

Thursday, 10 November 2011

(10.15 am)

MRS JUSTICE GLOSTER: Yes, Mr Rabinowitz.

MR ROMAN ABRAMOVICH (continued)

Cross-examination by MR RABINOWITZ (continued)

MR RABINOWITZ: Mr Abramovich, at the end of yesterday I was asking you questions about the sale of the second tranche of 25 per cent of Rusal in 2004.

There was, in the context of the discussions relating to that sale, a discussion about there being a series of transactional documents that acknowledged that there were two beneficial owners of the 25 per cent stake in Rusal, but subsequently it was decided that the sale documentation would acknowledge that there was in fact only one beneficial owner of the 25 per cent stake in Rusal, namely Mr Patarkatsishvili.

Were you aware of that change in the transaction structure at the time, Mr Abramovich?

A. If the question is whether I had ever seen those documents: no, I didn't.

Q. Can I just take you to one document, just ask you about this: bundle H(A)76, page 51 in the Russian H(A)76/51 and 57 in the English H(A)76/57.

Now, we have here a draft letter which has come out of your disclosure and it was a letter which was sent

I think by email by Mr Streshinsky to Ms Khudyk on 17 June 2004. Can I ask you just to read it to yourself quickly, please. (Pause)

A. May I ask a question about this letter?

Q. Can I ask a question first.

MRS JUSTICE GLOSTER: Well, if he wants to identify what the document is -- are you asking what the document is?

Yes, can you explain what the document is?

MR RABINOWITZ: It appears to be a draft letter which was produced by someone on, I think, Mr Anisimov's side and sent to Ms Khudyk under an email dated 17 June 2004. In fact my questions relate to trying to get to the bottom of who, in a sense, was responsible for what is produced here.

Can I ask you this, Mr Abramovich: do you see that in the first line, the first sentence of the letter --

MRS JUSTICE GLOSTER: Just a second. Wouldn't it be easier if we looked at the email so we know what this was an attachment to?

MR RABINOWITZ: If your Ladyship wants to go to -- in the English I think it's H(A)76, page 65 H(A)76/65.

MRS JUSTICE GLOSTER: I just think it might be fairer for the witness if he's --

MR RABINOWITZ: It's not going to help at all, my Lady, but I'll show your Ladyship.

MRS JUSTICE GLOSTER: It's not? Right, well, let me just look.

MR RABINOWITZ: Page 65 in the English H(A)76/65 and page 23 H(A)76/23 -- I see, they're both in English. H(A)76, page 23 and page 65 give you two emails.

MRS JUSTICE GLOSTER: Page 65 and 23? So which one is it an attachment to?

MR RABINOWITZ: Well, it's going to be an attachment to one or the other. There were two letters drafted on 17 June and the email at page 23 is "CoalcoLetter17jun" and the email at 65 is "CoalcoLetter2-17jun". This is one or other and they're being sent by Mr Streshinsky to Ms Khudyk.

MRS JUSTICE GLOSTER: Okay. You see where they come from, Mr Abramovich, do you? Right, let's go back to the document then.

MR RABINOWITZ: So the document again was on page 51 in the Russian H(A)76/51 and 57 in the English H(A)76/57.

Do you see, Mr Abramovich, that it begins by saying:

"As discussed over the phone, in order to meet the representations that you previously made to the banks, please find... an alternative structure."

And this suggests that there had been a telephone conversation at this stage and that someone on your side of the transaction had said that because of

representations previously made to banks, the structure of the transaction would have to change.

Can you assist as to who on your side of the transaction is likely to have been the person involved in the telephone conversation?

A. Well, if we bear in mind that this letter is from the -- perhaps Streshinsky, then most likely his contact was Natalia Khudyk, this is how I understand it now, or perhaps Irina Panchenko, but I can't be certain.

Q. So you think either Ms Khudyk or Ms Panchenko? Thank you very much for that.

A. Possibly. However, a letter like this, from my point of view, should have been addressed to the lawyers. It is formulated in a complicated manner. For a person without legal training, it's difficult to digest. It describes the deal in a very complex manner.

Q. The sentence we looked at also refers to "representations... previously made to the banks". Now, again, just so I know who to ask about this, who in your organisation would be likely to be the person making representations to banks about ownership interests in Rusal?

A. If we're talking about Rusal as a company, Rusal had its own management and those managers would have been explaining something to the banks. But I don't quite

understand what organisation we're talking about when you're asking me about "in your organisation". And what kind of representations to banks? I don't quite understand which representations to banks. I really would like to try and answer your question but I don't quite understand what it is that you're asking me. What representations to banks?

Q. Well, let me be very clear then. This letter refers to "representations... previously made to... banks" and it appears to affect -- the representations made to the banks appear to have been about who owns the interest in Rusal or how those interests are held.

What I'm trying to understand from you is who in your group -- is it Ms Khudyk, Ms Panchenko, Mr Tenenbaum perhaps? -- who is the person who is most likely to have been making representations to banks -- if you don't know, then just say so -- about who owned the interests in Rusal?

A. I don't know.

Q. All right.

A. Moreover, I don't even know why the banks would wish to know and would need to know who held what shares and interests. I can't see the logic of any of this.

A company would negotiate with a bank regarding a loan.

I doubt that shareholding structure has any bearing on

borrowing, on loans, in my understanding. So I don't understand this letter at all.

- Q. Well, a bank might have asked the question and it might have been of concern to it to understand precisely, for example, whether you alone were the beneficial owner of these 50 per cent of shares.

All right. Can you perhaps assist me with this: if you don't know who would have been potentially making representations to banks about this, can you tell me who you think might know the identity of the person dealing with the banks? Would it be Mr Tenenbaum?

- A. Well, I can't tell you that you shouldn't be asking Mr Tenenbaum, of course you should, but I can't insist that he would know. I would think that rather Ms Panchenko should know, but perhaps he also knew who was negotiating what.

- Q. Okay.

Now, you have said in your witness statement that you were not involved in the negotiations for the second Rusal sale but you say at paragraph 307 E1/03/128 that you did see some of the final documentation, including a deed of acknowledgement, and I wonder if we can just look at the deed of acknowledgement.

Can you go, please, to bundle H(A)84 at page 60
H(A)84/60.

MRS JUSTICE GLOSTER: Mr Rabinowitz, just for my information, before we leave H(A)76, page 57 H(A)76/57, is there any evidence as to what the "alternative structure" is in the documentation?

MR RABINOWITZ: My Lady, we will see some of that in the course of the evidence.

MRS JUSTICE GLOSTER: Very well. Thank you.

MR RABINOWITZ: H(A)84, page 60 H(A)84/60. This is, I think, the deed of acknowledgement that you refer to in your witness statement and it's, as you see, dated 20 July 2004. It's between yourself and Mr Deripaska; do you see that?

If you look at page 63 H(A)84/63, you'll see that Mr Deripaska has executed this version of the document and if you go -- you can keep your finger there, but if you go to page 209 H(A)84/209, you'll see a version of the document where you have signed. Page 209. Do you see that?

Now, can we go back to page 61 H(A)84/61, Mr Abramovich. If you look at clause 2, clause 2 is the acknowledgement that you make to Mr Deripaska on 20 July 2004, and in fact that's really the whole point of this deed, that you make this acknowledgement. Do you see that it reads:

"RAA..."

That's you.

"... states and acknowledges to [Mr Deripaska] that with respect to the Shares (including predecessor shares) and the Business Interests represented thereby (as defined in the Deed of Release)..."

And just pausing there, you can take it from me --

MR SUMPTION: Could we get the translator to take the witness through this clause?

MRS JUSTICE GLOSTER: Yes, certainly.

Madam translator, could you come forward and translate to the witness clause 2, please. (Pause)

A. I have to say that it will be difficult for me to comment. It is formulated in a very complex way.

MR RABINOWITZ: Well, let me help you with that a little bit, Mr Abramovich, because this is a contract that you've signed. In clause 2, just so that you understand it, the reference to "the Shares" there and "the Business Interests" is a reference to 25 per cent of the joint venture with Mr Deripaska as held through Rusal Holdings and the reference to "Beneficial Owner" is defined earlier on in the contract as being a reference to Mr Patarkatsishvili. Okay?

I'll tell you what this acknowledgement says: it says that you were expressly acknowledging to Mr Deripaska that whoever Mr Patarkatsishvili, in the

deed of release or otherwise, said was the beneficial owner of the 25 per cent stake in Rusal, that would be, to the best of your knowledge and belief, who the beneficial owner was. In other words, you were acknowledging to Mr Deripaska that Mr Patarkatsishvili was going to make a statement about who the beneficial owner of these shares was and that, to the best of your knowledge and belief, whatever Mr Patarkatsishvili was going to say about it was correct.

Do you understand that?

A. Well, I understand everything you're saying. But what's been read to me in Russian, I mean, you know, you have to then translate from that Russian into other Russian for me to understand what it means and I am not capable of grasping that legal Russian. But what you are saying, I do understand.

Q. Right. I've tried to put it in language that both of us can understand because the legal language here is not straightforward.

You can see also that there is a reference in clause 2.2 (sic) -- or perhaps you remember that you were told this -- there is a reference to the deed of release and this being where Mr Patarkatsishvili was going to say who the beneficial owner was, and clause 1.1.5 of the contract we're looking at, on the

same page, page 61 --

THE INTERPRETER: I do apologise, there isn't clause 2.1
(sic) in this document.

MR RABINOWITZ: It's just clause 2. Sorry, I may have said
clause 2.1.

It's just clause 2. That refers to a deed of
release and if you look above, maybe the translator can
help you, at clause 1.1.5 it says "Deed of Release", and
clause 1.1.5 tells us that it is a document which is
attached to this agreement.

And if you go to page 64 in this bundle H(A)84/64,
we can see the deed of release which was attached to
this document, and at clause 3.1 on page 66 H(A)84/66
we have the relevant representation from
Mr Patarkatsishvili about who the beneficial owner of
this 25 per cent of shares was.

A. May I ask a question at this stage?

Q. Please do.

MRS JUSTICE GLOSTER: Well, is it because you don't
understand the document? What's the problem?

A. I -- well, the fact that I don't understand the
document, that's one thing and that's obvious. But
there are two documents here: one of them is signed by
me and another one isn't signed by me.

MR RABINOWITZ: Correct.

- A. For some reason we're not looking at the document I had signed, which would have been logical from my point of view, and we're discussing a document I hadn't.
- Q. They're identical documents. The way it works, Mr Abramovich, is clause 7.2 of the document says that you and Mr Deripaska must each sign but you don't have to sign the same document. So Mr Deripaska signs one of the identical documents and you sign the other. But the clause I've taken you to is identical. Okay?
- A. Mm-hm.
- Q. All right.
- A. Okay, I got it. Thank you very much.
- Q. Now, if you go to page 64 H(A)84/64, which you may be at, you will see the deed of release which is exhibited to the document that you signed and indeed Mr Deripaska signed; and then if you go to page 66 H(A)84/66, you can see the representation which Mr Patarkatsishvili makes about who the beneficial owner of the 25 per cent stake is.

And if you have clause 3.1, what it says -- and perhaps the translator can help you with this -- what Mr Patarkatsishvili represents and warrants at clause 3.1 at page 66 is that:

"... during the Period..."

And I can tell you, Mr Abramovich, that "the Period"

means, if you go back to page 65 H(A)84/65, "the period commencing on March 15, 2000 and ending on Completion".

"... during the Period..."

So that's the period from 15 March 2005 (sic).

"... [Mr Patarkatsishvili] was the sole and ultimate beneficial owner of the Business Interests..."

That, as you've seen or as I've told you, means that Mr Patarkatsishvili was warranting that he was the sole and ultimate beneficial owner of the 25 per cent interest in the Rusal joint venture.

Now, the date 15 March 2000 is the date of the written agreement that you made with Deripaska; do you remember that?

A. Earlier you said 15 March 2005, and of course we had finished all that. But this was a slip of your tongue, so we've...

Q. This was a slip of my tongue. It's from 2000.

So what Mr Patarkatsishvili is warranting is that from the date of your contract with Mr Deripaska he has been the beneficial owner of 25 per cent of the Rusal joint venture investment. Okay?

And the other thing that he warrants, and this is in the second part of clause 3.1, is that the stake was not held by Mr Patarkatsishvili "for the benefit of any

other Person", and he also says:

"... and no Encumbrances or Claims were imposed or asserted in respect of [that interest] during the Period."

Okay?

Now, just to summarise where we are, in the deed of acknowledgement, which was the first document we looked at, which was the one that you signed, you acknowledged to Mr Deripaska that whoever Mr Patarkatsishvili said was the beneficial owner of 25 per cent of Rusal was the beneficial owner of 25 per cent of Rusal and had been the beneficial owner of 25 per cent of Rusal since 15 March 2000.

In turn, Mr Patarkatsishvili warranted in the beneficial ownership deed of release that he was the beneficial owner of 25 per cent of Rusal and had been since March 2000.

And what I want to ask you is this, Mr Abramovich: how is this consistent with your present case that you, and you alone, at all times were the owner of the full 50 per cent of shares in Rusal?

A. May I explain?

Q. Please do.

MRS JUSTICE GLOSTER: Yes, please do.

A. At the time when the question arose that for Badri to

receive money, shares should be re-registered in his name, and the question arose because under the original contract we couldn't pay him this amount of money, at that time it was clear that commission amounting to 540 or \$575 million -- I can't remember at what time we were discussing it -- not a single bank would receive this amount of money as commission payment.

So we decided that we will give him shares, so that he could receive this money legally through the banks he wanted. At the time when we finalised the deal with Oleg Deripaska, we would do that; and then, in the course of this procedure, we had to explain how he got these shares, how come he was holding these shares. So we wrote that he was holding, owning these shares from 15/03/2000.

I can't tell you that I understand all this mechanism very well, not at all. I can't say I understand it very well. But this is my assumption, my guess.

- Q. So your case is -- tell me if I have this right -- that you deliberately created a false document which deliberately misrepresented whether Mr Patarkatsishvili was a beneficial owner in these shares; is that right?
- A. If the question is whether Mr Patarkatsishvili was indeed the beneficiary owner of these shares from

15/03/2000, then the answer is: no, he wasn't. If the question is whether I had the right to hand over the shares to him when I felt I wanted to and I was owing him some money, could I pay him with shares, I think that I had the right to do that.

So I don't quite understand where false and falsification and fictitious comes in.

Q. Well, Mr Abramovich, just looking at your answer, the question is whether Mr Patarkatsishvili was indeed the beneficial owner of these shares.

Now, you have signed an agreement which says that whatever Mr Patarkatsishvili says about this, that is true. But you are now saying that you were, in effect, party to an arrangement which deliberately misstated who was the beneficial owner of these shares. Is that your evidence?

A. Badri asked me to help him to arrange this transfer so he could receive this money and when he was asking me and whatever he was asking me to do, I always tried to assist him.

Q. Mr Abramovich, I have to suggest to you that you are simply not telling the truth and that this document, when it acknowledges that you were not indeed the owner of the full 50 per cent of the shares, was stating the position as it in fact was, namely that you held that

25 per cent of shares for someone else.

Do you follow what I'm putting to you?

A. I understand your question and that is not right. The answer is no.

Q. And the reason this document was acknowledging Mr Patarkatsishvili's beneficial interest was because Mr Patarkatsishvili was indeed a purchaser of the aluminium assets under the master agreement of February 2000 and, as a result of that, he, with his partner, Mr Berezovsky, came to hold 25 per cent of the shares in Rusal which you agreed to hold as trustee for them.

That is the truth, is it not, Mr Abramovich?

A. That is not true. That is not so. I never held anybody's shares for anyone on trust, as a trustee.

MR RABINOWITZ: Thank you very much, Mr Abramovich. I have no further questions.

MRS JUSTICE GLOSTER: Thank you very much.

Yes, Mr Malek.

MR MALEK: I have no questions, my Lady.

MR ADKIN: My Lady, I have no questions.

MRS JUSTICE GLOSTER: Mr Mumford? No.

Right, Mr Sumption.

Re-examination by MR SUMPTION

MR SUMPTION: I'm afraid it's not quite over yet,

Mr Abramovich. I want to ask you a few questions of my own.

Could Mr Abramovich please be given a bundle of the Russian-language transcripts of the hearings during which he's been giving evidence.

Now, Mr Abramovich, could I please ask you to turn to the transcript for Day 17. You'll find that in the Russian version, the pages that I'm going to refer you to are contained within the text. Could you please turn to page 26.

MR RABINOWITZ: Before my learned friend goes any further, I should just mention that we don't actually have Russian transcript versions of this. If you're going to be putting points about what is the proper translation of X or Y --

MR SUMPTION: No, I'm going to be putting the transcript to the witness but in a version that he can understand without having to have it translated for him.

MRS JUSTICE GLOSTER: What's the position in relation to that? Is it a payment issue?

MR SUMPTION: I'm told that it is. Clearly, since I'm referring to it, my learned friend must be entitled to see a Russian-language copy if he wants, but I'm not going to ask Mr Abramovich to engage a translator.

MRS JUSTICE GLOSTER: No.

MR RABINOWITZ: I think it would be worth someone on my side who understands Russian at least having --

MRS JUSTICE GLOSTER: Yes. Well, I'm going to direct that one copy is passed over to a Russian speaker on Mr Rabinowitz's side without prejudice as to any question as to costs, which no doubt can be argued later.

MR SUMPTION: Indeed.

My Lady, I'm not sure that we've got an extra copy in court, apart from the witness's copy, but I'm having enquiries made about that.

MRS JUSTICE GLOSTER: Okay. Well, we can go on in the meantime.

MR RABINOWITZ: Can I ask my learned friend just to clarify this: is the version that is being put to the witness the version produced by the translators with or without Skadden's corrections? Because, as I understand it, there has been quite a lot of toing and froing about trying to get them to accept particular words.

MR SUMPTION: I understand it's simply a type-up of the audio feed. I'm not sure who does the typing-up.

MS DAVIES: Without corrections.

MR SUMPTION: Without any corrections.

MRS JUSTICE GLOSTER: Okay. Well, if there's a correction point, I'll give you an opportunity to deal with it.

MR SUMPTION: Mr Abramovich, could you perhaps look at page 26 here on Day 17, in the numbering which you'll find embedded in the page. At the top of page 26 you will see that you are being asked about the 1995 agreement -- sorry, I'm trying to find the exact reference, forgive me.

MRS JUSTICE GLOSTER: I think it's on page 25 I ask a question, line 19, or Mr Rabinowitz at line 13 on page 25.

MR SUMPTION: Yes, let me just find the bit that I'm looking for. (Pause)

At the bottom of page 26, Mr Abramovich, my Lady asks you a question about two-thirds of the way down the page and your answer is -- this is about what was agreed before August 1995:

"After that, what happened was that it was clear that 51 per cent would be held by the government while 49 per cent could be privatised. In order to privatise 49 per cent, a certain number of auctions had to be held, and we agreed that Mr Berezovsky would help me in this."

Do you see that answer that you gave in the Russian transcript, Mr Abramovich? Now, when you said that you "agreed that Mr Berezovsky would help me in this", what were you referring to as "this"?

- A. At that time I meant the subsequent loans for shares auction. I was slightly confused with this question about August and I forgot what was happening when. But of course we agreed about these shares for loans -- loans for shares auction much later; I think it was end of October or something like that, if I remember.
- Q. I see. So the answer that I have just read to you, if you've still got it in front of you, you say that you were confused between the auction of the 49 per cent and the loans for shares auction. So if we can sort the confusion out: what did you intend to say?
- A. Mr Berezovsky didn't help me at all with the auctions for 49 per cent, but of course and indeed he did help me in a very serious manner during the loans for shares auction.
- Q. And was there an agreement about what would happen in relation to the 49 per cent? What you've just told us is that he didn't help you. Was there any agreement on that subject, as to whether he would help you with the 49 per cent?
- A. There was no agreement at all.
- Q. Now, could I please ask you to leave that transcript open and to take up bundle H(A)02, at page 102 H(A)02/102. 102 is the Russian-language version of a document that the rest of us can see at 102T and 103T

H(A)2/102T, which in my bundle is just before the coloured page, immediately before the document in Russian.

Now, you were taken to this document and it was suggested to you that Oil Finance Corporation was the same company as NFK, which was subsequently the successful bidder in the loans for shares auction. Do you remember that being discussed in your evidence? And you said it was not, it was a different company.

A. Yes, I remember.

MRS JUSTICE GLOSTER: Mr Sumption, can you give me the reference to the transcript where --

MR SUMPTION: It's at Day 17, pages 142 and 143.

MRS JUSTICE GLOSTER: Thank you.

MR SUMPTION: Now, do you remember when NFK, the company that subsequently succeeded in the loans for shares auctions, was created?

A. It was created just before the auction, just prior to the auction, if I remember correctly, in December. I mean, I can't remember the exact date, but something like December.

Q. Could you please be given bundle H(A)09/28 H(A)09/28. In Russian it's at 28R H(A)09/28R and for the rest of us it is immediately after the Russian version.

In the Russian version this is a copy,

Mr Abramovich, of the Audit Chamber report into the loans for shares auction. Do you remember that document?

A. Yes. I do.

Q. If you turn in the Russian text to page 31R H(A)09/31R. In English it's at page 36 -- I'm afraid the bundle I'm using is paginated differently. Right. It's --

A. May I -- I can answer.

Q. You've got it in the Russian text, right. Does that help you to identify the exact date?

A. Yes.

Q. What is the exact date that you see there?

A. It's the date when the company was set up: 07/12/95.

MR SUMPTION: I will give your Ladyship the exact reference to the English translation. It was at page 36 but the reference has been changed subsequently.

Mr Abramovich, I wonder if you could turn back to the transcript now. You can put away bundle H(A)09. Would you please turn to page 64 in the transcript of Day 17. The first answer that you give on page 64 begins in English:

"This is almost what you mean."

Do you see that? Now, what you're being asked about here is krysha and in particular you're being asked

whether you needed krysha after the creation of Sibneft. That's what Mr Rabinowitz was asking you about and I just want to ask you to clarify a particular part of your answer.

In the first answer you give on page 64 you say -- I'm reading from the English. It says:

"This is almost what you mean. I'm saying that in [the] start of the '90s... I needed both kinds of protection... and in some sense, yes, both, one and the other."

That's a reference to physical and political krysha. And then you say:

"The business after creation of Sibneft didn't require krysha. After Sibneft was created, political krysha was required, yes."

I wonder if you can clarify those two sentences, where you're recorded as saying in the transcript, "The business after the creation of Sibneft didn't require krysha", and then in the next sentence you say, "After Sibneft was created, political krysha was required, yes". Can you help us on what you are saying there?

- A. Indeed krysha was required. It was impossible to keep hold of the company without krysha. So we required both political and physical krysha protection.
- Q. Thank you. Could you put away that -- well, sorry, keep

the volume. If you turn to the next tab, I think it is, you will find the transcript of Day 18. Can the witness be helped to find the transcript of Day 18, please. I'd like you to turn to page 39.

At this point in your evidence you're giving evidence about a document which you will be given in a moment: it's at H(F)1/60. Now, you may remember being taken by Mr Rabinowitz to this letter. It's a letter which contains details sent to Mr Curtis in 1994 of the turnover and net profits of one of your trading companies called BMP Trading GmbH. Do you see that?

A. Yes. Yes.

Q. There isn't a Russian version of this but if you look at the numbered lines just below halfway down the page, item 5 says:

"Turnover in 1993 -- \$350 [million]."

And item 6 says:

"Net profits in 1993 -- 10 [million]."

Do you see those figures?

Now, you were asked in particular about the figure for \$10 million net profits in 1993. Those were the profits of which company?

A. These were the profits of this company. We had several companies that were engaged in trading operations. This

profit refers to this company.

Q. Right. And what was the aggregate profit at that time, ie 1993, of the total of the trading companies?

A. I can't give you an exact figure but in the region of \$40 million, perhaps a bit less.

Q. Thank you.

Could you please now turn to the transcript for Day 19 and turn to page 45. Now, what you're being asked about at this stage is the ownership of shares in Sibneft in the year 2000. Now, at that stage 12 per cent of Sibneft was owned by the general public and you say here that you and only you owned the rest, the other 88 per cent.

And you then clarify, if you look at page 45, why some documents refer to "A group of shareholders". Do you see your answer about that? At about a quarter of the way down 46, you say:

"Answer: I have never said that I was the only shareholder."

Then my Lady asks:

"In Sibneft or in these aluminium assets?"

"Answer: 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 I was the only shareholder in Sibneft..."

"And that's why we often spoke about management, management control, as long as we didn't mention just my name."

Now, can you tell us: what were the reasons of security that you refer to in that answer as the explanation of why you referred to the control by management?

A. I can give you a longer answer or -- may I? May I say a few words?

Q. Of course.

A. Just to give the context and the history of the matter.

When I started to do business, when cooperatives first appeared and when I started to make more or less serious money, at that time, for those times, then of course at that time I wanted to show everyone that life is different, it's new kind of life, we are earning this money, we wanted to pay taxes and live honestly.

And while I was thinking about that, a person, I think his surname was Darasov, he declared that he had earned 3 million rubles that he had paid all the taxes. He was a member of the Communist Party, he paid party contributions, he did everything completely honestly and above board. You can't imagine what happened in the country: people were saying that he should be put in custody, to prison, this is unbearable, this is

shameful, nobody has the right to earn so much; and in the end he left for the UK.

And I remember that very well and I decided that I was not going to stick my neck out. The next person who decided to declare his earnings, his shares, and that he was such an open person, was Mr Khodorkovsky. Well, at that time I had the desire to declare everything and to show everything and to make it all obvious, but then I decided it won't lead to anything good; it would only create problems for myself.

So I decided: sit quietly and do business and don't stick your neck out and tell everybody everything belongs to me, et cetera; that would only cause problems for myself. Therefore I never told these stories or declared all these things to anyone.

- Q. And from what date, approximately, did you have this policy of not being publicly seen as the sole owner of Sibneft?
- A. If I remember correctly, this story I told you about happened in '89 and that happened prior to Sibneft. So I learnt my lesson on the example of that guy before Sibneft.
- Q. In your public statements what did you say about who owned the rest of the shares apart from you yourself?
- A. Well, first of all, I never made any public statements;

at least I tried never to make any public statements. I know I don't do it well: I become very nervous, I forget what it is that I mean to say, I can't really convey my logic and my thought to the journalists. So I decided this is not my thing, I really shouldn't be doing it.

And even when I was asked, and I was being asked when I was running for governor, I think it was the year 2000 when I was asked, rather I was going to say -- I was going to say there was a question -- rather I was asking (sic) about control and I was being asked about ownership and I simply got confused and didn't understand what it is that they were asking me about.

So I never had the intention to deceive anyone.

Q. Could you please take bundle E6, or E7 rather, which is the Le Bourget transcript. We'll look at it in bundle E6. I'd like you to turn to box 470, please E6/01/165. I'd like you to read to yourself the text in box 470 and then I'd like you to look at the transcript of the evidence that you gave about it.

Could you perhaps read the text of box 470 first.

(Pause)

A. Yes.

Q. Now, if, leaving that open, you would like to turn to the transcript for Day 20 and to page 89 of that

transcript. You give evidence about this matter between pages 89 and 91, if you would just like to remind yourself of that. (Pause)

A. Should I read 90 as well?

Q. I think you can read up to the end of page 91, up to the question that my Lady asked you. Perhaps you should read your answer to my Lady's question as well. (Pause)

A. I've read it.

Q. You say in the longest answer on page 91:

"So we always said that I control half of the company and the other half is controlled by the management."

On what other occasions did you say that?

A. If I remember correctly, I gave an interview to Vedomosti newspaper, if I remember correctly.

Q. Could you please take bundle H(A)15/2R.

A. May I add? May I add a few words?

MRS JUSTICE GLOSTER: Yes, you may.

A. Everybody who asked me this question were not interested to know who owned the shares; all they wanted to know, whether Berezovsky was the owner, whether Berezovsky had any influence on the company. That's the only thing they were keen to know. Nobody was bothered to know who in reality was the shareholders; just that all foreign investors were very concerned that Berezovsky might be

a shareholder. This is why all these stories and questions appeared and every time we had to explain to foreign investors that he had nothing to do, he was not an investor, he was not a shareholder and had nothing to do with this business.

MR SUMPTION: Now, could you please take bundle H(A)15 at page 2R H(A)15/2R, which is the Russian version. It's on coloured paper in my bundle. The English version is at 2 H(A)15/2, which, in my bundle, is just before that.

Now, is this the interview with Vedomosti that you were referring to?

A. (Untranslated)

Q. If you look at the top, you'll see that it's described as:

"Interview with Sibneft board member Roman Abramovich published in Vedomosti on 1 December 1999."

Now, you'll see -- if you would like to just cast an eye through this, can you draw our attention to which parts of this interview you had in mind?

A. The journalist is saying:

"Let's talk about your business. What is it that you do in Sibneft?"

And then I'm discussing that.

Q. And then in the English there's a heading or there's a question:

"Can you say something about your stake in Sibneft?"

Starting there, as you've asked us to, where should we read to to get the passage that you had in mind in your last answer?

My Lady, it's page 3 on the English version

H(A)15/3.

MRS JUSTICE GLOSTER: Yes, I'm there. Thank you.

A. Right. If you read seven or eight lines or so, then everything is described.

MR SUMPTION: Thank you.

Could you please, on this same point, be given bundle H(A)23 at page 67 H(A)23/67. 67 is the English version. You'll find a Russian version, I think, immediately -- hang on. 67R is the Russian version H(A)23/67R and the English text is on 67, immediately before that. In the English, this is headed "On the Record" and it's an interview with Mr Shvidler published in Petroleum Intelligence Weekly in November 2000. Do you see that?

Could you please turn to page 70.001R

H(A)23/70/001R. There is a question which is being put to Mr Shvidler:

"Unclear shareholding structures remain a worrying

aspect of many Russian oil companies. Can you reveal who the principal shareholders are in Sibneft?"

It's the very last question that Mr Shvidler is asked. His answer is:

"First, I would like to say that Sibneft is a separate oil company not mixed up with the aluminium interests with our shareholders. As for the list of shareholders, Roman Abramovich controls about a 40% stake, a similar amount is controlled by the company's top management, while the rest is in free float."

Now, can you help us on what Mr Shvidler is referring to there?

A. This is -- what is the date of this? Could you please remind me?

Q. November 2000.

A. This was the main question. The main question was whether Sibneft acquired aluminium assets, that was the big thing; and this is why, if I remember correctly, the whole story was written. And it was important for us to convey that Sibneft as a company has nothing to do, no links with aluminium assets. The market got very excited and worried that we might suddenly start using Sibneft's money and we'd stop being a purely oil company and become some kind of strange conglomerate. This is what it was all devoted to, if I remember correctly.

Q. If you still have the Le Bourget transcript open in front of you, bundle E7, can you turn back to box 470, please E6/01/165.

Now, box 470 is, of course, about Sibneft. Why did you refer at the Le Bourget meeting to your owning only 40 per cent or 44 per cent and to part being "in trust with management"? Why were you saying this to Mr Patarkatsishvili and Mr Berezovsky?

A. We were talking about what should be done for them to receive legal money in the banks and I tried to remember the arrangement which exist -- which people explained to me and which I was trying to explain to them so as to help them in some way to use the arrangements we've discussed before, so they would have a possibility of explaining all of that to the banks.

But here I am referring to my interview, I'm trying to remember what it is that I was explaining to the Vedomosti newspaper, as I've already mentioned that I don't recall these things very well and -- you know, and I really don't retain this information. By the time I arrive wherever I'm going, I already forget what it is that I wanted to say.

Q. Could you please turn to the transcript of Day 19 at page 2.

MRS JUSTICE GLOSTER: Choose your moment for the break,

Mr Sumption.

MR SUMPTION: My Lady, why don't we break now?

MRS JUSTICE GLOSTER: Very well. I'll break for ten minutes.

(11.25 am)

(A short break)

(11.43 am)

MRS JUSTICE GLOSTER: Yes, Mr Sumption.

MR SUMPTION: Mr Abramovich, could you take the transcript for Day 19, please, and I'd like you to turn to page 2 in that transcript.

Now, the point that Mr Rabinowitz is asking you about at this stage of your evidence is this: he was suggesting to you that in 1996 you thought that there was a need to distance Mr Berezovsky from Sibneft, and you denied that. You remember that exchange between you and Mr Rabinowitz, do you?

A. Yes.

Q. And in this part of your evidence -- it's at the bottom of page 2 and the top of page 3 -- you say, bottom of page 2:

"Answer: So, for me to understand exactly what you mean, prior to [the 1996] elections I allegedly told Berezovsky that his link or his association with Sibneft was harmful to Sibneft; is that what you mean?"

And Mr Rabinowitz says:

"Question: That is what my question involves saying, yes."

Your answer is:

"Answer: 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?"

I want to show you a document and ask if it's the document that you have in mind. Could you please be given bundle G(B)2/3.041. If you turn to flag 41 in that bundle.

MRS JUSTICE GLOSTER: It's on the screen. Is there an English version?

MR SUMPTION: There's an English version at page 7T and the Russian version is 1R.

Mr Abramovich, this is -- if we can have the English version on the screen, since you've got the Russian version in front of you.

MRS JUSTICE GLOSTER: Do we think there's an English version?

MR SUMPTION: There is an English version in my bundle at page 7: that's G(B)2/3.041/7.

Now, is this the document that you had in mind as letter number 13, Mr Abramovich, or is it a different document?

- A. This is what I meant. This is not called letter number 13 but this is appeal number 13. After Mr Berezovsky, it was Mr Viktor Andreyevich Gorodilov who signed that letter, who represented Sibneft, so to speak, that at that point in time Sibneft wanted to distance itself from Mr Berezovsky. This is completely incorrect.
- Q. So what is it about this letter that shows that it was completely incorrect?
- A. That letter -- sorry, I didn't understand the question. What was it in that letter that was showing that it was --
- Q. The transcript, I'm afraid, has mistranscribed my question. My question was: what is it about this letter that shows that the suggestion put to you about distancing Mr Berezovsky from Sibneft was completely incorrect?
- A. I have asked Mr Rabinowitz: did he mean that Sibneft would have problems or me personally, and he said certainly it would be for Sibneft, if I remember correctly. That's what I'm saying. And in that letter the second person, after the appeal of Mr Berezovsky, that was Mr Gorodilov, who did represent Sibneft.
- Q. Could you please, in the transcript of the answers that you've just given, go back to the line on the current

page of the [draft] transcript to line 6. Could the translator please translate the answer that begins, "This is what I meant", and in particular the last sentence says:

"This is completely correct."

If you can just explain what you meant by that.

Madam translator, do you see the answer that begins, "This is what I meant"? Have you stopped the...

Can the whole of that answer beginning "This is what I meant" up to "This is completely correct" be translated to the witness.

MRS JUSTICE GLOSTER: What's the date of this letter?

MR SUMPTION: The date of the letter is -- I think it's June 2000 -- sorry, June 1996, forgive me --
27 April 1996.

THE INTERPRETER: I have translated [draft] lines from 21 to 25. Is that what you wanted?

MR SUMPTION: I'm sorry. If you look at [draft] line 6, you will see an answer that begins:

"This is what I meant. This is not called letter number 13..."

Do you see that answer?

THE INTERPRETER: Yes, now I've got it.

MR SUMPTION: That is the answer. Please could we have that translated.

What is it that is completely correct?

A. This is completely not what I said. I mean that this letter, after Berezovsky, was signed by Mr Gorodilov and that letter was putting Sibneft at risk because that letter was sent, I remember, to the leader of the Communists, Mr Zyuganov, and he was categorically against. So it doesn't matter, and I'm referring to that letter.

Q. Yes.

A. Therefore, by this letter I want to show that we did not distance from Mr Berezovsky and Sibneft didn't distance from him. Quite on the contrary, we supported him and the company, Sibneft, has provided all the resources for that and Mr Gorodilov signed that letter.

Q. Now, could you please in the same transcript, Day 19, turn on to page 6. At page 6 of this transcript, if you would just like to glance at it, you will see that Mr Rabinowitz is putting it to you that you had failed to identify any krysha, any services by way of krysha provided by Mr Berezovsky to you between 1998 and 2000. Do you see that?

A. Yes, I do.

Q. Can you tell us: what role did Mr Berezovsky play, if any, in the attempted Yuksi merger of 1998?

A. He was going to be a political representative of the

united group and I cannot say that we've discussed that he will be the krysha for the whole group, but this is what was meant.

- Q. Could you please turn in the same transcript to pages 26 and 27. Now, at this point of your evidence you are explaining why Mr Patarkatsishvili and Mr Shvidler were shown as parties on the agreement in relation to the acquisition of the aluminium assets in February 2000. Do you remember being asked questions about that?

A. (Untranslated)

- Q. Now, if you look at the transcript, you will see that at the end of page 27 Mr Rabinowitz asks you:

"Question: ... I have to suggest... that your explanation as to why both Mr Shvidler and Mr Patarkatsishvili signed as a party is simply untrue. Do you understand?"

And you say:

"Answer: I understand that you suggest that this is not true but it is in fact 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."

Mr Rabinowitz then went on to another aspect of the matter.

Can you please help us on what was the context that

you were referring to at the very bottom of page 27?

What was the context that helps you to understand this?

- A. If you understand everything that was going around all this, Badri was a very influential figure. For the aluminium industry there was a certain risk and it was important for us for Badri to be near to us and demonstrate that he's with us.
- Q. And what about Mr Shvidler: what is the context that helps one understand why Mr Shvidler was named as a party?
- A. And Mr Shvidler was negotiating, he was conducting negotiations. Therefore he automatically was a party, becoming a party, party 1, what was called party 1 there.
- Q. Could you, in the same transcript, please turn on to page 67. Towards the end of page 67 you will see you're being asked about the merger agreement with Mr Deripaska and in particular the document which you and Mr Deripaska signed at the beginning of March 2000. You're being asked about whether that contained all the key terms of the merger agreement.

Mr Rabinowitz, at the bottom of page 67, quotes your witness statement:

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

And he then asks:

"Why did you deny, when I asked you whether you reached agreement with Mr Deripaska on all key terms, why did you deny that that is what had happened at that meeting?"

And this is a reference to the meeting --

A. Sorry, I do apologise, I'm not keeping up. You are speaking very fast, the interpreter is speaking even faster, so I'm not understanding what's going on.

MRS JUSTICE GLOSTER: Okay. Take it more slowly.

MR SUMPTION: I will take it more slowly.

In this part of your evidence you're being asked about the preliminary agreement with Mr Deripaska for the merger of the aluminium assets of each side, and in your witness statement you had said that in that agreement you reached agreement with Mr Deripaska "on all [the] key terms of our merger". And this is in the context of the meeting that you had at your house at Sareevo after the Baltshug Kempinski hotel.

Mr Rabinowitz then says:

"Why did you deny, when I asked you whether you reached agreement with Mr Deripaska on all key terms, why did you deny that that is what had happened at that meeting?"

And if you then look at your answer at the top of

page 68, if you could just read to yourself the answer that begins in the English text:

"Answer: I wanted to continue but then I was cut off..."

Just that answer. (Pause)

Have you read that, Mr Abramovich?

A. Yes, I did.

Q. Now, at the end of that answer, you say:

"... if I have the leave of the court, I can explain what we agreed upon and what we agreed upon later."

Mr Rabinowitz says he'll come back to that. I'm not sure he did, which is why I'm going to ask you now.

What did you agree upon at your house in Sareevo and what did you agree upon later? What did you want to explain when you said that?

A. I wanted to explain that the terms with regard to BrAZ, with regard to Sayansky Aluminium Plant, about the whole structure of Russian Aluminium, was agreed by us later.

So my feeling was that we had a preliminary discussion. We've agreed to only spin out the problem assets, KrAZ, everything around KrAZ, and everything else will be decided later. We'll get the work started and decide the rest later. That was my feeling.

Q. So what was added later was further assets; is that what you are saying?

A. Bratsk Aluminium Plant, we have brought a part, and the other part we bought from Rusal, Sayan Aluminium Plant, from what I can remember, and I think we also were buying power plants, but I do not recall.

And one more thing: and later it happens we were not able to bring in KrAZ or Novokuznetsk Aluminium Plant and we were buying it together.

Q. How much later was that?

A. Bratsk and Sayansky Aluminium Plant were brought in in May, I think we agreed in May. And when we brought NkAZ, Novokuznetsk Aluminium Plant, I do not recall that.

Q. We can find the documents in due course.

Now, Mr Abramovich, could you take the transcript now at Day 20, please, and turn to page 5. At this point you were being asked about the Dorchester Hotel meeting and if you look at page 5, you'll see there's a long answer which begins:

"When we arrived at the Dorchester Hotel..."

Do you see that answer?

A. Sorry, I've missed -- what page was that?

Q. Page 5 on Day 20. There's a long answer in which you describe what happened at the Dorchester Hotel meeting. In English it begins:

"When we arrived at the Dorchester Hotel -- and..."

it was well past midday..."

Would you just like to remind yourself of that answer. (Pause)

A. I have read this.

Q. Now, towards the end of that answer you say it was not a formal meeting because -- and you give various reasons including that Mr Berezovsky was not properly attired.

What was Mr Berezovsky wearing when he joined the meeting?

A. He was in a dressing gown.

Q. Could you turn on in this transcript, please, to page 79. Now, at pages 79 and 80, if you have those open, you will see that you are being asked about Mr Fomichev's proposal in the autumn of 2000 that Mr Berezovsky and Mr Patarkatsishvili should become registered shareholders of Sibneft in order to legalise their receipts.

Now, what was suggested to you was that it was surprising that there were no references in any document to Mr Fomichev having made that proposal. You will see that my Lady asks you that question.

Now, how was this particular proposal by Mr Fomichev made? Did he make it in a document? Did he make it at a meeting? Did he make it on the telephone? How did he make it?

A. If I recall correctly, he arrived to my offices and said he had such a proposal. He didn't have any correspondence in this regard. So there couldn't have been any documents surviving, if I recall correctly.

Q. Is it normal, can you tell us, to document arrangements to legalise the receipt of money? If proposals are made on that subject and you have discussions about it, is it normal to have those discussions in writing or orally?

A. Usually -- it's very unusual for Russian practice to sit down and write down what you are saying. That looks quite strange. I understand that from the perspective, from the point of view of an English lawyer, everything has to be documented. I've seen how -- the way it's happening. I've seen people's notes. If someone said something and then that was documented, to be honest, I've never ever come across this before. This is very unusual for us.

Q. Thank you.

Could you please turn in the transcript for Day 21 to page 13. Now, in this part of your evidence you're being asked about the Le Bourget transcript and if you look at the transcript from pages 13 to 15, you'll see that you're being asked about Mr Patarkatsishvili's interest in the question how much Sibneft was likely to earn in the following year. Do you remember that?

Would you like to --

- A. I do remember. Just could I have the page reference, please, again?
- Q. Yes. If you look at page 13 and read through to yourself until page 15, you will see a number of questions are being asked of you about -- it's a discussion at Le Bourget about how much Sibneft was likely to earn in the next year. If you would just like to remind yourself of that by glancing through it. You don't need to read every detail, but just to remind you of the context. (Pause)
- A. I do remember the context.
- Q. Right. Now, what I want to ask you is this: why were Mr Patarkatsishvili and Mr Berezovsky interested in how much Sibneft was likely to earn in the following year?
- A. That was the year 2001: that was the first year when everything had to be brought within the company and the only way how I could in theory pay out to them would be via dividends. So I would have to get Sibneft dividends and then distribute them. And it can be seen from there, I am explaining that I can do it only twice a year; I cannot pay them the money at their first demand.
- Q. Was the amount of money that you paid to Mr Patarkatsishvili or Mr Berezovsky dependent on or

related to the amount of money made by Sibneft?

A. No.

Q. Could you please turn to page 23 of the same transcript for another aspect of the meeting at Le Bourget. You will see that on page 23 there is a long answer from you in the middle of the page beginning:

"I'd say to [you] that if you read this transcript in full, and in particular with regard to ORT, we had settled everything..."

Do you see that? Could you just read through that answer so that I can ask you to clarify one point.

A. (Untranslated) (Pause)

Yes, I did.

Q. At the end of that answer you explain that you left the meeting with the understanding that you had agreed on everything: you had agreed "the arrangement, how to pay, what to pay and to whom". You say you then went off on your election campaign, Mr Berezovsky went away and Mr Patarkatsishvili went away, and you then say:

"... if I remember correctly... the other one to Las Vegas."

Mr Berezovsky to Aspen and Mr Patarkatsishvili to Las Vegas. And you then say, and we're talking about ORT here:

"So the subject sort of -- the subject went away by

itself until we all met again."

Do you see that?

Now, what was the next occasion after the Le Bourget meeting that you all met again, that you're referring to there?

A. We've met in Megeve.

Q. Now, when you say that "the subject went away by itself until we all met again", did the subject of ORT come up when you met in Megeve?

A. No, we've never revisited it at all. Everything was finished there. There was nothing to discuss there. Moreover, if I recall correctly, the end of October I was already financing the budget difference using my own money, and the budget differential of ORT, that was already financed by me.

Q. Yes. Now, on that point, could you please -- you may need some assistance on this. I'd like you to look at the bolshoi balance on the screen. We know from experience that this is technically possible but you may need some help. If possible, on the actual Excel spreadsheet, so that we can operate it under the software.

I wonder if someone could go up, simply so that we can manipulate the spreadsheet and turn to the right box. What I suggest is that if Daria would just like to

sit down beside you, Mr Abramovich, so that we can get up on screen the right part of the spreadsheet.

Looking at the tabs at the bottom of the sheet, you will see that the left-hand tab or one of the left-hand tabs is headed "2000 total, cash incl[uding], monthly". Can we please have that tab opened and could you please look at line 118 in that tab.

MRS JUSTICE GLOSTER: Hang on, I'm just a bit behind you.

We're looking in the left-hand tab or one of the left-hand tabs?

MR SUMPTION: It's the tab which is labelled at the bottom "2000 total, cash incl[uding], monthly", so if your Ladyship clicks on that.

MRS JUSTICE GLOSTER: Yes.

MR SUMPTION: And then in the spreadsheet part that will then open up, turn to line 118.

MRS JUSTICE GLOSTER: Right, okay.

MR SUMPTION: And you will need to pull it over to the right so that we can see October, November and December.

MRS JUSTICE GLOSTER: Okay.

MR SUMPTION: Now, Mr Abramovich, if you look at line 118, you will see that there is a heading which says "ORT CASH", and you will see that under "ORT CASH" there is a figure of \$1.6 million in October and another figure of \$2 million in December. Do you see those figures?

A. Yes, I do.

Q. Can you tell us what those figures of \$1.6 million in October and \$2 million in December represent?

A. This is the budget deficit of ORT that I've undertaken myself, starting from October, because Badri was considering that we've closed everything, it was just a bit of drafting, and that would be all. So he put these expenses over to me.

Q. Thank you.

Could you go back to the transcript of Day 21, please, and turn to page 108. Now, if you'd like to remind yourself of the question and answer in the bottom half of page 108 and then along to 109. Just to tell you what the context is, what is being suggested to you here is that in the course of the meeting -- this is about three-quarters of the way down page 109 -- at Le Bourget:

"... Mr Berezovsky... did not once say anything to indicate... that he would be willing to sign an agreement at that stage...?"

And you say that isn't true. Do you see that evidence?

A. Yes.

Q. And Mr Rabinowitz then says:

"Question: Where do you say Mr Berezovsky said

anything that he would be willing to sign an agreement at that time?"

And you say there are references and replicas made by Mr Berezovsky.

I want to ask you, leaving that part of the transcript open, to turn to bundle E7 in the Russian and the rest of us can follow this in bundle E6 in English. Could you please turn to box 394 E6/01/135. Perhaps you should go back a few boxes earlier to see the context. This is at a time when Mr Patarkatsishvili is on the phone to Mr Gorodilov and at 394 Mr Berezovsky says:

"I am willing to do... this..."

Then there's a short interjection by you and Mr Patarkatsishvili continues over the phone to Mr Gorodilov about an option.

Can you help us on what Mr Berezovsky was expressing himself as willing to do in box 394?

- A. That is to do with ORT shares.
- Q. And what was he willing to do about ORT shares?
- A. This is what Badri was explaining, only he wanted for some reason to use the option and it ended up using a different arrangement.
- Q. Could you turn on to box 408, please E6/01/140. Could you remind yourself of the context by reading to

yourself boxes 408 to 411. (Pause)

A. I have read it.

Q. What do you understand to be happening in this part of the conversation?

A. This is Mr Berezovsky and Mr Patarkatsishvili talking between themselves and Badri is saying: I am happy with everything. The whole arrangement that was discussed there and that he was discussing with Mr Gorodilov, he was completely happy with it.

Q. And what is Mr Berezovsky saying about that?

A. And Mr Berezovsky is saying, if we're looking at 411, box 411, he says, "Yes".

Q. Now, could you turn to box 431, please E1/06/149.

Just to get the context of this, if we go back to 428. Perhaps you would read to yourself from box 428 to box 431, please. (Pause)

A. I've read it.

Q. What do you understand is happening here?

A. I'm trying to convince Badri not to get involved, not to link two payments together, and he was trying to convince me so that the money for legalisation for previous deals to be included in the ORT payment, ORT payment.

Q. In box 430 you say:

"(So then) we shall finalise this deal, so that

I could report on it without further ado..."

What was the deal that you were talking about finalising in that box?

A. This is the ORT deal.

Q. And what was Mr Berezovsky doing during this exchange?

A. He was sitting at the table with us, if I recall correctly.

Q. Did he give any indication of his own attitude?

A. He certainly didn't display any negative attitude. He was very much for it. The only thing, he was asking a few questions about the arrangement and that's all.

Q. When you say "the arrangement", which arrangement are referring to?

A. How shall this money that shall be paid? How would that money get into his account? He was only worried about that particular moment, that particular point.

Q. Could you please turn from there to box 449 E6/01/154. Mr Rabinowitz took you to box 449.

My Lady, for your Ladyship's reference, this is at --

MRS JUSTICE GLOSTER: T41/104.

MR SUMPTION: This part of it I think is at Day 21, 108-109.

That's the reference I've got, but I'll check that.

MRS JUSTICE GLOSTER: Oh, right. I've got Day 41. Day 21, it must be. Day 21.

MR SUMPTION: I've got a reference to 108-9, but we'll check that that's correct.

MRS JUSTICE GLOSTER: Oh, right. I've got 104. 108-109, thank you.

MR SUMPTION: Mr Abramovich, you were taken by Mr Rabinowitz to box 449, where you refer to signing so that you can take something to Mr Putin and you gave evidence that you didn't have actually a document with you to sign.

I'd like you to turn back to box 448, which is the box immediately before that, where Mr Patarkatsishvili says:

"Right, it's settled then, no problems. No problems. De facto we don't lose anything, because we are compensating the amount we stand to lose now, so that later... And as for what we'd lost already -- well, it's gone."

Now, what was "settled then", as you understood it? When Mr Patarkatsishvili said, "Right, it's settled then, no problems", what was it that was settled?

A. At that point in time we were talking about the arrangement. We have finalised everything. I had a clear understanding that we had nothing else to discuss.

Q. Did Mr Berezovsky give any indication of his attitude to that?

A. No. He was sitting at the table and I had an impression that he was absolutely fine with it, absolutely agreed. So I left with a firm understanding that that was all; everything was closed.

Q. Now, I want to ask you about a different subject although about the same period of time. The transcript reference is Day 21, pages 128 and 129.

Now, what you're being asked about here is the time required to fly from Moscow to the south of France in early December and back again to Moscow. Now, you don't need to look at the details of your answers in order to answer my following questions.

If you are in Moscow and you decide to fly to the south of France, what arrangements, if any, have to be made before you go to the airport? You're going to fly by private jet, let us say, to the south of France: what are you going to do and how long does it take to --

MRS JUSTICE GLOSTER: Well, are we talking about him packing his bag or what are we talking about?

MR SUMPTION: No, I'm not.

In order to get a plane organised to take you to the south of France, what arrangements have to be made and how long do they take?

A. From the moment when I decided that I want to fly out until the moment until I am able to fly out, the very

minimum would be four hours and more likely it would be six hours.

Q. What is happening in that period of four to six hours?

What takes all that time?

A. If it's my own jet, I can tell you exactly: you have to call the crew, you have to fuel up, you have to get the permission, and most importantly you have to agree it with Eurocontrol. This is not a correct understanding: it's like a car, you put keys into the ignition, off you go. No, there are lots of arrangements. The Russian Federation has to let you out from its territory. Everything is quite complicated. It's a lengthy procedure.

Q. And when that's completed, how long does it take to get from your office in Moscow to the airport?

MRS JUSTICE GLOSTER: Just a second. You're putting the question on the assumption that he can only leave his office once all that's completed; I'm not sure that's right.

MR SUMPTION: Your Ladyship is quite right to pick me up on that.

Mr Abramovich, at what stage can you leave your office for the airport? How long after you've started putting these arrangements in train?

A. If you are not completely sure that everything is

prepared and if you have not received confirmation that everything is prepared, then you can spend two hours in the airport and not get anywhere. Basically, the way I do it, usually first I organise everything first and only then I leave the office or I leave my house. So that could add another one and a half to two hours.

Q. That one and a half to two hours, is that the time required to get to the airport or what are you doing in that one and a half to two hours?

A. From my house or from my office, to get to the airport, one has to spend in the journey. If it's not happening at daytime, if it's in the evening, it would be one hour 15 minutes, when there are no traffic jams; and it would be the whole of two hours if it's happening in daytime.

MRS JUSTICE GLOSTER: Can I ask you this way. Say you decide at 8 o'clock in the morning you want to fly from Moscow to Nice: when would be the earliest time that you could actually take off, if your decision is made and communicated to your aircraft at 8 o'clock in the morning? Just roughly.

A. If it were at the same time and the jet was not prepared, the very minimum would be six hours.

MR SUMPTION: Now, if you fly to Nice --

MRS JUSTICE GLOSTER: Sorry, I've just got one more question.

Aren't aircraft kept fuelled up all the time?

I mean, if you've got a private aircraft or a private charter aircraft, aren't they kept fuelled up, just so they are ready if the client rings up?

- A. The technology there is quite complicated. It's to do with safety. Fuel does expand and contract depending on the temperature. So there are some rules and regulations that allow to keep some amount of fuel, but they have to refuel prior to take-off and depending on the length of flight they take a certain amount of fuel on board. The plane cannot land with fuel on board, so they have to burn it off before they actually land. They only have to have the emergency supply on board.

MR SUMPTION: If you're flying to Nice and you intend to go to the Chateau de la Garoupe, how long does it take to get from the airport to the Chateau de la Garoupe, measuring it from the time that the aircraft lands to the time of your arrival at the Chateau de la Garoupe?

- A. It seems to me that at best it would take about 45 minutes, if -- to go through all the formalities.
- Q. And what means of transport do you use to get from the airport to the Chateau de la Garoupe: do you take a car or a helicopter or what?
- A. I don't remember that I've ever flew by helicopter to Chateau de la Garoupe. This is not my estate and to be

able to get a licence to land there, I think you have to register, et cetera, so it's quite a complicated thing. If I fly into my own estate, I have a set-up, registered helipad; and for Chateau de la Garoupe I didn't have such a thing, although in theory a helicopter could have landed there.

So most likely, if to assume that I did go there indeed, especially at the last minute, at the drop of a hat, I probably would have taken the car. And also if we are discussing autumn of year 2000, at that time of year using the helicopter is quite a risky thing; one can hit bad weather and one wouldn't have either a car or a helicopter.

Q. Now, one final question on this point. How long does it take to get from the airport at Moscow, after landing, to Mr Voloshin's house?

A. It really depends what time of day you're travelling. If there are traffic jams, then you could spend the whole of three hours; and if it's happening at nighttime, then it might take an hour, an hour and ten minutes.

Q. Thank you.

Now, could you turn in the transcript of Day 22, please, to page 74. Now, if you just look at the transcript for page 74, Mr Rabinowitz is summarising his

case about the alleged Cap d'Antibes meeting so as to give you a final chance to comment on it. You'll see that about a quarter of the way down page 74.

The first point that Mr Rabinowitz makes is this. Reading from the English text, he says:

"First, we say that you originally admitted this meeting, before seeking to change your case. Do you dispute that?"

And your answer is:

"Answer: No, I do not dispute that. I'm saying that there was a meeting in France, yes."

Do you see that answer in the transcript?

A. Yes.

Q. Now, what meeting in France are you referring to in that answer?

A. That was 6 November.

Q. And what is it that you do not dispute when you gave that answer?

A. I did not dispute that the meeting happened. I'm saying that the meeting happened on 6 November.

Q. Now, could you turn on, please, to page 85, same transcript. Mr Rabinowitz is asking you on page 85 about Mr Putin's role in the ORT transaction. Towards the top, the first question on page 85, Mr Rabinowitz asks you:

"Question: Did President Putin think that you were associated with Mr Berezovsky?"

And your answer is:

"Answer: From what I know, yes, he did.

"Question: Why did President Putin think that you were associated with Mr Berezovsky?"

And you say:

"Answer: Everybody knew that. Everybody knew that I was linked to him. It was an absolutely obvious thing."

What was the nature of the association between you and Mr Berezovsky that everybody knew about?

A. Everyone knew that I financed him, everyone knows that he was my krysha.

Q. Could you turn on to page 104 in the same transcript. About three-quarters of the way down page 104, just before a question from my Lady, you were being asked about changes that you had made to your pleading concerning the place where this meeting in the Alps happened and you're explaining why the pleading originally referred to St Moritz. Do you remember that?

A. Yes, I do.

Q. What you say just before my Lady's question is:

"And I also know that I've never been to St Moritz. So I decided perhaps it must have been St Moritz."

I think something may have gone wrong with the way your answer is transcribed there. Could you explain what you're saying in that particular passage?

- A. Yes, I can. I remembered a meeting. I didn't remember where the meeting happened. My logic was as follows: that was a place where I have never been before, before that meeting or after that meeting. I've only been there once, in the town, and I didn't go to visit the village. Therefore I was thinking: where could it be? I was really tormented trying to remember. And because I remember, I decided that I've never been to St Moritz, I thought: yes, it could have been St Moritz. I've never been to St Moritz before, after or ever.

And I was referring to the trip, there was -- Badri was there, and it would have been unlikely for Badri to be in some average resort, so I thought that most likely that would be St Moritz.

MRS JUSTICE GLOSTER: Had you been to Megeve before?

- A. I've never been in Megeve either before or after. I was only at the helipad. That's why I couldn't understand where the place was. I was speaking out my assumptions and I was really tormented about it.

MRS JUSTICE GLOSTER: You said, I think, Mr Patarkatsishvili wasn't a skier, so it was likely he would have gone to a resort where you could walk and shop as well as ski?

A. Yes.

MR SUMPTION: Could you turn to page 109, please, of the same transcript. You're being asked about the Megeve meeting and in particular about what Mr Berezovsky contributed to that meeting, and you say that Mr Berezovsky did not keep quiet. This is about two-thirds of the way down page 109. In English you say:

"But I can assure you Mr Berezovsky did not keep quiet; it's just that it was not relevant to these proceedings and to what we're discussing now."

Do you remember what Mr Berezovsky did talk about that wasn't relevant to these proceedings? Or do you just remember generally that he said things that weren't relevant?

A. I remember; I am simply not quite sure that we have to talk about it here. This is not what we're discussing now. It's a bit embarrassing for me to discuss our personal affairs.

Q. I see.

MRS JUSTICE GLOSTER: So you remember he was talking about either your or his personal affairs; is that right?

A. (Untranslated)

MR SUMPTION: I'm not going to ask you to be any more explicit about that. But you remember a particular

conversation?

A. Yes. I can tell about a part of that conversation. He arrived from Aspen, he was saying how good it is, that the skiing there is so much better than in Europe and for me to absolutely try Aspen, and that was the least harmful part of our conversation. And the rest it seems to be should not be discussed.

Q. Yes, I quite understand.

Now, could you please turn on finally to page 131 of Day 23. Now, what you're being asked about here by Mr Rabinowitz is why you haven't disclosed any memorandum to your team describing the terms agreed with Mr Patarkatsishvili about the payment of his commission. This is about the commission concerning aluminium and it's about your agreement in 2003 with Mr Patarkatsishvili about how his commission would be paid; that's the subject that's being discussed.

The question that Mr Rabinowitz is asking you is: why have you not disclosed any memoranda, any written memoranda to your team describing what had been agreed about that with Mr Patarkatsishvili?

And the question I want to ask you is this: what is your practice about sending written memoranda to your team?

A. At some point I was -- at some day I was talking about

that. It's very rare that I make notes and I communicate with my team, with people that I work with. I sleep...

THE INTERPRETER: Sorry, the interpreter apologises.

A. People that I eat with three times a day, it's very strange for me to enter into correspondence with them. We never correspond between ourselves; we talk.

MR SUMPTION: Thank you.

MRS JUSTICE GLOSTER: Mr Rabinowitz, you've got no further questions arising out of re-examination?

MR RABINOWITZ: No.

MRS JUSTICE GLOSTER: Mr Abramovich, thank you very much for coming along and giving your evidence. You may be released and talk about the case and talk about your evidence with anyone. Thank you very much.

(The witness withdrew)

MR GILLIS: My Lady will recall that we're now interposing the last of Mr Berezovsky's witnesses, Mr Pompadur.

MRS JUSTICE GLOSTER: Yes. Do you want to call him in the quarter of an hour we've got before lunch or would you rather start again at 1.50?

MR GILLIS: If it would be convenient to start, I'd start, because I think Mr Pompadur is under some time pressure to get away.

MRS JUSTICE GLOSTER: Right. Well, let's start with him.

MR GILLIS: Could Mr Pompadur please be called.

My Lady, Mr Pompadur is giving his evidence in English. He's an American.

MRS JUSTICE GLOSTER: Right. (Pause)

MR GILLIS: My Lady, I do apologise, I thought that he was at the back of the court.

MRS JUSTICE GLOSTER: Don't worry. Is he in the room?

MR GILLIS: Yes, he is. I'm sure he's just coming through.
(Pause)

MRS JUSTICE GLOSTER: Can there be silence in court and no movement while the witness is being sworn.

MR IRVING POMPADUR (sworn)

Examination-in-chief by MR GILLIS

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

THE WITNESS: Thank you, my Lady.

MR GILLIS: Mr Pompadur, could you please just confirm that you don't have a telephone or electronic device with you?

A. Correct.

Q. Thank you very much indeed.

Could Mr Pompadur please be given bundle D3, open at tab 19.

At page 103 we have the first page of your statement D3/19/103 and then could I ask you to turn to page 109

in that bundle D3/19/109. We have the paginated numbers in the bottom right-hand side.

Is that your signature?

A. Yes, it is.

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

A. That's correct.

Q. And could I please ask you to look at paragraph 20 in your witness statement D3/19/108.

A. Yes.

Q. You there indicate that at the time of making this statement you've not been able to locate any diaries to see if you can pinpoint the dates of the meeting in June 2001 and their location.

A. Correct.

Q. Could I ask you this: have you subsequently been able to locate any diaries?

A. No.

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

A. They are true to the best of my knowledge and belief, yes.

MR GILLIS: Thank you. If you could just wait there,

I think Mr Sumption has some questions for you.

Cross-examination by MR SUMPTION

MR SUMPTION: Good morning, Mr Pompadur.

You describe yourself as a longstanding personal and professional friend of both Mr Berezovsky and Mr Patarkatsishvili; that's right, isn't it?

A. Correct.

Q. Roughly how often have you met Mr Berezovsky since his departure from Russia in 2000?

A. 40 times.

Q. Right. And have those meetings continued right up to recent times?

A. Yes.

Q. What about Mr Patarkatsishvili: roughly how often have you met him between 2000 and his death in early 2008?

A. I'd say a little bit less, maybe 30 times.

Q. Right. And did those meetings continue right up to shortly before his death?

A. I'm sorry, a little louder?

Q. Did those meetings with Mr Patarkatsishvili continue until right up to shortly before his death?

A. Yes.

Q. Now, your professional dealings with Mr Patarkatsishvili and Mr Berezovsky, as I understand it, were not in any way concerned with oil?

A. Any way concerned with...?

Q. Oil.

A. No.

Q. Or Sibneft?

A. No, correct.

Q. So, so far as those matters arose in conversation, they arose incidentally to the main business?

A. Correct.

Q. Now, when you met Mr Berezovsky or Mr Patarkatsishvili, was it usually for business reasons or did you also meet them on purely social occasions?

A. Both.

Q. Both. Now, when you met them for business reasons, as I understand it, that was generally about your media joint venture in Russia?

A. Correct.

Q. Now --

A. Let me -- I'm sorry, let me... it also had to do with media in Latvia and in Georgia as well.

Q. Understood.

Now, have you discussed with Mr Berezovsky since 2000 his allegation that he was forced by Mr Abramovich to sell out of ORT and Sibneft? Is this a subject that has come up in conversation since 2000?

A. Yes.

Q. Regularly or just very occasionally?

A. I'm not quite sure how you define "occasionally" and "regularly".

Q. Well, give us the answer in your own words.

A. It has come up quite often.

Q. Right.

Now, Mr Voronoff also works for News International, or did. Are you also a friend of Mr Voronoff?

A. Yes.

Q. And have you discussed Mr Berezovsky's complaints about the conduct of Mr Abramovich in relation to ORT and Sibneft with Mr Voronoff?

A. Yes.

Q. Again, over what period and with what degree of frequency, roughly?

A. More frequently and quite often.

Q. Right.

Now, when you have been told so often and have discussed so often Mr Abramovich's alleged role in the sale of ORT and Sibneft, would you agree that it must be rather difficult for you to remember when some particular part of the story was first told to you?

A. Correct.

Q. Now, you've confirmed that you have not been able to find your diary since writing your witness statement. Can you tell us, looking at paragraph 19 of your witness

statement, what it is that enables you to say that it was in June 2001 that you spent that week that you refer to with Mr Berezovsky and Mr Patarkatsishvili?

- A. It was unusual for me to spend that amount of time anywhere and I remember it was an extended period of time and we discussed a number of matters having to do with media and how -- what the effect would be of Mr Berezovsky and Badri leaving Russia on our joint venture.
- Q. Well, I understand that it was unusual for you to spend as long as a week in one place, but what is it that leads you to think that that unusual event occurred in June 2001 rather than at some other point in time?
- A. Because it was tied into my birthday, which is June 25, and I remember I had some difficulty in timing-wise, and that's why it stuck in my memory.
- Q. I mean, I take it that you have a birthday once a year?
- A. At least once a year.
- Q. Now, was Mr Voronoff present through the extended week that you're referring to at paragraph 19?
- A. Yes.
- Q. Now, Mr Voronoff's own evidence is that he has diary records of having spoken to Mr Patarkatsishvili on the phone on several occasions between 6 and 22 June and that he met Mr Patarkatsishvili in person on 30 June.

Are you aware of that evidence that he's given?

A. No, I'm not.

Q. Right. Now, Mr Voronoff does not seem to have any diary record, so far as his evidence suggests, of spending time with Mr Berezovsky at that particular stage in June. But you are sure that whenever this extended week happened, it was on an occasion when Mr Voronoff was present?

A. That's my best recollection.

MR SUMPTION: Thank you very much, Mr Pompadur. I have no other questions to ask you.

MR MALEK: I have no questions.

MRS JUSTICE GLOSTER: Any other questions?

Yes, Mr Gillis.

MR GILLIS: My Lady, I have no re-examination.

MRS JUSTICE GLOSTER: Well, thank you very much indeed, Mr Pompadur, for coming to give your evidence. You may be released.

(The witness withdrew)

MR SUMPTION: My Lady, I'm not going to suggest that we should call Mr Gorodilov at 12.55.

MRS JUSTICE GLOSTER: Well then, I'll sit again at 2 o'clock.

(12.55 pm)

(The short adjournment)

(2.03 pm)

MR SUMPTION: My Lady, I call Mr Gorodilov.

MRS JUSTICE GLOSTER: Yes, very well. Is he giving evidence in English or in Russian?

MR SUMPTION: In Russian.

MR ANDREY GORODILOV (affirmed)

(All answers interpreted unless otherwise indicated)

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

Examination-in-chief by MR SUMPTION

MR SUMPTION: My Lady, could I pass up a list of corrections which I propose to ask the witness to prove. (Handed)

Good afternoon, Mr Gorodilov, I wonder if you could take bundle E2 and turn to flag 4 E2/04/1. You have made three witness statements in this action and this, I think, is the first of them. Can you confirm that?

A. Yes.

Q. And you'll find your signature on page 81 in the Russian text at the end of the flag E2/04/81; is that correct?

A. Yes, this is my signature.

Q. Now, there are, I think, a couple of corrections that you wish to make to this. Have you got a copy with you of the corrections? If not, perhaps a copy could be supplied.

You are being handed a Russian text which the rest

of us have in English. (Handed).

A. Yes, these are the amendments I'd like to make.

Q. Right. Now, I think the first relates to paragraph 22, which is about the precise chronology of the first of the auctions for the 49 per cent, and the second is a very minor correction to paragraph 29, changing the number 49 to 40.

A. Yes, that is correct.

Q. Subject to those two corrections, is your first witness statement true?

A. Yes, it's true.

Q. I'm sorry, I referred to paragraph 22; there's also a correction to paragraph 23, but I think your answer covers both.

A. Indeed, that's true.

Q. Now, your second statement will be found in bundle E4 at flag 5 and perhaps you could be shown that E4/05/52. Is this your second witness statement?

A. Yes, that's so.

Q. And is it your signature that we see on page 86 E4/05/86?

A. Yes, it's my signature.

Q. And is that statement true?

A. Yes, they are.

Q. Finally, Mr Gorodilov, at bundle E8, flag 2 E8/02/14,

is this your third witness statement?

A. Yes, this is my third witness statement.

Q. And on page 24 E8/02/24, is that your signature?

A. Yes, it's my signature.

Q. And is that statement also true?

A. Yes, it is true.

MR SUMPTION: Thank you very much. If you just wait there for questions to be asked in cross-examination.

Cross-examination by MR RABINOWITZ

MR RABINOWITZ: Good afternoon, Mr Gorodilov, and let me apologise in advance if I mispronounce your name.

I shall try my best to get it right.

A. You're pronouncing it completely correctly.

Q. Thank you.

You explain in your witness statement that you first started to work for Mr Abramovich in Moscow in October 1995, when you were 24 years old; is that correct?

A. Yes, that's true.

Q. And prior to that you had been working as an engineer at Noyabrskneftegas, where your father, Viktor Gorodilov, was the general director; correct?

A. I was deputy chief engineer in one of the structural units of Noyabrskneftegas. The unit was actually overhauling drilling rigs. In fact it was a plant.

- Q. And from 1995, when you were 24, until the year 2001, you worked for Mr Abramovich in businesses he controlled; is that correct?
- A. Yes, it's correct.
- Q. So from October 1995 until October 1996 you worked for Mr Abramovich in a general role relating to the acquisition of Sibneft; that is correct, isn't it?
- A. What are the dates? Could you repeat them again, please?
- Q. October 1995 to October 1996.
- A. Yes, it's correct.
- Q. And in October 1996 you were appointed as the head of Sibneft's investment and credit department; is that correct?
- A. Yes, it's correct.
- Q. And then from March 1997 until May 1998 you were the director of Sibneft's Moscow office?
- A. That's true.
- Q. And then from May to July 1998 you were Sibneft vice president and head of Sibneft finance projects department; correct?
- A. Yes, it's correct.
- Q. And then from July 1998 to March 2001 you were the first vice president of Sibneft?
- A. That's also true.

- Q. And then in March 2001 your career took a change when you went into politics; that's right, isn't it?
- A. Yes, I became a public official.
- Q. You became first deputy governor of Chukotka from March 2001 to October 2008?
- A. Yes, it's true.
- Q. And at the time Mr Abramovich was the governor of Chukotka?
- A. Yes, it's true.
- Q. And then from October 2008 onwards you've been a member of the Chukotka Duma?
- A. Yes, I was.
- Q. And during this period Mr Abramovich has also been a member of the Chukotka Duma; is that correct?
- A. Yes.
- Q. And so is this correct: since you were 24 years old, you have never held a job which wasn't either working for or with Mr Abramovich?
- A. As of which date?
- Q. Since you were 24 years old.
- A. From October '95, yes.
- Q. And you are now part of Mr Abramovich's team, a small group of people whom Mr Abramovich absolutely trusts and relies upon; is that correct?
- A. Yes, it's correct.

- Q. And you're also a very close friend of Mr Abramovich; is that right?
- A. Yes, it's true.
- Q. And you are also Mr Abramovich's partner and a co-investor in various businesses with him; is that right?
- A. Yes, it's true.
- Q. And can you, if you can do this briefly, tell the court in relation to what businesses you're a partner of Mr Abramovich?
- A. Highland Gold: it's a gold mining company. I have a small holding also in a company called Evraz or Euraz. Currently I think that's it.
- Q. And since you have started working for or with Mr Abramovich, you have become very wealthy indeed? I don't want to get into a debate as to how wealthy "very wealthy" is, but would you agree that in general terms you have become very wealthy?
- A. I became a wealthy man, let's put it that way.
- Q. Would it be fair to say, Mr Gorodilov, that you must feel a very great deal of loyalty towards Mr Abramovich?
- A. What do you mean by "loyalty"?
- Q. Well, I don't know how else to put it. You feel very close to -- you would like to ensure that his interests do well?

A. I would wish his interests and his businesses to flourish but you can't say that I'd do anything and everything for that.

MRS JUSTICE GLOSTER: But loyalty is a concept you understand; yes?

A. Yes.

MRS JUSTICE GLOSTER: So do you feel loyal to Mr Abramovich?

A. To some extent, yes.

MR RABINOWITZ: You see, I have to suggest, Mr Gorodilov, you cannot really be regarded as an independent witness of the matters about which you are testifying, can you?

A. I think that I tell the truth, I am telling the truth. I was one of the participants of the events on which I'm giving my evidence.

Q. Very well. What I would like to ask you about in particular is the evidence you give about the purchase of Mr Berezovsky and Mr Patarkatsishvili's shares in ORT.

It's your evidence that Mr Abramovich informed you that he would be buying Mr Berezovsky's and Mr Patarkatsishvili's shares in ORT in either late October or early December (sic); that's right, isn't it?

A. Yes, that's true.

Q. And you also say that Mr Abramovich did not inform you as to why he had decided to buy the ORT shares --

MR SUMPTION: Did my learned friend mean to say late October/early November? Because that I think is what was actually in the... Perhaps the question should be reasked if my learned friend did get it wrong.

MR RABINOWITZ: I did get it wrong.

It's your evidence that Mr Abramovich informed you that he would be buying Mr Berezovsky and Mr Patarkatsishvili's shares in ORT in either late October or early November; that's right, isn't it?

A. He told me that he'd agreed to buy end of October or early November.

Q. And you also say that Mr Abramovich did not inform you as to why he had decided to buy the ORT shares? That's at paragraph 47 of your witness statement E2/04/18.

A. He did not inform me.

Q. Can I ask you, please, to go to paragraph 50 of your first witness statement: bundle E2, tab 4, page 19 in the English E2/04/19 and page 60 in the Russian E2/04/60.

A. Page 60, is it, in the Russian text?

Q. I believe so. I'll just check that.

A. Okay, I've got it.

Q. Can I ask you to read paragraph 50 to yourself, please.

(Pause)

A. I've read it.

Q. Thank you.

You say there that you flew to Nice with Mr Abramovich on 6 November 2000, returning that evening, spending the day separately. Can we just be clear about what you say about this trip.

You don't claim in your witness statement to have attended a meeting with either Mr Berezovsky or Mr Patarkatsishvili, do you?

A. I left late at night together with Mr Abramovich, it was around midnight, so I think perhaps the 6th already started. Then I spent the whole day in Nice and in Cap d'Antibes and then we returned again late in the evening; it was already the 7th in Moscow. I was not present at the meeting with Badri and Mr Berezovsky.

Q. Right. Can you listen to the questions, please. We'll get on a lot quicker if you do.

And you also don't claim in your witness statement that Mr Abramovich told you that he was attending a meeting with Mr Berezovsky or Mr Patarkatsishvili?

A. No, no, I do state, I do state that he told me that he was at the meeting with Berezovsky.

Q. Where do you say in your witness statement he told you he was at a meeting with Mr Abramovich (sic) and Mr Berezovsky?

A. Where I'm saying in 50: as far as I know, they had

a meeting -- where, as far as I know, there was a meeting with Berezovsky and possibly Mr Patarkatsishvili. So it's paragraph 50 of my first witness statement.

Q. But you don't say there that you were told by Mr Abramovich; you say you believe there was a meeting.

A. Well, as far as I remember, I saw Roman, Mr Abramovich, leaving for the meeting.

Q. You don't actually remember why you went to France on this trip, do you? You say:

"I cannot now recall..."

A. I recalled -- remembered this trip quite by chance. As we were preparing for these proceedings and preparing our evidence, I remembered that I went to France off-season, in November. It was raining hard. We arrived late at night. I personally wasted a day, a whole day, and basically it was different from what one normally sees in the south of France. And at some point I looked into my passport and saw when it took place, and Roman also checked his passport, and then we realised that it was that year on 6 November.

Q. You say that you arrived -- just hang on one second, please.

MRS JUSTICE GLOSTER: Mr Gillis, I think you should turn your microphones off because it's very easy to pick up

what you're saying.

MR GILLIS: Thank you.

MR RABINOWITZ: You see, in the evidence you have given, you said that you left Moscow after midnight and you say that you arrived in the south of France at night.

A. Yes.

Q. How can it be that you left Moscow at night and you arrive in the south of France at night as well?

A. Well, there's a three-hour time difference and it takes three hours' flight or three and a half hours in the air. So if we took off half past midnight, then by about 1.00 am local time we were in Nice.

Q. Well, that's the morning, isn't it?

A. 1.00 am, morning.

Q. All right.

Now, although you suggest you might have been on hand "so that Mr Abramovich could discuss any details of the structuring of the [ORT] transaction", you don't suggest in your witness statement that Mr Abramovich did in fact ask you for details of the structure of ORT or that he contacted you at all while you were apart.

A. He did not contact me while I was in Nice. I was expecting it to happen, but it did not take place.

Q. You see, Mr Gorodilov, your evidence in this paragraph contains nothing more than a series of suppositions or

reconstructions based on the fact that you have passport stamps suggesting that you went to Nice on 6 November; that's right, isn't it?

A. I don't agree with you.

Q. Now, one of the suppositions, Mr Gorodilov, is that you might have been on hand "so that Mr Abramovich could discuss any details of the structuring of the [ORT] transaction". I just wonder if we can examine that for a moment.

You will obviously be aware of the meeting between Mr Abramovich and Mr Berezovsky and Mr Patarkatsishvili at Le Bourget on 6 December; that's a month later, isn't it? Well, it is.

A. Yes, I did -- I was, rather. I was aware.

Q. Mr Abramovich claims in his evidence that the meeting at Le Bourget was arranged specifically for the purpose of discussing possible structures for a sale of Mr Berezovsky and Mr Patarkatsishvili's interest in ORT to Mr Abramovich; that's right, isn't it? You're aware of that evidence?

A. Yes.

Q. And do you not also say that this was a meeting that had, as one of its main purposes, to discuss possible transaction structures for a sale of Mr Berezovsky and Mr Patarkatsishvili's interests in ORT to Mr Abramovich?

- A. Well, as far as I know, the essence of the meeting was to give answers to questions that were still unresolved. They had to be discussed to finally implement the deal.
- Q. Dealing with structures, that was one of the things that needed to be discussed; that's right, isn't it?
- A. The thing is that structures, the structures were changing in the course of this deal. There were certain structures that had been agreed, but once they were being implemented, problems arose or the other side expressed -- I mean Badri by "the other side" -- expressed wishes. So by that time it was a dragged-out process and the meeting was needed to sort of move the situation forward.
- Q. And your evidence is that you briefed Mr Abramovich in advance about possible scenarios or structures for this meeting; correct?
- A. Yes, I briefed him.
- Q. And you did not attend the meeting at Le Bourget; we know that.
- A. I did not attend it. I did not attend the meeting in Le Bourget.
- Q. And it's never been suggested that you flew to France for this meeting, did you?
- A. I did not fly to France for that meeting. I remained in Moscow.

- Q. And when Mr Abramovich needed input from you at the meeting about scenarios or structures, he telephoned you, didn't he?
- A. On 6 December that's exactly what happened, yes.
- Q. But in light of those facts as to how the matter of your giving assistance on structuring was dealt with at Le Bourget, your supposition or suggestion that you would have flown all the way to Nice with Mr Abramovich just so that you could be nearby just in case he wanted to discuss details of the ORT transaction structure seems somewhat questionable. Do you agree?
- A. I don't agree.
- Q. Now, can I ask you, please, then to look at paragraph 48 of your first witness statement: bundle E2, tab 4, page 18 in the English E2/04/18, page 59 in the Russian E2/04/59.
- A. Sorry, which paragraph?
- Q. 48. Can I ask you to read that to yourself, please.
- (Pause)
- A. I've read it.
- Q. You identify here the people who you say were involved in the structuring of the ORT transaction and on your side you say it was yourself, Ms Popenkova, Ms Panchenko and Mr Gorenichy, who was head of Sibneft's legal department; that's right, isn't it?

- A. Yes, that's right, and these people had different degrees of involvement; they were involved into this process to a different degree.
- Q. And on Mr Berezovsky and Mr Patarkatsishvili's side, you suggest that it was Mr Fomichev and Mr Ivlev, who was a lawyer who acted for Mr Patarkatsishvili and Mr Berezovsky, who were involved; is that right?
- A. Mainly, of course, Ruslan Fomichev was responsible for this deal. But Pavel Ivlev, because he was a tax consultant for Mr Berezovsky and Badri, then of course -- Badri or Ruslan, I can't remember who told me that -- the final structure should be passed by him and he should be in agreement.
- Q. Now, just so that I understand this, it's your case, isn't it, that the contractual documentation for the sale of ORT was drafted by your team, Mr Abramovich's team, including yourself, Mr Gorenichy, Ms Panchenko and Ms Popenkova? Is that correct?
- A. We were preparing draft documents, then I was showing these draft documents to Ruslan Fomichev, who agreed them. If he disagreed with something, he put in amendments, and after that we signed these documents.
- MRS JUSTICE GLOSTER: So you had the responsibility for producing the drafts?
- A. Yes, we performed the back-office function here.

MRS JUSTICE GLOSTER: Thank you.

MR RABINOWITZ: Can you tell us who took primary responsibility within your team for producing those draft documents?

A. What do you mean by "primary"? I was responsible for the deal.

Q. Now, Mr Gorodilov, Mr Abramovich accepted in his evidence that members of his team had, on occasion, engaged in the practice of backdating documents. You were present when he gave that evidence. Do you remember that?

A. Yes, I remember.

Q. And I don't suppose you suggest that Mr Abramovich was wrong about that?

A. I don't know.

Q. You're suggesting you don't know at all about whether members of Mr Abramovich's team were involved in backdating documents; is that your evidence?

A. No, this is not my evidence. Indeed, perhaps we've had occasions when the date of an agreement is a particular date and physically the date was signed two/three/four days later. Yes, I remember such occasions. In particular, in my evidence I'm relating when ORT shares purchase and sale agreements were physically signed. They're dated 25 December: this is the date when we,

from our side, signed these contracts; but Mr Berezovsky and Badri physically, from their side, signed these documents on 29 December.

- Q. Mr Abramovich confirmed that he was aware of the fact that members of his team did backdate documents at the time and what I want to ask you, Mr Gorodilov, is whether you were also aware of that practice.
- A. No. I don't know anything about it being a practice.
- Q. Well, let me put that slightly differently: of this being done within your team at Sibneft.
- A. No. Well, perhaps on some occasions that I don't recall.
- Q. Can I ask you this: have you yourself ever backdated documents, Mr Gorodilov?
- A. Let's determine first: what does it mean to backdate documents? If you mean two or three or four days, do you mean that backdate -- that that constitutes backdating? I can't rule this out.
- Q. You can't tell us whether or not you yourself have personally backdated documents? Let me be more specific: backdated documents which are relevant to the issues in this case, in particular ORT.
- A. To ORT? The sales and purchase agreement was signed on 25 December by us; the other side signed it on 29 December. That's it. I can't remember anything

else.

Q. Let me be clear about that. You're suggesting that that is the only document you're aware of that was backdated in relation to the ORT transaction; is that right? Is that your evidence?

A. I can't remember any other documents where there were any questions about dates.

Q. Very well. Let's just look at some of the documents which you have primary responsibility for producing. Can we begin by going to bundle H(A)26, page 27 in the Russian H(A)26/27 and page 1 in the English H(A)26/1.

Now, this, as you I think will recognise, is the share purchase agreement which I think you and Mr Gorenichy produced for Akmos to acquire Mr Berezovsky's shares in ORT. Can you see that?

A. Yes, I can see that.

Q. And, as you can see, the agreement was dated 25 December but you explain that it was not actually signed by Mr Berezovsky and Mr Patarkatsishvili until 27 December; that's right, isn't it?

A. I said 29 December it was signed by the other side.

Q. Very well. That's fine.

Now, at this time ORT-KB owned 38 per cent of ORT, didn't it?

A. Yes, it is so.

Q. And it's your evidence that the price at which Mr Abramovich agreed to pay for 49 per cent of ORT, which would obviously include this 38 per cent, was \$150 million; that's right, isn't it?

A. Initially the price was 100, then it changed to 150; that's true.

Q. Thank you.

So, just doing the maths, if one was paying \$150 million for 49 per cent of ORT, then for the 38 per cent of ORT that was held through ORT-KB, that would have a value attributed to it of \$116 million; that's right, isn't it?

A. Yes.

Q. Under this agreement, your vehicle company -- Mr Abramovich's vehicle company Akmos Trade was acquiring Mr Berezovsky's near 50 per cent interest in ORT-KB. One sees that, if one needs to, from clause 2.1, but you're familiar with that, I think?

A. Yes.

Q. If I can just ask you to look at the next document in the bundle: that's page 38. Sorry, page 12 in English H(A)26/12, page 38 in Russian H(A)26/38. We have an identical agreement for Mr Patarkatsishvili acquiring his 50 per cent in ORT-KB?

A. Yes.

Q. So, taking these two agreements together, this is how you would be acquiring the 38 per cent interest in ORT held through ORT-KB; correct?

A. Yes.

Q. Okay. Now, the agreements are pretty much identical so we can deal with this just by looking at Mr Berezovsky's agreement, beginning at page 27 for the Russian H(A)26/27 and page 1 in the English H(A)26/1.

If you look at paragraph 2.2 --

A. Yes.

Q. -- it says there that the purchase price for the shares was US\$5 million?

A. Yes, that's true.

Q. And there's an identical provision obviously in Mr Patarkatsishvili's contract, isn't there: again, \$5 million for his shares?

A. Yes.

Q. So that the total price, according to these contracts, that was being paid for these shares was \$10 million; is that right?

A. Yes.

Q. That was obviously not anywhere approaching the true price that you were paying for these shares, was it?

A. These contracts reflect the agreement which was reached

on 6 December at Roman's meeting with Mr Berezovsky and Badri.

- Q. Just repeating my question: the price stated in these contracts was obviously not anywhere near approaching the true price that you were paying for these shares; that's right, isn't it?
- A. In order to answer this question I think I need to explain this history of this deal, from beginning to the end.
- Q. From beginning to end may take a long time but if you can give a short explanation, that would be helpful.
- A. I'll try and be quick.

Initially there was an agreement to pay \$100 million for 49 per cent of ORT shares. Later I met with Ruslan Fomichev, who, after a while, showed me how Badri and Boris had these shares registered officially: partly they were registered for Logovaz on nominal price, 1,100,000, and the others registered through ORT-KB.

Given the fact that we had to pay physical persons, together with Ruslan we agreed a mechanism, a structure that Logovaz shares are transferred on their nominal value and ORT-KB shares are transferred to physical persons and they are sold at 100 million. Given that, the structure was agreed and approved and after mid-November we started to implement it.

In mid-November, when, as far as I remember, Mr Berezovsky decided not to go back to Russia, on 14 November in particular, Badri and Ruslan said that they're happy with everything in this deal, but at the same time they would wish to receive the cash on their accounts in London, on a physical person's account in London. For this to have been done legally, we would have had to receive permission from the Central Bank of Russia in accordance with currency regulation of Russian, legislation on currency regulation.

Then we started to look at the possibility of Mr Berezovsky obtaining such a permission. We concluded that at that point in time it would be rather difficult to get that. I even asked Mr Abramovich to go and try and help us solve this problem.

After that, when Roman said that we won't be able to solve this problem this way, we, together with Ruslan, started to discuss alternative options; for example, to have -- to transmit, to transfer the shares offshore and then to pay through dividends, but for some reason Badri and Ruslan were against that. Then the arrangement with an option arose. Then we discussed a large number of other mechanisms that are disclosed in various documents. And finally, on 6 December, we agreed that the deal in Russia will amount to 10 million.

Badri said that they would be happy with this amount to be paid to them in Russia and the rest of the money, the rest of that amount, as finally we agreed that the payments would be increased by 100 million, so we would increase the usual payments according to the established practice by 100 million in December.

Q. These are then the documents you produced to buy the ORT-KB shares. Can I just then ask you to look at the other document that you produced in order to acquire Mr Berezovsky and Mr Patarkatsishvili's interests from Logovaz. You will find that if you go to H(A)26 at page 49 in the Russian H(A)26/49. In the English it's at B(B)2, page 91 B(B)2.04/91.

A. Yes, I have it.

Q. Unfortunately I don't. Give me one second. (Pause)

I do apologise. B(B)2, page 91. Now, as you see, Mr Gorodilov, this is the share purchase agreement which you and Mr Gorenichy produced for Betas to acquire the remaining 11 per cent of ORT that made up Mr Berezovsky and Mr Patarkatsishvili's 49 per cent from Logovaz.

A. Yes. 11 per cent, yes.

Q. And again, the agreement is dated 25 December. I think your evidence is that it was not actually signed by Mr Frolov on behalf of Logovaz until 28 December 2000. Is that right?

A. Again, on the 25th our side signed it, although -- no, perhaps -- I think we resigned them. As I've already mentioned earlier, I'm explaining in detail the situation when the contract was physically signed, indeed on 28 December.

Q. And if you look at the purchase price for these shares at clause 1.1.1, it suggests that you are paying just a nominal purchase price for these 11 per cent of Logovaz; that's correct, isn't it?

A. Yes, that's true.

Q. And again, that doesn't really reflect the value of the 11 per cent shares which were being acquired, does it, or indeed the purchase price?

A. This reflects nominal value of those shares.

Q. Now, what I want to do next, Mr Gorodilov, is to talk about the steps which you say were required for the sale of Mr Berezovsky's shareholding in ORT-KB to Mr Abramovich's company.

Can we begin just by looking at paragraph 52 of your first witness statement: it's E2, tab 4, page 20 in the English E2/04/20 and 63 in the Russian E2/04/63.

Can I ask you just to read paragraph 52 to yourself.

A. I've read it.

Q. You explain here that Mr Berezovsky and Mr Patarkatsishvili were not personal shareholders at

this time -- you're talking about October/early November -- and that the shares were held by seven separate legal entities; correct?

A. Yes, that's right.

Q. And at this time neither Mr Berezovsky nor Mr Patarkatsishvili had ever had a personal shareholding in ORT-KB, had they?

A. Personally, no. Perhaps they did it through companies. I don't know who owns these companies.

Q. They didn't have a personal share; that's right, isn't it?

A. There were no shares that were registered in their name.

Q. And in fact not all of the legal entities listed here were wholly owned by Mr Berezovsky and Mr Patarkatsishvili. One of the companies you see here was Consolidated Bank, and it's common ground that Mr Berezovsky and Mr Patarkatsishvili were not the sole shareholders of that company; that's right, isn't it?

A. Yes, that's right, I suppose.

Q. And what you explain is that in order for Mr Berezovsky and Mr Patarkatsishvili to sell their shares to Mr Abramovich, first they would have to acquire them from the companies and then Mr Abramovich's companies would have to acquire the shares from them; correct?

A. Yes, correct.

Q. Thank you.

Now, can you next look at paragraph 58 of your statement: it's at page 22 in the English E2/04/22 and 63 in the Russian E2/04/63.

Just so you have the context of this, you are talking about a notice which was addressed to SBS Bank, which was a minor shareholder in ORT-KB. Do you see that?

A. Yes.

Q. And can we just have a look at this notice: you'll find it at bundle H(A)23, page 60 in the Russian H(A)23/60 and page 61 in the English H(A)23/61.

A. I can see it.

Q. In paragraph 58 you explain why this notice was produced. You say:

"Under the law, this notice is sent if shareholders of a closed joint-stock company are selling their shares to a third party. If the shares are sold between shareholders (inside the company), no notice to other shareholders (and/or) the company itself is required."

So if Mr Berezovsky and Mr Patarkatsishvili were selling their shares in ORT-KB, which was a closed joint stock company, to Mr Abramovich or his vehicles, then a notice of this sort would be required to be sent and this notice had to be sent to SBS because it owned

a small shareholding in the company; is that right?

A. Yes, it's right.

Q. And I can tell you, Mr Gorodilov, that we don't dispute what you say there about the Russian law regarding closed joint stock companies.

And then, just looking further at paragraph 58, you explain towards the end of that paragraph that:

"Because of rules establishing a waiting period of no less than 30 days after notification, we understood that the notice had to be given in advance..."

And then you say that if you did that, you would "have everything ready to close the transaction when the waiting period ended". Okay?

A. Yes, okay.

Q. And your evidence then is that the notice to SBS had to be served because you could not make a transfer of the shares to Mr Abramovich until 30 days after it was served. Correct?

A. Yes, it's correct.

Q. And you say that those involved, including you, understood this requirement, which is why the notice was served.

A. The notice was prepared by ORT-KB, which at that time belonged to or rather was managed by Badri and Ruslan Fomichev. So our team did not make this notice, we did

not prepare the text; in fact Fomichev Ruslan is the author.

Q. Don't put the notice away, but can you just have a look at paragraphs 52 and 53 of your witness statement E2/04/20. You've looked at paragraph 52 before. Just look at 53 as well.

A. I've read it.

Q. You say there that you jointly decided with Mr Fomichev that the shares in ORT-KB should be transferred to the personal names of Mr Berezovsky and Mr Patarkatsishvili and it appears that you say that this happened after you give evidence of your trip to Nice.

So presumably you suggest that this decision which you say was made between you and Mr Fomichev was made after you came back from Nice on 7 November 2000?
6 November.

A. Where am I saying that?

Q. Well, if you look at the way your witness statement is drawn up, you deal with the trip to Nice, including at paragraph 50, on 6 November; you then tell us at the end of paragraph 50 that you arrived back in Moscow on 7 November; and then you talk about the preparations for this.

Are you saying that it wasn't done when you returned back from Nice on 7 November?

- A. In my witness statement I am writing that the beginning of this deal was early October -- late October/early November and they belonged to -- they did not belong to physical persons; and then I'm saying that Ruslan and I agreed that they should be transferred to physical persons. So we agreed on that prior to 6 November.
- Q. Well, you say "[you] agreed on that prior to 6 November". This must be right: your evidence is that this decision was made after you were informed by Mr Abramovich that he was buying Mr Berezovsky's and Mr Patarkatsishvili's shares; that's right, isn't it?
- A. Can you repeat that, please, again?
- Q. Your evidence as to when this discussion that you say happened with Mr Fomichev occurred was after you had been told by Mr Abramovich that he was buying Mr Berezovsky and Mr Patarkatsishvili's shares? It's difficult to see --
- A. Yes. First Roman told me that he is buying the shares and then he asked me to contact Fomichev. I contacted Fomichev and we sketched the plan of action.
- Q. All right. That tells us that that discussion that you had with Mr Fomichev must have been in late October or early November because that is when you tell us that you were told by Mr Abramovich about this plan to buy the shares; is that right?

- A. Yes, that is right.
- Q. So, at the very earliest, the conversation you say you had with Fomichev in relation to arranging for this was in late October/early November; correct?
- A. Yes, after Roman told me about it.
- Q. And then you say -- this is at paragraph 53 of your statement E2/04/20 -- that you arranged those transfers and they were completed on 9 November. Do you see that in paragraph 53 of your statement?
- A. Yes, we agreed with Ruslan that shares should be re-registered and Ruslan did it and he sent us the documents confirming that this took place and we just looked at whether we were satisfied or not.
- Q. Mr Gorodilov, please listen to my questions. What I said to you was that you arranged those transfers and they were completed on 9 November, according to your evidence. Is that right? You see that at paragraph 53 of your statement.
- A. Together with Ruslan, I organised for the shares to be re-registered to physical persons on 9 November.
- Q. And I think you may already have said this, but you don't suggest that you drafted the agreements by which the shares were transferred, do you?
- A. No, we did not prepare these agreements.
- Q. Now, one of the share purchase agreements that was

produced you can find at bundle H(A)23 between pages 26 and 32 in the Russian H(A)23/26, pages 26T to 32T for the English version H(A)23/26T.

You see that this is the share purchase agreement prepared for the transfer between Consolidated Bank and Mr Berezovsky?

A. Yes, I can see that.

Q. And if you look at paragraph 3.1, you can see that the purchase price that was agreed is said to be 212,990 rubles?

A. Yes, I can see that.

Q. If you go to page 31, you can see that there is a deed of transfer prepared for these shares. Do you see that?

A. Yes.

Q. And also, on page 32, a transfer order. Do you see that?

A. Yes.

Q. And there are a number of these agreements which have been produced and they're all in broadly identical terms. I'm not going to take you through them all. For the transcript, those are at pages 19 to 53.

Each of these share purchase agreements is for the sale and transfer of shares in ORT from the company which owned them to either Mr Berezovsky or Mr Patarkatsishvili; you're aware of that?

A. Yes.

Q. And you've already explained, Mr Gorodilov, that before these transfers neither Mr Berezovsky nor Mr Patarkatsishvili was a personal shareholder in ORT-KB; that's right, isn't it? That was your evidence earlier.

A. Well, at that time when I saw the structure, as of 1 November Berezovsky personally did not own shares in ORT-KB.

Q. And it follows, I think --

THE INTERPRETER: Berezovsky or Badri personally did not, I'm so sorry.

MR RABINOWITZ: It follows, I think, that under the rules of joint stock companies, they could not buy the shares in ORT-KB until the companies which owned them had sent a notice to SBS notifying it of the planned stock sale and offering SBS the right of first refusal? That would follow from what you have already explained.

A. Yes.

MRS JUSTICE GLOSTER: There's an interference with the microphone, I don't know what it is.

SOUND OPERATOR: Mobile phone.

MRS JUSTICE GLOSTER: Somebody has a mobile phone on. Please could you turn it off.

SOUND OPERATOR: It's a mobile phone that's close to

a microphone.

MRS JUSTICE GLOSTER: Thank you. Whoever's got the mobile phone on, it's probably on vibrate or something that is causing it to be difficult.

Have you got a mobile phone on you, Mr Gorodilov?

THE WITNESS: No, I haven't.

MR RABINOWITZ: Neither have I.

Now, Mr Gorodilov, your evidence is that the sale of these shares to -- sorry, let me just go back a step.

In light of what you have told us about the rules on joint stock companies, there would have to have been a notice sent to SBS about the planned stock sale offering SBS the right of first refusal; that's right, isn't it?

A. Yes, that is right.

Q. And, as you've explained, there would have to be a 30-day waiting period after that notice before the transfer could be completed; that's right, isn't it?

A. Yes, yes, yes.

Q. Mr Gorodilov, your evidence is that the sale of these shares to Mr Berezovsky and Mr Patarkatsishvili was completed on 9 November 2000; is that right?

A. Yes.

Q. But if, as you say, you had jointly decided with Mr Fomichev only in late October or early November that

these shares should be transferred to Mr Berezovsky and Mr Patarkatsishvili, then a notice to SBS could not have been served even before that date, could it?

A. But all these deals were being made within the joint stock company of a close type; that's number one. And secondly, Ruslan Fomichev was dealing with these matters. We received share sales and purchase agreements and notices that shares have been registered in the name of physical persons.

Q. Could you just answer my question, please.

My question to you was that: if, as you say, you had jointly decided with Mr Fomichev only in late October or early November that these shares should be transferred to Mr Berezovsky and Mr Patarkatsishvili, then a notice to SBS could not have been served before that date, could it?

A. Once again I shall repeat: the procedure was implemented by Ruslan Fomichev. We didn't really know or care how it was all undertaken from the legal point of view.

MRS JUSTICE GLOSTER: Do you agree that the document or the notice couldn't have been served before late October or early November, which is the question which was put to you?

A. The notice could not have been sent or served but I think it was possible to find a legal construct that

would solve their problem.

MRS JUSTICE GLOSTER: What do you mean by "a legal construct"?

A. I mean, I can't answer this question now. We have to look at the charter in detail; we have to look at the law in detail; we have to look at who were the shareholders in these companies and whether this operation could have been undertaken without violating this provision of the law.

MR RABINOWITZ: Mr Gorodilov, on your own evidence there could not have been a sale without a 30-day notice having been given and on your own evidence there could not have been a 30-day notice given until late October or early November; that's right, is it not?

A. Yes, that's right.

Q. And if that is right, then the 30-day waiting period -- assuming late October was the date when you say you and Mr Fomichev agreed these matters, the earliest that there could have been a transfer completed was at the end of November; that's right, is it not?

A. Once again I will repeat: transfer of shares was something Ruslan Fomichev was dealing with. ORT-KB did not belong to us, therefore all those seven companies that -- where the shares were registered didn't belong to us either. It appears to me that a legal way could

have been found to re-register the shares without violating this provision of the law, but I cannot comment on that now because I do not have the necessary documents.

Q. You see, the reason I'm asking you about this is because you do purport to give evidence about these transfers. But what I suggest to you is that for these transfers from the companies to Mr Patarkatsishvili and Mr Berezovsky to be completed on 9 November, this would mean that the notice to SBS needed to have been served at the latest on 10 October 2000, and that is a very substantial period before you say you and Mr Fomichev even discussed these matters.

A. Can you repeat the question once again, please?

Q. For the transfer from these companies to Mr Patarkatsishvili and Mr Berezovsky to be completed on 9 November, this would mean that the notice to SBS needed to be served at the latest on 10 October, 30 days before the transfer, and that is a good two weeks before you say you were even told by Mr Abramovich that he wanted to acquire these shares and that you say you agreed with Mr Fomichev that something should be done about it.

A. Possibly they used another way to solve this problem, I don't know.

Q. Can I ask you next, please --

A. Perhaps they obtained agreement from SBS. Apart from a notice and a 30-day waiting time, one could just go to SBS and ask them that they don't mind and get some kind of written --

Q. You have no -- sorry.

A. -- notice from them that they relinquish their rights or something like that.

MRS JUSTICE GLOSTER: Some sort of waiver, you mean?

THE INTERPRETER: Waiver.

A. Yes.

MR RABINOWITZ: Now, you have no knowledge about that at all and that is certainly not the way you try and describe it by reference to the documents in your witness statement.

Can I ask you next, please, to go to paragraph 56 of your witness statement: it's at page 22 in the English E2/04/22 and 63 in the Russian E2/04/63. Can I ask you to read paragraph 56 to yourself.

A. Which paragraph should I read?

Q. 56. It's very short.

A. I've read it.

Q. So you are talking there about an agreement on 12 November 2000 by which Mr Patarkatsishvili transferred 4,773.75 ORT-KB shares to Mr Berezovsky; do

you see that?

A. Yes, I can see that.

Q. Can I ask you, please, to go to bundle H(A)23 and look at page 79 in the Russian H(A)23/79. It's at page 89 in the English H(A)23/89. This is the share sale and purchase agreement that you're referring to, I think dated 12 November; is that correct?

A. Yes, it's correct.

Q. Do you know who drafted this agreement?

A. I am not sure; maybe Ruslan or perhaps ourselves.

Q. So you don't really know at all who drafted this agreement; is that fair?

A. Indeed, I don't know which one of them prepared this agreement.

Q. Can I ask you, please, now to go to bundle H(A)23 and turn to page 63 H(A)23/63 and look at pages 63 to 66.

Your Ladyship will find that that is a Russian-language document. We have prepared an English translation of the document which we'll hand up.

MRS JUSTICE GLOSTER: Can the translation be put on Magnum.

Otherwise I've got so many bits of paper.

MR RABINOWITZ: It will be, but just so your Ladyship has it. (Handed)

MRS JUSTICE GLOSTER: Thank you.

MR SUMPTION: My Lady, I think this is already in the bundle

at H(A)23/66.001T.

MR RABINOWITZ: This may be a draft of that. Just bear with us for this one.

Now, Mr Gorodilov, if you can just look at the document.

A. I've looked at it.

Q. This is a draft of the document that we had just been looking at, at H(A)23, page 79 H(A)23/79, is it not?

A. Yes, that's right.

Q. And at the bottom left-hand corner of the document. Do you see that it has a disclosure reference which ends in the numbers 0031? That is a reference to the system on which disclosure has been made. Do you see that?

A. Yes, I can see that.

Q. Now, on the version that I've just given you from Ringtail, you will see that -- can I just hand you another document which has come off Ringtail which is a draft of that. (Handed)

Perhaps you can confirm that this is a draft of the document that we're looking at?

A. Excuse me, what is it that I need to confirm: that this is a draft of a document which is where?

Q. Which is the document that you were looking at at page 63 to 66 of H(A)23 H(A)23/63.

MRS JUSTICE GLOSTER: Can I have a copy of it, please?

(Handed)

A. Yes.

MR RABINOWITZ: The draft that I've given you on Ringtail is the same --

MRS JUSTICE GLOSTER: This is the Russian I'm meant to be looking at?

MR RABINOWITZ: Your Ladyship needs to have the Russian as well.

Mr Gorodilov, on the document that I've handed you in Russian, at the last page of the document is a report which shows the metadata of the document, the draft that I've handed up to you. Do you have that?

A. Yes, I can see that.

Q. And this shows that the author of the document that you were looking at, or the draft, is someone called Alexander Berezin. Do you see that towards the bottom of the page?

A. Yes, I can see that.

Q. Do you know who Mr Berezin is?

A. No.

Q. If you look higher up on that document, do you see there's a reference to "Company Media Most"?

A. Yes, I can see that.

Q. That's Mr Gusinsky's company, isn't it?

A. Well, it's difficult to understand. It says Media Most;

I suppose it can be interpreted as Mr Gusinsky's company. Maybe it's some other company.

Q. Mr Berezin was the lawyer for Mr Gusinsky and for Media Most; are you aware of that?

A. No, I'm not.

Q. Right. Well, take it from me that he is.

And at this time Mr Gusinsky and Media Most were engaged with their own public battle with President Putin about whether or not they would be forced to sell the television station NTV; you're aware of that, I think?

A. Well, possibly.

Q. Mr Gusinsky and Media Most were not in any way involved in the purchase of ORT by Mr Abramovich, were they?

A. Can you repeat the question again, please?

Q. Mr Gusinsky and Media Most were not in any way involved in the purchase of ORT by Mr Abramovich, were they?

A. I know nothing about it.

Q. And therefore you can't really help us about who did create the document that we were looking at, the 12 November document at pages 63 to 66?

A. Obviously we have to ask Mr Ruslan Fomichev this question.

Q. Well, I'm not sure that asking Mr Fomichev this question will help, not least because he's not here, and because

according to the Ringtail report it was produced by Mr Berezin.

Now, can we then go back to the document we were looking at, at bundle H(A)23, page 60 in Russian H(A)23/60 and page 61 for the English speakers H(A)23/61. It's the notice to ORT-KB.

A. Yes, I have it. I can see it.

Q. And you see that this notice says -- it's a document which says -- sorry, this is the document containing what is said to have been a "Notification of Shareholder of... ORT-KB on Planned Stock Sale"?

A. Yes, that's so.

Q. And on the face of the document you see that it's dated 10 November 2000; correct?

A. Yes, it's correct.

Q. And if one were to believe what was written on this document, one might be led to believe that Mr Berezovsky and Mr Patarkatsishvili were making preparations to sell their shares in ORT-KB to Akmos Trade in November 2000, because this would be thought to be some evidence of that; that's right, isn't it?

A. Why would you have to assume anything if I knew it? Why would...

Q. You see, Mr Gorodilov, you in your witness statement have worked back from documents in order to construct

what you say was the way this transaction proceeded, and one of the documents you've worked back from is this notice. And that's why I suggested to you that if you looked at this notice, you would be led to believe that Mr Berezovsky and Mr Patarkatsishvili were making preparations to sell their shares in ORT-KB to Akmos Trade in November 2000.

A. Why would I be led to believe anything if I know it? And the notice is dated the 10th, whereas the shares were transferred or re-registered to physical persons on the 9th. It's obvious that on the 9th they were re-registered on to physical persons and on the 11th the notice was prepared.

Q. You see, I suggest to you, Mr Gorodilov, nothing is obvious about this documentation.

Can I ask you, please, to look at paragraph 58 of your witness statement E2/04/22.

MRS JUSTICE GLOSTER: Choose your moment, won't you,

Mr Rabinowitz, for the break.

MR RABINOWITZ: Now may be a good moment.

MRS JUSTICE GLOSTER: Very well.

You're not to talk about the case or your evidence to anyone; you understand that, I'm sure.

Very well. Ten minutes.

(3.22 pm)

(A short break)

(3.38 pm)

MR RABINOWITZ: Mr Gorodilov, before we broke I'd asked you to look at paragraph 58 of your witness statement E2/04/22 and it's clear from what you say in paragraph 58 of your witness statement, particularly the first and last sentences, that you are saying that this document was produced by someone in ORT-KB. Correct?

A. Yes.

Q. Right. And then just looking again at the document at H(A)23, page 60 in the Russian H(A)23/60, 61 in the English H(A)23/61, do you see that it says:

"CJSC ORT-KB has received notices from two shareholders of... ORT-KB that own 23,726.25... common registered shares... each."

Do you see that? It's referring to shareholders and it's received notices from shareholders; that's right, isn't it?

A. Yes.

Q. And it says that these shareholders both own just over 23,726 shares each?

A. Yes, that's right.

Q. But you're aware of the fact that on 10 November 2000 Mr Berezovsky and Mr Patarkatsishvili did not own 23,726 shares each in ORT-KB, did they?

- A. Mr Berezovsky owned 18,952 shares and
Mr Patarkatsishvili owned 28,500 shares of ORT-KB.
- Q. So your answer to my question is: yes, I am right, on
10 November neither Mr Berezovsky nor
Mr Patarkatsishvili owned 23,726 shares?
- A. Someone had fewer shares, someone had more shares, but
they were shareholders of ORT-KB as of the 10th.
- Q. In fact it was only two days later, on 12 November, that
they equalised their shareholding in ORT-KB so that they
both came to own 23,726 shares; that's right, isn't it?
- A. Yes, that's right. On 12 November Patarkatsishvili sold
part of his shareholdings to Berezovsky so that he would
have the equal number of shares.
- Q. And so one couldn't have a genuine notice sent on
10 November 2000 which recorded the fact that they each
had the same number of shares, being 23,726 shares; you
accept that?
- A. The notice was true, it was genuine. It's simply that
in the process it was shown that people who were
responsible for the transfer of shares, that had to do
it on 9 November, they made an error, and that error was
corrected on 12 November.
- Q. You could not have, on 10 November, a notice to another
shareholder saying that ORT-KB had received notices from
two shareholders, each of whom had 23,726 shares; that

would have been impossible?

A. Could you please repeat the question?

Q. You could not have, on 10 November, a notice to SBS saying that ORT-KB had received notices from two shareholders, namely Mr Berezovsky and Mr Patarkatsishvili, each of whom had 23,726 shares; that would have been impossible?

A. As of 10 November we have a notice saying that each of the two shareholders has 23,726 shares.

Q. Well, it says more than that: it says that ORT-KB has received notices from these two shareholders, who both own that number of shares. And that would have been impossible as at 10 November, Mr Gorodilov.

A. As I'm saying again, in the process, it's quite obvious that there was an error here and I think the error happened due to the fact that there were two different companies, SBS, another company. So a large number of people were dealing with that, with Ruslan or with someone else, and basically they performed their tasks on the 9th, they've given the notice out and then they looked as a result and it turned out that they had an error and they did correct that error on 12 November.

This exactly is saying that everything was happening in accordance and the way it was -- this is the way it was and that's how the documents were drawn up.

Q. Can I ask you, please, to go to bundle H(A)27 and go to page 35, please H(A)27/35. We'll see there a Russian-only document.

My Lady, we have a translation of this which I'll hand up. It obviously will go on to Magnum in due course. (Handed)

What you see at H(A)27, page 35 H(A)27/35, Mr Gorodilov, is a draft of the notice to go to SBS. Do you see that?

A. Yes, I do.

Q. Now, can you see that the document that you are looking at has a Ringtail reference ending in the number 0026?

A. Yes, I can see that.

Q. Now, what I'd like to do, Mr Gorodilov, is to hand up to you the copy of this document which we have been looking at, held on the Ringtail document management system. It has the same reference number. The only reason to hand you this version of the document is because on this version we have metadata, which you can see if you go to the second page of the document.

A. Yes, I can see that.

Q. There are two things, Mr Gorodilov, which are interesting about the metadata. The first is that if you look at the company where this document has been produced, it appears to have been produced by Sibneft

and not by ORT-KB. Do you see that? On the right-hand side, under "Properties", just before it gets to "Related Dates".

A. Yes, I can see that.

Q. And the other thing which is interesting, Mr Gorodilov, is that according to the metadata, this document was first created -- this is the draft of the notification -- on 16 November 2000. Do you see that?

A. Yes, I can see that.

Q. Now, are you able to explain how this is consistent with your evidence, firstly, that the notification was one produced by ORT-KB?

A. Could you please repeat the question?

Q. We see from the metadata that this document, a draft of this document first produced on 16 November, was produced by Sibneft. Your evidence has been that this document was produced by someone in ORT-KB; I think you say it was produced on 10 November. And I'm asking you if you can explain how it is that what we see here from the metadata is consistent with the evidence that you are giving about when this document was produced and by whom.

A. The reason: because it's a draft document, as far as I understand, that is on the computer. So was it received from Sibneft's computer?

- Q. Received -- this is produced on Sibneft's computer, first created on 16 November.
- A. And accordingly, to explain in detail, Sergey Gorenichy could explain in detail. I can only assume -- I only assume that when Sergey saw that error, he thought to send another notice in order for the deal to be more clear, clean in the legal way. This is only my supposition.
- Q. You see, Mr Gorodilov, we have asked Mr Abramovich to search ORT-KB, a company which he accepts was under his control, to see whether any drafts of this document were held by ORT-KB and we have been told that none have been found in ORT-KB. The only drafts of this document that one finds come from Sibneft and appear to have been produced after the date when you say this document was produced by ORT-KB.
- But you say you're unable to offer any explanation for how that could happen at all?
- A. I thought I explained in my previous answer how it could have happened. The ORT-KB notice, it was a package of documents of ORT-KB which is now owned by Mr Abramovich and previously it was owned by Mr Berezovsky and Patarkatsishvili.
- Q. Can we go back again and look at the notice at page 60 in the Russian H(A)23/60 and page 61 H(A)23/61.

MRS JUSTICE GLOSTER: What bundle, please?

MR RABINOWITZ: Sorry, H(A)23. We're looking at the final notice here.

A. Did you say page 60?

Q. It should be page 60, yes, thank you. Page 61 in the English.

You see in the second paragraph, the first line of the second paragraph, it says that:

"... ORT-KB has received notices from two shareholders of CJSC ORT-KB..."

Do you see that?

A. Yes, I see that.

Q. And if this were a genuine document, one might expect to be able to find such notices having been received by ORT-KB from its shareholders to which this responds; correct?

A. One could assume that.

Q. Are you aware that, despite a search having apparently been conducted by Mr Abramovich's solicitors, no such notices from the ORT-KB shareholders have been found to exist?

A. Yes, they were not found to exist, yes.

Q. And can I ask you this: if this were a genuine document, one might expect there to have been a response from SBS-Agro, might one not?

- A. It might have been a response or it might have not been a response. If SBS-Agro within a certain time period does not respond, then accordingly it is assumed that the bank has been duly notified and the deal can go ahead.
- Q. You are aware, I take it, that, again despite Mr Abramovich's solicitors apparently having researched ORT-KB, no response from SBS-Agro responding to this notification has ever been disclosed in this action either?
- A. It's hard for me to comment this. Just to remind you once more: Mr Abramovich did not -- we did not own ORT-KB at that point in time, therefore the package of documents, the way it was passed on to me -- to us, the way it was passed on, this is the way we've got it maintained and one could assume whichever.
- Q. But you will be pleased to hear, Mr Gorodilov, that, unlike in the case of any notices from the shareholders, we do have a draft of a response from SBS-Agro responding to this in the bundles. Can you please go to bundle H(A)23, page 56 in the Russian H(A)23/56.
- Again, my Lady, because it is only in the Russian, we've prepared a translation for this document as well so your Ladyship can follow it. (Handed)
- A. Yes, I can see this.

Q. Okay. And you see that it is a draft, it's apparently also dated 10 November 2000; do you see that? It's supposed to be to ORT-KB from someone at SBS.

A. Yes, I do.

Q. Again, Mr Gorodilov, do you notice the Ringtail number at the bottom left-hand corner ends in the numbers 0009? Do you see that?

A. Yes, I do see that.

MRS JUSTICE GLOSTER: We've got this document.

MR RABINOWITZ: I beg your pardon?

MRS JUSTICE GLOSTER: We've got this document in the bundle anyway, haven't we?

MR RABINOWITZ: What we don't have, my Lady, is the document with the Ringtail --

MRS JUSTICE GLOSTER: We've got the translation.

MR RABINOWITZ: All right.

Can I hand up another copy of the document we've been looking at which is taken from the Ringtail document management system and it has the same 0009 reference number.

A. Yes, I can see that.

MRS JUSTICE GLOSTER: This is H(A)23/56T, is it, in the English?

MR RABINOWITZ: The translation?

MRS JUSTICE GLOSTER: Yes.

MR RABINOWITZ: It may not matter for the point I'm going to be making, my Lady.

Mr Gorodilov, in front of you you have the Ringtail version of this document but again you can see it has the metadata at the back. Do you see that?

A. Yes, I can see that.

Q. And again, what we see from the metadata, Mr Gorodilov, are two things which are interesting. The first thing is that this draft of a document which is supposed to go from SBS to ORT-KB appears to have been produced by someone in Sibneft. Do you see that?

A. Yes, I can see that.

Q. And the second thing which is interesting about this metadata is that it indicates that the first time this draft was created was on 16 November 2000, although, as you see, the date which someone has inserted in the draft is 10 November 2000. Do you see that?

A. Yes, I can see that.

Q. Are you able to offer any explanation as to why your team at Sibneft were producing notifications which were backdated, were to be backdated, to come from SBS?

A. I think it's quite obvious. If we were leading the transaction then in the computer of the lawyers might contain a draft of the answer. With regard to the date of -- creation date, it says 16th and the agreement --

sorry, the draft shows the 11th, I think we need to ask the lawyers. I wouldn't be able to clarify. Perhaps there was some technology: maybe someone was resaving the file, I'm not sure. I don't know.

Q. Can I ask you -- well, the difficulty about --

A. Maybe the date in the computer was changed, was shifted.

Q. And maybe it is just that this document was first created on 16 November, which is what the metadata appear to indicate.

Now, can I ask you, please, to go back to your witness statement, paragraph 58 again please: page 22 of the English E2/04/22 and page 63 in the Russian E2/04/63. Just focusing on the last sentence of this paragraph, you say:

"Because of rules establishing a waiting period of no less than 30 days after notification, we understood that the notice..."

That's the one we've been looking at.

"... had to be given in advance..."

And so -- and this just goes back to evidence I think we've covered -- a transaction to sell shares could not go ahead unless there was a notice like this one from 30 days before the sale; is that right?

A. You've said quite a bit. What do I have to confirm?

Could you please state it in more detail? What do

I have to confirm?

Q. You could only have a transaction go ahead selling these shares if a notice like this had been served 30 days before that transaction was to conclude?

A. Yes, if there wouldn't be any other agreement achieved in this regard.

Q. And obviously if a sale needed to go ahead very quickly, this 30-day waiting period might present a problem in that regard, particularly if one needed the sale to be concluded in less than 30 days?

A. That was a problem and we needed to go to SBS-Agro and agree with them for them to give a response that they do not mind for that transaction to go ahead and then law would not be breached.

Q. Mr Gorodilov, Mr Abramovich says in his evidence that he had at some point told Mr Putin of the finalisation of an agreement to buy Mr Berezovsky and Mr Patarkatsishvili's shares in ORT before the end of the year. You can take that from me for the moment: that is what he said. And he also says that, as a result, he wanted to make sure that the transfer was completed before the end of the year. Again, take that from me for the moment: it's at paragraph 59 of Mr Abramovich's fourth witness statement E5/11/28.

If Mr Abramovich had in fact only agreed to buy the

shares less than 30 days before the end of December 2000, that would mean, given the 30-day rule, that he would have to wait until a notification was served and for 30 days afterwards; that's right, isn't it?

A. May I repeat once again: if no agreement would have been reached with SBS-Agro.

Q. Then the way you would have to do it, without any side agreement -- and I'm not aware of anyone suggesting there's a side agreement so let's just leave that to one side -- without that sort of agreement, you would have to wait the 30 days until the notification had run its course?

A. 30 days or from the point of receipt of a response from SBS-Agro, ie that response could have arrived earlier.

Q. Right, but no one suggests there was any response from SBS-Agro which arrived at all.

A. Maybe there was some sort of response; we simply do not have it in the case materials.

Q. No, we don't.

The only way around the position, if you have a 30-day notice which has been served closer to the end of the year than would allow you to conclude the transaction by the end of the year, the only way around that problem would be to produce a notice to SBS and

then to backdate it to an earlier date.

A. No. What is the point to backdate and to produce a notice and bring it back to SBS backdated? How can we backdate -- bring it to SBS in a backdated way? And if SBS gives its consent to the deal, it will give its consent in real time.

Q. But what we see happening here, Mr Gorodilov, is not just a notice produced on 10 November which couldn't have been produced on 10 November, but we also see people in Sibneft drafting a potential response from SBS on 16 November, all of which in order to be able to conclude this transaction before the end of December. Do you follow?

A. Sorry, I'm already lost.

MRS JUSTICE GLOSTER: Mr Rabinowitz, I'm not clear where this is going because Mr Berezovsky had a power of attorney over the SBS interest in ORT, didn't he? So, I mean, Mr Berezovsky could have waived the requirement if he was the guy who held the power of attorney over the shares in ORT held by SBS.

So where is this all going? I mean, I'm not saying he did, but I'm not quite sure --

MR RABINOWITZ: Well, no one says he did. In those circumstances, given what appears to be the position with the documentation, the documentation appears to

have been backdated.

MRS JUSTICE GLOSTER: Yes, but let's assume that the documentation has been backdated, maybe a day, maybe longer than a day; I'm not quite clear what you're suggesting. But it clearly could have been waived, the requirement. I mean, you tell me. But the person who's got the power of attorney over these shares seems to be Mr Berezovsky. So I'm not quite clear where all this is going, but maybe you'll tell me in due course.

MR RABINOWITZ: I'll tell your Ladyship now.

The witnesses, and in particular Mr Abramovich's witnesses, have produced a chronology of how the transaction took place by references to documents and by taking the dates of those documents. Now, our submission is that those dates are not genuine dates; they've all been backdated. The consequence of that is that the evidence that the witnesses give as to how the transaction proceeded and when it proceeded is based on a false premise, namely that the dates in these documents can be relied upon, whereas in fact they have all been backdated.

MRS JUSTICE GLOSTER: Right.

MR SUMPTION: Is my learned friend suggesting that the document, for instance this one, was created on some other date than the 16th? Because we find it difficult

to follow how there is any relevant difference between the 10th and the 16th if the issue was whether this was being discussed in November.

MR RABINOWITZ: There's no suggestion that any final document was done on the 16th. That is a draft that one sees on the 16th; one doesn't have a final document at all. So one is actually not assisted at all by the dates on these documents.

MRS JUSTICE GLOSTER: Right. Well, I think what I need to understand is, on the assumption that you're right and some of these documents have been more or less backdated, where that, you say, undermines the factual statements in Mr Gorodilov's witness statement.

MR RABINOWITZ: Mr Gorodilov's witness statement presupposes, as your Ladyship sees -- paragraph 58 E2/04/22 -- that the 10 November document is a document produced on 10 November and he gives evidence which, in a sense, tries to explain how the matter could have proceeded if that was in fact the genuine date.

MRS JUSTICE GLOSTER: He is specifically saying that it anticipates events that had not yet taken place. So in one sense it's all been drafted in anticipation of things that haven't yet --

MR RABINOWITZ: But it purports to be a final document in circumstances where we see a draft of the document being

produced later in time.

MRS JUSTICE GLOSTER: Well, I mean, I see what you're saying but I'm not quite clear where this is getting us on critical issues, that's all.

MR RABINOWITZ: Well, your Ladyship may not regard the timing of the ORT transaction as a critical issue. We will address it --

MRS JUSTICE GLOSTER: Well, I obviously see that it matters in relation to the intimidation claim and the date of the meeting, I can quite see that, but I have yet to understand what dates you're attacking in Mr Gorodilov's witness statement that you say impact on the date of the meeting in Cap d'Antibes or the veracity of your evidence in relation to the threat.

MR RABINOWITZ: My Lady, I don't --

MRS JUSTICE GLOSTER: That's the point I think I'm not picking up on.

MR RABINOWITZ: All right. Well, I don't think I'm going to go into more detail on that now --

MRS JUSTICE GLOSTER: Right, very well. Well, continue with the cross-examination.

MR RABINOWITZ: -- because that really is a matter of submission. My purpose at the moment is just to establish that you cannot rely on the dates in these documents.

MRS JUSTICE GLOSTER: Right.

MR RABINOWITZ: Now, in fact, Mr Gorodilov, I want to move on to a different subject and it is this --

A. May I add on the previous subject, please?

Q. Please.

A. There is a register of share movement that I think no one has any doubt that that was in any way tampered with, which shows the steps in share transfer.

Q. That is right and it shows first that there was an equalisation between Mr Berezovsky and Mr Patarkatsishvili on 12 November; correct? And then I think it shows a transfer from them on 29 December.

A. The 28th and the 29th.

Q. Thank you.

Now, can I ask you this. Can you go to paragraph 76 of your first witness statement: bundle E2, tab 4, page 31 in the English E2/04/31 and page 64 in the Russian E2/04/64. Can I ask you, please, just to read subparagraph (b) of paragraph 76 to yourself. It relates to the Logovaz part of the transaction. (Pause)

A. Yes, I have read it.

Q. And can I next just ask you to go to paragraph 78 of your witness statement, over the page E2/04/32.

A. Yes, I have read it.

Q. So what you're saying here is that, after suggesting

that there was an agreement made at Le Bourget:

"In view of this agreement, we drafted the 'Action Plan'."

And you say:

"I think this document was drafted while Mr Abramovich was running for office in Chukotka and [finalised] when he returned to Moscow in late December..."

And just to be clear about this, Mr Abramovich I think headed for Chukotka to run for office on 10 December. Is that right?

A. As far as I know, this is correct.

Q. Yes. Can I ask then that you be given bundle H(A)26, page 110 H(A)26/110. The English translation of this I think is at H(A)103, page 124 H(A)103/124.

So this is your action plan, is it?

A. Yes, it is.

Q. And this was in fact, I think, produced, according to the metadata, on 25 December 2000, last modified on 26 December 2000. Is that right? Does that accord with when you would say that this was actually produced?

I can show you the metadata.

A. I think so. We were preparing the action plan about the arrival of Roman to Chukotka -- sorry, from Chukotka.

Q. From Chukotka. So in fact it was at the end of December

that you were preparing this action plan. It's not around 10 December; it's when he was returning from Chukotka that you produced this plan?

A. Could you please ask the question again?

Q. I'm trying to establish when you say this action plan, or the "Algorithms of actions" in the translation, was produced and I suggest it was at the end of December, 25 and 26 December.

MR SUMPTION: Does your Ladyship have the English translation?

MRS JUSTICE GLOSTER: No, I'm just -- I was going to let the witness give the answer because I haven't got the document. It's the wrong reference, Mr Rabinowitz.

A. The algorithm of action, as far as I recall, I spoke to Roman, Roman was still in Chukotka, and we have agreed that by his arrival we should be prepared for everything and try to close the deal in that year. So therefore I make an assumption that indeed the document was created on the 25th because Roman had to arrive back on 25 December, as far as I recall. I think it was the 25th.

MR RABINOWITZ: Your Ladyship should be looking at H(A)103, page 124 H(A)103/124.

MRS JUSTICE GLOSTER: 124? Oh, you said 24, that's the problem. Hang on. 124. Just a second, let me get it

up.

Right, thank you.

MR RABINOWITZ: This is in fact the first document produced, Mr Gorodilov, that mentions Betas being involved; is that correct, or are you aware of some other document where you might have included Betas in this plan?

A. The fact that the Betas will buy Logovaz's shares, I think we've -- in the first half of November we knew that that will be Betas; and whether there are any documents where this is mentioned, to be honest, I do not know. Maybe.

Q. I can tell you that there are not.

Can I just ask you, please to go to your second witness statement: that's at bundle E4, tab 5. I want you to have a look at paragraphs 30 to 32 on that, if you would. It's page 64 in the English E4/05/64 and 82 in the Russian E4/05/82. Can I ask you to look at those and read those to yourself, please. (Pause)

A. Yes, I have read it.

Q. You see, I have to suggest to you that what you're doing here is disputing Mr Dubov's evidence that Logovaz only agreed to sell its shareholding in the company at par on 24 December and you are trying to dispute this by reference to what you say is the fact that:

"... this price... reflected the par value of

LogoVAZ's shares [which] was already provided for in the reference sheet dated 13 November 2000 and [you say] was never questioned after that time..."

Do you see that?

A. Initially, when the deal was being actioned, we planned that Logovaz shares will be re-registered at par value of 1.1 million rubles -- sorry, at nominal value.

Q. You see, I'm referring to your comment in your witness statement that the reference to Logovaz shares being sold at par value is found in a document dated 13 November and you say it was never questioned after that time.

I want to ask you this: you don't suggest anywhere that you showed this reference sheet to either Mr Berezovsky or Mr Patarkatsishvili or Mr Fomichev or indeed anyone else from Mr Berezovsky's team, do you?

A. I think that Mr Fomichev certainly didn't see that.

Perhaps Badri didn't see it. It's quite obvious: you can see by the reference that that was prepared for someone. Internally we wouldn't have made such a reference sheet. Maybe I prepared it for Roman and I have -- won't be able to help you and say who Roman has shown it to.

Q. But when you say it was never questioned after that time, if you never showed anyone, either

Mr Patarkatsishvili or Mr Fomichev or Mr Berezovsky, the sheet, how could they have questioned this?

A. How do you mean the reference sheet was queried or questioned?

MRS JUSTICE GLOSTER: Hang on. Can I look at the reference sheet, please, because the reference at the bottom of Mr Gorodilov's paragraph --

MR RABINOWITZ: Your Ladyship will find it at H(A)103, page 132 in the English H(A)103/132. It's at H(A)23, page 71 in the Russian H(A)23/71.

MR SUMPTION: I'm told that there has been a mistranslation of the witness's answer when he said, according to the transcript in English, that Mr Fomichev certainly did not see it and that Mr Patarkatsishvili may not have seen it. I understand that the actual Russian answer was different. I wonder if that could be explored while the iron is still hot.

MRS JUSTICE GLOSTER: Yes. Mr Rabinowitz, you might want to check the Russian feed overnight.

THE INTERPRETER: The interpreter apologises, I might have misheard.

MRS JUSTICE GLOSTER: Well, can we check it now with what was said previously, please?

MR RABINOWITZ: Can I perhaps just ask it again?

MRS JUSTICE GLOSTER: Well, ask the question again.

- MR RABINOWITZ: You never suggested in your witness statement that you showed this reference sheet to Mr Berezovsky or Mr Patarkatsishvili or Mr Fomichev or indeed anyone else from Mr Berezovsky's team?
- A. As far as I recall, I do not write about this in my witness statement.
- Q. And that is because you never showed this reference sheet to any of those people?
- A. I think it doesn't mean this. That reference was obviously made in mid-November. It was reflecting the deal structure that was approved at that point in time. I think I prepared that reference for Roman in order for Roman to show it to Badri or Berezovsky, I don't know about that, and obviously that Ruslan Fomichev has seen it as well. It can be seen that this is prepared for someone external.
- Q. You see, I suggest to you if you had shown it to anyone, Mr Gorodilov, you would have said so in your witness statement.
- A. Why would that be?
- Q. Because your witness statement is where you set out the relevant evidence and that would have been relevant. But you dispute that, do you?
- A. In my witness statement I was showing the whole chronology of the deal, as I recall, the way it was

happening. And further, in the process we have disclosed all the documents that we could have found for this hearing, that we were able to find.

MR RABINOWITZ: Thank you, Mr Gorodilov.

MRS JUSTICE GLOSTER: Are those all your questions?

MR RABINOWITZ: Those are all my questions.

MRS JUSTICE GLOSTER: Yes, Mr -- has anyone else got any cross-examination?

MR MALEK: No questions, my Lady.

MR ADKIN: No, my Lady.

MRS JUSTICE GLOSTER: No.

MR SUMPTION: I will try and finish this straightaway, rather than leave Mr Gorodilov over until tomorrow.

Re-examination by MR SUMPTION

MR SUMPTION: Mr Gorodilov, I wonder if someone could assist you with scrolling back through the screen transcript of your answers this afternoon. If we could scroll back to [draft] page 91.

MRS JUSTICE GLOSTER: I'm in the hands of the parties as to whether you want to go on tonight, Mr Sumption.

MR SUMPTION: I'm not going to be more than five or ten minutes, so it seems --

MRS JUSTICE GLOSTER: Well, then let's -- you're happy with that, aren't you, Mr Rabinowitz? That means that you'll have Friday clear.

MR RABINOWITZ: Yes.

MR SUMPTION: Mr Gorodilov, you will need the assistance of the interpreter for this purpose. You will see that there is an answer that begins on [draft] page 90, line 20, and continues on [draft] page 91, up to line 10, and I wonder if the interpreter would be kind enough to translate that back to you. Beginning with:

"After that, when Roman said..."

(Pause)

THE INTERPRETER: Until where do I read, sorry?

MR SUMPTION: [Draft] page 91, line 10.

A. There is an error in the figure of 100 million.

Additional payments were 140 million plus commission.

MR SUMPTION: Right. That's what I wanted to clear up.

Thank you very much.

My Lady, I have no other questions.

MRS JUSTICE GLOSTER: Right. Mr Rabinowitz, you've got nothing further arising out of that?

MR RABINOWITZ: No.

MRS JUSTICE GLOSTER: Thank you very much, Mr Gorodilov for coming along to give your evidence. You may be released.

(The witness withdrew)

Discussion re housekeeping

MR SUMPTION: My Lady, can I just say two things very

briefly. First of all, although there is a dispute about its exact date, there is of course a reference to Betas in the Logovaz board meeting dated November 2000, which was a document disclosed by Mr Berezovsky and about which Mr Dubov gave some evidence. The reference to that is H(A)23/196.

The second thing that I wanted to say was that we will not be calling Mr Mamut. In the light of the basis on which my learned friend cross-examined Mr Abramovich, we have concluded that his evidence is no longer of any relevance.

MRS JUSTICE GLOSTER: Right. Very well.

MR SUMPTION: That means that the next witnesses that your Ladyship will be hearing from are Mr Voloshin, Mr Kapkov, and they will be followed immediately by Mr Shvidler.

MRS JUSTICE GLOSTER: So Mr Sponring is going off?

MR SUMPTION: Mr Sponring will come after Mr Shvidler.

MRS JUSTICE GLOSTER: Right.

MR SUMPTION: But we may get to Mr Shvidler on Monday.

MRS JUSTICE GLOSTER: Right. And so far as time is concerned, Mr Rabinowitz, you're still comfortable with where we are and your time?

MR RABINOWITZ: Still comfortable, indeed.

MRS JUSTICE GLOSTER: Because if you weren't, I would feel

slightly obliged to sit tomorrow.

MR RABINOWITZ: No, we are still comfortable.

MRS JUSTICE GLOSTER: Very well.

Then I'll adjourn this case until Monday at 10.15,

10.30? I'm in your -- 10.15?

MR RABINOWITZ: 10.15.

MRS JUSTICE GLOSTER: It's probably easier, 10.15.

Very well.

(4.30 pm)

(The hearing adjourned until
Monday, 14 November 2011 at 10.15 am)

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