

Wednesday, 16 November 2011

(10.15 am)

MR SUMPTION: My Lady, can I give your Ladyship an update on Mr Bulygin's position that your Ladyship asked for.

Mr Bulygin is having significant surgery next week and is not in a position to travel in advance of the surgery. After the operation, he will need a period of recuperation. His present view is that he should be able to give evidence in person on 15 December. That, of course, is not written in stone and if it turns out to involve wasting considerable time waiting for him before we get on to the next stage of the trial, we will obviously have to review the possibility of putting in his evidence as a hearsay statement in the light of his state of health. But that's the present position.

MRS JUSTICE GLOSTER: Right. So basically playing it by ear?

MR SUMPTION: Yes.

MRS JUSTICE GLOSTER: Very well.

MS IRENA PANCHENKO (continued)

Cross-examination by MR RABINOWITZ (continued)

MR RABINOWITZ: Good morning, Ms Panchenko.

A. Good morning.

Q. Can I ask you, please, to go back to the bolshoi balance again. If it can be opened for you, I want to look at

the "FOM" tab. Can I just ask you to help me with this, please, the first green row, row 19, gives the sub-total for payments described as "PRB", is that right?

A. Yes, yes, I can see that.

Q. And then the second green row, row 24, gives the sub-total for payments described as "PRBR", do you see that?

A. Yes, I can see that.

Q. If I can ask you then to look at the bottom right of the table, it's in cell R31, do you see the total appears to be made up of three sub-totals: "PRB", "PRBR" plus "EL"?

A. Are you speaking about the 490 million amount?

Q. 490 million, yes. Do you see the reference to "EL" there?

A. Yes, I can see that.

Q. Can you explain, please, what EL is?

A. Unfortunately, I cannot assist you in this. All the acronyms, the abbreviations, were provided to me by Mr Shvidler and I have no ideas about that.

Q. Are you able to explain why the "EL" sub-total has been apparently removed from this "FOM" tab?

A. What I can see is that "FOM" only repeats the two sub-totals, subsections from the "Total" table, on the first page of this file.

Q. But it does look as if at some stage there was included

in this something for EL, that's why one gets the total "PRB + PRBR + EL", correct?

A. I'm afraid I cannot assist you on this because I can see what you can see in this spreadsheet and that's all.

I work with finance, there are thousands of tables and spreadsheets that I handle, and I cannot affirm that it had been taken out, or something had been taken out or withdrawn by some employees.

Q. And can you answer this: would it be reasonable to assume that this was a modification made after you looked at this document in November 2010 or can you not say?

A. This is excluded, this cannot be. So far as I understand, so far as the procedure is concerned, once electronic copies have been found they are handed over to the lawyers and they are what they are and they are in the condition in which they are -- in which they are.

MRS JUSTICE GLOSTER: Is the metadata agreed in relation to this document?

THE INTERPRETER: I'm so sorry, my Lady, I could not hear you, unfortunately.

MRS JUSTICE GLOSTER: Is the metadata agreed in relation to this document?

MR RABINOWITZ: The metadata suggests, I think, that it was produced on 4 July 2000 -- created on 4 July 2000.

There is a curious entry which I think suggests it was last opened or modified in 2011 -- sorry, saved in 2011, but that may well be the lawyers trying to work out what it was. So we're not taking a point on that.

MRS JUSTICE GLOSTER: Fine, okay. Thank you.

MS DAVIES: My Lady, that has been explained in correspondence. The date in 2011 is when it was opened by Skadden.

MRS JUSTICE GLOSTER: Yes, okay. Metadata can be confusing and is not necessarily always telling the story as one might think it, that's all. As long as there's no dispute about what the document shows.

MR RABINOWITZ: No.

Now, Ms Panchenko, I want to just briefly deal with the Rusal sales with you.

MRS JUSTICE GLOSTER: Sorry, just before you leave the document, is Bili a shortening for Mr Patarkatsishvili?

It's a question for you.

MR RABINOWITZ: Do you know the answer to that?

MRS JUSTICE GLOSTER: If you look at the box in row R at line 42, it says "Bili (Plane)".

MR RABINOWITZ: My Lady --

A. I am afraid I do not know exactly what company that was but yesterday I think it was explained that it was Mr Badri's company and it had something to do with air

planes. There may well be some documents on that.

Mr Rabinowitz yesterday I think mentioned there were some documents to that effect but I cannot affirm this with certainty.

MR RABINOWITZ: My Lady, I can tell you that Bili is short for Badri --

MRS JUSTICE GLOSTER: Patarkatsishvili?

MR RABINOWITZ: Well, I think it's got his wife and children's names in it. But Bili SA is a company which was obviously used by Mr Patarkatsishvili for the purposes of acquiring the plane, and there are documents to that effect.

MRS JUSTICE GLOSTER: Thank you.

MR RABINOWITZ: Again, just back to the Rusal sales, and you tell us in your witness statement, I think this is at paragraph 111 --

MRS JUSTICE GLOSTER: Just remind me which bundle, please?

MR RABINOWITZ: Sorry, it's E2, tab 7, paragraph 111. Your Ladyship will find at page 194 in the English E2/07/194. Ms Panchenko, you'll find it at 235 in the Russian E2/07/235.

You explain at paragraph 111 that you don't recall the details of the first Rusal sale agreement in September 2003, and your evidence in effect involves going through the documents and commenting on the

documents. Is that right?

A. Yes, that is correct.

Q. Since I have been through that with Mr Abramovich, and can go through it again with Mr Tenenbaum who I think you say was more directly involved with this, I'm not proposing to ask you detailed questions about it.

You do say at paragraph 119 though, at page 196 of the English E2/07/196, 219 of the Russian E2/07/219, that you are:

"... not aware that Mr Abramovich or anyone in his team consulted Mr Berezovsky or Mr Patarkatsishvili over these transactions."

That's common ground. And you say:

"As [you] have already indicated, as far as [you were] aware there was no agreement requiring him to do so."

Of course, we've already established that you were not in fact at the Dorchester Hotel meeting on 13 March 2000, were you, Ms Panchenko?

A. That is correct. I did not attend, I was not in attendance.

Q. And as far as you recall, you were not told by Mr Abramovich or Mr Shvidler about the Dorchester Hotel meeting, were you? That's what you tell us at paragraph 59 of your witness statement.

A. That is correct, yes.

Q. Very well. What I want then to do is to move on to the second Rusal sale which took place the following year. Again, as I understand it, although you were part of a working group involved with this, you say that the legal issues were primarily dealt with by Mr De Cort and by Mr Tenenbaum, is that right?

A. Yes, mainly. So far as legal matters are concerned, I did take part in the parties' discussions, but all the legal matters were being handled by Mr De Cort and Mr Tenenbaum.

Q. Well, I've been through the parties' discussions with Mr Abramovich and I'm not going to go through them again with you.

Can I just ask you about this. Can you please go to bundle H(A)76, page 57 in the English H(A)76/57 or 51 in the Russian H(A)76/51.

You should see there a draft letter which we can see from the following pages was drafted by lawyers in order for it to be sent by Mr Streshinsky, I think it is, "IS", do you see that?

A. Yes, I can see that.

Q. We know that this letter was sent via email by Mr Streshinsky to Ms Khudyk on 17 June 2004. That's Mr Streshinsky's evidence at paragraph 86. I'm not

asking you to turn to that up.

But just looking at this letter, Ms Panchenko, we can see that Mr Streshinsky wrote to Ms Khudyk:

"Dear Sirs,

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

This suggests, does it not, that there had been a telephone conversation at around this time and that someone had said that because of representations previously made to banks, the structure of the transaction would have to change? Do you see that?

A. Yes, I can see that.

Q. I wonder if you can help us with this, Ms Panchenko, was it you with whom the telephone conversation had taken place?

A. I do not recall exactly that the telephone conversation had taken place but, having reviewed these documents, I do believe that most probably that was me.

Q. And can you tell us what it was you had said about representations previously made to banks then?

A. I believe that -- and again I'm reconstructing on the basis of documents -- I believe that 16 June I met most probably or maybe spoke over the phone with Mr Streshinsky and I explained that I had been

instructed by Mr Abramovich to make a payment to Badri in a specific amount, and this is a financial liability, it's a financial obligation. In the morning of the 17th, Ivan Streshinsky, so far as I can judge from the document, sent his understanding of the structure of the transaction. And after I read it, together with Mrs Khudyk -- I cannot tell you now, I think I read it or maybe I read it -- most probably I called, I called Mr Streshinsky on the phone and I told him that he had misunderstood all our conversations, we only had financial obligations.

After that conversation with me, as one of the arguments, because I was the financial director of Rusal, or Russkiy Alyuminiy Management later on, I said even if we had wanted to give them a helping hand, the outside world, all the banks -- including the banks, do know after all that we do own 25 per cent.

- Q. Well, you say that in the conversation you said to Mr Streshinsky that he had misunderstood the position, and the reason you're saying that is because Mr Streshinsky was proceeding on the basis that Mr Patarkatsishvili and indeed Mr Berezovsky had a beneficial interest in these shares. Is that right?
- A. I really do not know what Mr Streshinsky proceeded on. At that time he was Mr Anisimov's employee and I was

explaining our side's position.

Q. But so far as Mr Streshinsky is recorded as saying anything, it is not that you told him he had misunderstood the position but rather that you had told him that, as a result of representations you had previously made to banks, the structure of the transaction needed to change. That's what he records in the first part of this letter, Ms Panchenko.

A. I beg to differ. I disagree with your statement. The reference to the banks, most probably, was just one of the arguments.

Q. You beg to differ, but I would suggest it's clear from this that that's certainly how Mr Streshinsky understood you. Would you accept that at least?

A. Well, I read this phrase the way everyone reads this phrase and I can only see what this sentence says.

Q. Very well. Can we just look at what else Mr Streshinsky is saying in this letter, following the conversation with you, you think. Look at part 1 of this:

"BP ..."

Presumably that's Badri Patarkatsishvili, is it?

A. Well, these two letters are most likely the initials, Badri Patarkatsishvili.

Q. "... and B (a company with B as the sole shareholder)..."

That would be Mr Berezovsky, would it not?

- A. Well, the way I understand it, on a review of the documents, this company most probably was Mr Badri's company, the way I understand it.
- Q. If "BP" is Mr Patarkatsishvili, then "B" must be someone other than Mr Patarkatsishvili, B being the sole shareholder of a company, B.
- A. Well, the way I understand it, it's not the way it is, because Mr Anisimov's party, be it an individual or be it a company with Badri as the beneficiary, my understanding is that it means the same thing. Because I have never seen any documents that would say that this was Mr Berezovsky.
- Q. Well, Ms Panchenko, it looks as if BP and B are two different people because it says:

"BP (an individual) and B (a company with B as the sole shareholder) ..."

But can I ask you this: look at point 1, just below that then, what Mr Streshinsky is envisaging, following this conversation with you, is that there would be a document in which:

"The parties acknowledge that according to the agreements dated 10 February 2000 and 15 March 2000..."

And the 10 February agreement is the master agreement by which the aluminium assets were originally

acquired, the 15 March agreement is obviously the agreement that was made with Mr Deripaska.

"The parties acknowledge that according to the agreements dated 10 February 2000 and 15 March 2000 and oral and other arrangements, BP and B participated in the sale of shares of KrAZ, BAZ, Krasnoyarsk Hydroelectric Power Station and Achinsk Alumina Refinery and also in the establishment and capitalisation of R Holding [and that would be a reference to Rusal Holding] and at the time of the establishment of R Holding, M undertook to pay to BP and B the amounts equal to those received as income on 25% of shares in [Rusal Holdings], including dividends payable on such 25% of shares [and/or] amounts/assets received from any sale of ... 25% of shares ..."

The point which is being stressed here is that it was:

"... solely a right in personam rather than a trust or a right in rem -- a lawyer's comments."

Now, that appears to be what Mr Streshinsky has taken away from a conversation that you say he had with you. Is that right?

- A. Well, I can only conclude that, if this is what Mr Streshinsky wrote down, this is the way he understood it. But I do recall that, in the course of our

conversation, I made it very clear I understood that we only have financial liabilities, financial obligations vis-a-vis Badri that we have to make a payment, and this is related to this whole aluminium deal, and because we discussed with him that the whole amount could not be -- I mean 450 million was in excess of the amount of the compensation that had -- we discussed in principle that the balance would most probably be paid and described or called a dividend because there was no other way in which they could receive those funds otherwise.

- Q. You see, what it appears Mr Streshinsky has understood you to be saying in this conversation is that: whatever you do, do not create a document which suggests these people have an in personam, a right in the shares themselves, 25 per cent of the shares, because that would be inconsistent with representations made to banks, but there should be an acknowledgement that they should be treated effectively as if they were in the same financial position as if they had a right in those 25 per cent of the shares, both to dividends in relation to those shares and indeed to any proceeds of the sale of those shares.

I suggest to you that that can only have been because of what you said to Mr Streshinsky.

- A. It's really very long and I'm not sure what specifically

question I'm expected to answer.

I can only reaffirm again that Mr Streshinsky could have only understood from me, and that was the case, in actual fact, that we had \$585 million worth of financial obligations vis-a-vis Badri and that was with respect to the role that he had played in the acquisition of the aluminium assets.

Q. Well, just on that 585 million worth of financial obligations, Ms Panchenko, we know because we talked about it yesterday that the commission agreements, assuming for the moment that these were genuine agreements, provided only that Mr Patarkatsishvili would get \$115 million, did they not?

A. The commission contract executed in February 2000 did provide for about \$115 million worth of compensation.

Q. And that certainly doesn't get you to what you say were 585 million worth of financial obligations. It's about \$470 million out, is it not?

A. Yes, it's a different amount, but that was Mr Abramovich's personal matter and it was a question of his relationships, it was a question of his money, and I do not have any comments that I could make on my own on this.

Q. Well, I've already suggested to Mr Abramovich that the suggestion that, following commission agreements of

\$115 million, he agreed to pay commission of \$585 million was simply untrue, but I have to suggest the same point to you, Ms Panchenko. Do you want to comment on that?

A. No, I have no comment. There is nothing for me to comment on.

MR RABINOWITZ: Thank you, Ms Panchenko. I've got no further questions.

MRS JUSTICE GLOSTER: Yes.

Cross-examination by MR MALEK

MR MALEK: My Lady, I've got one question arising out of what we've just heard.

Ms Panchenko, could you please turn to F1, tab 2 at page 87. Sorry, it's F1, tab 2, at page 77 F1/02/77, and I'd like you to look at paragraph 87.

Now, unfortunately we do not have the Russian text but you will see above in English an extract from the document that you've just been looking at with Mr Rabinowitz.

Do you have the passage in front of you? It's at H(A), volume 76, at page 57 H(A)/76/57.

MRS JUSTICE GLOSTER: Whose witness statement are we looking at?

MR MALEK: Mr Streshinsky's, my Lady.

I wonder, since we do not have the Russian text,

whether somebody could give Ms Panchenko a translation of paragraph 87 which starts "My reference to BP". If we're looking at the numbering, it's F1/02, page 77, and you should have paragraph 87.

What I've requested is a translation to Ms Panchenko of paragraph 87.

THE INTERPRETER: My Lady, what Ms Panchenko is saying to the other interpreter is that she would like to see the Russian text of the previous document to which paragraph 87 is making reference.

A. I was shown a document in Russian, it used to be in Russian, and then it was taken away. So I'd like to have sight of this again -- thank you very much, I now have it.

MRS JUSTICE GLOSTER: Good.

(Pause)

A. Right.

MR MALEK: My question, Ms Panchenko, is this,

Mr Streshinsky in the penultimate sentence says:

"The reference to the 'sole shareholder B', of Company B in my email is a typographical error."

Do you see that?

A. Yes, I can see that.

Q. And it was suggested to you by Mr Rabinowitz that the reference to "sole shareholder B" was Mr Berezovsky, do

you recall that?

A. Yes, I recall what Mr Rabinowitz said.

Q. Was there any discussion in your conversation to Mr Berezovsky in this document that you were looking at a moment ago?

THE INTERPRETER: I'm so sorry, Mr Malek, could you kindly repeat your question. This is the interpreter speaking. My apologies.

MR MALEK: My question is, in the telephone conversation that we've just been discussing, or rather you've been discussing with Mr Rabinowitz, was there any reference to Mr Berezovsky, as far as you can recall?

A. No, he was never referenced, he was never mentioned.

Q. And do you have any observation on whether or not the reference to the sole shareholder of B was in fact a typographical error?

A. I have no ideas about that, no observations. My understanding was that Mr Anisimov and Mr Streshinsky, who was his employee, represented Badri, and at that time, or now for that matter, I did not have any other understanding of that.

MR MALEK: I've no further questions.

MRS JUSTICE GLOSTER: Yes, thank you.

MR ADKIN: No questions, my Lady.

MRS JUSTICE GLOSTER: Ms Davies?

Re-examination by MS DAVIES

MS DAVIES: My Lady, just one matter for which it would be useful for you to have the transcript from yesterday afternoon, Day 26, which I understand is available in Russian.

Put the other files away. If you could turn to page 120 in the transcript from yesterday afternoon, Day 26. Just to explain the context, Ms Panchenko, this was in the course of your cross-examination by Mr Rabinowitz when he was asking you about the contracts by which the promissory notes were sold to Pennand and Tiberius.

MR RABINOWITZ: I hesitate to rise but we don't have a copy of the Russian language transcript. I wonder if we could be given a copy.

MRS JUSTICE GLOSTER: Can the page be given, please?

MS DAVIES: I'm just trying to ascertain whether we have a Russian copy. It's page 120 in the English transcript.

MR RABINOWITZ: I follow, but if it's going to be a point which depends on the Russian --

MS DAVIES: No, this doesn't.

MRS JUSTICE GLOSTER: Well, we can always come back to it if necessary.

MS DAVIES: You were being asked about the contracts by which the promissory notes were sold to Pennand and

Tiberius and what had been said in Mr Mitchard's third witness statement on that issue following conversations with you; you recall that exchange, those exchanges you had?

A. (Untranslated).

Q. If you look at the bottom of page 120, you see a question from Mr Rabinowitz starting.

"Those are the same contracts ..."

And he's there referring to contracts referred to by Mr Marino in his witness statement. Do you see that question:

"Those are the same contracts, I think, that you've subsequently referred to in your witness statement ..."

Can you find that on page 120, Ms Panchenko?

A. Yes, I can see that.

Q. If you read on in your answer, you say:

"Now I do understand that most probably those were the same, the very same contracts. However, at that time, when Mr Mitchard showed me the contracts with the names of Tiberius and Pennand, and the sale and purchase of promissory notes, they did not say to me that somehow it was related to Mr Berezovsky or with the mutual settlements with Mr Abramovich.

"I could perhaps clarify why I now remember this, why -- or it's rather a reconstruction on my part."

And then Mr Rabinowitz went off on another issue.

Could you please explain why you now remember this or why it's a reconstruction on your part?

- A. When the so-called bolshoi balance document was found, in the Fomichev table I found the names of those companies and -- because, based on the reconstruction of -- from that table, it was clear that those were payments to Mr Berezovsky.

Then in line number 8 of the "FOM" table, I saw the names of those companies, so I collated, I compared those two facts and only then did I establish that these two were somehow related.

- Q. Roughly how many companies in total did you use for the purposes of making payments using promissory notes over the years?

- A. On the whole, totally, with -- in terms of all the mutual settlements, or with Mr Berezovsky only?

- Q. In total, whole.

- A. Very many really and, unfortunately -- I don't know really. Well, very many, very many.

MS DAVIES: Thank you very much, Ms Panchenko.

My Lady, there is one other matter arising out of the cross-examination which isn't a matter for re-examination. If I could just raise it very quickly in relation to the "FOM" schedule.

MRS JUSTICE GLOSTER: Yes.

MS DAVIES: My learned friend put a series of questions to Ms Panchenko based on the premise that some information had been removed from the "FOM" schedule, and indeed at one point suggested it had been removed since the document had been harvested in November. It's not entirely clear to us on what basis those questions were put.

Two points I would just like to make in relation to that. Firstly, the totals in line 31, if my Lady looks at them, are in each case a total of the figures that one sees at lines 19 and 24. And secondly, the metadata that came to light last week for the clean form of this document, and the form of the document that was disclosed with the clean metadata, is an identical -- produces a "FOM" schedule that is in identical terms to the "FOM" schedule that we have on the screen.

So we would -- if that line is to be pursued, we would like it clarified in terms of on what basis it is suggested material has been removed.

MR RABINOWITZ: I thought I was very clear about this.

MRS JUSTICE GLOSTER: I thought you had made it clear, that you're not suggesting there's been any tinkering about.

MR RABINOWITZ: It was a question -- I have to say, we don't have the date for the last modification of the

"FOM" schedule so that is outstanding. But the point -- in fact I put it on the basis of a question because your Ladyship sees -- I think it's line 31, I don't have the cells here -- there is a reference to "+ EL", your Ladyship sees, it's "PRB + PRBR + EL". One doesn't find "EL" in the table, and that was the basis of the question, to ask whether this had been removed, because it's neither apparent to us what EL is or whether it did originally exist here.

Now, it wasn't an assumption made, it was a question arising from the fact that there is an "EL" here but you don't find it in the "FOM" table, and I'm sorry if I wasn't clear in my question.

MRS JUSTICE GLOSTER: What, you don't find it in the --

MR RABINOWITZ: I think there is a reference to EL somewhere else but not in the "FOM" table, and as I understood what was being said, the figures here were figures dealing with the "FOM" table, the totals that one was getting on this page.

MRS JUSTICE GLOSTER: But if you look, for example, in R, "Total PRB + PRBR + EL", the totals that then follow after that are just adding the columns, vertical columns, in U and V, aren't they?

MR RABINOWITZ: You get -- that still leaves unexplained what the reference to EL is though, or whether there was

an amount for EL and what has become of it and whether it was part of this "FOM" table.

MRS JUSTICE GLOSTER: Well, EL has got to be some sort of product, hasn't it, of columns U and V?

MR RABINOWITZ: Well, I can only say I don't know, my Lady.

MRS JUSTICE GLOSTER: Where is EL elsewhere in these various spreadsheets?

MR RABINOWITZ: If your Ladyship goes to the "payments" tab.

MRS JUSTICE GLOSTER: "Payments", not "summary payments".

MR RABINOWITZ: "Payments". And if your Ladyship goes to row 43, there's a total of 26,892,802 for EL. Then it pops up again on the -- I don't know whether your Ladyship has that?

MRS JUSTICE GLOSTER: Yes, I've got "EL" in line 43.

MR RABINOWITZ: Then one sees it again on the "FOM" table --

MRS JUSTICE GLOSTER: In cell C.

MR RABINOWITZ: Indeed. And your Ladyship sees a total going across with two figures for it.

MRS JUSTICE GLOSTER: Yes, so your question to Ms Panchenko is what is EL?

MR RABINOWITZ: What is EL? Was it part of the "FOM" table? Why don't we see a figure for EL on the "FOM" table? It really was a question because we do not know.

MRS JUSTICE GLOSTER: That's got nothing to do with later annotations to the document, has it?

MR RABINOWITZ: Well, I don't know because it may have been that there was something for EL on the "FOM" table and the cell was removed.

MRS JUSTICE GLOSTER: Yes, but if you look at the "FOM" table, the description for "+ EL total" is looking -- it's just adding up 273 and 27 million, isn't it?

I mean, I haven't done the arithmetic, but that's what I'm assuming, and likewise it's adding up 354 plus 382.

MR RABINOWITZ: I think what we will do, my Lady, rather than take up time now, is do the maths and see if it is just the total of those figures, or whether --

MRS JUSTICE GLOSTER: Yes, or maybe it's -- I don't know.

But Ms Panchenko, having now looked at the reference to EL in the payment schedule, can you shed any light on what EL is referring to?

A. I'm afraid I have no recollection with respect to this. I just explained that the acronyms were provided by Mr Shvidler and, I'm so sorry, I cannot be of any assistance on this.

MR RABINOWITZ: Can I put a specific question so that your Ladyship knows what we think it might be?

MRS JUSTICE GLOSTER: Yes.

Further cross-examination by MR RABINOWITZ

MR RABINOWITZ: Might this has been a reference to election

expenses?

A. Is this a question for me?

MRS JUSTICE GLOSTER: Yes, it is.

A. I don't know.

MRS JUSTICE GLOSTER: Right, you can't help us.

Mr Rabinowitz, if it is important, Mr Shvidler is around and no doubt he can be asked.

MR RABINOWITZ: Indeed, or perhaps someone could just write us and tell us what they say it is and we can see on the basis of that whether we think anyone needs to be recalled to deal with it. I'd hoped Ms Panchenko would deal with it.

MRS JUSTICE GLOSTER: Yes, Ms Davies, can we deal with it on that basis?

MS DAVIES: Of course, my Lady.

MRS JUSTICE GLOSTER: Very well. I have no further questions.

Thank you very much indeed, Ms Panchenko, for coming along to give your evidence.

A. Thank you.

(The witness withdrew)

MRS JUSTICE GLOSTER: Yes, Mr Sumption.

MR SUMPTION: Ms Davies will call the next witness.

Sorry, I've got my witnesses in the wrong order.

I call Ms Goncharova.

MS MARINA GONCHAROVA (affirmed)

MRS JUSTICE GLOSTER: Please sit down, Ms Goncharova.

Examination-in-chief by MR SUMPTION

MR SUMPTION: Ms Goncharova, you've made two witness statements for use in this trial and I'd like you to be given, please, bundles E2 and E4. E2, flag 5 should be your first statement, is that right E2/05/87?

A. Yes, that is correct.

Q. And have you got in front of you, or can you be given, a list of corrections that you wish to make to that statement?

Does your Ladyship have this?

MRS JUSTICE GLOSTER: No. (Handed)

Thanks very much.

MR SUMPTION: Now, are these corrections and additions that you wish to make to your first statement?

A. Yes, that is correct.

Q. Subject to those corrections and additions, is your first statement true?

A. Yes, they are.

Q. Could I please ask you, in bundle E4, to turn to flag 2 E4/02/16. Is this your second statement, Ms Goncharova? You find your signature I think --

A. Yes, that is correct.

Q. Is that your signature on page 28 of the Russian

version?

A. Yes, this is my signature.

Q. And is that statement also true?

A. Yes, certainly.

MR SUMPTION: Thank you very much. If you would wait, some questions will be asked of you.

Cross-examination by MR GILLIS

MR GILLIS: Good morning, Ms Goncharova.

A. Good morning.

Q. I understand you have worked with Mr Abramovich since 1988, is that correct?

A. Yes, that is correct.

Q. And from May 1991 until May 1993 you worked as an accountant for Mr Abramovich's company AVK, is that correct?

A. Yes, that is correct.

Q. And then from 1997 until 2006 you worked for Sibneft?

A. Yes, not for Sibneft though but for the Moscow branch. Sibneft was in Omsk and the rep office, the Moscow branch of the company, was in Moscow.

Q. I think you describe that at paragraph 6, that you were in charge of the Moscow office?

A. Yes, that is correct.

Q. If I could ask you to look at paragraph 12 of your witness statement, which we have in the Russian at E2,

tab 5 at page 100 E2/05/100 and in the English at page 90 E2/05/90, do you have paragraph 12?

A. Yes, I can see that.

Q. You say there that:

"Mr Abramovich passed ... invoices to [you], and not directly to the accountants in the Russian trading companies [and that that was] for a number of reasons."

Can you see that?

A. Yes, I can see that.

Q. And the first reason you give is that Mr Abramovich and you had been working together for a long time and you were his trusted person who reported directly to him, is that correct?

A. Yes. That is so.

Q. And would it be fair to assume that, 15 years later, the trust which Mr Abramovich has in you has not diminished?

A. Well, I believe that that question should be asked to Mr Abramovich, not of me. I don't think it has diminished.

Q. And would you say that Mr Abramovich has treated you well over the years?

A. I think so, yes.

Q. And I think you've indicated you're now the deputy general director of Millhouse LLC, is that correct?

A. Yes, that is correct.

Q. And would you say that you are loyal to Mr Abramovich?

A. I think it would be wrong to say that I'm disloyal.

I do work together with Mr Abramovich, I've worked with him since 1988. We have enjoyed a proper relationship and I think that, yes, I'm loyal.

Q. Thank you. Could I ask you now to look at paragraph 8 of your first witness statement which we have in the English at page 89 and in the Russian at 99. You explain there in the first sentence that you have been asked to comment on payments that you say you arranged for Mr Abramovich's companies to make to third parties between 1995 and 2000. Do you see that?

A. Yes, that is correct.

Q. And then if I can ask you to look at paragraph 19 --

MRS JUSTICE GLOSTER: That's in the new, isn't it?

MR GILLIS: This is one of the paragraphs that's been corrected, yes, my Lady.

Is this correct, you originally said that you dealt with these payments from late -- sorry, you have the correction, do you? In the original version you said that you had dealt with these payments from late 1995 until early 2000, but by the corrections and the additions you've now changed that so that it reads from early 1995 until late 2000. Is that correct?

A. No, this is not correct. The first time we met with

Paul in 2009, my evidence said the same thing, that I had been handling those payments from early 1995 until late 2000 and here, in the course of translation, maybe some mistake was made. And when I signed my statement, I did not pay attention to that and it was only later that I actually saw this.

- Q. But I'll come to the specific dates in a moment, but just to clarify, the change that you have made to paragraph 19 is to change from late 1995 to early 1995. Do you agree you've made that change?
- A. Yes, the correct date is early 1995 and the major part -- maybe not until the end of the year 2000, but the major part of 2000, maybe until October, I would say. After that, Mr (sic) Panchenko started handling those payments.
- Q. You've changed the witness statement, that's correct, isn't it? You say it's justified but just at this stage you've changed the witness statement?
- A. I did not make changes to my witness statement. Let me reiterate that. In 2009, when I was meeting with Paul and I was giving him my first evidence, that what clearly said that I had been handling those payments since early 1995.
- Q. All right. Can we just look at the payments you say you've made and we'll come back to the question of dates

in a little while.

At paragraph 20 of your witness statement you indicated initially that you -- and we have this at page 93 E2/05/93 in the English and page 103 E2/05/103 in the Russian. At paragraph 20 you said that you kept lists of the payments approved and made. Is that correct?

A. Yes, that is correct.

Q. And in your latest corrections and additions, you've now added that these were kept in a bound notebook. Is that correct?

A. That is correct. That was the way it was originally. So when Skadden lawyers asked me how this was being done, I explained to them in a very detailed manner that Roman Arkadievich gave me the documents with all the details and they were stored in the accounting department of the trading companies, and I made entries in the ledgers that on such and such date I made such and such payments.

Q. When do you say you first remembered you kept these lists in bound notebooks?

THE INTERPRETER: I'm so sorry, Mr Gillis, could you kindly repeat that?

MR GILLIS: When do you say you first remembered that you kept these lists in bound notebooks?

- A. I did not recall that. I had always had them in that form and I could not but remember that.
- Q. Is there any good reason why you did not refer to this when you first made your statement in these proceedings for the trial on 30 May 2011?
- A. There were no reasons for that. As I mentioned, I don't know why the lawyers did not record what I had been telling them, but from the very start this is something that I had been mentioning to them, that this was the way it was. All the documents were kept, the records were kept in the trading companies that were making those payments, and I had a ledger, a book, where I recorded all those items.
- Q. When you saw that your statement made no reference to these notebooks, why did you not correct it if you say that you had told the lawyers that that is how it was done?
- A. Well, I did not believe it was a material -- it was of material importance.
- Q. You didn't regard it as material how records were kept in relation to the payments that were being made to Mr Berezovsky?
- A. Well, let me reiterate if I may, the records were kept by the account departments of the trading companies, and for my purposes and for those of Mr Abramovich I was --

I had a book, a ledger, where I recorded the dates and the amounts in terms of the payments that we had made to people or we had handed over in the form of hard cash.

Q. All right. Now, you say -- and we're still looking at paragraph 20 E2/05/93.

MRS JUSTICE GLOSTER: In the corrected version?

MR GILLIS: In the corrected version. You say you kept the lists as manuscripts, and then you go on to say:

"... I did not use a computer at work during this period."

And again you've now added "for these purposes". Do you see that?

A. Yes.

Q. So can you help me with this: were you instructed not to use a computer to record these payments? Or was that your own decision?

A. It was my own decision because it was not my main job and main principal work. Of course I did use computers throughout the time. Because Roman Arkadievich did not know how long those payments were going to continue and how important it was, I decided that at a certain point in time, when Roman asks me about that, I will simply show him that book and I will show him those payments. I did not enter that into any computers, nor did I create any spreadsheets or tables.

- Q. But we can see from what you say in paragraph 19 that these payments became very substantial indeed, is that correct?
- A. For me, they had even originally been quite substantial but, as time went by, I sort of got used to that.
- Q. And yet, despite the fact that they were substantial payments, are you really saying that you by yourself and without any instruction from anybody else decided that you would not make computer records of these payments?
- A. Absolutely, that is correct.
- Q. Can you explain to me again what you say was the justification for not making computer records of these payments which were running to many, many millions of dollars?
- A. My Lady, no one asked me to keep those records. Roman Arkadievich told me what the objective of the payment was and I had passed it on to the trading companies for payment. If I had been told originally that this is something that needed to be done then I would have certainly created a table and I would have been keeping records in a table.
- Q. But would it not have been standard form to keep computer records of the payments that you were instructing the accountants of the trading companies to make so that you could explain to Mr Abramovich exactly

what the payments were?

- A. Yes, of course, it was recorded because there were several, more than one trading companies, and, of course, it did go to the accounting department because those payments were --

MRS JUSTICE GLOSTER: Slow down, slow down.

- A. -- made officially, they went through banks, and all the payments obviously were kept in the accounting department and, if need be, in case Roman Arkadievich wanted that or someone asked him about that, at any point in time, that could be seen in the accounting department of the trading company that was actually handling and making the payment.

MR GILLIS: So are you saying that the accountants who were making the payments were keeping computer records?

- A. Yes, of course.

Q. Now, when you passed invoices or requests for payments to the accountants of the Russian companies, did you tell them how they should enter these payments into the companies' accounts?

- A. Of course not, and I could not tell them how to do that. I gave them the payments, including the objective, the purpose of the payment, and they made the payment in the form which was most appropriate to them and more comfortable for them.

Q. You said just a moment ago that Roman told you what were the objects of the payments that were being made. What did he say were the objects of the payments?

A. I did not say "object" because the -- there were different objectives for different payment instructions, and so what Roman Arkadievich gave me were requests for payment, and it said -- and the objective of the payment each time was different.

Q. But when you described the objective of a cash payment, what description were you being given?

MR SUMPTION: My Lady, I think that the word in Russian may have been "addressee", not "object".

THE INTERPRETER: Can I -- my Lady, can I ask for clarification because it may or may not be the case.

MRS JUSTICE GLOSTER: Right.

Can we have the page number, please, Mr Gillis, that you're referring to.

MR GILLIS: I think it's [draft] page 33 at lines 18 to 21.

A. What the objective of the payment is --

MRS JUSTICE GLOSTER: Just a second. Be quiet, please.

MR GILLIS: So the transcript reads at [draft] line 18:

"My Lady, no one asked me to keep those records. Roman [Abramovich] told me what the object of the payment was and I had passed it on to the trading companies for payment."

MRS JUSTICE GLOSTER: Right. Could we have a translation please, Mr Translator, if you've got the audio recording of what was said at page 18. If you haven't, I'll ask Mr Gillis to ask the question again.

THE INTERPRETER: My Lady, with your indulgence, the problem is that this term is a very specific term of art and it may have several different meanings and, with your permission, I would just like to ask a question of the witness to clarify exactly what she meant in Russian, because it's a rather -- it's a rather vague term, it may have several meanings.

MRS JUSTICE GLOSTER: Okay.

THE INTERPRETER: It may mean the person or it may mean an activity that the payment is being made in consideration of, if you see what I mean.

MRS JUSTICE GLOSTER: I think that would be sensible, Mr Gillis.

MR GILLIS: Certainly. I'm content with that.

MRS JUSTICE GLOSTER: If you could ask the question.

THE INTERPRETER: I can ask the question. (Pause)

My Lady, what I have asked the witness is: could you kindly clarify what the word "purpose" or "objective" of the payment means, does this mean a person or does this mean an activity or an action or a thing?

MRS JUSTICE GLOSTER: Thank you.

Yes, give your answer, please.

- A. Well, the purpose, the objective of the payment is that if we made a payment for ORT to a third party because there had been ...

THE INTERPRETER: I'm sorry, this is a very important matter and I'm asking the witness to be very, very slow and very, very precise.

- A. So as a rule, so far as ORT was concerned, we made payments to third parties, ie for instance to VID, it's a television company. We made payments for various TV services and that was called the objective of the payment or the purpose of the payment. Or another example, we made payments to Mosenergo, it's a utility company, for the electricity, for power supply. So that was the objective, the purpose, of making the payment.

MR GILLIS: Can I ask you this: when you say you were making a cash payment to, for instance, Club Logovaz, what do you say was the object of that payment?

- A. Well, you know, I myself did not deal with this. This was something that was handled by the accounting department, by the accountant of the specific trading company. What I only did was that I set them an objective; for instance, today, for Club Logovaz, for ORT or some other entities, we have to pay this or this or this. Or, for instance, I need such and such an

amount of money for such and such specific date.

So that was the bulk of the principal work that I did.

- Q. But did the accountants in the Russian companies never ask you what these payments were in relation to?
- A. No, the accountants for those companies never asked me questions. They knew that these were not my payments, that they come from above. They knew that I was a person of trust of Roman Arkadievich and that I was in charge of the general administration of all the companies, and so they never asked that kind of question. Such questions never arose.
- Q. If you were simply telling the accountants for the Russian companies that they were to make a cash payment to, for instance, the Logovaz Club, do you know how they would have then entered that in the companies' accounts?
- A. I'm afraid I cannot answer that question, I simply do not know. Maybe for some other needs they received those funds, that money in the bank for their needs.
- Q. Now, I think you indicate in your statement that, having passed the invoices, where there were invoices, to the accountants for payment, I'd like to ask what happened then. Did you then take the invoices back when they had been paid?
- A. Yes, I took a copy of the payment instruction and

I filed them in my folder, and also I made a record in the ledger that on such and such date payment was made for, say, Logovaz or ORT. Or we made some cash available at Badri's instruction and made it available to such and such entity or individual.

Q. So are you saying the original invoice would have been left with the accountants from the trading companies?

A. Yes, that is correct.

MR GILLIS: My Lady, I think I'll be about another 15 minutes if that would be a convenient moment?

MRS JUSTICE GLOSTER: Right. I'll take the break.

You're not to speak to anybody about your evidence over the break or about the case, do you understand?

A. Certainly, my Lady.

(11.30 am)

(A short break)

(11.47 am)

MRS JUSTICE GLOSTER: Yes, Mr Gillis.

MR GILLIS: Ms Goncharova, in paragraph 20 of your corrected statement, you indicate that after a search conducted by law enforcement agencies in the Sibneft offices in February 1999 you started to get rid of paper records when there was no longer any business need to keep them. Is that correct?

A. Yes, this is correct. The copies that I stored on paper

media, indeed after the search part of the documents -- actually the search in our offices was made only with regard to the case of Boris Abramovich to do with his Atoll company, private enterprise. And part of the documents were found in my office, were of interest to them, and they took them away. And with regard to the other part, I asked Roman Arkadievich whether there is any need to keep these paper for longer and he said "No, I don't need them". So part of the documents were shredded by me and I kept the books for longer than that.

Q. But is this right, that you were in part destroying documents so as to possibly hinder enquiries or investigations into Mr Abramovich's companies? Is that right?

A. Certainly not, no, it just cannot be.

Q. Well, what you say in paragraph 20 of your statement E2/05/93 is it that you refer to the search conducted by the law enforcement agencies in the Sibneft office in February 1999 and some of the documents were taken. Then you say:

"After that I started to get rid of paper records where there was no longer any business [reason]."

Are you saying there was no causal connection between the search and the decision that you

subsequently took to start to destroy documents?

A. Yes, this is indeed so. I did ask Mr Abramovich whether he would ever need these documents or may I shred them, may I destroy them? He said "I do not need these documents." I have shown him the register, the ledger that I kept, and indeed we have decided that, in part, these documents are not required, and these documents are also stored at the accounting departments of the trading companies, I mean the original documents, so I thought that these copies could be deleted from my office.

Q. So when you say that you showed him the register and the ledgers and that Mr Abramovich indicated that they were not required, which register and ledgers are those? Are those the registers and ledgers recording the payments to Mr Berezovsky?

A. Yes, this is correct. I have shown not just the registers but I also brought a folder with copies of payment orders that I have been keeping for myself, showing the purpose, the objective of the payment, and these payment orders. After the search was conducted at Sibneft offices, I started destroying these payment orders because there was no need to keep copies of these documents.

Q. And were you the only person who was destroying

documents or were other people within the organisation destroying documents as well?

- A. I think we have done that together with my secretary that worked for me at the time.
- Q. But what about the documentation that was held by the accountants for the Russian trading companies, were they destroying documents as well?
- A. Certainly not. How could they do that? I was only destroying the copies which were given to me by them. They could not destroy the originals, that was the official accounting, official payment order, and they had to show it on the balance. They could not possibly destroy this.
- Q. Can I ask you this: what would be the purpose of destroying just a copy if the original was still being held?
- A. The point, the only point is to reduce paperwork and reduce amount of paper in my office. I knew very well that in the trading companies they would have the originals showing the purpose of payment and it wasn't the need for me to keep the copies because the same information was also doubled up in my ledger book.
- Q. Ms Goncharova, how would the accountants in the trading companies know the purposes of the payments, because I thought you indicated that you had not given them that

information?

MRS JUSTICE GLOSTER: I'm not sure that's right, Mr Gillis. She's given an explanation as to what she did give them, as to the purpose or objective of the payment.

MR GILLIS: Well, exactly so. I understood that she was indicating that she had indicated who the payee was to be but in a sense nothing further.

MRS JUSTICE GLOSTER: Well, if it's a utility bill, that indicates the purpose of the payment, doesn't it?

MR GILLIS: It does, but then we have the cash payments to Logovaz.

MRS JUSTICE GLOSTER: Right, okay. Well...

MR GILLIS: All right, I'll move on.

At paragraph 20 of your statement E2/05/93, you now give more detail, by way of addition, as to how the records were being kept and the process of destruction. Now, is it right that, as I think you've already indicated, you now explain that the records were kept in bound notebooks, and you say the process of destruction began and then continued through to September -- to 2002 and 2003?

Again, I'd like to ask you, is there any reason why any of this detail was not included in your statement as you originally signed it in May 2011?

A. The question was such a long-winded one I didn't quite

understand. If it's about when I started destroying them, I could clarify on that. But if the question is about why I didn't state it in my witness statement, I didn't think that such details would be required to do with proceedings in this case.

Q. Did you not appreciate that the reason why there was no documentation to prove the payments that had been made may be a significant issue?

A. I beg your pardon, could you please repeat your question?

Q. I was asking you: did you not appreciate, it may not be relevant -- I'll start again.

Did you not appreciate that it may be relevant to explain to the court why there was no documentation evidencing the payments that you say had been made?

A. Your Ladyship, I didn't know that we'll ever come to court with regard to these payments, and I also knew that the trading companies, all the originals of these documents still survived, and I simply cannot explain why I would ever need these folders. I'm not saying that I destroyed them right on the day of hearing or prior to the hearing, I'm just saying that I stopped being involved in this in year 2000. And from then on, I just didn't consider them to be ever necessary or that they would ever be needed in court.

Q. I understand you're saying that. What I'm asking about is why this information was not included in your witness statement when you signed it in May 2011?

A. I could not say. I think that question is more towards the lawyers. But just to say, when I met Paul in June 2009 I stated the very same thing to him, the way things were going. And if the lawyer that was putting together my statement deemed it necessary to put it down this way, perhaps this question should not be directed at me. I simply cannot clarify on this.

Q. Can I take you back to paragraph 20 where you say you kept the notebooks -- so you've explained that you started to get rid of paper where there was no longer any business need to keep them:

"I kept the notebooks of ongoing payments and a summary of annual totals but the older books and boxes of supporting documents were destroyed."

Then:

"Some time around 2002 to 2003, the last of the notebooks was destroyed."

Do you see that in your statement?

A. Mm-hm.

Q. You refer there to a summary of the annual totals, can you see that?

A. Yes, I can see that.

Q. Can I ask, was that a separate document or was this part of the notebook?

A. That was part of my notebook. It's simply every time by the year, when I was adding up the total and showing how much we've paid per year to the companies of Boris Abramovich and Badri Shalvovich, to ORT. And you could see that as of '95, 30 million, as of '96, such and such amount has been paid. As a result, in 2002 or 2003 these documents were in my office, no one used them anymore and asked for them any longer. I just thought that I didn't need that, I didn't need them, and was just trying to record the amounts, record the amounts for myself. I've written them down on a piece of paper so as -- if Roman Arkadievich would ever ask me about these amounts. So I did it just in case. And this piece of paper stayed in my office for quite a while. I'm not sure what happened to it but I vividly recall the amounts.

Q. So, I'm trying to understand, did you destroy that summary at the same time as you destroyed the notebooks?

A. Not at all. That happened later. When we destroyed the paper I simply wrote down year '95, such and such amount, year '96, such and such amount, year 1997 et cetera, such and such amount. And that somehow stuck in my memory because Roman Arkadievich could have asked

me, put me on the spot any time, "Do you recall, what was it?" And so I've written down these amounts on a piece of paper with regard to payment.

- Q. Ms Goncharova, is that not the very reason why it's surprising that you destroyed this summary? Because is it not the case that at any time Mr Abramovich could have asked you, "What payments have we made"?
- A. I have destroyed them definitely not with this objective. It is very simply the thing that there was no business need for them, and how to store these documents when no one needs them, no one looked in them ever; after I've sent a copy of payment order to Badri Shalvovich, not another person ever paid attention to them.
- Q. When do you say you destroyed this last summary of the total payments?
- A. After -- I don't remember whether it was 2002 or 2003, after these books were destroyed I made a note on a piece of paper in my office, it was just one single piece of paper, totals per year, and that piece of paper was always stored in my desk for quite a while.
- Q. Did you ask Mr Abramovich whether you could destroy that final record before you did so?
- A. No, I did not. I didn't ask him.
- Q. Were you aware that payments were still being made to

Mr Berezovsky and Mr Patarkatsishvili at the time you destroyed that record?

A. Yes, I did know that in year 2001 the payment was still being made and, as of 2001, that information was still being kept in my office.

Q. And were you aware that subsequently Ms Panchenko was handling further payments?

A. Yes, I did. I was aware of it.

Q. But despite that, you say you destroyed the final summary of the payments that you had made?

A. Yes, this is correct. I thought there was no need, there was no business need to keep them for any longer.

Q. The end result is that there is no documentation which records the payments that you made on behalf of Mr Abramovich, is that correct?

A. At this point of time, this is correct. When we were doing that, that was all kept at the trading companies. As trading companies were being wound up and the liquidation balance was passed on to the tax inspectorate, these documents again were liquidated together with the companies and they were not stored anywhere.

Q. Could I move then to what you say are the 1995 payments and ask you to take bundle J2/2, tab 11 J2/2.11/171.

This is the third witness statement of Mr Mitchard of

Skaddens, Mr Abramovich's solicitors. This is dated 19 June 2009. We have the English version starting at page 171 and the Russian version I think starting at page 172R J2/2.11/172R.

Now, I think you've already indicated that you recall speaking to Mr Mitchard in 2009, is that correct?

A. Yes, that's correct, I have met with him.

Q. And could I ask you to look at paragraph 17 in Mr Mitchard's statement which we have in the Russian at 187R J2/2.11/187R, and at page 182 in the English J2/2.11/182.

Do you have paragraph 17?

A. Yes, I can see that.

Q. If you can just read that to yourself.

A. Yes, I have read it.

Q. Is it right that in 2009 your only recollection was of payments in relation to -- I'm sorry, shall I start again?

THE INTERPRETER: Yes, please, sir.

MR GILLIS: Is it right that in 2009 your only recollection was of payments in relation to ORT?

A. Sorry, I remember the payments made to Logovaz Club and personal amounts that we've brought to Mr Berezovsky.

Q. Well, Ms Goncharova, you will agree with me that this paragraph 17 only refers to payment in relation to ORT.

That's correct, isn't it?

A. Yes, indeed, it says so, but it's not the way it was.

Apart from ORT payments there were also cash payments that we were bringing to Logovaz Club for Mr Berezovsky, there were also some requests from Badri Shalvovich, and his drivers were arriving, or else we were sending these sums of money to him, to Ostankino.

Q. Can I ask you to turn back to tab 10 in the bundle that you've got in front of you, J2/2. This is your statement that you signed in June 2009, and we have the English at page 168 J2/2.10/168, and the Russian at page 169R J2/2.10/169R. Now, it's a short statement and, again, could I ask you to read that. (Pause)

A. Yes, I have read it.

Q. Ms Goncharova, again, it only refers to payments in relation to ORT, doesn't it?

A. No, this is not correct.

Q. Well, what other payments does it refer to?

A. It says in the text that her responsibilities included payment of funds. So that would include cash and noncash payments.

Q. It says:

"... was responsible for payments to ORT from about the beginning of 1995. Her recollection is that, in the early days, Mr Abramovich would come to her with

invoices billed to ORT, typically for operational expenses."

It makes no references to other types of payments, does it?

A. No, this is not correct. I remember it was a completely different way. The first payment that Mr Abramovich tasked me with in '95, in February, that was for 5 million in cash, and for us, that was something surreal for us. First, I couldn't believe that this is indeed -- that we have to find 5 million in cash, and then in March, further on, or thereabouts, I think it was end of March, we started payments by bank transfer.

Q. Ms Goncharova, I'm just asking you about the statement that you made in June 2009. And the statement that you made in June 2009, I put to you, makes no reference to any payments other than in relation to ORT. Is that correct?

A. I see it and read it in a different way.

Q. Well, we can see what the words say.

Ms Goncharova, I put to you that it's not just coincidence that your only purported recollection of payment was in relation to ORT.

Can I ask you to go back to Mr Mitchard's statement which we have at tab 11 of that bundle, so for the record that's J2/2 at tab 11, and ask you to look at

paragraph 12(b), which we have at 180R in the Russian J2/2.11/180R, and page 177 in the English J2/2.11/177.

Could I ask you to read paragraph 12(b), which is setting out what it is said Mr Abramovich agreed with Mr Berezovsky.

- A. Yes, I have read it.
- Q. And I put to you that what's being said there is that it was Mr Abramovich's case at that time that the payments that he had agreed to make were in relation to ORT, and I suggest that's why your evidence in 2009 was limited to ORT. Do you agree?
- A. I disagree. If Paul would ask me specifically, if Paul would ask me specific questions I was replying to his questions, and I was telling him the whole truth, just as I am telling the truth now, and I told everything the way it was.
- Q. Ms Goncharova, what I put to you is that just as your evidence in 2009 was tailored to fit Mr Abramovich's then case, your evidence in 2011, and even the corrections you're making today, are tailored to try and fit with Mr Abramovich's case that he now seeks to run. Do you wish to comment?
- A. Yes, certainly.

Your Ladyship, that could not be the truth,

possibly. I do recall that that indeed is what happened, and I can tell more. What was asked of me, I was asked about specific comments -- payments. I have examples, for example, of my memories, how I brought the first amount of money to Logovaz. I remember exactly how I met Mr Patarkatsishvili, how Mr Patarkatsishvili called me, how we discussed specific payments with him, the way it would be made, that he called me, that Boris Abramovich had a secretary -- an assistant, Irina Pozhedaeva, that he had a assistant, Ivan, in Logovaz Club, and I was bringing cash to them. And what the counsel is trying to put to me now, this is not the way it was.

And I can bring more specific examples: there was the first time when I brought \$1 million in the Logovaz Club, I could not give it to Ivan because I didn't know him at all, I didn't know who that was. I was told that an assistant of Boris Abramovich called Ivan will meet me, indeed he meet me. And imagine me with that heavy bag, I'm walking into Logovaz Club, and that was indeed a very heavy bag to carry. And Ivan asked me, "What do you want?" and I said "I've got a bag that I need to pass on to Mr Berezovsky." He said "Okay, let me do it." I said, "No, no, I have to transfer this bag, I have to pass on this bag, namely

specifically to Boris Abramovich."

At that point I've never met him, I didn't know what he looked like, and when he walked into his office he was speaking on the phone, and it looked -- he looked very displeased that we just walked in but we had no other way out, so we didn't walk out with that bag and we stayed, remained in his office, and waited for him to finish his phone conversation. When he finished his phone conversation, he just threw that phone into his assistant, Ivan.

And at some point in time I remember Badri Shalvovich in the club, and I didn't know who he was at that time. At some point, when I was bringing the next million, Badri --

MRS JUSTICE GLOSTER: Sorry, just stopping there. When you say you brought the cash to Mr Berezovsky in the Logovaz Club, was it dollars, rubles, some other currency? American dollars?

A. Yes, in dollars, American dollars.

MRS JUSTICE GLOSTER: Had you gone to the bank to get the cash out?

A. No, it was brought to our offices, the people from Chasprombank were bringing the cash to our offices.

MRS JUSTICE GLOSTER: Did you walk through the streets of Moscow with a million dollars in a bag?

A. Certainly not. Do I look like a mad woman? And I don't think I was one at the time.

I had a car, we had office security, and from our office to Logovaz Club certainly we would bring it by car.

MR GILLIS: Ms Goncharova, you say that you didn't know who Mr Berezovsky was. Is that what you've just said, when you delivered the cash?

A. Yes, indeed, that was the case. I knew that there is such a politician, Mr Berezovsky, but I've never ever met him in my life before and I didn't see him.

Q. Mr Berezovsky by 1995 was very famous in Russia, wasn't he?

A. Yes, that's correct.

Q. Are you saying you really didn't know what he looked like?

A. I knew what he looked like, I knew who he was, but I never ever met him. I never ever saw him in person.

Q. Can we just step back. Can I just take you back to paragraph 8 of your statement, which we have at bundle E2, at tab 5. It's page 90 in the English E2/05/90 and page 99 in the Russian E2/05/99.

At paragraph 8 of your statement we can see that in contrast to the 2009 statement, where you only referred to payments to ORT, you are now saying that payments to

ORT were only one of the types of payment that you were making, and that you were making payments directly to Mr Berezovsky, Mr Patarkatsishvili and to Club Logovaz.

Now, again, can I ask you, why did you make no reference to this at all in your 2009 statement?

A. I think in the text of my statement, it does say that we were paying not just to ORT but we also made other payments.

Q. We've looked at the text of your statement and I suggest to you it gives no indication of that at all, it only refers to ORT. Is there any other reason why you say you made no reference to these other categories of payments when you were asked in 2009?

A. No, there is no reason. It seems to me that I was telling everything and that should have been reflected there somewhere.

Q. Now, we can see from your witness statement that even though you have no written records now, you say that you can recall how much was paid in each of the years from 1995 to 2000.

Given that your initial recollection in 2009 seems to have been payments in relation to ORT, can you indicate how much was paid for ORT bills in each of those years?

A. I certainly can. In '95, as I said in my previous

statement, it said 20-30 million, and then, when I started being prepared to this trial in more detail, I know for sure that in '95 the amount was not 20 to 30 million, it was exactly 30 to 31 million -- 31 million exactly. Because I'm just trying to picture that last piece of paper that I had and I remember the payment, '95, that was round about 31 million, '96, that was 86 -- 85/86 million, and in subsequent years, that was 50 million. Year 2000, there were lots of bank transfers to Obedinyonny Bank, Consolidated Bank, and the amount that passed through my hands was round about 70/80 million.

Q. That wasn't my question. I was asking you what payments were in relation to ORT in relation to these years, can you recall that?

A. Yes, I can. We've paid in '95, as far as I understand, that was -- in March ORT only started, came into being as a company, and we bought lots of equipment. We bought some optical discs, we bought some software programmes or shows, we've paid some airtime as far as I recall. We were buying a camera for leading journalists, including Mr Dorenko, Mr Pozner, Mr Nevzorov, we always paid some money to him. We also paid for -- I don't think it was linked to Triumph -- we also paid for Triumph Logovaz but I'm not sure whether

it was linked to ORT or not.

Q. Again, Ms Goncharova, that was not an answer to my question.

I am asking you -- you have said that you can recall without documentation the annual payments that were made. I'm asking you, can you tell us from those annual payments how much related to ORT?

A. I cannot say specifically how much related to ORT since I had this general programme and I did not separate these payments out into a pile for ORT, and the one for the club, and the one for Badri Shalvovich. That was all in the general ledger, in the general list. So I cannot say what percentage pertained to ORT, I cannot say for sure.

Q. Ms Goncharova, I suggest that without documentation to remind you of payments being made in cases up to 15 years ago, inevitably your recollection of dates of payments or amounts of payments or the purpose of payments is going to be vague, and that's right, isn't it?

A. I agree to a part. In some extent they could be vague, but otherwise I disagree. I remember that very well.

Q. Can I ask you just about some answers you gave in relation to Mr Berezovsky and the cash that you say you delivered to him. At [draft] page 53 of the transcript,

line 22, you say:

"... I didn't know what he looked like ..."

I'm sorry, if someone could help with the transcript. At [draft] page 53 at line 22, which is referring to taking the cash to Mr Berezovsky's office, you say at line 22:

"At that point I'd never met him, I didn't know what he looked like ..."

Do you see that?

A. Hm-mm.

Q. Then if we can scroll down to [draft] page 55, at line 9 there you say:

"I knew what he looked like ..."

What is your evidence, Ms Goncharova?

A. Your Ladyship, I certainly knew that there was such a politician, Mr Berezovsky, but I've never seen him live, face to face. And the first time when I arrived with that huge sum of money, and for me it was something out of fantasy, I've never seen such amount of money before.

When I arrived to Logovaz Club and saw Boris Abramovich face to face I had such a, so to speak, not a very pleasant impression. I've never seen him face to face. Obviously I've seen him on TV, he was much discussed, there was much about him in the media.

Q. Well, can I ask you specifically then about the \$5 million that you say you delivered in cash, and this is looking at paragraph 9 of your witness statement which we have at page 99 in the Russian E2/05/99 and page 90 in the English E2/05/90.

Now, you will accept, I assume, that in your evidence in 2009 you made no mention of this cash payment, did you?

A. I'm not sure why it's not described, but all my statements were started with a talk about 5 million cash payment. Because, for me, I simply cannot -- that was more impressive for me because that was the first payment, and it was such an amount that I've never ever seen in my life. I couldn't imagine that I would ever see such an amount of money, especially in cash.

Q. Well, Ms Goncharova, I suggest to you that if this incident had ever taken place you would inevitably have told Mr Mitchard about it when you gave your evidence to him in 2009 and he would inevitably have recorded it. Would you disagree with that?

A. I would disagree with this because I was telling Paul, everyone, I always told that episode. That was the first that I remember from that payment programme that was linked, as I learnt later, with Mr Berezovsky. That was the first thing that was imprinted in my memory.

Q. Mr Goncharova, what I suggest to you is that you made no mention of it in 2009 because that was not the case that Mr Abramovich was seeking to run at that time, which was solely in relation to ORT payments. And I suggest to you now that the only reason you are suggesting this event took place is to support Mr Abramovich's changed case.

A. No, your Ladyship, this is not so. All conversations with the counsel, all conversations with our lawyers, started with talking about that amount. I said that we had such payments, that we bought lots of other things, that for Mr Berezovsky's family we have bought cars, we serviced, we brought cash for maintenance of the Logovaz Club. I recall it as vividly as if it were today.

In '96, Yekaterina was bought Volvo car, Galina -- BMW was bought for Galina. I even remember driver Mr Ivanov that would come to me on a monthly basis and I was paying his salary. I remember in 1996 we have paid for Spanish holiday of Mr Berezovsky and his family, and that was round about, as it seems to me now, I think it was about \$140 million. For me, such amounts were quite memorable. And in 1997, in December, we have paid for his cruise, I remember that well as well, because an amount there was also round about \$150,000.

I'm not sure, maybe it was a fantastical sum for me at the time so I really do recall them.

THE INTERPRETER: I do apologise, did the interpreter say million dollars in the previous amount? It might have been a thousand, I might have misspoke.

A. We also rented an apartment for Mr Berezovsky at Ryleev Street and I rented it in my name and we rented it for two years, and Mr Berezovsky used that apartment. And on a monthly basement (sic), Blakewater (sic) company was bringing that cash payment, I recall that as well.

Q. Ms Goncharova, I suggest to you that, absent written records, you cannot be clear about the dates that payments were being made, that's right, isn't it?

A. Specific dates? I do not recall the specific dates, but the fact of these payments being made in such and such a year and in such and such a month, I do recall that. I do not recall all the payments that have been made because there were so many and, in one day, there could be 20 payment orders if not more. But specific large payments, I do recall them very well.

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

MRS JUSTICE GLOSTER: Thank you. Mr Malek?

MR MALEK: No questions, my Lady.

MR ADKIN: No questions.

MRS JUSTICE GLOSTER: Yes, Mr Sumption.

Re-examination by MR SUMPTION

MR SUMPTION: Ms Goncharova, I wonder if you could be given some assistance with scrolling back on the transcript.

Could we scroll back, please, to [draft] page 39 of this morning's transcript. I'll refer you to the details of your answers when I need to, but this is basically to enable my Lady to follow the question.

You said at this point in your evidence that you made some cash available on Badri's instructions. Do you remember referring to Badri giving you instructions to make payments? Do you remember giving some evidence about that?

A. Yes, I do. For all payments I communicated only with Badri Shalvovich. Boris Abramovich did not give me instructions. Roman Arkadievich was giving me the papers, and while Roman Arkadievich was not in Moscow Badri Shalvovich called me on a daily basis. And I was informed that this payment is of the primary importance, these payments can wait a bit, but we always communicated in this regard with Badri Shalvovich.

Q. And how did you communicate? Was it in person, by phone, by letter, by fax, how did you do it? With Badri this is.

A. Certainly it was by phone. I have seen Badri twice or thrice, once in the Logovaz Club, again when I was

bringing that payment in, and he helped me with carrying it. I didn't know that was Badri Shalvovich but one could infer by his voice and his accent that that must have been him.

Then he started calling me, and Mr Roman Arkadievich's office, receptionist, has connected me. I didn't know who he was. And I certainly said, "We've met before at the club," and I reminded him about that episode when I was carrying this massive sum of money and the bag was very heavy and he helped me with the bag. And he immediately recalled and we had a laugh on the phone, and then a fax machine was installed in my office and every morning, when I arrived to work, there were some instructions from him. I would go through his instructions and give him a call and then I would approve and agree these instructions with Mr Abramovich.

Q. Thank you. Could we turn to [draft] page 40 of the transcript, please, where at line 6, if the interpreter could assist, just starting before line 6, you're talking here about a search in your offices with regard to the case of Boris Abramovich, that's Mr Berezovsky I think:

"... to do with his [Atoll] company, private enterprise. And part of the documents were found in my office..."

Now, what the [draft] transcript says is "atrial company", what were you saying there, what company is this?

A. The company was called Private Security Enterprise Job Atoll S, they were providing security services to Boris Abramovich, and we also paid their salaries and they would come to me on a monthly basis and they would pay their salaries in cash. They were protecting Boris Abramovich Berezovsky and, as I understand, they protected (sic) private security services for all his summer houses, dachas, Zhukovka, Archangelskoye and Sosny complex. It was called the presidential administration complex, Sosny -- pine trees in English. I don't know who lived there, but Boris Abramovich lived in Archangelskoye and we paid for Sosny and for Zhukovka. I'm not sure who lived there. I think that some summer house was used by the daughter of Boris Abramovich.

Q. Do you know whose company Atoll Security was, who owned that company?

A. No, I do not. I know that Mr Sukalov(?) saw me on a monthly basis, and I would give him the amount that was approved with Badri, and that was going on for many years.

Q. Can you tell us, why was a search being made for

documents concerning Atoll Security?

A. I'm not sure. I think it was such a publicised case in Moscow, lots of compromising documents were confiscated, they found some listening devices in their office, and another thing was confiscated from them, there was a number of documents, maybe something was found that was linked with us, Sibneft. I'm not sure that was linked to but I know that in 1999, yes, we did have a search linked to Atoll company.

Q. Who was investigating the affairs of Atoll?

A. I think that was the General Prosecutor's Office.

Q. Now, I want to ask you about the piece of paper on which you wrote the annual totals of the amounts paid to Mr Berezovsky and Mr Patarkatsishvili. Do you remember giving some evidence about that?

A. Yes, I do.

Q. You described how the last of the notebooks was destroyed, in your witness statement, (inaudible) around 2002 to 2003, but for some time after that you kept a piece of paper with the totals. What I want to ask you is this: what happened to that piece of paper, can you help us on that?

A. I cannot say. I do know indeed that it was in the top drawer of my office desk, and when the whole preparation for the trial started I was trying to find it, I was

trying -- where I recorded this. I unfortunately cannot tell where it disappeared to. Maybe I've accidentally thrown it away together with some documents, maybe something else happened to be on this. I cannot help on this, I'm sorry.

Q. Now, could we scroll down to [draft] page 54, please, of the transcript. There's a long answer from you in which you describe the delivery of the bag with the money in it.

A. Okay.

Q. Now, you tell us -- do ask the interpreter for help if you need it. On [draft] page 54, at line 3, you describe how you're standing there with the bag of money, and when Mr Berezovsky finished his phone conversation he just threw the phone into his assistant, Ivan.

Now, can you tell us what then happened to the bag? What did you do with the bag of money?

A. I've introduced myself to Boris Abramovich, "I'm such and such, I'm from Mr Abramovich, I brought this money to you," and I left. I left the money in the club, I left it in the office.

Q. Now, if you look at the very end of that answer, at [draft] page 54, lines 6 and 7, what you say here is:

"I remember Badri Shalvovich in the club and

I didn't know who he was at that point in time. At some point, when I was bringing the next million, Badri --"

And then you stopped. Would you like to continue with what you were intending to say immediately after that? At some point when you were bringing the next million, what happened?

A. Your Ladyship, I don't know whether you can imagine what \$1 million is, but it was indeed very hard to lift it, very heavy. And when you enter Logovaz Club, there was such a very steep flight of stairs, you had to go to the very top and, indeed, carrying that bag, it was very hard, it was very hard to walk up with such a bag, and it seemed like Badri Shalvovich was saying goodbye to some of his visitors, he saw me, I introduced myself, and he said -- he asked something, I do not recall exactly what he asked me. I said that "I'm going to see assistant, Ivan. I'm so and so," and he did help me to bring that amount of money to Ivan's office.

Q. Now, the 5 million in --

MRS JUSTICE GLOSTER: Sorry, just a second. In your earlier answer, before I interrupted you, when you were being cross-examined, you said:

"At some point, when I was bringing the next million..."

Were you referring to another occasion or the same

occasion?

- A. 5 million was not passed to the club as a lump sum, they were brought several times. I think it was three times 1 million each, and then it was on average 500,000. So on one of these occasions, on one of these trips, these stories that I'm telling about did happen.

MRS JUSTICE GLOSTER: So just to recap, the first time you remember was when Badri helped you, when you brought the first million dollars in cash; that's your evidence, is it?

- A. No, Badri helped me on the second -- no, definitely not on the second, on the third or fourth time, when I arrived at the club on the third or fourth time.

MRS JUSTICE GLOSTER: Okay, there's a translation mix-up here.

On the first occasion you say you took the cash to Logovaz Club, did Badri help you on that occasion or was it on a subsequent occasion?

- A. That happened on the subsequent occasion, but now we're speaking about the amount of 5 million that I was tasked with, to bring on the first occasion. It was not brought to the club as a lump sum, it was broken down into instalments.

MRS JUSTICE GLOSTER: Well, I'm afraid I've confused the position, Mr Sumption --

MR SUMPTION: I think it's now clear.

Ms Goncharova, over what period of time did the various instalments of the 5 million in cash get taken to the Logovaz Club?

A. I think it was between February and March.

Q. And what is it that enables you to recall that it was in February and March? Which year are we talking about?

A. That was 1995, 1995. What enables me to recall is the following: perhaps I recalled it, I remembered it, due to the fact that in January 95 we were moving to our very own new offices, and before that we were renting offices, we were renting buildings. And in 1995, although we had to do it in 1994, end of year 1994, but because the builders did not sign off the property on time we could not move offices in the end of '94, so we were moving straight after the New Year.

Again, it wasn't the whole office taken up and moving in January because the first floor was ready, the first floor was ready in January '95, so part of the employees from one street moved to Bolshaya Kommunisticheskaya Street, and Roman Arkadievich had to come back from holiday in that year, and we really wanted, by the time he comes back, our new offices will be in full flow, would be fully in operation.

So my recollections were linked to that, that in

that year we moved to our very own new offices at Bolshaya Kommunisticheskaya Street, at number 38.

Q. Was that before or after these cash deliveries to the Logovaz Club began that you moved into your new offices?

A. We've moved to our new offices, the main bulk of the employees definitely moved in January. Some people were moved in February but that was not important. But the main part of us started working in the offices in January '95, and Roman Arkadievich came back from his holiday at the end of January and then started somewhere around about February of '95.

Q. What started around about February '95?

A. These first payments that Roman Arkadievich tasked me with bringing to Logovaz Club.

Q. Thank you.

One further point, Ms Goncharova, could we scroll down to [draft] page 61 of the transcript at line 8. Now, you'll need the assistance of the interpreter for this. There was an intervention from the interpreter shortly after this evidence about a possible confusion between thousands and millions. Do you see this at line 8, you refer to a sum of \$140 million in relation to a --

A. Certainly not. Of course it was thousands.

THE INTERPRETER: This is from the interpreter, the

interpreter apologises. I thought I made a slip.

A. One could have bought the whole of Spain for that amount of money.

MR SUMPTION: Well, possibly now.

Thank you very much, Ms Goncharova.

MRS JUSTICE GLOSTER: Thank you very much, Ms Goncharova for coming to give your evidence. You may be released.

(The witness withdrew)

MS DAVIES: My Lady, the next witness is Ms Khudyk.

MRS JUSTICE GLOSTER: Very well.

MS NATALIA KHUDYK (affirmed)

MRS JUSTICE GLOSTER: Please sit down.

Examination-in-chief by MS DAVIES

MS DAVIES: Ms Khudyk, could you be given bundle E2, and also we're just handing round one very small correction we wish to make. Bundle E2, tab 6, at page 107 E2/06/107 you see the English version of your third witness statement, the Russian version starts at page 131 E2/06/131.

Do you now have -- there's a sheet indicating a small correction you wish to make to paragraph 29 of that statement. Is that right?

A. Yes, that's right.

Q. And if you could turn to page 155 in the bundle, is that your signature?

A. Yes, that is my signature.

Q. And subject to the correction to paragraph 29, is your statement true?

A. Yes, they are.

MS DAVIES: There will be some questions for you, Ms Khudyk.

MRS JUSTICE GLOSTER: Yes, Mr Rabinowitz.

Cross-examination by MR RABINOWITZ

MR RABINOWITZ: Good afternoon, Ms Khudyk. You've worked for Mr Abramovich since January 1997, that's right, isn't it?

A. It's not quite right. From February 1997.

Q. Okay. And you still work for Mr Abramovich as head of the planning, finance and accounts department of Millhouse LLC in Moscow, correct?

A. Yes, that's correct.

Q. Now, Mr Abramovich, in his evidence, told the court that he definitely trusts you and you are loyal to Mr Abramovich, is that fair?

A. Yes, certainly. I'm loyal to my employer to the extent that is not contradict my personal beliefs and doesn't force me to do something unlawful.

Q. More than that, you are dependent on him as your employer, is that right?

A. I would disagree here. My qualifications and my work experience are quite called for in the labour force

market so I do not consider myself being dependent.

Q. But you wouldn't want to lose your job with
Mr Abramovich?

A. Perhaps not.

Q. Now, from the time you started working for Mr Abramovich
in February 1997 until at least July 2001, you reported
directly to Ms Panchenko and through her to Mr Shvidler.
That's right, isn't it?

A. Yes, that's right.

Q. Can I ask you, please, to go to paragraph 69 of your
third statement, that's the one in E2, tab 6, page 127
in the English E2/06/127 and 153 in the Russian
E2/06/153. Do look at paragraph 69 if you would.

A. I can see that.

Q. You say here that in 2006, Mr Fomichev asked you whether
certain payments from Cherrylane Group Corp and Cremona
Financial Corp were made on behalf of Mr Abramovich, and
you say that you knew nothing about these agreements and
you forwarded them to -- sorry, payments, and you
forwarded them to Ms Panchenko to deal with. Is that
right?

A. Yes, this is exactly the way it was.

Q. Then if you look at paragraph 70, you say that:

"Later I found out that these payments had been made
as part of purchases at a discount and subsequent

settlement of Sibneft promissory notes at face value."

Can you tell us who you found out from, please?

- A. I found it from the case materials that these payments that were transferred -- pardon, that were in the list sent by Mr Fomichev, they pertained to payments by way of promissory notes of certain amounts to Mr Berezovsky and Mr Patarkatsishvili.
- Q. And can you tell us roughly when you found out what you say at paragraph 70?
- A. I found out, I found this out from the lawyers, and I think I found out in early 2011 or perhaps at the end of 2010. Now I cannot be certain.
- Q. Now, Ms Khudyk, you have assisted with the disclosure in relation to this litigation, haven't you?
- A. Certainly.
- Q. And is it right that you assisted Yulia Lebedina in identifying potentially relevant documents from among the documents of non-Russian companies?
- A. And including Yulia Lebedina, she was one of the lawyers who helped us in preparation of disclosure for the documents, but she was far from being the only one. There were also lawyers from Skadden Arps, and I would say for the main part they were Skadden Arps lawyers.
- Q. So Yulia Lebedina is not a lawyer from Skadden Arps, is that right? Is that what you're saying?

A. She is a lawyer at Millhouse.

Q. And I'm not sure that you answered my question: you assisted Yulia Lebedina in identifying potentially relevant documents from among the documents of nonRussian companies, is that right?

A. If Yulia Lebedina asked me specific questions, in particular whether such and such document is pertinent to the case materials, then certainly I would answer and give my comments to her. But to say that Julia only based her actions on my opinion, that would not be correct.

Q. I'm not asking you that, Ms Khudyk, I'm trying to understand the scope of where you gave your assistance to Yulia Lebedina.

Is it right that it was in relation to documents for nonRussian companies?

A. To be honest, I do not quite understand how pertinent is Yulia Lebedina. What does she have to do with this?

With regard to disclosure of documents to do with these proceedings, each of us had a task to recall, to remember, and to see which documents are still there, which documents have survived, and that task was put by me not to Yulia Lebedina, but also because Yulia Lebedina was helping to find documents and from time to time she was asking me some questions, then

certainly I did give her -- did provide answers to her.

Simply perhaps I do not quite understand your question.

Q. I think that's possible. Put Yulia Lebedina to one side, in the nicest possible way. I'm not interested in Yulia Lebedina, I've never met her. I'm interested in what you were doing and where you were providing your assistance, and that is in relation to documents of non-Russian companies and the disclosure of those documents. Is that correct or not?

A. Yes, my assistance was mainly connected to the documents of non-Russian companies.

Q. Can you tell us which those companies were, please?

A. The Roman Arkadievich Abramovich group included, at various points in time, various nonresident companies. In particular there were Runicom companies, then when I joined the group of Roman Arkadievich, when I joined it as an employee, at that point in time I was only concerned with Runicom companies. It was Runicom SA then Runicom Limited, and later on a much greater number of companies has appeared. So, I don't know, would you -- I don't think you would require me to recite a list of these companies. It is a long list.

Q. Well, let's see if we can go further than Runicom SA and Runicom Co. Can you give me any other companies that

you were involved with the disclosure for?

A. Yes, certainly. It would be the Cypriot companies, the Cypriot companies in particular, that held the Sibneft shares. That's MPG, YPL companies, Jimenson company.

Q. You don't have to worry with all the names, we know which the Cypriot companies are.

Any others?

A. NonCypriot companies, certainly Madison company, for example, that was the BVI company and I was a director of that company, and certainly I knew well which documents were pertinent to this specific company in particular and to the case proceedings.

Q. And the documents for all of these companies would have been in English, wouldn't they? These were all companies which were located in jurisdictions where they spoke English?

A. If they were official documents then the answer is yes, the documents would have been in English.

With regard to any internal documents, it would have been completely, entirely possible that the documents could have been in Russian.

Q. And were you helping with the disclosure of documents which were in English in these companies?

A. Yes. In particular there were documents that were in English. To put it this way, to the point, to the

extent that I could provide my assistance with, for example, some legal documents to do with the articles of the company or documents that the company may have, when a company is being registered, I would probably not be able to help with that because I'm not a lawyer.

I cannot interpret a company's articles of association of a BVI company, I would never have undertaken such a task.

Q. But in order to assist in this disclosure exercise you must have been familiar with the legal issues in the case, is that right?

A. I do apologise, I do not quite understand your question that I must have been familiar with some legal issues. I knew the case, the essence of the case, and I imagined that.

Q. That's fine.

And in order to appreciate whether any particular document that you were looking at was relevant to the issues in the case you would have had to understand the document, correct?

A. Yes, certainly.

Q. And these documents would have been in English?

A. Often, yes.

Q. Do you in fact understand English fairly well,

Ms Khudyk?

A. Unfortunately, at the current point in time, this is not so anymore. I have graduated from a school with extensive study of English, and at some point I could indeed say that I spoke English well. But, unfortunately, language skills go without practice and it was a fair while, and I did not use the language, unfortunately. So at this point in time it's not quite the same amount of English.

Q. But it was good enough, whenever you did the disclosure exercise, to be able to read a document and know whether the document was relevant to an issue in the case?

A. No, I'm comparing the level of my English as compared to, say, 2003, round about from 2004, 2005.

To put it this way, my language practices disappeared and I started forgetting the language bit by bit, so when lately I had to provide assistance in disclosure of the documents, so yes, I would say that was quite a hard exercise for me and quite often I had to consult a dictionary, unfortunately.

MRS JUSTICE GLOSTER: Would that be a convenient moment?

MR RABINOWITZ: It would be.

MRS JUSTICE GLOSTER: Very well. Two o'clock.

(1.02 pm)

(The short adjournment)

(2.00 pm)

MR RABINOWITZ: Ms Khudyk, before we broke, I had asked you in relation to paragraph 70 of your witness statement E2/06/127 about the Cherrylane Group Corp and Cremona Financial Corp payments and when you had first discovered them and that they related to the discounting of the promissory notes. And you explained at [draft] page 74, line 5, that you had found it from the case materials, I think you said, in 2010 or 2011. You said:

"I found it from the case materials that these payments ... that are in the list sent by Mr Fomichev..."

Then you said they related to the payment of the promissory notes.

I just want to ask you about the list that was sent to you by Mr Fomichev. Can I ask that you be given, please, bundle H(A)93, page 191 H(A)93/191.

Now, you should have that at page 191, it's in English and I hope you will, even if your English is not as good as it once was, be able to follow these emails. You can see it's an exchange between yourself and Mr Fomichev where he says, taking it from the bottom up:

"What is the best way to send a info to you?"

You say:

"It's okay to send it by e-mail. If you prefer fax..."

And you give him the number. He sends something to you, and he says:

"[For your information] call me when you will read it."

And if you just page back, Ms Khudyk, to page 188, 189 and 190, you see a list with Cremona and Cherrylane.

A. Yes, I can see that.

Q. Is this the list that you were referring to in your answer?

A. Most likely, yes, that is the one. The one which was an attachment to this Ruslan Fomichev's message.

Q. Can I just ask you this. It looks as if, looking at the emails on page 191, that you and Mr Fomichev had had a discussion which led to this exchange of emails. Is that right?

A. Yes, your understanding is correct. Mr Fomichev called me on the phone and asked me questions regarding Cremona and Cherrylane payments because the names of those companies did not mean anything to me. I did not even pick it up when I was listening to him speak, I did not understand what he meant, so I asked him to send me some information so that I could review it more attentively.

Q. Are you able to help us as to why, in 2006, you were having this conversation or this exchange with Mr Fomichev?

A. Unfortunately I cannot assist you in this. I do not know what the reason was for Mr Fomichev's calling me in 2006. I was quite surprised myself because by that time I had already not been in communication with Mr Fomichev for a few years, for a long period of time so I was surprised myself.

Q. Very well. You can put away bundle H(A)93.

Now, I'd like to next ask you some questions relating to the arrangements for the payment of the \$1.3 billion to Mr Berezovsky which you deal with at paragraph 25 of your third witness statement. That is, if you don't have it, page 137 in the Russian E2/06/137 and page 112 in the English E2/06/112.

A. Yes, I can see that.

Q. And you explain here at paragraph 25 that at some point Ms Panchenko asked you to arrange the payment of approximately \$1 billion, you say in the second line. Do you see that?

A. Yes, I can see that.

Q. And just looking at the next sentence, you say you found a document dated 14 May 2001 which showed a payment of \$1 billion in dividends. Just pausing there, there is no dispute, I think, that the amount finally agreed upon was 1.3 billion, okay? If you're right about the date of this document, this would suggest, would it not, that

the \$1.3 billion figure was arrived at after 14 May?

A. So far as I know, the 1.3 figure was conveyed to me, was brought to my attention, after the 14 May. That is true.

Q. And if you have a document which is still talking about \$1 billion, that would suggest that the figure of \$1.3 billion would have only been agreed after 14 May 2001?

A. I can only speculate with regard to that. What I do know is that actually it's a reconstruction of my recollections. The metadata of the document shows that I created this document on -- it was created on 14 May 2001, I'm sorry. And in that document I am writing about the amount of \$1 billion, and that means that on 14 May 2001 what had been brought to me, to my attention, was the amount of around \$1 billion give or take a few. It could have been a little bit more, a little bit less than that. At that time I was not aware of the amount of 1.3 billion.

Q. Thank you for that.

If I can ask you then to go to paragraph 27 of your statement E2/06/113, you refer at paragraph 27 of your statement to a document entitled "Payment Schemes", which you created and which you say sets out the various iterations of the scheme for the payment to

Mr Berezovsky and Mr Patarkatsishvili, is that right?

A. Yes, that is correct.

Q. Perhaps we could just very quickly have a look at that document. This is bundle H(A)103 at page 109 H(A)103/109. Now, am I right that the document starts on page 109 and it continues for quite a few pages to page 119 or 120?

A. Yes, that is true. It unfortunately was not formatted properly. The idea had been that there will be one page on each separate page only.

Q. Just going to page 111, this is right, isn't it, this is what you were considering as the way in which the payments were going to get to Devonian Investments Limited, one sees in the box on the right-hand side?

A. This chart does not refer to payments. What I can see here is pay-outs with respect to Devonian, in this chart, are provided for in the form of securities.

Q. Okay. If you go to page 115, this is payments through to Devonian Investments Limited.

A. Yes, I can see that.

Q. So it would be fair to say that, certainly by May 2001, you were aware of the existence of Devonian Investments Limited?

A. At a certain point in time, during the month of May 2001, the name of the company was conveyed to me but

that does not mean that I had known the name of that company right away, immediately after I started creating this document. The document, the file was being adjusted ever since it was created and until the end of May, until the payments themselves, and it was adjusted, corrections were introduced into that file, on numerous occasions.

Q. I'm just not completely clear about the answer.

You say this document was -- you were working on it from time to time, correct? Is that what you're saying?

A. Yes. That is correct. I worked with that document from time to time, depending on the situation and depending on any new information that came, something was either changed or added.

Q. But by the end of May 2001 you were aware of the information which we see on these documents and, in particular, the existence of Devonia Investments Limited. That's right, isn't it?

A. In practical terms, yes. At the end of May, I learned the name Devonia.

Q. And presumably after May 2001 you had no reason to look back at this document because the way in which the payments were going to be routed to Devonia had been decided, is that right?

A. Most likely, from the point of view of making payments,

there was no need for me to go back to this document.

- Q. And when do you think, in the context of this litigation, you first went back and looked at this document?
- A. I believe it was maybe in 2007. I believe that when Paul Mitchard was for the first time asking this question I tried to recollect, and chances are it is quite possible that I may have opened this document then.
- Q. So you think you went back to this document in 2007.
- Ms Khudyk, are you aware --
- A. It is a possibility.
- Q. Okay. Are you aware that this "Payment Schemes" document was not disclosed until 27 May this year, just four days before the deadline for witness statements?
- A. No, I'm not aware of that.
- Q. Well, you can take it from me that that is the position. If you think it is likely, or there's a possibility even, that you went back and saw this document as early as 2007, can you provide any explanation at all, from your point of view, as to why this document was not disclosed until May of this year?
- A. I can only speculate, I can only make assumptions. The thing is that a large, a significant amount of information was received and it was difficult to go

through this information to understand whether or not it is material, whether it is related to the matter at hand or not. But this is just the way I think of this. This is just my view.

Q. Can I just ask you about that view. Are you suggesting that there would have been any doubt at all that a document you produced in May 2001, which showed the way in which payments were being made to Devonia, was a material document in the context of this litigation?

A. No, I do not believe so. As soon as this document was shown to me by the lawyers, and I think it was in the spring this year that they asked me whether or not this is related to the matter or not, I immediately said "Yes, it is related to the matter." And apparently at that time the decision must have been taken, I believe, that it would be disclosed.

Q. But I thought in answer to an earlier question you said that you were aware of this document in 2007?

A. Well, you see, my work -- in the course of my work I deal with a lot of paperwork, lots of documents, and I cannot remember all the documents that I see during a day, let alone many years ago. Chances are that when Paul Mitchard was, for the first time, asking me about this, I was trying to refresh my memory and I was trying to recollect and I went through the documents that were

in the files, in the paper form and also on my computer, and it is possible, it is possible, that I might have seen this file at that point in time. However, I would not be able to tell you that with certainty.

Q. And Mr Mitchard would have been dealing with these issues in the context of the strike-out which was -- well, his witness statement was made in 2009. So are you saying that it's in the period around 2009, at the very latest, you would have been looking at this document to refresh your memory?

A. Yes, it is possible that it was in 2009. It is possible.

Q. And in answer to an earlier question as to the process in which this came to be disclosed, you said:

"As soon as this document was shown to me by the lawyers ... "

You immediately said that it related to the matter.

Which lawyers are you talking about? Was it Mr De Cort or some other lawyer?

A. I cannot recall with certainty. It might have been Andre De Cort, it might have been Skadden Arps solicitors. Unfortunately I'm afraid I cannot recall now.

MRS JUSTICE GLOSTER: One lawyer is very much like another, Mr Rabinowitz.

MR RABINOWITZ: Not if you're a lawyer, my Lady, and certainly not if you're married to one.

Ms Panchenko yesterday explained that the bolshoi balance was discovered in your computer in an archive file in November 2010. Where was this document stored, can you help us with that?

A. Well, you know, as I understood later on from the explanations that were given by the IT service, on the employees' computers there are certain sub-directories that were created for the purpose of archiving documents.

I did not know, I was not aware that this sub-directory had been created because it was -- it was something that had been done by the technical support services and, unfortunately, this sub-directory was not even something that I, in my capacity as a computer user, could see because it required -- in order to gain access to it, it required that a certain password had to be introduced before one could gain access to that archive directory.

So, therefore, at some point in time that archive directory was created, it had been created on my computer, and that document was in that directory.

Q. And when you refer to IT services here, which IT services are you referring to? Is it Millhouse's IT

services?

A. Yes, Millhouse IT services.

Q. Okay. Now, it's right, I think, that in the course of your work setting up the mechanism for the payment of the \$1.3 billion you were in contact with a Mr James Jacobson?

A. No, this is not entirely correct. I was in contact with Mr Fomichev.

Q. All right, let's just see if that's right.

Can I ask you, please, to be given bundle H(A)31 at page 164, please HA(31)/164. This appears to be a fax, Ms Khudyk, from you to Mr James Jacobson. Correct?

A. Yes, that is correct. That is correct.

Q. So when I asked whether, in the course of your work setting up a mechanism for the payment of the 1.3 billion, you were in contact with Mr James Jacobson, why did you say that you were not?

A. Because it was a one-off occurrence, it only happened once I would say, and it was not a two-way street, it was not a bilateral contact.

What happened was that Mr Fomichev, who was indicated to me as the contact person and someone to whom I had sent the documents, told me that "I don't know the first thing about these legal documents, please

send this to our lawyers," and he gave me the details of Mr Jacobson.

So as a matter of fact this is the background behind this fax.

- Q. So you knew Mr Jacobson was a lawyer, is that right?
- A. Yes, Mr Fomichev told me that he was a lawyer.
- Q. And you knew he was dealing with this transaction, correct?
- A. No, I did not know which transaction he was dealing with. I thought that he was a group lawyer, for instance someone who dealt with general legal matters.
- Q. Ms Khudyk, are you seriously suggesting that you did not know Mr Jacobson was dealing with the Devonia transaction that you had been busy dealing with yourself, in that document we looked at earlier where you were tracking through payment options?
- A. Of course I did not know that.
- Q. All right, let's just see if that's correct. Let's first look at the document we have open at H(A)31, page 164 H(A)31/164. You say:

"Dear James. Please find attached the draft of the Minutes of the meeting of the Board of Directors of the Company with regard to the profit distribution."

And you sign it and you give him your email address.

It's obvious that, certainly at this stage, your

English was good enough to write emails and faxes in English and obviously to understand what was said to you when you got them back, correct?

A. Well, quite often, yes. Depending on what the feedback said, what the answer said.

Q. And you address Mr Jacobson as "James" rather than "Mr Jacobson". That suggests, does it not, that you had already had some contact with Mr Jacobson prior to sending this email?

A. Well, you know, I was a young naive person at that time and I thought that it was a respectful form of address, I thought that was part of normal practice, and part of normal practice was to write, in the address line, to write "Dear James". Actually in Russian it's "Esteemed James". But that was the first time that I was writing or communicating with Mr Jacobson.

Q. In answer to an earlier question from me, this is at [draft] page 91, line 10, you said, in relation to Mr Jacobson, that you thought he was a group lawyer. Which group do you say you thought Mr Jacobson belonged to? Are you suggesting he was part of Mr Abramovich's group?

A. No, the group which was represented by Mr Fomichev.

Q. Now, can I ask that you next go to page 254 of the same bundle H(A)31/254. This is the next recorded contact

that we -- sorry, the next contact that we have on the documents. It's an email from you, again to Mr Jacobson, and you have got his email address there, james@stephen-curtis.co.uk, do you see that?

A. Yes, I can see that.

Q. What you say in this email to Mr Jacobson, what you give to Mr Jacobson in this email, is a list of the documents required by the bank to open a safe custody account, and the bank was the Latvian Trade Bank, that's right, isn't it?

A. Yes, the Latvian Trade Bank.

Q. Now, we know that this email has been disclosed by Mr Abramovich from his disclosure, you can see that from the number on the bottom left-hand corner. So presumably this email came from your computer, did it?

A. Well, either from my computer or it was retained in hard copy. So it definitely came from somewhere.

Q. Did you retain copies of all the emails that you had with Mr Jacobson in hard copy?

A. No, I did not retain copies of faxes or emails, practically -- virtually never did I do so. But I do not rule out the possibility that, with respect to that particular email, that particular email for some reason was printed off.

Q. And by the time of this email, you had had

a conversation with Mr Jacobson, that's right, isn't it?

A. To be honest, I do not recollect a conversation with Mr Jacobson.

Q. You're saying you don't recollect any conversation with Mr Jacobson at all?

A. No, I do not recollect any conversations with Mr Jacobson.

Q. You see, if you look at your email to him, Ms Khudyk, just below the list that you have produced to him, points 1 to 9, you then say:

"All above mentioned documents should be certified by solicitor and authorised with the apostile. As I understood from our telephone conversation..."

That suggests, does it not, that you had indeed had a conversation with Mr Jacobson?

A. Yes, I would agree with you. Yes. That assumes that there had been a conversation, but I do not recollect a conversation, and I presume that the conversation was with respect to these documents judging from the fact that I'm saying here that from our telephone conversation I had understood something with respect to copies of passports. Obviously, we had -- most probably we had been discussing copies of documents.

Q. And you could see from the email address, if you didn't get it from his accent, that Mr Jacobson was an

English-based lawyer, or certainly was in England?

- A. From the email address, what you can see is that the company is based in England but that does not necessarily mean that he is an Englishman or based in England. The way I see it, that does not have -- necessarily have to be the case.
- Q. All right. So let's just break that down then, Ms Khudyk. You knew he was a lawyer, correct?
- A. Yes.
- Q. And you knew --
- A. That's what Mr Fomichev had told me.
- Q. And you knew he had an English email address, correct?
- A. Yes, it was given to me by Mr Fomichev.
- Q. But you're saying that it doesn't follow from that that you knew he was an English lawyer or a lawyer based in England, is that right?
- A. Your understanding is correct. I knew that he was working for a company, most probably an English company, and he was a lawyer, judging from what Mr Fomichev had said.
- Q. You see, I suggest to you that you knew full well he was an English lawyer working on this transaction, Ms Khudyk. Do you dispute that?
- A. I do, absolutely. I knew he was a lawyer as Mr Fomichev had told me. I knew that he was related to the group

which Mr Fomichev represented. Now, the specific focus -- purpose of my communication with him related to the documents for this transaction. Now, whether he knew knowledge or information generally with respect to that connection, I never had the slightest idea about that.

Q. Again, let's just see where we are. You knew he was English, you knew he was a lawyer, and you were communicating with him with regard to documents relating to the transaction, correct?

A. Which were related -- which had some bearing on the transaction.

Q. But you're saying you didn't know he was a lawyer working or related -- working on matters related to this transaction?

A. I did not know to what extent he was up to speed on what was going to be done to -- to what extent he was deeply involved in the nuances of the transaction, how much he knew about that. I knew that, for instance, for the purpose of opening a bank account, it had been recommended to me to communicate with him or that person.

Now, for the purposes of obtaining legal documents with respect to the company that was supposed to have become the payee, it had been recommended to me that

I request those documents from him. Therefore, I understood that at a minimum he was the lawyer who knew or who had the constitutional documents of the company that was and supposed to become the payee, the recipient of the payment.

Q. Can I just -- on an earlier answer you gave, where you said, and I was trying to get you to agree that Mr Jacobson was based in England, a lawyer based in England, and you quibbled with that. Can you go back to page 164, please, in the bundle you're in HA(31/164. This is a fax you've seen, I took you to this earlier, from Mr Jacobson to you. Do you see the fax number on the top of the right-hand corner?

A. Yes, you are right, I can see the country code here, yes.

Q. So you did know he was based in England, didn't you?

A. Most likely, yes, but I don't believe that it was -- it had any importance for me.

Q. What I don't understand, Ms Khudyk, is why you are struggling to dispute being aware of any connection between Mr Jacobson and England. Can you comment on why that is?

A. I'm not trying to dispute this. What I'm trying to say is that it was not important to me. I did not attach any importance to this and therefore there was no

imprint of this left in my memory.

- Q. You can put away I think or put to one side bundle H(A)31. Can you go to bundle H(A)33 and open it at page 256, please H(A)33/256.

You see, Ms Khudyk, this is another email we have from you to Mr Jacobson. You will remember, when I first asked you whether you'd had any contact with Mr Jacobson in relation to this transaction, you said that you hadn't. When I said, well, why do you say that you hadn't? When I showed you the first fax, you said it was a one-off, it didn't happen again.

But we're now on the third exchange between yourself and Mr Jacobson, and it's a fax from you or an email from you dated 30 May 2001, and you're attaching for Mr Jacobson, you copy it to Mr Fomichev, documents required by the bank to open an account.

You say:

"Please send the a.m. [which I think is above-mentioned] documents (duly signed and sealed) firstly by fax ... and then the originals by courier to Latvian Trade Bank."

Can I ask you this: this document was not disclosed by Mr Abramovich, Ms Khudyk, it has only emerged because it has been disclosed by Mr Berezovsky. Are you able to assist as to what might have happened to this document

on your computer, explain why it wasn't disclosed?

- A. My Lady, first of all, please allow me to draw your attention to the fact that it was not the only case, what I said was one-off. One-off, what I meant was that he was not a contact person to me in the broad sense of the word. I did not handle all the issues with him related to this payment. I did not mean that there was only one fax and then nothing else. I'm not trying to mislead anyone.

So far as the reason why the document was not disclosed, I really don't know. Maybe it had not been retained. I'm afraid I cannot comment on that.

- Q. Can you go back, please, to page 248 in the same bundle H(A)33/248. You see, here we see that you also faxed the same document to Mr Jacobson, again copying in Mr Fomichev, on 30 May 2001, and you say:

"Dear James."

Later on you say:

"These documents were sent to you by e-mail. As I'm not sure that you'll receive it I made up my mind to duplicate the information by fax."

There were three documents attached to this fax, and indeed to the email, and can we just quickly just identify what they are. If you go to page 249 H(A)33/249, do you see there an agreement with Latvian

Trade Bank for the opening of an account? Do you see that?

A. Yes, I can see that.

Q. If you go to page 253 H(A)33/253, do you see there a request for a bank account form?

A. Yes, I can see that.

Q. Thank you. If you go to page 254, you should see there a sample signature form, correct?

A. Yes, that is correct.

Q. You can put bundle H(A)33 to one side.

Can you please be given bundle H(A)34, opened at page 45 H(A)34/45. Ms Khudyk, this is another fax to you on the very next day from --

MRS JUSTICE GLOSTER: From her.

MR RABINOWITZ: Sorry, from you, to Mr Jacobson the very next day.

You'll see, looking at the line about four lines from the top, that there were six pages including the cover page sent with this fax. Do you see that? Do you see where it says "Pages: 6" at the top, Ms Khudyk, just staying with page 45, do you see that?

Ms Khudyk, you have to say "da" or "yes".

A. Yes. Yes, I can see that.

Q. Thank you. Then if you move to page 50 H(A)34/50, you'll see what the documents were that you had --

sorry, you see a document headed "List of the documents" which were prepared for the transaction, do you see that?

A. Yes, I can see that.

Q. If you then go back to page 45 H(A)/34/45, what we see is that you've attached documents to be signed and sent back to you, and you ask for an address to send the further documents to, do you see that?

A. Yes, I can see that. But my understanding is that I'm asking him for the address where these documents should be sent, not any other documents.

Q. That's fine, I just want to look at the documents you did send.

The first document is, as you see, you've produced a document headed "Devonia Investments Limited" to be signed by Matar Mohd Saeed Ali Al Neyadi, do you see that?

MRS JUSTICE GLOSTER: What page is that?

MR RABINOWITZ: Sorry, page 46 H(A)34/46.

A. (Not interpreted) I see.

I can see that.

Q. Thank you. This document was the acknowledgement by Devonia Investments Limited of a transfer to it of shares in Pex Trade Corporation, correct? That's what it says?

A. Yes, it's a certificate, it's a receipt of shares, a certificate certifying that they have received the shares.

Q. And you have backdated this document back to 14 May 2001, correct?

A. Yes, unfortunately I did that, and I would like to comment if I may.

MRS JUSTICE GLOSTER: Yes, you may.

A. May I just mention that backdating documents was not normal, standard operating procedure in our company. Yes, I did do this and I was not delighted that I had done this, first of all, because I was misleading the bank with which we had a very good business relationship. However, I had no other option, I had no choice. I needed to have a document that would serve as the basis for payment. I could not bring a payment order to the bank for \$1.3 billion and have nothing to support it.

So I did need to have some documents, and I was not thinking that the bank would regard the documents that confirmed the declaration of dividends, the exchange of letters between the companies that existed in different jurisdictions. I mean, it would have been not serious if they had all been dated by the same date, 30th May. And unfortunately the decision that this mechanism was

going to be the one that would be accepted and adopted to make this payment of that amount was made very late, and it was brought to my attention literally on the eve of the date of the first payment, when the first payment had to be made. And, therefore, unfortunately I did backdate the documents.

MR RABINOWITZ: But it's not just the backdating, is it, Ms Khudyk? What you have produced here is a receipt which says:

"Hereby we acknowledge the receipt of the share(s) shown in the schedule hereto in the undertaking called Pex Trade Corporation."

But you're aware that there never was any transfer of shares in connection with this, aren't you?

A. Well, the thing is that in parallel, concurrently with this document, another document was prepared under which Devonian, slightly later than this, was returning the shares and therefore there was no need to actually transfer the shares. A similar receipt said that Devonian had, by that time, returned the shares.

Q. Can we then look at the second document that you sent to Mr Jacobson which is over the page H(A)34/47.

This is the instructions of Devonian Investments Limited to Pex to pay the dividend into its account with Latvian Trade Bank, and this is another document that

you backdated, isn't it, Ms Khudyk?

A. Yes, your understanding is correct.

Q. Now, you didn't backdate the next two documents because they don't have dates. Can we just look at them. At page 48 H(A)34/48, we have a document which purports to be an assignment of the shares in Pex to Devonian, correct?

A. Yes, correct.

Q. But we know again that no shares were actually transferred from Pex to Devonian?

A. Because based on the documentation literally two days later they came back to Pex -- well, not really Pex, to the Abramovich group of companies.

Q. And the next document is an identical document, it's an assignment of another share in Pex to Devonian and, presumably, your answer to the question of whether shares were actually transferred is the same?

A. Yes, the situation was similar here, it was the same situation. The shares based on the documents that were dated a couple of days after that were returned to the Abramovich group of companies and, therefore, there was no physical transfer of shares.

MRS JUSTICE GLOSTER: Who was responsible for thinking up this scheme? Was that you, the details of this, or was it someone else?

A. Well, the scheme itself, my Lady, had been created in May and I was preparing the documents. Whereas, originally, the scheme was something -- the input was something that I received from my boss, Mrs Panchenko. After that, some adjustments were made to the scheme because different options, different possibilities of paying out the distribution, paying the profit was different.

I mean, the basic idea was still the same, unchanged. The amount had to be declared in the form of dividend. Now, in what form it would be paid, ie in cash or as securities, that kept changing, adjustments were made to that.

Now, the documents themselves that needed to be prepared to support that scheme were the documents that I was in charge of. I was preparing those documents. And so -- well, so, that's it.

MRS JUSTICE GLOSTER: But on your side, the Abramovich side of this exercise, who was responsible for thinking up the mechanism for payment? Was it your idea? Was it Ms Panchenko's? Was it Mr Abramovich's? Was it Mr Tenenbaum's? Whose was it?

A. I'm not aware whose idea that originally was. It was my boss, Mrs Panchenko, who brought this idea to my attention.

MRS JUSTICE GLOSTER: Yes, I see.

MR RABINOWITZ: Sorry, just to follow that, who is

Ms Panchenko's boss? It's Mr Shvidler, isn't it?

A. I think so, yes.

Q. Now, can you go next, please, to bundle H(A)31 opened at page 122 H(A)31/122. Ms Khudyk, this is, as you see, a signed copy of the payment instruction document dated 22 May 2001.

Just to follow this, you send an unsigned copy, you get a signed copy -- or the copy is then signed. Do you see that?

A. Yes, I can see that.

Q. And do you recall that Mr Jacobson told you that he could not deal with this and that you should deal directly with Dr Jumean in relation to this?

A. No, nothing of the kind has been said to me either by Jacobson nor Mr Fomichev. Mr Fomichev asked me to send the documents that required to be signed to Mr Jacobson, and then what happened afterwards with those documents is beyond my knowledge.

Q. You see, I suggest that you did in fact send the unsigned copy to Dr Jumean, and Dr Jumean returned the signed version to you. That's right, isn't it?

A. No, this is not the way it was.

Q. Let me just show you a document, if I may, in

bundle H(A)34 at page 10 H(A)34/10. So Ms Khudyk, this is a copy of your 31 May 2001 fax to Mr Jacobson, and at the bottom of the page there is a note from Mr Jacobson to Mr Curtis which reads:

"Told Natalia/Ruslan to send directly to Eyhab [and Eyhab is Dr Jumean]. Also told Eyhab to expect documents. However, Ruslan [that's Mr Fomichev] directed that docs should be sent here. Do not know what this relates to in respect of the whole transaction so have not done anything."

Do you see that? That's Mr Jacobson's note.

- A. Yes, I can see that something is written here, and it's rather difficult for me to understand what a handwritten text in a foreign language actually says.
- Q. And that's why I've read it to you and had it translated for you, Ms Khudyk.

Now, what we then see is Mr Curtis's note responding to what Mr Jacobson has said, and that's just above what Mr Jacobson has written. Again I'll read it to you so that it can be translated:

"James -- I have told Ehab we cannot act on this -- he is to refer to his AD [which is Abu Dhabi] lawyers -- he confirms that he has already received these direct from (Sibneft?) and is dealing with Sibneft/Natalia direct -- do not send."

Now, the "Natalia", I suggest, the reference to "Sibneft/Natalia" is a reference to you, is it not?

- A. Well, you know, may I draw attention to the fact that there is a question mark after the word "Sibneft". I'm afraid that the person, the gentleman who was writing this, did not know very clearly from whom he received this, but judging from everything, he received this from Mr Fomichev, from Ruslan, because I was not in contact with Mr Eyhab.
- Q. Were you at the time working at the Sibneft office, Ms Khudyk?
- A. I was not working in Sibneft as a company but I was physically in the offices of Sibneft in Sadovnicheskaya Street.
- Q. And you had moved there from April 2001, correct?
- A. Yes, that is correct, in late April 2001.
- Q. So I suggest to you that this note indicates that you were having direct dealings with Dr Jumean in relation to this. Do you dispute that?
- A. No doubt about it, I never communicated with Dr Jumean.
- Q. And you were plainly in direct contact with Mr Jacobson at Curtis & Co, presumably you accept that?
- A. On a narrow matter related to the signing of the documents, yes, I was in communication with Mr Jacobson.
- Q. You see, I have to suggest to you, Ms Khudyk, that

although you were in direct contact with Mr Jumean, or Dr Jumean, you have produced no documents relating to any contact you have had with Dr Jumean. That's right, isn't it?

A. I had never had any contacts and, therefore, there was nothing to be created.

Q. Just in terms of whether you were at the time either at Sibneft or working for Sibneft, can I just ask you to go back to the document, you have the bundle in front of you, H(A)31 at page 164 H(A)31/164.

We see that your email address is given as a Sibneft email address.

A. Yes, I can see that.

Q. Now, I'm going to move on, although there may be one point I need to come back to on that.

Perhaps I can just ask you this. In your second witness statement at J2/3, tab 31 at page 47, do you have that J2/3.31/47?

A. Yes, I have that.

Q. Do you see in paragraph 13 you say -- this is at page 47:

"Although I cannot recall doing so, it is possible that I did speak to Dr Jumean..."

A. Yes, I can see that.

Q. Now, given that is what you were saying, Ms Khudyk,

in October 2009, how is it that, two years later, when I say to you that you had contact with Dr Jumean, your answer is:

"No doubt about it, I never communicated with Dr Jumean"?

A. I believe that I had never had contact with Dr Jumean. I had spent a lot of time thinking, and I'm trying to recollect the circumstances that obtained at that time, and I came to the conclusion that this had not been the case. I cannot recollect any such contact.

Q. I want to then move on and ask you a few questions related to Rusal, if I may.

As regards the acquisition of the aluminium assets in February 2000 and the subsequent merger in March 2000, your evidence is that, although you assisted with some of the technical work, you do not now recall any of the details, is that right?

A. Yes. I did provide some assistance but I do not recall any major details.

Q. Very well. I won't ask you questions about the contractual documents related to that. I've put those to other witnesses already.

Also though, as regards Rusal, you were involved in some of the payments that were made via Madison and Espat to Blue Waters and Rich Brown in 2002 to 2005,

were you not, Ms Khudyk?

A. Yes, I did take part in some of the payments that went through Madison, Espat, towards Rich Brown and Blue Waters, yes.

Q. As regards the Rich Brown payment, you tell us -- this is at paragraph 56 of your third witness statement, page 149 of the Russian and 123 of the English -- you tell us in relation to the Rich Brown payment that Ms Panchenko did not explain to you the reasons for that payment, is that right?

A. That is absolutely correct.

Q. And indeed Ms Panchenko has told us that she did not know the reason for this payment of -- you're talking here about the \$127.5 million payment to Rich Brown, or the earlier payment of \$50 million to Blue Waters.

Can I take it that, since Ms Panchenko did not know the reason for either of those payments, nor did you, Ms Khudyk?

A. There was no one that I could even ask the question of. If my direct boss does not tell me, then, of course, definitely I do not know that.

Q. And you say that no one explained to you the reasons for either of these payments?

A. No. No one explained to me the reasons why those payments were being made, and so far as those payments

were concerned, on our side, I only dealt with Mrs Panchenko.

Q. Now, we do have, in relation to the \$50 million payment to Blue Waters, an attendance note made by Mr Keeling of Denton Wilde Sapte of a conference call in which you participated.

I wonder if I can just show that to you. You're obviously aware of it because you refer to it at paragraphs 51 and 52 of your statement. Perhaps, rather than looking at it, I can just ask you about that E2/06/122.

You tell us, I think at paragraph 51, that you don't remember that particular conference call. I should have let you just familiarise yourself with what you say at paragraph 51 and then let me ask you that question.

(Pause)

Is that right? You don't remember that particular conference call?

A. Yes, that is correct. I do not recall that, that call.

Q. And then I think you say at paragraph 52, since you don't remember the call, you suggest that it was Mr De Cort who would have explained the structure of the funds because the conversation was among English-speaking persons. Is that right?

A. Yes, this is absolutely right.

Q. In that case, I can ask Mr De Cort about that rather than you.

My Lady, I can try -- I've got a little bit more --

MRS JUSTICE GLOSTER: Why don't we keep going for a bit.

MR RABINOWITZ: Just looking at paragraph 60 of your statement, page 151 of the Russian E2/06/151, 124 of the English E2/06/124, you tell us that you were a member of the working group that was involved in the sale in 2003 of 25 per cent of Rusal to Mr Deripaska, is that right?

A. Yes, this is correct.

Q. But you don't provide any independent details of the first Rusal sale other than information that can be derived from contractual sales documents. Is that because you don't have any clear independent recollection of the first Rusal sale, Ms Khudyk?

A. I'm sorry, I'm not sure I understand. Are you talking about the first sale or the second sale?

Q. At this stage I'm talking about the first sale.

A. Well, it's not that I don't have any recollection at all. The thing is that my role was so insignificant that there is really, really nothing to describe.

Q. On that basis I'm not going to ask you to describe insignificant things. Presumably the person who would have been centrally involved in dealing with the legal

issues that were arising, was that Mr De Cort or Mr Tenenbaum?

A. Well, once again, are we talking -- my apologies, are we talking about 2003 or 2004?

Q. 2003.

A. Well, I believe -- it seems to me that back in 2003 Mr De Cort was not yet dealing with those matters. I am not totally certain, but I believe that at that time there was another lawyer in the group and it was not Mr De Cort and therefore I cannot really tell you.

Q. In terms of the 2004 transaction, would it have been Mr De Cort or Mr Tenenbaum who were involved, or both of them, who were involved in dealing with the legal issues?

A. My Lady, so far as I know, the direct boss of Mr De Cort was Mr Tenenbaum. I communicated with Mr De Cort so really -- now, to what extent Mr De Cort communicated with his boss, I cannot tell you.

MR RABINOWITZ: Thank you very much, Ms Khudyk. I don't have any more questions.

MRS JUSTICE GLOSTER: Very well, thank you.

MR MALEK: No questions, my Lady.

Re-examination by MS DAVIES

MS DAVIES: My Lady, there's one matter by way of re-examination for which Ms Khudyk will require some

assistance with the transcript.

If you could please scroll back to [draft] page 90.

There may have been a translation issue here which is what I just want to clarify, Ms Khudyk. If you can look at [draft] page 90, at line 16, there's a question:

"So when I asked whether, in the course of your work setting up a mechanism for the payment of the 1.3 billion, you were in contact with Mr James Jacobson, why did you say that you were not?"

And your answer:

"Because it was a one-off occurrence ..."

Perhaps the translator could just translate those three lines.

- A. I gave this answer because my main contact, so far as the mechanism, and the implementation of the payment mechanism was concerned with respect to that amount, was Mr Fomichev, whereas Mr Jacobson had been indicated to me by Mr Fomichev for one single, narrow person only to communicate with him with respect to documents only.

And so what I meant was that he was not my contact on the recipient's, on the payee's side, in the broad sense of the word.

- Q. And can you recall over what period of time you understood you were being asked you were in contact with Mr Jacobson when you gave the answer that you did?

A. It was literally maybe one, two weeks in May, not more than that. I'd rather even say one week in May 2001.

MS DAVIES: Thank you very much, Ms Khudyk.

MRS JUSTICE GLOSTER: Thank you very much. I have no questions. Thank you for coming to give your evidence.

(The witness withdrew)

Right, I'll take the break now. Ten minutes.

(3.13 pm)

(A short break)

(3.36 pm)

MRS JUSTICE GLOSTER: Mr Sumption, before you start, it's been brought to my attention -- could this be translated into Russian please. It's been brought to my attention that somebody during the course of this afternoon took a picture in court. That person has been removed from court and the pictures are in the process of being deleted.

Can I remind everybody in court that taking photographs in court is a contempt of court and in some cases is regarded as a serious contempt of court possibly leading to imprisonment. Can I make it absolutely clear that nobody is to take a photograph in court. Thank you very much.

MR SUMPTION: My Lady, I call Mr Grigoriev.

MR ALEXEI GRIGORIEV (affirmed)

MRS JUSTICE GLOSTER: Please sit down.

Examination-in-chief by MR SUMPTION

MR SUMPTION: Mr Grigoriev, could you please be given bundles E4 and E8. You have made I think two witness statements for this trial, the first of which is at bundle E4, flag 6 E4/06/89. Is this your first witness statement?

A. Yes, it is.

Q. And if you look at page 112, is that your signature?

A. Yes, it is my signature.

Q. And is that statement true?

A. Yes, I consider this statement to be true.

Q. Now, would you turn to bundle E8, please, flag 12 E8/12/152. Is this your second witness statement?

A. Yes, this is my second witness statement.

Q. And is it your signature that we see on page 166?

A. Yes, this is my signature.

Q. And is that statement also true?

A. Yes, this statement is also true.

MR SUMPTION: Thank you very much. If you wait there, some questions will be asked of you.

Cross-examination by MR COLTON

MR COLTON: Mr Grigoriev, you live in Russia, that's right?

A. Yes, I do live in Russia and I've been born there as

well.

- Q. And as for your background, you graduated from the Moscow Institute for Energy, is that right?
- A. In Russian, the correct expression is Moskovsky Energetichesky Institute, the Moscow Institute for Energy, the Moscow Energy Institute.
- Q. And then you served in the Russian armed forces, is that correct?
- A. Yes, this is correct.
- Q. You then worked in a series of senior positions in SBS Bank, later SBS-Agro, is that correct?
- A. It didn't -- it wasn't called SBS from the start, but if to omit the host of renamings of the banks, then this is correct.
- Q. In 2007, you then became chairman of the management board of Dvizheniye Bank, that's right, isn't it?
- A. Are you saying year 2007? Yes, this is correct.
- Q. And following a merger, you then became chairman of the board of directors of Vostochny Bank, is that also correct?
- A. Yes, this is correct, and I remain in this position as of today.
- Q. And so it's right, is it, that your entire business career has been in Russia?
- A. Yes, this is true. One could even be more specific: all

of my work activity has been spent in banking.

- Q. And your personal ties, your family live in Russia as well, is that correct?
- A. Yes.
- Q. You have no connections to England, is that right?
- A. No, I've visited here only once, even with touristy purposes, as a tourist.
- Q. Thank you. Would you please be given bundle H(C)8 and would you turn in that bundle to page 1 in the Russian H(C)8/1 or 1T in the English version H(C)8/1T. This is a document which is described as a "Record of witness interview", it's dated 5 March 2009, and the witness in question is yourself. Do you see that?
- A. Yes, I do.
- Q. This is a document to which you refer in your second statement as a copy of the official transcript of the interview on that date. Is that correct?
- A. I do not refer to that document. I am simply clarifying, I am explaining what I have read in that document.
- Q. But you accept, I think, that this is the document which records the interview which you had on that date?
- A. Yes, this is a record of witness interview that happened with me on 5 March 2009 to do with the criminal case against Mr Berezovsky that was initiated in Russian

Federation.

- Q. Now, just to understand the process by which this transcript came into existence, we see at page 1, or 1T in the English, at the top, that the interview began at 2.35 pm and was completed by 4.52 pm. Do you see that?
- A. Yes, I do.
- Q. So the interview took a little over two hours, two hours and 17 minutes I think?
- A. I would like to draw the court's attention that this interrogation was made using an audio recording. This is not the formation of a document, this is only done using an audio recording. So I was speaking over two -- two hours and 17 minutes. And then the investigator was taking the notes down on paper in the course of several dates -- days.
- Q. You've mentioned an audio recording. What you don't mention in your witness statement, however, is that you were played this audio recording at the end of your interview on 5 March. But that's correct, isn't it?
- A. There is a document like this, this is correct. But the fact that the audio recording was played to me, that is slightly untrue. In actuality, neither myself nor the investigator were listening to another two hours of the audio recording, but there is such a document and I admit this.

Q. Would you please turn then in the English to 47T H(C)8/47T or in Russian to page 46 H(C)8/46. You will see at the bottom of this page that there are two statements by the investigator followed by a statement by yourself, and it reads:

"Investigator: I understand. In connection with the end of the tape on the audio cassette, the interview of the 5th of March 2009 will now end. The audio recording will be played back to the witness. The time is [4.52]."

Do you see that?

A. Yes, I do. I do see that.

Q. And then it says:

"After the end of the witness interview of Grigoriev, the audio recording on the two audio cassettes of the brand Sony MC30 and the brand TDK MC90 was played back to him. Do you wish to make any declaration?"

And you reply:

"No, I have no declaration."

Do you see that?

A. Yes, I see that.

Q. And you have signed under that statement, do you see that?

A. Yes, this is true.

- Q. If you now turn on in the Russian to page 49 H(C)8/49 and in the English to 49.001T H(C)8/49.001T, would you just read the short paragraph on that page to yourself, please. (Pause)
- A. I have read it.
- Q. So again we see that you have signed to confirm that you listened to the interview record on 5 March, isn't that correct?
- A. Yes, I agree.
- Q. So do you now accept that you did in fact listen to the audio recording at the end of the interview on 5 March?
- A. I would agree that I have signed this document, and if you are interested in the way it really happened in actuality, then you would have to accept that there was no real listening through. The investigator suggested not to do it, or to leave me there for another four hours to wait because he had other business to attend to, and of course I went down the road of his suggestion because, after all, it's the General Prosecutor's Office and one doesn't wish to argue in that place.

And it was quite late in the day, and maybe in four hours he might have forgotten that I was sitting there and he would have come back to the office in the morning. So I decided not to take that risk, and I decided that it would be more acceptable for me to

leave, since such an option was offered to me, and to leave without listening through this audio recording.

However, that does not change the essence of the fact that indeed I did sign this document, and I bear responsibility by way of my signature for the information that was provided by me.

Q. So you preferred to sign a document knowing it to be untrue rather than waiting around for another couple of hours, is that the evidence you're giving today?

A. No, my evidence is that I have heard this audio recording, and the audio recording was made using my own voice, me speaking. It's just the rechecking. It's not that someone is speaking in my place and I then confirmed that that was true. This is indeed the conversation I had with the investigator, it is indeed recorded in the audio recording.

Indeed I could have listened through it and, based on the voice recording, to make some corrections, but to be honest I do not take the information in using my hearing, I'm a visual -- my memory is visual. I like to read the documents in writing and the -- perhaps it wouldn't be very helpful for me to listen to the audio recording at that point in time.

And then again, my own voice recorded -- usually, for example, I don't like hearing myself being recorded,

myself speaking. Sorry, this is a joke, I do apologise.

- Q. You began that answer by saying that you did in fact listen to the audio recording. Just to be clear, on what date do you say you listened to the audio recording?
- A. I didn't say I did listen through it. Perhaps something was incorrectly translated. I am saying that I have signed a document supporting, confirming, that this audio recording was listened to by myself, but in actuality this situation was such that I did not listen to this audio recording.

MRS JUSTICE GLOSTER: I think what he meant was he heard himself speaking, Mr Colton, so I don't think it's worth spending too much time on that particular point.

MR COLTON: Very well. You then went away and came back five days later, is that correct?

- A. According to the summons, I did come back in order to give repeat evidence, and at the same time to sign an interview record in writing.
- Q. So you had five days to consider the evidence which you had given in order to consider whether any of the answers you had given were misleading or inaccurate in any way, is that right?
- A. I had five days, yes, that's true. But I didn't see great pressing need to think over some answers.

Everything is quite clear there without double meaning, and I have provided the correct information in a correct way.

Q. And then, when you returned, you had a further opportunity to review the transcript, is that correct?

A. Yes, that's correct.

Q. In fact, we can see at page 49T H(C)8/49T, or page 48 in the Russian H(C)8/48, that between 5.50 pm and 7.50 pm on the 10th you came back to review the evidence, is that correct?

A. At the same time an additional witness statement was provided and additional interview protocol was drawn up. That wasn't a time for familiarisation. This is a time for the interview, that was interview time, and you do have the materials about that interview as well.

That interview was not done using an audio recording, that was done in a, so to speak, classic way, ie there was a question, then there was a recording of the answer, given an option of that answer, approving, agreeing that answer, and the final agreement.

If you look at it, the text of these interviews, they are quite distinctly different. And if you look at the interview protocol that was used, using the audio recording, if it had some rough bits, there aren't any rough bits, any strange bits in the second interview.

It's all quite succinct and presented in, I would say, a legal language.

Q. Would you please turn to page 3 in the Russian H(C)8/3 or 3T in the English version H(C)8/3T.

MR SUMPTION: The [draft] transcript has come up with "presented in illegal language".

THE INTERPRETER: I do apologise, "in a legal language". This is the interpreter speaking.

MRS JUSTICE GLOSTER: Thank you.

MR COLTON: On page 3 or 3T, towards the bottom, you will see that there is a declaration which you have made that you have been warned of criminal liability for refusing to give evidence or for giving evidence known to be false. Do you see that?

A. I can see it on the second page.

Q. Page 2 H(C)8/2. I'm sorry, thank you.

In 2009, you didn't have a criminal record, did you?

A. Yes, I did not have a criminal record, neither in 2009 nor in 2011. I do not have a criminal record.

Q. And you would not have wanted to get a criminal record for giving false testimony, one imagines. Is that fair?

A. I think so, yes. I have no doubts about that.

Q. If we look in the Russian version only, behind pages 2, 3 and 4, for example, we see that you signed, at the bottom of each page of the transcript, do you see that?

A. Yes, I do. Yes, I do see that.

Q. And again if we turn to page 47 in the Russian H(C)8/47, or 48T in the English H(C)8/48T, you were given the opportunity to comment but had no comments to make. Is that correct?

A. Yes, I had no comments.

Q. Nonetheless, Mr Grigoriev, you will be aware I think that there are some inconsistencies between the evidence which you gave in 2009 to the Russian authorities and the evidence which you are now asking this court to accept as true. You are aware of that?

A. Yes, I am. It's to my great regret I've found these inconsistencies within these proceedings when the materials of this interview were presented because I had no other access and this criminal case was not closed, and within the Russian legislation access to these materials is not possible.

So the only time when I saw these materials was at the point in time when I was signing them and, to my great regret, I have seen that these insignificant details from the points of the matter of this interview. But the details that turned out significant within these proceedings, yes, indeed, there were these inconsistencies and discrepancies, and I do regret profusely, and I would like to inform you, that I have

taken my initiative and tried to get in touch with Mr Lomovtsov, the investigator, with this regard, if he were to consider this information to be important, to make these corrections.

So far it didn't work out and I'm not quite sure that that investigator continues to work on this criminal case. I wasn't given another contact but I do have this intention and, if my Lady may allow me, I could clarify later the reason for why these inconsistencies have arisen, but I do admit that they do exist there and I do regret about that.

MRS JUSTICE GLOSTER: Can you be a bit slower in your evidence, please, because the translator is a bit behind you.

When you speak, can you speak more slowly.

A. I shall do my best.

MR COLTON: Mr Grigoriev, would you please take up page 13 in the Russian H(C)8/13 or 15T in English H(C)8/15T. You'll see towards the top of the page that you are asked if you are acquainted with Hans-Peter Jenni, and you say not. Then you are asked about a series of other individuals, ending with Roman Arkadievich Abramovich, do you see that?

A. Yes, I do see that.

Q. And you respond to that question:

"Just as I said before, sometimes I read the newspapers, but I myself have never seen him or met him."

Do you see that?

A. Yes, I do.

Q. Would you now please look at paragraph 14 of your first witness statement. It's in bundle E4 behind tab 6, at page 106 E4/06/106 in the Russian, or 94 in the English E4/06/94.

A. Yes, I have opened the page.

Q. Perhaps you would just read paragraph 14 to yourself, just to refresh your memory of that. (Pause)

A. I've read it.

Q. Here in paragraph 14 you claim to recall meeting Mr Abramovich for the first time in 1995. Do you see that?

A. Yes, I do see that.

Q. So it is clear, I suggest, that either paragraph 14 of your witness statement, or the evidence which you gave to the Russian prosecutor, which we have just looked at, was untrue. Is that right?

A. I do admit that the interview materials do not correspond to the materials or to the information that I have provided in my witness statements. I do admit this. And I have an explanation to this.

MRS JUSTICE GLOSTER: Right. What's the explanation, please?

A. Thank you very much for that opportunity because it was important for me to say that as well.

There are two points that I would like to draw the court's attention to, the first one is that we have touched upon already, that's the form of interrogation, that was done by audio recording.

And I could assure that over the two and a half hours, over two and a half hours that I have spent in that audio recording I have talked unfortunately a lot more than was finally captured in this interview, in these interrogation or interview materials.

So the investigator was quite selective with regard to the information that he received from me, and on the matters that were of interest to him, you can find more detailed information in that interview. Where the questions were not significant for him, there are certain omissions. That's the first point I was going to make.

And the second point is, it's on the matter of the interview. From the very beginning, the interrogation, the investigator said that he is interested only in one loan received by Runicom company. There were many such loans and he said he won't discuss any other loans apart

from this one, and the information with regard to any other matters was not of interest to him on principle.

If we were to look at the interview materials, it starts from Hans-Peter Jenni. I am asked whether I knew such and such individuals. And Mr Abramovich, as far as I understand, is number five in that list.

If I wanted to say that I did not know him and never met him, perhaps I would give similar information in a similar form as I've done with the previous four gentlemen. But with regard to Mr Abramovich I have started answering this question in a broader manner, and here there is a reference to my previous answers. And my previous answers were as follows, that most likely I do know these people but they don't know me because my meetings with them had a fleeting, insignificant technical nature and it's very likely that they would not remember these meetings.

And within this detailed answer the investigator asked me the question: so did you meet with regard to this loan? And I said no, I had no meetings with regard to that loan, I had no interviews, I had no conversation with regard to these loans.

MRS JUSTICE GLOSTER: Okay.

A. And basically -- and there is a sub-question under these two phrases.

MRS JUSTICE GLOSTER: Right. Well, let's leave it there.

Mr Colton, you go on, please.

MR COLTON: Mr Grigoriev, the first attempt to explain away this inconsistency which you just gave was you said that there was a lack of detail.

I suggest to you, though, that your answer is entirely clear and isn't lacking in detail. You said in terms, "I have never seen him or met him."

That was simply a lie, is that what you're now telling the court?

A. I never met and had no meetings with regard to Runicom loan. In that part of my answer, the answer is complete and it is true.

Q. Do you say that you knew that this statement made here was incorrect but decided to leave it incorrect? Or do you say that you didn't realise that it was incorrect at all?

A. When I was answering, when I was giving my answer, I was answering in more detail, and not all of that information was recorded in this interview, and my fault is that I did not pay attention to this when I was signing this interview. I indeed did focus on other issues that were of a more complicated nature.

MRS JUSTICE GLOSTER: Mr Grigoriev, it may be that you're speaking too close to the microphone.

AUDIO EQUIPMENT OPERATOR: Sorry, it's that his headphones are too high.

If you could just lower the volume of his headphones down a touch on the unit. The volume of his headphones is too high. (Pause)

MRS JUSTICE GLOSTER: Is that better? Okay, let's try.

MR COLTON: Mr Grigoriev, in an answer you gave a moment ago, you said that:

"When I was answering, when I was giving my answer, I was answering in more detail, and not all of that information was recorded in this interview, and my fault is that I did not pay attention to this when I was signing this interview."

Would you please, though, take up your second witness statement, that's in bundle E8.

(Pause to rectify audio problem)

Mr Grigoriev, I was asking you to take up bundle E8, tab 12 at page 164 in the Russian E8/12/164 or 156 in the English E8/12/156 and read to yourself paragraph 7, please.

THE INTERPRETER: Now the witness cannot hear anything.

MRS JUSTICE GLOSTER: Can you hear anything? (Pause)

Right, Mr Colton, start again, put the question again, please.

MR COLTON: Would you read to yourself paragraph 7 on that

page, please. You should have page 164 in the Russian, 156 in the English.

Do you see that?

A. Yes, I have read it.

Q. You see, the evidence which you gave in your second statement is that you took, or you believe it most likely that you took a deliberate decision to leave this error in your interview transcript because you wished to leave as quickly as possible.

A. Yes, I can see that.

Q. Which is different to the evidence you've just given to this court, where you suggested you hadn't actually noticed that there was a problem with the evidence at all. Do you wish to comment on that?

A. Yes, certainly, I would like to comment. What I wanted to say is that I did not notice that error as an error. I perhaps have read it and didn't pay due attention to this. But here, in my witness statement, I'm saying that it's quite possible that even if I did notice and pay attention to this, then it's absolutely definite that I would ask for that to be corrected because that would have caused a significant loss of time and there wasn't much point from the point of the essence of that interrogation. There wasn't much significance. It wasn't a separate issue that they wanted to study during

that interview.

MRS JUSTICE GLOSTER: I think something may be lost in translation.

I'm going to put the question to you, Mr Grigoriev. Are you saying in your witness statement that it's quite possible that, even if you did notice and paid attention to the error, that you would have asked for it to have been corrected, or that you might not have asked for it to be corrected?

A. At that point in time, it seemed to me that this issue had nothing to do with the essence of the interview, with the point of the interview. And just to remind you that I came to draw up the prepared protocol, the prepared interview. It wasn't done during the interview, it was done over several days, and I was suggested -- it was put to me to sign it in the ready format. And if I were to make any corrections, that would lead to a complete redrawing of these materials, a complete redrafting, and that would again cause a significant loss of time.

And certainly, looking at orthographical errors, typos, some separate words, it wouldn't be much point to do that, it would be not rational on my part, and I thought that -- at that point in time I didn't give due attention to this issue because it seemed to me that

it was not significant. It didn't affect the issues that I was interviewed on in the first interview and in the second interview and on which I am giving my evidence.

So my fault is that I did not pay due importance to this. Now I do understand this but then I thought it was a minor issue, a very minor issue. Maybe I was wrong, and I do regret about this, but at that point in time, that seemed to me to be the case.

MRS JUSTICE GLOSTER: Thank you.

MR COLTON: So you are saying, are you, Mr Grigoriev, that you took a decision yourself as to on which issues it was important to tell the truth and on which issues it was all right to leave the investigator with false evidence. Is that your evidence?

A. I make my decisions myself. This is a true statement and what's important or not important for the investigation, that was certainly down to the investigator. And for the matters that were of interest to him -- and he didn't ask simple questions, he didn't ask questions, for example: do you know him? Do you not know him? He was asking detailed questions, he was asking various questions to study the matter that he was interested in, and that question was of an interjectory nature and that can be seen from the materials.

Q. Just to be clear, Mr Grigoriev, you have referred now on more than one occasion to your subsequent interview.

I think you suggested that that subsequent interview was on 10 March 2009, the same time as you were reviewing the transcript, but the interview actually took place on 23 March, isn't that correct?

A. I do not remember the dates. They can be seen from the document.

Q. Well, let me show you then in this same --

MRS JUSTICE GLOSTER: Well, just a second, how much longer are you going to be with this witness?

MR COLTON: A little while, my Lady.

MRS JUSTICE GLOSTER: Right. Then I think I'm going to rise now.

Mr Grigoriev, it's important that you don't speak to anybody about your evidence or the answers you've given this afternoon or about the case. Do you understand that?

THE WITNESS: Yes, I do understand that.

MRS JUSTICE GLOSTER: Okay. 10.15 tomorrow morning.

(4.16 pm)

(The hearing adjourned until.

Thursday, 17 November 2011 at 10.15 am)

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