for sure there have been many, but I can't just give you immediately an example. The concept of krysha is a long-term relationship, a continuous relationship with more or less regular payments; that's what the concept is.

And as to Berezovsky losing political influence,

I think in '97 or '98 he was appointed deputy secretary of the Security Council. So that only shows that his political influence was growing, if President Yeltsin appointed him to this high office.

Q. Mr Abramovich, you have served seven witness statements in this action, some of them very long, and you are suggesting that, notwithstanding those seven witness statements, there was something else that you might have said about what Mr Berezovsky was doing which you just forgot to put into those witness statements; is that your evidence?

A. No. Why do you think I've forgotten to write something down? It's just this matter was not discussed. I set down everything I knew about it in my evidence.

Q. Mr Abramovich, what I suggest to you is that it is simply inconceivable that you would have continued to pay tens of millions of dollars in fees for krysha in circumstances where no krysha was in fact being provided. Do you want to comment on that?

A. Yes, I can comment. I continued paying tens of millions of dollars for krysha. Moreover, following '96 elections Mr Berezovsky became a very significant political figure whom we supported; not just myself, other businessmen supported him, but I was the main one who was paying. He had turned into a political

corporation. He sort of appointed himself -- and we all supported that -- but he self-appointed himself as a political leader of large business and all of us supported that, we all helped him, we all promoted that.

Q. We are now chronologically around the year 2000 and I want therefore to ask you some questions about the aluminium acquisitions that were made at about this time.

You entered into an agreement for the acquisition of aluminium assets in February 2000; that's right, isn't it?

A. Yes, that is so.

Q. Can we just then see what is common ground about the events leading up to this.

The aluminium assets that were acquired in February 2000 were primarily in the Krasnoyarsk, Bratsk and Achinsk aluminium assets; is that right?

A. Yes, indeed, only I missed the month. I missed the month that you mentioned.

Q. February 2000.

A. Right.

Q. And in the case of the Krasnoyarsk assets, this included both the Krasnoyarsk aluminium plant and the hydroelectric power station; that's correct, isn't it?

A. Yes, indeed.

- Q. And you accept that prior to the agreement being made in February 2000, as you were aware, Mr Berezovsky had visited the Krasnoyarsk region in early 1999?
- A. Mr Berezovsky did visit Krasnoyarsk region, I don't know -- I don't remember exactly when; and I also think he made several visits. But I know he visited, that's for sure.
- Q. I think you accept in your evidence that in fact Mr Berezovsky made that trip with Mr Lev Chernoi. That's right, isn't it?
- A. Yes, I agree with that.
- Q. And you also accept in your evidence that it is possible that Mr Berezovsky was also accompanied on that trip by Mr Anisimov?
- A. It is possible, but I just don't remember now.
- Q. Perhaps I can show you your witness statement. If you go to your fourth witness statement, that's E5, tab 11, page 53 in the English E5/11/53 and page 129 in the Russian E5/11/129, paragraph 130. Do you see the second sentence there, you refer to this?
- A. I am saying that possibly Mr Anisimov was there and I continue maintaining that possibly he was there. I don't know for sure.
- Q. And Mr Lev Chernoi was an associate of the Reuben brothers and part of the Trans-World Group; that's

right, isn't it?

A. Lev Chernoi, yes, he was part of Trans-World Group. He had his own company and it was named something else, but I think they were close.

Q. And between them in 1999 Lev Chernoi and the Reuben brothers controlled a substantial part of the aluminium business at Krasnoyarsk and a substantial part of the business at Bratsk as well; that's right, isn't it?

A. Yes, indeed.

Q. And at that time -- again we're talking about 1999 -- Mr Anisimov also owned a substantial part of the business at Kras (sic)?

THE INTERPRETER: I beg your pardon, at where?

MR RABINOWITZ: Sorry, Krasnoyarsk.

A. Yes, that is true.

Q. And Mr Lev Chernoi and Mr -- sorry, I'll start again because that may not have clicked in.

Mr Lev Chernoi and Mr Anisimov also held interests in Achinsk Glinozemnyi Kombinat, AGK; that's right, isn't it?

A. That is so; they had shares in Achinsk Alumina Plant, or Glinozemnyi Kombinat. It's just that at that time Achinsk was undergoing bankruptcy procedure, so whether one had shares or not was already irrelevant.

Q. And so when Mr Berezovsky, in 1999, made the trip to the

Krasnoyarsk region, he was accompanied by some of the key players in the Russian aluminium industry in that region, namely Mr Chernoi and possibly, as you accept, Mr Anisimov?

- A. I agree with that Chernoi was there. I simply don't know about Anisimov.
- Q. Now, Mr Berezovsky in 1999 also enjoyed good political relations with the governor of the Krasnoyarsk region, General Alexander Lebed; that's correct, isn't it?
- A. From time to time -- so at some time Mr Berezovsky was on good terms with General Lebed; at other times General Lebed hated him. So I don't really know on what kind of footing they were at that particular time.
- Q. His evidence about this wasn't challenged by your lawyers, Mr Abramovich.

But can I ask you this: Mr Berezovsky had supported and lobbied for General Lebed in the election for the position of governor of the Krasnoyarsk region in 1998 and that was an election that General Lebed had won; you're aware of that, aren't you?

- A. I know that Mr Berezovsky provided services to General Lebed in terms of elections to the post of governor and I know that Mr Lebed indeed won in those elections.
- Q. You accept, I think, that General Lebed was one of the

most powerful and influential figures in the region where the aluminium enterprises were located?

A. General Lebed was indeed the most influential person in Krasnoyarsk region because he became the governor of that region. I just don't remember when the elections were held exactly, so it's difficult for me to say whether he was already very influential in '99 or not.

Q. They were in 1998.

So it was important when you came to acquire the aluminium assets in 2000 that General Lebed was on your side because if General Lebed had opposed your acquisition of the Krasnoyarsk assets, it would have been extremely difficult to establish and maintain control of the Krasnoyarsk assets; that's right, isn't it?

A. Well, that is not quite so. General Lebed could not influence on who -- on the question of who purchased the assets. That's not his remit. The idea is that the plant were at the point of being shut down; the workers were striking; the railroad was not operating. That obviously influenced General Lebed because he was the governor and of course if that continued, the situation would have worsened and Lebed would have had problems. Now, taking all that into account, yes, the rest becomes correct.

Q. So I think you're agreeing with me that it was important when you came to acquire the aluminium assets that General Lebed was on your side because if he opposed your acquisition of those assets, it would have been extremely difficult to establish and maintain control of the Krasnoyarsk assets?

A. Once again, I'd like to explain. General Lebed had nothing to do with the acquisition of assets and who acquired them and he actually did not say whether he was for or against that; that's not part of his authority. It's difficult for you to -- for me to explain, but local authorities had nothing to do with share acquisition process.

However, the situation prevailing, prevailing with the workforce, with the trade unions, when everybody came out into the streets and started protesting, that really was very relevant to the local authority and he was very keen for this matter to be resolved.

Q. Now, it wasn't just Mr Berezovsky who had good contacts in the Krasnoyarsk region; you accept, I think, that Mr Patarkatsishvili also enjoyed very good relations with Mr Lev Chernoi and Mr Anisimov?

A. Yes, I agree that Mr Patarkatsishvili was on good terms with Anisimov, Chernoi, and he was on very good terms with General Lebed.

- Q. I think you also accept that Mr Patarkatsishvili had visited the Krasnoyarsk region in relation to matters relating to the aluminium plants in late 1999. That's right, isn't it?
- A. Yes, that is so.
- Q. So it's in this context that, at the end of 1999, Mr Berezovsky and Mr Patarkatsishvili approached you and asked you whether you would be interested in acquiring the Krasnoyarsk, Bratsk and Achinsk assets; that's right, isn't it?
- A. No, that is not right.
- Q. Do you want to say why you disagree with what I've said?
- A. Mr Patarkatsishvili asked -- turned to me and he said, "Listen, the situation in Krasnoyarsk", as I had described, "and most likely Lev Chernoi would like to sell". We were not interested in acquiring these enterprises and in '99 I didn't want to acquire these enterprises.

It sounds something very serious, this huge Krasnoyarsk aluminium smelter, the largest in the world. It sounds great, but by that time it was nothing but a heap of metal as raw material was not being supplied, power was intermittently supplied and the workforce was in the street striking. So having looked at that situation, I said, "I'm not that keen actually". And

until the point when Bratsk was included in the deal -- Bratsk was in an ideal state -- until Bratsk was included in the deal, I was not interested.

At that time Krasnoyarsk smelter was not giving any profit; in fact the financial situation, as far as I remember, was very dire.

- Q. Mr Berezovsky's recollection is that he and Mr Patarkatsishvili approached you about whether you would be interested in acquiring these assets and I suggest to you that, in light of the evidence we've been through about Mr Berezovsky's connections with the aluminium sellers and in light of the way that we suggest Mr Berezovsky and Mr Patarkatsishvili generally operated as partners, that it is entirely probable that Mr Berezovsky was also involved. Do you disagree?
- A. I can affirm only one thing: that Mr Berezovsky did not put this question to me. Yes, Mr Patarkatsishvili did indeed come to me and said, "Look, there is a possibility to acquire these assets; what do you think about it?" I had a look, I studied it and said initially, "No, I don't want to buy them". When Bratsk was included in the deal, that sort of balanced off the problems of Krasnoyarsk assets; then I agreed to the deal, but that was later.
- Q. You agree, I think, that Mr Patarkatsishvili was the one

who in particular promoted the idea to you with considerable force. Is that right?

- A. Yes, I agree. He was very vigorous in pushing me towards these assets, yes.
- Q. Mr Berezovsky says that before you decided that you wanted to enter into a transaction to acquire these assets, you said that you would want to discuss it with Mr Shvidler. Is it right that you wanted to discuss this with Mr Shvidler before you decided that you were going to enter into this transaction to acquire these aluminium assets?
- A. Yes, that is so. I would not have acquired these assets without Mr Shvidler's position.
- Q. And why was it that Mr Shvidler in particular was someone who you needed to talk to about whether or not to acquire these assets?
- A. Well, first of all, Mr Shvidler is a close friend of mine and he is much better at finances than myself and when I need someone's support, I always seek his support in these decisions. I have never made a big acquisition, apart from real estate, I have never made a large acquisition without his advice and his opinion.
- Q. And of course by this stage you had been working together with Mr Shvidler for around 13 years; that's right, isn't it?

- A. Well, I mean, I have to count. I can't be exact about 13 years. We worked together for a long time. If we deduct the years when he was studying in the US and working in a company, perhaps Deloitte or something, perhaps if we then join together all the other bits, it will be 13 years. But I really don't remember exactly how many years.
- Q. And I think you've said, I think your evidence is that you wouldn't have done this deal but for Mr Shvidler persuading you that it was a deal you should do?
- A. No, I'm not saying that. Badri persuaded me, not Mr Shvidler. I don't think I said Mr Shvidler was the one who persuaded me.
- Q. Well, if Mr Shvidler wasn't there, even with Mr Patarkatsishvili telling you to do it, you wouldn't have done the deal?
- A. It's difficult for me to say today what might have happened 15 or whatever, 10 years ago, had Mr Shvidler not existed or not been there.
- Q. Would you at least accept that you were in fact initially reluctant to become involved in the aluminium industry but you were persuaded that it was a good deal to do by Mr Shvidler?
- A. I don't remember. The main person who was persuading me and who was the engine of this process was Badri. Badri

was very, very keen for this deal to go through.

Q. Mr Abramovich, we accept that Badri was very keen for the deal to go through. What I'm trying to understand is the role of Mr Shvidler in this because I suggest to you that Mr Shvidler's role was also important in persuading you that this is a deal that you should do. Do you agree with that?

A. Well, I can't confirm that he made a contribution in persuading me in going for this deal and investing into these assets. I cannot agree with that. At some point he was for it; at some point he -- and in fact he was negotiating mainly with Lev Chernoi. But I can't remember him -- I can't agree that he was actually talking me into it or persuading me.

Q. Now, the master agreement was -- sorry, let me take this slightly differently.

Within one or two months of Mr Patarkatsishvili and, we say, Mr Berezovsky proposing this idea to you, a contract had been concluded with Mr Lev Chernoi, the Reuben brothers, Mr Bosov and Mr Anisimov, by which the aluminium assets were bought up for several hundred million dollars; that's right, isn't it?

A. I don't agree that it was 700.

Q. No, I didn't -- that's a mistranslation. Several hundred?

- A. Are we talking about the initial deal? The price was 550 million, if I remember correctly.
- Q. That is broadly correct. Can we have a look at the agreements. There were two sets of agreements: first, Mr Abramovich, there was a short master agreement in Russian; and then there were a number of further sale and purchase agreements which were drawn up in dual-language contract form. Do you remember that?
- A. Prior to these proceedings I didn't remember this very well, but when I was preparing myself to give evidence I looked at the contracts and recalled it all.
- Q. Okay. Can we look at the master agreement first, please: it's in bundle H(A)17. The Russian version is at page 38 H(A)17/38 and the English version begins at page 33 H(A)17/33.
- Now, we can see from the top of the page that this says this was an agreement drawn up in Moscow on 10 February 2000, but you would accept, I think, that this in fact was actually drawn up a few days later, on 15 February 2000, and backdated to 10 February 2000?
- A. It is possible.
- Q. That's in fact your own evidence, Mr Abramovich.
- A. Yes, yes. I don't remember 15th or 14th, but it is possible.
- Q. And if we look at the opening words of the agreement, we

can see that there are said to be five parties to this agreement. Parties 2 to 5 are the sellers: that's Mr Chernoi, Mr Reuben, Mr Bosov and Mr Anisimov; do you see that?

A. Yes, I can see that.

Q. And party 1 is the purchaser; again, do you agree with that?

A. Yes.

Q. And party 1 is described as:

"Roman Abramovich, [Eugene] Shvidler, Badri Patarkatsishvili and companies represented by them..."

Do you see that, Mr Abramovich?

A. Yes, I can see that.

Q. And can we just -- one doesn't have this on the English version. On the Russian version at page 43 H(A)17/43 you can see the signatures for each of the parties; that's right, isn't it?

A. Yes, I can see.

Q. And under "Party 1" you have signed, Mr Shvidler has signed and Mr Patarkatsishvili has signed; correct?

A. Yes, I can see that.

Q. And then under parties 2 to 5 someone appears to have signed for each of Mr Chernoi, Mr Reuben, Mr Bosov and Mr Anisimov; correct?

- A. If I remember correctly, Lev Chernoi signed on behalf of Reuben. But I cannot insist on this; it may be not so.
- Q. So this agreement suggests that each of you and Mr Shvidler and Mr Patarkatsishvili, as well as the companies you represented, were parties to the transaction; do you accept that? That's what the agreement seems to say.
- A. In part I agree with this. If I may, later I'll explain this reservation.
- Q. We'll come to your reservations in a moment. At the moment I'm just trying to establish with you that you agree that this is what the agreement seems to suggest: that you, Mr Shvidler, and Mr Patarkatsishvili, as well as the companies you represented, were parties to the transaction. That's clear, is it not?
- A. If that's how you read this agreement, then this is what it looks like. If you don't know what happened in reality, this can be read in this way.
- Q. Let me ask you about this. You accept that Mr Patarkatsishvili was central to this transaction and that it could not have happened without his involvement? You've accepted that already this morning.
- A. I absolutely agree with that.
- Q. And you accept, I think, also that Mr Shvidler was important for you being involved in the transaction?

You discussed it with him, he was involved in the decision as to whether to proceed, and in fact you tell us that he did all the negotiations on your behalf.

That's right, is it not?

A. Yes.

Q. But your case is, is it, that neither Mr Patarkatsishvili nor Mr Shvidler were really parties to this agreement at all; that they were not even to have a 1 per cent interest in the assets being acquired? Is that right?

A. As to Mr Shvidler, he was paid a salary. As to Badri, he received commission. So they were not due to receive any percentage in shares. Percentage in shares could only be acquired by those people who were prepared to pay for them.

Q. Well, we'll come to the payment for this in a moment, Mr Abramovich. I just want to concentrate on who were the parties to it and the case as to whether Mr Shvidler and Mr Patarkatsishvili were, as you suggest, not actually parties to this contract at all, in terms of being party 1 and an acquiring party. Do you follow?

A. Well, I'm not insisting on that. They were part of party 1; they were not just people who acquired the assets. But they were part of party 1 and each played our own specific role. As a group we were party

number 1, but that doesn't mean that as a group we're all acquiring the assets.

I understand that in the eyes of the English law it's difficult to comprehend, and I sympathise; but a Russian lawyer and I myself, we understand it very well. It's difficult for me to explain it to you, but it is a normal Russian practice. On the one hand; on the other hand. One party; the other party. And the roles within a party are established and assigned outside this agreement, this contract.

Q. Mr Abramovich, would you look at clause 4 of this contract. Clause 4 says that -- sorry, it's the first page of the contract H(A)17/33. Clause 4 says that:

"Party 1 shall acquire from Parties 2 and 3 all [of] their shares and interests in [the businesses identified]."

And clause 5 then identifies certain other assets which party 1 shall acquire.

Now, you accept that party 1 was you, Mr Shvidler and Mr Patarkatsishvili, as well as the companies that they represent?

A. Yes, I agree with that.

Q. But you're saying that we shouldn't treat the contract as saying what it in fact says; is that what you're suggesting?

A. Well, this is not really even a contract; it's a note, a letter, a paper that notionally -- that describes the situation.

Q. Can you look at clause 17 of this contract, Mr Abramovich, at page 35 of the English H(A)17/35. It's probably three pages on.

"The Parties agree that the conditions of this Agreement shall be incorporated in the share purchase agreements which shall be agreed on and executed [on] 10 February 2000."

It looks like this was intended to be a legal contract from that, does it not?

MRS JUSTICE GLOSTER: Well, isn't that a matter for me?

MR RABINOWITZ: That's a matter for your Ladyship.

Why do you say that you got Mr Patarkatsishvili to sign this contract if, as you say, he wasn't really a party in the sense of being one who was acquiring the assets?

A. Well, he was a party. He wasn't the acquirer, the purchaser, but he was a party. He represented us, he perhaps represented Mr Anisimov, he organised a meeting for us all around a table. And I can explain it's a Russian tradition: all those who take part in negotiations have to sign an agreement to certify that all of them understand and interpret the document in the

same way.

Q. That's not precisely what you say in your written evidence, in your witness statement, Mr Abramovich.

Can I ask you, please, to go to paragraph 154. It's at page 81 of E1, tab 3 in the English E1/03/81 and page 160 in the Russian E1/03/160. Paragraph 154.

A. I beg your pardon, which witness statement, number 3 or number 4?

Q. Number 3. E1, tab 3. It should be on page 160.

What you suggest there, Mr Abramovich --

A. I beg your pardon, I beg your pardon, something else is being described here. I think we're probably in confusion here. I think we've got -- we're looking at the wrong paragraph.

Q. Can you find paragraph 154.

MRS JUSTICE GLOSTER: Bundle E1, tab 3.

THE WITNESS: I think we've got it.

MR RABINOWITZ: You've got it. Please do read it to yourself. (Pause)

A. I've read it and I think it's exactly what I've just been explaining.

Q. What you suggest in paragraph 154 is that the reason you wanted Mr Patarkatsishvili to sign in particular is because you wanted people to know that you were on the same team; is that right?

- A. Yes, indeed, and this is exactly what I've been explaining just now: that without Patarkatsishvili I would not have been doing that, for sure.
- Q. But, Mr Abramovich, everyone in the room at that time, every one of these sellers would have known very well that Mr Patarkatsishvili was, as you put it, your man and on the same team. He was the one, after all, who they'd approached who had introduced you to the deal. That's right, isn't it?
- A. Initially, they turned to him so that he would sort out the relationship between Mr Bykov and General Lebed because the situation in Krasnoyarsk region with these enterprises was out of control, and the catalyst for all of this was Oleg Deripaska. So the situation was such that they needed somebody from outside to negotiate because the relationship between the parties was so far gone that there was no chance of them to agree. So Badri was this kind of negotiator and when it was obvious that the parties cannot agree, he brought the deal to me.
- Q. Mr Abramovich, none of the sellers could have missed the fact that you had only come into the transaction as a result of Mr Patarkatsishvili's involvement; that's right, is it not?
- A. Yes indeed, and I am not refuting that. Without Badri,

I would not have poked my nose in there. Every three days somebody was murdered in that business. I didn't want to have anything to do with a business like that.

- Q. The point is this, Mr Abramovich: Mr Patarkatsishvili did not need to be made a party to the contract for you to impress on the other parties to the contract that he was on your team?
- A. I don't quite understand and where is the question? The contract was not signed to demonstrate something to someone; it's just a contract. Or perhaps I'm answering the wrong question?
- Q. Why do you say Mr Shvidler was made to appear as a party to this contract?
- A. Because Mr Shvidler was engaged in negotiations, he represented my side, just like Mr Patarkatsishvili in this case.
- Q. Mr Abramovich, I have to suggest to you that your explanation as to why both Mr Shvidler and Mr Patarkatsishvili signed as a party is simply untrue. Do you understand?
- A. I understand that you suggest that this is not true but it in fact is the truth. Once again I'd like to explain: to a Russian person's eyes, everything is clear here, if you look at it through Russian eyes, especially if you know the context.

Q. Just going back to the terms of the master agreement, if you look at clause 6 of the master agreement. It's page 34 of the English H(A)17/34. I just want to get you to see the price because we were talking earlier about what price was being paid here.

So do you see at clause 6 there is -- under clause 6 there is a box, a table?

A. And it shows 550 million; exactly what I said.

Q. That's correct. But we know, don't we, that as a result of a separate protocol which was supposedly signed on 14 February, the acquisition price was at some point increased to \$575 million?

A. Yes indeed, and I can explain why it happened.

Q. Well, let's look at the document and then if any explanation is necessary, we can have that.

If you go to bundle H(A)18, you'll find the Russian version at H(A)18, page 18 -- don't put that contract away yet, Mr Abramovich, keep that -- H(A)18, page 18 in the Russian H(A)18/18 and 18T in the English H(A)18/18T.

Again, Mr Abramovich, we observe, do we not, that it is again a contract where you, Mr Shvidler and Mr Patarkatsishvili and the companies represented by you are identified as party 1 to the contract? Do you see that?

A. Yes, I can see that.

Q. Then if you look at clause 3, this says:

"... the total amount payable by Party 1 for the shares specified in article 1 of the Main Agreement is increased to USD 575 million..."

And it says that the amounts which are to be paid by parties 3, 4 and 5 are unchanged.

Now, do you want to give an explanation as to why the price increased in this way?

A. Yes, I would like to explain.

Q. Please go ahead.

A. When all the documents were already prepared and we agreed and we shook hands, the following situation arose: Mr Reuben said that notwithstanding the fact, if I remember correctly, that he had an equal share in business together with Lev Chernoi, he wants to get not just half but some amount of money that he quoted. And it turned out then that Lev Chernoi, who signed, who had signed, and in fact had the right to sign the deal, would stand to get less than he would get under this agreement.

So Badri came to me and said, "Listen, it turns out -- this is shameful, this is embarrassing, we need to do something", because Lev said that he's happy to grin and bear it and he's not going to raise this matter

because he had promised, but Badri felt that we should really pay more.

And so we signed this -- another agreement whereby the cost increased by 25 million and the money was due to Lev Chernoi. Some of those who dealt with this on my side felt that there was something fishy there; others felt that Badri was trying to earn money from both sides. Nevertheless I didn't think that and we nevertheless signed this contract.

Q. You can put away H(A)18 but do go back to the master agreement, which I hope you still have open, H(A)17, page 34 H(A)17/34 and page 39 in the Russian H(A)17/39.

Again, just looking at clause 6, it's clear from the table that the purchase price was to be paid by way of instalments; that's right, isn't it?

A. Yes.

Q. And as is clear from the table, the final instalment was to be paid on 10 June 2001; again, that's clear, isn't it?

A. Yes, indeed.

Q. Now, I want to ask you about how the acquisition of these aluminium assets were funded. According to --

MRS JUSTICE GLOSTER: Right. Well, I'm going to take the break now. Ten minutes.

(11.11 am)

(A short break)

(11.27 am)

MRS JUSTICE GLOSTER: Yes.

MR RABINOWITZ: Mr Abramovich, before we do talk about the financing of the aluminium acquisition, can I go back to an answer you gave earlier today.

I was asking you this morning about whether you accepted that it was important to ensure that General Lebed supported your acquisition, or at least did not oppose your acquisition, because it would have been extremely difficult to establish and maintain control of the assets without his support, and you were finding it difficult to agree with that. Do you remember?

A. I believe that Mr Lebed's influence in that question that you raised was exaggerated, but on the whole his positive attitude would have been important. If he had been aggressive or negative or opposed to this, if he had been categorically opposed to this, it would have been very difficult to work in the region. However, the way you worded the question, some of the accents, some of the emphases were slightly shifted.

Q. Can I ask you to look at paragraph 152 of your witness statement, your third witness statement: E1, tab 3.

It's at page 81 in the English E1/03/81 and page 181/182 in the Russian E1/03/181. You may want to have a look at the last sentence and perhaps a couple of lines before that.

A. Yes, I can see this, yes.

Q. It was your own evidence I was putting to you, Mr Abramovich.

A. Yes, yes.

Q. All right.

A. If I recall correctly -- if I recall correctly -- it's not easy to understand because Magnum (sic) only shows the English text -- the question was whether or not Lebed could have opposed the acquisition. The acquisition itself had nothing to do with General Lebed but the work at the local level without Lebed would not have been possible.

Q. Let's just talk about the financing of the aluminium acquisition in February 2000.

According to Ms Panchenko, the aluminium acquisitions were initially financed by a \$100 million loan granted by MDM Bank and then from March 2000 the monies paid under the merger transaction with Mr Deripaska were used to fund the purchase price. Is that your recollection as well, Mr Abramovich?

A. I apologise, could you speak slower or maybe split it up

into smaller sentences?

Q. All right. Ms Panchenko tells us in her witness statement that the aluminium acquisitions were initially financed by a \$100 million loan granted by MDM Bank.

A. Yes, that is true.

Q. And then from March 2000 the monies paid under the merger transaction with Mr Deripaska were used to fund the purchase price.

A. Because Mrs Panchenko was in charge of finance and the cashflows then presumably she understands that well.

I mean, do you expect me to give you a comment on this?

Q. Well, I was trying to break it up and in the end hadn't got around to asking you the question.

Do you agree that that is the way it was financed?

A. If my recollection is correct, then the funding for the transaction was 100 million came from MDM Bank, part came from the oil trading companies and part was something that we got from Mr Deripaska after we reached an agreement with him. But apart from that, there was a payments schedule and therefore there was no need to have one major bullet payment.

Did I understand your question correctly?

Q. I think you did understand the question correctly. The sums paid by Mr Deripaska under the merger transaction which you concluded in the spring of 2000, and which

Ms Panchenko at least says were used to finance the original aluminium acquisitions, also came to a total of \$575 million, did they not?

A. No.

Q. Okay. Perhaps we can have a look at that briefly. Can you go to bundle H(A)19 and turn to page 22 H(A)19/22. There isn't a Russian version of this so...

A. Could I just offer one clarification and then maybe there will be no need for a follow-on question.

The initial transaction with Deripaska included only \$300 million. I believe that it would be wrong to believe that the 575 figure had been agreed upon originally and right away.

Have I answered your question?

Q. Well, I don't know. Do you accept that what you ultimately received from Mr Deripaska, the payment that you were going to receive from Mr Deripaska ultimately was \$575 million?

A. I agree with that, but this is something that was agreed upon in May.

Q. I agree with that, if I may say so.

The net result therefore, Mr Abramovich, is that other than bridging financing costs, you in fact parted with little or no money at all in acquiring these extremely valuable aluminium assets and thereafter the

subsequent interest in Rusal; that's right, isn't it? You agreed to pay \$575 million and that is what you received back from Mr Deripaska as the balancing payment in the context of the merger to make Rusal?

- A. Well, if you mean that between the first transaction and the point in time where Deripaska was able to pay up, nothing happened, then perhaps then you're right. But what do you do with the 100 million that we got from the bank? If you're talking about bridge finance, you are responsible for this.

So I beg to differ: this is not something that we got for free. At the end of the day this is a transaction that Mr Shvidler did and it was a stroke of genius; but saying that no resources have been used, have been involved there, would be a wrong characterisation of what actually happened. I would disagree with that.

- Q. Mr Abramovich, in fact you agree with it and there's nothing that you are differing about and no need to beg to differ. What I said to you was: other than bridging financing costs, in the end the money that you received from Deripaska was sufficient to pay off any amount that you had to pay under the February 2000 agreements?

- A. The problem is I don't remember exactly what the schedule of payments was. Did we receive the money

concurrently or in parallel or not? I remember that at the end of the day we made some profit.

So if you put it all aside and just answer your question whether the Deripaska transaction covered everything that we had to pay for the original assets, then the answer is: yes, it did cover that.

Q. And I think you would agree it was a pretty remarkable deal all in all, was it not?

A. Well, at the end of the day it was a very good transaction, yes.

Q. And would you accept that you could never have made any such deal but for the contacts and connection that Mr Patarkatsishvili and we say that Mr Berezovsky had both with the selling parties in February 2000 and with those with influence and power in Krasnoyarsk, including of course General Lebed?

MRS JUSTICE GLOSTER: Well, there are a number of questions tied up there, Mr Rabinowitz. Perhaps you had better just deal with it on the basis of looking at Patarkatsishvili on his own first and then add in Mr Berezovsky.

MR RABINOWITZ: Perhaps I can do it this way.

Would you agree, would you accept that you could never have made any such deal but for the contacts and connections that you were given both with the selling

parties in February 2000 and those with influence and power in Krasnoyarsk, including General Lebed?

- A. The role that Mr Patarkatsishvili played was a very serious role but the selling party did want -- it was keen to sell. So if you factor all this in, then I agree with you. The role that General Lebed played was a minor role; he did not really take part in this, even though he could have put a monkey wrench into the works theoretically, but he was interested in this. He was interested in this, yes.
- Q. In fact, as we saw in your witness statement, you accept that it was important that General Lebed did not oppose your purchase because if he did, you couldn't do the deal?
- A. It was important to make sure that he did not oppose, but he could not have opposed. But people went out on the streets: when people are striking, the local authorities have a vested interest in making sure that everything comes down, that a good, real ownership comes in and can start the whole thing running, could pay salaries, could pay the taxes and so that the unions would create problems (sic) among the people. Every governor would have agreed with this. I used to be governor myself and I know how it works.
- Q. So I suggest to you that the contacts and connections of

Mr Patarkatsishvili and Mr Berezovsky were absolutely critical to your being able to do this deal. Do you agree or not?

A. I absolutely disagree with this.

Q. Can we go back and look then at the master agreement, which I hope you still have, in bundle H(A)17. It should be page 38 of the Russian H(A)17/38 and page 33 of the English H(A)17/33.

Now, I want to go back to clause 17 of the master agreement: page 42 in the Russian H(A)17/42 and page 35 in the English version H(A)17/35. Do you see clause 17 says:

"The Parties agreed that the conditions of this Agreement shall be incorporated in the share purchase agreements which shall be agreed on and executed by 10 February 2000."

There were ten such dual-language share purchase agreements which were agreed as contemplated by this; that's right, isn't it?

A. Yes.

Q. Now, could I ask you next to go to page 46 in the bundle that you're in H(A)17/46. It's dual language so it has both Russian and English. I'm just going to look at a sample of these agreements.

You should be, I hope, looking at an agreement dated

10/02/2000 between Greasbyn Commercial and Galinton Associated Limited. Do you have that at page 46?

A. Yes, I can see that.

Q. Now, Galinton was a bearer share BVI company; that's right, isn't it?

A. I think so.

Q. And we can see from clause 1.1, if you look towards the bottom of that page, that the subject matter of the purchase contract is a block of shares in the Krasnoyarsk aluminium plant. Do you see that?

A. Yes.

Q. And these shares are being sold by Mr Anisimov's company and purchased by Galinton?

A. Yes.

Q. Can I ask you to turn to page 49 in the same bundle H(A)17/49. Can you just note clause 2.4, which says that the shares were to be transferred to the buyer by no later than 29 February 2000. I don't suppose you particularly recollect that provision, do you?

A. I believe that I did not take part in the drafting of this agreement but I agree to continue discussing.

Q. Can I ask you, please, to go to page 58 of this bundle H(A)17/58, where you will find clause 8.1. Do you see it's headed "Governing Law and Dispute Resolution"?

"This Contract shall be construed and enforced in

accordance with and governed by the laws of England without regard to the conflict of laws provisions thereof."

Do you see that?

A. It's hard for me to comment this. I mean, I can read this but I cannot comment on this. What is "conflict of laws provisions"?

Q. There are many people in court who have asked the same question. Don't worry about that for the moment. We'll come back to the relevance of that in due course.

Can I ask you next, please, to go in the same bundle to page 63 H(A)17/63, just to look at another one of these agreements. This is in very similar terms. On this occasion it's a company called Becassine, which is one of the Trans-World companies, who is entering into an agreement with Runicom Fort Limited.

Now, Runicom Fort Limited was a company incorporated in Gibraltar, was it not?

A. Yes.

Q. And if you look at clause 1.1, you see that Runicom Fort Limited was acquiring a block of shares in the Bratsk plant. Do you see that?

A. Yes.

Q. Again, just so you note this, can I ask you, please, to go to page 64 H(A)17/64 and just glance at clause 2.4,

where again one has the provision that there should be a share transfer delivered to the buyer by no later than 29 February 2000.

You may not be on the right page. Clause 2.4, right at the bottom of the page.

A. Yes.

Q. Okay. And, again, if you go to page 73 H(A)17/73, again you will see clause 8.1 saying that the contract should be governed by English law.

A. Yes, I can see that.

Q. We're not going to go through, happily, all ten of these. There were ten and you will, I think, recall that the acquiring companies under these contracts were Runicom Fort Limited, which we've seen; Galinton; a company called Palmtex Limited of Panama -- you'll remember that, I think, from yesterday: it came up in the audit committee report --

A. Yes, I recall that.

Q. -- and Dilcor? And the fourth company was a company called Dilcor; do you remember that?

A. Yes.

Q. Now, I'd like to just ask you a little bit more about the ownership of these four offshore companies, Mr Abramovich.

These four offshore companies were not in fact

subsidiaries of Sibneft, were they?

A. I don't think they were, but again I cannot assert that with certainty. I don't think they were. It would have been strange if an oil company were buying aluminium assets.

Q. So if it were not Sibneft itself, which I entirely accept, that owned these companies, again perhaps we can just consider together who it was who did own these companies.

Can I ask you, please, to go to bundle H(A)18 at page 12 H(A)18/12. Now, I'm afraid this is only in English and I wonder if the translator can then come up next to you and help you with this.

MRS JUSTICE GLOSTER: Do you want to have a chair to sit down so you can do it? It might be easier.

THE INTERPRETER: The whole thing?

MR RABINOWITZ: No, just the first two paragraphs, if we can start with those. (Pause)

So what we see here, Mr Abramovich, is that the Financial Times, quoting industry sources, understood that leading Sibneft shareholders were involved in the aluminium acquisitions. Do you see that?

A. Yes, I can see this. This is hearsay, this is rumours. The Financial Times -- the FT is publishing something based on rumours. But I'm not denying that the

shareholders of Sibneft had acquired some assets.

Q. Well, let's just see what this says. If you go further down into the article, if you look at the sixth and seventh paragraphs:

"The major shareholder in Sibneft is believed to be Roman Abramovich, the former oil trader who last year emerged as one of Russia's most powerful oligarchs..."

Then the next paragraph:

"Another of Russia's influential oligarchs, Boris Berezovsky, is also believed to be a significant shareholder in Sibneft, although the company has made strenuous efforts over the past few months to distance itself from the media tycoon."

You say, do you, that this is completely wrong and that Mr Berezovsky was not one of the Sibneft shareholders and that he was not one of the people who acquired the aluminium assets alongside of you?

THE INTERPRETER: Sorry, we've lost you in the...

MR RABINOWITZ: Oh, right.

THE INTERPRETER: I'm so sorry, my Lady, I think

Mr Abramovich lost part of the question because he was not wearing his headset and he's apologising.

THE WITNESS: My apologies, I was not wearing my headset so I did not hear the question.

MRS JUSTICE GLOSTER: Don't worry. You've read the relevant

paragraph now?

THE WITNESS: Yes, I have.

MRS JUSTICE GLOSTER: Ask the question again, Mr Rabinowitz.

MR RABINOWITZ: You say, do you, Mr Abramovich, that this is completely wrong and that Mr Berezovsky was not one of the Sibneft shareholders and that he was not one of the people who acquired the aluminium assets alongside of you?

A. This is exactly what I want to say. This is not true.

Q. Can you go to page 14, please, in the same bundle H(A)18/14. You have there the Moscow Times from 12 February 2000 and you can see that it's headed "Berezovsky & Co Buy Up 3 Smelters". I can tell you that it is clear from the article that the journalist has been talking both to a spokesman for Sibneft and a spokesman for Lev Chernoi; in other words, the journalist has been talking both to your people as buyers and to a spokesman for one of the principal sellers.

Again, perhaps I can just tell you what the relevant passages are and the translator can translate them for you. Can you look, please, at the first two paragraphs -- in fact the first three. (Pause)

A. Yes, I have understood what it says.

Q. So we have both a spokesman of Sibneft itself saying

that the acquirers of the aluminium assets were a group of shareholders in Sibneft and we also have Mr Chernoi talking about the acquisition being by Sibneft shareholders.

But you say, do you, Mr Abramovich, that it was you and you alone who acquired these assets?

- A. Yes, this is exactly what I want to say and with your permission I would like to clarify, if I may.
- Q. Okay, please do.
- A. Before this article was published -- I need to read the whole of the article -- there was a rumour on the market that Sibneft had purchased aluminium assets and analysts were breathing down our neck. So we had to hold a press conference and tell the reporters, the journalists that it wasn't Sibneft that was buying this; it was Sibneft shareholders were buying this. So this is what it's all about.
- Q. Mr Abramovich, no one is saying that it is a Sibneft shareholder who is buying it; what they are saying here is that there is a collection of Sibneft shareholders -- that is to say more than one of the Sibneft shareholders -- who are buying these shares. And your case is that it was you and you alone who was buying these shares; that's right, isn't it?
- A. Yes, your understanding is correct, it was just me

alone, and I can clarify why it says "A group of shareholders".

Q. If you can clarify that, please try and do so.

A. I have never said that I was the only shareholder.

MRS JUSTICE GLOSTER: In Sibneft or in these aluminium assets?

A. I mean in Sibneft. For a variety of reasons, mainly for reasons of security, I did not want to be the only shareholder of Sibneft and so that everyone knows that I was the only shareholder in Sibneft.

Q. But, Mr Abramovich --

A. And that's why we often spoke about management, management control, as long as we did not mention just my name.

Q. But this didn't require anyone to mention your name, Mr Abramovich. It didn't require anyone to say, "Mr Abramovich is the shareholder". They could have just said a Sibneft shareholder had acquired these shares. But what it instead says -- and this is a consistent theme throughout this -- is that a group of Sibneft shareholders, more than one Sibneft shareholder, bought these shares in the aluminium assets.

A. Yes, that's true. That's what it says, "A group of shareholders", and we have always been upholding this: a group of shareholders.

Now, so far as Berezovsky is concerned and the mention of Berezovsky, the market has always believed that Sibneft belongs to Mr Berezovsky and we have never tried to fight against those rumours inside Russia. The concept of krysha presupposed that it looked like the whole thing belonged to Berezovsky one way or another, in different shapes or forms. That was the whole point of this arrangement. He was the ice-breaker who removed all problems, resolved all problems, and that's what he was being paid for.

- Q. So, so far we have you saying that we have a contract which doesn't mean what it says when it refers to who the parties are to this contract and we have you saying that the press were deliberately misled about who were the acquirers of the aluminium assets. Is that right?
- A. No, this is not right. I'm not saying that this was being done deliberately. We used very clear, very thought-out formulations, without mentioning any names. We have never misled the press, from what I remember. But the press conferences were organised with a specific purpose in mind, not just like that.
- Q. Mr Abramovich, your press spokesman said, talking about who acquired the assets -- and this is in the Moscow Times article:

"A group of Sibneft shareholders bought controlling

stakes in the plants... It is not Sibneft itself, but some of its shareholders."

How do you say that that is not misleading the press, if what you say is true?

- A. This newspaper -- and I'm speaking from memory only -- it's all in English and to be more precise and more clear in my discussions, I would need to read this until the very end.

From what I recall, there was a press conference and it was said at the press conference that it was not Sibneft -- it was very important not to cause a collapse on the market -- that it was not Sibneft, it was a group of shareholders in Sibneft who purchased shares in some aluminium assets, and it specifically, explicitly mentioned that Mr Berezovsky is not a shareholder in Sibneft.

MRS JUSTICE GLOSTER: Mr Rabinowitz, at the time of the acquisition of the aluminium shares, the actual registered holder of the shares were a number of Mr Abramovich's companies; is that right?

MR RABINOWITZ: We'll come to look at that in due course. There was a holding structure which was put in place just before this but none of those were involved in the acquisition of the aluminium assets, if I could put it that way. None of the companies involved in holding the

Sibneft shares were involved in the aluminium assets.

MRS JUSTICE GLOSTER: Right.

MR RABINOWITZ: Now, Mr Abramovich, I can take you to another press article by a Russian journalist who was plainly also told that it was an acquisition by Sibneft, which was owned by you and your business partners. But rather than taking you through all of these articles, can I instead just take you to one at page 51 of the same bundle H(A)18/51. It is another article but it's just another source.

Now, this is an article which appeared in the American Metal Market publication on 18 February 2000, so almost immediately after you'd made the agreement. It's entitled "Russian aluminium ownership shifts". And perhaps I can just read the opening paragraph -- perhaps I can get it translated to you; I'm sure that's a more efficient way of doing it.

THE INTERPRETER: The first paragraph?

MR RABINOWITZ: The first and third paragraphs in particular. (Pause)

So the article starts off by saying that:

"Three Russian aluminium producers have been bought up in less than a week by [it says] oil giant Sibneft..."

And it talks about this looking like:

"... another power play involving two of the [country's] most powerful businessmen... [Mr Berezovsky and yourself]."

The third paragraph, which is the one I'm particularly interested in, you see there a reference to what Mr Bosov had been saying:

"Dmitry Bosov, spokesman for Lev and Mikhail Chyorny... and until recently [one of the] leading figures at Trans World Group, confirmed that [Trans-World Group] had transferred its controlling stakes in the Krasnoyarsk and Bratsk aluminium plants to Sibneft shareholders."

Okay?

Now, Mr Bosov was one of the parties to the 10 February 2000 master agreement that we've looked at; that's right, isn't it?

A. Yes, I remember that. Could I offer a comment with regard to those two paragraphs?

MRS JUSTICE GLOSTER: Yes, please do.

A. There is a mistake in the first paragraph because Sibneft was not taking part in the purchase. In the second paragraph there is a second mistake because Chernoi was not selling anything. So it's a comment of rumours that were making the rounds on the market at that time.

MR RABINOWITZ: But what it also is, Mr Abramovich, is a journalist who has been speaking to Mr Bosov, who was, as you accept, one of the parties to the agreement that you made in February 2000; yes?

A. I have major doubts that this journalist spoke with Mr Bosov, I mean the journalist who wrote this article in this newspaper. He is making reference to rumours. There is a very low probability that Mr Bosov actually spoke with the journalist who works for this highly regarded media outlet, the more so since Bosov knew who was the seller: he did not work with Mikhail Chernoi, he spoke with Lev Chernoi. Why on earth would he have been making reference to someone who was on the other side of the barricades, as it were?

Q. So you're suggesting this journalist has just made this up, are you, made up this conversation?

A. What I want to say is that the journalist did not look into all the details of this particular matter.

Q. Mr Bosov was closely involved in the negotiations which led to the sale in February 2000 and, as such, you would presumably accept that you might expect him to have a good idea of the buyers were, that's to say who he was selling to; correct?

A. Well, if I were in his shoes, I wouldn't really -- it wouldn't really matter to me who was buying. Whoever is

paying the money is the buyer; it doesn't make any difference. But if you are saying that Bosov was well aware of this, then I can agree with this. He did attend the negotiations and I even think that there is a handwritten document here and this is his handwriting, if I'm not mistaken.

Q. You say that it wouldn't matter who the buyer was. Why do you say it wouldn't matter who the buyer was?

A. What I'm saying is that if I were to put myself in the seller's shoes, I wouldn't mind who the buyer is as long as they pay up and as long as they pay the money on time. That's it.

I'm just trying to offer you a comment regarding what Mr Berezovsky was saying: that it was important to sell the assets here to a good buyer. I mean, you are not selling a kitten, whereby it's important that he gets into good hands; it's aluminium assets and you don't really care who gets the assets.

Q. Are you sure that's your evidence, that you don't really care who you are selling assets to or dealing with, in a situation where you're dealing with aluminium as opposed to kittens? That's your evidence, is it?

A. I wouldn't really care. I mean, if I had to buy -- sorry, sell oil assets or aluminium assets and then I would have nothing to do with this any longer, then

I wouldn't care. There are two parties: one sells, the other buys. You got your money and that's the end of it.

Q. Now, Mr Bosov is in fact a person who you were planning to call to give evidence in these proceedings, is he not?

A. Yes, you are right.

Q. And do you say that he's a person who is likely to tell the truth about matters that he's talking about?

A. Well, I do hope that he would have told all the truth but it's not really up to me to determine. I would have expected that and I would have counted on that.

Q. Can I ask you, please, to go to bundle H(A)96, page 226.001 in Russian H(A)96/226.001 and page 226.001T in the English H(A)96/226.001T.

Now, you I hope have in front of you, Mr Abramovich, another interview given by Mr Bosov to Vedomosti journalist Maria Rozhkova. Do you have that?

A. Yes, I've read this.

Q. And this interview was given in January 2008; do you see that?

A. Yes, I can see that.

Q. Can I ask you to go over two pages to page 226.003 in the Russian H(A)97/226.003 and 003T in the English H(A)97/226.003T. Do you see a heading halfway down

that page, "- In 2000" -- it's not a heading, it's in bold:

"- In 2000, Lev Cherny and the Rubens decided to sell their shares in alluvium factories. For how much? And why to Abramovich? Berezovsky claims that he was also among the buyers."

Do you see that?

- A. Unfortunately I did not. I did not find this particular paragraph. Could you direct me to that paragraph?
- Q. It should be in the translation.

What Mr Bosov says, in answer to the question from Rozhkova, is this:

"At some point, Lev Cherny and David said, 'We're selling up and getting out of the business.' Alfa and Renova conducted negotiations with us. But eventually the shares were sold to Abramovich and Berezovsky (signed on their behalf by Patarkatsishvili). They signed the deal as one entity. A week later, in early February, they met for the first time in Abramovich's Sibneft office and signed the primary document. It was a \$550 million transaction."

It's pretty clear from this, isn't it, Mr Abramovich, that Mr Bosov is yet a further person who appeared to think that there was more than one purchaser of the aluminium assets and that the purchasers included

Mr Abramovich and Mr Berezovsky? But you say he's wrong about this, do you?

A. What I want to say is that he's wrong about this and I would like to clarify, if I may.

MRS JUSTICE GLOSTER: You may.

A. This article discusses Bosov's vision of what had happened in 2000. Number one: it makes a reference to some internet assets that Berezovsky and Bosov were partners in, and I was not aware of this, by the way, with regard to the information that we had been partners everywhere, which is wrong.

Now, also Bosov's concept, something that he told me about, is that Badri, he owed him a commission for this and every reference to Berezovsky will mean that the -- I don't remember what the legal term is -- the term during which you can bring the action was that if he each time makes reference that he's sold it to Berezovsky, that sooner or later he will be able to bring an action based on that cause of action, even though Mr Bosov knew very well that his agreement had been with Patarkatsishvili, not with Berezovsky, so far as I know.

MR RABINOWITZ: Mr Abramovich, I just want to be sure

I understand your evidence. You're saying that Mr Bosov deliberately lied in order to create a basis for a claim

against Mr Berezovsky, are you?

- A. Mr Bosov believed, the way he explained it to me -- so his concept was, and I believed him, I trusted him, his concept was that Badri owed him some money for the original aluminium transaction and any reference to Berezovsky in the press will mean an automatic -- will automatically mean that it will cover Berezovsky as well.

MRS JUSTICE GLOSTER: Can you slow down.

Go on.

- A. Put it differently: he was trying to extend the period of limitation. Basically he tried to extend the period during which he would still be in a position to bring an action.

MR RABINOWITZ: But what you are saying is, in effect, that Mr Bosov was deliberately lying about Mr Berezovsky's involvement in order to enable him to bring an action against Mr Berezovsky. Is that your evidence?

- A. What I want to say is that there is a possibility that Mr Bosov was deliberately misleading a journalist, which does not mean that I believe that he's a liar. I did hope that he would tell the court all the truth.

MRS JUSTICE GLOSTER: Can I just be clear I understand what you're saying.

Bosov's concept was that Badri owed Bosov money for

the aluminium transaction by way of some percentage of Badri's commission or by way of some payment for the shares or what? What was the nature of the money that Badri owed Bosov?

- A. Judging from what Bosov said, Badri had owed him money for the original aluminium assets. Bosov talked Lev Chernoi into selling Bratsk and that's why this smelter transaction happened. So originally he did want to work in that company but after we rejected that possibility, he agreed with Badri that he would make some money out of this transaction. There are different rumours to the effect that it was somewhere in the region of 20 to 30 per cent but I cannot affirm that, I cannot assert that.

MRS JUSTICE GLOSTER: Right. So what was the point of Bosov telling this story to the press? Explain to me what you say Bosov told you about that.

- A. He believed that by making reference to this in the press, he extended his period of limitation.

MRS JUSTICE GLOSTER: Who extended his period of limitation? Bosov did?

- A. Yes.

MRS JUSTICE GLOSTER: Thank you.

MR RABINOWITZ: Mr Abramovich, in the answer that you just gave to my Lady, you said that Bosov's concept was --

sorry -- that Badri owed him money for the original aluminium assets. You said:

"Bosov talked Lev Chernoi into selling Bratsk and that's why the smelter transaction happened. So..."

And then you've carried on:

"... he agreed with Badri that he would make some money out of this transaction."

Why should Badri have to pay Mr Bosov if, as you say, Mr Patarkatsishvili had no interest whatsoever in the aluminium assets?

A. I already made reference to this. We agreed with Badri that I would pay him a commission and he promised part of his commission to Bosov. I don't know what portion of this was discussed, but there was definitely some discussion and some arrangement between them.

Q. You see, I suggest to you that that's completely untrue but we will come and deal with that in due course.

The reason that this payment was being made, if there was an arrangement under which Mr Bosov would be entitled to claim it from Mr Patarkatsishvili, was because Mr Patarkatsishvili was one of the people who had acquired those assets, Mr Abramovich, and Mr Bosov apparently felt that he was instrumental in bringing about that transaction. That's right, isn't it?

A. Could I ask you to split this up into two questions, if

I may.

MRS JUSTICE GLOSTER: Mr Rabinowitz --

THE WITNESS: I don't recall which question I'm expected to answer, which of the two.

MRS JUSTICE GLOSTER: -- I think it's rather a long question. Aren't you just making a comment, Mr Rabinowitz? If you've got a specific further question beyond what you've already put to the witness --

MR RABINOWITZ: I'll ask a different question.

It's right, isn't it, that Mr Bosov was suing Mr Berezovsky for commission arising out of the sale of the aluminium assets in February 2000, or at least he's planning to? Is that right?

A. To be honest with you, I'm not aware of that.

Q. Mr Abramovich, what I don't understand is this: why do you say that Mr Bosov could have thought that he could extend time for a claim against Mr Patarkatsishvili by mentioning Mr Berezovsky's name as one of the acquirers?

A. I am not sure I can answer that question. I just don't know.

Q. Can I ask you to go next to bundle H(A)39, page 38, please H(A)39/38. Again, we don't have this in Russian.

Now, this is a document, as you see, it is headed

"Declaration" and it was signed by Mr Anisimov on 25 October 2001; you can see that at the bottom. And just so you know what this is, it's a copy of Mr Anisimov's declaration made in support of an application he was making for a visa to visit the United States.

I take it you won't suggest that Mr Anisimov was likely to have put forward false information to the US immigration authorities in applying for a visa; or would you?

MRS JUSTICE GLOSTER: Well, how can he tell until he's seen what information you're taking him to?

MR RABINOWITZ: Well, as a general concept.

Is Mr Anisimov the sort of person who would lie to immigration officials?

A. Why are you asking me?

Q. Well, what's your view? Do you have a view about Mr Anisimov's honesty? Is he the sort of person who would lie to US immigration authorities or seek to mislead them?

A. I hope he's not.

Q. Good answer.

Now, if I read the first part of this declaration to you, Mr Abramovich, it can be translated for you. He says:

"I..."

Or perhaps it can just be translated for you straightaway. What I want to focus on is in particular where he lists out the assets. You see at point 4 he says:

"I state categorically that last year I have sold all of my shares in:

"Krasnoyarsk Aluminium Plant [and]

"Krasnoyarsk Power Station"

And do you see that he says that -- well, he identifies who he's sold them to:

"Sold to [the] shareholders of Sibneft in February 2000."

Now, are you saying that Mr Anisimov also didn't know who he was selling his assets to, or was he also simply trying to mislead someone as to who he sold these assets to?

- A. It's hard for me to comment. He would be better off explaining this. There are several versions, several possible theories here, and if it would assist the court, I could try and set those out.
- Q. Please do so.
- A. Well, is there a possibility that Anisimov was thinking that there were more than one shareholders in Sibneft? The answer is: yes, he could have thought so. That does

not necessarily mean that he believes that Berezovsky was a shareholder. Now, could he believe that Patarkatsishvili was a shareholder in Sibneft? Yes, he could have thought so. This would have been his speculation, his supposition. But I assure you that no one knew for sure who the shareholder in Sibneft was and I was trying to keep that information as closed as possible.

So we disclosed only what we had to disclose, we did not provide any information over and above that, and we did that for a reason -- I'm sorry, I did that for a reason.

Q. Okay. Mr Abramovich, I think -- were you in court when Mr Reuben gave his evidence last week, on Friday 28 October? I think perhaps you weren't.

A. No, no, I was not there.

Q. Mr Reuben's evidence was that he understood the purchasers of the aluminium assets to be the Sibneft people and in particular that the purchasers included Mr Patarkatsishvili and his partners, whom Mr Reuben assumed to be Mr Berezovsky and yourself.

That, my Lady, for the transcript, was on Day 15, page 17, line 114, to Day 15, page 21, line 11.

Do you say also that Mr Reuben's understanding that Mr Patarkatsishvili was one of the purchasers, and so

was Mr Berezovsky as his partner, is also wrong?

A. Could I impose on you to make it either shorter or slower, please.

Q. I'll make it slower.

Do you say that Mr Reuben's understanding, which was that Mr Patarkatsishvili was one of the purchasers and that so was Mr Berezovsky as his partner, is also wrong?

A. With respect to my understanding, I don't think I ever met with Mr Reuben; however, I cannot affirm that with certainty. Therefore his understanding is not something that I could provide any comment on.

The impression on the market was that Berezovsky owes everything: Avtovaz, Logovaz, Aeroflot, ORT, Transaero, and Sibneft and aluminium and everything; everything was owned by Berezovsky. Therefore, whether or not Reuben could have formed the impression in his own mind that Berezovsky was the numero uno; yes, he could. But, if I understand correctly, he never asked for any confirmation of that or any clarifications with that regard.

Q. Okay. Can I ask you, please, to go to bundle H(A)92 at page 46.001 H(A)92/46.001. Again, let me tell you what we are looking at. These are the typed-up notes made by James Lankshear, an English solicitor, of a meeting that he attended with Mr Patarkatsishvili

which took place on 8 December 2005.

What I am particularly interested in showing you, Mr Abramovich, is -- if I can identify them for the translator, she can read this to you -- under the heading "Meeting", if you read those two paragraphs, please. (Pause)

So, Mr Abramovich, what Mr Patarkatsishvili is recorded as saying in December 2005 is that the aluminium assets were acquired by the "core shareholders of Sibneft". Do you see that?

A. I'd rather say that I can hear: it was translated to me.

Q. I'm sorry, you hear that. That's very precise.

We can also see that Mr Patarkatsishvili has explained to the English solicitors what he meant by that phrase: that the "core shareholders of Sibneft" who acquired these assets, the aluminium assets, in February 2000 was a reference to himself, yourself and Mr Berezovsky. That's what he's recorded as telling the solicitor. Do you see that?

MRS JUSTICE GLOSTER: Well, what's the question?

MR RABINOWITZ: I just want to make sure he's got...

I haven't asked the question yet; I just want to make sure you've got that.

Do you say that Mr Patarkatsishvili was lying about this to his solicitors, Mr Abramovich?

A. I do not want to say that Badri was lying to his solicitors. He was setting out the situation as it was set out in the documents. The payment to Badri for his services was made by us through shares and that was the only way to be able to explain that.

On the other hand, it would have been very difficult to try and contradict what has already been recorded on paper, in documents; the more so since the payment for krysha -- I mean, it's very difficult to -- at that time it was very difficult to explain to an English solicitor what the concept of krysha was, or rather it would have been very difficult to explain what that concept means to an English lawyer.

Have I answered your question? I -- it looks to me like you did not understand my answer.

Q. It doesn't matter what I think about it.

MRS JUSTICE GLOSTER: Well, I understand your answer.

MR RABINOWITZ: In effect what Mr Patarkatsishvili was saying to the solicitors was that he and Mr Berezovsky were core shareholders in Sibneft. Are you saying that he was misleading them about that or not?

A. There is nothing I can say on this. I remember that Dr Nosova, I think, said that she had the impression that that was the case, that there are certain things that he withheld. But I cannot assert that, I cannot

affirm this with certainty, because I did not attend the meeting.

MRS JUSTICE GLOSTER: Mr Rabinowitz, I think there's a limit to the utility of cross-examination on somebody else's notes.

MR RABINOWITZ: If my Lady is not assisted by that --

MRS JUSTICE GLOSTER: No, well, you've made the point, you've put the question.

MR RABINOWITZ: You've got the point. That was the last of these looks at what other people involved in the transaction thought.

Mr Abramovich, your case, as I understand it -- but tell me if I'm wrong -- is that very shortly after the acquisition of the aluminium assets you started to discuss with Mr Deripaska the possibility of merging your aluminium assets with his. Is that correct?

A. Yes.

Q. And you also say that following a chance meeting in the White House in Moscow, that it took yourself and Mr Deripaska just one day in early March 2000 to agree the terms of the merger. Is that correct?

A. Well, that is my recollection, yes.

Q. And is it your case that on this occasion -- Mr Shvidler puts this around 4 or 5 March 2000 -- you and Mr Shvidler met with Mr Deripaska and Mr Bulygin first

at the Baltschug Kempinski Hotel in Moscow and then at your house in Sareevo Village near Moscow?

A. Yes.

Q. And do you recall that meeting?

A. In general, yes, I do recall that.

Q. Well, how clear do you say your memory is of this, Mr Abramovich?

A. Well, it depends on the extent of detail. I remember what we were talking about but I don't think that I would be able to go into the details. Remember, I told you that I'm not a person of detail. I'm more of a person of detail than Mr Berezovsky, but I'm not much of a person of detail in the grander scheme of things.

Q. And do you say that you reached agreement with Mr Deripaska on all the key terms of your merger at this meeting?

A. No.

Q. Can you look at paragraph 164 of your third witness statement. It's E1, tab 3, page 84 E1/03/84 and in the Russian at page 185 E1/03/185. You see, Mr Abramovich, it's your own evidence. You say here:

"Having reached an agreement with Mr Deripaska on all key terms of our merger..."

Why did you deny, when I asked whether you reached agreement with Mr Deripaska on all key terms, why did

you deny that that is what had happened at that meeting?

- A. I wanted to continue but then I was cut off, the microphone was cut off, and so I did not have an opportunity to develop my thought.

We had not agreed on all the details. We did agree, but not on all the details. And if I have leave of the court, I can explain what we agreed upon and what we agreed upon later.

- Q. We'll get to what you did and didn't agree upon in due course. I'm trying to understand why, when I suggested to you that you'd agreed on all key terms, you were not prepared to accept that. Let's move on.

Now, given the significance of the merger transaction, Mr Deripaska was anxious to get the key terms memorialised straightaway; do you agree with that?

I can tell you, if this assists, that this is Mr Bulygin's evidence. I take it you wouldn't disagree with what Mr Bulygin says about this?

- A. Well, I do hope that Mr Bulygin will give evidence and so he can tell you about this himself. But I think that the main parameters were agreed upon, the main, the principal parameters. The question is what "principal" means.

Am I expected to answer your first question because I think you asked me two questions and I'm not exactly

sure which of the two we are now discussing.

Q. Well, let me repeat what I think you call the first question.

Given the significance of the merger transaction, Mr Deripaska was anxious to get those key terms memorialised straightaway; do you agree?

A. Well, we need to agree on the terminology. What is "this transaction"? If "this transaction" is understood to mean all the Siberian assets, then yes. We -- there were problematic assets and we had to describe those problematic assets in order for us to be able to immediately start our work.

Q. According to Mr Bulygin, he had a laptop with him and once you had all returned to your home, you all went back over all the terms of the agreement again and, as you did so, he memorialised your agreement as a preliminary agreement on his laptop in Russian.

Do you agree with that?

A. I'm sorry. When you said "returned to your home", when was that? I think that part of it he typed up on his computer when we were at Kempinski, but I'm not sure that I can affirm that.

Q. But you wouldn't disagree with his evidence, if that is his evidence; is that right?

A. I will not disagree, but I don't think that I can

comment on this.

Q. Mr Bulygin also says that after memorialising your agreement on his laptop, it was then printed out and executed then and there. Again, can we take it that you don't dispute that, Mr Abramovich?

A. The fact that it was printed off and executed, I would not disagree with that, I'm not disputing that, no.

Q. Now, the impression that Mr Bulygin gives is that this making of the preliminary agreement was an exercise carried out by him with some care to ensure that it was an accurate record of what was agreed, given Mr Deripaska's view about the significance of the agreement.

Can I perhaps just show you what he says about this and then give you an opportunity to comment. We'll find Mr Bulygin's evidence at E4, tab 1 -- again it's only in English -- paragraph 5. I wonder if I can get the translator to read paragraph -- sorry, paragraph 11 on page 5 E4/01/5. It's paragraph 11 on page 5, please.

(Pause)

A. Yes, I have been translated the relevant section.

Q. Mr Bulygin is someone who you are calling as your witness, Mr Abramovich. Can we take it that you do not dispute the evidence that I've just shown you that he gives or will give?

- A. I do call him as a witness. Now, this evidence is his evidence. I'm not disputing this, but I tend to agree somewhat more with my own witness statement. He really is a very honest person. Unfortunately he's very frail and he may not be able to make it to London, but I do hope that he will come and he will give evidence.
- Q. How does your recollection of what happened in March 2000 differ from Mr Bulygin's recollection of what happened in March 2000 as we see recorded here?
- A. If I understood the translation correctly, what he's saying is that he was typing on his computer and then he had that text printed off. I believe that he had printed it off in my house.
- Q. I'm not sure he's saying anything different to that. I think he's saying he typed it at your house, printed it off at your house and it was signed then and there.
- A. Yes, but I -- again, it's very difficult to recall the oral translation, but I think it also says that we parted at some point in time, we went each our own way.
- Q. He doesn't say that. I think where perhaps the misunderstanding comes is he explains that you left the hotel and you went to your house, but I don't think he is saying you went your own way.

But subject to that point, you wouldn't disagree with what he says?

- A. I'm not disputing this. Unless we go into all the details, I'm not disputing this.
- Q. Mr Bulygin also says that the preliminary agreement was signed by "both principals", by which I take him to mean yourself and Mr Deripaska, and that it was witnessed by him. Do you recall that?
- A. I think Mr Shvidler signed the contract or, sorry, the agreement from my side.
- Q. Why would Mr Shvidler sign as principal, Mr Abramovich, if, as you say, you and you alone were the only shareholder, the only person with an interest in these assets?
- A. Mr Shvidler was in charge of this transaction, he was negotiating this transaction, and so I played a very passive role there. My task was to make sure that the transaction did happen and that was about it.
- Mr Shvidler usually is a very tough negotiator, Mr Deripaska is also a rather tough person so far as negotiations are concerned, and I did not want to see this transaction unravel before it was signed, even though sometimes we were on the verge of seeing it collapse.
- Q. Can we look at this agreement that you made then. It's at H(A)16, page 47 H(A)16/47, English version at 47T H(A)16/47T.

Now, one sees, Mr Abramovich, that the first part of the preliminary agreement says:

"Mr RA Abramovich, hereinafter referred to as 'Party 1', and Mr OV Deripaska, hereinafter referred to as 'Party 2' (together, the 'Parties'), have concluded this Preliminary Agreement on the following..."

Then there are a series of clauses set out.

Can I ask you, please, to look, if you would, at clause 4.1 at page 48 H(A)16/48, 48T in the translation H(A)16/48T. So:

"Parties 1 and 2 warrant that, together with their partners, (not including TWG or any companies and or individuals related thereto or affiliated therewith)" --

THE INTERPRETER: I'm so sorry, my Lady, could I ask to be provided with the Russian text because otherwise I may be distorting the actual Russian original.

MRS JUSTICE GLOSTER: Yes, he should be provided with the Russian text.

MR RABINOWITZ: Mr Abramovich actually has the Russian text in front of him.

MRS JUSTICE GLOSTER: Right. Could he be taken to the page, please?

MR RABINOWITZ: Clause 4.1.

You've read 4.1, Mr Abramovich?

MRS JUSTICE GLOSTER: Are you there now, Mr --

MR SUMPTION: I think it's the translator who is asking for it.

MR RABINOWITZ: Do you have the Russian text, translator, at page 48?

THE INTERPRETER: Mr Rabinowitz, what I have is only what you have on Magnum. I do not have any hard copies.

MRS JUSTICE GLOSTER: Right. Could he be provided, please, with the Russian version of the agreement.

MR SUMPTION: We are doing that.

MRS JUSTICE GLOSTER: Thank you very much.

It's page 48 in tab 16; is that right?

MR RABINOWITZ: Correct. Bundle 16, page 48.

THE INTERPRETER: I'm sorry, I cannot find it.

MRS JUSTICE GLOSTER: Could somebody please help him find the correct page.

MR RABINOWITZ: It comes before the translation, so if you've got to 47T, you've gone too far. It's the fourth page of the bundle, I think is the start of the --

MRS JUSTICE GLOSTER: Fourth page of the bundle, I think.

MR RABINOWITZ: All right. Mr Abramovich has the document in front of him in Russian.

MRS JUSTICE GLOSTER: Right, the translator has it now.

MR RABINOWITZ: So clause 4.1 contains a warranty by each of you and Mr Deripaska that, together with your partners -- each of you, together with your partners,

own the assets -- do you see that? -- which are the subject matter of this contract.

So can you tell me this: who did you understand to be Mr Deripaska's partners who he was warranting owned the assets together with himself?

A. First, if I may, I'd like to give you some background on the creation of this document and the extent to which I was involved in this and then I would like to provide a comment, if I may.

Q. I would prefer you to answer the question first and then make comments about it afterwards, if that's okay.

Could you tell us: who, together with Mr Deripaska, do you say was giving you a warranty as to the ownership of the assets which were the subject matter of this contract?

A. This contract was written precisely to make sure that we did not need other people's warranties and if you look at the substance of it, I think he was contributing 36 per cent of the Nikolaevsky Alumina Plant and Mr Yaroslavsky I think was Deripaska's partner there.

Now, I think I've answered your question. Could I provide a comment with regard to the background --

MRS JUSTICE GLOSTER: Yes, provide a comment.

A. -- behind this document?

MRS JUSTICE GLOSTER: Yes, provide a comment.

A. We spent time negotiating this document between 5.00 pm and I think 5.00 in the morning. After that, we moved, we moved to my place, to my house in the village of Sareevo. Before that, there was a full work day. By the time we executed the contract, I was not able to understand what was really going on; I was really a vegetable, I could have signed off on anything at that time.

But Mr Deripaska was very insistent, he was very keen to finalise this, and so there was no way we could have given this to the lawyers for their review. He was very keen to finalise this. For some reason, Mr Deripaska did not trust us at the early stage.

So that's the way it happened. Once again, I must say that I did not read this document but I'm more than happy to answer questions.

MR RABINOWITZ: Presumably Mr Shvidler, who was there, did read this document?

A. Mr Shvidler definitely read this document and so he can provide more clarity on his comments. I can only speculate and I can set out my own understanding, whereas he will be able to tell you exactly how it happened.

Q. Just let's be clear about this, Mr Abramovich. You are saying that Mr Shvidler, who would have read carefully

this contract and signed it, signed this contract which plainly suggests that you had partners in this transaction, as did Mr Deripaska.

Are you saying that the contract is wrong to suggest that you have partners? Is that your evidence?

- A. No, this is not what I want to say. What I want to say is I did not read this document so it's very difficult for me to comment on this because I would only be speculating. I can speculate if need be, but I cannot give you a firm answer even though I do have some knowledge about this.

Now, if I have to answer your question as to whether I did see Mr Shvidler reading this: yes, I did.

- Q. Right. So what I want to ask you is whether it is your evidence that the contract is wrong to suggest that you had partners. It's not asking you to speculate. You can either say, "It is wrong", or, "It isn't wrong, because I had partners".

- A. I did not have partners. That's not the point.

The point is what -- the assets are being listed here. I cannot answer your question which you are now asking me. I did not have questions -- I'm sorry, I did not have partners. But the assets which are listed here do not belong to me; they're for the -- they're people for whom I was responsible. I was responsible for

making sure that they contribute this and in the eyes of Deripaska I was responsible for this and in his eyes therefore those people were my partners. Does that explain the position?

Mr Deripaska was against TWG taking part on this; all the rest was not of interest to him. He was not interested in anything apart from that.

MRS JUSTICE GLOSTER: Will you choose your moment?

MR RABINOWITZ: My Lady, now is as good as any. We will come back to this.

MRS JUSTICE GLOSTER: Very well. I'll sit again at 2.05.

(1.00 pm)

(The short adjournment)

(2.05 pm)

MRS JUSTICE GLOSTER: Mr Rabinowitz, I've caused the heating to be turned down, so if it gets chilly, that's why.

MR RABINOWITZ: Mr Abramovich, just before we took the break and at [draft] page 76 of the transcript, you said in answer to a question, and these were your words:

"But the assets which are listed here do not belong to me; they're for the -- they're people for whom I was responsible. I was responsible for making sure that they contribute this and in the eyes of Deripaska I was responsible for this and in his eyes therefore these people were my partners."

To whom were you referring, Mr Abramovich?

- A. I already mentioned that it's difficult for me to comment because I hadn't read it. I'm trying to explain to you Deripaska's view today as to what happened then. So my opinion, I'm just trying to explain, but I will continue to try and explain.

So here there is -- NkAZ is featured, Novokuznetsk Aluminium Smelter. At that time we hadn't acquired it yet. Further on, later, we acquired it together. And we had some documents with Mr Zhivilo, to whom this plant belonged, but the deal hadn't happened yet, but it was our responsibility to add this plant to this deal.

Also it talks about Achinsk Alumina Plant. In the way it's described here, 49 per cent of shares, it could not have worked because the second part of this alumina plant plus the -- it was under bankruptcy procedures as I've already said. The rest belonged to Mr Fridman and Mr Fridman controlled the liquidator and the tender manager. Without Mr Fridman, this enterprise could not have operated and Krasnoyarsk could not have operated. But this is my guess. At that time I had not read this document.

Once again I'm saying that the most important thing for Deripaska was for TWG not to feature there and if I remember correctly the documents that were signed

between us and Mr Chernoi, the documents had a line which said: in case, in the event of, or there was a reference that they could change certain provisions or rejoin the deal if we don't pay out by a certain time. I'm not convinced, but this is the kind of impression I have.

And, if I may, I'll add: Mr Fridman --

MRS JUSTICE GLOSTER: No, just -- I think that's enough, Mr Abramovich. Okay?

MR RABINOWITZ: Mr Abramovich, that's the first time that you have anywhere made any suggestion of that sort of arrangement being in the background to this contract, isn't it?

A. This is the first time that I'm giving evidence on this point. I'm just giving you my vision today as to what was happening then. At that time I didn't read the contract -- I didn't read the contract and I didn't think about it.

Q. I suggest to you, Mr Abramovich, that the answer is very much more straightforward in terms of who your partners were: they were in fact Mr Berezovsky and Mr Patarkatsishvili, were they not?

A. It's not so.

Q. Perhaps I can ask you to go to bundle E6, tab 1, where we have the Le Bourget transcript, to see if that

assists on this question. I will give you box number references because I know you want to follow in more than one bundle: you want to be in E7 as well.

Can you go, please, to box 497 on page 172 of bundle E6 E6/01/172.

MR SUMPTION: The witness should have E7, I presume.

MR RABINOWITZ: He has E7.

Now, Mr Abramovich, we can see at box 497 the beginning of a short exchange between yourself and Mr Berezovsky about registering shares in the aluminium assets into Mr Berezovsky's name and we know that that's what this was about because you, in your commentary to box 497, say that that is what Mr Berezovsky was talking about. Do you see that?

A. Yes.

Q. And then, if we just follow the conversation, Mr Berezovsky says, because there has been a discussion about Sibneft:

"The same will have to be done with Aluminium."

That is to say, register the shares in his name.

You say:

"What do you mean by 'the same'?"

Mr Berezovsky says:

"With Aluminium, need (to do the same)."

And you say:

"You cannot do anything with Aluminium, that's for sure."

Mr Berezovsky says:

"Why not?"

And you say:

"We only hold 50 per cent there, so the other party has to agree."

Just pausing there, Mr Abramovich, the reference to "Aluminium" here is, of course, a reference to Rusal, is it not?

A. I have to answer "yes" or "no" or can I comment?

Q. If you could for the moment just answer "yes" or "no", please.

A. This is a reference to Rusal. May I comment now?

Q. I'd rather just sort of get to the main part of the question. At the moment I'm just trying to --

MRS JUSTICE GLOSTER: You'll have an opportunity in a moment to comment, Mr Abramovich.

MR RABINOWITZ: So the reference to "Aluminium" is to Rusal and the reference to "the other party" that you mention when you say, "We only hold 50 per cent there, so the other party has to agree", that is a reference, is it, to Mr Deripaska?

A. Yes, the reference to "the other party" is a reference to Mr Deripaska.

Q. And then if we just follow the conversation through,
Mr Berezovsky seems to say:

"So what?"

You then say:

"And they will demand the same, will demand the same. Tax affairs haven't been regulated yet for Aluminium, so there is no point in applying this [scheme] there. It would significantly reduce income. Besides, you will have to wait in line to receive dividends."

Mr Berezovsky says:

"Fine, what I'm saying is... in any case, the time will come, finally..."

And you say:

"... with Aluminium it is very simple. If we go legal, they would have to do the same. They can't have one half legalised, and the other half -- not."

Again, just pausing there, in your commentary to box 506 you point out that you were explaining here that:

"... [a] problem with this scheme would be that all those providing protection... to Mr Deripaska would also insist on becoming shareholders..."

That's what your commentary says, does it not?

THE INTERPRETER: I'm ready.

A. It's difficult for me to comment. Which question is it that I need to answer? Or maybe there hasn't been an answer yet -- a question yet.

MR RABINOWITZ: We're just going through the course of the conversation and I want to make sure that when I say that this is what the conversation was, I'm not putting it to you incorrectly, and then we'll come to some questions.

Now, the conversation then continues. Mr Berezovsky says:

"I agree, so..."

And you then say:

"(Then they) will all appear: Bykov, Misha, Anton, and Aksyon, and Oleg Deripaska and his... companies, nobody would even talk..."

And then it's not clear whether it's "to them", "to it", "to us":

"... about it. You don't agree with this, do you?"

[That] is what it says there.

And then we see that Mr Berezovsky has tried to identify the names that are referred to here and you've agreed with him. And what you've agreed -- is this right -- Mr Bykov is a reference to Mr Anatoly Bykov; that's correct, isn't it?

A. What is the question? I didn't have the opportunity to

answer the previous question, so I've sort of lost you. I've lost you. I wanted to comment but I felt that the mic was switched off.

Q. You will get plenty of chance to comment. At the moment we are just trying to confirm who these people are that are being referred to.

"Bykov" is a reference to Mr Anatoly Bykov; correct or not correct?

A. Yes, "Bykov" is Anatoly Bykov, yes.

Q. And "Misha" is a reference to Mr Michael Chernoi; is that correct?

A. Yes, "Misha" is Mikhail Chernoi.

Q. "Anton" is a reference to -- is that Anton Malevsky?

A. I can't confirm because at that time I didn't know his surname. But once these proceedings started, I read the press, the papers, and everybody thinks that's the person and so I have to agree. But I've never met him before, so I didn't know his surname.

And the fourth protagonist is unknown to me; I've only ever heard his nickname.

Q. That's right.

Can we agree at least about this: namely that at the time of your preliminary agreement in March 2000 you would have been aware that Mr Deripaska had an association of some kind with these individuals?

A. What is the question I need to answer? Just the last question or should I comment everything?

Q. No, just --

MRS JUSTICE GLOSTER: No, just answer the last question, please.

A. I had a feeling that Mr Deripaska had to pay out to various people but I didn't know for sure to whom.

MR RABINOWITZ: Mr Abramovich, that wasn't in fact the question. The question was: at the time of your preliminary agreement in March 2000 you would have been aware that Mr Deripaska had an association of some kind with these individuals; is that correct?

A. Association? I had a suspicion that not everything was smooth and clear in the aluminium industry but I can't say that I was convinced that he had association with these people. I had a feeling that he was forced to pay to someone, given the events that were taking place in the aluminium industry. It was impossible to operate in the aluminium industry without krysha, without physical protection, very real physical protection.

Q. By the time you got to December 2000 it is clear, I suggest, from this transcript that you were very clear Mr Deripaska had an association with these people. That's right, isn't it?

A. I just gave here my assumptions.

- Q. You're suggesting, are you, that these names were just assumptions rather than matters within your own knowledge?
- A. Apart from Mr Chernoi, I've never met any one of them. I don't know who they are. I've just heard that these are some kind of people who were in the trade unions who were keeping peace in the streets, but I've never met with them and I can't even tell you whether Mr Deripaska had relationships with them or not. This was my assumption.
- Q. Mr Abramovich, the course of this conversation has Mr Berezovsky saying that he wants the Rusal assets to appear in his name. Your response to this is to say, "Well, we're only 50 per cent of this. If we do this, the other side, Mr Deripaska, will want to do this and that will mean that these people also will want to appear to be shown as shareholders".

This is more than you making assumptions about their existence. This is you --

MRS JUSTICE GLOSTER: Too many questions, Mr Rabinowitz.

Mr Abramovich, you've heard what Mr Rabinowitz has just put to you. Comment now, please, if you would like to. Do you agree that this is Mr Berezovsky saying he wants to have the Rusal assets to appear in his name and you saying in reply, "We can't do that because we're

only 50 per cent of this and the other side, Mr Deripaska, will want to have his colleagues as shareholders as well"?

A. I don't agree with this statement. May I comment?

MRS JUSTICE GLOSTER: Yes, you may comment now.

A. The conversation transcribed there, the discussion in Le Bourget, was devoted to legalising income, payments. Mr Berezovsky found himself abroad, he didn't have money to live on. Prior to that, 300 million or 305 million were paid, but the most important problem was that he could not have this cash transferred to the bank so he could spend it.

The whole conversation, this whole conversation deals with legalising income. Income had to be transferred. We kept discussing what should be done for Mr Berezovsky to receive the cash. As to this reference to 50 per cent and why we couldn't do it through Russian Aluminium, through Rusal, is that I could not bring my part of the income to the head company, to the holding company; I needed Oleg Deripaska's agreement to that. That's number one. And then the reference to Chernoi, to Bykov, to Anton, to Aksyon, yes, there is a reference to them.

The problem with legalising income was the problem plaguing many people. If we started to pay money

through Rusal to people like that, if we would transfer income to the holding company or to the lead company and start legalising this income, I thought that most probably those other people would also want to have their income paid to them legally. Then Rusal would turn into nothing, it would have no future. But again, at that point that was my assumption.

If I may, if I may --

MRS JUSTICE GLOSTER: No, no, thank you.

Yes, Mr Rabinowitz, put your next question please.

MR RABINOWITZ: You see, Mr Abramovich, what I would suggest to you is in fact a fairly straightforward explanation both for the clause in the preliminary agreement and this exchange that you had with Mr Berezovsky at Le Bourget and it is this: both you and Mr Deripaska warranted to each other that you had partners when you signed the preliminary agreement. That is what clause 4.1 says. Okay?

A. I already commented clause 4. I don't remember it very well, but prior to the break I commented on it. For Mr Deripaska, the most important thing was not to have TWG representatives in this new company. He wasn't all that bothered about everything else, as far as I understood.

Q. Mr Deripaska's partners -- and I don't know what it was

they were doing for him -- were the ones that we see you describing here, in the Le Bourget meeting, to

Mr Berezovsky: Mr Bykov, Mr Chernoi and Mr Malevsky.

I think you've commented on that already.

- A. I never asserted and I continue to maintain that I can only guess. I never thought that they were his partners. I guessed that he might have some payment obligations vis-a-vis these people.

As for preliminary agreement, it only indicates Nikolaevsky Alumina Plant, which is in the territory of Ukraine. It's difficult for me to understand how these people could have any influence in the territory of the Ukraine. This is a neighbouring state, it's a sovereign state, it's another part of our former country.

MRS JUSTICE GLOSTER: Thank you.

Next question, Mr Rabinowitz, please.

MR RABINOWITZ: And while they were Mr Deripaska's partners, your partners were the people you were talking to at Le Bourget, namely Mr Berezovsky and Mr Patarkatsishvili; that's correct, isn't it?

- A. It's not correct.
- Q. And if we go back to the Le Bourget transcript and we look at box 502 E6/01/173, it is because you're talking to your partners that when Mr Berezovsky raises the point about putting these shares into his name, you

say:

"We only hold 50 per cent there, so the other party has to agree."

You used the word "we" because you were talking to your partners. Mr Berezovsky, Mr Patarkatsishvili and you together hold that 50 per cent, and that is what you are saying.

- A. No, I'm sorry, I am saying -- whenever I talk about companies, I always mean those people who talk with me and myself. I don't mean Mr Berezovsky and, as you insist, Mr Patarkatsishvili. I always say "we", I always say "we", mainly I say "we"; I very seldom use "I". I always mean myself and people who work with me.
- Q. Well, is that right? There are a number of other places in this transcript where you use the word "I" when you mean "I". If you look at boxes 509 and 510 E6/01/175, you're talking about you having a different view and you use the word "I" there, do you not?
- A. I commented this in as much detail I could. This was rather a long time ago and there are many breaks in the tape, I can't hear very well; I can't give you a deeper explanation than the comments I've already given.

But once again I would like to reiterate: I mainly use the word "we". Of course I use the word "I" as well, but mainly I tend to say "we".

Q. It is not just you who is using the word "we" when you talk about the Rusal shares; that is what Mr Patarkatsishvili says as well.

If you look, for example, at boxes 526 to 532 E6/01/179, I think the conversation here switched to Sibneft but Mr Patarkatsishvili, who of course we've seen considered himself your partner, is talking here about "we" in respect of this company, suggesting that he, with you, was an owner of this company. That's right, isn't it?

A. May I read these boxes --

MRS JUSTICE GLOSTER: Yes, please do.

A. -- because we are just snatching bits out of the context.

MRS JUSTICE GLOSTER: What box, Mr Rabinowitz, would you like to start at?

MR RABINOWITZ: I would like the witness to read from 526 to 532, please, just to focus on Mr Patarkatsishvili, when he's referring to Sibneft, talking about "we".

MR SUMPTION: My Lady, may I suggest he should start at 524, which is where this passage begins.

MRS JUSTICE GLOSTER: Yes, very well.

Mr Abramovich, start at box 524, please. (Pause)

A. Here Mr Patarkatsishvili, as far as I understand, means Sibneft company and trading companies; that's why it's

"we", "you", et cetera. And there are comments which I'm giving on the right-hand side; I can't comment any further. And if you start reading earlier on, you see once again that we're dealing with legalising money flows. The very -- the problem that we were dealing with was how to transfer money abroad and this is what the whole discussion is about.

Q. Now, I will come back to that in the context of Sibneft when we get to Le Bourget later on. But can we for the moment just go back to the preliminary agreement, please: H --

MRS JUSTICE GLOSTER: Can we put away this bundle?

MR RABINOWITZ: You can.

Can you go back to bundle H(A)16, page 49 in the Russian H(A)16/49 and 49T in English H(A)16/49T.

Can you look, please, at clause 14 of this agreement. Do you see that it says:

"The Parties agree that the Agreement shall be governed by English law."

Yes?

A. Yes, I can see that.

Q. And do you say that choice of law clauses such as this were something that you were not interested in and that you usually left it to your lawyers?

A. Yes, I say that.

- Q. And on the basis that we don't count you as a lawyer, Mr Abramovich -- and I think that's the basis upon which you say we should proceed -- it's right that there were no lawyers present at this meeting at the Kempinski Hotel and at your house at Sareevo Village; that's correct, isn't it?
- A. You're right. I agree.
- Q. That was a meeting just between yourself, Mr Shvidler, Mr Bulygin and Mr Deripaska?
- A. Yes, and Mr Bulygin used this document or used a draft.
- Q. Let me ask you this: it's clear that in the context of this meeting this provision couldn't have been something that was left to the lawyers since they were not involved in drawing up this preliminary agreement.
- A. That's not so. This reference or this provision that we're discussing now does not refer to the agreement we signed but to the future agreement. If I remember correctly, it was signed much later: I think on 15 March perhaps.
- Q. Whether or not that is so, Mr Abramovich, whoever inserted clause 14 into this contract was someone at the meeting at the Kempinski Hotel and your house who was not a lawyer; it was one of the four of you. That's correct, isn't it?
- A. Yes, that is so: it was Mr Bulygin. That's what I'm

trying to explain: he must have been using some kind of form, a draft contract. A person who is not a lawyer could not have drafted this. I don't understand half of it. If you read it in Russian, you realise that you need to have legal training to understand what is meant. So I think that he got some kind of preliminary draft or a form of words from the computer and just added our agreements to a standard form of words.

- Q. So it's your suggestion, is it, that although all of these key terms in the contract were discussed and Mr Bulygin then put them on the computer, this particular provision was one that wasn't raised for any discussion at all?
- A. I didn't hear any discussion of this item and it was absolutely irrelevant to me which law would apply. I never took part in choosing applicable law. I don't really feel the difference between English law or any other law; it's all the same to me.
- Q. Mr Abramovich, I wish that were so. But, Mr Abramovich, we're dealing here with a contract which is made in an arrangement between exclusively Russian businessmen; do you agree with that?
- A. No, I don't.
- Q. You say that the parties to this contract were not all Russian businessmen?

- A. I've already explained that this was a preliminary agreement, yes, indeed, between Russian businessmen. However, the agreement would have been signed between companies, as far as I understand it, and the companies could indeed use English law. On the other hand, it would have been bizarre if a company which is registered in BVI would be applying Russian law.
- Q. So you have -- certainly the people discussing this are Russian businessmen and you say that the agreement was made in Russia; yes?
- A. Preliminary agreement was executed in Russia.
- Q. Mr Abramovich, a preliminary agreement is still an agreement. Do you understand that?
- A. Well, of course, it's compulsory.
- Q. Yes. So an agreement between Russian businessmen which was made in Russia, and do you agree that it involved assets which were all in Russia?
- A. Yes, I agree; but, as already discussed, they were registered in BVI and in Gibraltar, or somewhere else perhaps. Anyway, they were -- they had not been registered in Russia. Yes, they were physically located in Russia; whereas they were registered outside Russia. I agree with that.
- Q. But you are suggesting that, despite all of these connections to Russia, Mr Bulygin would just have

inserted a provision saying the whole arrangement has to be governed by English law without even raising it for discussion; is that your evidence?

A. It seems to me that there was no discussion, I can't give you 100 per cent guarantee but I personally did not hear this conversation and honestly it is all the same to me which law would have applied. I cannot distinguish them. All the same to me.

Q. Would you accept that it is at least very likely that this question of what law should govern the arrangement was one that was raised for discussion, whether or not you say you heard the discussion?

A. In my view it is not very likely. There were no experts there that could have discussed it. I doubt very much that Mr Shvidler understands legal matters deeply, or that Mr Bulygin or Deripaska either. I think it's the job of the lawyers to choose applicable law.

Q. Yes, but there were no lawyers there, Mr Abramovich, so it was the people there who chose the applicable law.

But it is still your evidence that it was not very likely that this was discussed; is that right?

A. I would say it is improbable that this question would have been discussed, to be exact.

Q. I suggest to you --

A. There was no one there who could have discussed it

competently. I'm sorry.

Q. Do you at least accept this, Mr Abramovich: that by March 2000, which was the time when you came to make this preliminary agreement with Mr Deripaska, you had started to structure your business interests offshore and had already come to make it a fairly regular practice to include English choice of law provisions in the contracts to which you or your companies were parties?

A. First of all, I don't agree that I signed this. Mr Shvidler signed this. I was present in the room where negotiations took place, I took part in the negotiations. But the fact that we used companies which were governed by English law, that is quite possible, but I tell you the truth when I say that I really didn't care.

MRS JUSTICE GLOSTER: I'm not sure you're answering the question. Will you put it again, Mr Rabinowitz, please.

MR RABINOWITZ: Do you accept, Mr Abramovich, that by March 2000, which was the time when you came to make this preliminary agreement with Mr Deripaska, you had started to structure your business interests offshore and had already come to make it a fairly regular practice to include English choice of law provisions in the contracts to which you or your companies were

parties?

- A. I can assume that but I didn't know about it. I didn't know anything about it at all. Offshore companies were being used and I'm sure these provisions will have featured.
- Q. In the autumn of 1999 you travelled to Cyprus for meetings to discuss the creation of trust structures to hold some of your ownership interests; do you agree?
- A. It was translated to me that I went to Cyprus. I didn't personally go. Is that a translator's mistake? I don't think so.
- Q. Are you saying that you did not personally go to Cyprus?
- A. No, I personally did not go to Cyprus. I mean, I have been to Cyprus but not on this business. I spent some holidays several times in Cyprus but I never went there to agree on anything, on any business.
- Q. Now --
- A. If I remember correctly, Mr Tenenbaum and Mrs Panchenko went to Cyprus.
- Q. Do you accept that in the course of 1999 you had set up or were in the process of setting up trust structures relating to your ownership interests?
- A. Yes.
- Q. And these were based in offshore western jurisdictions like Cyprus; that's right, isn't it?

A. I don't remember exactly whether in '99 they were based in Cyprus. Perhaps, but I seem to remember it was Liechtenstein, but I cannot be precise. I think perhaps it was Liechtenstein.

Q. Can I ask you, please, to go to H(A)15 and turn to page 42 H(A)15/42. You should have there a dual language contract, Mr Abramovich, between Finansovaya Neftinaya Corporatzia on the one hand and Kravin Investments on the other, dated 10 December 1999. Do you have that?

A. Yes.

Q. Kravin Investments was one of a number of offshore companies based in Cyprus through which you held your shares in Sibneft; that's right, isn't it?

A. Possibly. Possibly. I just didn't know that at that time.

Q. Well, I can tell you we were told that by your lawyers so let's proceed on the basis that that is right.

Do you accept that other offshore companies based in Cyprus through which you held your shares in Sibneft companies included White Pearl Investments Limited?

A. Do I understand correctly that this company was holding shares in Sibneft?

Q. It was part of the structure that you had set up to hold your interest in Sibneft.

A. I think so. I think the answer is yes, but I don't remember. It doesn't ring any bells, this name. If it's in the dossier, if it's in the documents, then yes.

Q. Let me mention -- this isn't a memory test. I will mention four other names of companies that we have been told were being used by you in Cyprus to hold your Sibneft corporation and if you, in relation to any of these companies, think that that is wrong, then please say so.

In addition to White Pearl Investments Limited, there was a company called Marthacello Company Limited, another company called NP Gemini, another company called Heflinham Holdings Limited and another company called Kindselia Holdings Limited.

Do you think that that is likely to be -- you don't think that any of -- sorry, let me put this this way. You don't dispute that these were companies that were being used to hold your Sibneft interests based in Cyprus?

Can I assist you with this: this is what Skaddens have told us. But if this is wrong, you should say so.

A. I cannot say "yes" or "no" because I have no knowledge of it. If Skadden have given you this information, I agree with it.

Q. Can I then ask you to look back at H(A)15, page 42

H(A)15/42 and you can see at clause 1.1 that it is dealing with the sale of a block of Sibneft shares or transfer of the shares. Do you see that?

A. Yes.

Q. If you look down at clause 4.4, do you see that it says:

"This Contract shall be governed by the laws of England."

A. Yes, I can see that.

Q. If you skip a few pages forward to page 44 H(A)15/44, we see there another dual language contract, this time between ZAO Branko and NP Gemini, which was one of yours, also dated 10 December 1999, again relating to a block of Sibneft shares. And again, Mr Abramovich, do you see clause 4.1?

A. Yes, I can see it.

Q. That again has another choice of English law to apply; do you see that?

A. Yes, I can see that.

MR RABINOWITZ: I'm not going to take up the whole of the afternoon going through these contracts but there are at least another five further contracts to similar effect, each containing an English governing law provision in this file. For the transcript I can tell your Ladyship that these contracts are to be found at page 46 H(A)15/46, page 48 H(A)15/48, page 50 H(A)15/50,

page 52 H(A)15/52 and page 54 H(A)15/54.

In addition to these contracts, Mr Abramovich, there are also another five agreements between your offshore Cypriot companies and various western banks with depositary accounts under which your Cypriot companies purchased further shares in Sibneft. Again, I'm not going to turn them up with you, but for her Ladyship's reference they are to be found at H(A)14, page 128 H(A)14/128, H(A)14, page 156 H(A)14/156, H(A)14, page 200 H(A)14/200, H(A)15, page 20 H(A)15/20 and H(A)15, page 31 H(A)15/31.

MRS JUSTICE GLOSTER: All these contracts relate to the purchase of shares in Sibneft, do they?

MR RABINOWITZ: Correct, or the transfer of shares in Sibneft. They were part of structuring transactions dealing with what Mr Abramovich says was his shareholding.

MRS JUSTICE GLOSTER: How many contracts in all?

MR RABINOWITZ: 12 in total, my Lady: the two that I showed you and the ten further ones that I've given your Ladyship the reference for.

I can tell you, Mr Abramovich, that each of those contracts was also expressly governed by English law. Do you say you don't remember that?

A. I'm saying I didn't know it at the time. But here, yes,

I can see that English law applies in all these contracts and I agree with it. I'm not contesting that this has all been done in accordance with English law and that it's applicable for the contracts. I'm not contesting that.

- Q. No, but what I'm suggesting to you, Mr Abramovich, is that it had become a practice of yours to ensure that your arrangements were governed by English law. Do you dispute that?
- A. I'm contesting it because I didn't know that and I don't know it. Our lawyers were dealing with that. Yes, for some reason they were choosing English law to apply, that is what was going on. But I have no skill, no knowledge in this respect, therefore I don't know how I can comment.
- Q. You see, Mr Abramovich, in addition to the 12 contracts, some of which I've shown you, which were made in the period of the autumn of 1999 going all the way to December 1999, it is also the case -- and you'll tell me if you disagree -- that a few months later, in February 2000, only three weeks prior to your merger discussions with Mr Deripaska, you had acquired an extensive portfolio of aluminium assets under a suite of ten dual-language contracts, all of which also contained English choice of law provisions. And that is right, is

it not?

A. Quite possibly. I think so, yes.

Q. So you'd entered into no less than 22 contracts in this period dealing with the structuring and the holding of your oil and aluminium assets, each of which contained an English choice of law provision?

A. I agree, but I think that is obvious. If a company is registered in BVI or in Cyprus then British -- English law, sorry, should apply. Or am I wrong? I think that's exactly what took place.

Q. And that is why I suggest to you it is very likely that at the meeting that you held with Mr Deripaska and Mr Shvidler and Mr Bulygin, you, or Mr Shvidler on your behalf, were again very keen to ensure that the arrangements were governed by English law. That's right, isn't it?

A. That is not right.

Q. Not only governed by English law but structured offshore? You dispute that?

A. At that time we did not discuss it.

Q. Now, between 7 and 12 March 2000 do you accept that you were likely to have been in London for some reason or another?

A. From 7 March until...?

Q. 12 March.

A. Yes, I agree.

Q. And this period coincided with a trip by a number of your team to London as well, did it not?

A. Yes, that is so.

Q. Mr --

A. They all came at different times, but we were all in London, yes.

Q. And that included Mr Shvidler, who says he was in London in this period; is that right? Do you remember that?

A. Yes, Mr Shvidler was in London at the time, yes.

Q. And Mr Tenenbaum also says that he was in London at that time. Is that right?

A. Yes, that is right.

Q. And Ms Panchenko was also in London, although she may have arrived slightly later than the three of you; is that right?

A. Yes, that is so.

Q. And Mr Shvidler, Mr Tenenbaum and Ms Panchenko all remember a series of meetings with Mr Deripaska's team, including Mr Hauser and Mr Bulygin, in London at that time. Do you recollect that?

A. Sorry, what is it that I need to confirm: whether they remember or whether I remember?

Q. Whether you remember.

A. I think I was at one of these meetings, yes.

Q. Mr Bulygin suggests that you were certainly at one meeting; I think he might suggest you were at more than one. But your recollection is that you were just at one meeting; is that right?

A. I think I was at one of them.

Q. And so it appears that you travelled to London together with Mr Shvidler and Mr Tenenbaum, with Ms Panchenko there as well, in order, among other things, to oversee the preparation of the Rusal share purchase and sale agreement. Is that right?

A. I didn't get it. Can you repeat that? "To oversee the preparation"? That sounds a bit strange.

Q. Maybe to you.

You had gone to London with these members of your team in order to ensure that the Rusal share purchase and sale agreement was successfully concluded, put it that way?

A. No, that is not so for two reasons and, if I may, I'll explain.

Q. Please.

A. At that time I was choosing a house for myself in the outskirts of London and I think at that time I entered into a transaction on a property. I'm not completely sure, but I think that's what I was doing.

As far as the Rusal shares, they didn't exist at

that time. Rusal as a company was incorporated later. Perhaps we're dealing with assets and maybe there was some kind of agreement, but shares of Rusal as such did not exist at that time.

Q. And all of these people had flown to London to finalise the terms of the agreement; that's right, isn't it? By "all of these people" I mean, from your side, Shvidler, Tenenbaum and Panchenko.

A. Well, I suppose so, they dealt with that as well, but I think there were other things that had to be tackled. I can explain, if I may.

Q. If you think it will assist, then please do.

A. Mr Deripaska explained to us that it is important in the aluminium industry to have long-term contracts for alumina, for raw material. I thought that alumina could be sourced at any time, like in the oil industry: you can buy a crude oil tanker at any point in time, any day. But Mr Deripaska explained that in the aluminium industry the practice is totally different: that alumina has to be sourced in advance.

So we went there, amongst other reasons, in order to sign contracts for alumina supplies and for finished aluminium sales. The main traders both for alumina and for finished aluminium were based in London; I think it was the London Metal Exchange, I think it's here. And

anyway, that's why London was a place.

- Q. Are you sure that the London Metal Exchange trades alumina?
- A. If I understand it correctly, London Metals Exchange trades primary aluminium. Alumina is not traded on the exchange. These are long-term contracts with the suppliers. I'm not sure if this problem was solved during this visit but I remember Oleg explaining it to us. For us, this is all new and unusual.
- Q. I take it you accept that, having gone to London with your team on 7 March, you only got back to Moscow on Sunday 12 March? I'm talking about 12 March 2000.
- A. Yes, I agree with that.
- Q. And you said almost immediately after coming back from this trip on 12 March you called Mr Patarkatsishvili to bring him up to date on what you and Mr Deripaska had been discussing in relation to the aluminium assets; is that right?
- A. Yes, that is right.
- Q. And then would this be a fair way of describing what happens next: that without any delay at all following the conversation with Mr Patarkatsishvili, on your return to Moscow you immediately arranged to fly all the way back to London, having just returned the night before? Is that right?

A. Yes, that is right.

Q. And you rushed back to London in this way because Mr Patarkatsishvili, you say, has passed on word from Mr Berezovsky that he was in London and could not get back to Moscow the following day, so that any meeting that there was to discuss the merger would have to be in London. Is that right?

A. Could you repeat that again, please? I'm finding it a bit difficult to concentrate.

MRS JUSTICE GLOSTER: Well, I'll take the break then. Ten minutes' break.

(3.02 pm)

(A short break)

(3.20 pm)

MRS JUSTICE GLOSTER: Yes, Mr Rabinowitz.

MR RABINOWITZ: Mr Abramovich, we were discussing the fact that you had been in London from 7 to 12 March, then you return on 12 March and almost immediately, after coming back from this trip, you call Mr Patarkatsishvili and bring him up to date on what you and Mr Deripaska have been discussing in relation to the aluminium evidence and you've agreed that's what happened. Then the question I had asked and will repeat is this.

Would this be a fair way of describing what happens next: that without any delay at all following the

conversation with Mr Patarkatsishvili on your return from Moscow, you immediately arrange to fly all the way back to London, having just returned from there?

A. It was the next day. If everything that you've just described was the way you described it, I called Badri on the 12th and then on the 13th we went back to London.

Q. That's right. And you rushed back to London in this way the next day because Mr Patarkatsishvili has passed on word from Mr Berezovsky that he was in London and he could not get back to Moscow the following day for a meeting, so that any meeting with him to discuss the merger would have to be in London; is that right?

A. No, this is not correct. He said that Boris wants to see me immediately or wants to speak to me about this. This is all.

Q. Well, you say "about this" -- I'm not sure what you're disagreeing with me about. But when you say "about this", you mean about the merger; is that right?

A. I told Badri that we were thinking with Oleg to do a transaction, I mean, we were almost ready to do it, and it was important for me to tell this to Badri before we signed everything. So I told him about this, he conveyed this to Boris; and then Mr Berezovsky conveyed to me, through Mr Patarkatsishvili, that it was necessary for me to go to London to meet him, to explain

what was going on.

- Q. In other words, to discuss with him the merger; is that right?
- A. No, this is not right. I did not have to go to London to discuss the merger. What was necessary was to explain what was going on. We had already discussed the merger.
- Q. All right. Let me put it this way. You get to Moscow on the 12th, you speak to Mr Patarkatsishvili; as a result of your conversation with Mr Patarkatsishvili, the very next day you fly back to London to speak to Mr Berezovsky about the merger?
- A. Yes.
- Q. Now, it would have been clear to you from that that Mr Patarkatsishvili had obviously told Mr Berezovsky whatever it was you had said to Mr Patarkatsishvili about the merger; do you agree with that?
- A. Well, I don't know, but one could presume that that was the case.
- Q. And you hadn't said to Mr Patarkatsishvili when you spoke to him on your return to Moscow that he could not inform Mr Berezovsky about what you had said to Mr Patarkatsishvili about the merger; is that correct?
- A. No, I did not tell Badri that he could not inform Berezovsky about that.

Q. Can I just ask you a little bit more about the conversation you had with Mr Patarkatsishvili on the afternoon or the evening of 12 March, as soon as you got back to Moscow.

Your own evidence is that almost as soon as you returned to Moscow on the 12th you informed Mr Patarkatsishvili about the arrangement with Mr Deripaska; is that right?

A. Well, speaking from memory, yes, but I do not recall whether it was immediately after my return or maybe sometime later. But on the 12th I did inform him about that, yes.

Q. Well, it had to be sometime on the 12th because by the 13th you had already made plans to fly back to London as a result of what Mr Patarkatsishvili said to you; correct?

A. Yes, it is correct.

Q. And presumably you would have told Mr Patarkatsishvili that you and your team had just got back from negotiating the deal with Mr Deripaska and his team in London; correct?

A. Can I ask you to repeat the question, please? I think I missed out on part of it, something about what I said to Deripaska. Could you kindly repeat?

Q. You would have told Mr Patarkatsishvili that you and

your team had just returned from negotiating a deal with Mr Deripaska and his team in London?

A. No, I did not say that.

Q. Well, tell us exactly what you say you did tell Mr Patarkatsishvili about the merger, Mr Abramovich.

A. I told him that we were doing a deal with Oleg and I don't remember anything over and above that.

Q. Presumably you would have told him about which assets were the subject of the merger?

A. I don't think so, but I cannot affirm that with certainty. I don't think I did.

Q. So the only thing you say you can remember about this is that you called him and you said you're doing a deal with Mr Deripaska and that you mentioned nothing else; is that really your evidence?

A. My evidence is that I rang him up, called him on the phone and, as you have just set out, there's this kind of conversation, a lengthy conversation about all the assets and everything. This is a very unorthodox thing for Russian businessmen.

But from what I remember it's that I told him that we were doing a deal with Oleg. He told me about his concerns about this. He said that nothing good can come out of working with Oleg because he's a loner, he likes to work on his own and he will squeeze one out sooner or

later at some point in time. But I cannot tell you exactly, I cannot recall exactly now what was said down to a word, but he was obviously apparently not satisfied with that; he was not glad.

Q. But you say you told him about a proposed merger but you didn't tell Mr Patarkatsishvili which of the assets that you say he was protecting for you that were to be included in the merger; is that your evidence?

A. No, I did not tell him that.

Q. Did you tell him about the price differential that Mr Deripaska was going to have to pay in the context of the merger, in addition to contributing his aluminium assets?

A. No.

Q. Did you tell Mr Deripaska that you were going to tell Mr Patarkatsishvili about the merger?

A. I think I did, although I have no specific recollection. But it was my obligation to tell --

MRS JUSTICE GLOSTER: Just a second, please. There's somebody drinking out of a bottle at the back of the court. Can you please not do that. There's to be no eating or drinking in court. Thank you.

Yes, go on, Mr Rabinowitz.

MR RABINOWITZ: I asked you, Mr Abramovich:

"Did you tell Mr Deripaska that you were going to

tell Mr Patarkatsishvili about the merger?"

And you said:

"I think I did, although I have no specific recollection. But it was my obligation..."

Is that the end of your answer?

- A. I don't think so. I don't think I did. To be honest, I think I've lost the train of thought. Could I kindly ask you to repeat your question, please?
- Q. The question was: did you tell Mr Deripaska that you were going to tell Mr Patarkatsishvili about the merger?
- A. I don't think I did. No. No.
- Q. And presumably you didn't speak to Mr Deripaska on the question of whether Mr Berezovsky should be allowed to be told about the merger?
- A. It's a rather convoluted question. Could you make it a shorter question?
- Q. Did you ask Mr Deripaska at any stage whether he minded Mr Berezovsky being told about the merger?
- A. I think that I certainly told him about this, yes, definitely.
- Q. When do you say you told -- when do you say you asked Mr Deripaska whether he minded Mr Berezovsky being told about the merger?
- A. Sorry, I think it was -- I think it was the other way round.

MRS JUSTICE GLOSTER: I think something has been lost in the translation or may have been lost in the translation here.

Mr Abramovich, did you discuss with Deripaska telling Mr Berezovsky about the proposed merger?

A. No, it was the other way round. While we had not done the deal, while we had not received the contracts, Oleg asked us not to tell anyone, be it Berezovsky, be it Patarkatsishvili or anyone else. We just wanted to make sure that before the deal is actually executed, we wanted to keep it in secret.

MR RABINOWITZ: But the difficulty about that,

Mr Abramovich, is that it's your own evidence that as soon as you returned to Moscow on 12 March you almost immediately phoned Mr Patarkatsishvili to tell him about the merger. So how is that consistent with you keeping the deal secret until it is actually executed?

A. I meant before it is done. The thing is that Mr Patarkatsishvili asked -- gave some help in terms of purchasing the original aluminium assets and so I had some financial obligations vis-a-vis Patarkatsishvili.

So the way I understood it, and the way he understood it, by the way, as well, I had to -- it was my obligation to let him know before it was done. It would have been inappropriate if he had learnt about

that from newspapers. And therefore I thought it was necessary and appropriate to tell him that we were doing the deal before it was signed.

Q. But I think a few minutes ago you told us that you hadn't cleared with Mr Deripaska your being able to speak to Mr Patarkatsishvili about it. Is that right?

A. I'm not sure I understood your question. It sounded more like a statement on your part. What am I supposed to do with this?

MRS JUSTICE GLOSTER: I think we've been round this buoy, haven't we, Mr Rabinowitz? I mean, we've got your answers. We all know that the meeting happened. So unless this issue is of tremendous importance, I thought we might move on.

MR RABINOWITZ: It's of relevance because if you spoke to Mr Patarkatsishvili in circumstances where Mr Deripaska had told you that you couldn't tell anyone about the merger, I would like to know what it is you said to Mr Deripaska in order to be allowed to tell Mr Patarkatsishvili about the merger.

What did you say to Mr Deripaska about your relationship with Mr Patarkatsishvili?

A. I did not tell him anything about my relationship with Badri Patarkatsishvili nor did I ask him for any permission. I think by that time I was a grown-up

person and I was a party to this and so I did not need any additional permission for that.

Q. Well, you say you didn't need any additional permission for that but you have earlier said to us that you agreed with Mr Deripaska that neither of you would say anything to anyone until the agreement was executed. So despite what you say --

MRS JUSTICE GLOSTER: Mr Rabinowitz, we really have been over this now. The questions are getting longer and longer. It's getting quite late in the afternoon. I suggest that if you want to come back to it because there's a real point here, you do so tomorrow, and you move on to something different.

MR RABINOWITZ: Can you go to bundle H(A)18, page 113, please H(A)18/113. What you have here, Mr Abramovich, is a fax from Global Jet Concept to someone called Marina at Runicom dated 12 March 2000 and this sets out your travel arrangements for the following day, for 13 March. Okay?

You obviously had to ask your assistants to move very quickly to make the necessary travel arrangements for you for the following day, once you'd got back to Moscow; is that right?

A. Yes.

Q. Just looking at your travel itinerary, you see that in

order to get back to London following the summons from Mr Berezovsky, because he wanted to talk about the merger, you had to board a plane in Moscow at 11.00 am and fly for three and a half hours to Luton Airport; do you see that?

A. Yes.

Q. You were travelling with the benefit of time difference so your plan would land in Luton at 11.30 am at Greenwich Mean Time; do you see that?

A. Yes, I can see that.

Q. And then you had to transfer at Luton Airport into a helicopter and fly by helicopter from Luton down to Battersea Heliport, that was going to take you about 20 minutes, and that would mean that you would arrive at around midday Greenwich Mean Time at Battersea. Do you see that?

A. To be honest, I cannot see the word "Battersea" here, but it must have been the case.

Q. Okay. And --

A. Oh, yes, yes. I can see Battersea, yes.

Q. And then the plan was that you would be picked up by a Mercedes and driven, according to the invoice, to the Lanesborough Hotel; that's over the page. Is that correct?

A. Yes.

- Q. And again over the page, you can see that the plan was that at some point the same day you would repeat the whole process so that you could fly back from Luton to Moscow, another three-and-a-half-hour flight; that's correct, isn't it?
- A. Well, around that. I would say four hours, but that's the ballpark figure.
- Q. So we're talking here about a 13-hour round trip approximately; correct?
- A. Do you mean the flight took 13 hours?
- Q. Total round trip.
- A. It's just four hours.
- Q. The total round trip would be around 13 hours?
- A. Yes.
- Q. And that's really quite an effort, isn't it, especially given that you had only just come back from London the previous day?
- A. Well, yes, it is, unless you recall that it was G V: that was the most cutting-edge kind of aircraft at that time.
- Q. What I suggest, Mr Abramovich, is that these travel arrangements really speak volumes about the importance of this meeting at the Dorchester Hotel in London, don't they?
- A. Well, I don't know. That's the kind of conclusion that

you are drawing. I do not believe that that was the case, but this is the conclusion that you drew. For me, meeting with Berezovsky was always important. Some of them were more important, other meetings were less important. If he had asked me to fly to New York, I would have probably flown to New York if I had that possibility to do so.

Q. Here was a meeting where you had spent five days in London, you'd got back to Moscow, you get told that he wants to speak about the merger and you immediately arrange to take a trip back to London to talk to him about the merger. I suggest that that tells you that this was a very significant meeting to discuss the merger.

A. Are you asking a question? Am I expected to say "yes" or "no"?

Q. Well, you can comment.

A. What I can say is that the meeting with Mr Berezovsky, usually meetings with Mr Berezovsky generally for me were important and I was very particular about those and I was always happy to wait for him for a long time if I had to.

Q. Can we look at what you say at paragraph 166 of your statement about this. It's at page 85 in the English E1/03/85. I think it's at page 186 in the Russian

E1/03/186.

A. Did you say 186?

Q. Do read it to yourself: 166 on page 186.

Now, you say here that the reason why Mr Berezovsky wanted to meet was because:

"He liked to be informed about... events of significance in Russia..."

Do you see that?

A. Yes. Would you allow me to read this paragraph to myself?

Q. Please. (Pause)

A. Yes, I have read this.

Q. So you say that the reason why Mr Berezovsky wanted to meet was because he liked to be informed about events of significance in Russia and because he was interested in what you were doing.

Now, at this time Mr Berezovsky was still living in Moscow, was he not?

A. At that time, yes. Yes, he lived in Moscow.

Q. And so in general terms he was in a position where he could very well keep himself informed about events of significance in Russia; do you agree?

A. Yes, I agree with that, but I'm not sure I understand your question. Could he have been up to speed with what was going on? Yes, of course, he could. But he could

have not been up to speed with this unless he had heard this from Badri and then read about this from newspapers.

Q. But it's your own evidence that he had heard about it already from Badri and that Badri had passed this on to him. That's what you say. Is that not right?

A. Yes, I'm saying that Badri told him about this after I had told Badri about this.

Q. If that's right, then there was no need for you to fly to London, having just returned to Moscow, in order for you to tell him about it, was there?

A. What's your question? Was it necessary for me or not? I did not discuss that. It was offered to me that I should go and then -- so I did go. I don't understand what your question is.

MRS JUSTICE GLOSTER: The question is: what was the need for you to fly back from Moscow, having just returned there, if Berezovsky knew about the proposed merger already? Why did you need to go back to London?

A. At that point in time Mr Berezovsky was one of the most influential people in Russia and if he asked me to come and tell him about something, I usually did that immediately, without delay.

MRS JUSTICE GLOSTER: Yes, Mr Rabinowitz.

MR RABINOWITZ: If Mr Berezovsky had wanted to find out more

about this transaction and he wanted to hear it from you, you could have discussed it with him on the telephone, could you not?

A. Well, I don't think so. No, I don't think that we would have started discussing this over the phone.

Q. All right. That's your position. Can we then just consider the position of Mr Deripaska, Mr Abramovich.

It's your evidence, isn't it, that Mr Deripaska actively disliked both Mr Patarkatsishvili and Mr Berezovsky and did not get on well with either of them?

A. Yes. And with your permission I would like to clarify, if I may?

MRS JUSTICE GLOSTER: You may.

A. The situation was as follows. It took quite a long time. Mr Berezovsky -- at the request of Deripaska, if I understand correctly, Mr Berezovsky was helping him in the so-called aluminium wars. I do not mean to say that there were rivers of blood flowing there; "the aluminium wars" is a term and the way I understand this term is that it was a confrontation, a show-off between TWG on the one hand and Mr Deripaska on the other, mainly around the Krasnoyarsk smelter. And so Mr Berezovsky had offered to help Oleg and he had raised some debt for that, plus some money for the ORT. And then, some time

later, Badri began helping TWG against Mr Deripaska. And that loan, that debt, had not been repaid to Oleg and, to put it mildly, Oleg did not take kindly to this and he made it clear.

And therefore there were two people who were driving hard bargain against Oleg and playing a duplicitous game against Oleg, and Oleg got wind of this and he did not like it. In other words, to put it bluntly, they were cheating him.

Q. So you say that Mr Deripaska, who didn't like either Mr Berezovsky or Mr Patarkatsishvili, was nonetheless prepared to turn around, having just come back to Moscow, and go to a meeting in London with two men he disliked just because you wanted to talk to Mr Berezovsky about the merger?

THE INTERPRETER: I'm so sorry, Mr Rabinowitz, I'm afraid either yourself or me got a few names wrong.

MRS JUSTICE GLOSTER: Well, somebody's phone went off; that was part of the problem. Can you start --

THE INTERPRETER: Could you kindly repeat the question?

MRS JUSTICE GLOSTER: Repeat the question, please.

MR RABINOWITZ: Your evidence is that, despite disliking Mr Berezovsky and Mr Patarkatsishvili intensely, Mr Deripaska was willing to get on a plane and fly, take this trip to London just to talk to Mr Berezovsky?

A. No, I'm not saying that he flew there only for this. He flew there at my request and it made some economic sense and in order to draw a line under what had been happening prior to that under those aluminium wars. I mean, in order to achieve peace it was necessary to get together, meet and put an end to this. But he did not know that Mr Patarkatsishvili was going to be there.

Q. You see, in your witness statement what you say, Mr Abramovich -- and this is at paragraph 167 E1/03/85 -- is that you invited Mr Deripaska to come with you, you were still getting to know him, and you thought it would be a good idea on the way to discuss the further details of how your new business would operate in practice without interruptions, and that is why you asked Mr Deripaska to fly with you and he agreed. You don't say anything about trying to settle any aluminium wars; in fact, what you mention is Mr Shvidler commenting that he could get the repayment of his debt.

Is that still your evidence or are you changing this evidence?

A. I think that I did mention the debt. Yes, we did discuss the debt at that meeting, or maybe I misunderstood your question. You said: do I want to change my evidence?

MRS JUSTICE GLOSTER: I think it's being put --

A. No, I do not want to change my evidence.

MRS JUSTICE GLOSTER: It's being put to you, I think, that you don't mention in paragraph 167 the fact that Deripaska was flying to London because there was a possibility of resolving the aluminium wars.

A. That is true, I'm not writing about this. I was just trying to explain what the background had been, what had happened prior to that. So at that meeting we mainly discussed all the things that I listed here, but what I'm trying to do now is to give some broader context for this.

MR RABINOWITZ: You see, Mr Abramovich, I have to suggest to you that the reasons that you give, certainly in your witness statement, as to why Mr Deripaska would be willing to fly back to London on this 13-hour round trip, having just returned from London, are simply not a sufficient -- or do not properly explain why Mr Deripaska was willing to fly back.

The reason he was willing to fly back is that this was an important meeting that you were having with Mr Berezovsky, who you had told Mr Deripaska was a partner with you in the aluminium business; and that is correct, is it not?

A. No, it is not correct. If I understood you correctly, the \$13 million -- I mean, it sounded like it was not

sufficient in order -- the amount, the \$13 million, was not a sufficiently credible reason for people to go to London. This is the way your question sounded. Did I hear your question properly?

MRS JUSTICE GLOSTER: No, that's been lost in translation because the 13-hour round trip was referring -- the 13 figure was referring to the hours of the journey.

MR RABINOWITZ: Can we just look at the three reasons that you actually do give at paragraph 167 for why you say Mr Deripaska was willing to fly to London.

The first reason you say at paragraph 167 was so that you and Mr Deripaska could spend some quality time together on the plane where you could discuss things. That's the first reason, isn't it?

A. That is correct.

Q. And the second reason -- I think this is a reason you give -- is that he could ask Mr Berezovsky to repay him an outstanding loan of \$16 million. Is that a reason you give?

A. That is correct.

Q. And your third reason -- and this is the last sentence of that paragraph -- is that you wanted to demonstrate that you had powerful friends like Mr Berezovsky and Mr Patarkatsishvili, or powerful associates.

A. Yes. What it lists here are the reasons on my side and

on Deripaska's side, but what you are doing now is you are mixing the two together, as it were.

Q. Well, I'm just taking the reasons that you identify out of your witness statement, Mr Abramovich. Can we just look at them each in a little more detail.

It's right, isn't it, that you and Mr Deripaska had already just spent rather a lot of time together in early March 2000?

A. I wouldn't put it that way. I wouldn't say we had spent much time. We met at Kempinski, then at my place, and then I'm sure we went to -- we had meetings in Moscow. Then I was in London and he was in London, but we only met once.

Now, in order to put together a second-largest aluminium company in the world, one is required to spend much more time, much longer time together.

Q. Mr Deripaska was not a complete stranger to Moscow, was he? It was a place he would come and go frequently?

A. Well, he lived there.

Q. Absolutely, Mr Abramovich. If you wanted to spend quality time with Mr Deripaska, you could have done it in far more convenient surroundings than both of you, having got back from London on one day, getting on a flight back to London the following day. You wouldn't have had to drag him along on this trip.

A. Well, if your question is whether I picked the most comfortable surrounding, well, my answer is: no, probably not. But I told you that G V, which was the jet that we used, was the cutting edge, very low pressure, very quiet jet, and if this is what we're talking about, it was quite comfortable. G V is a comfortable jet; the Lanesborough Hotel is a comfortable hotel; and, well, let's face it, London is a nice place.

Q. As for the suggestion that he would fly back in order to talk about the repayment of an outstanding loan, why would Mr Deripaska have undertaken a 13-hour round trip just to ask Mr Berezovsky to repay him? He could have used the phone.

A. Well, it's hard for me to comment on that.

The thing is that Berezovsky took a long time to repay the money and I'm sure that he would not have agreed with Berezovsky on the repayment of the money over the phone and I'm sure that he did have a few meetings to discuss that debt and that was probably the first meeting at which they could have decided on some set-off, they could have agreed on a set-off, and that meeting gave a good opportunity for that.

And also \$16 million, for that time, at that time for Oleg was a rather significant amount of money.

Q. The suggestion that you wanted to demonstrate that you had powerful friends: it was well-known, wasn't it, that you were associated with Mr Berezovsky?

A. Yes, it was known to everyone but it would have not come amiss.

Q. There was no need for Mr Deripaska to fly to London in order to see that you were associated with Mr Berezovsky?

A. Just for -- only for that, it would not have been necessary. But if you take all those considerations together then it was necessary. I mean, mind you, it was not a vital necessity for him, but it was very useful, very helpful for all the sides, for all the parties, including it did make economic sense -- including the fact that it did make economic sense.

Q. Mr Abramovich, I have to suggest to you that your explanation of the reasons why you and Mr Deripaska were willing to turn around on 13 March and head back to London to meet Mr Berezovsky and Mr Patarkatsishvili is obviously untrue. Do you want to comment on that?

A. I disagree with your statement.

MRS JUSTICE GLOSTER: Can I ask you this question: why did it matter to you that Mr Berezovsky was in the loop about this transaction? What did you need from Mr Berezovsky that made it so important that you flew

back?

- A. To me personally, there was no benefit that accrued to me personally from this. If he had asked me to do this, I had to do this. I usually complied, if I could, with his requests. Therefore there was no benefit accruing to me from that meeting. But putting an end to that confrontation, let's put it that way, the confrontation between Badri, TWG, Oleg, and so on and so forth, was something that was important to me.

MRS JUSTICE GLOSTER: Yes, thank you.

MR RABINOWITZ: I thought in earlier evidence you had said that Mr Deripaska did not know that Mr Patarkatsishvili was going to be in London.

A. Deripaska did not know that.

Q. So how was it that his going there was going to provide an opportunity to put the confrontation with Mr Patarkatsishvili behind him?

A. Deripaska did not know about this but I did. And so when Oleg walked into that room in the hotel he was quite surprised and let's say that he was not very glad, let's put it that way.

Q. Mr Abramovich, I would suggest to you that it is absolutely plain that both you and Mr Deripaska and Mr Shvidler went to the considerable efforts of flying to London to this meeting at short notice because you

all recognised that this was an important meeting at which you were going to introduce Mr Deripaska to the partners which you had referred to in the preliminary agreement. That is correct, is it not?

A. This is absolutely not the case and I think I already commented on the preliminary agreement.

Q. Now, in terms of what was discussed at the Dorchester Hotel on 13 March, I think it's not in dispute that you did discuss the merger with Mr Berezovsky and Mr Patarkatsishvili as well as with Mr Deripaska?

A. It is true that we did tell Mr Berezovsky about the merger.

Q. And in fact that was the whole purpose behind your flying to London, having been told by Mr Patarkatsishvili that Mr Berezovsky wanted to hear about the merger?

A. Berezovsky wanted to hear about the merger from me, he did not want to hear this from Oleg or anyone else, and I asked the others to tag along. Now, if he had needed any details then Mr Shvidler could have provided explanations about that. And the reason behind this trip was precisely all those things that we have just discussed.

Q. Just sticking with your recollection for the moment, how clear is your recollection of this meeting on 13 March,

Mr Abramovich? (Pause)

A. Sorry, I did not realise it was a question. I thought you had said, "We will see how clear your recollection is". Well, I do not recall all the details but I do remember some of them.

Q. And I take it that there would obviously have been a discussion about the fact that the merger was with Mr Deripaska and that it was a 50/50 deal. Do you recall that?

A. It's very difficult for me to focus. I've no longer any feel for the questions that you're asking.

Possibly, yes. Possibly. I'm -- honestly, I'm --

MRS JUSTICE GLOSTER: Right. Well, I'm going to stop tonight. It's been a long day for everybody.

Right. Tomorrow, 10.30, 10.15?

Discussion re housekeeping

MR RABINOWITZ: My Lady, whatever you want. We are on track. According to the timetable, we will finish -- as long as things keep going -- within the designated time.

I was going to raise the question with your Ladyship of Friday sitting or not Friday sitting but I'm not suggesting, unless your Ladyship or Mr Sumption says that we should do this, that we should not sit tomorrow. So...

MRS JUSTICE GLOSTER: Right. Well, in order to consider the

question as to whether I should sit on a Friday, I would need to have a revised timetable.

MR RABINOWITZ: We can produce that for you tomorrow.

MRS JUSTICE GLOSTER: If you wish me to address that question.

MR SUMPTION: My Lady, we have got a revised timetable which Ms Davies is digging out, which we can hand up. This is, like all timetables --

MRS JUSTICE GLOSTER: It's flexible.

MR SUMPTION: This is not intended to be writ in stone, but it is the result of discussion between the parties and will tell your Ladyship where we think we are at the moment. (Handed)

MR RABINOWITZ: Can I just mention before my learned friend addresses you on this, I think it's generally agreed. The part which I don't think is agreed, perhaps still to be discussed, is the suggestion that there will be closing submissions immediately the evidence finishes, which is what this timetable suggests.

MR SUMPTION: My Lady, I understand my learned friend's difficulties about that. I'm not sure that it's a matter that we would ask your Ladyship to rule on at the moment.

MRS JUSTICE GLOSTER: No.

MR SUMPTION: But it may well be sensible for me to deliver

my closing speech on behalf of Mr Abramovich before the Christmas adjournment, even if my learned friend does so afterwards. Of course, that would involve Ms Davies having a right of reply on unexpected or unanticipated points and my learned friend would have to have the last word in any event.

MRS JUSTICE GLOSTER: Well, Mr Rabinowitz, if Mr Sumption's proposal were to be adopted, with the result that you wouldn't be making your closing submissions before Christmas, that might or might not free up Fridays.

MR RABINOWITZ: In response to Mr Sumption's proposal that I don't make closing submissions before Christmas, I can tell your Ladyship that I wasn't planning to, and if that means that Fridays are freed up then I would respectfully submit that that would be a good thing.

MRS JUSTICE GLOSTER: Well, why don't the two of you talk about it with the other counsel as to whether, if the defendant's closing submissions were to be presented before Christmas, that would enable a timetable to be formulated that didn't involve sitting on a Friday. But I'll rule on it if necessary.

MR RABINOWITZ: I hope we will be able to agree --

MR SUMPTION: My Lady, I'm sure that Mr Rabinowitz and I can sort something out that suits the court and all the parties.

MRS JUSTICE GLOSTER: Very well. I mean, it may be that we sit some Fridays and not others.

MR RABINOWITZ: Indeed.

MR SUMPTION: My Lady, there's one other small matter of housekeeping which Ms Davies would like to raise concerning Latvian Trade Bank.

MRS JUSTICE GLOSTER: Yes, very well. I signed some consent order the other day which should have worked its way back to you.

MS DAVIES: My Lady, that's the Chukotka one. Yes, we've got that. There's a further consent order but I need to explain it to my Lady because it's slightly --

MRS JUSTICE GLOSTER: Well, I signed another one.

MS DAVIES: No, that was to do with valuation evidence, my Lady, I'm told.

MRS JUSTICE GLOSTER: No, and yet another one.

MS DAVIES: I'm relatively confident that this one hasn't --

MRS JUSTICE GLOSTER: Mr Abramovich, are you all right? Would you like to go back to your seat? You don't need to sit there unless you wish to. You're coughing, that's all. If you would rather go back to your seat, you may do so.

MS DAVIES: I'm relatively confident that this one has not come to my Lady because we only managed to agree its terms yesterday. So this is a new matter, if I can put

it that way.

MRS JUSTICE GLOSTER: Right, okay. Well, pass it up.

MS DAVIES: Mr Gillis has been given it. I just need to explain how it arises because it's slightly unusual.

My Lady may recall the Latvian Trade Bank is the bank that was used by various companies connected to Mr Abramovich, in particular Pex Trade Corporation, Espat, Madison, Palmtex and Runicom.

In the course of the recent weeks it's become apparent that the Latvian Trade Bank may well retain documents relating to those companies but because the companies no longer exist, they cannot accept a request from us to provide the documents to them. But they have indicated in the correspondence, certainly so far as Pex and Espat are concerned, they have indicated in the correspondence which is attached to this clip that if an English court order were made, they would provide the documents.

That's their letter of 18 October, which is the second letter in the clip. They first of all explain -- it's slightly lengthy and I will just explain to my Lady -- that they can't do it on the basis of a request but then on the second page, in the passage in bold, they said they would be willing to provide the documents relating to Espat and Pex if there was an English court

order.

We then sent this correspondence to my learned friend and they asked for the order to be expanded -- that's covered by the first paragraph of the draft order -- to cover records relating to Madison and Palmtex and Runicom, which were other companies that had banking arrangements with the Latvian Trade Bank, and that's paragraph 2, but that is not covered by the letter from the Latvian Trade Bank because that's a request from my learned friend. We are happy for that to be accommodated in the order but I just needed to draw to my Lady's attention that it's not covered by the letter.

What's slightly unusual about this, my Lady, is that there is no office in this jurisdiction on which an application can be served, which is why there is no application notice being issued, but the Latvian Trade Bank have indicated through their letter that they're happy to comply with an English court order if it's made nonetheless.

MRS JUSTICE GLOSTER: So they're agreeing to submit to the jurisdiction for the purposes --

MS DAVIES: Of this order, yes.

Now, my Lady, I wasn't necessarily asking my Lady to make it today because we've, as it were, just raised it.

If my Lady wants to take it away and read it, then we can address any questions that are arising.

MRS JUSTICE GLOSTER: Yes, the letter is a bit opaque, isn't it, so I had better take it away and read it. I'll read that overnight.

MS DAVIES: I'm grateful, my Lady.

MRS JUSTICE GLOSTER: No, the other order I signed related to, I think, some Curtis documents.

MS DAVIES: Oh, yes. That may well be correct, yes.

MRS JUSTICE GLOSTER: Yes, Mr Gillis.

MR GILLIS: My Lady, might I just raise one matter and hand up a statement from a Mr Lugovoi which was provided to the various parties this morning and then if I could just explain the situation. (Handed)

Your Ladyship may recall that in connection with Mr Abramovich's application in March this year for further information in relation to the provenance of the Le Bourget transcript, both Mr Berezovsky and Mr Cotlick undertook to the court to notify the defendants in the event that they became aware of the possibility of further tape recordings of conversations.

Just for the record, my Lady, Mr Berezovsky's statement is at bundle J6/1, tab 20 at page 330 J6/1.20/330 and the relevant paragraph is paragraph 7, and Mr Cotlick's statement is at J6/1, tab 21 at

page 331 J6/1.21/331, and again the relevant paragraph is paragraph 7.

Just to put this statement in context, my Lady may know that in 2010 Mr Berezovsky was successful in libel proceedings in front of Mr Justice Eady against Vladimir Terluk and that was in connection with allegations that Mr Berezovsky was involved in the death of Mr Litvinenko. Mr Terluk's appeal against that judgment is being heard this week and in that context yesterday this statement from Mr Lugovoi was referred to in open court and it refers both to the circumstances in which the Le Bourget recording was made and it refers to the possibility of further recordings.

My Lady, pursuant to Mr Berezovsky's and Mr Cotlick's obligations, we've provided a copy of this statement to the defendants in respect of that. My Lady, I think if I could just summarise the position very briefly and take your Ladyship to the relevant paragraphs because there are only a few paragraphs that are relevant.

Mr Lugovoi was the head of security at ORT and the relevant sections in the statement are paragraphs 77 through to 87 of Mr Lugovoi's statement, and if I could take your Ladyship to that just very briefly.

MRS JUSTICE GLOSTER: Yes.

MR GILLIS: Maybe I could just ask your Ladyship to read paragraphs 77 to 87.

MRS JUSTICE GLOSTER: Yes. (Pause)

What's the date this was sworn?

MR GILLIS: This was sworn on 26 October 2011.

MRS JUSTICE GLOSTER: Yes.

MR GILLIS: So, as my Lady can see --

MRS JUSTICE GLOSTER: I haven't got a signature. I've seen the date at the top of the first page but as I have no signature --

MR GILLIS: My Lady, neither do I. I was just taking the date from the front page. I'll see if there is a sworn copy which we can produce to your Ladyship.

As your Ladyship will see, those paragraphs really deal with three matters. At paragraph 77 to 81 Mr Lugovoi is suggesting that meetings and conversations were routinely recorded. And then at paragraphs 82 to 87 he then describes how his deputy, Mr Mikhail Sazonov, arranged the remote recording at Le Bourget and I'm informed in Skadden's letter of 4 August 2011 -- and that's bundle L(2011)13/185 -- that Mr Abramovich has been in touch with Mr Sazonov.

Then, my Lady, of most direct relevance to the undertakings that were given in respect of further recordings, at paragraph 87 your Ladyship can see that

Mr Lugovoi explains that, following orders from Mr Patarkatsishvili in 2006, he ordered Mr Sazonov to transfer part of the recording archive to Georgia and that in Georgia Mr Patarkatsishvili is reported to have sorted the recordings into three categories of Sibneft, Rusal and ORT and he also asked Mr Sazonov to make a copy of the ORT recording which was kept by Mr Lugovoi --

MR SUMPTION: Of the Le Bourget recording.

MR GILLIS: I'm sorry, yes, of the Le Bourget recording, which was kept by Mr Lugovoi in Moscow.

MRS JUSTICE GLOSTER: Right.

MR GILLIS: So, my Lady, no indication that Mr Berezovsky has access to any of these possible further recordings, but that's the further information that is available as regards the possibility of there being further recordings.

MRS JUSTICE GLOSTER: Right. So are you making any application?

MR GILLIS: No, I'm just bringing it to the court's --

MRS JUSTICE GLOSTER: Complying with the terms of the undertaking.

MR GILLIS: Exactly so.

MRS JUSTICE GLOSTER: Right, thank you.

Mr Sumption, do you want to say anything about this?

MR SUMPTION: My Lady, what it appears to indicate is that the Le Bourget transcript, its survival appears to have been a matter of conscious selection on the part of Mr Patarkatsishvili, given that there seem to have been a large number of other recordings at one stage that may well throw some light on the history of events. But I'm not going to make submissions on that at the moment.

MRS JUSTICE GLOSTER: Very well.

MR SUMPTION: My Lady, your Ladyship didn't actually determine at what time we should sit tomorrow.

MRS JUSTICE GLOSTER: No, I didn't. 10.30 tomorrow?

MR RABINOWITZ: Yes.

MRS JUSTICE GLOSTER: Very well. 10.30 tomorrow.

(4.27 pm)

(The hearing adjourned until
Friday, 4 November 2011 at 10.30 am)

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