

This transcript has not been proof read or corrected. It is a working tool for the Tribunal for use in conducting these appeals. It has been placed on the Tribunal website for readers to see how matters were conducted at the main oral hearing of these proceedings and is not to be relied on or cited in the context of any other proceedings. The Tribunal's judgment in this matter will be the final and definitive record

1 Thursday, 11th March 2004

2 (10.15 am)

3 Housekeeping

4 MR MORRIS: The only initial observation I wish to make is
5 that Mr Harris is here on behalf of Manchester United
6 just perhaps to express his views or really to be
7 informed of where we are on timetabling in relation to
8 the penalty appeals. I do not know if I can hand over
9 to Mr Harris.

10 THE PRESIDENT: Let us clear one thing. At the moment we do
11 not have the witness present --

12 MR WEST-KNIGHTS: Yes, we have at the moment.

13 THE PRESIDENT: We do have the witness present.

14 MR WEST-KNIGHTS: I think we agreed that that would not be
15 appropriate.

16 THE PRESIDENT: Do you want to go into full camera?

17 MR WEST-KNIGHTS: No, I just think it would be a sensible
18 idea if Mr Ronnie were not here.

19 THE PRESIDENT: Mr Ronnie, I think it would be a good idea
20 if you kindly withdraw for a minute while we discuss
21 administrative matters.

22 Before we get to Mr Harris, I think we should just
23 see, generally, where we are on the timetable. I think
24 you were going to update us.

25 MR WEST-KNIGHTS: I am in my learned friend Lord Grabiner's

1 hands, and we have not had the opportunity of discussing
2 his likely timetable. The way things are going,
3 you will appreciate that Mr Ronnie has made, as it will
4 emerge, four and a half witness statements -- I will
5 explain the half in due course.

6 THE PRESIDENT: Mr Ronnie will be all day today, I would
7 have thought.

8 MR WEST-KNIGHTS: And well into tomorrow, if not the whole
9 of tomorrow. That is just my caveat in terms of
10 Mr Ronnie, simply because again Mr Peretz and
11 I overnight reviewed the matters we wish to put to him.

12 There are bits that are actually quite complicated
13 that we need to understand.

14 THE PRESIDENT: It is quite a lengthy process,
15 Mr West-Knights.

16 MR WEST-KNIGHTS: I am obliged. I suppose the bottom
17 line is that I may well be all day tomorrow. There is
18 discrete matter that I did want to raise. Things were
19 moving rather quickly yesterday --

20 THE PRESIDENT: Sorry, was there some discrete and separate
21 matter you wanted to raise?

22 MR WEST-KNIGHTS: Yes, it is not to do with timetabling, it
23 will only take two minutes and it is not controversial.

24 THE PRESIDENT: Lord Grabiner, do you have anything you want
25 to add on that?

1 LORD GRABINER: No, I have not. With a fair wind I might be
2 finished before lunch today.

3 THE PRESIDENT: Let us see how we get on.

4 MR MORRIS: May I just remind the tribunal about the
5 position of Mr Prothero. If there is any suggestion
6 that Mr West-Knights might go all day tomorrow, I do not
7 envisage from having spoken to my learned friends that
8 Mr Prothero will be very long, and I would suggest that
9 in that situation he may have to be interposed since he
10 will be in Brazil next week.

11 MR WEST-KNIGHTS: I think the position is that Mr Prothero's
12 evidence does not touch JJB. With a fair wind we could
13 do him in 10 minutes, but I doubt it would be more than
14 half an hour.

15 THE PRESIDENT: I think we should make every effort to hear
16 Mr Prothero tomorrow afternoon.

17 MR WEST-KNIGHTS: If I may say so, at any moment which
18 appears to be a convenient moment, we can pop him in.

19 THE PRESIDENT: Do we need on timetable now with Mr Harris
20 here to discuss the question of hearing the penalty
21 hearings back? What had happened in your absence
22 Mr Harris, and I did have it in mind to remember that MU
23 is also concerned, the suggestion at the moment is that
24 the penalty hearing, subject to one question mark about
25 the Umbro hearing, should basically go over until there

1 is a judgment on liability.

2 I do not know whether you have any observations on
3 that?

4 MR HARRIS: Manchester United is content for that to happen.

5 My understanding, as you have just made clear, is that
6 it will be after a liability judgment, and one can only
7 hope that that will be not in the too distant future,
8 but I think our principal concern is simply that in the
9 same way that the penalty hearing as currently set down
10 as being put together by reference to all counsels'
11 availability, that the same would happen for any renewed
12 hearing.

13 THE PRESIDENT: The same would happen for any renewed
14 hearing. As far as the tribunal's own timetable for
15 producing a liability judgment is concerned, that is
16 going take some time. It is not a judgment that can be
17 written very quickly, and it is quite a lengthy and in
18 its own way a complex judgment to write. So there will
19 be some quite considerable pause I think between the end
20 of these liability hearings and the emergence of
21 a judgment.

22 MR HARRIS: Yes, sir. With the greatest respect is there
23 any fair indication of how long that considerable pause
24 might be? We do have concerns, for example, about
25 financial years and making provisions and this kind of

1 thing.

2 THE PRESIDENT: It would be very difficult to expect
3 a judgment in anything under eight weeks at the very
4 minimum. Given the tribunal's general workload and
5 the situation in this case that forecast would be quite
6 optimistic.

7 MR HARRIS: I understand that entirely. That is the
8 position of the tribunal and Manchester United. I am
9 more than content, if the tribunal wishes me to come
10 back at some later occasion in the event that the
11 issue arises again.

12 That probably takes care of my side of the business
13 for today.

14 THE PRESIDENT: Thankyou. Yes Mr Morris, anything else?

15 MR MORRIS: There is one other matter I have failed to
16 mention which I had mentioned yesterday and that is the
17 position also of Mr May. Mr May also has a very strong
18 request to be heard tomorrow or to give evidence
19 tomorrow. I understand again that is a matter for
20 Allsports, and I also understand that he may not be very
21 long. I would make a similar request that he also be
22 dealt with tomorrow. You will no doubt hear what
23 Mr West-Knights has to say about that. He starts a new
24 job on Monday, and he has put off starting his job
25 the whole of this week to be available to give evidence.

1 THE PRESIDENT: I see, yes.

2 MR WEST-KNIGHTS: Mr Prothero is, if I may say so,
3 sui generis, he is going to Brazil.

4 THE PRESIDENT: Mr May may take longer from your point of
5 view I could imagine.

6 MR WEST-KNIGHTS: It depends. You are aware that there is
7 a stark and absolute conflict of recollection between
8 him and Ms Charnack. How long it takes to resolve that
9 conflict with Mr May is a matter for Mr May. I would be
10 unhappy to have to interpose him as well, not least
11 because I have questions of the current witness which
12 will throw light on Mr May's position which I may not
13 have finished doing by the time there is any
14 interposition, so I would be deeply unhappy for
15 Mr May to come in before Mr Ronnie is finished.

16 THE PRESIDENT: I think all we can do at the moment with
17 Mr May is just to review the position later today and
18 see where we are.

19 MR WEST-KNIGHTS: I am not pretending anything, I doubt very
20 much whether that review is going to assist Mr May's
21 conundrum.

22 That leaves my discrete matter, this is something
23 I should have mentioned yesterday, and I apologise for
24 not having done so. It is the question of Allsports'
25 position in respect of pressure generally.

1 The witness we are now hearing from is of course
2 the first witness that gives any evidence at all in
3 respect of the alleged pressure placed on anybody by
4 Allsports. He is, in addition, the first witness that
5 we have heard from Umbro.

6 I think what really highlighted this for me --
7 I wonder if I could ask you to turn up the decision
8 bundle and look at two paragraphs in respect of Umbro.

9 At paragraph 589, it is a paragraph dealing with
10 some aggravating features as was held in respect of
11 Umbro. It is said that they were subjected -- this is
12 just a finding, plainly one aspect of this is under
13 appeal -- to pressure by JJB and MU, full stop.

14 Of course, that is in the decision; there is no
15 reference to us.

16 Similarly if you look at 594, you will under the
17 mitigating circumstances said to apply to Umbro, again,
18 that they are said to have been pressured by JJB and
19 Manchester United.

20 THE PRESIDENT: Yes.

21 MR WEST-KNIGHTS: That is really a reminder from my point of
22 view, our point of view, it is not merely that
23 the decision says nothing about pressure in respect of
24 Allsports but it permeates the whole of the position
25 that Allsports do not feature in any respect as to

1 the relationship with Umbro. It is that that triggers
2 me to remind the tribunal, if I may with respect, that
3 we are in our skeleton and here maintaining, as it were,
4 our application that the pressure case is one that we
5 should not be facing.

6 THE PRESIDENT: You have entirely reserved your position on
7 the pressure case.

8 MR WEST-KNIGHTS: It is point 1 further than that. We are,
9 as it were, renewing the application here, and it is
10 a matter for you.

11 The holding that was made earlier expressly left
12 open to the main hearing further consideration of that
13 question.

14 THE PRESIDENT: Yes.

15 MR WEST-KNIGHTS: Now, if at any time you collectively think
16 that we should not be facing this pressure position,
17 then if you come to that view, at any moment, please say
18 so, and I will not need to cross-examine anybody about
19 pressure, and that should shave about a week off it.
20 But I am not doing that --

21 THE PRESIDENT: No, it is not a tactical move.

22 MR WEST-KNIGHTS: No, but it is a reminder that I should
23 have made earlier, prior to Mr Ronnie coming into the
24 witness box. That is, and remains our position. As
25 I say, pursuant to our skeletons, we have our

1 application open; not merely that we reserve our
2 position but we are inviting the tribunal, as it
3 envisaged it might at the preliminary ruling, review
4 the position when we got to the main hearing and that
5 is, if I may say so, a process of continuous review and
6 if, at any moment, you think, yes, this is nonsense
7 given the scope and the scale of the decision and
8 the whole way that it interlocks, then this is something
9 that you might like to reconsider.

10 THE PRESIDENT: Yes. Thank you very much.

11 Very well, are we in a position now to resume with
12 Mr Ronnie? Would someone be kind enough to ask
13 Mr Ronnie to come forward.

14 (10.30 am)

15 MR CHRISTOPHER RONNIE (continued)

16 THE PRESIDENT: Good morning, Mr Ronnie.

17 THE WITNESS: Good morning.

18 THE PRESIDENT: I remind you that you are still under oath
19 and Lord Grabiner has some further questions.

20 Cross-examination by LORD GRABINER (continued)

21 Q. Mr Ronnie, when we rose last night I was putting to you
22 my suggestion that you had made three versions and now
23 I am going to suggest a fourth version in due course in
24 the light of your answers yesterday, but let us put that
25 to one side for the moment, but we were looking at

1 the third version yesterday, and we were some way
2 through showing you the evidence which supported
3 the proposition that I was putting to you. Do you
4 remember that?

5 A. Yes.

6 Q. Just to remind you, the third version that I suggested
7 was this: in this one you do not refer to any telephone
8 conversation with --

9 THE PRESIDENT: I am sorry, lord Grabiner. For my note,
10 which page are we on?

11 LORD GRABINER: We are not on any page. I am going to come
12 to passages in the transcript.

13 THE PRESIDENT: You are just summarising at the moment.

14 LORD GRABINER: I am putting my version at the moment.

15 You do not refer to any telephone conversation with
16 anyone at JJB either to obtain their agreement to
17 maintain prices on the England kit or to inform them of
18 the agreement that you had made with Sports Soccer on
19 24th May. So that is the thrust of this version. So
20 this one involves your not referring to any other type
21 of agreement with JJB.

22 I had shown you some paragraphs from your witness
23 statement, the unsigned one, you remember; that is in --
24 I will not re-read them to you, but you might like to
25 just remind yourself of them -- file 3 at pages 7-8.

1 What I drew to your attention was the collection of
2 paragraphs, 33-39. You might just like to glance at
3 them. (Pause).

4 A. Okay.

5 Q. And then the next little group is on page 92 of the same
6 bundle. I had read to you paragraphs 17 and 18. You
7 might just like to glance through those, and then I will
8 resume at paragraph 19 when you are ready. (Pause).

9 A. Okay.

10 Q. You will recall that the charge we are concerned with
11 here is the one about the England Euro 2000 shirt?

12 A. Yes.

13 Q. At paragraph 19 you say:

14 "The reference to "retail price of England" in this
15 sentence does not make sense in the context of
16 the sentence as drafted. My reference to England meant
17 the different retail prices that had been charged by
18 retail accounts in respect of the retail price of
19 England replica products during May 2000. This variance
20 in retail price of England replica kit had caused
21 the retailers to complain to Umbro. The retailers did
22 not like the fact that the retail prices were ranging
23 from £32.99 to £39.99 and they wanted some stability in
24 the retail price. Pressure had been placed on Umbro to
25 try to encourage some of the retailers ie Sports Soccer

1 and JD Sports who were reducing the price of England
2 replica kit to raise the retail price for England
3 replica kit. The retailers, especially JJB and
4 Allsports, were concerned that the disparity in
5 the retail price of England shirts would be followed at
6 the launch of the Manchester United home kit in
7 August 2000.

8 "On a few earlier occasions, Umbro had spoken to
9 retailers about retail prices but these did not lead to
10 any impact on retail prices of replica kit. It is my
11 understanding that the major retailers needed a
12 guarantee that the retail price of replica kit would
13 stay stable, which is something that Umbro clearly could
14 not do."

15 And then in the same witness statement, at
16 paragraphs 83-90, you take up the topic again, and
17 you will find that at page 106. It is near the top of
18 page 106:

19 "On 24th May 2000 Lee Attfield, Mark Monaghan and I
20 attended a meeting with Mike Ashley and Sean Nevitt of
21 Sports Soccer ... We discussed the retail price of the
22 England replica home and away shirt. Sports Soccer
23 agreed to increase the price of these and also the
24 goalkeepers' and infants' kits for 60 days to maintain
25 the retail price at £39.99".

1 Pausing there, it looks as though when you were
2 preparing this statement you actually had in front of
3 you the 24th May note that we looked at yesterday; is
4 that right?

5 A. Not to the best of my knowledge, no.

6 Q. You do not think it was in front of you?

7 A. I do not think it was at the time, no.

8 THE PRESIDENT: I think Mr Ronnie, if you just read
9 the second sentence of 83. It says, "Please refer to
10 Exhibit CR9". If you tell the witness what exhibit CR9
11 is, Lord Grabiner, we might be able to --

12 LORD GRABINER: It is apparently your diary and not
13 the document --

14 THE PRESIDENT: Right, CR10 and CR11 are noted a little
15 further on.

16 LORD GRABINER: CR11, which we will come to in a moment, is
17 a note of the meeting. We will come to that in
18 a moment. It looks as if you did have the note handy to
19 you. We will see in a moment; I can ask you again in
20 just a moment. Let us just get there:

21 "Exhibit CR10 is the agenda I prepared for a meeting
22 with Sports Soccer to be held on 24th May. We wanted to
23 ensure that the price of England home shirts stayed
24 stable until after England had played Germany at
25 Euro 2000 because Sports Soccer was selling the shirt at

1 a discount and we were getting pressure from other
2 retailers, especially JJB and Allsports.

3 "Exhibit CR11 is a note of this meeting.
4 The relevant extract reads as follows... "

5 And then you recite it. So it does look as if
6 contrary to your belief a few moments ago, you did
7 actually have that document in front of you when
8 you were preparing the statement; is that right, does
9 that refresh your memory?

10 A. As I said, I did not think I had the document in front
11 of me.

12 THE PRESIDENT: No one is trying to trick you I think at all
13 at this stage, Mr Ronnie. It is just that this document
14 reads as if you are looking at various things which are
15 described here as Exhibits and commenting on them. That
16 is how it reads.

17 A. I would certainly think at the time of me making the
18 statement I had my diary with me.

19 LORD GRABINER: We are not talking about the diary, we are
20 talking about the note of the 24th May.

21 A. To the best of my knowledge, I do not think I had
22 the document with me at the time.

23 Q. Mr Ronnie, you make express reference, two paragraphs
24 after paragraph 83, to the note, and you actually quote
25 from it. You must have either a remarkable memory or

1 I suppose it is possible that 83 and 85 were drafted on
2 different occasions; that is possible. I mean, are you
3 really saying you did not have the note in front of you
4 at the time?

5 A. Again I state that at the time I do not recall having
6 the note with me. But I clearly remembered the 60-day
7 conversation.

8 Q. Yes, and you clearly remembered the date and who
9 the attendees were and the subject of the discussion and
10 the prices, independently of the note?

11 A. I clearly recall who was at the meeting and the date of
12 the meeting, yes.

13 Q. And you recalled all the matters -- what you are saying
14 to the tribunal I think is that the matters set out in
15 paragraph 83 were recalled by you from your own
16 consciousness independently of the note?

17 A. At the time, yes.

18 Q. And then in paragraph 86:

19 "During the meeting Mike Ashley explained that by
20 increasing the price of the shirts it would mean that he
21 would not be able to order as many products and
22 the target £6 million worth of business would be
23 unlikely to be met. This target is an internal target
24 that we set for Sports Soccer.

25 "On Friday 26th May 2000 Sports Soccer increased

1 the price of the England shirts to £40. I remember this
2 because Mike Ashley made every area manager call me on
3 the Friday night to confirm the price of the shirts ..."

4 And you make a reference to another diary reference:

5 "... a lot of messages from Sports Soccer area
6 managers on my mobile phone.

7 "Sports Soccer continue to sell the shirts at £40
8 until 21st June 2000.

9 "On 20th June, England played Romania in
10 the Euro 2000 tournament and lost. I attended the game
11 with Mike Ashley and Sean Nevitt of Sports Soccer and
12 Lee Attfield ..."

13 And you refer to another page of the diary
14 I suspect:

15 "On the plane on the way back from the game, Mike
16 Ashley said to me, 'right, that's it, we'll go £20 [on
17 England shirts].'"

18 Ie, that is what he was referring to.

19 "I made no comment at this stage. Since England had
20 been knocked out of the tournament this meant
21 Sports Soccer wanted to sell the shirts as quickly as
22 possible as clearance. We had a lot of our accounts on
23 to us as soon as that happened to complain about this.

24 "Sports Soccer kept the price of the shirts at £20
25 until the stock sold out. During this time I did ask

1 Sports Soccer about this and asked whether the prices
2 could be raised."

3 And then there is a separate discussion about
4 Manchester United shirts that I do not think is relevant
5 to the point we are discussing.

6 Off the back of those paragraphs that I have been
7 showing you, do you agree with my summary of this
8 version of the story, namely -- and I will just remind
9 you of it and I apologise for doing so, but it is
10 difficult to keep all of these things juggling on your
11 mind at once.

12 What I suggest is that in those passages I have read
13 to you, you do not refer to any other agreement with
14 JJB, you do not refer to any telephone conversation with
15 anyone at JJB, either to obtain their agreement to
16 maintain prices on the England kit, or to inform them of
17 the agreement that you had made with Sports Soccer on
18 24th May.

19 Is that a fair summary of the passages that I have
20 just been showing to you?

21 A. It is a fair summary of the passages that you read. But
22 as I mentioned yesterday, there had been an agreement
23 made with JJB and Allsports, a clear understanding of
24 where they would retail and the price point they would
25 retail the product for.

1 Q. The question I would like to ask you is why, if that was
2 the case, you decided not to record that proposition or
3 those facts as you claim them to be in any of
4 the passages that I have just shown you?

5 A. Because in the passages that we have gone through this
6 morning we have referred mainly to Sports Soccer and
7 the meeting on 24th May.

8 As I also said yesterday, prior to that meeting it
9 was clear to Umbro exactly what JJB and Allsports would
10 retail the product for, what price they would retail it
11 for.

12 Q. What you said yesterday I think is, and we can turn it
13 up if you like because helpfully we have the transcript,
14 is that in advance of the 24th May you had a meeting
15 with JJB; that is what you are saying, is it not?

16 A. Yes.

17 Q. What you are saying, what you told us yesterday, was
18 that having reached that agreement with JJB that they
19 would go out at that price, you then had the meeting of
20 24th May and then you reached the agreement as between
21 yourself, Umbro and Sports Soccer, and then you rang
22 round and confirmed what Sports Soccer's position would
23 be to JJB and the others, including Allsports, so to
24 speak, to confirm to them that the agreement that
25 you had previously arrived at was all, you know, going

1 along swimmingly, because you had now secured
2 the agreement from Sports Soccer?

3 A. Yes.

4 Q. And you see that that version which is what you told us
5 yesterday is itself a brand new version of the stories
6 you have been telling through these documents. You have
7 not only told the three versions that I have drawn your
8 attention to last night and this morning, but
9 the version you told in response to my questions
10 yesterday in respect of what I called the second version
11 is itself a fourth version.

12 Do you understand what I am suggesting to you?

13 A. I have been clear throughout all the statements I have
14 made exactly where we stood as far as agreements with
15 JJB and Sports Soccer.

16 Q. You see, I am not challenging your honesty or your
17 integrity, I am not calling you a liar, lest you think
18 that that may be the implication from my questions. If
19 I were going to say that I would say it in very blunt
20 terms.

21 What I am suggesting is that your recollection of
22 these events is thoroughly unsatisfactory, which is why
23 you persistently put forward different versions of what
24 you say happened. What it suggests is that your memory
25 is not very good.

1 A. Well, if that is your view, fine.

2 Q. It is not my view. My view is irrelevant. What matters
3 is what the tribunal thinks of your evidence. What
4 matters is whether you are happy sitting here now with
5 the suggestion that what you have been telling us is
6 the story, and you are confident that your memory is
7 good enough to support that conclusion.

8 A. Yes.

9 Q. I would add this -- I think you sat in court when
10 Mr Ashley was giving his evidence over the last three
11 days or so?

12 A. Yes.

13 Q. Do you think that perhaps maybe consciously or
14 subconsciously, or in Lord Hutton's words,
15 unconsciously, you might perhaps have taken in
16 the thrust of his evidence on this matter and it might
17 have affected your own view of what happened at
18 the time?

19 A. Not at all, no.

20 Q. Can you give us, then, any explanation as to why there
21 are a number of different versions in statements that
22 you have made -- it may or may not be on oath, but
23 presumably you realised that they were statements that
24 were going to be relied upon in these proceedings and/or
25 by the OFT -- which differ in material respects from

1 each other?

2 A. As I said yesterday, each time I sat down to go over new
3 statements I was reminded in my own mind of things that
4 had happened. Obviously during the course of
5 the various statements, different things came to my
6 mind.

7 THE PRESIDENT: Yes.

8 LORD GRABINER: I want to read you a passage from your own
9 counsels' submissions in July 2002 to the OFT.

10 THE PRESIDENT: This is Umbro's counsel?

11 LORD GRABINER: Yes, oral representations. I will give you
12 a reference on this in a moment if I may, sir. Can
13 I read it to you and see if you agree or disagree:

14 "Chris Ronnie, the Chief Operating Officer of Umbro
15 pointed out to us that he spends a great deal of his
16 working day on the phone or in face-to-face discussions
17 with customers and he candidly accepted that in many
18 instances he cannot remember the precise contents of a
19 telephone call made last week or a month ago, let alone
20 12 or 18 months ago. Whilst some records were kept of
21 meetings and some periodic reports were written,
22 for example, the monthly management reports, very few
23 discussions were recorded on paper or email. You will
24 no doubt have noticed this from your own investigations,
25 in particular into other companies. It has seemed to us

1 that, notwithstanding that a number of individuals
2 within Umbro do not keep detailed records, Umbro's
3 records are more complete than those of some of
4 the other individuals and companies involved in this
5 case ..."

6 Then I think counsel goes on to some other aspect of
7 the matter. The reference is blue C4, tab 30, page
8 1281.

9 I do not know if you would like to comment on that
10 observation that you had advised your lawyers that you
11 had candidly accepted that in many instances you could
12 not remember the precise contents of a telephone call
13 made last week or a month ago, let alone 12 or 18 months
14 ago. Is that an accurate summary of what you told your
15 lawyers?

16 A. I might have said during the course of conversations
17 with the Umbro lawyer that a lot of my work was done on
18 the phone and a lot of my work was done face-to-face and
19 obviously it was a period of time ago.

20 So can I remember everything that happened over
21 three years ago? At this precise moment I cannot
22 remember everything. I would like to meet someone who
23 could.

24 Q. Mr Ronnie, with respect, I entirely agree with you. I
25 cannot remember what phone calls I had yesterday, let

1 alone three months ago or eighteen months ago.

2 The point I am trying to make to you is that when
3 you do come down to make the points you made for example
4 yesterday in cross-examination you say them with great
5 confidence and apparent belief in the accuracy of your
6 recollection. And that does not really sit very happily
7 with the fact that maybe memory does fade rather as
8 years go by, and this is several years ago now.

9 And the way that we test memory and recollection is
10 if you happen, as you have in this case, to have given
11 your version of the story on a number of occasions
12 previously to authoritative recipients of your
13 information.

14 A. Each time I have done it, as I have said, it is to
15 the best of my recollection of the events that happened
16 and my day-to-day responsibility in the role that I was
17 fulfilling for Umbro.

18 Q. Now can we move to another aspect. Could you look at
19 page 243 in the same bundle? Could you look at
20 paragraphs 24 and 26. In paragraph 24 you say:

21 "I did call Allsports and JJB to tell them that
22 Sports Soccer had agreed to launch the shirt at £39.99.
23 Obtaining Sports Soccer's agreement to such an increase
24 was a considerable result for Umbro which I relayed to
25 the retailers in response to their persistent complaints

1 about Sports Soccer's discounting and the need to do
2 something about it. I also informed them of our
3 achievement in an effort to secure JJB's and Allsports'
4 commitments to supporting Umbro on a wider range of
5 products. I definitely called Allsports as they had
6 been as vocal as JJB about the pricing of the product."

7 Then you go on to say something about
8 the conversation with Allsports.

9 In paragraph 26 you say:

10 "My recollection is that I rang Duncan Sharpe at JJB
11 to inform him that Sports Soccer had given us a price
12 guarantee."

13 Am I to take any inference from the fact that you
14 use the word "definitely" in 24 in the last sentence but
15 the much lighter expression in 26, "my recollection is"?
16 In other words, what I am asking you is this: is your
17 memory of the conversation with Duncan Sharpe less sure
18 than your memory of whoever it was at Allsports you say
19 you spoke to?

20 A. No.

21 Q. So it is just a choice of language, no other reason.

22 You were not trying to lay any different emphasis on
23 the two?

24 A. Not to the best of my knowledge, no.

25 Q. The other point about the passages I have just shown you

1 is this. This is the first and only time in all of your
2 witness statements, in so far as they deal with this
3 issue, that you name Mr Sharpe of JJB as the person to
4 whom you spoke in order to advise JJB had Umbro had
5 received Sports Soccer's price guarantee.
6 You understand?

7 A. I do. The reason for that is that Duncan Sharpe was my
8 main point of contact at JJB Sports.

9 Q. Why did you not refer to his name at any earlier stage?

10 A. I -- I honestly could not tell you why. Probably
11 because when I mentioned JJB he was always the point of
12 contact, as I said, that I spoke with.

13 Q. You see, you made your third witness statement on
14 12th July 2002, when you made no reference to Mr Sharpe.
15 Mr Sharpe died on 7th October 2002; presumably you knew
16 that?

17 A. Yes, I knew that.

18 Q. And the date of your fourth witness statement, which is
19 the passage I have just shown you, is
20 28th November 2003.

21 So that by the time you came to name Mr Sharpe you
22 knew that he had already passed away?

23 A. Yes, I knew.

24 Q. I want to show you another document: if you go to
25 bundle A1, could you be shown bundle A1, the pleadings

1 bundle, Allsports' pleading bundle, at tab 13.

2 If you go to tab 13 and if you go to page 646, which
3 is not far short of tab 14, there is a sheet of paper
4 which is headed -- do you see this, Mr Ronnie? I want
5 you to have it in front of you, Mr Ronnie. At the top of
6 the page:

7 "Response to clarification of questions contained in
8 the letter from the OFT dated 13th September 2002 in
9 respect of Umbro's written and oral representations".

10 What I am now about to show you is a response to
11 that request from the OFT of 13th September 2002; okay,
12 do you understand that?

13 A. Yes.

14 Q. The structure of the document is that the question
15 raised by the OFT is put in bold indented print and
16 the answer that is given by the lawyers is in regular
17 print full width; do you understand?

18 A. Yes.

19 Q. If you look at the summary -- the question which is
20 raised in 2, it says:

21 "At paragraph 103 of its written representations,
22 Umbro states that at the end of May 2000 Mr Chris Ronnie
23 contacted JJB and Allsports, and that Mr Phil Fellone
24 contacted Debenhams, JD, First Sport and John Lewis in
25 regard to pricing ... Please clarify in relation to each

1 such discussion who was contacted at the relevant
2 retailer and provide full details of the content of such
3 discussions and the outcome of such discussions, with
4 the exception of Debenhams, for each retailer, including
5 details as to what was agreed in terms of pricing in
6 relation to all England replica kit products and whether
7 the retailers were informed of Umbro's agreement with
8 Sports Soccer and/or any other retailer."

9 So that was the series of questions being raised by
10 the OFT, and your solicitors would then have come back
11 to Umbro and taken Umbro's instructions, and the answer
12 that is provided is set out in the next three lines.

13 I understand that it was actually -- well, maybe you can
14 recall this -- that it was actually in-house counsel
15 rather than solicitors; do you know that, Mr Ronnie?

16 A. Yes, sorry?

17 Q. Do you know if this was prepared by in-house counsel on
18 your behalf as opposed to outside solicitors? Just
19 listen to my question, please.

20 A. Sorry, if you could repeat that. I was reading.

21 Q. We will come to that. Was your dealing with this
22 document from the OFT -- are you reading or listening?

23 A. Carry on.

24 Q. Was the response to these inquiries by the OFT prepared
25 in conjunction with you, first of all?

1 A. On 13th September 2002?

2 Q. After that. Was it prepared in conjunction with you?

3 A. To the best of my knowledge it was the in-house lawyer

4 and myself from Umbro, yes.

5 Q. And who is the in-house lawyer?

6 A. Katherine Roseveare.

7 Q. Now can we just see what the answer was:

8 "Umbro does not have written records of what was

9 discussed during each telephone conversation, or who was

10 contacted in each case. The best information which

11 Umbro can provide is set out in its written

12 representations and witness statements."

13 So although you are saying in evidence today and in

14 that statement -- your fourth statement that I showed

15 you a little earlier, the November 2003 statement --

16 that it was definitely a conversation with the person

17 you name there, Mr Sharpe, your solicitor after having

18 discussed the matter with you in detail says that

19 the best information has already been provided, ie

20 I cannot give you the name of the person with whom

21 I spoke.

22 A. But again to the best of my knowledge at the time, as

23 this said, there was no written evidence as to who

24 I spoke to and when I spoke to them. But to the best of

25 my knowledge it was Mr Sharpe.

1 Q. Well, you see, the effect of what you are saying is that
2 your memory has improved since the end of 2002.

3 A. No. What I am saying is that I remember that my point
4 of contact at JJB was Duncan Sharpe.

5 Q. But can you remember your conversation with Mr Sharpe,
6 sitting here now?

7 A. No.

8 Q. You cannot?

9 A. I cannot remember the exact details of the conversation.
10 But I can remember I rang Allsports and JJB to inform
11 them that Sports Soccer were going to retail
12 the price --

13 THE PRESIDENT: Just a bit slower, Mr Ronnie. You rang
14 Allsports and JJB, you cannot remember the details of
15 the conversation ...

16 A. To confirm that the product would be £39.99.

17 LORD GRABINER: If that really was the position, I suggest,
18 Mr Ronnie ... well, it speaks for itself.

19 The second sentence that I read out to you from
20 the end there is simply not accurate:

21 "The best information which Umbro can provide is set
22 out in its written representations and witness
23 statements."

24 That is not true, is it? It is not true?

25 A. In what way not true?

1 Q. Because it was not the best information: you had not
2 answered the question, you had not given the name of
3 the person, Mr Sharpe, to whom you allege you spoke?
4 A. I had not given a name on the day, no, I had not.
5 Q. You see, all I am suggesting to you is, if it is not
6 already self-evident, that you are developing this story
7 in your mind and telling us through your witness
8 statements and your evidence, and it does suggest that
9 your recollection is not reliable. That is the point
10 I am making to you.
11 A. Through the whole course of the events I have given
12 evidence, and will continue to give evidence to the best
13 of my knowledge, of the events that happened at
14 the time.
15 Q. I want to come to another subject. I want to ask you
16 about the circumstances that led to
17 the 24th May meeting, the reason for the meeting with
18 Sports Soccer.
19 As I understand the position, the basic wholesale
20 price payable by the retailer to Umbro is a percentage
21 of the recommended retail price which is itself set by
22 Umbro. Is that right?
23 A. Yes.
24 Q. A brief summary of the position is to be found in
25 Mr Hadfield's witness statement. I just want to show it

1 to you to see if you agreed with that. You will find it
2 in the witness statements file, file 1, page 287. It is
3 file 1, page 287.

4 Mr Ronnie, Mr Hadfield was your predecessor, he was
5 previously the COO at Umbro; is that right?

6 A. No, he was the key accounts manager for Sports Soccer.

7 Q. I am talking about Hadfield, not Attfield.

8 A. Sorry, yes, he was.

9 Q. He was your predecessor as the COO at Umbro, and he did
10 that job until February 1999?

11 A. Yes.

12 Q. And I just want to see that you agree, and I think
13 probably you will in the light of your previous answer,
14 with what he says in paragraph 8:

15 "The process for calculating price was the same for
16 all products that Umbro manufactured. The starting
17 point was the recommended retail price and then there
18 was a mathematical calculation backwards to reach
19 the wholesale price. As a result, we obviously had
20 a direct interest in the RRP, but we knew that if it was
21 set too high it would obviously affect the volume of
22 sales."

23 A. Yes.

24 Q. If particular retailers discount football shirts, from
25 Umbro's point of view there is a risk, is there not,

1 that other retailers will seek a better cost price from
2 Umbro to allow those other retailers to compete?

3 A. That was not the case with Umbro as far as replica was
4 concerned, no.

5 Q. Is that not an entirely logical development in your
6 business --

7 A. There was a set price of 21.30 less various discount
8 terms depending on volume that was there for the whole
9 of the trade. There was a trade price, 21.30, and it
10 was then less whatever volume discount.

11 Q. But you are not in a position to sit grandly above all
12 of this and pretend that everything else is literally
13 beneath your dignity. If some retailer comes along and
14 says: I do not like your terms because I am being
15 undercut quite drastically in the marketplace, I want
16 better terms from you. Is that not a fairly normal
17 conversation that you would have, notwithstanding
18 the standard process that we have just been looking at?

19 A. No, those conversations as far as wholesale price and
20 terms did not happen as you described. It would happen
21 related to the volume that the account or the various
22 retailer was able to achieve. It was all
23 volume-related.

24 Q. So that the retailer would have to make his own judgment
25 about the price at which he would sell, discounted or

1 otherwise, and try to work out for himself how that
2 would impact upon the volume that he could dispose of,
3 but what he would not do is to think laterally and go
4 back to the supplier and say: actually there is another
5 way of doing this and that is that you can reduce my
6 price. You are saying that never happens.

7 A. Not in the way you are describing, no.

8 Q. I am probably putting it in a rather sort of lawyerly
9 way. How would you put it then, how does it happen?

10 A. A lot of the retailers during the period of time would
11 make comments to us at Umbro and to the salesforce that
12 they wondered whether it was worth being in replica
13 because of the various price points people were going
14 out at and the major customers, the four or five
15 accounts were affecting the independents at times. So
16 we would have those sorts of conversations, but it was
17 always down to volume that the account could achieve.

18 Q. What was the purpose of that conversation? Is it just
19 passing the time of day, grumbling, for example, at
20 the fact that Sports Soccer for example, was apparently
21 able to sell at a lower price than whoever it was that
22 was talking to you could achieve, without the next
23 question being asked: what can you do for us?

24 A. Well, to describe it as grumbling, yes, we would have
25 some grumbling, but we would not do anything about it

1 because that was our wholesale price. People knew our
2 wholesale price and they also knew that if they were
3 able to achieve the volume they could get a discount.

4 Q. But the arrangements that you had in place with
5 Sports Soccer were rather better, though, were they not,
6 than the connection between your RRP and their price,
7 their price payable by them to you: you had better
8 arrangements in place with Sports Soccer, did you not?

9 A. Better than who?

10 Q. Better than the other retailers had with you?

11 A. No.

12 Q. Obviously you agree that if the RRP price comes down
13 then that does have a direct impact upon this debate,
14 does it not?

15 A. If there is a price war going on it has an effect on
16 certainly the other dependents' accounts -- other
17 dependent accounts. Absolutely it has an effect.

18 Q. Because now you are talking about a wholesale price
19 which is driven by whatever the lower price is below
20 the RRP or the original RRP --

21 A. Well --

22 Q. Forgive me for finishing it -- which bites into your
23 margin, obviously?

24 A. It never bit into the Umbro margin. Because if we take
25 21.30 as a wholesale price, Umbro always knew the level

1 of discount that we could go to with a major account, ie
2 a JJB, an Allsports, a Sports Soccer, a JD Sports.

3 Q. All treated in the same way?

4 A. There was not an ongoing effect of discussions on --
5 yes, we would have annual discussions around trade terms
6 across other product categories, but it was very rare on
7 replica because the major accounts knew the level of
8 discount that we could go to.

9 Q. Can we just have a look at bundle E1, tab 5 in that
10 cross-examination bundle you have, the white bundle that
11 we looked at from time to time yesterday; it is in
12 tab 5.

13 What I want to look at is one of your management
14 reports, this is one for July 2000; do you see that? It
15 may not have a page number on it, but tab 5 is
16 a management report for 2000, is it?

17 A. Yes.

18 Q. If you go to the fourth page of that document, this is
19 an extract --

20 A. I am sorry, what is the page number?

21 Q. Well, my copy is not numbered. But it is a management
22 report, the first page of which is called -- do you have
23 a bundle number in the corner, 334?

24 A. Yes.

25 Q. All right, that is it. So this is an extract from

1 the management report for July 2000. Whose report is
2 this? I cannot read it. It says "financial controller"
3 at the bottom in very, very small unreadable print.
4 5th June 2000. Who was the financial controller.
5 P Masters, is it?

6 A. Yes, Paul Masters.

7 Q. What he says is, in the penultimate sentence there,
8 the penultimate paragraph:
9 "Significant orders had been placed for
10 pre-Christmas delivery for pro-training products for
11 JJB. As previously stated for the year in total,
12 the main concern is margin pressure. This is the result
13 of both the switch in the mix of business from licensed
14 to branded apparel combined with the increased dominance
15 in the marketplace of JJB and Sports Soccer."

16 Now, if there was no concern from the grand position
17 of the owner of the brand about margin, what was all
18 this about?

19 A. Because previously you were relating to replica kit,
20 this does not relate to replica kit. It relates to
21 the switch in business. As he says here, the switch in
22 mix of business from licensed to branded apparel. That
23 means that licensed is replica. JJB were switching in
24 the total mix of their business to branded apparel,
25 which gave Umbro a lot less margin than replica kit.

1 Q. So when it says "margin pressure", what is it talking
2 about there?

3 A. He means the overall margin earned from the account,
4 earned from JJB.

5 Q. I thought your margins were never undermined or
6 attacked, you simply set your price on the basis of
7 the RRP less the mathematical formula, in order to come
8 back to the wholesale price, so why should you ever have
9 a margin problem?

10 A. Everything you have said there is absolutely right in
11 relation to replica kit, not to branded apparel.

12 Q. And what happened then in relation to branded apparel?

13 A. The margin was not strong at all on branded apparel from
14 JJB.

15 Q. So how did you set your prices for branded apparel?

16 A. With JJB Sports, predominantly they were based on net
17 prices.

18 Q. I am instructed, and I just want to know your reaction
19 to this, that in respect of Manchester United shirts
20 from January 2001 JJB got the price based on £21.30
21 rather than the cost of £22.90 based on the RRP of
22 £42.99. In other words, this is an example of a case
23 where the margin, your margin, was reduced by agreement
24 with JJB; is that right, to your knowledge? Or is there
25 some explanation for that that you would like to give

1 us?

2 A. As far as the 42.99 price point was concerned, from

3 April 1999, when a new team went into Umbro, there was

4 a price point discussed at 42.99 with some retailers,

5 but JJB were predominantly 39.99 with a wholesale price,

6 as you have stated, of 21.30.

7 Q. So it was improved, do you remember, to 21.30 from

8 22.90?

9 A. From the point of April 1999 and onward, the new

10 management team felt that 21.30 was the right wholesale

11 price for a replica product, and the internal costings

12 were always worked to 21.30.

13 Q. And the reason for that, I suggest, is because JJB were

14 charging at lower than the RRP; that is the point.

15 A. JJB and a number of customers were charging 39.99.

16 Q. That is the point I am trying get out of you. The point

17 is that if the retailer is out there selling below

18 the RRP then that is something that is going to cause

19 pressure to do something about that wholesale price, and

20 that pressure will come back to the wholesaler. And

21 this is an example of that in action, is it not?

22 A. Not really, no. Because, as I said, all our internal

23 costings were worked to 21.30.

24 Q. You see, and I will just try once more so that we have

25 a clear statement on the transcript about it. What I am

1 suggesting is that if you have a retailer who is selling
2 at below the RRP, other retailers are going to come
3 along and say to you: we cannot cope with this; and
4 the only way that we can cope with this is if you are
5 prepared to do something about the wholesale price. And
6 that brings pressure upon Umbro, as the brand owner, and
7 that is not an attractive position to be in because you
8 may be forced to reduce your wholesale price.

9 That is all I am saying. I do not know how these
10 conversations take place, and they may be using
11 different words, but I am saying to you that
12 commercially that is what is happening in that
13 circumstance?

14 A. And I am saying that from April 1999 the management team
15 at Umbro, from product designers, the sourcing
16 department, right the way through, always worked to
17 21.30. 39.99 was the right price for replica. It had
18 been, you are correct, in some retailers at 42.99.
19 The feeling was if they can get away with 42.99, let
20 them; but the right price was 39.99 for a replica shirt.

21 Q. If we take an extreme example, but it may be that it is
22 not an extreme example, suppose that Sports Soccer and
23 JJB for example had started selling at 34.99. Are you
24 really suggesting that that would not have had any
25 impact upon you and any pressures that you may have been

1 subjected to by those retailers and possibly other
2 retailers?

3 A. There were often conversations around the fact that
4 the view from retailers such as JJB, Sports Soccer or
5 JD Sports, was that the price was 39.99, it was
6 the right price for the product. Yes, conversations
7 like that did take place.

8 Q. In the position of the brand owner you are able to shrug
9 your shoulders and say, "We are terribly sorry, we have
10 done our assessments, this is our price and if you do
11 not like it, we are very sorry, that is all there is to
12 it". That is essentially your response?

13 A. It was on replica.

14 Q. So why do you say that as a result of this intolerable
15 pressure that was being imposed upon you from JJB and
16 Allsports and so on you were forced to make these price
17 fixing deals with Sports Soccer? Do you understand my
18 question?

19 A. Totally.

20 Q. And what is the answer to it?

21 A. The pressure that we were under was to keep the product
22 at around 39.99 and to keep Sports Soccer up at 39.99,
23 to make the brand credible -- sorry, to make the product
24 credible and for the strong sales to continue on the
25 product.

1 Q. So are we talking here about brand credibility; is that
2 what you are talking about?

3 A. We are talking about the credibility of the replica
4 product that Umbro had at the time, which was England
5 and Manchester United in particular.

6 Q. We are talking about Umbro's concern about its most
7 valuable asset, its brand?

8 A. It was not only the brand asset, it was the asset of
9 the England and Manchester United product.

10 Q. All under the Umbro brand.

11 A. Yes.

12 Q. And what drives your determination to make agreements
13 with Sports Soccer is the need to protect the brand?

14 A. The need to protect replica product within the Umbro
15 product category.

16 Q. Because that is what Umbro is all about, that is
17 the very heart of Umbro's business?

18 A. Yes.

19 Q. And that, I suggest, is the reason why you made that
20 price-fixing agreement with Sports Soccer on 24th May,
21 is it not?

22 A. The agreement was made to keep the -- for the product to
23 continue to be retailed at 39.99.

24 Q. Precisely. In order to protect your brand image,
25 the Umbro brand image which you were so concerned to

1 defend?

2 A. In order to protect our ongoing business with JJB and
3 Allsports as well. Those two accounts in particular
4 were the most vocal to myself and the sales team
5 regarding price.

6 Q. So you are blaming JJB for making this agreement and
7 Allsports for the fact that you then went and made
8 the agreement with Sports Soccer?

9 A. We were under pressure from both of those accounts to
10 try to ensure that the price was £39.99.

11 Q. This is Adam and Eve and the serpent, is it not?

12 A. Whatever description you wish to give.

13 Q. You are familiar with that story, are you?

14 A. Not really, no.

15 Q. It all got back to the serpent.
16 .

17 THE PRESIDENT: While Lord Grabiner is just checking that,
18 from the point of view of the tribunal while we are
19 trying to listen to the witness there is occasionally
20 a little bit of background noise from the front bench,
21 and from time to time, a little more sotto and a little
22 less voce would help our concentration up here if I may
23 say so generally to the room.

24 LORD GRABINER: Could you be shown file 3, Mr Ronnie, your
25 fourth witness statement and I want to show you a

1 passage at page 237 to start with.

2 I just want to remind you of what you said and I am
3 going to ask you some other questions.

4 First of all, you were asked to produce this
5 document, the one we are looking at, in anticipation of
6 the hearing that we are now engaged upon; you understand
7 that?

8 A. Yes.

9 Q. Would you look at paragraph 7. You explain
10 the importance to Umbro of its key customers, including
11 JJB. You can read that to yourself.

12 And then in paragraphs 8 and 9 you said:

13 "When we received complaints from Allsports and JJB
14 about discounts offered by other retailers, there was
15 an underlying threat that they would withdraw support
16 for Umbro as a brand in their stores if we did not do
17 something about it. This would have serious
18 repercussions for the Umbro business.

19 "Also, perceived pressure (because nothing was
20 explicitly stated) came in the form of order
21 cancellations, a sudden reduction in the volume of
22 a particular product that had been ordered, and
23 a perceived reluctance to place orders for Umbro
24 products in future. These actions were not limited to
25 replica kit, but extended to apparel, footwear and other

1 sports goods. Their timing would normally coincide with
2 a recent retail promotion by one of Allsports' or JJB's
3 competitors ..."

4 That is just to remind you of the evidence that you
5 gave and I want to ask you about that now. Can I do so
6 by asking you something about the Umbro monthly
7 management accounts, one or two of which we have been
8 looking at in the course of this morning.

9 You were, I think, Umbro's COO in the relevant
10 period, 2000-2001?

11 A. Yes.

12 Q. These were monthly reports which I think you prepared?

13 A. Myself and other individuals in the management team,
14 yes.

15 Q. Appended to them there are reports from other people,
16 such as Mr Fellone, the UK sales director, Mr Bryan,
17 the national accounts manager for the JJB account,
18 Mr Attfield, the national account manager responsible
19 for Sports Soccer, and I think there were a number of
20 others as well.

21 A. Yes.

22 Q. And they all seem to have produced a little report of
23 their own and that seems to be attached to or made part
24 of the monthly management report?

25 A. Yes.

1 Q. And on top of the monthly management report there is
2 a report of your own?

3 A. Yes.

4 Q. Can we look at bundle E1, tab 27, which you will find in
5 tab 2 of that cross-examination bundle.

6 We have looked at this I think already briefly.

7 A. Sorry, which page would you like me to look at?

8 Q. Page 227, the first page of the management report for
9 May 2000; do you have that?

10 A. Yes.

11 Q. There is a long distribution list on the face of
12 page 227. These are essentially all the principal
13 officers within Umbro at the time, are they?

14 A. Yes.

15 Q. And does this mean that the whole of the management
16 report -- when it says management reports, all
17 the reports, that is to say not only your report but
18 also all the mini-reports produced by all the other
19 people would be distributed to all those persons named
20 on the distribution list?

21 A. That is correct.

22 Q. And then it has an index on the next page, page 228. So
23 it is quite a substantial monthly document.

24 A. Yes.

25 Q. Now, were these reports prepared for the purpose of some

1 sort of package for presentation to a regular monthly
2 board meeting; is that the purpose of them?

3 A. The main purpose really was for information-sharing
4 around the business, around the management team, to keep
5 people aware of what was going on within the Umbro
6 business.

7 Q. Were these reports as a package, were they tabled at
8 board meetings at Umbro?

9 A. From time to time, not at every board meeting, no.

10 Q. What happens there? At the time, did a boardroom
11 package get distributed to all the directors in advance
12 of the meeting so that when they came to the meeting, in
13 theory at least -- probably the non-execs did -- they
14 would have sat there, they would have read the paperwork
15 and then they would have come along and at the board
16 meeting that would have been, at least in part,
17 the subject of the boardroom discussion?

18 A. Not always, no.

19 Q. But sometimes yes?

20 A. Sometimes yes.

21 Q. If one were a non-executive director of Umbro and one
22 wanted to find out what had been going on in the last
23 month, this would be the first place to start looking?

24 A. We did not have non-executive directors, so this only
25 went to the people on the front of this list, who were

1 all involved in the business.

2 Q. Presumably the purpose of producing these reports was to

3 ensure that you were giving up-to-date, accurate

4 information to all the readers?

5 A. Yes.

6 Q. And that you would give what one might call, borrowing

7 it from the accounting world, a true and fair view of

8 what had been going on in the business over the last

9 month since the last set of reports had been produced?

10 A. Yes.

11 Q. Including dealings with principal customers, such as JJB

12 or Sports Soccer, First Sport, JD Sports and so on,

13 because they would be key features of your overall

14 business?

15 A. Yes.

16 Q. You see, a feature of your reports throughout

17 the relevant period is that you make no suggestion of

18 any threats being made to Umbro by JJB; that is right,

19 is it not?

20 A. (Pause). Is that right? Again, in one of

21 the management reports we refer to the fact that we had

22 got the price points under control and that we were

23 working with retailers to ensure the price points.

24 What it did not state was, you are correct, that

25 we were under pressure from accounts such as JJB and

1 Allsports. But the whole of the business, especially
2 the sales team, were very clear about the pressure
3 we were under.

4 Q. We will come to that in just a moment; I will ask you
5 about that.

6 For example, what you do not find is any report
7 along the lines that JJB had complained bitterly
8 for example to Mr Bryan or to you, that it was suffering
9 from severe undercutting on the part of Sports Soccer
10 and that unless you or Umbro did something about it, JJB
11 would either cease to purchase goods, or would for that
12 reason, cancel existing orders.

13 You do not find that report being made in these
14 documents, do you?

15 A. No.

16 Q. And the reason that you do not find them, I suggest, is
17 because such threats were not uttered, were they?

18 A. That is wrong.

19 Q. Well, you say that is wrong -- when I say uttered
20 I really do mean uttered, because you will recall
21 the way you put it a few minutes ago when I showed you
22 the witness statement and you used the word
23 "underlying"; do you remember, implicit and underlying?

24 A. Mm-hm.

25 Q. I mean, was it uttered and by whom?

1 A. It was uttered by the replica buyer at JJB; it was
2 uttered by certain other buyers at JJB, by Duncan Sharpe
3 who again I had contact with, and Phil Fellone had
4 contact with; it was uttered by Allsports as well.

5 Q. If it was uttered as you say, and you have
6 an opportunity on a monthly basis to record these
7 matters, including matters in connection with your most
8 important retail customers, why on earth were these
9 supposed conversations never referred to?

10 A. Because if we had referred to every conversation that
11 we had regarding price point and Sports Soccer's price
12 point, the reports would be over one hundred
13 pages thick.

14 Q. There is a difference, is there not, between having
15 conversations and having effectively illegal pressure
16 being imposed upon you by principal suppliers
17 threatening to break binding contracts; that is
18 a serious matter is it not?

19 A. It was a serious matter.

20 Q. Serious enough to tell other people within Umbro that
21 this kind of thing was going on and things were getting
22 to a pretty pass?

23 A. As I said, people in the management team and on
24 the sales side in Umbro were fully aware of the pressure
25 that we were being put under.

1 Q. What I suggest is, that if the supposed pressure that
2 you were being put under was as serious as you are
3 trying to convey the impression it was, then that would
4 have found its way into these reports, and it never did.
5 A. You are right, it never did.
6 Q. Why did it not?
7 A. I was going to finish my reply to your previous
8 question.
9 Q. When you have finished the reply, perhaps you will tell
10 us why it is not in there.
11 THE PRESIDENT: Let him finish the reply first.
12 A. As I said, we did not put it in the reports because
13 the conversations were taking place on a regular basis.
14 The senior management, right up to the Chief Executive
15 of the company were fully aware of the pressure that
16 we were being put under.
17 Q. What I am suggesting to you is that the seriousness of
18 the matters that we are now discussing, had they been as
19 serious at the time, would have found their way into
20 these reports; and that you can give, I suggest, no
21 plausible explanation as to why they are not to be found
22 there.
23 A. I feel I have given you as good a representation of what
24 happened as I can.
25 THE PRESIDENT: When you reach a convenient moment.

1 LORD GRABINER: I will just ask one other thing, if I may.

2 THE PRESIDENT: When convenient.

3 LORD GRABINER: If I wanted to have an immediate

4 understanding of the current state of Umbro's business,

5 would it be fair to say that I would go and look at

6 the current version of this material; if it were

7 May 2000 I would look at the May 2000 or

8 the June 2000 report?

9 A. One of the strengths of the way that Umbro was run at

10 the time was the fact that we were very good at

11 communication internally; by that I mean verbal

12 communication. We tried to be as flexible as we could

13 in our management structure. So anyone within the team

14 mentioned here could come and speak to either myself,

15 Peter McGuigan, Martin Prothero or Mark Monaghan if they

16 wanted to find out anything that was going on in the

17 business.

18 Q. You nevertheless, very sensibly if I may say so, decided

19 that an improved way of running the business was to

20 produce very full monthly management information of

21 the kind we have just been looking at?

22 A. I am sorry, could you repeat the question?

23 Q. In spite of the value of oral communication within

24 the business, you nevertheless thought it was good to

25 produce lots of paperwork on a monthly basis so that

1 people could be well advised?

2 A. If you look at the monthly management report, you will
3 see that it is as condensed as we could make it. People
4 we were given the brief when they were filling out the
5 management report to keep it as condensed as possible.
6 Otherwise it would have been hundreds of pages thick.

7 LORD GRABINER: That would be a convenient moment, sir.

8 THE PRESIDENT: Yes. Please do not discuss your evidence
9 with anybody during the break, Mr Ronnie. Ten minutes.

10 (11.40 am)

11 (A short break)

12 (11.50 am)

13

14 LORD GRABINER: The point that I was discussing with you was
15 that I was suggesting to you that one did not find as
16 one looked at the monthly statements a record of
17 the fact that JJB had complained bitterly to --
18 for example, I pick on Mr Bryan because he was
19 the national account manager for the JJB account, so he
20 would be the person who would be in the front line in
21 relation to JJB. That is right, is it not?

22 A. He was the account-handler at the time, but that then
23 changed to another account-handler. But Mr Bryan was
24 the account-handler at the time, you are correct.

25 Q. He would have known more about the account literally

1 than anyone else at the time, would he not?

2 A. No. His line of reporting was to Phil Fellone and then

3 myself. So Phil Bryan, Phil Fellone and myself knew

4 everything that was going on with the account, as did

5 Peter McGuigan, the chief exec, when I would update him

6 with events that were happening with JJB and any other

7 major account.

8 Q. I did not say he was the only person who knew about it,

9 but he was at the coalface, he was the person reporting

10 back to you his knowledge learnt in performing his job

11 which was to be responsible for that account?

12 A. That is partly correct. But Phil Fellone and myself

13 would visit the major accounts as well on regular

14 occasions.

15 Q. Is it true that Mr Bryan was at JJB Sports' premises

16 five days a week and that was how he performed his job?

17 A. No, he certainly was not there five days a week.

18 Q. Anyway, we do not find anything in the reports

19 for example of Mr Bryan saying that he had been on

20 the receiving end of threats from JJB, that they would

21 cease to purchase supplies or would cancel existing

22 orders; I think you agree with that?

23 A. I agree they were not in the reports. But we were all

24 fully aware.

25 Q. And you make no record of, for example, Mr Sharpe,

1 Mr Wheelan or Mr Russell saying that you or Umbro or
2 Mr Bryan should sort out Mr Ashley or Sports Soccer,
3 otherwise orders would be cancelled or discontinued.
4 Again, you do not find such things said in the monthly
5 reports?

6 A. That is correct.

7 Q. I just want to show you one or two of these monthly
8 reports, just to see the kind of things they addressed
9 and the level of detail they went down to, just a couple
10 of references, if I may.

11 Could we look at tab 1 of the cross-examination
12 bundle which should be near you, and our reference is
13 E1, tab 24, page 180. This is part of your own report,
14 as you can see from the foot of the page. For example,
15 under the heading "Equipment" in the middle of
16 the page .

17 "The ranges for bags, balls and pads is stronger.
18 We must make sure there is a strong focus from the sales
19 team to capitalise on the strength of the product and
20 prices. We are now offering a very good response from
21 the licensee network in all three of the regional
22 meetings, and JJB regarding an order for over 30,000
23 units of bags. A major result."

24 So it is highly specific in terms of product. That
25 is just an example. But you would agree that that is

1 a highly specific piece of reporting of a significant
2 event of the month that you thought fit to record in
3 the monthly note?

4 A. We would normally record things such as a response to
5 a product, just really to inform the product teams and
6 let them know what had happened as a result of their
7 product design and sourcing of the right product,
8 really.

9 Q. If you look at page 282, which is another report in
10 tab 4 of the bundle you are looking at. For those of us
11 using the E bundle, it is page 282. This is part of
12 the June 2000 monthly report. It was obviously produced
13 in July, the following month. If you look at page 282,
14 in the third paragraph:

15 "Euro 2000 proved to be a great success for most of
16 our UK accounts with strong replica sales from some of
17 the key accounts. JJB in particular reported very high
18 like-for-like sales based on England shirt sales. Their
19 sales reached a peak in one week of [blank] Umbro
20 finished the tournament with tight English stocks,
21 having sold out of all adult sizes."

22 So again this is a highly specific feature of
23 the sales activity in the previous month being recorded
24 in the document, is it not?

25 A. It is.

1 Q. Then if you go forward to the July 2000 report, it is
2 tab 5 in front of you, and it is page 334.
3 A. The July report?
4 Q. This is the July report, absolutely. If you look at
5 334, just underneath the reference to Man United,
6 Chelsea and Celtic kit orders --
7 A. Excuse me, I am sorry, I am not on the same page as you.
8 Q. Sorry, page 334?
9 THE PRESIDENT: It says 334C probably down on the bottom
10 corner.
11 LORD GRABINER: It is the fourth page in of the document.
12 THE PRESIDENT: The page that begins, "Forward order
13 projection".
14 A. Thank you.
15 LORD GRABINER: I think we looked at it earlier this morning
16 in a different context, the one about the main concern
17 being margin pressure; you remember we looked at that
18 earlier?
19 A. Yes.
20 Q. Look at the sentence above that paragraph:
21 "Significant orders have been placed for
22 pre-Christmas delivery of pro-training product for JJB."
23 So you see again it is very, very specific in its
24 recording process of the events of the month.
25 A. It is. But if you have noticed, everything in

1 the report is positive.

2 Q. I see, so you do not put negative things in?

3 A. As I say, we would not put discussions that we had had

4 on price in there, no.

5 Q. Why not look back at the May document. If we look back

6 at the May 24th --

7 THE PRESIDENT: It is probably tab 2, page 227, I think.

8 LORD GRABINER: That is probably right. If you go to

9 page 230 -- do you have it in front of you?

10 A. I have.

11 Q. That is the monthly report dated June but it is in

12 respect of May. It faithfully reports the price-fixing

13 agreement on page 230; do you see that, in the fifth

14 paragraph?

15 A. Yes.

16 Q. You see these are unvarnished reports, are they not?

17 No-one is expecting that one day you will be

18 cross-examined about them in a courtroom, are they?

19 A. I think that is fair to say.

20 Q. And you just write down the truth of the events that

21 have happened in the month; that is the purpose of

22 the report, is it not?

23 A. Key events, yes.

24 Q. I think you were starting to say a moment ago that you

25 only wrote down the good things and not the bad things,

1 or did I get the wrong end of your answer?

2 A. No, you are correct.

3 Q. So that is true, is it?

4 A. Wherever we could.

5 Q. Wherever you could, you would want to convey to other

6 people within the business only a positive story?

7 A. Yes.

8 Q. That must be nonsense, Mr Ronnie.

9 A. I am giving you my view of the report.

10 Q. And that was in your mind when you were producing your

11 report, that you would want to sell a story to your

12 fellow directors and other senior members of the company

13 on a false basis?

14 A. There was nothing false about it.

15 Q. Are you suggesting that you would have suppressed

16 matters that people would not have wanted to read?

17 A. No.

18 Q. What are you saying?

19 A. I am saying that because we were having conversations on

20 a very regular basis around price of replica kit, we did

21 not put them in the report. If you look through all

22 the sales reports, you will not see any sales key

23 manager mentioned.

24 Q. Look at the first paragraph on that page:

25 "May results are attached to this report."

1 If results were bad, presumably that would be
2 observed by somebody who studied the results. Look at
3 the next sentence:
4 "May has been yet another difficult trading month
5 with the expected uplift in sales of the Euro 2000
6 tournament not happening."
7 This is unvarnished material, and it is being
8 faithfully recorded and communicated to those within
9 the company interested in knowing what the up-to-date
10 position is; is that not right?
11 A. Not in all cases, no.
12 Q. What would be the motivation for it not being so in all
13 cases?
14 A. I am sorry, I do not understand where you are --
15 Q. I do not understand either, that makes two of us.
16 You are saying that these are not unvarnished, faithful,
17 accurate reports, they omit things. I am not quite sure
18 what it is you are trying to tell us. Why do they omit
19 things, what do they omit?
20 A. They omit the conversations that were taking place on
21 a regular basis with key accounts regarding retail price
22 of replica.
23 Q. That we know is not true, because we can see from
24 the face of 230 that you thought it appropriate to
25 report the fact of the price-fixing agreement in its

1 unvarnished form on that page so that all to whom it was
2 addressed could read it and learn about it?

3 A. Because for a period of time there had been continued
4 pressure on the business and individuals within
5 the business regarding the retail price of the product.

6 Q. Why does it not say that in your explanation to the
7 reader as to what the justification or the reason was or
8 the driving force was for making that deal with
9 Sports Soccer?

10 A. Because at the time of writing the report, as you can
11 see, I did feel that there had been a major step
12 forward, as did the key account managers and the sales
13 director.

14 Q. And the reason you thought it was a major step forward
15 was because you see this price-fixing deal as a very
16 powerful improvement in the protection of the Umbro
17 brand?

18 A. In the protection of Umbro replica and the fact that
19 we had got the price up to 39.99 and stopped some of
20 the retailers discounting the product, ie Sports Soccer
21 and the JD cap promotion that was going on at the time.

22 Q. Because you did not want them selling your brand short,
23 did you?

24 A. That is not the case. We did not want retailers
25 discounting the product because of the pressure we were

1 under from other major retailers regarding the price
2 point.

3 Q. Now I want to go back to your 28th November witness
4 statement that I showed you I think at the beginning.
5 If you go to your file 3, which contains the witness
6 statements, I want to go back to those two paragraphs at
7 page 239. It is just those two paragraphs again:
8 paragraph 8 and paragraph 9.

9 "When we received ..."

10 Do you have that?

11 A. Yes, I have.

12 Q. "When we received complaints from Allsports and JJB
13 about discounts offered by other retailers, there was
14 an underlying threat that they would withdraw support
15 for Umbro as a brand in their stores if we did not do
16 something about it, serious repercussions.

17 "9. Also perceived pressure because nothing was
18 explicitly stated, came in the form of order
19 cancellations, a sudden reduction in the volume of
20 particular product being ordered, perceived reduction to
21 place orders for Umbro products in future ..."

22 Now, according to what you were saying there,
23 threats were not uttered, coming back to a point we were
24 discussing a little earlier today; you are saying that
25 they were underlying threats and nothing was explicitly

1 stated. That is the difference between uttering
2 something and it being silently unstated, sitting there.
3 Now, was it uttered or was it explicitly stated and
4 lying there only as an underlying threat? Which is it?
5 A. There was always an underlying threat, as I stated in my
6 witness statement.
7 Q. Was it uttered?
8 A. It was discussed on many occasions.
9 Q. Were threats made orally?
10 A. Yes.
11 Q. Why did you not say so here? Nothing was explicitly
12 stated. How can those words be true in the light of
13 what you just said?
14 A. Would you like me to give you an example of how it
15 happened? I can if you like; it is up to you.
16 Q. Well, I would like you to because the more you give us
17 an example, the more untruthful that statement becomes.
18 So why do you not fire away.
19 A. It is not that the statement is untrue --
20 Q. Do you agree that it is inaccurate?
21 THE PRESIDENT: I think we ought to have the example,
22 Lord Grabiner, and then take it up from there. What do
23 you have in mind, Mr Ronnie?
24 A. If we take JJB as an account, the replica buyer would
25 state clearly to the key account manager, or to

1 the sales director more often than not, that, "The boss
2 is not happy about this." Meaning retail price from
3 another retailer, being Sports Soccer.

4 There was never the threat explicitly of: orders
5 will be cancelled. But it was a very clear message that
6 was put out to the key account manager, or managers,
7 because there were two guys looking after the account at
8 different periods of time, and to the sales director.

9 LORD GRABINER: I want now to turn to the Manchester United
10 agreement. Now, as you know, there was a meeting on
11 8th June 2000 between Mr Hughes of Allsports, Mr Ashley
12 of Sports Soccer, Mr Whelan and Mr Sharpe, both of JJB.
13 The meeting was at the house of Mr Hughes near
14 Macclesfield in Cheshire. You were not present at
15 the meeting; is that right?

16 A. That is correct.

17 Q. So that your knowledge as to what was or was not said at
18 the meeting is based on what somebody else has told you,
19 or guesswork on your part?

20 A. It is based on what I was told following the meeting by
21 Mr Ashley, and what Colin Russell the replica buyer at
22 JJB told Phil Fellone and Phil Bryan, the key account
23 manager.

24 Q. How can you say what he told Phil Fellone; were you
25 there?

1 A. No, Phil Fellone told me.

2 Q. That is what I am driving at. What you know personally
3 about this is nothing?

4 A. Well, if I am told by Mr Ashley who has just left
5 the meeting what has happened surely I know something
6 about what was said.

7 Q. That is probably a legal point.?

8 A. Well ... yes.

9 THE PRESIDENT: That is the source of his information. That
10 is his evidence, anyway.

11 LORD GRABINER: Yes, that is his evidence.

12 I want to see if you can shed any light on how it
13 came about that this meeting took place.

14 According to your third witness statement --

15 A. I am sorry, I cannot hear you.

16 Q. According to your third witness statement, you attended
17 an Allsports golf day on 25th May 2000; do you remember
18 that?

19 A. I remember the golf day.

20 Q. You mention this in your witness statement if we look at
21 file 3, page 227.

22 We can pick it up at paragraph 40 on page 227; do
23 you have that in front of you?

24 A. I do.

25 Q. "After the dinner, David Hughes mentioned to me that he

1 wanted to meet with me to discuss possible discounting
2 of the Manchester United home shirt. The next day, I
3 say I cannot remember when, we arranged a meeting for
4 2nd June 2000. On that day, therefore, I met
5 David Hughes at his office in ... Stockport, at 10.30 in
6 the morning. The meeting did not last more than
7 an hour, but I cannot recollect the exact duration. We
8 spoke initially about the golf day and business in
9 general. During the meeting David Hughes mentioned that
10 he had been in contact with Manchester United regarding
11 the price of the home shirt to be launched on
12 1st August 2000. I do not recollect if David Hughes
13 told me who he had spoken to at Manchester United.

14 "Towards the end of the meeting Hughes called Knight
15 to ask him whether he had seen the promotion that JD
16 Sports were running. This was an England shirt being
17 sold at 39.99 with an Admiral cap worth about £10.
18 Knight did not know I was present as the call was not on
19 speaker. David did not mention it. I did not say
20 anything. David told me about the content of the call
21 afterwards, he said that Knight had seen the promotion.
22 Hughes asked whether First Sport would be doing a
23 similar promotion. Knight confirmed that it would not.
24 I was under the impression that Hughes was concerned
25 that the price discounted that had been taking place by

1 other retailers in respect of the England shirt would
2 also be used in respect of the launch of the Manchester
3 United home shirt a few months later. After the
4 telephone call with Knight, Hughes commented that he
5 needed to sort the situation out. I understood this to
6 mean that Allsports would lose margin if they could not
7 ensure that the product would be sold at the recommended
8 retail price. Hughes then said he would call ... to
9 discuss the imminent launch of the Manchester United
10 home shirt. I presumed he meant the retail price of
11 the shirts."

12 "Hughes asked me what Umbro were doing about
13 the issue of the England promotion being run by
14 JD Sports. He did not explicitly threaten, but if I did
15 not try to stop the promotion that Allsports would take
16 action against Umbro. However, I did believe that if
17 I did not do something, then it would present
18 a problem ... and potentially Manchester United. I said
19 that we would have to tell JD Sports that they were no
20 longer a priority account and they might not be getting
21 a product. Umbro's actions taken in respect of
22 JD Sports are discussed further below."

23 "46. The discussion moved on to MUFC. Hughes said
24 to me that if Umbro cannot ensure that the product will
25 not be discounted, it will affect Umbro re-signing

1 the Manchester United deal. David did not think that we
2 would get the deal. As Allsports are the official
3 retailer of MUFC, I know their very close relationship
4 with the club."

5 You are saying that concern was being expressed by
6 Mr Hughes of Allsports about the possibility of price
7 discounting in connection with the pending launch of
8 the Manchester United home shirt?

9 A. Yes.

10 Q. And Mr Hughes was looking to ensure that the product
11 would be sold at the recommended retail price?

12 A. Yes.

13 Q. And that is the point you are making in paragraph 44.

14 A. Yes.

15 Q. And then you say that in the course of a telephone
16 conversation with Mr Ashley on the morning of 5th June,
17 he told you that Mr Hughes had invited him to a meeting
18 to be held on 8th June, which was the Thursday, at
19 Mr Hughes's house in Chelford.

20 THE PRESIDENT: We are on paragraphs 48 and 49.

21 LORD GRABINER: Exactly.

22 A. Page 229.

23 Q. Yes, I am just summarising. I do not think it is
24 controversial. I will repeat it if you like. In
25 summary you say that Mr Ashley in a conversation with

1 you on 5th June told you that he had been invited by
2 Mr Hughes to attend a meeting on 8th June, the Thursday,
3 at Mr Hughes's house in Chelford.

4 You agreed that you would meet Mr Ashley after that
5 meeting, and that is a summary of what you say in
6 paragraphs 48-50?

7 A. Yes.

8 Q. You did not attend the meeting, and you say in
9 paragraph 52 that you gave Mr Ashley Mr Hughes's
10 telephone number.

11 A. Yes.

12 Q. So the picture you paint is of somebody who is
13 the recipient of information either from Mr Hughes or
14 from Mr Ashley. You are being told things by both of
15 them?

16 A. Yes.

17 Q. Now, what was your reaction when Mr Ashley told you
18 about the proposed meeting?

19 A. I was pleased.

20 Q. And you knew from your earlier conversation with
21 Mr Hughes what the purpose of the meeting was going to
22 be.

23 A. I had a good idea, yes.

24 Q. Presumably you told Mr Ashley that you had had
25 the earlier conversation with Mr Hughes and what

1 the substance of it was?

2 A. That is not strictly accurate. I told Mr Ashley that

3 I had given Mr Hughes his phone number and that

4 David Hughes would be calling him with a view to

5 discussing the Manchester United launch.

6 Q. But there was no reason why you should not tell

7 Mr Ashley what your understanding of the purpose of

8 the meeting was, was there?

9 A. I do not think I -- to the best of my recollection, I do

10 not think I told him that at that time.

11 Q. It is quite a long time ago, of course?

12 A. It is.

13 Q. Now, Mr Ashley's version of this story is rather

14 different from yours; do you understand that?

15 A. Yes.

16 Q. We can perhaps look at it: if you take file 1, witness

17 file 1, page 140. If you look at paragraph 23, this is

18 in a witness statement that has been provided by

19 Mr Ashley. He says:

20 "I first found out about the proposed meeting from

21 Chris Ronnie at Umbro, who had told me to attend

22 a meeting and to expect a call from David Hughes to

23 arrange it."

24 "Chris Ronnie told me that I would have to go and

25 convince the other retailers that Sports Soccer would

1 not discount the MU shirt and would charge 39.99."

2 So that is his version of the story. On the face of

3 it, Mr Ashley's version is quite different from yours.

4 What do you say about Mr Ashley's version?

5 A. If -- I am sure he, like me, to the best of his

6 recollection, that is what he thought was discussed in

7 the phone call at the time.

8 Q. Which bits of it do you agree with and which bits of it

9 do you disagree with?

10 THE PRESIDENT: Why not go sentence by sentence through

11 paragraph 23, perhaps, Lord Grabiner?

12 LORD GRABINER: Yes, we certainly can:

13 "I first found out about the proposed meeting from

14 Chris Ronnie at Umbro."

15 Is that true? Well, you do not know when he first

16 found out about it. But you do say that you told him?

17 A. Yes.

18 Q. "He told me to attend the meeting."

19 Is that true?

20 A. Again, to the best of my recollection, I said there

21 would be a proposal -- there was going to be a proposed

22 meeting.

23 Q. The way that that is phrased suggests that he was, so to

24 speak, being put under orders, if I can put it that way.

25 It is a bit like a superior employee telling a lower

1 grade employee what to go and do; was it that kind of
2 relationship at the time?

3 A. Absolutely not.

4 Q. No, I should not think it ever was, was it?

5 A. No.

6 Q. It certainly is not now, is it?

7 A. I certainly would not have spoken to him like that, no.

8 Q. You told him to expect a call from David Hughes to
9 arrange the meeting?

10 A. I told him a phone call would be coming from
11 David Hughes regarding the Manchester United home shirt.

12 Q. What about the next sentence:

13 "Chris Ronnie told me that I would have to go and
14 convince the other retailers that Sports Soccer would
15 not discount the MU shirt and would charge 39.99."

16 Is that what happened?

17 A. No.

18 Q. How would you put it?

19 A. As I explained earlier, I told David -- I told Mr Ashley
20 that David Hughes would be calling him and that the
21 subject would be the Manchester United launch.

22 Q. Mr Ashley's decision whether or not to attend
23 the meeting, I suppose sitting here now, you would say
24 was a matter for Mr Ashley, not a matter for you?

25 A. Absolutely.

1 Q. Now, I want to ask you about the conversation that
2 you had with Mr Ashley after that meeting, because
3 I think what happened was that it was agreed between you
4 that when he had finished at the meeting you and he
5 would have a meeting.

6 A. We were due to have a meeting anyway that day.

7 Q. But you had in fact agreed that you would meet after
8 he had finished at the meeting at Mr Hughes's house?

9 A. That is correct.

10 Q. And the key point I think is in your third witness
11 statement, file 3 at page 230, paragraph 55, where you
12 say:

13 "My understanding from Mike Ashley is that the price
14 of the MU adult home shirt to be launched on
15 1st August 2000 was discussed during the meeting.
16 The attendees agreed to sell the MU home shirt at 39.99
17 at launch, they did not agree a price on shorts, socks
18 or goalkeepers' shirts. Mike Ashley did not tell me if
19 any other issues were discussed."

20 And that is, you say, what he told you when you met
21 him?

22 A. Yes.

23 Q. Now, on the assumption that what you say in that
24 paragraph 55 is right, when he told you that you must
25 have been very delighted to hear the news?

1 A. We as Umbro were delighted that the four retailers had
2 decided to get together; and with the news of 39.99 that
3 they had all agreed, yes. It took the pressure off us
4 completely.

5 THE PRESIDENT: When you say the four retailers, Mr Ronnie?

6 A. Sorry, I mean the three: JJB, Allsports and
7 Sports Soccer.

8 LORD GRABINER: Now, on Mr Ashley's story, that is precisely
9 the agreement that you had required him to make at
10 the meeting?

11 A. As I say, that is not what I asked Mr Ashley.

12 Q. That I understand. On his story, the result that he
13 communicated to you was a precise performance of your
14 instructions?

15 A. I --

16 Q. I know you reject the suggestion that you could ever
17 instruct him to do anything anyway --

18 A. I could not instruct really any of them, those
19 individuals who attended the meeting, to do anything, to
20 be very honest.

21 Q. But you were, anyway, entirely delighted with what he
22 told you?

23 A. It was good news for Umbro, very good news --

24 Q. It took the pressure off your margins, did it not?

25 A. I was going to finish my sentence there, but

1 unfortunately you interrupted me. I will finish what
2 I was going to say. It took the pressure off the brand,
3 not the margin. The margin was never under threat. We
4 had a very nice margin on replica.

5 Q. It took the pressure off the brand because it meant that
6 you could comfortably proceed on the assumption that
7 the brand would not be sold at cut prices?

8 A. It took the pressure off the brand because what it meant
9 was, we hoped, we would no longer be involved in
10 conversations with the retailers who were there
11 regarding price point of replica. They had decided to
12 meet themselves and have the debate.

13 Q. Presumably thereafter you must have reported some good
14 news in the monthly management reports to the effect
15 that you were no longer receiving complaints and
16 pressure from all the other retailers?

17 A. We -- again, yes, I think we -- we were pleased, it was
18 reported and it was a very good result for the brand.

19 Q. What we do not find in the monthly reports is the fact
20 that the pressure has now come off the retailers because
21 this deal has been done, and nobody is complaining any
22 more, and this has made our life much easier, and this
23 is an important piece of information for all the people
24 in the company to learn about?

25 A. The key people in the Umbro organisation were all fully

1 aware that the meeting had taken place and the outcome.

2 Q. The outcome of the meeting was reported, was it?

3 A. Again, I think it is in my witness statement, is it not,

4 that we referred to earlier?

5 Q. Now, you had made a precisely similar deal directly with

6 Mr Ashley on 24th May in relation to the England shirt

7 for the Euro 2000, had you not?

8 A. Yes.

9 Q. As far as Umbro was concerned, there is no reason in

10 principle to make any distinction between the pricing of

11 the two shirts?

12 A. The key for Umbro was that the price -- and for

13 the other retailers -- that the price was 39.99, that

14 was always the important factor in this.

15 Q. Now would you just look at the May 2000 monthly

16 management report, which is at page 227, tab 2 for you.

17 THE PRESIDENT: The white bundle?

18 LORD GRABINER: Yes. It is E1, tab 27, page 227, for

19 the readers of the alternative bundle.

20 This report --

21 A. Sorry, which page?

22 Q. Page 227. I think the report was produced on

23 the evening of 8th June, following your meeting with

24 Mr Ashley. Do you remember that?

25 A. I am sorry, can you repeat the question?

1 Q. My question is this: you produced this report on
2 the evening of 8th June, following your meeting with
3 Mr Ashley?
4 You say that in file 3 at page 232. Keep that open,
5 because we will come back to it.
6 THE PRESIDENT: If you have that page open, if you go to
7 page 229, Lord Grabiner, you see it has a date at
8 the bottom.
9 LORD GRABINER: Oh, yes, absolutely. Because I think he
10 actually gives some evidence about this as well, so
11 you are absolutely right.
12 If you keep that open, Mr Ronnie, and go to page 232
13 in file 3. In paragraph 66 you say:
14 "I believe I had prepared the May monthly report on
15 the evening of 8th June following my meeting with
16 Mike Ashley."
17 Do you see that?
18 A. Mm-hm.
19 Q. You can put that aside. Just going to the monthly
20 report, the report that he has made there is based
21 exclusively upon what Mr Ashley told you at your meeting
22 with him that day, is it not?
23 A. He told me that the retailers had agreed to go out at
24 39.99.
25 Q. Let me repeat the question: what you say there is based

1 exclusively upon what Mr Ashley told you when you met
2 with him on that day after he had left Mr Hughes's
3 house?

4 A. (Pause). To the best of my recollection, yes.

5 Q. Who else or what else could have contributed to your
6 knowledge of what had happened that day?

7 A. Again, I cannot remember the exact time and date that
8 Colin Russell spoke with Phil Bryan and Phil Fellone
9 regarding the meeting, I am sorry.

10 Q. I think it was the following night, according to your
11 witness statement?

12 A. If that is what I said. I cannot remember the exact
13 time.

14 Q. We will find the reference and we will come to it if we
15 need to. The thing will speak for itself.

16 If I can just remind you of something else you
17 thought about assurances given by Mike Ashley. If you
18 look at your third witness statement at paragraph 21,
19 which is on page 223.

20 File 3. At paragraph 21 you say:

21 "On a number of occasions therefore, we had
22 discussions with Sports Soccer in particular, but also
23 sometimes other retailers, about retail pricing. On
24 several occasions I felt that I had to put pressure on
25 Sports Soccer to raise prices by threatening that it

1 might not receive a full order of products if it
2 continued to aggravate other retailers by its
3 discounting. Mike Ashley would often 'agree' to raise
4 Sports Soccer's prices. However, on many occasions he
5 did not then do so. Because of this, I knew that
6 I could not rely on Mike Ashley's assurances. However,
7 we could at least use those assurances to persuade other
8 retailers that we were responding to their complaints."

9 So that is presumably a true statement of the facts?

10 A. Yes.

11 LORD GRABINER: I feel guilty about having, so to speak,
12 said "no" to a question you wanted to raise and then
13 I forgot to come back to it at the end of my showing
14 the witness the monthly statements, Mr Colgate, for
15 which I apologise. It may be that the question is no
16 longer relevant or has gone away from the mind, but this
17 would be a good moment.

18 MR COLGATE: I have not forgotten it. If I could just
19 interrupt you there.

20 LORD GRABINER: It would be a perfect moment, and I am
21 sorry.

22 MR COLGATE: I just wanted to be clear on a couple of
23 questions you answered earlier. Dowty Hanson led
24 the buy-out in 1999?

25 A. Yes.

1 MR COLGATE: So around May/June time they were well in as
2 the owner, in effect?
3 A. May/June 1999?
4 MR COLGATE: 2000.
5 A. Yes, yes.
6 MR COLGATE: Did they receive copies of these monthly
7 reports that we have been looking at?
8 A. I could not honestly tell you that. That is a decision
9 that would have been made by Peter McGuigan, the chief
10 executive. He dealt with all matters regarding Dowty
11 Hanson.
12 MR COLGATE: Was Dowty Hanson on the board?
13 A. Yes. To my memory, two people from Dowty Hanson were on
14 the Umbro Holdings board.
15 MR COLGATE: It is just that you said earlier that you had
16 no non-executive directors.
17 A. We did not see them as non-execs; we saw them as
18 directors.
19 MR COLGATE: Are they referred to on that circulation list
20 that we looked at at the front of the reports?
21 A. They are not on the circulation list, no.
22 MR COLGATE: But they still receive them?
23 A. I could not tell you that, I do not know. That
24 decision, as I said, was down to Peter McGuigan.
25 MR COLGATE: When you had your directors' board meetings,

1 did you attend them?

2 A. Yes.

3 MR COLGATE: What papers did the directors receive? Did

4 they ...

5 A. To the best of my recollection, we did not ever refer to

6 the monthly management reports in those meetings.

7 They had -- the papers that they had to prepare for

8 the meeting were always financial accounts and various

9 other topics that would be on the agenda for the meeting

10 around the business.

11 MR COLGATE: Did you prepare any of those?

12 A. I sometimes would help prepare the financials with my

13 financial controller, Paul Masters.

14 MR COLGATE: But you are not sure if they always received

15 the monthly figures and the management reports.

16 A. I honestly could not tell you that, no. That was not

17 an area of my responsibility; that was down to the chief

18 executive.

19 MR COLGATE: Thank you. Thank you very much.

20 LORD GRABINER: If I may just ask one or two questions

21 arising out of Mr Colgate's questions.

22 Are you saying that you cannot remember if

23 Dowty Hanson were provided with this material?

24 A. It is not a case of I cannot remember; it is a case of

25 I would not know.

1 Q. You simply do not know?

2 A. I simply do not know.

3 Q. Could you look in page 244 of file 3.

4 This is the last page and the penultimate paragraph,
5 29, of your November 2003 witness statement, where you
6 say:

7 "At paragraph 6.8, Allsports suggests I would have
8 exaggerated the extent of the experience in the Umbro
9 monthly management reports to impress ... I was
10 co-director with him. I did not therefore feel the need
11 to impress him or anyone else in the matter. These
12 reports [that is to say, the monthly reports] were not
13 circulated to shareholders or backers Dowty Hanson,
14 they were just a way to tell senior management that
15 we had price agreements. This would mean that
16 the threats ... would stop. This was ... a major step
17 forward for Umbro."

18 You seem there to be quite certain what the answer
19 was: these reports were not circulated to
20 the shareholders or backers Dowty Hanson. Now, I think
21 you have told us you would not know the answer to that
22 question?

23 A. To the best of my knowledge, they were not. But again
24 the decision was Peter McGuigan's decision whether to
25 circulate them or not.

1 Q. Could you look for example at the May 2000 report.
2 Tab 2, page 227, is an example.
3 Do you see a reference there to somebody called
4 Mark Corbidge?
5 A. Yes.
6 Q. The second one down on the left-hand column?
7 A. Yes.
8 Q. Who is Mark Corbidge?
9 A. Mark Corbidge was the individual that introduced
10 Peter McGuigan and I to Dowty Hanson.
11 Q. So he was the link between Umbro and Dowty Hanson?
12 A. At the time of the introduction re-acquisition, he was
13 the link. But on a day-to-day basis Peter McGuigan was
14 the link.
15 Q. And he is a shareholder in Umbro, is he not?
16 A. Yes.
17 Q. And that is the reason why he is on this circulation
18 list?
19 A. Yes. He was also involved in the business at the time.
20 Q. And he was previously an investment banker,
21 well-connected with the venture capital banking sector
22 in the UK and also in Europe?
23 A. Yes.
24 Q. The order of shareholders within Umbro was that
25 Dowty Hanson had the majority of the shares; is that

1 right?

2 A. Yes.

3 Q. Peter McGuigan was the next biggest shareholder?

4 A. That is correct.

5 Q. And then Mark Corbidge?

6 A. That is correct.

7 Q. And then you?

8 A. That is correct.

9 Q. So is it fair for us to infer from this that

10 the contents of these reports might well have found

11 their way, albeit through Mark Corbidge, back to

12 the principal investor?

13 A. I could not tell you. I honestly do not know.

14 Q. You obviously would have been concerned in any event to

15 make sure that these reports were accurate and balanced

16 and truthful?

17 A. Correct.

18 Q. Now I would like to turn to what we call

19 the Continuation Agreement.

20 THE PRESIDENT: So we are moving on, if I have understood

21 it, from 2000 up to 2001. Is that right?

22 LORD GRABINER: From April 2000 to the end of August 2001,

23 which is the period covered by the alleged Continuation

24 Agreement.

25 In its decision the OFT says that between about

1 April 2000 and the end of August 2001 there was in place
2 an agreement or a series of agreements between Umbro and
3 Sports Soccer to maintain the prices of Umbro replica
4 shirts. I think that you agree that that was the case?
5 A. That is correct.
6 Q. And these were illegal agreements or arrangements under
7 which Umbro as the supplier or wholesaler or
8 Sports Soccer as the retailer were specifically agreeing
9 the prices at which the shirts would be sold to
10 the public?
11 A. Wherever possible, yes.
12 Q. Now we know that there were three meetings in July 2000;
13 and we also know that they were attended only by
14 representatives of Umbro and Sports Soccer, including
15 yourself?
16 A. Correct.
17 Q. JJB attended none of these meetings?
18 A. No, they would be -- they were what we would call key
19 account meetings. So JJB would never attend
20 a Sports Soccer key account meeting in the same way that
21 Sports Soccer would never attend a JJB key account
22 meeting.
23 Q. JJB were never invited to these meetings?
24 A. It does not happen in the industry. Nike would never
25 invite JJB to attend a Sports Soccer meeting.

1 Q. And you have never said that JJB knew that these
2 meetings were taking place?

3 A. I am sorry?

4 Q. I said you have never said that JJB knew that these
5 meetings were taking place?

6 A. They certainly did not know about the dates of
7 the meetings, but they were aware we were having
8 conversations with Sports Soccer around prices of
9 replica.

10 Q. You have never said that in any of your witness
11 statements.

12 A. I said it earlier, as we have been discussing the debate
13 of 39.99.

14 Q. We all agree, I think, that JJB had ordered and was well
15 stocked with supplies of Umbro-produced Manchester
16 United home kit?

17 A. Yes.

18 Q. And that was the position in early 2001?

19 A. Yes.

20 Q. Mr Preston, who was the commercial director of JJB, says
21 that in May 2001 JJB's stock was in excess of 60,000
22 units which had been purchased from Umbro at the normal
23 wholesale prices. Does that sound about right to you?

24 A. Yes.

25 Q. I will just give you a reference on that sir, it is

1 the witness file 2, page 267, paragraph 4. I do not
2 think I need to turn it up with either you or
3 the witness. We do not need to be troubled with it.

4 Putting that point aside about the amount of stock
5 that JJB had, but bearing it in mind, JJB had also
6 agreed in February 2001 to purchase from Umbro in two
7 tranches each of 40,000 units, Manchester United
8 centenary shirts which were due to be launched in
9 July and August 2001; that is right as well, is it not?

10 A. Yes.

11 Q. And this was the gold reversible shirt that my learned
12 friend so elegantly displayed at the commencement of
13 this case, now some several days ago; do you remember?

14 A. It does feel like several days, you are right.

15 Q. He turned it inside out and showed it to us, fortunately
16 he did not put it on.

17 A. I do not think he could have got it on.

18 Q. You are not exactly in a position to speak on
19 the subject.

20 A. I wondered when we would get to my size.

21 Q. In April/May 2001, Umbro through you sold 40,000
22 Manchester United home shirts to Sports Soccer at
23 clearance prices.

24 A. Sorry, can you repeat that? I am sorry.

25 Q. In April/May 2001, Umbro through you sold 40,000

1 Manchester United home shirts to Sports Soccer at
2 clearance prices.

3 A. Yes.

4 Q. And that is the thrust of your fifth witness statement.
5 That is what your fifth witness statement is all about.

6 A. Yes.

7 Q. And the reference on that, sir, again for your record
8 but we do not need to turn it up, is file 3, page 248,
9 paragraph 17.

10 On 23rd May 2001 Sports Soccer promptly began to
11 sell these shirts which it had acquired at these
12 clearance prices at a deep discount, and it was selling
13 with a price of £20 for adults and £15 for juniors. Is
14 that in accordance with your recollection?

15 A. To the best of my knowledge.

16 Q. Now, you must have realised that this was precisely what
17 Sports Soccer would go out and do?

18 A. Yes.

19 Q. You must also have realised that JJB would be left with
20 Manchester United home shirts which it had purchased
21 from Umbro at significantly higher wholesale prices?

22 A. What happened on the --

23 Q. No, no, just answer the question.

24 A. Yes.

25 Q. In order to compete with Sports Soccer, JJB would have

1 to sell at or near a loss.

2 A. Yes.

3 Q. And JJB reacted angrily, and on 1st June 2001 they

4 cancelled one of the two 40,000 centenary shirt orders?

5 A. That is not the reason they cancelled the shirts.

6 Q. I did not ask you what their reason was.

7 A. They cancelled the product, yes.

8 Q. They cancelled one tranche of 40,000 shirts?

9 A. Yes.

10 Q. And JJB's position was that you must have given

11 Sports Soccer a very attractive clearance price without

12 which they would never have been able to sell the MU

13 home shirts at such low prices?

14 A. That was their assumption.

15 Q. That was what, sorry?

16 A. That was their view, yes.

17 Q. And this episode provoked two meetings: there was one on

18 8th June by purely fortuitously the same date as

19 the other meeting, attended by you -- this is

20 the attendance according to our version. The meeting

21 was attended by you and Messrs Fellone, McGuigan of

22 Umbro; Messrs Sharp and Preston of JJB. That is

23 the first meeting.

24 The other meeting was on 15th June 2001 attended by

25 you and Mr Sharpe, Mr Preston and Mr Whelan. So let me

1 just have your reaction to that.

2 So there were two meetings on 8th and 15th June with

3 those attendances; does that accord with your

4 recollection as well?

5 A. On the first meeting I cannot recollect if Peter was at

6 the meeting. But the rest of the attendees is right,

7 yes.

8 Q. I see, so you think that you, Fellone, sharp and Preston

9 were present, and you cannot remember McGuigan being

10 there. What about the other meeting,

11 the 15th June meeting?

12 A. The attendees are right, yes.

13 Q. Sharp, Preston and Whelan?

14 A. Yes.

15 Q. In your witness statement, perhaps you would like to

16 look at it, in file 3, at page 249, you explain in

17 paragraph 20 -- you say:

18 "Thirdly, it was I who came up with the idea that

19 JJB could purchase additional shirts made from extra

20 fabric in the Far East [presumably coming from the Far

21 East, or even making it up in the Far East] on condition

22 that JJB also bought some other products.

23 Peter McGuigan did not present this to them, I did."

24 That is still your recollection, is it?

25 A. It is.

1 Q. So what you were proposing was that JJB -- as a solution
2 was that JJB could buy some additional MU home shirts at
3 a clearance price?

4 A. Yes.

5 Q. In your fax to Mr Whelan of 18th June of 2001 you
6 confirmed that there would be no more production of
7 Manchester United home shirts thereafter?

8 A. That is correct.

9 Q. Now, the effect of what you were suggesting was that if
10 JJB accepted that suggestion that is summarised there in
11 your witness statement its average cost price of all its
12 Manchester United home shirts would be reduced and it
13 would be able to compete with Sports Soccer for the sale
14 of these shirts?

15 A. Correct.

16 Q. You had obviously thought that through quite cleverly
17 and that was the basis of your suggestion?

18 A. Had I thought it through cleverly.

19 Q. You realised that they could then average their cost
20 price between what they had paid full wholesale price
21 for, plus what you were now selling to them at
22 the clearance price, they could get an average lower
23 price and that would enable them to go out into
24 the marketplace and compete more effectively with
25 Sports Soccer?

1 A. JJB realised that as well, yes.

2 Q. You realised that, they realised that?

3 A. Yes.

4 Q. In return, you were looking to JJB to reinstate

5 the cancelled order for the 40,000 centenary shirts and

6 I think to take some other stock?

7 A. Correct.

8 Q. And that is exactly what happened.

9 A. Correct.

10 Q. Now, from both sides' point of view, this was a very

11 attractive and well thought-out settlement I suggest of

12 a potentially unpleasant dispute; would you agree with

13 that?

14 A. It resolved the issue of the centenary cancellation plus

15 the reaction that JJB had previously made and concerns

16 regarding Sports Soccer's discounting of the England

17 product as well; they were linked. So it resolved that

18 situation, and it resolved the unfortunate situation

19 Umbro had been put in by the early announcement of

20 Manchester United's agreement with Nike.

21 Umbro were left with 80,000 finished shirts in stock

22 plus the additional fabric as a result of the early

23 announcement. So it resolved a very unfortunate

24 situation for Umbro.

25 Q. Because Manchester United was moving from Umbro to Nike?

1 A. Correct.

2 Q. And it announced that fact?

3 A. They did.

4 Q. So the result was that Umbro was able to move
5 the balance of its Manchester United home shirts; that
6 is a rather important point as well?

7 A. Yes.

8 Q. Because of the point that you just made, it was rather
9 important to do that.

10 JJB was able to compete on what one might call
11 a more even playing field, if you will forgive the pun.
12 And you had restored JJB's full commitment to take
13 80,000 centenary shirts. A very good solution all
14 round?

15 A. It resolved what was a major problem.

16 Q. And there is a very concise summary of all this in your
17 third witness statement in file 3, page 236,
18 paragraph 83. There you summarise the position in that
19 paragraph. You might want to look at it; there it is.
20 (Pause).

21 A. Okay.

22 LORD GRABINER: I have no further questions of this witness.

23 THE PRESIDENT: It sounds to me that that is a convenient
24 moment, Lord Grabiner.

25 LORD GRABINER: Thank you very much.

1 THE PRESIDENT: We will resume at 2 o'clock. The same
2 conditions, Mr Ronnie: no talking to anybody else about
3 your evidence.
4 A. (Indicates assent).
5 (1.00 pm)
6 (The short adjournment)
7 (2.00 pm)
8 THE PRESIDENT: Yes, Mr West-Knights.
9 MR WEST-KNIGHTS: It is more difficult coming second.
10 Plainly I had a plan. Much of that plan has been
11 fulfilled by my learned friend, Lord Grabiner. However,
12 what I propose to do is to ask those questions which
13 I think would be of assistance to the tribunal during
14 the course of this afternoon, trying to stay clear of
15 any plain duplication, and overnight my learned friend
16 Mr Peretz and I will review the situation.
17 THE PRESIDENT: Yes, I am quite anxious if we can to find
18 time to get as far as Messrs May and Prothero before the
19 end of tomorrow.
20 MR WEST-KNIGHTS: My aim is to be done with Mr Ronnie by
21 lunchtime tomorrow if not before. That is my aim.
22 Cross-examination by MR WEST-KNIGHTS
23 Q. Mr Ronnie, could you please be given the Umbro pink
24 bundle, but I am not going to say or do anything with
25 this which would cause a problem. It is a bundle called

1 "Umbro Restricted Documents".

2 THE PRESIDENT: I think that is a document that you have,

3 Mr West-Knights. Nobody else.

4 MR WEST-KNIGHTS: I have back cross-references, but not

5 forward cross-references as to where these documents are

6 to be found.

7 This is a late-emerging document, and therefore I do

8 not think it had otherwise found its way into any other

9 document.

10 THE PRESIDENT: It is not attached to the skeleton,

11 for example.

12 MR WEST-KNIGHTS: Yes, of course it is. Thank you. It

13 should be attached to our supplementary condition, if

14 all has gone according to plan. In fact, it is --

15 THE PRESIDENT: It is our C7, Allsports pleadings file,

16 which is yellow.

17 MR WEST-KNIGHTS: It is at page -- heavily marked in a big

18 fat marker -- 7 of the attachments to that skeleton.

19 THE PRESIDENT: Tab C. 20th March 2000.

20 MR WEST-KNIGHTS: Yes.

21 THE PRESIDENT: I think we all have it, thank you very much.

22 MR WEST-KNIGHTS: This is just a question about how these

23 documents are prepared, Mr Ronnie.

24 Do you have a document headed "Confidential

25 Sports Soccer Meeting of 20th March 2000"?

1 A. Sorry?

2 THE PRESIDENT: Turn on through the document you are looking

3 at to the things that are attached to it, and there is

4 big black numbering with a marker pen at the bottom.

5 Keep turning on through and you will get to number 7.

6 A. Right.

7 MR WEST-KNIGHTS: Do you have that?

8 A. Marked "Confidential Sports Soccer meeting of

9 20th March"?

10 Q. Yes. I am not going to ask you anything about what this

11 document says. Can you just help us please with at

12 the bottom the initials CR, LA and MFP? First, whose

13 initials are they and what do they signify just above

14 the bottom of the page like that?

15 A. CR is myself. LA is Lee Attfield. MFP is

16 Morag Pallett.

17 Q. That is the name of your secretary/PA?

18 A. Yes.

19 Q. Does that mean that this is a document which is drafted

20 by you?

21 A. Yes.

22 Q. I am just asking -- the answer may be no -- where does

23 Lee Attfield fit in? Was it a joint effort?

24 A. To the best of my recollection, that is it.

25 Q. That is how it would go, is it? So if you were

1 principal author of this document your initials would
2 come first, and then the secondary initials, LA and then
3 the initials of your secretary.

4 I would be grateful if nobody would interrupt with
5 a clever answer to this one. The date there, underneath
6 that, does that ring any bells with you?

7 A. If I am reading it correctly it is 29th of the 8th.

8 Q. Yes, you are reading it correctly, and I am asking you,
9 assuming that you could read it correctly, whether it
10 rings any bells with you.

11 A. 29th August, no.

12 Q. I am going to tell you what that date is equal to: it is
13 the same date as the date on which your offices were
14 visited early in the morning pursuant to a warrant by
15 the Office of Fair Trading. You perhaps were not there
16 then, you were in Kuala Lumpur or something?

17 A. Yes.

18 Q. Is it your secretary's habit, as appears to be the case,
19 that the format that she uses on dates for documents is
20 one that changes, it is the date the document was
21 printed out rather than the date the document was made?

22 A. I could not tell you that, I am sorry.

23 Q. It seems to be the case with this one?

24 A. It seems to be, but I could not tell you.

25 Q. That is probably the reason why the date is such an odd

1 one, is it not? It was printed off the computer on
2 the date of the dawn raid, this version?

3 A. It does seem strange.

4 Q. No, it does not seem strange, I am suggesting that that
5 is a likely explanation for its bearing that date?

6 A. I could not tell you, I am sorry.

7 Q. Before we go into detail, I want to check one thing with
8 you. You knew at all times during the year 2000 that
9 the arrangements that you came to with Sports Soccer
10 were illegal price-fixing arrangements?

11 A. Yes.

12 Q. And where did you get that information from?

13 A. Internally at Umbro and also from Mike Ashley.

14 Q. So you and he discussed these arrangements on the basis
15 that you both understood that they were in breach of
16 the law.

17 A. He told myself and a number of other people at various
18 brands that it was against the law, yes.

19 Q. But you knew that anyway from enquiries within Umbro?

20 A. Yes.

21 Q. That did not prevent your reporting at least one of
22 these illegal arrangements in the monthly management
23 reports?

24 A. No.

25 Q. Thank you.

1 Your diaries have emerged. Will you just please
2 confirm that they did not go missing until -- these are
3 the diaries for 2000 and 2001 -- some time after you
4 left Umbro?

5 A. Initially my thought was that Umbro was still in
6 possession of one of my diaries --

7 Q. It is a much simpler question than that, Mr Ronnie.
8 They were not missing until you left Umbro, missing in
9 the sense of nobody knew where they were?

10 A. No.

11 Q. So whilst you were at Umbro they were presumably in your
12 possession somewhere?

13 A. They were on file.

14 Q. They were on file, thank you.

15 I will tell you frankly on each chapter what I am
16 going you ask you about. This chapter is how Ronnie 1.
17 Ronnie 2 came about in time sequence and in context of
18 the discussions with the Office of Fair Trading?

19 A. Yes.

20 Q. It is right, is it not -- we have established it,
21 although it is not a date that you would necessarily
22 remember -- that the Office of Fair Trading raided Umbro
23 on 29th August 2001?

24 A. Yes.

25 Q. From I think about the middle of September, when

1 the management team was all back from the Far East
2 trip -- is that about right?

3 A. End of -- yes, the middle of the first week of
4 September, if my memory serves me correctly.

5 Q. So Umbro set to work presumably pretty hard on dealing
6 with this state of affairs?

7 A. Yes.

8 Q. And indeed Umbro was not only raided but received in
9 September 2001 a section 26 notice from the office?

10 A. I believe so, yes.

11 Q. That is a notice -- no reason why you should know
12 the section -- that requires a great deal of information
13 out of Umbro as to its suspicions and documents.

14 A. Yes.

15 Q. That document required an answer within a relatively
16 short timespan, about a month, I think?

17 A. To the best of my knowledge, yes.

18 Q. Now, you were presumably, as the chief operating
19 officer, intimately involved in the investigations and
20 the culling of information together for the Office as
21 a result of the two events, that is to say the dawn raid
22 and the section 26 notice?

23 A. Yes.

24 Q. And you presumably liaised with, amongst others,
25 Catherine Roseveare, in-house counsel?

1 A. Yes.

2 Q. I think she tells us somewhere that she had not been
3 with Umbro very long at this time?

4 A. That is correct.

5 Q. I think she tells us somewhere that she came to Umbro in
6 October 2001, I may be wrong about that, but she had not
7 been there long?

8 A. Again, to the best of my knowledge I think Catherine's
9 first day was the day we left for Kuala Lumpur for a
10 conference.

11 Q. So that would be the back end of August or mid-August.
12 And you were part of the senior management team involved
13 in dealing with the Office?

14 A. Yes.

15 Q. And there came a time when -- can I just seek
16 the tribunal's reminder guidance that Umbro made
17 a request of the OFT; that is not something that we need
18 to go into camera about any more?

19 THE PRESIDENT: The fact of that request is no longer
20 confidential.

21 MR WEST-KNIGHTS: I am obliged.

22 There came a time when the senior management of
23 Umbro decided that it would seek leniency from
24 the Office?

25 A. That is correct.

1 Q. Right. What I am going to ask you to do now is turn up
2 documents attached to Umbro's pleadings in this matter.
3 It is Umbro file 2, yellow, if the tribunal has followed
4 our colour patterning, Umbro file 2, tabbed B, C and D
5 as to its contents.

6 THE PRESIDENT: Tab B did you say?

7 MR WEST-KNIGHTS: I did not. It is in fact annex 2.

8 THE PRESIDENT: Yes.

9 MR WEST-KNIGHTS: This is a run of correspondence between
10 the Office and Umbro spanning the first delivery of --
11 I am going to call it Ronnie 1, but it is the first set
12 of statements in draft, then Ronnie 2, and a meeting
13 after Ronnie 2 with the Office in February. That is
14 the span of these dates. It does go on further than
15 that, but I will be taking it from an Office chronology.

16 This first document is Miss Roseveare talking to
17 the Office, page 1. I just want you to confirm that you
18 recall this:

19 "Stated she was calling in relation to
20 the price-fixing of replica kit ..."

21 THE PRESIDENT: Sorry, I am not with you. Which file are we
22 in?

23 MR WEST-KNIGHTS: U2, annex 2.

24 THE PRESIDENT: File note 23/11/01.

25 MR WEST-KNIGHTS: Yes, page 1. The second paragraph under

1 3.35 pm shows that Miss Roseveare introduces the idea of
2 leniency; do you see that, Mr Ronnie?

3 A. Yes.

4 Q. Going down to the bigger paragraph after that:

5 "Catherine Roseveare stated that she had conducted
6 an internal investigation and was preparing witness
7 statements, however these were in the process of being
8 checked ... and could not be presented at this stage or
9 at the meeting."

10 Is that right, that by November there had been
11 detailed investigations into all of these matters inside
12 Umbro?

13 A. That is correct.

14 Q. And you were involved obviously in that, as the chief
15 operating officer if nothing else?

16 A. Yes.

17 Q. Okay. At the bottom of the page:

18 "AWS [Mr Walker-Smith] raised the issue of whether
19 Umbro was a prime mover in the behaviour.
20 Miss Roseveare stated that ... there was evidence to
21 show that Umbro were more of a victim than a prime
22 mover/instigator."

23 Yes?

24 A. Yes.

25 Q. "Mr Walker-Smith mentioned a case where full leniency

1 had been given subject to conditions. If the
2 ring-leader status were proven the leniency would reduce
3 to 50 per cent."

4 And she deals with the fact that there had been
5 a section 26 notice in the large paragraph just before
6 the end:

7 "... and the exercise of confidentiality is required
8 by 26th November ..."

9 So you had had a month to deal with the section 26
10 notice, and Mr Walker-Smith said that he would arrange
11 for an extension of time.

12 So Umbro was in fact required to provide information
13 by 26th November but was going to ask for more time.

14 The next document here is in fact a meeting between
15 Umbro and the OFT at which you were not present.
16 Obviously this would have been reported back to you?

17 A. Yes.

18 Q. I want to pick it up at paragraph 3:

19 "Mr Walker-Smith said so far there had been no
20 case ..."

21 THE PRESIDENT: This is page 3, the meeting of
22 the 4th December 2001.

23 A. Sorry, the next page?

24 MR WEST-KNIGHTS: Yes, I did ask you to turn the page over,
25 Mr Ronnie. This is a note by Lovells who were then your

1 solicitors; yes?

2 A. Yes.

3 Q. You see at paragraph 3 Mr Walker-Smith said:

4 "There had been no case where leniency had been
5 needed and not been granted. There had been two
6 instances where parties had applied to the OFT for
7 leniency but leniency had not been granted because it
8 was not required."

9 He goes on in the next paragraph to explain:

10 "One hundred per cent leniency was not available
11 where the party seeking leniency had either instigated
12 the activities being investigated, or compelled others
13 to engage in them. He said that his understanding of
14 the facts was that Umbro appeared to have compelled
15 others. It did not appear that 100 per cent leniency
16 would be available in those circumstances. It seemed
17 more likely that it would be partial, somewhere between
18 15 and 20 per cent. Rarely offered leniency below 20
19 per cent because at that level it was more appropriate
20 for the parties' fine to be reduced for cooperation."

21 Paragraph 6:

22 "The level of the reduction would depend on
23 the extent to which Umbro could provide information
24 which was not already in the possession of the OFT, and
25 how much value the evidence provided to the OFT's case."

1 You expressed some doubt about the timing:

2 "As a result, unless Umbro are able to disclose
3 something new to the OFT in relation to the scope of the
4 arrangements or the detail of them, he felt that Umbro
5 would be closer to 20 than 50."

6 And then Mr Walker-Smith at paragraph 7 gave further
7 explanation as to the procedure. Mr Stone of Lovells at
8 paragraph 8:

9 "... asked how the OFT would assess whether
10 a participant in a vertical arrangement [between, say,
11 a manufacturer and a supplier] as opposed to a
12 horizontal arrangement had been a prime mover or
13 instigator. This would depend on the circumstances.
14 For example, if it was clear that a supplier had been
15 forced to engage in re-sale price maintenance as a
16 result of a number of powerful retailers collectively
17 threatening to withdraw orders, this would suggest that
18 the supplier was not an instigator. However, if
19 the supplier were put under general pressure from
20 different retailers to take action in relation to
21 re-sale prices and the supplier decided to pursue
22 a policy of re-sale price maintenance it would then be
23 difficult to argue that the supplier was not
24 the instigator."

25 And this was obviously as you say reported back to

1 you; you understood what the requirements would be?

2 A. It was not reported back to me in this sort of detail,

3 no.

4 Q. I see. In other words you knew that Umbro were applying

5 for leniency?

6 A. Yes.

7 Q. And in order to obtain leniency it could not get it if

8 it was a prime mover or an instigator. You knew that

9 much?

10 A. All I knew was that leniency had been applied for.

11 Q. You are the chief operating officer of this company,

12 Mr Ronnie, you knew more than that.

13 A. No, I did not.

14 Q. I suggest to you that that is not a recollection that is

15 accurate.

16 A. To the best of my knowledge, I knew that we were looking

17 for leniency, and that was it as far as detail was

18 concerned.

19 Q. You are not going to get leniency as a matter of common

20 sense if, as it were, you do not have an excuse for what

21 you did.

22 A. If that is the case, yes.

23 Q. That must follow as a matter of common sense. On what

24 basis do you think you are entitled to leniency having

25 entered into all of these illegal arrangements knowing

1 that they were illegal?

2 A. We were fully of the understanding that what we were
3 doing was illegal as far as the price-fixing of replica
4 was concerned.

5 Q. And how did you expect to obtain leniency except by
6 blaming third parties?

7 A. I was not involved in the detail of the case as far as
8 the dealings with the OFT. My involvement was putting
9 what happened down in statements, to the best of my
10 recollection.

11 Q. I am just checking again as a matter of fact --
12 paragraph 10 says that you people had been away when
13 the raid had taken place:

14 "Umbro then carried out internal investigations in
15 the next two months, began to prepare witness
16 statements, undertaking training for its sale staff, and
17 it took time to track down the relevant people and
18 investigate what was going on."

19 That accords with your recollection of what was
20 going on at the time?

21 A. Yes.

22 Q. Presumably a good deal of time was spent in Umbro at
23 this time over this subject?

24 A. Yes.

25 Q. It was explained at paragraph 17 by Miss Roseveare that

1 Umbro had been instrumental in breaking the cartel by
2 supplying large orders to Sports Soccer who discounted
3 the kit. In the light of everything we know, does that
4 sound right to you, Mr Ronnie?

5 A. Can I just read it, sorry? (Pause).

6 What Catherine says there is true in so far as once
7 this style of supply was opened by to Sports Soccer
8 they were discounting the product from time to time,
9 associated product as well --

10 Q. "Umbro had been instrumental in breaking the cartel by
11 supplying Sports Soccer."

12 A. Umbro knew that Sports Soccer would discount the replica
13 and the associated product once it started to open up
14 supply in those areas.

15 Q. Which cartel are you talking about here? The cartel
16 involving supposedly retail pressure is one that is
17 achieved by preventing Sports Soccer discounting
18 the kit, so it is said. Or is this about Manchester
19 United, do you think?

20 A. I think it is -- I did not write this --

21 Q. No. You have seen it presumably?

22 A. Seen this?

23 Q. Yes.

24 A. No. Not until today.

25 Q. Oh.

1 THE PRESIDENT: What is your impression about the meaning of
2 that first sentence, I think is the question you are
3 being asked. What do you think it means when it says:
4 "Umbro had been instrumental in breaking the cartel
5 by supplying large orders to Sports Soccer"? What
6 cartel is there being referred to?

7 A. I would imagine from Catherine's description she is
8 including Manchester United in that as well.

9 MR WEST-KNIGHTS: It is not just a question of including
10 Manchester United?

11 THE PRESIDENT: That may not be a fair question for this
12 witness.

13 MR WEST-KNIGHTS: You may be right, I was surprised by
14 the answer that the witness had not seen this before.

15 At paragraph 18 Catherine said that Umbro had notes
16 of the telephone discussion after the meeting, and this
17 is in relation to the June 2000 meeting, the Manchester
18 United discussions. I think that is clear from earlier
19 paragraphs.

20 "Catherine Roseveare said that Umbro had notes of
21 telephone conversations after the meeting but did not
22 have notes of what was discussed at the meeting."

23 Do you see that at paragraph 18?

24 A. I am just reading it, sorry. (Pause). Yes.

25 Q. Do you have any idea what she might have been referring

1 to in terms of notes of telephone discussions after
2 the 8th June meeting?

3 A. It is very difficult for me to comment because I did not
4 write this report.

5 Q. I understand that, but somebody else did, and you were
6 involved in the investigation. What telephone records
7 is she talking about? As far as we are aware we have
8 not seen any that relate to 8th June.

9 A. I could not tell you, I am sorry.

10 Q. You cannot help, okay.

11 Anyway, the suggestion at 19 by the Office is:
12 "Would it be possible to produce something in
13 writing with the examples of the types of evidence Umbro
14 had in its possession. Miss Roseveare said it would be
15 useful if Mr Walker-Smith could have his discussion with
16 the case officers first and then decide whether it was
17 useful to produce a document for the OFT."

18 Plainly at this time Umbro would have been doing its
19 very best to get to the bottom of what had gone on and
20 why it had happened and how it had all come about; yes?

21 A. Yes.

22 Q. Okay. Mr Walker-Smith wrote the following day -- I will
23 take this quickly -- sorry, no, this is Miss Roseveare
24 to Mr Walker-Smith. She says at paragraph 3 over
25 the page, page 8 in the bundle, it has two numbers on

1 it, a 9 in the middle?

2 THE PRESIDENT: This is the letter of 5th December.

3 MR WEST-KNIGHTS: Thank you. Page 2 of the letter of

4 5th December.

5 THE PRESIDENT: Paragraph 3, did you say?

6 MR WEST-KNIGHTS: I did, sir.

7 And that was right, Mr Ronnie?

8 A. Yes.

9 Q. There had been an extensive internal audit; right?

10 A. Yes.

11 Q. Now we have in numbered paragraph 1 the word "cartel":

12 "Umbro is aware there was a meeting between

13 the three main sports retailers on 8th June."

14 Okay, so that is plainly a reference to Umbro's

15 version of the 8 June meeting; yes?

16 A. Yes.

17 Q. About Manchester United. And then under the heading 2,

18 "Resale Price Maintenance":

19 "It is not in Umbro's best interests to enforce high

20 pricing and in fact Umbro's conduct after the cartel

21 meeting on 8th June is not consistent with the assertion

22 that Umbro was a ring leader or instigator."

23 Okay?

24 A. Mm-hm.

25 Q. Turning over, again it is said at page 9, in the first

1 complete paragraph, that it seems plain that Umbro is
2 saying that the cartel which it broke by supplying kit
3 to Sports Soccer was the Manchester United meeting;
4 yes --

5 THE PRESIDENT: Sorry, where are you?

6 A. Sorry, are you on paragraph 1?

7 MR WEST-KNIGHTS: I said over the page, the first complete
8 paragraph --

9 THE PRESIDENT: Yes, "Umbro effectively broke ..."

10 MR WEST-KNIGHTS: "... the cartel", which has been
11 identified on the previous page.

12 THE PRESIDENT: Can we briefly read the previous
13 paragraph to get the situation?

14 MR WEST-KNIGHTS: Please. (Pause).

15 THE PRESIDENT: Yes.

16 MR WEST-KNIGHTS: In this letter we see the first -- I think
17 this is one of those notes that I am prepared to share:
18 take it more slowly although as you will appreciate I am
19 also trying to take it quickly.

20 THE PRESIDENT: We need to go at a pace that the witness can
21 follow.

22 MR WEST-KNIGHTS: More haste less speed.

23 This letter starts to put the blame on
24 the retailers:
25 "It is our contention that the meeting of

1 8th June ..."

2 I am looking at paragraph 3, status as a prime

3 mover, page 9.

4 A. Right.

5 Q. "The sporadic instances of retail price maintenance were

6 as a direct result of retailers putting pressure on

7 Umbro."

8 THE PRESIDENT: Do you see a passage that begins:

9 "It is our contention that the meeting of

10 8th June ..."?

11 A. Thank you.

12 THE PRESIDENT: Just read to the end of that paragraph.

13 (Pause).

14 A. Yes.

15 MR WEST-KNIGHTS: It is an obvious point but I pass it:

16 there is not any reference here, apart from this general

17 reference to sporadic instances of retail price

18 maintenance, no reference whatsoever to any agreement

19 involving the England shirt.

20 A. That is correct.

21 Q. Just under that paragraph she deals with the question of

22 the kind of split offer on leniency. And then she says:

23 "Having reviewed the documents that the OFT took

24 away, Umbro believes that these documents present an

25 incomplete picture. Umbro believes that the information

1 would be provided as a result of Umbro's participation
2 in the leniency programme. It would be of significant
3 use to the OFT in respect of the investigation and would
4 also provide a fuller explanation of the situation
5 rather than relying on the documents disclosed to date.
6 Accordingly, I hope this will allow you to take a more
7 sympathetic view of our application for leniency."

8 Okay?

9 A. Mm-hm.

10 Q. That letter was acknowledged and dealt with at page 13?

11 THE PRESIDENT: That is the letter of 7th December.

12 MR WEST-KNIGHTS: Thank you, sir. Do you have that,

13 Mr Ronnie?

14 A. I do.

15 Q. Thank you. The second paragraph:

16 "As discussed at the meeting on 4th December,
17 prepared to consider offering Umbro leniency in
18 accordance with the guidance, considering a reduction of
19 20 per cent ... the reason why I hesitate to agree to
20 offer Umbro more is that in the months between our visit
21 to your office on 29th August in accordance with
22 the warrant and your visit to us on 4th December,
23 the case officers have been able to build a stronger
24 case."

25 And then the next paragraph:

1 "This has two consequences. The first is that this
2 does show Umbro imposing and enforcing RRP on other
3 companies and actively coordinating and facilitating
4 price-fixing between the companies, and this therefore
5 precludes Umbro from benefiting from total immunity."

6 The next paragraph:

7 "The other consequence is having developed a good
8 picture, we can see that the information you have so far
9 disclosed does not advance the case beyond the stage it
10 has already reached. At present the only evidence which
11 you have provided as part of your leniency application
12 relates to Manchester United. I am prepared to put up
13 a full offer of leniency of 20 per cent and invite you
14 to describe in more detail what it is you wish to
15 provide ..."

16 And it goes on to say, I am sure this will have been
17 stressed to you after this letter:

18 "In particular Umbro must provide all
19 the information, documents and evidence available to it
20 regarding the existence and activities of the cartel and
21 must maintain continuous and complete co-operation
22 throughout the operation in addition from refraining
23 from any further participation."

24 That would have been crystal-clear to you by
25 the in-house counsel during the course of the further

1 investigations which took place?

2 A. Yes.

3 Q. There is then a formal letter from the OFT at page 16 on
4 7th January. This letter encloses a formal offer of
5 leniency with some square brackets around it and
6 comments on what Miss Roseveare had said about further
7 information Umbro might provide. At the bottom of
8 the page:

9 "In order to proceed [with the application] we would
10 need a full list of those documents and details of their
11 contents as well as their contents, as well as all
12 other information available to Umbro with regard to
13 price-fixing of replica football kit to which I
14 understand that the application would relate. We would
15 expect such information to be provided in the form of
16 witness statements with supporting documentation. As
17 far as 8th June is concerned, we would expect
18 the witness statement to set out full details of
19 the nature of the meeting, who was present, what was
20 discussed and the outcome and the follow-up to
21 the meeting to the extent that this information is
22 available to Umbro."

23 And as requested this will be done by early January;
24 yes?

25 A. Yes.

1 Q. In the early part of 2002 there would have been a good
2 deal more work going on inside Umbro to get this sorted
3 out?

4 A. Yes.

5 Q. At page 24 of this bundle, on 7th January,
6 Miss Roseveare writes, indeed in reply to the offer --

7 THE PRESIDENT: That seems to have gone back on the same day
8 more or less.

9 MR WEST-KNIGHTS: It does, that is the reason I hesitate --

10 THE PRESIDENT: It is rather strange, because you would have
11 thought that the letter of 7th January if sent by post
12 would arrive the following day. No matter.

13 MR WEST-KNIGHTS: Voila. No matter. The only clue is that
14 Miss Roseveare's letter was sent by email at 5.15 on
15 that day.

16 THE PRESIDENT: Maybe it came by email or by hand, no
17 matter.

18 MR WEST-KNIGHTS: Again, she says on 7th January,
19 the paragraph two-thirds of the way down the page:
20 "You are aware that we are in the process of
21 compiling witness statements together with supporting
22 documentation where appropriate."

23 And she refers to the second option:
24 "To increase the percentage available if Umbro was
25 deemed not to be a prime mover, either to the extent

1 of ... activity coordinating and facilitating
2 price-fixing between companies. As previously stressed,
3 Umbro believes it was not a prime mover."

4 On 9th January, page 26, it appears from the middle
5 of the second paragraph that the Office is still
6 awaiting the information that Umbro has available --

7 A. Sorry, can I just have a bit more time to read this?

8 THE PRESIDENT: Yes, take your time, Mr Ronnie. We are now
9 on to page 26, which apparently again a letter from
10 the Office to Miss Roseveare, which says that
11 the director is still waiting for information from
12 Umbro; and once he has it, he will be in a position to
13 make a decision.

14 A. All right.

15 MR WEST-KNIGHTS: So he is not going to make his mind up in
16 advance, he is not going to say X or Y now, he will wait
17 to see what Umbro has to say.

18 He says at the bottom of the page:

19 "Any information which Umbro wishes to provide as
20 part of any application for leniency can be provided in
21 whatever form you may consider appropriate. I am
22 for example content to receive draft witness statements
23 and if those draft witness statements advance
24 the director's case beyond the stage it has already
25 reached, then a reduction in any financial penalty

1 greater than 20 per cent may be possible."

2 The reason I say this is that we know that in due
3 course Umbro did produce, as did you, some draft witness
4 statements. You remember that process?

5 A. Yes.

6 Q. Thank you.

7 The only purpose I would show you page 28 is to try
8 to trigger your memory on what was going on at the time.
9 This is a file note of 9th January, a discussion between
10 Miss Roseveare and Mr Walker-Smith. At the bottom of
11 the page, the paragraph starting with:

12 " Catherine Roseveare stating ..."

13 Yes?

14 A. Yes.

15 Q. She goes on to say that she guessed it would be the
16 first option, as they had done a lot of work preparing
17 the witness statements and would not have approached
18 the OFT had we not been concerned about the decision.

19 So by 9th January a great deal of work has gone into
20 the preparation of this material; yes?

21 A. Yes.

22 Q. Over the page we get at page 29 the delivery to
23 the Office under cover of this letter -- a purist would
24 in fact say that it is apparent that some of these
25 statements were faxed a day or two later. In principle

1 this is --

2 THE PRESIDENT: In principle it is 17th January 2002.

3 MR WEST-KNIGHTS: Thank you:

4 "Further to our telephone con, please find attached

5 draft witness statements for your review."

6 Yes?

7 A. Yes.

8 Q. And she says just above A and B:

9 "It is my understanding that the percentage of

10 leniency offer will be increased if (a) the information

11 provided advances the directors' case beyond the stage

12 it has already reached, or (b) the information provided

13 shows that Umbro did not actively coordinate or

14 facilitate price-fixing between companies."

15 So the thrust of the inquiries within Umbro,

16 certainly at this stage, will have been to find out

17 absolutely everything it could to see whether it could

18 assist the directors' case -- yes?

19 A. Yes.

20 Q. And, secondly, to acquire all of the information that it

21 could to show that Umbro was not, as it were,

22 the kingpin in this arrangement; yes?

23 A. Yes.

24 Q. She goes on under that to say, after the stuff about

25 the guidance:

1 "In the event that condition (b) above is satisfied
2 [that is to say not being the prime mover], we would ask
3 that you consider the fact that Umbro will no longer be
4 precluded from total immunity, and that will have
5 satisfied the conditions."

6 You at this time presumably will have had some
7 discussions with the lawyers as to Umbro's potential
8 exposure in terms of fines?

9 A. Yes.

10 Q. And you were, I dare say, advised that the fines that
11 Umbro faced, subject to any deduction for leniency, were
12 in the 10 million plus bracket?

13 A. That -- that --

14 THE PRESIDENT: I do not know whether he needs to say
15 exactly what advice he got. But you can probably find
16 a way of getting the same point out, can you?

17 Can you expect --

18 MR WEST-KNIGHTS: Massive fines.

19 THE PRESIDENT: -- a substantial fine.

20 A. Yes.

21 MR WEST-KNIGHTS: Thank you. The only reason why I picked
22 the figure I did was that it was based upon the actual
23 fine less the leniency which was imposed.

24 THE PRESIDENT: Yes.

25 MR WEST-KNIGHTS: Over the page she says, perhaps very

1 sensibly:

2 "If the case officer required further explanation or
3 clarification to be provided, please let me know so that
4 this information can be incorporated into the final
5 signed witness statements."

6 Do you have it?

7 THE PRESIDENT: It is at the top of the page. Do shout if
8 you are falling behind.

9 MR WEST-KNIGHTS: So the process so far has been an enormous
10 amount of work before Christmas, further work after
11 Christmas and with a view to getting draft witness
12 statements in as full and as accurate a form as
13 possible --

14 A. Yes.

15 Q. -- but leaving the door open for refinement or
16 explanation if the Office particularly wanted something
17 new. That is where we are at the moment. Yes?

18 A. I do not think we left any doors open. We were asked by
19 Catherine to put a witness statement together and that
20 is what we did. It was not with a view to leaving doors
21 open.

22 Q. I am not suggesting for a moment that you were
23 deliberately leaving doors open. That is very helpful.
24 You personally, and no doubt you were coordinating
25 the enquiries of others under your command, as it were,

1 your job as you saw it was to say everything you knew?

2 A. Yes.

3 Q. Accurately; yes?

4 A. Yes.

5 Q. But focusing not unnaturally in the light of all this on

6 the extent to which Umbro could point to the activities

7 of others as being to blame?

8 A. Umbro's intention was to clearly state the involvement

9 that certain retailers had had with Umbro as far as

10 price was concerned on replica kit, yes.

11 Q. If you go over to page 31, something less than

12 a fortnight later the Office responded to the product of

13 all that hard work by your company?

14 THE PRESIDENT: This is 29th January 2002.

15 MR WEST-KNIGHTS: Thank you, sir, page 31.

16 A. Thank you.

17 MR WEST-KNIGHTS: Sorry, yes, it is important for

18 the transcript.

19 THE PRESIDENT: I just say it because of the transcript.

20 MR WEST-KNIGHTS: Quite so, I will do the same, and then

21 you will not have to --

22 THE PRESIDENT: And to allow to witness to orientate

23 himself.

24 MR WEST-KNIGHTS: Thank you very much.

25 We are going to looking at Ronnie 1 briefly in due

1 course. It was not just Ronnie 1, it was Ronnie 1,
2 Fellone 1, McGuigan 1, Marsh -- perhaps you cannot
3 remember. It is a matter of record.

4 In the second complete paragraph the Office says
5 this:

6 "Draft witness statements on behalf of
7 Christopher Ronnie, Martin Prothero and Simon Marsh, and
8 the subsequent faxed draft witness statements of Phil
9 Fellone and Peter McGuigan."

10 The Office says this:

11 "I discussed the witness statements with the case
12 officers. We remain of the view that Umbro at the very
13 least compelled others to participate in price fixing
14 and cannot in accordance with paragraph 3.4 benefit from
15 total immunity.

16 "Draft witness statements do not materially advance
17 the directors' case. Reduction of more than 20 per cent
18 of the amount would not, therefore, be appropriate."

19 Okay. He goes on in the next but one paragraph to
20 say this:

21 "We have noted that the draft witness statements
22 contain a number of material inaccuracies and
23 inconsistencies as well as being in many instances
24 extremely vague as to the nature and/or outcome of
25 discussions. In addition, Umbro has copies of

1 the documents that the director obtained on
2 29th August from Umbro's premises. In many instances
3 these documents are not considered in any of
4 the defendant witness statements, and where they are
5 there appear to be substantial inconsistencies between
6 the two." Right?

7 In the next paragraph there is a number of examples,
8 some of which refer to your draft witness statement.
9 We will come back to those if we need to in due course.

10 But in particular --

11 THE PRESIDENT: Do you want us to read that, beginning:

12 "Some examples of these inaccuracies ..."?

13 MR WEST-KNIGHTS: It would be helpful to you and me and to
14 the stenographer if everybody just read that
15 paragraph and the next one.

16 THE PRESIDENT: Beginning:

17 "Some examples of these inaccuracies", apparently,
18 Mr Ronnie.

19 A. Yes, thank you. (Pause). Okay.

20 MR WEST-KNIGHTS: There are two things about this I will be
21 picking up with you when we go to your underlying
22 statement.

23 The first is that it is right that in your first two
24 witness statements you were at pains to account for
25 the description in the May 2000 monthly management

1 report of what was said to have been agreed, this is the
2 following a month of dialogue with the above accounts
3 page -- you were at pains to say that that related only
4 to the Manchester United agreement. Do you remember
5 that or am I going to have to show you that?

6 A. If I could look at that it would be helpful --

7 Q. Not now, but we will come to it.

8 Secondly, both of your witness statements dealt with
9 England on the footing that there had been a launch of
10 the England kit rather than, as it were, a resurgence by
11 reason of Euro 2000. Perhaps it was only the first;
12 I cannot remember. Do you remember getting that
13 muddled, about whether England was launched or simply
14 connected with Euro 2000?

15 A. I do, yes.

16 Q. There was a further muddle too because you explained
17 what had happened in respect of England by reference to
18 an email which turned out not to be dated April 2000 but
19 April 2001; do you remember that muddle?

20 A. Not clearly, no.

21 Q. We will go to that if we have to.

22 At any rate, the upshot was that the Office
23 concluded on the basis of the statements listed on
24 the first page of this letter that Umbro did not satisfy
25 the conditions of leniency at all. Do you remember

1 that?

2 A. No.

3 Q. You do not remember that being reported to you?

4 A. Not in -- not clearly, no, I am sorry.

5 Q. So be it.

6 Umbro was invited at this time to confirm by
7 4th February, in the penultimate paragraph on page 32,
8 whether the draft witness statements provided reflected
9 the full extent of the information that Umbro would be
10 providing, and if not final witness statements to be in
11 by that date.

12 Okay?

13 So, what will have happened, I suggest, Mr Ronnie,
14 is that at the end of January Miss Roseveare, or whoever
15 was in charge -- was it Miss Roseveare in charge of this
16 investigation?

17 A. It was.

18 Q. She came back to you and others with a lot more
19 questions.

20 A. Again, I cannot remember clearly, but, yes, there was
21 more work around that time, yes.

22 Q. With a view to providing witness statements which were
23 the whole accurate truth?

24 A. As I said, we were obviously being truthful throughout
25 the whole process. It was a case of sitting down again

1 and going back through dates, launches, again and again.

2 Q. Talking to each other, checking with other people within

3 the firm, within the company, trying track down people

4 who had left, that sort of thing?

5 A. I am sorry, I missed that last piece.

6 Q. Talking to people within the firm or company and indeed

7 trying to track down people who had left, for instance?

8 A. At the time I cannot remember who had left the business.

9 Q. I think the account manager for JJB, Mr Bryant?

10 A. I would not have gone back to Mr Bryant. Mr Fellone may

11 have done, but I did not.

12 Q. But you are in charge of this, are you not?

13 A. Phil Fellone was in charge of the salesforce.

14 Q. I am talking about this investigation.

15 A. I was not in charge of this investigation.

16 Q. But you were heavily involved in it?

17 A. I was involved but I was not in charge of it.

18 Q. Who was in charge of it at Umbro?

19 A. Other than Catherine Roseveare, Peter McGuigan.

20 Q. He is not giving evidence before us, you see, Mr Ronnie.

21 On the operational side you would have been the person

22 with the most information --

23 A. Myself and Phil Fellone, yes.

24 Q. And you would talk to each other about all of this?

25 A. We would.

1 Q. And you would decide who it was that you needed to get
2 information from to get to the bottom of this?

3 A. We worked together on it, yes, with the key account
4 managers.

5 Q. When you say the key account managers, who are they?

6 A. The key account managers are individuals who looked
7 after what we call -- it is self-explanatory -- key
8 accounts.

9 Q. Just name them, if you will?

10 A. Lee Attfield, who looked after Sports Soccer.
11 Phil Bryant around the time when he was in the company
12 he looked after JJB. Anthony May who looked after
13 Allsports and JD and mail order.

14 Q. You cannot remember who looked after First Sport at that
15 time?

16 A. I am sorry, Anthony May looked after First Sport at that
17 time, yes.

18 Q. There was a new little division called home trade, was
19 there not ... it does not matter.

20 You said you would not have asked Mr Bryant any
21 questions. Mr Fellone?

22 A. He would talk to Phil, yes, about the case, yes.

23 Q. And Mr May, obviously?

24 A. Yes.

25 Q. Okay. Page 35. We are nearing the meeting that you had

1 in detail with the Office, Miss Roseveare writes back on
2 your behalf. You presumably were also disappointed that
3 the leniency had been turned down?

4 A. Yes, it was disappointing, there was a lot of work going
5 into it --

6 Q. It was more than that, potentially it was going to cost
7 Umbro a fortune?

8 A. Yes --

9 Q. 20 per cent of a massive sum is still a large number?

10 A. Indeed it is.

11 Q. What she says in essence here is that she was surprised
12 at the comments, Umbro were fully aware of the
13 obligations, and you were fully aware of the
14 obligations, plainly. You knew that you were being
15 asked questions and giving a statement on the footing
16 that you had to give the whole picture as far as
17 possible?

18 A. Yes.

19 Q. Not only was that your legal obligation, but any failure
20 to come forward with any information that subsequently
21 came out of the woodwork might cost Umbro its leniency
22 application?

23 A. It would certainly cost Umbro a lot of money, yes.

24 Q. Millions, conceivably?

25 A. Yes.

1 Q. She says at the bottom of the last two paragraphs on
2 this page:

3 "Umbro want to continue to cooperate fully with
4 the OFT. We intend to deal with the inconsistencies and
5 inaccuracies."

6 As to the suggestion that there may be further
7 inconsistencies, inaccuracies or vague descriptions, she
8 asked for detail on those.

9 Over the page, she asked for an extension of time
10 until 11th February. So Umbro had a bit more time to
11 sort itself out; yes?

12 A. Yes.

13 Q. Just passing quickly over page 37, 1st February 2002,
14 a letter from the Office, again Mr Walker-Smith to
15 Miss Roseveare. At the first substantial paragraph he
16 reminds you all:

17 "A company replying for leniency must provide
18 the Director General with all the information available
19 to it regarding the existence and the activities of
20 the cartel."

21 And it goes on to say:

22 "I indicated in the same letter that such
23 information could be provided in whatever form Umbro
24 wished, content to receive the information Umbro wished
25 to provide in support of its application initially in

1 the form of draft witness statements. Therefore clear
2 from my letter that what Umbro was required to do in
3 order to progress its application for leniency was that
4 it would be required to provide all information
5 available to it."

6 And you had never been under any doubt as to that,
7 had you?

8 A. No.

9 Q. The next paragraph:

10 "I appreciate that the witness statements proffered
11 under the letter were in draft form and Umbro offered to
12 clarify and explain ... however, in my opinion,
13 following discussions with the relevant case officer
14 the draft witness statements provided showed that Umbro
15 was falling far short of complying with the conditions
16 for leniency."

17 That too would have been conveyed to you in
18 the process of you giving further information to
19 Miss Roseveare for the purposes of what became your
20 statement. She would have made clear to you that
21 the Office had taken the view that what you had said so
22 far was way short of being enough.

23 A. I cannot remember that.

24 Q. No?

25 A. No, I am sorry.

1 Q. It goes on to deal with Miss Roseveare's request for
2 Further and Better Particulars by saying at the bottom
3 of the page:
4 "It is a matter for your assessment, not for
5 the director to determine what should or should be
6 provided. It is up to the company applying to ensure
7 that it complies with the conditions."
8 And again he says that you have to tell them
9 everything.
10 Over the page, 4th February -- I am sorry, this is
11 tedious -- 4th February, page 39. Do you have that,
12 Mr Ronnie?
13 A. Yes.
14 Q. This is the occasion on which the second, that is to say
15 the signed, witness statements were provided to
16 the office. Okay?
17 A. Yes.
18 Q. This gave rise to Marsh 2, Ronnie 2, McGuigan 2,
19 Prothero 2 and Fellone 2 --
20 THE PRESIDENT: So 4th February, the second --
21 MR WEST-KNIGHTS: This is what we would mark down as Ronnie
22 2 in terms of this witness.
23 THE PRESIDENT: Yes, the second tranche.
24 MR WEST-KNIGHTS: I am grateful:
25 "Thank you for your fax. In response to your

1 request ... we have provided signed witness
2 statements ... in accordance with the conditions for
3 leniency set out in the Director General's guidance. In
4 drafting and compiling these witness statements we have
5 to the best of our knowledge and belief undertaken
6 a full audit of Umbro House, Cheadle."

7 Presumably that means scouring the building for
8 anything that might help?

9 A. We went back over the records, yes.

10 Q. "Disclosed all relevant documents and information as
11 regards the alleged price fixing of Umbro licensed
12 replica football kit, conducted extensive interviews
13 with Umbro personnel."

14 So presumably those people who were interviewed were
15 not merely those who had provided statements to
16 the Office?

17 A. I am sorry?

18 Q. Presumably the extensive interviews with Umbro personnel
19 included interviews with people other than those who
20 gave statements?

21 A. I would not know about that. Catherine was handling
22 that.

23 Q. Did you speak to Mr May about all of this?

24 A. I would have spoken to Mr May during the process of
25 the statements being put together --

1 Q. To find out whether he had any information as to, for
2 instance, retailer pressure?

3 A. That was the overall track that we wanted to follow as
4 far as putting the statements together, the pressure
5 that we were as individuals put under by the retailers.

6 Q. So it is obvious that the investigations would have
7 included people like Mr May, the key account managers?

8 A. It would.

9 Q. Yes. Again it would seem logical, would it not, that if
10 somebody had something interesting and, as it were, hard
11 to say about retailers -- meaning firsthand knowledge --
12 that information would have obviously for two reasons
13 have been drawn to the attention of the Office; yes?

14 A. Yes.

15 Q. The two reasons being: (1) the obligation on Umbro to be
16 absolutely frank and open -- yes?

17 A. Yes.

18 Q. And (2) the thrust of the investigations, namely
19 instances of retailer pressure?

20 A. Yes.

21 Q. The letter goes on to explain, and perhaps you could
22 just say whether you think it is right in respect of
23 your second witness statement, Ronnie 2, the first one
24 you signed:

25 "The witness statements are signed and are in final

1 form in so far as they provide explanations of the
2 specific events detailed in them and give an explanation
3 of certain of the documents taken by the Office, and
4 certain other documents provided by Umbro to
5 the Director General."

6 Perhaps you remember that the shape of your second
7 witness statement is that it is a much longer document?

8 A. It is.

9 Q. And it addresses, as it were, document by document
10 30-odd exhibits or appendices?

11 A. I cannot remember --

12 Q. You cannot remember?

13 A. No.

14 Q. We have seen some examples -- you were shown this
15 morning references to CR9, a page of your diary?

16 A. Yes.

17 Q. What Umbro did at this stage was to copy certain
18 pages of your diary and send them to the OFT?

19 A. Yes.

20 Q. You had of course the originals of those diaries at this
21 time and for a lot longer?

22 A. Yes.

23 Q. Thank you. They discuss your witness statement over
24 the page at page 40 in the first complete paragraph,
25 the second sentence:

1 "We have made substantial revision to this witness
2 statement in an attempt to assist the Director General
3 with his understanding of Umbro's position. When
4 the final statement is read it should be clear that the
5 so-called inaccuracies and inconsistencies were nothing
6 more than a result of Umbro making assumptions about
7 the reader's knowledge of the events."

8 I do not know when it was that you last read Ronnie
9 2. Have you read it recently?

10 A. I have, but I would like another look at it.

11 Q. I am not going to take you to any detail at this stage;
12 it may be wise for you to look at it overnight, I do not
13 know.

14 At any rate, you have no reason to suppose that
15 there is anything in Ronnie 2 that you wish you had not
16 said or which is wrong?

17 A. Not to the best of my knowledge, no.

18 Q. Your endeavour at the time, it being the second shot,
19 was to get it all complete and correct?

20 A. Yes.

21 Q. So Ronnie 2, being made at the beginning of 2002, given
22 all the work that went into it, ought to be the best
23 record of your true recollection of the events in
24 question?

25 A. My aim was obviously to make sure that all my statements

1 were as accurate as I could possibly make them.

2 Q. Ronnie 2 is more likely to be the best record of your
3 true recollection because it was taken as a result of
4 detailed questioning on the back of 2001 and
5 the beginning of 2002, which was relatively close to the
6 time?

7 A. Yes.

8 Q. Yes. This letter draws attention to various paragraphs
9 of your previous draft that we do not need to trouble
10 with at the moment, although it is clear that
11 paragraphs 17-31 at the top of page 41 of Ronnie 2 are
12 now the explanation in respect of the monthly management
13 report, and explain the position as regards both the
14 Manchester United and England kit. Okay?

15 A. Can I read that, please?

16 Q. Yes. It is the paragraph starting on page 40:
17 "As to the example of paragraph 77 ..."
18 Perhaps you ought to read all of that if you want
19 to, as it were, make sure that I am not tricking you in
20 any way, Mr Ronnie.

21 A. Where would you like me to read down to? The whole
22 page of 41?

23 THE PRESIDENT: No, I think it is only the first few
24 lines of 41, to refresh your memory as to what your
25 second witness statement is effectively covering.

1 MR WEST-KNIGHTS: The point being that Miss Roseveare,
2 plainly she must have sat down with you and said, "Look,
3 they are having a go at us about this paragraph 77", and
4 extracted from you further information, said to you,
5 "They say that this is wrong because of so and so." And
6 you had a further think about it and together you
7 redrafted your statement so that it became the final
8 version.

9 Yes, that was the process?

10 A. I do not know if that was exactly the way --

11 THE PRESIDENT: Tell us what the process was.

12 A. We sat down together and went through the events again.

13 THE PRESIDENT: Yes.

14 A. And put a fresh -- put fresh thought to it and then put
15 a statement together.

16 THE PRESIDENT: Yes.

17 MR WEST-KNIGHTS: Anyway, no question of her going off and
18 guessing and stuffing something under your nose and
19 saying, "Sign this". You sat down with her and tried to
20 relive the events looking at the documents. She would
21 have said to you, "Is this diary entry anything to do
22 with it?" Stuff like that. Properly to help you
23 recreate your recollection.

24 A. Yes.

25 Q. Which is why I hoped you might agree with me that

1 the probability is that Ronnie 2 is your best shot in
2 terms of remembering stuff?

3 A. As I said, I would like to think they were all, to use
4 your term, the best shot on all the statements I made.

5 Q. Yes, but the one most likely to be accurate is the one
6 as a result of this detailed and intense process, much
7 closer to the time.

8 A. At the time of writing the statements and putting them
9 together, it was to the best of any knowledge and memory
10 that I put the statements together. On every statement
11 I made.

12 THE PRESIDENT: Can I just ask what was actually physically
13 happening, Mr Ronnie? Were you writing something out or
14 were you explaining something and perhaps Miss Roseveare
15 was taking a note and coming back to you with a draft
16 or --

17 A. I would explain it to Catherine and she would do
18 a draft.

19 MR WEST-KNIGHTS: And if the draft was not right you would
20 tinker with it and talk to her about it again?

21 A. Yes.

22 Q. You did not just sit down with her the one time?

23 A. No.

24 Q. Thank you. It is as one might imagine, Mr Ronnie,
25 you were taking a great deal of care to get this right

1 for both the reasons we agreed on?

2 A. Yes.

3 Q. As she points out, you make further explanation in

4 a very long series of paragraphs 77-123, in the middle

5 of page 41, explanation of the attendance notes of

6 the meetings between you and Sports Soccer.

7 A. Yes.

8 Q. At the bottom of the page she expresses the hope that in

9 the light of all this new material she hopes that

10 the Office will in fact, and despite its preliminary

11 view that Umbro would get no leniency at all, receive

12 a formal offer of 20 per cent. Yes?

13 A. Yes.

14 Q. We do not need to trouble with page 43. At page 44,

15 this is a letter of 12th February from the Office to

16 Umbro, Mr Walker-Smith:

17 "Dear Catherine ..."

18 Do you have that?

19 A. Yes.

20 Q. The bad news is in paragraph 3 from Umbro's point of

21 view, the second paragraph starting:

22 "However, I, in conjunction with the case officers,

23 are of the view that the final witness statements that

24 Umbro has provided ... contain material inconsistencies

25 as well as being vague on key matters such as

1 discussions with retailers."

2 And you had done your best on that, had you not?

3 A. I had.

4 Q. Not just you; the whole team and the whole

5 investigation?

6 A. Yes.

7 Q. "The case officers have in particular made a detailed

8 comparison between the information set out in

9 the witness statements and the documents which you are

10 aware the director obtained on 29th August."

11 A. Yes.

12 Q. "There still appear to be substantial inconsistencies

13 between the two ... particularly in relation to

14 the witness statement made by Mr Ronnie."

15 That information was no doubt conveyed to you as

16 well?

17 A. I cannot remember, I am sorry.

18 Q. Really? Well the upshot of this letter, and we will go

19 back to it in detail in a moment, was that you were

20 turned down for leniency. That will have been conveyed

21 to you, will not it, Mr Ronnie?

22 A. From memory, yes, I think it was. Yes, it was.

23 Q. And you will have asked the question: why?

24 A. Yes. Again, I cannot remember when or if I asked

25 the question, but I am sure I would have done.

1 Q. I cannot imagine you would not, Mr Ronnie, this is
2 potentially a multi-million pound blow.

3 A. It was also one of the best things that happened to us.

4 Q. No, I am talking about the refusal of leniency. It was
5 a potential multi-million pound blow to Umbro?

6 A. Yes.

7 Q. And I suggest to you that you are bound to have said.
8 "What? On what grounds have they turned us down?"

9 A. I cannot remember that I said that, no.

10 Q. You are bound to have said that, are you not?

11 A. No.

12 Q. After all, you worked your stocks off for three months,
13 all of you. According to Miss Roseveare, Umbro firmly
14 believed it was not the prime mover, you had all put
15 down your best recollection, done your damndest, and
16 the OFT says no. You would be bound to say: why?

17 A. I cannot remember, I am sorry.

18 Q. Are you saying that nobody explained to you that
19 the reason -- that one of the principal reasons was that
20 the Office was not buying your statement?

21 A. No, that was not explained to me at the time.

22 Q. You never knew that?

23 A. No.

24 Q. Is this the first time you have found this out?

25 A. Yes.

1 THE PRESIDENT: We may not be quite at the end of the story
2 yet, may we, Mr West-Knights? There seems to be
3 a meeting.

4 MR WEST-KNIGHTS: You are absolutely right, sir. I was
5 proposing to get to just before the meeting and stop.
6 But I have not quite finished with this letter because
7 as I said to Mr Ronnie, we might have a look further up
8 the page.

9 In particular one of the criticisms, again you see
10 at the top of the page, the director says entirely
11 properly -- this is still page 45 --

12 "As noted above ..."

13 As I was saying, the director entirely properly
14 through Mr Walker-Smith continues to say, "It is not for
15 me to tell you what I want you to tell me, it is for you
16 to tell the whole story." He does however, even at this
17 stage, give examples. Do you see that:

18 "However, by way of example, the matters which
19 we have noted in considering the final witness
20 statements and which we would wish to discuss at any
21 meeting would be the description of the nature of the
22 agreements between Umbro and retailers provided by
23 Mr Ronnie. In particular in relation to Sports Soccer
24 Mr Ronnie states that the agreements with Sports Soccer
25 in April/May 2000 related to England replica kit only."

1 Although paragraph 92 suggests an agreement was also
2 reached with Sports Soccer on Manchester United, but it
3 is unclear when. However, according to the meeting
4 notes provided by Umbro personnel and Umbro's
5 April 2000 monthly report, the April/May 2000 agreements
6 appear clearly to have covered other club replica
7 football kits. Similarly Mr Ronnie refers in various
8 parts of his statements to the discussions which Umbro
9 had with retailers about the England replica kit in
10 the run-up to Euro 2000, in particular at
11 paragraph 1.2.8."

12 Just to flag it up, we will look at 1.2.8 when we
13 get there briefly, Mr Ronnie:

14 "The nature of these discussions is not clear from
15 the witness statements and it is also not clear how
16 these tie in with Mr Ronnie's statement at paragraphs
17 18-26."

18 Paragraphs 1-8 of Ronnie 2 dealt with the statement
19 "we cannot allow our product to be discounted". And
20 paragraphs 18-26 dealt with the statement, "we have had
21 a major step forward".

22 "The purpose of the meeting would therefore be to
23 deal with such issues should Umbro wish to do so ...
24 entirely a matter for Umbro ... if, however, such
25 matters are not resolved at the meeting, it will not be

1 possible to take Umbro's application for leniency any
2 further."

3 He goes on to say in the next paragraph:

4 "The personnel who attended will of course be
5 a matter for you. In the light of comments above, we
6 suggest that it might be helpful if Mr Chris Ronnie were
7 to attend."

8 Okay?

9 A. Mm-hm.

10 Q. Now, that meeting was in fact arranged, and took place
11 subsequently on 26th February. Are you still telling
12 the tribunal that you did not know that the leniency
13 application was in trouble because of the contents of
14 your witness statement?

15 A. From memory, yes, that was the case.

16 Q. Nobody said to you before the meeting of 26th February:
17 look, you have to bone up your memory about this stuff
18 so that you are ready for the meeting?

19 A. People who attended the meeting on that date, we were
20 all told just to tell the -- tell the truth and explain
21 the facts in the way that they occurred.

22 Q. Okay. So it was expected that --

23 THE PRESIDENT: Who told you that, Mr Ronnie?

24 A. Miss Roseveare.

25 THE PRESIDENT: Yes.

1 MR WEST-KNIGHTS: At page 48, which is a letter from Umbro
2 dated 19th February, we see a list of those people who
3 are to attend, and indeed who did attend ultimately,
4 from Umbro: Mr McGuigan, Mr Ronnie, Mr Marsh, and then
5 Mr Stone and Ms Gray, who I think are from Lovells, and
6 Miss Roseveare. Okay.

7 A. Yes.

8 MR WEST-KNIGHTS: That might be a convenient moment, sir.

9 THE PRESIDENT: Let us take the short break. 3.30.
10 (3.20 pm)

11 (A short break)

12 (3.30 pm)

13 THE PRESIDENT: The shorthand writers at least would be
14 prepared to go for a short while after 4.30 if that were
15 any help in covering what we have to cover.

16 MR WEST-KNIGHTS: That is very helpful. I have equally
17 offered to pause from time to time, because relentless
18 reading is the hardest to follow.

19 Further on in the same bundle you will see that
20 the way it goes is annex 1, annex 2, which is where we
21 have been, and then B ...

22 Mr Ronnie, in the same yellow bundle, do you see
23 that the tabs run on to B and then annex 3 and then
24 there is a tab marked C?

25 A. Yes.

1 Q. If you open tab C, the first document you will see --
2 and it is a matter of considerable irritation that this
3 is not paginated -- is a document headed "Reply"; do
4 you see that?

5 A. Yes.

6 Q. That is a formal legal document. If you flick through
7 that, please, that has ten pages; and then it has
8 something called annex 1 to it; do you see that?

9 A. Yes.

10 Q. Over the page it is headed "Meeting Between OFT and
11 Umbro, Tuesday 26th February 2002"; do you see that?

12 A. Yes.

13 Q. Right. This looks like somebody's agenda for it,
14 presumably the Office's agenda.

15 Over the page, which I personally paginated as 13 --
16 if anybody wants to keep a running pagination on this it
17 might be helpful --

18 THE PRESIDENT: It is 13 in ours.

19 MR WEST-KNIGHTS: Oh, good. I paginated my own, but
20 assuming I have not forgotten the sequence of numbers,
21 it might be all right.

22 Mr Ronnie, do you have that, it is headed "Persons
23 in Attendance"; do you see that?

24 A. Yes.

25 Q. And there is a number of people from the Office,

1 including poor Mr Patrick blank, whose name is Sheehan,
2 and then Mr McGuigan, you, Simon Marsh -- just remind us
3 all, please, it is Mr Marsh who deals with
4 the day-to-day business of the Manchester United
5 sponsorship contractor, is it not?
6 A. He deals with the football club, yes.
7 Q. He deals with MU?
8 A. Yes.
9 Q. He deals with the day-to-day dealings with MU?
10 A. Yes.
11 Q. Thank you. Again, just to remind ourselves, Manchester
12 United was at this time sponsored by Vodafone?
13 A. Yes.
14 Q. When I say this time, forgive me I am being careless,
15 the events we are talking about were sponsored by
16 Vodafone?
17 A. They were.
18 Q. And that is presumably a multi-million pound arrangement
19 between Vodafone and you, big stuff?
20 A. I believe so.
21 Q. And next down the chain in those days was Umbro, so that
22 you too have your logo on their kit; yes?
23 A. Yes.
24 Q. And the kudos that attaches to Manchester United as
25 the biggest sporting club in the world follows over to

1 Umbro because of the presence of your elongated diamond
2 logo on their shirt?

3 A. Yes.

4 Q. And people see pictures of David Beckham, whoever, and
5 wherever they have the kit on, there, brilliantly, is
6 your double diamond?

7 A. Yes.

8 Q. And that is good news for Umbro?

9 A. Yes.

10 Q. And I do not want to trouble you with the arrangements
11 between you and Manchester United, but that is
12 presumably on a pretty large scale in terms of licensing
13 and the other terms of sponsorship?

14 A. Yes.

15 Q. You presumably pay them a very large sum of money for
16 that arrangement, after all you are a sponsor.

17 A. Yes.

18 Q. And part of the perks presumably coming back to Umbro
19 are access to directors' boxes or the platinum lounge,
20 whatever, that sort of thing?

21 A. Yes.

22 Q. Below that chain we have a number of official
23 thingamies, have we not? You remember that McVities is
24 the official biscuit supplier to Manchester United?

25 A. I do not remember --

1 Q. No, it is Jaffa Cakes, the official cake or biscuit
2 supplier.

3 A. I do not remember.

4 Q. They have all different types of thing --

5 A. Co-sponsors.

6 Q. I think there was something like a dozen or ten?

7 A. I do not think it was that many.

8 Q. I think the official number is nine. Anyway, lots, in
9 Papua New Guinea speak, of whom Allsports were one.

10 A. Yes.

11 Q. They were the official retailer, that was their little
12 badge. They do not get their logo on any of the kit?

13 A. No.

14 Q. The same as Jaffa Cakes do not or any other sort of
15 tie-ins that exist?

16 A. Not on the kit, no.

17 Q. But they might have advertising space in the ground,
18 that sort of thing?

19 A. That is right.

20 Q. I think Debenhams say somewhere that they too were
21 an official sponsor of Manchester United at this time;
22 ring any bells?

23 A. No, I am sorry.

24 Q. You say somewhere, and it does not matter, that you
25 thought that Allsports had a shop with a shop, a sort of

1 MU zone in many of their stores. You can take it from
2 me it was only about 20?

3 A. I know that they had areas within the stores where they
4 sold Manchester United products.

5 Q. In particular, not surprisingly, in the north-west
6 around Manchester?

7 A. Yes.

8 Q. Thank you. Now, then the agenda which we have seen on
9 the preceding page is reproduced here on the first page,
10 page 13 of this internal tab. Over the page at
11 paragraph 2 Mr Walker-Smith, for it is he, explained
12 the purpose of the meeting which was to clarify various
13 aspects of the information. Of course he had already
14 identified in his letter those particular bits that
15 the Office had been unhappy about; we have seen that?

16 A. Mm-hm.

17 Q. And he reminded Umbro at paragraph 3 of the obligation,
18 as it were, to be completely open and volunteer all
19 the information which you had; yes?

20 A. Yes.

21 Q. And he made it quite clear that unless he came away from
22 this meeting satisfied that that full and open position
23 had been reached then the leniency application would be
24 finally hitting the buffers; that was
25 the Last Chance Saloon for the leniency application, was

1 it not?

2 A. I seem to remember that, yes.

3 Q. He said that a note had been made, and following

4 the meeting there would be a decision by the Office as

5 to whether it was possible to proceed with

6 the application.

7 Now, this is where we pick it up. CK is

8 Christiane Kent, do you remember her?

9 A. Yes.

10 Q. Unless I am worse at people's names, apart from

11 Margaret Gray from Brick Court, there on your behalf,

12 she was the only female on the OFT side present -- oh,

13 forget it, there was another.

14 THE PRESIDENT: It may not have much to do with the case,

15 Mr West-Knights.

16 MR WEST-KNIGHTS: Except that it would make Ms Kent

17 memorable. At any rate she asked you questions, do

18 you remember that?

19 A. Yes, I do.

20 Q. She starts by saying that she wanted to look at topics,

21 and she wanted to start with the England kit at around

22 Euro 2000, and she noted your statement, Ronnie 2,

23 referring to the pressure that Umbro was under from

24 retailers about that, and you were asked to expand on

25 the discussions?

1 A. Yes.

2 Q. At paragraph 7 you said there would be a product
3 build-up for 12-15 months prior to a launch for
4 a tournament such as Euro 2000. There are two types of
5 retail account: key accounts, people who get stuff on
6 time -- yes? -- and field accounts, which were mainly
7 independent retailers?

8 A. Yes.

9 Q. As an aside here, it is right to say that a large number
10 of retailers went out of business during the first half
11 of 2000?

12 A. A number of independent retailers did go out of
13 business, yes.

14 Q. Those are recorded in their monthly management reports
15 throughout that period?

16 A. Yes.

17 Q. "The key accounts were JJB, Allsports, Sports Soccer,
18 JD Sports and First Sport. In the run-up to Euro 2000
19 conversations had been taking place with both types of
20 account. In relation to delivery times and quantities
21 ordered there would be a two-stage discussion with
22 an initial indication by the retailer, followed by
23 a firm order."

24 That is just wholly uncontroversial stuff:

25 "Ms Kent said that she understood that the England

1 home kit was launched in April 1999 and the away kit in
2 June. However she also understood that sales around
3 a major tournament were as key in many ways as
4 the launch of the new kit."

5 I do not know if yours is highlighted, but
6 paragraphs 9 to 11 inclusive are specifically identified
7 by the Office as being matters upon which reliance is
8 placed in respect of pressure and Allsports.

9 THE PRESIDENT: They are not marked in the copy that I have
10 in front of me.

11 MR WEST-KNIGHTS: They are not marked in the copy which
12 I have.

13 MR MORRIS: And 15.

14 MR WEST-KNIGHTS: Sorry, I will do this in sequence. I was
15 right about that much. As Mr Morris says and as I would
16 have told you, paragraph 15. In my version I have drawn
17 a dotted line next to those paragraphs as a reminder.

18 THE PRESIDENT: 9-11 and 15.

19 MR WEST-KNIGHTS: Yes.

20 "Chris Ronnie confirmed that this was the case. At
21 the time of Euro 2000 Umbro found itself in the middle
22 of pressure from JJB, Sports Soccer, Allsports,
23 JD Sports, and First Sport."

24 So you were getting pressure from Sports Soccer.

25 A. Yes.

1 Q. What was that pressure?

2 A. They wanted to take the price down.

3 Q. It was not that they were complaining about other

4 people's --

5 A. No.

6 Q. -- retailing practices. Are you sure about that?

7 A. Their main concern was to take the price of

8 the England -- of the replica down.

9 Q. "It was mainly the retailers who were the most vocal.

10 They would ask Umbro what we would do if the other

11 retailers discounted the products. In particular, Umbro

12 had faced pressure from Allsports and JJB in respect of

13 Sports Soccer's pricing. Comments would be made to

14 Umbro's key account manager ..."

15 Just to remind ourselves, that is the expression for

16 Phil Bryant in respect of JJB; yes?

17 A. Yes.

18 Q. Anthony May in respect of Allsports?

19 A. And JD and First Sport.

20 Q. And JD and First Sport.

21 "... along the lines of what would Umbro do about

22 Sports Soccer's retail pricing. The main concern

23 expressed was that if Sports Soccer cut the price of

24 the England shirt this would affect sales. Umbro were

25 concerned about the effect that this could have on its

1 business."

2 What do you mean by that?

3 A. The concern for Umbro was the effect it could have on
4 other product categories, and the order level within
5 the other product categories.

6 Q. Really? It was not merely that it would depress
7 the price at which the retailers were prepared to buy
8 product from you?

9 A. No.

10 Q. He goes on to say:

11 "We were not threatened outright, however JJB were
12 able to exert pressure on Umbro because it was
13 a significant purchaser of non-replica products from
14 Umbro and it was made clear that if Umbro did not assist
15 JJB, such failure would affect JJB's purchases.

16 "Christiane Kent then asked you what Umbro did in
17 response to this pressure ... contacted Mike Ashley of
18 Sports Soccer, who understood the pressure that Umbro
19 faced from other retailers.

20 "Chris Ronnie referred to paragraph 80 of his
21 statement and the conversation that took place with Mike
22 Ashley where Chris Ronnie asked him to discount England
23 socks, shirts and infant kits."

24 Shall we just remind ourselves what paragraph 80 of
25 Ronnie 2 was about. It may not be necessary for you to

1 go to it, Mr Ronnie --

2 THE PRESIDENT: I think we had better have it handy for good

3 order, Mr West-Knights.

4 MR WEST-KNIGHTS: All of the Ronnies are in the R-Z bundle,

5 as you now know, starting from the beginning, and Ronnie

6 2 with the bits and bobs, starting with the first

7 40 pages.

8 THE PRESIDENT: Is it page 105?

9 MR WEST-KNIGHTS: Yes, I am grateful to you, sir, thank you.

10 It might be worth, if I may suggest it, picking it up at

11 paragraph 78.

12 THE PRESIDENT: Yes.

13 MR WEST-KNIGHTS: Because this is a run -- starting from

14 the foot of page 104 of the witness bundle 3, under

15 the heading, "England Replica Home Shirt and Kit".

16 Do you have that, Mr Ronnie?

17 A. Yes.

18 Q. If I could ask you please to keep both these bundles

19 open for the time being, and the other one which we may

20 open if we get there this afternoon would be the monthly

21 management report but we probably will not.

22 If we pick it up from the top of page 105,

23 paragraph 78. It may be helpful if I read it out? It

24 probably is.

25 THE PRESIDENT: It is probably useful.

1 MR WEST-KNIGHTS: I am grateful to you, sir:

2 "Lee Attfield attended a meeting with Sports Soccer

3 on 20th March and provided a copy of the agenda to me."

4 It just so happens that we have looked at that

5 agenda because it is the one where plainly the date is

6 the one of printing-out rather than creation of

7 the document. Okay? And that was an agenda that you

8 agreed with me was crafted principally by you. Yes?

9 A. Yes.

10 Q. So I am in a little difficulty following this: he

11 arranged a meeting and provided a copy of the agenda to

12 you? Can you help us with that?

13 A. I am sorry, what was the question again?

14 Q. The first sentence of paragraph 78.

15 A. Yes.

16 Q. Why did you put it that way?

17 A. Because at every meeting Lee would always hand out

18 the agendas.

19 Q. You mean you were there at this meeting?

20 A. Sorry, when I say hand out, he would pass it back or use

21 it as a file reference. So the note would always come

22 back.

23 Q. But you wrote it?

24 A. When I say -- sorry, maybe I am not being clear.

25 What I mean by it coming back is that it would come

1 back to me following the meeting with all the other
2 notes --

3 Q. We have not seen any other notes in respect of
4 the meeting of 20th March. Where are they? All we have
5 seen about 20th March is that agenda which you wrote --

6 THE PRESIDENT: I am not sure we have quite established
7 that, have we?

8 MR WEST-KNIGHTS: We have, it was the one with the initials
9 CR/LA/MFP. He was the primary author of the agenda,
10 Lee Attfield was the secondary author, and the third set
11 of initials were Mr Ronnie's PA assistant.

12 THE PRESIDENT: I may have missed something. I am not sure
13 that I necessarily understood it was necessarily
14 the authorship we were talking about. This is the thing
15 printed off a year later on 28th/29th August. It may
16 equally be a file reference of some sort.

17 MR WEST-KNIGHTS: Forgive me, sir, it is simply
18 a recollection. I expressly asked Mr Ronnie about
19 the authorship and he agreed or even volunteered that
20 the authorship was him and Mr Attfield and typed up by
21 his personal assistant, Morag Pallett.

22 THE PRESIDENT: Just put a finger in page 139 of the bundle.
23 It is the orange bundle.

24 MR WEST-KNIGHTS: It is in the witness statement bundle,
25 you have attached this witness statement to Ronnie 2,

1 and it is at page 139.

2 THE PRESIDENT: Do you have something headed "Confidential

3 Sports Soccer Meeting of 20th March 2000"?

4 A. Yes.

5 THE PRESIDENT: The question was: who prepared this document

6 as far as you can remember?

7 A. It was myself, and I then passed it down to

8 Lee Attfield.

9 MR WEST-KNIGHTS: Right. So far so good. What you said

10 about it seems rather -- let me ask the question.

11 You say:

12 "Lee Attfield attended a meeting with

13 Sports Soccer..." , so you did not go to that meeting?

14 A. Not to the best of my recollection.

15 Q. "... and provided a copy of the agenda to me".

16 It is on your PA's computer, so why would he hand

17 a copy of the agenda to you? You wrote it, he went to

18 the meeting?

19 A. He would always pass it back to me with his file notes.

20 Q. What file notes are these?

21 A. He made file notes of each meeting he had with

22 Sports Soccer.

23 Q. So where is the note for this one?

24 A. I am sorry, I do not know.

25 Q. But there was one?

1 A. To the best of my knowledge there was one.

2 Q. Okay:

3 "Sports Soccer were due to place an order for
4 England home kit. One of the points for discussion was
5 retail prices of replica product. We wanted to have
6 some idea of Sports Soccer's intended pricing policy."

7 A. Yes.

8 Q. Paragraph 79:

9 "On 17th April 2000, Lee Attfield sent an email to
10 me setting out the details of the pricing structure that
11 Sports Soccer were intending to adopt for the launch of
12 the England home kit. Sports Soccer were intending to
13 set a retail price of 39.99 and 29.99. The socks,
14 shorts and infant kits were going to be discounted.
15 Umbro pre-retailed the garments for Sports Soccer, this
16 means that before delivery of the goods Umbro, either at
17 the supplier in Asia or at the Umbro warehouse ... add
18 tickets to the garments on Sports Soccer's behalf. This
19 is done prior to the launch of a kit."

20 Presumably that was an explanation as to how it was
21 possibly that Lee Attfield knew what price this shirt
22 was going to go out at at launch?

23 A. That is correct.

24 Q. "I knew that if Sports Soccer launched the England kit
25 at these prices JJB in particular would complain about

1 this. In order to prevent this happening I spoke to
2 Mike Ashley to ask him not to discount the socks and
3 shorts."

4 So he was going to go out at full price on
5 the shirt, but he was threatening to go discount on
6 the other stuff?

7 A. Correct.

8 Q. So you spoke to Mr Ashley and asked him not to discount
9 the other stuff. You cannot remember the date.
10 Initially he refused, so you stopped the delivery of
11 2,000 or 3,000 shirts to him:

12 "They agreed to put the prices back to full
13 recommended retail price. Mike Ashley immediately
14 raised the price of the shirt."

15 Just stopping there, before we get to "We told JJB",
16 can you just explain to us what all that is about?

17 A. Sports Soccer had discounted the product --

18 Q. Sorry, had discounted the product?

19 A. They had discounted the product, and I knew that there
20 would be a reaction from the other retailers.

21 Q. Sorry, had discounted the product? You are explaining
22 in paragraph 79 that the source of your information was
23 about the price that Sports Soccer were intending to
24 adopt for the launch of the kit.

25 THE PRESIDENT: If my memory serves me, do you think it said

1 launch at this stage? Did it?

2 MR WEST-KNIGHTS: I am sorry, sir, I know what I am doing.

3 You are ahead of me; I do not want him to be ahead of

4 me.

5 Just explain paragraph 79, please.

6 A. It is as it says here, the socks, shorts and --

7 Q. Do not start that. Mr Attfield sends you an e-mail on

8 17th April 2000 setting out the details of the pricing

9 structure that Sports Soccer were intending to adopt for

10 the launch of the England home kit?

11 A. Yes.

12 Q. And indeed above, at the bottom of 78, you say that one

13 of the purposes of the meeting of 20th March was to have

14 some idea of their intended pricing policy?

15 A. Yes.

16 Q. So paragraph 79 is information that Mr Attfield gives

17 you about their intended pricing policy; do

18 you understand that?

19 A. Yes.

20 Q. It says the socks and shirts and infant kit were going

21 to be discounted?

22 A. Yes.

23 Q. And you had found out about that, you say, I think in

24 paragraph 79, because of the pre-retailing arrangements

25 between you?

1 A. Yes.

2 Q. And you say this is done for example prior to the launch

3 of a kit?

4 A. Yes.

5 Q. What is wrong with all that, Mr Ronnie?

6 A. (Pause).

7 Q. There is something wrong with all this, is there not?

8 A. In what way?

9 Q. The kit was not being launched in April 2000, was it; it

10 was already on sale in April 2000?

11 A. It depends when in April.

12 Q. What do you mean, it depends when in April? It was on

13 sale throughout April 2000 because this is the shirt

14 that was launched on St George's Day 1999. There was no

15 launch of any England home shirt in April 2000, was

16 there?

17 A. So the thing that is wrong is the word "launch". It

18 should say "delivery".

19 Q. Where do we put the word "delivery"? Do you want to

20 read that and put the word "delivery" in from time to

21 time? Just read it out and change it as you think it

22 should be changed.

23 A. It is the last line:

24 "This is done for example prior to delivery."

25 Q. How does that work in the first sentence of

1 paragraph 79: on 17th April 2000 Lee Attfield sent
2 an email to me setting out the details of the pricing
3 structure that Sports Soccer were intending to adopt for
4 the delivery of the England home kit?

5 A. Yes.

6 Q. Which delivery?

7 A. There was a delivery of England home kit going into
8 that.

9 Q. And you found out somehow that they were going to apply
10 some discount to that delivery?

11 A. It was the Kimberly, it was the pricing of the product.
12 As I explained it was either done at source or would
13 have been carried out at the warehouse.

14 Q. Okay. There is another problem with this, is there not,
15 Mr Ronnie? Presumably when you wrote this you were
16 looking at an email of 17th April 2000?

17 A. I cannot recall that.

18 Q. You must have been. Do you mean that you would sit
19 there -- this is Ronnie 2, do not forget, the much more
20 detailed version that is the result of further
21 discussions between you and Catherine Roseveare in
22 an attempt to salvage your leniency application. So how
23 would you remember 17th April 2000 unless you were
24 looking at the document?

25 A. I cannot remember how that came around, I am sorry.

1 Q. I am going to try not to make you open one more
2 bundle apart from this one. E2, page 768 in
3 the internal run, tab 74, the only piece of paper in
4 tab 74.

5 Do you have that email, Mr Ronnie?

6 A. I have, but it is not very clear.

7 Q. Let us just deal with the subject-matter. The subject
8 is Sports Soccer England launch:

9 "Please find below the pricing structure for
10 forthcoming England home kit ..."

11 And it shows junior 29.99, adult 39.99 and in
12 a separate column: mega, Sports Soccer's word for
13 bargain, cheap, discount?

14 A. Mega-value.

15 Q. They show the shorts instead of being at the RRP of
16 15.99 coming out at 12 for the juniors and 15 against
17 for the adults, and the socks at 6 instead of 8 and
18 the socks 7 instead of 10 respectively?

19 A. Yes.

20 Q. And that is obviously the email that you are referring
21 to as paragraph 79. Yes?

22 A. Yes.

23 Q. There is a problem with that email, is there not,
24 Mr Ronnie? It is not very clear in this iteration, but
25 if you look at the top of it you will see it is

1 Mr Lee Attfield dated 17th April 2001.

2 A. Yes.

3 Q. So in other words the recollection that you were

4 purporting to put in paragraphs 78 and 79 was completely

5 false and inaccurate, was it not?

6 A. It would appear so, looking at the email.

7 Q. Yes.

8 Let us get to paragraph 80:

9 "I knew that if Sports Soccer launched the England

10 kit at these prices ..."

11 So you are still in launch mode here?

12 A. Mm-hm.

13 Q. "... JJB in particular would complain about this ..."

14 That cannot be a true recollection because it is all

15 muddled up with your getting the year wrong; do you

16 agree with that?

17 A. I agree totally the year is wrong. But if he look at

18 point 80 --

19 Q. We are going to go through paragraph 80, do not worry,

20 Mr Ronnie. Next:

21 "In order to prevent this happening, I spoke to

22 Mike Ashley to ask him not to discount the socks and

23 shorts. I cannot remember the date when I spoke to

24 Mike Ashley and he initially refused. I stopped

25 the delivery of about 2,000 or 3,000 shirts to

1 Sports Soccer. Mike Ashley then agree to put the prices
2 back to the full recommended retail price. Mike Ashley
3 immediately raised the price of a shirt. We told JJB,
4 and I cannot remember who was told, and they withdrew
5 the threat to cancel orders."

6 There is no previous reference in this or any
7 previous statement to a threat from JJB to cancel
8 orders. And indeed I can tell you that that sentence,
9 "We told JJB ...", simply disappears from later versions
10 of your statement.

11 Now, this is turning round a lorry, is it not?

12 A. Yes.

13 Q. You remember what kind of shirts it was that were turned
14 around?

15 A. I cannot be clear on the shirts, but I am very clear on
16 the fact that the delivery was turned around.

17 Q. In April?

18 A. What is your point, sorry?

19 Q. It is a question. You said: I am sure that some shirts
20 were turned around. And I said: in April?

21 A. No, I said a lorry was turned round.

22 Q. A lorry. Are you sure that this took place in April?

23 A. I am sure a lorry was turned round, but, again, I would
24 have to look at the statements, but a lorry was
25 certainly turned round.

1 Q. Mike Ashley, for what it is worth, was completely
2 certain, having thought about it a great number of
3 times, that (a) only one such event occurred, and (b) it
4 was in relation to Manchester United shirts, and (c)
5 that it took place sometime within the launch of
6 the Manchester United shirt on 1st August 2000.

7 Which one of you is making this up, Mr Ronnie, or is
8 it both of you?

9 A. I cannot answer for Mr Ashley, but I can certainly
10 remember a lorry being turned round, and the events that
11 took place for the lorry to be turned round.

12 Q. Which was a failure to discount other stuff; yes?

13 A. A failure to discount other stuff, no --

14 Q. When I say other stuff, I mean socks and shorts; yes?

15 A. A failure to discount it or he was actually discounting
16 it?

17 Q. Sorry, I keep doing it. The fact of his actual or
18 threatened discounting of shorts and socks; yes?

19 A. Yes, it was that he was discounting.

20 Q. According to this version here:

21 "Mike Ashley then agreed to put the prices back to
22 full recommended retail price. Mike Ashley immediately
23 raised the price of the shirt ..."

24 I do not follow that, there was not any complaint
25 about the price of shirt, you told us that he was going

1 out at full price on the shirt in paragraph 79. How
2 does all that work?

3 A. It was the socks, shorts and infant kit that was being
4 discounted.

5 Q. What does the sentence:
6 "Mike Ashley immediately raised the price of
7 the shirt", mean then?

8 A. Well, that again -- it was the sorts, socks and infant
9 kit.

10 Q. Just explain to the tribunal, please, what that sentence
11 was intended to convey?

12 A. What I just said, but it did not.

13 Q. I am sorry?

14 A. What I just said, but it did not.

15 Q. "Mike Ashley then agreed to put the prices back to full
16 retail price ..."

17 Well, that has got rid of shirts and socks:

18 "Mike Ashley immediately raised the price of
19 the shirt."

20 A. Sorry, what can I answer?

21 Q. He did not raise the price of the shirt, did he?

22 A. He raised the price of the shorts, socks and infants.

23 Q. Thank you, what about this extra sentence? Explain it
24 please, Mr Ronnie, at the risk of being dull reminding
25 you that this is your best shot, after Ronnie 1 in draft

1 you went back with Miss Roseveare to give the whole
2 accurate and picture to the Office on pain of losing
3 several million pounds and of committing a criminal
4 offence in giving false information to the OFT in the
5 course of their enquiries. How does this come to be
6 there?

7 A. As I have said all along, it was to the best of my
8 recollection. Obviously that was not to the best of my
9 recollection.

10 Q. Yes, it was, that is the point. The best of your
11 recollection is pretty poor, is it not?

12 A. There were a number of events going on at the time, so
13 to try to remember a shirt or shorts, socks, infants ...
14 this was going on weekly. So if I got it wrong,
15 I apologise.

16 Q. It was as you say at paragraph 81, I venture to suggest.
17 This does square with the evidence such as we have:
18 "That was the only time that we ever actually
19 refused a delivery to Sports Soccer."
20 It was a pretty momentous occasion, was it not?

21 A. Turning the lorry round, yes.

22 Q. It involves, what, ringing the driver on his mobile?

23 A. It involved our customer services manager ringing
24 the warehouse, the warehouse then contacting
25 the delivery company and turning --

1 Q. And somehow the delivery company had to get hold of
2 the driver?

3 A. Yes.

4 Q. Pretty memorable, one would think?

5 A. The turning of the lorry around was memorable, yes.

6 Q. Which of you, you or Mr Ashley, has it completely in
7 the wrong place?

8 A. As I said, I cannot speak for Mr Ashley, but to the best
9 of my ability I tried my best to remember what happened
10 dates-wise.

11 Q. You see, it does matter for dates, because you go on to
12 say, after saying that you had only ever done it
13 once ... we will come to that.

14 You go at paragraph 82:

15 "Sports Soccer did discount the England replica home
16 shirt post-launch in April 2000."

17 Yes? So that is all wrong too, is it not?

18 A. It is the wrong year.

19 Q. Just before we leave this little bit, before we go to
20 the meeting of 24th May, it is worth having a look at
21 that --

22 A. Paragraph 83?

23 Q. Paragraphs 83, 84, 85, and 86, you discuss the meeting
24 of 24th May in part. And then you say at 87 that
25 Ashley's price went up two days later on the 26th; yes?

1 A. Okay.

2 Q. Can you just keep your proverbial and slightly overused
3 thumb at page 126 of the witness bundle, if you put your
4 pen in there so you can come back to it, rest your pen
5 there, turn it over and go to page 124 in the same
6 bundle.

7 A. Okay.

8 Q. This is rather changed. It says at paragraph 23,
9 the same as we saw previously:

10 "Lee Attfield attended a meeting with Sports Soccer
11 on 20th March and provided a copy of the agenda to me.
12 Sports Soccer were due to place a repeat order for
13 England home kit ..."

14 Presumably you had him down as about to place
15 an order:

16 "One of the points of discussion was the retail
17 price of replica products. We wanted to have some idea
18 of Sports Soccer's intended pricing policy ...", full
19 stop, not just at the launch:

20 "At the time, Sports Soccer was selling its England
21 home shirts at £28 and a number of retailers had
22 complained to Umbro.

23 So that is all new from the one we have just been
24 looking at?

25 A. It would appear so.

1 Q. "The issue was discussed further at a meeting in
2 April 2000."
3 This is all new in Ronnie 3:
4 "At that meeting Sports Soccer agreed to raise its
5 prices to 39.99 ... it also stated that it was intending
6 to launch the MU FA kits at the RRP. However, socks
7 shorts and infant kits were going to be discounted."
8 Was that England or MU?
9 A. He is referring to Man U.
10 Q. Not "he", you.
11 A. Sorry, I thought y meant the meeting. Yes, I am
12 referring to Man U.
13 Q. You are referring to Manchester United?
14 A. And England, yes.
15 Q. Paragraph 25:
16 "I knew that if Sports Soccer continued to discount
17 the England socks, shorts and infant kits ..."
18 So it is not MU, is it; it is England? Do you have
19 any recollection of these events, Mr Ronnie?
20 A. No. If we go back, he is -- he also referred to Man U
21 in the meeting, but the discounts and the conversations
22 were around England as well.
23 Q. No, the question which I asked you was at the foot of
24 paragraph 24:
25 "However, socks, shorts and infant kits were going

1 to be discounted."

2 And I asked you which socks, shorts and infant kits,
3 and you said Man United.

4 A. I said he also referred to Man United.

5 Q. No, you said: it is referring to MU. You were referring
6 to Manchester United, I said. Answer: yes. That is
7 what you told the tribunal. That is plainly wrong as
8 demonstrated by the very next sentence, is it not?

9 A. He was referring to -- he was discounting England, but
10 he was also discussing Manchester United.

11 Q. Yes, I understand that, it is a straight question of
12 fact. When you said in this paragraph, "However, socks,
13 shorts and infant kits were going to be discounted", you
14 said that that referred to Man U; yes?

15 A. He referred to Manchester United as far as the price at
16 launch was concerned, on Manchester United, but we also
17 discussed England.

18 Q. Now, please, answer the question. You accept, do you,
19 that you told me that the socks, shorts and infant kits
20 that were going to be discounted at the foot of
21 paragraph 24 were referring to Manchester United; yes or
22 no?

23 A. I did.

24 Q. Is that right or wrong? Have a look at the next
25 sentence.

1 A. Which sentence that?

2 Q. The next one:

3 "I knew that if Sports Soccer continued to discount

4 the England socks, shorts and infant kits, JJB in

5 particular would continue to complain."

6 Which is new. It used to say:

7 "I knew that if Sports Soccer launched the England

8 kit ..."

9 So that is referring to England socks and shorts --

10 A. He was at the time discounting England socks, shorts and

11 infant kit.

12 Q. Fine, okay.

13 "In order to prevent this happening, I spoke to

14 Mike Ashley and asked him not to discount the socks and

15 shorts. I cannot remember the date. Initially he

16 refused. I stopped a delivery of 2,000 or 3,000 shirts.

17 He then agreed to put the price of socks, shorts and

18 infant kits back to recommended retail price."

19 So that must be England.

20 A. Yes.

21 Q. This is the only time we actually refused a delivery."

22 Just in passing, that has about it the hallmarks of

23 what you might describe as a bit of a result, that

24 agreement in April?

25 A. Getting him to go up on price points, yes, that was

1 a result.

2 Q. You did not tell JJB or Allsports about that one, did
3 you?

4 A. If he increased his price at any time, I would inform
5 them straight away.

6 Q. Nonsense. If he increased his price at any time apart
7 from anything else they would probably know, would they
8 not?

9 A. We would --

10 Q. If you went to Market Street in Manchester which shops
11 would you pass? From there down and into the Arndale
12 Centre you would pass an Allsports, a JJB, a JD. These
13 shops are all over the place, are they not?

14 A. Yes. But we would always inform the other accounts if
15 we got Sports Soccer to increase the price.

16 Q. So that is a wholly different account from the one in
17 Ronnie 2, or sort of the same flavour with a wholly
18 different factual matrix, nothing to do with launch or
19 emails and against the background of actual shirts and
20 not pricing. Yes?

21 A. Yes. But as I said, every time I sat down to do
22 a statement, it was to the best of my knowledge.

23 Q. Yes, I accept that entirely, Mr Ronnie. This Ronnie 2
24 that we are looking at was the best of your recollection
25 at the time.

1 Right, can we just go back to the meeting and then,
2 sir, it will become a moment where I can stop.

3 THE PRESIDENT: Is it useful to go on a little longer to get
4 some time under our belt? It is up to you.

5 MR WEST-KNIGHTS: It may be. We will see where we are.

6 THE PRESIDENT: It is up to you.

7 MR WEST-KNIGHTS: Thank you.

8 If you can go back to the yellow bundle, Umbro
9 file 2, yellow, tab C, internal page 15, which is
10 the third page of the Lovells note of this meeting.

11 Just to park ourselves back in time, this meeting is
12 post-Ronnie 2, the Office did not like Ronnie 2 and this
13 is the final shot at getting leniency.

14 You go on to say in paragraph 11, where we dipped
15 off to paragraph 80:

16 "CR referred to paragraph 80 of his statement.
17 The conversation took place with Mike Ashley where CR
18 asked him not to discount England socks, shorts or
19 infant kit. Ashley refused to do so."

20 And you ordered a delivery of England shirts to
21 Sports Soccer to be stopped:

22 "Following this Mike Ashley agreed to raise
23 the price of these items during the build-up to
24 the tournament. Chris Ronnie said he and Lee Attfield
25 attended the England v Romania game with Ashley and

1 Nevitt ..."

2 And that is the one where England were knocked out
3 of the tournament, I think on 21st June?

4 A. Correct.

5 Q. "Christiane Kent said she was slightly confused in
6 relation to paragraph 79 of CR's statement because
7 the email referred to by Lee Attfield was actually dated
8 17th April 2001, rather than 2000. In addition there
9 was no launch of England kit in April 2000.
10 Miss Roseveare said she would check the date and
11 the contents. CK referred to Exhibit CR11, the note of
12 the meeting with Sports Soccer on 24th May. She noted
13 the reference to Sports Soccer and agreed to increase
14 the price of England home and away kits for a period 60
15 days. CK asked if Umbro had passed on this information
16 to anyone else following the meeting."

17 So that is the Office specifically inviting you to
18 say whether you had passed that information on or not.
19 Yes?

20 And this is relied upon by the Office. You say:

21 "After the meeting Umbro had informed JJB,
22 Allsports, JD Sports and First Sport."

23 That is the very first mention anywhere in this
24 whole sequence of events by you of version-whatever of
25 the so-called ring-around, is it not?

1 A. I do not know if it is the first one, but --

2 Q. It is the first one, take it from me, Mr Ronnie. In

3 spite of Ronnie 1 and Ronnie 2, it did not emerge except

4 in answer to a question inviting you to say that you had

5 passed this information on to third parties. Yes?

6 A. Yes.

7 Q. "CR added that JD Sports and First Sport also purchased

8 products from Umbro other than replica kit and so there

9 was an underlying threat that they would cease

10 purchasing these products."

11 Are you serious, Mr Ronnie, or is this just

12 thinking: oh, well, I have named all the other

13 retailers, let us name them as well?

14 A. No, there was -- it is very accurate.

15 Q. Is it?

16 A. Yes.

17 Q. So where does this underlying threat come from and why

18 does it arise, because JD Sports and First Sport also

19 buy non-replica kit?

20 A. At the time they purchased branded apparel and footwear

21 from Umbro.

22 Q. What was the turnover between Umbro and First Sport in

23 the year 2000, overall?

24 A. Very little.

25 Q. Yes. £833,000. Does that sound about right?

1 A. Yes.

2 Q. And JD, not a lot more was it?

3 A. JD was a little bit more.

4 Q. About a million, give or take. What proportion of that

5 was branded apparel?

6 A. I cannot remember off the top of my head, but it was not

7 very large proportion.

8 Q. So what was the trade with these people worth? £50,000?

9 A. We were trying to develop branded apparel specifically

10 with First Sport and JD.

11 Q. One of the things you say in Ronnie 4 is that the second

12 reason why Allsports was in a position to exert pressure

13 on Umbro was that it was a purchaser of branded product.

14 A. Yes.

15 Q. Anybody who buys any branded product is an implicit

16 threat?

17 A. Anyone we were trying to develop other categories with,

18 we were all trying to protect the business relationship

19 with those accounts and trying to increase the purchases

20 on branded apparel specifically --

21 Q. No, we are talking about underlying threats here, not

22 a perception by Umbro?

23 A. There was no perception; there was a clear threat.

24 Q. A clear threat. So what is a clear threat from

25 JD Sports? What did they say? You tell us, you tell

1 the tribunal, what was the explicit threat from these
2 two tiny retailers?

3 MR MORRIS: I was just asking the tribunal to allow
4 the witness to answer the question.

5 MR WEST-KNIGHTS: The tribunal is well able to do that.

6 I was aware that I had over-stepped and I stopped.

7 The question was: what was the threat from (a)
8 JD Sport and (b) First Sport?

9 A. When you said in your description that they were small
10 amounts -- or insignificant amounts, I am sorry I cannot
11 remember which, I think you said small. They were
12 certainly not small businesses, JD Sports and
13 First Sport. They were large retailers, both key
14 accounts with Nike, Adidas and Reebok and seen to be
15 very important accounts within the sports industry.

16 It was Umbro's clear intention to increase -- to try
17 to increase turnover in footwear and branded apparel,
18 especially with JD Sports.

19 Q. But the underlying threat -- that means that anybody who
20 says something to Umbro that they do not like has in it
21 an underlying threat, however small?

22 A. No. The intention with Umbro was to try to keep
23 the relationships with retailers on a positive note.

24 So there would be conversations around the replica
25 prices that other people were going out at, because

1 replica was part of their business as well.

2 Q. Okay.

3 I am going to move on briefly to 24th May and then

4 we will come back -- because later on in the note

5 Ms Kent says that she is a bit lost. That is my target,

6 sir.

7 THE PRESIDENT: Carry on.

8 MR WEST-KNIGHTS: Could you go over the page to page 16 of

9 this clip, actually page 4 of the meeting. I have just

10 noticed that the meeting note has page numbers at

11 the top. Solicitors!

12 Paragraph 20, can we pick it up there.

13 THE PRESIDENT: "CK referred to the meeting ..."

14 MR WEST-KNIGHTS: "CK referred to the meeting with Sports

15 Soccer on 24th May. She asked whether any agreement was

16 reached with Sports Soccer in relation to the retail

17 price of any kit other than England. CR said that

18 the discussion related only to the England kit."

19 That was untrue, was it not, what you said there?

20 A. I did say England kit, but we had touched briefly on

21 Manchester United. But the conversation through most of

22 the meeting was around England.

23 Q. She goes on to say that she thought that the note of

24 the meeting referred to all licensed kits?

25 A. It was always in order of priority, and the priority

1 with Umbro -- with Sports Soccer was predominantly
2 England.

3 Q. I think the note says: agreed to hold the price of
4 England and for a period of 60 days other replica kit;
5 yes?

6 A. Yes.

7 Q. And then you explain that bit of the note at
8 paragraph 22:

9 "This was a reference to kits produced by brands
10 other than Umbro."

11 That is complete eye wash, that has not been
12 suggested before or since?

13 A. No, Mr Ashley took us through the rule that he has with
14 Nike, which is a 60-day non-discount.

15 Q. No, look back:

16 "CK thought that the note of the meeting referred to
17 all licensed kit."

18 Ie, that you had come to an agreement with Ashley
19 about (a) England and (b), as the note says, other
20 licensed kit. Your explanation is that that reference
21 in the note was a reference to kits produced by brands
22 other than Umbro.

23 Just read it, paragraph 22.

24 That is complete nonsense, is it not, Mr Ronnie?

25 A. Well, let me finish and then I will comment. (Pause).

1 THE PRESIDENT: Do we need to look at the note of
2 the meeting, Mr West-Knights?
3 MR WEST-KNIGHTS: I would hope not but it would not be
4 complicated to do so because it is in the Ronnie bundle.
5 THE PRESIDENT: I think we had better.
6 MR WEST-KNIGHTS: Yes, I agree. It is of course in my
7 version a pink document. For Mr Ronnie, it is page 48.
8 THE PRESIDENT: Page 48, file 3, this note.
9 A. It is all blanked-out in my note.
10 THE PRESIDENT: There is an unblanked-out copy coming.
11 A. Would you like me to read this note?
12 MR WEST-KNIGHTS: I would like you to read the second
13 page of it for the moment -- what happens on the first
14 page is all discussion about other stuff. I do not mean
15 shorts and socks, I mean nothing to do with the price of
16 shirts. Which is a point that we will be coming back
17 to.
18 What we do find halfway down the second page,
19 starting with: S Soccer were informed as to the quantity
20 of containers. Do you have that page?
21 A. Yes.
22 Q. This is a meeting at which you were present and of
23 course Mark Monaghan, the Chief Financial Officer of
24 Umbro; do you remember?
25 A. I do.

1 Q. Both you and I know why he was there, but we are not
2 going to mention that for the moment, to do with
3 the licensing arrangements?

4 A. No.

5 THE PRESIDENT: Shall we stick with the replica hit for the
6 time being.

7 MR WEST-KNIGHTS: I was hoping to put the witness's mind at
8 rest if he was bothered about the rest of it. But
9 seemingly he is not.

10 Under the "September 1 container remaining until
11 the end" of the year we get to.

12 "Sports Soccer agreed to increase the price of
13 England home and away kits and for a set period of 60
14 days to maintain the price of licensed kit, including
15 goalkeepers and infant kit."

16 You know very well that the position adopted by you
17 in your witness statements Ronnie 3 and 4 and all of the
18 Umbro position has been that there was a row about
19 whether there was a reference to all Umbro kit or just
20 MU. But you have accepted that that was about
21 Manchester United. You, Umbro. Yes?

22 A. My priorities in meetings with Sports Soccer with
23 respect to the relevant football clubs, Chelsea and
24 Nottingham Forest, they were not the priorities.
25 The priorities were England and Manchester United always

1 in my meetings. When Lee Attfield would meet with
2 the buying director, Sean Nevitt, he would go into a lot
3 more detail. My meetings were with Mr Ashley, Mr Nevitt
4 and Mr Attfield predominantly, and they were always
5 about England and Manchester United. Very rarely did we
6 discuss Nottingham Forest.

7 Q. Thank you for that. Do you remember that Umbro's
8 position on this document has always been -- latterly as
9 recorded in the decision that that was a twofold deal.
10 One, to increase as soon as reasonably practicable,
11 virtually now, the England home and away kit. This is
12 24th May, Euro 2000 was approaching. And for a set
13 period of 60 days, which has been explained as analogous
14 to some rule that Nike habitually imposed upon its on
15 people, to maintain the price of licensed kits --

16 A. Excuse me --

17 Q. And you are talking about Umbro licensed kits.

18 A. That agreement is in place with Nike, Adidas, Reebok and
19 any other brand involved in replica, it is known as
20 a 60-day rule, and the 60-day rule was invented by Nike.
21 And that is what we as Sports Soccer -- we as Umbro were
22 trying to be involved in. We wanted to be involved in
23 the 60-day rule that existed with the other brands and
24 to date had not been.

25 Q. Please, if you could try to listen to the question and

1 answer it. The reference there to: for a period of 60
2 days to maintain the price of licensed kit, is talking
3 about Umbro licensed kit, but particularly the MU.

4 A. It would appear so.

5 Q. Well, no, do you not recall, Mr Ronnie?

6 A. Do I recall what happened on 24th May 2000?

7 Q. Yes.

8 A. Do you? If you can remember what happened three and
9 a half years ago I am impressed with you.

10 Q. The agreement here recorded has been the subject of much
11 discussion between Umbro and the Office and is
12 encapsulated in the decision, finally, it is accepted by
13 Umbro that that was effectively a deal with the then
14 England shirts going up more or less immediately and MU
15 to go up. Okay?

16 A. Yes.

17 Q. But at any rate, it is Umbro licensed kit, it might
18 include Chelsea or Notts Forest, but you say they are
19 not that important?

20 A. Mr Attfield refers to the prices of licensed kit, so
21 I am sure in his note he would have referred to
22 Nottingham Forest and to Chelsea and Celtic.

23 Q. What he says is the prices of licensed kit?

24 A. He does.

25 Q. Talking about Umbro gear, obviously?

1 A. Yes, Umbro replica.

2 Q. Thank you. The reason why we went there, at

3 the chairman's helpful suggestion, was that we were

4 looking at what you said to the Office on 26th February

5 and what you said about it at paragraph 22. Perhaps you

6 would like to read out the sentence of paragraph 22 --

7 THE PRESIDENT: Perhaps you should read it, Mr West-Knights.

8 MR WEST-KNIGHTS: "CR explained that this was a reference to

9 the kits produced by brands other than Umbro."

10 THE PRESIDENT: I think you should read the rest of

11 the paragraph.

12 MR WEST-KNIGHTS: If you will forgive me, I would prefer to

13 stop there for the moment. You can read on, Mr Ronnie.

14 That is your first explanation of your sentence in the

15 note.

16 THE PRESIDENT: Mr West-Knights, I would prefer the witness

17 to read to the end of the paragraph and come back.

18 MR WEST-KNIGHTS: I will read it all:

19 "He explained that following its decision to

20 increase the price of the England kit, Sports Soccer

21 reached a policy decision that all replica kit supplied

22 by all brands would be subject to a 60-day rule. CR

23 explained that Sports Soccer were under pressure from

24 other brands such as Nike to adopt a 60-day policy

25 following the launch of a new kit."

1 Do you stand by that explanation?

2 A. Yes.

3 Q. Sorry, you do stand by that explanation?

4 A. I stay by the 60-day rule.

5 Q. Never mind the 60-day rule. The explanation that you

6 make about that note -- and you were there -- was that

7 this was a policy decision by Sports Soccer reported to

8 you that he had decided to go to full price 60 days on

9 all brands other than Umbro.

10 A. No. Umbro at the meeting became one of the group of

11 brands.

12 Q. So you say paragraph 22 means that this was a policy

13 decision by Mr Ashley to apply the 60-day rule to every

14 single piece of licensed kit from whatever brand at all?

15 A. In particular the jerseys.

16 Q. Oh, sure, in particular the adult home shirt, no doubt.

17 A. Jerseys from across all the group of brands.

18 Q. That is an explanation of this document that does not

19 happen in Ronnie 1, 2, 3 or Ronnie 4? (Pause).

20 Shall I say "shrug" for the transcript?

21 A. It does not appear in the statements you mentioned.

22 Q. No, it does not appear in any statement you have ever

23 made. It is flatly contrary to the position adopted by

24 you and Umbro until this very moment, barring this

25 statement in the meeting which came and went.

1 A. I do not agree with that.

2 Q. Okay.

3 Right, now I was going to move on, but I think

4 perhaps quarter to is enough for the moment.

5 THE PRESIDENT: Have we nearly finished this meeting?

6 MR WEST-KNIGHTS: No.

7 THE PRESIDENT: We had better stop perhaps.

8 MR WEST-KNIGHTS: Perhaps there is one more point I ought to

9 make, if you give me five minutes to deal with that.

10 Can we go on to paragraph 40, page 18 of the note.

11 It is page 6 of the note itself but page 18 within

12 the bundle.

13 THE PRESIDENT: Just read paragraph 40 to yourself,

14 Mr Ashley. (Pause).

15 A. Okay.

16 MR WEST-KNIGHTS: Now I am going to read to you

17 paragraph 41:

18 "At some point following this conversation and

19 before the meeting on 24th May, Sports Soccer discounted

20 the England shirt."

21 In fact, I think it had been discounting the England

22 shirt constantly. Yes? It was off the price, as it was

23 put, throughout the period until Euro 2000?

24 A. On and off.

25 Q. No, it was not at full price at any time in the year

1 2000 until the run-up to Euro 2000. You do not
2 remember?

3 A. I do not remember that.

4 Q. All right:

5 "At the meeting on 24th May Sports Soccer agreed to
6 put the price of the shirt back up. Mike Ashley knew
7 that Umbro had refused a delivery before and so this
8 might happen again."

9 That was part of your recollection in respect of
10 the meeting of 24th May; yes?

11 A. Yes.

12 Q. So your recollection must be that the shirt lorry was
13 turned around in April or May 2000?

14 A. I cannot remember the exact date, I am sorry.

15 Q. You do not need to have an exact date --

16 A. The lorry --

17 Q. It must be before the meeting of 24th May or it could
18 not have been preying on Mr Ashley's mind at the meeting
19 of 24th May. That must be right?

20 A. It appears to.

21 Q. You tell us, Mr Ronnie, what is your recollection --

22 A. I am sorry, but ...

23 THE PRESIDENT: Go on, Mr Ronnie, it is the end of a long
24 day. Can you remember when the lorry was turned round?

25 A. Unfortunately not.

1 MR WEST-KNIGHTS: Not at all.

2 A. No, but there was a lorry turned around.

3 Q. What did it have in it?

4 A. I cannot remember what it had in it as I sit here today.

5 Q. You cannot remember whether it was England shirts or

6 Manchester United shirts?

7 A. Not that long ago, I cannot, I am sorry.

8 Q. But if it had happened in April/May it would have had to

9 have been an England shirt, would it not?

10 A. Again, I am sorry, I am not sure.

11 Q. Come on, you know full well that the Manchester United

12 shirt was launched on April 1st publicly and that Umbro

13 did extremely well to get it to their retailers slightly

14 early, but it would not have gone out before June, would

15 it?

16 A. You are trying to put words in my mouth --

17 Q. You do not remember?

18 A. Sorry, can I finish?

19 Q. You do not remember?

20 A. I cannot remember, I am sorry.

21 Q. At any rate, you have said that it was before

22 the meeting of 24th May?

23 A. Again, I cannot recall.

24 THE PRESIDENT: I think we have almost reach the limits of

25 our collective endurance, Mr West-Knights.

1 MR WEST-KNIGHTS: The last document is in yellow Allsports
2 1.
3 THE PRESIDENT: CS6 in our numbering. Page?
4 MR WEST-KNIGHTS: 646. It is inside tab 13 and we have seen
5 something like it before. If it assists everybody,
6 Umbro wrote two letters in response to, first, some
7 questions posed on 13th September and the other letter
8 was in response to a formal section 26 notice.
9 At 6.4.6, 1 is the Office asking:
10 "At paragraph 95 of its written representations
11 Umbro stated that it stopped an order of between 2,000
12 and 3,000 shirt to Sports Soccer. Please confirm when
13 this occurred, what shirts were involved, and when
14 the order was reinstated. Please provide any relevant
15 documentary evidence.
16 "Answer: Please refer to the witness statement of
17 Chris Ronnie at paragraph 25."
18 We have just looked at that, which places it between
19 the April meeting of 2000 and the 24th May meeting of
20 2000. Yes, you remember that, we just looked at that?
21 A. Yes.
22 Q. Paragraph 25:
23 "This related to an order of Manchester United
24 shirts. The exact date of the event is unknown.
25 The best information which Umbro can provide is set out

1 in Chris Ronnie's witness statement. The order was
2 reinstated immediately after Sports Soccer agreed to
3 return to the recommended retail price. Umbro has also
4 explained in great deal the reasons why its executives
5 felt obliged to undertake certain actions as a result of
6 the pressure on Umbro from other retailers at this
7 time."

8 Just help us with this, how can Ronnie 25 be right
9 simultaneously with the shirts being turned round having
10 been Manchester United shirts?

11 A. I am sorry, it is very grey. I cannot remember what was
12 on the lorry.

13 Q. This is positive information being volunteered to
14 the Office of Fair Trading in response to a formal
15 request for information where the provision of the false
16 information is a criminal offence. When I say this
17 I mean not only 646 but probably Ronnie 3. You
18 presumably took a great deal of care, both in Ronnie 3
19 and in the answer to this question 1, to give a correct
20 answer?

21 A. As I said earlier, in each statement I was producing
22 I was producing my evidence to the best of my knowledge
23 and the best of my recollection around the various
24 events.

25 Q. We can cut an awful lot of questions out, Mr Ronnie, if

1 you would accept the general propositions that there are
2 yards of material in Ronnie 2 which are on any view
3 plainly and hopelessly inaccurate, either changed or
4 simply left out of Ronnie 3, but that nonetheless
5 Ronnie 2 was your best recollection.

6 A. I do not agree with any of that, I am sorry.

7 Q. You do not agree that Ronnie 2 contains information
8 which is inconsistent with things in Ronnie 3?

9 A. I do not agree with the statement you made that I was
10 leaving things out of my statements.

11 Q. Sorry, let me take it in two halves. Do you accept that
12 Ronnie 2 contains large swathes of information which is
13 plainly inaccurate?

14 A. There are some things in Ronnie 2 which are obviously
15 wrong, ie dates, for which I apologise. At the time
16 I was doing my best to recollect the events.

17 Q. Do you accept that large bits of Ronnie 2 do not find
18 their way into Ronnie 3 at all?

19 A. That ... I do not know how you say "did not find their
20 way". Again, when I sat down to do each statement, it
21 was to the best of my recollection.

22 THE PRESIDENT: I think you have the witness's comments now.
23 The rest I think is a matter for comment and argument at
24 a later stage.

25 MR WEST-KNIGHTS: What I am plainly going to do overnight,

1 by which I mean now, is sit down with Mr Peretz and work
2 out those questions which I would have put to this
3 witness which in the end only are a matter for comment.
4 However amusing it might be to probe into them, if
5 they are ex facia contradictory then I do not propose to
6 put them to this witness.

7 THE PRESIDENT: I think you have probed, for the time being
8 at least, as far as seems reasonably necessary in order
9 to explore what you have been exploring.

10 MR WEST-KNIGHTS: I do not know what conclusion you have
11 formed in respect of this witness yet. Anyway, I have
12 said that we will go away and decide those matters which
13 must be put and put them to the witness.

14 THE PRESIDENT: Mr Ronnie, we need to discuss one or two
15 administrative matters in your absence. If you would be
16 kind enough to withdraw and not talk about your evidence
17 overnight, and be back here in the morning. If we were
18 to start a little earlier tomorrow morning, would that
19 convenience you?

20 A. That would be very convenient to me.

21 THE PRESIDENT: It would be convenient, thank you.

22 (4.55 pm)

23 (The witness withdrew)

24 THE PRESIDENT: I know you cannot be confident,
25 Mr West-Knights, but we have two witnesses that we need

1 to warn tomorrow or organise somehow, and I am very much
2 hoping that we will be able to get on to both Mr May and
3 Mr Prothero tomorrow.

4 MR WEST-KNIGHTS: I have not been wrong yet. I said that
5 I would finish Mr Ashley by the lunchtime, and at
6 five-to-one I got the unexpected answer yes.

7 It is my firm aim to finish before lunch.

8 THE PRESIDENT: There any advantage in starting a little
9 earlier tomorrow just to be sure? We could certainly
10 start at ... earlier. I do not particularly want to run
11 risks. If we started earlier, we would pay ourselves
12 back by finishing earlier. But I know the pressures
13 that people are under.

14 MR WEST-KNIGHTS: I have a slight personal difficulty
15 tomorrow which means that I cannot be super-early. But
16 at the same time I would think that we could probably
17 sit at 10 o'clock. I personally would be grateful if we
18 did not sit late, because I am expected at Grays Inn to
19 start advocacy training.

20 MR MORRIS: Obviously it is not a preference from a personal
21 point of view, but I see the sense in that.

22 We are very grateful for your indication of trying
23 to ensure that Mr May is fitted in tomorrow. He has
24 been warned actually that he might not be -- that it
25 might not be possible to get him on tomorrow. I am just

1 wondering -- I suppose if he goes first -- we need to do
2 the same for Mr Prothero as well. I wonder whether
3 a witness summons is necessary for next week in
4 the event that he does not, or whether that is something
5 we can deal with tomorrow.

6 We have informed him that we will apply for
7 a direction from the tribunal under Rule 19 for his new
8 employers for Monday. Perhaps way forward is to see if
9 we can get him here tomorrow and dealt with.

10 THE PRESIDENT: See if you can get him here at at least
11 2 o'clock tomorrow.

12 MR MORRIS: There have been conversations and I wanted to
13 find out what he had been told. We will tell him that
14 he will be hopefully heard tomorrow.

15 THE PRESIDENT: Yes.

16 MR MORRIS: But that he should be reassured that if he is
17 not heard tomorrow we will be applying to you for
18 a direction to make his position easier with his new
19 employers.

20 THE PRESIDENT: Yes, very well. 10 o'clock tomorrow
21 morning. Someone will tell Mr Ronnie, please.
22 Thank you.

23 (5.00 pm)

24 (The hearing adjourned until 10.00 am the following day)

25

1	INDEX	
2		PAGE
3	Housekeeping	1
4	MR CHRISTOPHER RONNIE (continued)	9
5	Cross-examination by LORD GRABINER	9
6	(continued)	
7	Cross-examination by MR WEST-KNIGHTS	93
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		