

Thursday, 13 October 2011

(10.15 am)

(Proceedings delayed)

(10.25 am)

MRS JUSTICE GLOSTER: Just a second, Mr Sumption.

It has been brought to my attention that this morning somebody took a photograph in this courtroom. It is a contempt of court to use a camera anywhere in the building, particularly in court. I should not have to be making this announcement. Please will the person who took the photograph identify herself to Mr Pollen, who is standing at the back of the court, so that he can ensure that the photograph has been deleted on the mobile phone. Mr Pollen will be waiting outside. I'm not requiring the person who took the photograph to leave immediately but during the course of the next quarter of an hour or so, I would expect that to take place.

It would be extremely boring for everybody if they had to give up their mobile phones at security at the desk when they come into the building in the morning. I hope that I won't have to repeat this sort of announcement.

Yes, Mr Sumption.

MR BORIS BEREZOVSKY (continued)

Cross-examination by Mr SUMPTION (continued)

MR SUMPTION: My Lady, checking the transcript overnight, there was one matter relating to the Sibneft side of the case which I have not put to Mr Berezovsky and should now do so.

Mr Berezovsky, the meeting at Megeve on 10 January 2001, your position on that, as I understand it, is that so far as you're aware there was no such meeting?

A. You're absolutely correct.

Q. The evidence --

A. No, no, meeting -- I have not been at this meeting.

This my position is.

Q. Yes. The evidence that will be given in due course is that you were present at a meeting between Mr Abramovich and Mr Patarkatsishvili at which there was a discussion of a final pay-off of your krysha. I'm going to give you a summary of what that is to give you an opportunity to comment on it.

What happened was that at the heliport, as Mr Abramovich was leaving, there was a meeting between Mr Abramovich and Mr Patarkatsishvili in your presence at which it was agreed in principle that there should be a final pay-out. Mr Patarkatsishvili justified this not

on the basis of any interest in Sibneft but on the basis that he wanted and you wanted certainty instead of the irregular arrival of sums of money as had happened over the past few years. No figure was finally agreed but Mr Abramovich said that he would expect to be in a position to pay about \$1 billion and the meeting then, so far as relevant, came to an end.

What do you say about that?

A. I already expressed my position, my Lady. I have not been at this meeting. It's my clear recollection because after meeting in Cap d'Antibes I never met Abramovich more, except of this meeting in the shop.

Q. Megeve?

A. Except of my meeting in the -- on Sloane Street.

Q. Yes, I see.

Now, I want to turn to the Rusal side of the case, Mr Berezovsky. I want first to ask you about the acquisition of the aluminium assets. Now, I'm not asking you at this stage -- I shall come to that -- about the subsequent arrangements for the merger with Mr Deripaska's interests. At this stage I'm only interested in the acquisition of the original aluminium assets.

Now, as I understand it, you say that the discussion about investing in the aluminium assets began when

Mr Bosov approached you with a proposal that you should buy the aluminium concerns at Bratsk and Krasnoyarsk.

Is that a correct summary of your evidence?

A. It's correct summary of my evidence.

Q. Mr Bosov, was he the manager of Trans-World Group which was controlled by the Reuben brothers and Lev Chernoi?

A. I don't -- that time when he made this proposal I didn't know that because I was not paid too much attention to aluminium business and I just knew about aluminium business and I have very strong connection in the base -- in the main region of Russia which -- where aluminium company allocated because of Mr -- because that time governor of this region, Krasnoyarsk, was General Lebed, to who I have strong connections.

Q. Mr Bosov, you say, approached you with a proposal that you should buy these two aluminium concerns. Who did you think Mr Bosov was?

A. I just -- he was my friend. I knew that he was involved in aluminium business, I didn't know his direct position in this business, and that's it. Moreover, before Mr Bosov came to me, I even didn't identify him as a main -- as a big figure in aluminium business.

As I told you, my Lady, just now, I have been already in this region, in Krasnoyarsk, because of request of aluminium people as well, like Mr Bykov

Anatoly, and he had a conflict with governor and he knew -- they knew well that my -- I have strong connection to governor and they ask me to help in the conflict. And I flew to Krasnoyarsk, it was I think '98, the beginning of '99 maybe, it was wintertime, and I came there, tried to create the peace inside of -- in them and I was successful that time.

I met General Lebed, governor of Krasnoyarsk. I met Anatoly Bykov, at that time one of the biggest figures in aluminium. Later on he was accused of criminal and so. It was a lot of criminals around. But nevertheless this meeting happened and they shake hand. It's the reason why I knew some people but I never heard before -- not never heard before -- I didn't recognise Bosov when he came as one of the main player in this business.

Q. I'm asking you about your meeting with Mr Bosov because that's when you say that this proposal to acquire the Bratsk and Krasnoyarsk assets was first brought to you.

A. And two more assets.

Q. Can you please tell me when you say that this meeting with Mr Bosov occurred?

A. My recollection is that it was the end of '99.

Q. Right.

A. The problem is that -- I just want, my Lady, again,

again, again, sorry, to return back. The end of '99, it means Parliament elections, which were absolutely crucial point for me itself, and I support that time Putin party, Yedinstvo Internova(?), I participate in the creation of this party. It means that my attention mainly was turned to politic again. But nevertheless I remember this meeting with Mr Bosov.

Q. Right. Now, if you would look at your witness statement at paragraph 256 D2/17/250. Someone is about to bring it to you, Mr Berezovsky. Now, at this paragraph --

A. Paragraph which one?

Q. 256. What you say here is that you and Mr Patarkatsishvili raised the Bosov proposal with Mr Abramovich?

A. It's correct.

Q. And as I understand it, the Bosov proposal is the one that's referred to at paragraph 254 -- see the previous page -- which was a proposal to purchase aluminium interests in Bratsk and Krasnoyarsk?

A. It was proposal -- definitely I don't remember well which kind of assets but later on it was clarified there were at least two -- four assets. Four assets.

Q. That was later.

A. Just a second, Mr Sumption.

At that time I did not pay attention which exact

assets there were, but finally it was four assets: it's Krasnoyarsk aluminium plant, it's Krasnoyarsk hydro station, it was Bratsk aluminium and Achinsk special company which produce initial material for glinozem in Russian, I don't know translation --

THE INTERPRETER: Alumina.

A. -- alumina for aluminium factories.

MR SUMPTION: Now, still on paragraph 256, as I understand it, you say that you and Mr Patarkatsishvili had a meeting, did you, with Mr Abramovich?

A. It's correct.

Q. And at that meeting, as I understand it, you raised the Bosov proposal, whatever it was, with him and he eventually agreed to proceed with it?

A. No, no, no, it's not so. I even remember where this meeting happened: it's happened in the office of Sibneft and we -- according of our agreement with Mr Abramovich '95, '96, and we were very precise to follow the agreement, we proposed Mr Abramovich -- we informed Mr Abramovich that we got proposal about aluminium business and Badri and -- I didn't understand a lot about this business but Badri made some investigation, as I understand, and we think that it could be profitable business, good business for us, and it's the reason why we ask -- why we decide to inform

Mr Abramovich about new opportunity. And we have done that, I remember that very precisely.

Q. Well now, look at paragraph 256.

A. Yes.

Q. It's not inconsistent with what you've just said but, as I understand it, you said to Mr Abramovich --

A. Yes.

Q. -- you and Patarkatsishvili said --

A. Yes.

Q. -- this could be good business.

A. Yes.

Q. He said he would discuss it with Mr Shvidler --

A. Absolutely correct.

Q. Yes?

A. And Abramovich answer was not immediate answer.

Abramovich said that, "I should think", because, as we, he didn't have experience in this business and definitely he want to take break to discuss it with Mr Shvidler. It's absolutely the same what I told you before.

Q. And at some subsequent stage he agreed to proceed with the proposal; that's your evidence, isn't it?

A. He agreed to think about that and to discuss that with Mr Shvidler. That's it.

Q. Yes. And subsequently, shortly after this meeting, you

say that he agreed to proceed with the proposal?

- A. And after this meeting, after, as I understand, he discussed it with Shvidler, he accept to participate -- he said that it's good idea and, as I understand, Shvidler understood as well, participate in this business. That's correct.
- Q. So all that was agreed on this occasion that you talk about at paragraph 256 is that Mr Abramovich would proceed with Mr Bosov's proposal?
- A. What we agreed with Mr Abramovich that he generally think that it's good business and that we start to discuss if we go to this business under which conditions we'll do that, and that Mr Abramovich and Mr Badri together took responsibility for negotiation about how should be organised. And moreover, as far as Badri had much better occasionally -- I don't know, not occasionally -- links to people who already were involved in this business and who owned this business, it means that mainly Badri at this stage discuss how it will be -- what will be the deal.

Moreover, Mr Sumption, I want to stress you that according of information which I got from Badri, after I inform him about Bosov proposal and so, Badri said that, "Boris, I had the same proposal from Mr Anisimov and from people who are involved in that business

already and I have" -- and Bosov a little bit overplay that he initiate -- that he initiated that deal.

- Q. Mr Berezovsky, would you please look on the screen at the answer that you gave which starts at [draft] line 17 and continues up to [draft] page 9, line 2. You've dealt with two matters in that last answer: one is what was actually discussed on this occasion with Mr Abramovich and the other is about something that Mr Patarkatsishvili discussed with you later. It's the first of those things that I'm interested in.

So would you remind yourself of what you said between [draft] line 17 at page 8 and [draft] line 2 of page 9.

- A. Which lines?

- Q. Start at [draft] line 17 on page 8 and continue to [draft] line 2 of page 9.

- A. Just a second. (Pause)

And what? What is wrong with that?

- Q. Nothing is wrong with it --

- A. Nothing wrong with it?

- Q. Nothing wrong with it, Mr Berezovsky. That's your evidence.

Am I right to understand that that is the sum total of what was agreed at this meeting that you had with Mr --

A. Mr Sumption --

Q. Let me finish my question, please.

A. Sorry.

Q. That is the sum total of what was agreed on this particular occasion with Mr Abramovich?

A. Mr Sumption, okay, I think it's very tricky -- I'm sorry, my Lady, to say that -- what you are doing because my recollection is the recollection of long time ago and my recollection is absolutely clear. I prepared to repeat that again.

I got proposal from Mr Bosov. I discussed this proposal with Mr Badri. We decide, according of our agreement of '99 (sic), '96, to present this proposal to Mr Abramovich and we had a meeting with Mr Abramovich in Sibneft office to make this proposal to him. He said that he need to talk to Mr Shvidler about that and after he talk with Mr Shvidler about that, later, he said that this proposal is proper and they also pay interest to participate in that. This is the point; nothing more.

Q. I understand, thank you.

Now, Mr Abramovich's evidence is that in fact he was approached about possible aluminium acquisitions not by you at all but by Mr Patarkatsishvili alone.

A. Mr Sumption, it's -- according of my recollection, it's wrong. I remember well discussion in Sibneft office

about this initiative and if recollection of Mr Abramovich is different, fine; I hope he will have chance to prove that in witness box. My recollection is that one.

Q. Now, at paragraph 258 of your witness statement D2/17/250 you discuss the reasons why, according to you, it was important that your and Mr Patarkatsishvili's interests should not be visible. Do you see that? Just remind yourself of what you said at paragraph 258, would you?

A. Just a second. (Pause)

Yes.

Q. Now, why was it important to you that you and Mr Patarkatsishvili should not be visible? You say that this was because you had come under attack from Prime Minister Primakov. That's your reason, is it?

A. Yes, it's -- it was my reason as well because I already have experience that situation change quickly and today you are friend, tomorrow you are enemies, in politics at least. And I understood well that the clash with Primakov already happened or will happen no doubt because we -- as I told you before when we discuss about Primakov, I told you before that it was choice, I mean Primakov as a prime minister, just because we didn't have alternative that time. But it became absolutely

clear very soon that Primakov become enemy.

Q. Mr Primakov had been dismissed, had he not, as prime minister in May, in part as a result of your efforts?

A. I already confirm that. Yes, it's true.

Q. And that happened in May, didn't it?

A. But the battle -- but our -- not battle but our fight, I don't know how to say that, start earlier, practically as only he took his position, and I already describe that previous days. It mean that Primakov all the time was person who didn't coincide with me as far as vision of future of Russia.

But again, I just want to stress that we didn't have choice. We need to consolidate people because at the same time, my Lady, as I told you before, we had economical and political crisis at the same time in '98 and it's the reason why Primakov was selected as a prime minister.

Q. Mr Berezovsky, I'm interested in late 1999, when you say that all this began.

A. Yes.

Q. In late 1999 you had seen off Mr Primakov, he'd been dismissed about six months before --

A. Yes.

Q. -- and you were at the height of your power, weren't you?

A. Yes, it's correct. But I told you that I had already lesson that how could be changed the -- how the situation could be changed if you involved in political battle. And this is the reason why I still was in position to afraid my political exposure because it was December 2000 -- '99 and I understood that I'm under attack of Mr Primakov as well because, as you know, exactly Mr Primakov was in a position of to meet Mr Yeltsin and you know that Primakov and Luzhkov together, they fight against of Putin and Yeltsin when they -- and they'd been together. It means that Primakov was dangerous because he pretend to become president of Russia. Definitely it's true.

Q. Isn't this secrecy simply an explanation put forward by you as to why you took no part in the negotiations of the acquisition of these assets?

A. Mr Sumption, I already mention that my position all the time was the same: I just present at the idea of the business and the initial steps. Then I left everything to Badri and to Abramovich later. It means that I participate in some meetings.

After December '99, when I was elected deputy of the Parliament, I was not participate direct, I was not, say, put my signature and so, because it's prohibited according of the Russian -- not law but some kind of law

and it's the reason, for example, my signature is not on the agreement when we got these assets. And I was surprised that Abramovich put his signature because that time he also was a deputy of the Parliament. But I think that I could participate nevertheless because we start to discuss this business before I was elected deputy of the Parliament.

Q. Mr Berezovsky, as I understand the evidence you've just given, you didn't participate in any meetings after December 1999. Is that right?

A. It's wrong. It's wrong. As I told you, Mr Sumption -- okay. I am sorry that I am so emotional because you trick a little bit according of my understanding.

Q. Mr Berezovsky, did you participate in meetings after December 1999 or was it only up to December 1999?

A. No, it's -- I gave you absolutely clear answer: I participate in meetings after December 1999 and in 2000 as well.

Q. Well, what you say in the answer a moment ago:

"After December [19]99, when I was elected deputy of the Parliament, I was not participate direct..."

A. Mr Sumption, it's absolutely wrong. I participate -- I try not to participate, I mean directly to put my signature, but I participate in many meetings concerning Rusal, and you know that well.

Q. Right. Would you please tell me which meetings you say you participated in other than the Dorchester Hotel, which I shall come to.

A. Yes. The meeting in Dorchester Hotel --

Q. Well, apart from that?

A. Just, Mr Sumption, please --

Q. I'm not asking you about the Dorchester Hotel, Mr Berezovsky.

A. No, Mr Sumption, please let me answer.

MRS JUSTICE GLOSTER: Hang on. You're being asked a question --

THE WITNESS: Yes, and I -- sorry, my Lady.

MRS JUSTICE GLOSTER: -- Mr Berezovsky. We don't want your evidence about the Dorchester Hotel at this stage. Mr Sumption in the course of his cross-examination is coming to that later.

Please can you answer the question, which is: apart from the meeting at the Dorchester Hotel, which meetings do you say you participated in?

A. I participated in several meetings before meetings in Dorchester Hotel and those meetings were happened in Russia and as a preparation for the meetings in Dorchester Hotel. Part of the meeting were reflect to creation -- to acquisition of our assets, of buying our new aluminium assets, I mean like Krasnoyarsky aluminium

plant, like Krasnoyarsky hydro station, like Bratsky aluminium plant, like Achinski alumina complex. And the part of that were already after we bought these assets and as a preparation when Abramovich create idea to merge with Deripaska and to --

MR SUMPTION: I'm not asking you about that either. My questions are only, at this stage, concerned with the original acquisition.

A. Okay. No, you ask me after '99 and I gave you answer including preparation -- you said after '99 but before Dorchester, and I gave you clear picture what I recollect.

As far as acquisition is concerned, we had a meeting to discuss first of all which kind of assets we are obtaining, we are buying, and -- just a second, it was very quick -- yes, and we agreed that Mr Abramovich will manage the business and Badri, again, refuse at the beginning that saying that he will manage the business but because of all events, again, as election campaign of president, Putin was elected president on 7 March and ORT, as, my Lady, you know well, was one of the key leverage for this election.

And situation was almost the same like with Sibneft: when Badri want to manage the company, Abramovich propose that he will manage the company and I took

decision in favour of Mr Abramovich as well.

MRS JUSTICE GLOSTER: And was that done at a meeting? Was that decision taken at a meeting?

A. The decision that Abramovich will manage the company?

Yes, it was done on the meeting.

MR SUMPTION: Mr Berezovsky, I want you to focus, please, on the meetings at which the acquisition of the original aluminium assets --

A. Yes.

Q. -- was negotiated between the sellers and the buyers.

A. Yes.

Q. Now, I'm not at the moment asking you about discussions that you had with Badri or with Mr Abramovich.

A. Yes.

Q. I would like to know about what meetings you participated in which were concerned with the negotiation between the -- sorry, what meetings you participated in at which negotiations occurred between the sellers and the buyers of these assets.

A. As I told you, I gave up to Badri to negotiate with the sellers and, as I told you, I met with Mr Bosov, who was one of the, let's say, owner of assets which we sold -- which, sorry, we bought. I recollect my meetings with Lev -- just a second -- with Mr -- with Lev Chernoi, who was -- who I knew well before and he was one of the

owner of assets which they sold. I recollect my meetings with Mr Anisimov as well, as one of the sellers. And I don't remember well but I recollect the meeting with brothers, with Mr Reuben David, who present the Trans-World company who as well sold the assets.

Those people who I recollect I met and they were the main shareholders of the assets which they sold, and Badri as well participate in meetings with these people.

- Q. Now, can I ask you this. You say you met, along with Badri, Mr Chernoi, Mr Anisimov and Mr Reuben. I would like you, please, to be more specific. When did these meetings occur and where?
- A. These meeting took place in short time, in short time, and it was on the one hand in Badri office in -- but it was many meetings, in Badri office and in -- as far as Mr Anisimov is concerned, I think it was -- again, I think it was in my -- in Logovaz on the one hand; on the other hand in my house, country house in Alexandrovka, near the Moscow, as well.
- Q. And what terms were agreed, do you say, at these meetings?
- A. The terms was -- you now are interesting only in discussion that between me and Badri and not Abramovich? I mean in terms of selling, yes, not terms of our relations with Abramovich?

Q. Exactly.

A. Okay. As I understand, as I remember, first of all they present us the reason why they decide to sell and the reason why they decide to sell: because they were not sure about political stability in Russia and it's big-scale business. It's the reason why they -- for me it was a little bit surprising that they decide to sell because I have different vision: I think that political stability will be more than before. But they worry about that.

And we discuss about -- as I remember, again, we discuss about the price which they propose to us. The price was around \$500 million, maybe a little bit more. Maybe 500, a little bit more. We discuss their -- as I told you, what company will be sold: it's four, as I remember, main companies. What else? And we discuss also that it should be done in proper western way, I mean the proper law should be put to obtain these assets, because already I had some experience and we discuss before with you, Mr Sumption, that I worry about to protect my assets and we even start to create a western structure with trust and so. I don't remember that we had any difference in our vision how it should be settled.

But again, I participate in several discussions but

definitely there were many discussions about that because Badri knew much better these people and Badri met them much often than me.

Q. And these --

A. And it is the reason why I said you that my also recollection is that there were some meetings in Badri office in Itar-Tass, he had office there, but I don't recollect that --

Q. These were important discussions, were they?

A. Sorry?

Q. The ones that you participated on, they were important discussions?

A. Mr Sumption, I already told you, definitely it was important but not so important for me because for me much more important at that time was elections, campaign of elections -- election campaign. Because December '99 was just Parliament election campaign and then we're on the way of presidential election campaign and definitely I was mainly put my attention not to aluminium, obtaining aluminium assets, as much attention pay Mr Abramovich, Mr Shvidler and Mr Patarkatsishvili.

But I have been at several meetings because -- I think first of all because people who decide to sell, they want to understand clear that I am a buyer, that I will buy that. Because, again, the reason why they

decide to sell for so low price -- my Lady, this is important. They decide to sell for very low price. In reality it was even funny business because we bought big stake and then sell -- merge with Deripaska and compensate at the same price. It means that we got -- as the business is concerned, we got for nothing, yes, the big stake aluminium. And the reason why it happened, only one reason: because they afraid of new development. They didn't understand what is happening in Russia and so. I'm sorry to say I also did not understand because I didn't understand that Putin changed his mind.

But they came to me because of one reason: because they recognised that it's dangerous, they want to sell, they want to have good relations, not on business, yes? It's the reason why they came to me, not to Abramovich, like he described. It's funny to say that they came to Abramovich; he was nobody at that time. And they came to me just because they afraid of political situation and they decide to sell.

I think mainly my just guess, yes, is that Mr Reuben, I mean David Reuben, he being western, absolutely, he already had a big headache with aluminium already for that time when he start business in Russia and I think he decide to stop that. I don't know really

but maybe, my guess is.

On the other hand, definitely it was worry of Mr Lev Chernoi, who owned that. It was worry of Mr -- as I understand, Mr Anisimov as well and Mr Bosov, who decide also to sell. Later on it was funny because later on it's turned out that brother of Chernoi, Michael, become a partner with Deripaska in merge with us: one brother sell, the second brother become partner. I didn't understand the relations.

But I'm sorry for so long answer.

Q. Mr Berezovsky, would it be fair to say to you, as I do, that you were not involved in the detailed discussion leading up to the purchase of the aluminium assets?

A. Mr Sumption, I already answered your question. I was involved in details which I just describe you and this is absolutely correct answer. I didn't go in too much detail; I just knew several basic points.

The first point: which asset we are proposed to buy. That estimation of these assets is low, that could be because of, again, political risk which we were prepared to take and the other were not prepared to take. We discussed that it should be organised in proper western way. What was mean "proper western way"? Because already that time I had experience with trust, with, as you remember, a little -- almost that time I start to

create some structure abroad. It means that for me it was absolutely clear that we should make it more professional, if it would like.

On the other hand I had still a lot of risks and it's the reason why I accept the idea of Abramovich to be not visible: because I had positive experience with Mr Abramovich in Sibneft before, on the same condition, not to be visible. I just want to transfer to make it more western-oriented.

Q. Mr Berezovsky, if you concentrate on my question and answer that question and not 25 others, we will actually get this --

A. I predict your questions.

Q. -- done earlier.

A. Okay.

Q. Now, would you look at paragraph 262 of your witness statement D2/17/251. What you say here is that:

"[You were] not involved in the detailed discussion leading up to the purchase of the aluminium assets."

A. Mm-hm.

Q. Now, that is quite inconsistent with the evidence that you've just been giving for the last ten minutes, isn't it?

A. No, absolutely wrong. I just tell you: I was not a lot in detailed discussion. If you think just to mention

the company which will be part of the deal, it's detail. I am very surprising; you have a lot of experience in business relations as well, as I understand. And if I tell you that the price will be approximately \$500 millions, it's also not detail: it's not 500-and-so. If I tell you that it will be organised in proper western way, it's also not detail. What means "proper western way"? It's the other story I'm sure we will discuss later.

It means that I'm absolutely correct with my answer.

Q. You do not mention in your witness statement these meetings with Mr Chernoi, Mr Anisimov and Mr Reuben, do you?

A. I don't remember what I mentioned, sorry. Not -- I remember, but just I remind my meetings with Chernoi, with Mr Reuben, with Mr Anisimov as well.

Q. Why haven't you mentioned any of that in your witness statement?

A. I can't recollect, did I mention that or not?

Q. No, you didn't.

A. Okay. Because -- it's again clear because, as I understand, you cross-examine me exactly the reason that to understand more details about what I present in my witness statement.

Q. Mr Anisimov, who did participate in these negotiations,

says that you didn't attend any of these meetings and your name wasn't even mentioned.

- A. It's -- again, I can't comment what Mr Anisimov said. It's his understanding. My understanding is completely opposite. I have met Mr Anisimov, and moreover not one time. I explain even why it happened. So because, as I told you before, on the one hand it was proposal of Mr Bosov to me, yes? And on the other hand, when I told about that to Badri, Badri said that, "I have already this proposal from Mr Anisimov", first of all. It means that -- and Mr Anisimov insist that he has long-term good relations with Badri and he is involved in this business long time before and it's absolutely reasonable that Badri met Mr Anisimov and I as well met Mr Anisimov.

- Q. What I suggest to you, Mr Berezovsky, is that you had absolutely no part in the negotiations for the purchase of the original aluminium assets.
- A. It's completely wrong.
- Q. Now, you also tell us in your witness statement that you were not involved in deciding upon the structures by which these assets would be held. Is that correct?
- A. I was not involved in the structures except of I knew that the structure which will be organised the payment for that will be western structure and I knew that

Badri, Mr Abramovich and Mr Shvidler on the one side -- definitely I didn't -- I recollect Mr Shvidler only later on, when I was preparing for the court. That time initial my reaction was I didn't remember Mr Shvidler. But Mr Shvidler was there because I was shown the paper.

And on the other hand the parties who sold acquisitions, like Mr -- as I told you, Mr David Reuben, Mr Anisimov and others, they signed a document which give -- which fix the result of negotiations between seller and buyers.

Q. Would you please be given bundle H(A)18/150, which is the Russian version of a document whose English equivalent is H(A)16/111. Sorry, I've given you a false reference, forgive me. We may as well deal with this now that you have it open.

A. Sorry?

Q. Have you seen this document before?

A. Which one?

Q. The one that, if you're looking at the Russian version, is at H(A)18/150.

A. Just -- could you let me have a look.

Q. It's headed "Protocol".

A. Yes, yes. (Pause)

I don't remember that I have seen this paper before. Just a second. Can I read that?

- Q. Well, it will take you a long time to read the whole thing.
- A. In Russian I will read much quicker than in English.
- (Pause).
- I never have seen, I think, this paper. I have seen another one also with proposal that Badri is just intermedium, just middleman.
- Q. Yes.
- A. But this one I think I haven't seen before.
- Q. Well, there are four of them and you've seen therefore at least one of those; is that right?
- A. I have seen one of them which you demonstrate yesterday, when we discuss about Aeroflot, as I remember. That one I have seen. It's absolutely correct.
- Q. No, this is nothing to do with Aeroflot and that was a different document.
- A. No, no, there is -- at first page it's also written that Badri is middleman at the document which you present me yesterday. I may prove that.
- Q. What I'm asking you about is this document. This document is an agreement between Mr Patarkatsishvili and in this particular case Galinton, which was one of the four companies which was going to hold the newly acquired aluminium assets.
- A. Okay, again, I don't know anything and did not know

anything about this type of documents before the preparation to the court.

- Q. This is a document which is signed by Mr Patarkatsishvili as intermediary and records that what he was going to get out of this was a commission; do you agree?
- A. I -- first of all, as I told you, the first time I see this paper. The second time, I absolutely disagree that Badri was middleman. Moreover, all events which happen later will just simply prove that it's not so. And moreover, I don't know any paper that Badri was paid as a middleman. I don't know any evidence, because definitely I try to understand for my better -- for myself better why it's happened so, why Badri took this position. So -- and I just tell you I didn't have any confirmation and, as I know, your side didn't present any confirmation that ever Badri was paid as a middleman.
- Q. Were you aware that Mr Patarkatsishvili went to the trouble of having these four protocols, one with each of the acquiring companies, recorded as evidence by a Moscow notary in March 2000?
- A. Mr Sumption, I make just guess why it's happened, why Badri have done that. I think that one of the reasons that Badri all the time was looking for opportunity how

we will be paid because of Roman Abramovich obligations and unfortunately, unfortunately, Badri was looking not to direct way, I don't know now clear why, because maybe Abramovich again trick him that time, I don't know.

I know just absolutely clear that there is no one evidence that Badri was paid as a middleman. And we, as I understand, we ask you to present this paper; you never present these papers.

- Q. Do you have any explanation of why Mr Patarkatsishvili should have entered into a commission agreement in relation to the acquisition of these assets if he was in fact buying them for your and his own account?
- A. I just try to give you explanation and I again -- again, it's my speculation, yes, but speculation which could be logical: that Badri was looking the way how he will be paid by Abramovich because all the time Abramovich insist that we shouldn't be visible.

On the other hand, Mr Sumption, what is I think really important that when we finally decide to sell Rusal, why not to use this simple base which already, my Lady, created? Why to organise in the way how it finally was organised, through fixing that Badri was shareholder and then to sell the next day, if we have this paper and Badri is just middleman? Why not to pay him through this agreement? Why it was not ever

happened?

Q. He was actually paid a considerably larger sum rather later, wasn't he?

A. On absolutely different basis: on a real basis that he is shareholder. And this is correct, and this is not correct.

Q. Well, we shall come to that.

A. Yes.

Q. Could you please be given bundle H(A)17.

A. Fine. This finished?

Q. Yes. You've got H(A)16, have you?

A. Sorry?

Q. Which bundle are you asking me about?

A. No, you're asking me. I'm asking 18.

Q. Right, you can put away 18.

Now, I would like you to look, please, at H(A)17/33.

A. Could I have it in Russian, please?

Q. I'm not sure that it is in Russian. I think it was --

A. It means that they just follow already western standard.

Q. I think this was drawn up in English, but let me check that.

MR RABINOWITZ: Page 38.

MR SUMPTION: Page 38 I'm told. Quite right. I'm grateful to my friend. H(A)17/38 is the Russian text.

A. Yes, thank you.

Q. And the Russian text is the signed version.

A. Yes.

Q. Now, this is one of a number of agreements which were dated 10 February although actually executed on the 15th.

A. Executed -- sorry, sorry, sorry. (Pause)

I don't know anything when they signed that; I just follow this document which also was presented, yes.

Q. When did you first see this document, Mr Berezovsky?

A. I -- the first time I have seen this document only when it was signed already and I even did not recollect that I have seen that in Moscow. I think that I have seen that the first time -- I just knew about this document, I knew about this document well, but I didn't recollect that I have seen him in Moscow. That's it.

Q. Now, there were also, bearing the same date and also in fact executed on the 15th, ten individual purchase agreements, one for each of the assets being acquired. Could you keep that open and look at H(A)16/136 for an example of one of those.

A. Yes.

Q. Now, when did you first see that document or a document like it?

A. The first I see this document I think now. I think now.

Q. Sorry, are you saying you have just seen it for the first time now?

A. Yes, I think now.

Q. I see. Okay.

Now, can I take it therefore, if you've only just seen this document now, that you were not involved in the negotiation of its terms?

A. It's absolutely wrong. One is not the implication of the other.

Q. Do you claim that you were involved in the negotiation of the terms of the 11 agreements dated 10 February and executed on 15 February?

A. I don't remember that. I think no.

Q. Now, those were the negotiations which actually concluded the deal to acquire the original aluminium assets, weren't they?

A. If it's this document, it's yes. But I was not involved, as I told you, as I recollect.

Q. Now, you say that you and Mr Patarkatsishvili agreed --

A. Can I take it away or keep still?

Q. Yes, you can. You can put both of the H(A) bundles away. I'm now referring to paragraph 260 of your witness statement D2/17/251.

Now, you say in this paragraph --

A. Just a second, please.

- Q. -- that you and Mr Patarkatsishvili agreed that your share of the cost of acquiring these original aluminium assets would be paid out of Sibneft profits.
- A. This is correct.
- Q. Right. So was the result of that that you did not have to put your hand in your pocket for a single cent?
- A. Sorry, again?
- Q. You didn't have to pay cash at all for this acquisition?
- A. Yes, because Sibneft is my company and it means that Sibneft is paying my dividends and we agreed with Mr Abramovich -- between Mr Abramovich, Badri and me that Sibneft, my money, my personal money, as my dividends or my profit, will be paid for aluminium.
- Q. Sibneft only declared a dividend later in this year of \$50 million. Are you saying you were getting a dividend that the other shareholders were not?
- A. Mr Sumption, I was very correct. I don't recollect when they paid dividends, when they paid profit, as I said, dividends or profit. I was very precise.
- Q. Well --
- A. I already learn your style.
- Q. -- if you were very precise, no doubt you will be able to answer this question. When these agreements were made, in fact by others, and when you made the agreement that you refer to at paragraph 260, how much were the

acquisitions expected to cost?

- A. As I told you, what I understood that all to all it should be more than 500 but less than 600 -- I don't recollect exact number -- and it will be covered -- it will be paid through my, Badri and Abramovich interest in Sibneft.
- Q. Can you really not remember, Mr Berezovsky, how much you were paying for these aluminium assets?
- A. I really don't remember, Mr Sumption.
- Q. And can you tell us precisely what your share of Sibneft profits amounted to in money terms at the time you say you made this agreement?
- A. Again, sorry? Could you help me? (Consults interpreter)
- In money sense, no. In the sense of my interest which was holding by Abramovich, I remember well it's nothing changed from the very beginning.
- Q. When you made this agreement that you referred to in paragraph 260 did you know how much was due to you in respect of Sibneft profits?
- A. Definitely I understood well that I should -- that my share in -- my participation in aluminium should coincide with our agreement of '95, '96. It means that 25 per cent of my income -- of my interest, of my interest, should be the same proportion paid through my

profit.

Q. Did you know how many dollars that was?

A. I don't know.

Q. Did you know at the time you made this agreement how many dollars it was?

A. If to divide this 500 somehow more to four, it will be exact number.

Q. I'm not asking you about your proportion of the price; I'm asking you about your proportion of Sibneft profits. When you made this agreement, did you know how much money was due to you in respect of Sibneft profits?

A. I did not.

Q. So was the agreement that you're referring to at paragraph 260 that your share of the cost of acquiring the aluminium assets would be paid out of Sibneft profits, whatever the Sibneft profits turned out to be?

A. It's the reason why Mr Abramovich, I think, took a decision to participate in Sibneft -- in the aluminium, I'm sorry, and it's the reason why he took time to calculate: are we able to buy these assets or not? Because he was responsible, as I told you, for payment of Sibneft because he took responsibility in front of me and in front of Badri according of agreement '95 and '96. It means that it's absolutely natural that Abramovich took time because he should calculate how

much it could be, how much we can accumulate money to buy these assets.

- Q. The total price payable for the original aluminium assets was \$581 million, was it not?
- A. I said you that what my knowledge was, it's more than 500, my -- not knowledge, my recollection, yes? I don't remember 581; I remember better number 575. This I remember better.
- Q. Well, \$575 million was the price to which the figure was reduced when the two contracts relating to the Achinsk assets, which amounted to \$6 million, were dropped.
- A. I don't know anything about that.
- Q. No, you don't. Right. Okay. Well, let's proceed on the basis that after that happened the price was \$575 million.

Now, two days after the master agreement and the ten specific agreements were executed, that's to say on 17 February, a protocol was drawn up. I'd like you to look at that: it's at bundle H(A)18/37T. There's an English and a Russian version.

Now, were you aware that there was a timetable in the ten individual agreements governing the time at which the payments were supposed to be made?

- A. No, I didn't know that. At least I don't remember that but I think I even was not informed about that.

- Q. If you look, you'll find the Russian version, I think, at -- I think it starts -- I'm looking at H(A)18/37T and I think the Russian version may be after that. Yes, it is, it's after a pink sheet.
- A. No, I have already Russian version, I don't have English version.
- Q. Right. If you have the Russian version, that's fine.
- A. I have just Russian. Where is it in English?
- Q. If you want the English version, it's about six or eight pages earlier at 37T. Look at whichever one you prefer.
- A. Earlier? It's 32, 18/32?
- Q. No, 18/37T but it's actually, rather confusingly, about six or eight pages earlier.
- A. We can't find it. Just a second. No, we can't find it.
- MR RABINOWITZ: It's not in my version either.
- MR SUMPTION: The English version or the Russian one?
- MR RABINOWITZ: The English version.
- MR SUMPTION: It's on the screen and it should be in my learned friend's bundle; it's certainly in all of ours.
- THE WITNESS: Okay, let's see the screen, it's fine.
- MR SUMPTION: Do you want to look at the English version or Russian version, Mr Berezovsky?
- A. It doesn't matter, I have both now.
- Q. Okay, right?
- A. Thank you.

- Q. Now, what you are looking at is a protocol prepared in Moscow dated 17 February 2000 --
- A. Yes.
- Q. -- which summarises the payment schedule and the dates have been taken from the ten individual asset agreements that we were discussing a moment ago.
- Now, the first question I want to ask you is: have you seen this document before?
- A. I think no.
- Q. Right. Well, do I take it therefore that you were not involved in the preparation of it?
- A. Mr Sumption, I made absolutely clear statement: I participate in the principal points of that. Mr Sumption, I'm sorry to say again, 7 March is presidential election. Do you think it's really important point for me that time? I don't think so. And he accept completely.
- Q. I don't mind what your reason was, Mr Berezovsky; I just want to know whether you were involved in the negotiation of this.
- A. I was involved -- I was involved and I present you my involvement in that. Nothing more, nothing less.
- Q. Now, if you look at this, you will see that \$175 million was payable under the agreements that had been reached within a week of the date of this document, by

24 February 2000. Do you see that? There are two payments --

A. Just a second, Mr Sumption. Where is that?

Q. Do you see paragraph 3.1?

A. Yes.

Q. Party 1 -- and that's Mr Abramovich, Mr Shvidler and Mr Patarkatsishvili and companies represented by them -- are going to pay two sums of \$150 million and \$25 million by 24 February, which was about a week ahead.

A. It's 3.1, "Party 1" -- yes, okay.

Q. Right.

A. And Badri is member of party 1: that he is paying but he has just commissions. Fine.

Q. Now, \$300 million was then payable at various dates over the rest of the year 2000 -- you can take the maths from me -- and \$275 million was then payable on 10 June 2001, over the page.

A. Yes.

Q. So that makes up the total of \$575 million. You've got \$300 million over the year 2000, including the sums payable in February --

A. Yes.

Q. -- plus \$275 million payable on 10 June 2001.

A. Yes, thank you, Mr Sumption, but I'm sorry because you

a little bit press me in timing. I just want to understand. Is it correct I understand that Badri is also the party who paid money in this document?

Q. No, because Mr Patarkatsishvili and Mr Shvidler were not entering into this document in a personal capacity.

A. No, no, it's written, it's written. Roman --

Q. I'm not going to argue with you about this.

A. Sorry, sorry.

Q. You are paying good money to Mr Rabinowitz to argue your case for you and I will debate that as a matter of law in due course.

A. Thank you very much. Mr Rabinowitz I think happier.

Q. Now, this document shows the timetable for the payment of a total of \$575 million and your and Mr Patarkatsishvili's 50 per cent share of that, if you're right, came therefore to \$150 million in the year 2000 and another \$137 million in June 2001. Do you agree?

A. Mr Sumption, I told you, I have not seen this document before. It's true. I am not able to comment; I just follow your way of thinking, logical or not. Just what I pick up from that, that Badri person who pay for that. This is fine for me. But how much and so, I don't understand because I need to investigate that. I have seen the -- now I watch this document the first time.

Q. Just take it from me that the effect of this, if you are right in saying that you and Mr Patarkatsishvili were 50 per cent participants in this acquisition, then the position is that you were undertaking to produce out of your Sibneft profits \$150 million in the year 2000 and another \$137.5 million in June 2001. That's what it says.

A. Again, everything what's connected to my financial activity was managed by Mr Patarkatsishvili and Mr Abramovich. As only Abramovich took a decision to participate in this project, I understand that he calculate well and I think not only he won -- and I think that they talk with Mr Patarkatsishvili at that time. I was involved only on the level which I described to you; that's it. Nothing more.

Q. Now, we have seen --

MRS JUSTICE GLOSTER: Mr Sumption, let me interrupt for a moment. Can you, Mr Sumption, explain to me the point that you made a moment ago at [draft] line 24 on page 38 where you said:

"... because Mr Patarkatsishvili and Mr Shvidler were not entering into this document in a personal capacity."

Where do I get that from this document?

MR SUMPTION: Your Ladyship does not. But the position

is -- it's best illustrated by reference to the position of Mr Shvidler. Mr Shvidler --

MRS JUSTICE GLOSTER: Is this common ground?

MR SUMPTION: No, it's not. No, this is a point which is made and it's largely a point of construction; indeed, as my learned friend puts it, it's entirely a point of construction.

But the position was that the actual signatories of this were listed at the beginning -- this was, so to speak, a home-made document -- and Mr Shvidler, if we can take him as the paradigm case, was not -- and nobody has, I think, suggested that he was -- a person who had any interest in the aluminium assets. So that a number of persons who were not intended to have any interest in the aluminium assets signed this.

Our case is that Mr Shvidler was one of those, who had no share of the property being acquired; another was Mr Patarkatsishvili, who, like Mr Shvidler, was involved in the negotiation of this document and in its execution but was not intended to be a beneficiary of any proprietary interest.

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

Yes, Mr Rabinowitz, obviously you're in dispute about that.

MR RABINOWITZ: Indeed.

MRS JUSTICE GLOSTER: Does your dispute extend to
Mr Shvidler as well as to the status of
Mr Patarkatsishvili?

MR RABINOWITZ: Well, my Lady, I would rather leave that to
explore in evidence with Mr Shvidler.

MRS JUSTICE GLOSTER: Right, okay.

MR SUMPTION: Now, we have seen a couple of days ago,
Mr Berezovsky, that in the year 2000 you received
payments from Mr Abramovich's companies to you or to
your order, you and Badri between you, amounting to
\$490 million.

A. I don't recollect that.

Q. Well, you may remember being taken through a Excel
spreadsheet on the screen. It's not on the screen now
and I'm not going to take you to it over again. Two
days ago I was cross-examining you about the amounts
that you had received in 2000 from Mr Abramovich's
companies and I took you to a computerised spreadsheet.

A. Yes.

Q. I'm told it was Monday. Time flies.

I took you to a computerised spreadsheet and that
showed \$461 million being paid in that year to you --

A. Yes.

Q. -- and \$28 million, in round figures, to
Mr Patarkatsishvili.

A. Yes.

Q. It looks as if, therefore, \$490 million was paid to you and Badri between the two of you in 2000 from Mr Abramovich's companies.

A. It's according of Abramovich company information.

Q. Yes.

A. Good.

Q. Now, it's your case, as I understand it, that your total entitlement to Sibneft profits was even greater than that figure because you have to add to the \$490 million your half-share of a sum of some \$300 million that was payable in 2000 under these agreements. Is that right?

A. Mr Sumption, I already gave many times the answer; I will give the same my Lady also. Maybe it's unusual to think that I didn't calculate my money; Badri and Roman Abramovich calculated my money. I didn't know how much they put in my favour and then paid from my name because I did not operate with them. I was not involved in accounting at all.

I just knew that Abramovich is delivering his obligations because of Badri, Badri report me and Mr Abramovich report me as well, and you remember well that I really trust him. Even in Le Bourget Abramovich refer that, "Boris trusting me". That's it. This is the point. I never calculate my money, sorry to say

that.

- Q. If you are right that your share of the cost of acquiring the aluminium assets was going to be paid out of Sibneft profits --
- A. It's what Abramovich said.
- Q. -- you must have been receiving, together with Badri, a total amount in respect of Sibneft profits which was almost as large as the entire Sibneft profits for the year 2000. Are you aware of that?
- A. I don't know anything, I don't know anything about that, Mr Sumption, anything at all. I just know that Abramovich accept that we should buy this project and it means that Abramovich calculate how much money we have together with Badri, as I understand. That's it. This all my knowledge, nothing more.
- Q. And so can I take it that you are unaware of when the price of the aluminium assets was in fact paid?
- A. I just -- as I told you, I recollect the number, 500, 600, and then I remember the 575. Why? Because I think the same price we got from Deripaska when we merge. It means that, my Lady, what I told you before: that the deal was from business point of view amazing because we pay and got back quick the same money and we got a big stake in aluminium business. That's it.

This my understanding and this my recollection is:

that it was good from the business point of view but we took political risk that time and it was payment that we took political risk and the other were not able to take this political risk as well. It's happened with Sibneft as well like that.

- Q. At the time when the agreements were made for the acquisition of the aluminium assets, the merger hadn't even been proposed, had it?
- A. You are correct. I don't -- sorry, sorry, sorry. The merger -- yes, definitely, because in the first stage Abramovich insist, I would like to say, insist to manage again the company and Badri was against of that and that, for me, was surprising that in very short time Abramovich came with the idea that we should merge with Deripaska.
- Q. You see, Mr Berezovsky, I suggest that there was never any agreement that you would participate in these acquisitions; you never had anything to do with it and that's why you are unable to give any information about it.
- A. Mr Sumption, you create your logic, I create my logic, and only my Lady estimate who is correct on that.
I can't answer -- I can't add more at this stage.
- MR SUMPTION: My Lady, I'm going to turn to the merger. It may be a suitable time to break.

MRS JUSTICE GLOSTER: Very well. Ten minutes.

(11.37 am)

(A short break)

(11.48 am)

MR SUMPTION: Mr Berezovsky, could you please be given

H(A)18/198. I think it's the bundle that you already have open. If so, perhaps you would turn to page 198.

A. Sorry, again the page?

Q. H(A)18/198. This is another extract from the published collection of your speeches and interviews.

A. Yes.

Q. And it's an interview with Vedomosti on 26 March 2000 --

A. Yes.

Q. -- about six weeks after the events we've just been discussing.

A. Yes.

Q. At the bottom of the first page, the correspondent asks you:

"... do you approve of the LogoVAZ decision to expand into the aluminium industry?"

Do you see that?

A. Just a second.

Q. Last bit on the page.

A. Yes. Yes.

Q. Your answer is:

"Believe it or not -- I was out of Russia at the time; I got a call from Badri Patarkatsishvili, who also manages my interests, and he said that a certain deal had just taken place. He informed me of the deal and asked if I approved. I said: 'Will this make money?' He said: 'This will make money.' [You] said: 'Then I approve.'"

Now, I'm just wondering whether you can help us on how we reconcile that statement with your suggestion that you were involved in the negotiation of these agreements.

- A. Exactly as I discussed -- as I explained before, it's my -- again, my interview to Vedomosti, it means that I'm very careful because we agreed that I will distance and why I should make the comment which I make in here to Vedomosti newspaper if we agreed that I will try to distance, as has happened in Sibneft as well?
- Q. I understood your evidence to be that when you agreed to distance yourself from it, that was to be achieved by having your holding held in the name of Mr Abramovich's companies. Are you now saying that you weren't even allowed to admit having participated in the negotiations?
- A. Mr Sumption, I already gave answer about my participation in negotiation and I was very precise with

that, that I didn't negotiate details. I initiate this business, me personally -- I was proposed, not anybody more -- to start with this business and my involvement limited the subjects which we discuss before the break; nothing new.

Q. Was the answer that you gave in this interview which I've just referred you to, was that answer true or untrue?

A. You know, it's hypocritical answer and that's it.

Q. Thank you.

Now, let's turn to the merger of the aluminium interests whose acquisition we've been discussing with those of Mr Deripaska. Now, leaving aside --

A. Could I leave that or...?

Q. You can shut that volume, yes.

A. Thank you.

Q. Leaving aside for the moment the Dorchester Hotel meeting, which I'm going to come to, you did not, did you, take part in these negotiations?

A. In which one?

Q. The negotiations for the merger of the aluminium interests with those of Mr Deripaska.

A. Definitely I was involved.

Q. You were definitely involved? Very well. Can you please tell us which meetings you participated in

between the Deripaska representatives and the recent acquirers of the aluminium assets?

A. I did not present in Deripaska before -- we discuss everything before Dorchester Hotel; correct? We discuss now -- I want just be clear, not to discuss what you don't like to discuss -- we discuss now that we already bought aluminium assets and that when Abramovich came the first time saying that he think that it will be good deal to merge with Deripaska and until the Dorchester Hotel; correct? We are discussing this period of time?

Q. Well, I'm just listening to your evidence.

A. If it's so, if it's so, I was very surprised when very shortly after we, let's say, bought the assets -- and again I try to be very correctly: I don't know the terms of payment for buying these assets -- but very shortly after that, Mr Abramovich came to me and Badri, as I recollect, and said that it will be very good deal if we make a merge with Mr Deripaska. I was a little bit -- not a little bit, I don't remember -- I was surprised because of several reasons.

Because the first one: because Abramovich insist, I would like to stress, insist that he will manage our aluminium business and it's a little bit strange that so quick he decide not to manage, referring that Deripaska has big experience in aluminium business and it's the

reason why it will be good for us to make this merge.

The second what surprised me was that Deripaska own the assets which were approximately half what we bought but nevertheless Abramovich propose to participate -- to participation Deripaska in the same proportions, in the equal proportions: it means that Deripaska should own 50 and we should own 50. And I did not even at the beginning understood how it could be, but Abramovich explained that Deripaska will cover the difference in cash for that. Definitely it's logical, it could be covered; the problem -- the point is how much.

And, as I already mentioned, the funny thing was that Deripaska will pay the same what we paid for the -- to buy assets. It means that we will get 50 per cent of the business in aluminium for zero and we'll share in the same proportions with Abramovich and Badri and so, like we discussed before.

Q. Mr Berezovsky, would you like to listen carefully to my question.

A. Yes.

Q. I am asking you about the negotiations for the merger agreement between the two sides.

A. Yes.

Q. There was a negotiation for this merger between the Deripaska camp and what I will loosely call the

Abramovich camp. It doesn't matter what we call it.

A. I don't know what means "Abramovich camp" but we accept your definitions.

Q. Listen, I don't want to get involved in that argument, Mr Berezovsky.

There was a negotiation between the Deripaska camp and the people who had just acquired the aluminium assets in February. All right?

A. I never participate in negotiations with Deripaska --

Q. Right.

A. -- before meeting in Dorchester Hotel about merger.

Q. I see.

A. It's -- everything was under Abramovich response and I explain you again why: because we agreed with Mr Abramovich after we bought the aluminium assets that Abramovich now is responsible for everything except of the principal points is concerned. And definitely merge with Deripaska was a principal point, definitely, and Abramovich need to get our confirmation that we accept that. And finally we accept that and, as I understand, as I understand, Badri participate in this negotiation. I don't remember well, I'm sorry to say that.

But me, as far as me is concerned, definitely I did not participate in any negotiations with Deripaska or Deripaska camp, as you said, before meeting in

Dorchester Hotel. It's correct.

- Q. Right. Now, what do you know about Mr Patarkatsishvili's participation in the negotiations for the merger?
- A. As I understand, as I understand, Patarkatsishvili participate in some negotiations; I don't recollect which one, what he said me, but my understanding is that he participate in that. But, again, as I told you before, Abramovich was responsible for everything what is concerning of merge is concerned, except of we discuss how will construct our relations, our relations.
- Q. You see, Mr Patarkatsishvili did not participate in the negotiations for the merger any more than you did, did he?
- A. I don't remember that. I don't recollect that. My impression is -- again, my impression is that Patarkatsishvili participate in negotiation but I don't recollect that.
- Q. Were you aware that there were negotiations for this merger agreement which took place at the Kempinski Hotel and at Mr Abramovich's house at Sareevo? Were you aware of that?
- A. At Abramovich -- no, I don't know. I don't recollect that?
- Q. Were you aware that agreement in principle was reached

in those places?

- A. With -- you mean between our group and Deripaska of merge?
- Q. Between the people who had just acquired the aluminium assets and Deripaska's group.
- A. I don't -- I don't remember that.
- Q. Right. Mr Patarkatsishvili did not participate in either of those meetings.
- A. Again, I don't recollect that. I just know perfectly that Abramovich inform us and we start to discuss how it could be, let's say, it could be organised. And that I remember. But the details, did Badri really participate or not, I don't recollect that.
- Q. Did you have any discussions with Mr Abramovich about the merger before the Dorchester Hotel meeting?
- A. Definitely.
- Q. Tell us when you had those discussions.
- A. I think we have these discussions -- I'm sorry -- maybe a week, maybe a little bit more, before meeting in Dorchester. Meeting in Dorchester we had 13 -- 14/13 March. I think week or a little bit more before, ten days maybe, before meeting in Dorchester Hotel.
- Q. And who else was present apart from you and Mr Abramovich, according to you?
- A. Badri present at this meeting, I think three of us.

Three of us present at this meeting and it was preparation for the merge in general terms again, in general terms. As I remember, we confirm all our obligations according of agreement '95, '96. We discuss about the law which will be implement in our general relations. I mean, what does mean "general"? In all concern, general, all relations.

We discuss about how will Abramovich will present our interests on the one hand. We discuss how will be -- will merge happen; I mean, again, under which way of law. And we also discuss that no one of -- because Deripaska, I never had business before with Deripaska except of this credit for \$13 million and definitely I didn't knew -- I knew him from the middle of '95 but -- and also what is important, I also know that he and Mr Fridman also were looking to buy the same assets which we bought from the other group, from the Chernoi and... that I know. I know that he was involved deeply really in aluminium business and even was looking to buy the same assets, yes.

And we also discuss about that no one party able to leave business without acception of other party. I mean, as far as Abramovich, Badri and me is concerned, about as far as this 50 per cent which we obtained together and agreement, we confirm agreement between us

of '95, '96; on the other hand, we required the same from Deripaska, that Deripaska would not be able to leave business without our confirmation.

Again, it's absolutely general terms what we were discussing before meeting in Dorchester Hotel.

Q. Mr Berezovsky, there were no discussions between you and Mr Abramovich on the subject of the merger before the Dorchester Hotel meeting, were there?

A. Mr Sumption, you put me the question; I gave you answer. That's it.

Q. Would you please look at bundle H(A)16/47. There's a Russian version of this and an English version at H(A)16/47T.

A. Yes.

Q. Now, the Russian version is the one with the signatures.

A. Yes.

Q. Now, this is the signed but undated preliminary agreement which recorded the terms of the merger in principle.

A. Yes.

Q. When did you first see this document?

A. I don't remember -- just a second. I'm not sure that I have seen even this document. Just a second. (Pause)

When it's signed?

Q. Let me ask you my question first. Have you seen this

document before?

A. I don't recollect that I watch this document before.

Q. Do you know anything about the circumstances in which it was prepared?

A. No. I know that before meeting in Dorchester Hotel it was prepared already preliminary document for the deal and, as I know also, that it was -- at the meeting in Dorchester Hotel we just -- it was meeting of principals and we just need to confirm the result of -- the result of negotiation Mr Abramovich and Mr Deripaska. This is my recollection.

Q. We're going to come to the Dorchester agreement.

A. Yes.

Q. Do you know anything about the circumstances in which this document was negotiated?

A. Again, I know that it was preliminary document which was discussed and even was discussed -- just a second -- and even was discussed in which terms, in which law terms. It's agreed with Deripaska between Mr Abramovich -- yes, between Mr Abramovich and Mr Deripaska, and that everything what we discuss with Mr Abramovich is already prepared for confirmation of principals, including, as I told you, that everything should be done in western way. Even more: in precise British, as I told that time, British law way. That's it. And we also discuss

our relations with Abramovich before meeting in Dorchester Hotel, that our relations also should be constructed in precise British law way.

Q. Mr Berezovsky, I'm going to ask the same question again until you answer it. Do you understand?

A. Yes.

Q. What do you know about the circumstances in which this document was negotiated?

A. What does mean "circumstances"? (Consults interpreter)

I know that this document was negotiated by Mr Abramovich and Mr Deripaska and I know -- according of our agreement with Mr Abramovich, and I know that this document was prepared before meeting in Dorchester.

Q. Right. And that's all you know; is that right?

A. No, I know as well that this document should reflect agreements which we agree -- which we accept together with Abramovich, which I mentioned before.

Q. Now, did you have any part at all in negotiating the terms of this document?

A. I didn't have any part at all except of Abramovich, as I told you. I negotiate just with Abramovich; I didn't negotiated that with Deripaska.

Q. Now, were you aware at the time of the arrangements which were made at the time when this agreement was drawn up for finalising its terms?

- A. As I told you, we agreed to meet in Dorchester Hotel -- no, in -- sorry, not in Dorchester definitely -- in London. We agreed to meet, as I told you, one week or ten days before meeting in Dorchester Hotel.
- Q. And were you aware at the time that a working party was set up to negotiate the final terms of the agreement?
- A. No, I just -- as I told you, Badri and Roman mainly were discussing but we had meeting three of us together, I mean Badri, Abramovich and me, and we agreed about the basic terms of agreement which will be done with Mr Deripaska. And I mentioned you which points we discuss during our meeting, three of us, Abramovich, Badri and me.
- Q. There was a working party which was responsible for preparing the final terms of agreement. Do you know that? Are you aware of that?
- A. No, I understand -- no, I didn't know anything about working party; I understood just well that there are people who on the next level are preparing the merge agreement. It's absolutely clear that it's not Badri or Roman himself. There are people who professional to do that.
- Q. Neither you nor Mr Patarkatsishvili had any involvement in the work of that working party, did you?
- A. As far as me is concerned, definitely not.

- Q. Now, the Dorchester Hotel meeting appears to have occurred on the afternoon of March 13, 2000. Do you agree?
- A. It's my recollection, yes. You are correct.
- Q. The evidence of every other witness in a position to give evidence who was present is that you turned up an hour after the meeting had begun. Do you remember that?
- A. My recollection is that I came later than others. Unfortunately I really very often was later than others and it's the reason why people were waiting for me.
- Q. You think they were waiting for you, do you?
- A. No, no doubts they're waiting for me because everybody understood that I am a key person, not anybody more.
- Q. In paragraph 274 of your witness statement --
- A. Can I close this one?
- Q. Yes. In paragraph 274 of your witness statement D2/17/255 you say that:
- "A meeting was arranged...
- This is the Dorchester Hotel meeting.
- A. Yes.
- Q. "... to finalise the agreement for the merger at the Dorchester Hotel in London."
- A. Yes.
- Q. A little further down, in the same paragraph, you say:

"This was a meeting of principals, the purpose of which, as noted above, was to finalise the key details of the deal to be made."

A. Correct.

Q. What were the key details of the agreement to be made which needed to be finalised at this meeting?

A. The key details, the key -- first of all, the main point, it was a first and, as I remember, the last meeting of principals and the key point were that first of all the proportions of merge --

Q. The proportions of...?

A. Of merge. Deripaska 50 per cent, Abramovich 25 per cent, Berezovsky/Badri 12.5 per cent, and that no one party able to -- by own to leave their -- to sell their interest anybody. This 50 per cent is one unit which presented -- which will be presented by Abramovich, he will present our group. Deripaska will present the other group, he also had some people who participate in that, and it's exactly why I was a little bit surprised, as I told you, about Chernoi position and so. Then we discuss about law.

And moreover, what does mean we discuss? Badri lead the negotiation, not Abramovich, not me, and I think this is the basic principles what we discuss. And we discuss and Badri announce what is the result of our

internal negotiations. We inform Mr Deripaska that our interests will be presented by Mr Abramovich. As I remember, Shvidler also present at this meeting, as I remember. Shvidler also present at this meeting. That our interests will be presented by Abramovich and Deripaska and his group interests will be presented by Deripaska himself.

That the agreement will be signed in -- by English law; and the same way as we understand, and as maybe Badri agreed, that agreement between parties, between Deripaska on the one hand and our party on the other hand, will be signed also in terms of English law. And also -- again, I think that's almost everything what we were discussing.

And as well we discuss about, as I remember, about the price. I don't remember we mentioned or not, but we discussed about the price that it should be paid Deripaska because of difference of the balance. I think that almost... And also we discuss, as correctly you remind me, about my debt to Deripaska, \$13 million, what I was really surprised because I didn't even know that time that it was not covered because several times I discuss that with Badri and --

- Q. I'm only asking you about the terms of the merger, Mr Berezovsky, the key terms that remained to be agreed.

A. Yes.

Q. Now, you have seen and may still have open the preliminary agreement which you were not involved in, as you told us.

A. I was not involved in the writing, definitely. It's correct.

Q. And I think you told us that you had not at the time seen this agreement; is that right?

A. I don't remember that I seen this agreement, you are correct.

Q. And you hadn't seen it at the time of the Dorchester Hotel meeting either, had you?

A. I think I did not -- again, I can't recollect. I don't remember that I have seen this document, you are correct.

Q. You see, you've mentioned four key details which you said remained to be finalised at the Dorchester Hotel meeting --

A. Yes.

Q. -- the proportions, the law, the management arrangements and the price.

A. And I mentioned also, as I told you before, that no one can leave the company without acceptance of others. It means it's connected to our agreement with Abramovich on the one hand, internally, like it was in Sibneft as

well, and on the other hand it's now spread to obligation of Mr Deripaska also not to leave the company without confirmation -- without, let's say, acceptance of other side.

Q. Well, you didn't actually mention that in the context of the Dorchester Hotel meeting; that was your evidence about a previous meeting with Mr Abramovich.

A. No, just a second, Mr Sumption. You ask me -- I am not able to recollect everything, yes? Definitely. It's long time ago. But I recollect what was agreed and Deripaska was absolutely perfectly knew and we -- no, no, we discussed that, Deripaska absolutely perfectly knew that we agreed not to leave any side without agreement with the others. It's absolutely natural. Deripaska, for me, was absolutely new in business, as I told you, and it's the reason definitely we discussed that.

Q. Mr Berezovsky, the proportions, the governing law, the management arrangement and the price had all been agreed already and been recorded in the preliminary agreement, had they not?

A. As I told you, I haven't seen the preliminary agreement. I knew that preliminary agreement is done in -- according of English law. I am sorry, my Lady, at that time we did not use the correct -- was sometimes

"English", sometimes "British", and even I read recently the reply of people who follow English people, they also refer to British law often.

But I already explain you what we agreed between three of us, I just want to stress you, between Badri, Roman and me, as far as law is concerned, and I knew that the merge agreement was done according of British law -- sorry, according of English law.

Q. Mr Berezovsky, the preliminary agreement was made at the beginning of March 2000: about ten days or a bit more before the Dorchester meeting.

A. Yes.

Q. You, as you have confirmed, had nothing to do with it. The point I am putting to you is very simple: these key details that you say remained to be finalised at the Dorchester Hotel meeting --

A. Yes.

Q. -- had in fact all been sorted out ten days earlier, in your absence, in the preliminary agreement, hadn't they?

A. As I told you before, Mr Sumption, I pay attention just to basic point and we agreed about this point with Abramovich, because that time I was a little bit more educated what we should discuss preliminary and I told you that we discussed with Abramovich that our relation should be done in -- as a trust, that already I learn,

and follow the -- and according of British law as well.

And this is my recollection.

- Q. What do you say was agreed about the management arrangements, for example?
- A. That -- you mean in merge?
- Q. Yes, at the Dorchester Hotel.
- A. That Deripaska will take power to manage, to manage the company; that Abramovich will present our group in this merge; and then that Abramovich will communicate directly to Deripaska and he will present to attention to Deripaska the problems which could arise or Deripaska will present the problem which could arise through Mr Abramovich to us. It was form -- it was not formally; it was just agreed between us that now it's responsibility of Mr Abramovich to care about our 50 per cent, yes? Our part.
- Q. What was actually agreed, and it's recorded in clause 7 of the preliminary agreement, was that the management would be carried out by a board on which each side had equal representation. Do you agree with that?
- A. Mr Sumption, you ask my recollection; I gave you my recollection. My recollection is absolutely clear. I don't recollect about the board, I'm sorry to say that. I don't recollect that.

I just recollect principal points: that Deripaska

will manage the company, how it will be organised, the board proportion 50/50 or Deripaska -- I understood that Abramovich has experience and he will not allow Deripaska to do something against of our interests. It means that we agreed that Deripaska managed the company, Abramovich will present our interest; and if Deripaska need, he will communicate to Abramovich; and Abramovich, if need, he will communicate to Deripaska. That's it.

Q. And what do you say was agreed about the price --

A. As I told you --

Q. -- at the Dorchester Hotel meeting?

A. -- I don't recollect exactly what we discuss about price. I just think that before that, before that meeting, it's already agreed at the initial stage that the price will be as I told you before.

Q. What was that?

A. It's 575, like that, 581, what you mentioned. I don't remember that.

Q. Mr Berezovsky, I think you may be getting confused with the negotiations about the original acquisition.

\$575 million was the price of the original aluminium assets and you gave some evidence about that earlier this morning.

A. No, I mean about compensation which Deripaska will pay us. Compensation will be around the same, as I told my

Lady before. Maybe I real confuse a little bit, I'm sorry, because I did not follow your way. We discuss about this just compensation which will be paid by Deripaska for -- because of the difference in what we own and what Deripaska own. This is the point.

Q. And how much was the compensation payment going to be?

A. And compensation, as I told you, is about 500 more, 575, because it's the same number what we paid for our assets, around that.

Q. And do you say that was agreed in your presence at the Dorchester Hotel meeting?

A. I think that yes, it was decided as well at my presence in Dorchester Hotel. You're correct.

Q. Well now, in fact the compensation payment was \$400 million; see paragraph 3 of the preliminary agreement.

A. Okay, it may be 400. I don't remember the number exactly. Show me, please.

Q. It's paragraph 3 of the preliminary agreement on H(A)16/48T.

A. Okay.

Q. Paragraph 3 refers to a payment of \$400 million which was in fact the compensatory payment to be paid by the Deripaska camp --

A. Yes, I see that. My recollection is different. My

recollection is that we were compensate exact number. I don't know how maybe in agreement it's 400, but my recollection is absolutely clear that we were paid finally the same amount which we pay -- were paid by Deripaska the same amount of money which we paid for obtaining these assets. This is my recollection.

Q. Do you recall actually negotiating that figure of \$575 million at the Dorchester Hotel?

A. Again, I don't remember well. I remember that it was mentioned that we will pay and it was the reason that we will be compensate the same amount what we paid for obtaining the assets, but I don't remember exactly how it was done. But my clear understanding and clear recollection is that we were paid the same amount what we paid for obtaining the assets.

Q. At paragraph 278 of your witness statement D2/17/255 you refer to this sum of \$575 million.

A. Just a second. In paragraph...?

Q. Don't put away that bundle, if you wouldn't mind.

A. Okay.

Q. Have a look at 278 of your witness statement.

A. Sorry. 27...?

Q. 278.

A. Yes, okay. It's written the sum 575.

Q. Right. Now --

- A. I give you just exact what I recollect. I told you I don't remember the other number. I don't remember.
- Q. Now, is it your evidence that that figure of \$575 million was agreed at the Dorchester Hotel meeting?
- A. It's my statement, yes.
- Q. Right. So you think that \$575 million figure --
- A. Yes, I think so.
- Q. -- was negotiated by you?
- A. It was negotiated and agreed, it was negotiated by me, yes?
- Q. At the Dorchester meeting?
- A. I did negotiate -- I'm sorry. In Dorchester Hotel we just want to fix our agreement which was done before, and the number 575 I recollect only because it's coincide with the number which we paid for assets. What is written in this agreement which you show me, I even did not recollect. I don't remember that because I maybe even hadn't seen that document and I told it from the beginning.
- Q. You see, the \$575 million figure wasn't in fact agreed until May, was it? More than two months after --
- A. I don't remember that.
- Q. It was actually agreed some two months after the Dorchester Hotel meeting, on an occasion when you were not present.

A. Mr Sumption, I just present my recollection. Definitely it could be the same. But my recollection from the very beginning -- I want to stress that again -- why I recollect that, because it was funny; not the other reason. The funny was that we paid the same amount for obtaining assets and we got back the same amount to participate. This is the reason why I remember this number.

I don't remember 400, believe me, I don't remember it and I told you I don't recollect that I have seen this preliminary agreement. I just knew the principal terms of what we were discussing with Mr Abramovich.

Q. You see, what I'm suggesting to you, Mr Berezovsky, is that you cannot have been concerned with or present at the negotiation of the \$575 million figure at the Dorchester Hotel because it was actually not agreed until two months later.

A. Mr Sumption, I present you my recollection. You may judge it like you want. I don't remember anything more. I remember that perfectly, what I remember. Could be -- but again, my recollection is just because I really was surprised of this funny thing. I'm sorry.

Q. Was any written agreement signed at the Dorchester Hotel meeting?

A. As I understand, in Dorchester Hotel nothing was signed.

It was -- as I told you, it was just meeting of principals to confirm what was prepared before, what we discuss in -- not in details, and I did not pay any attention to details. And, as I understand, the agreement of merger was signed later -- soon later after that, but not in Dorchester Hotel definitely.

Q. Did anybody produce a copy of the preliminary agreement at the Dorchester Hotel meeting which had been signed by the principals a few days earlier?

A. I don't remember that. I don't remember.

Q. Were any arrangements made at the Dorchester Hotel meeting for drawing up an agreement in writing?

A. Mr Sumption, I just present you what I recollect, yes? I know that we -- the meeting was just to fix between principals the basic point of agreement. Abramovich knows that perfectly well and Shvidler knows that perfectly well. Unfortunately Badri is not able to confirm it to us. That's it. Nothing more.

I don't remember, I don't recollect that anything was signed in Dorchester Hotel. I don't recollect that. I just know that the final agreement was signed later on, that's it, soon later on. And what I know well; that Abramovich paid to Deripaska this \$13 million also later on in May, I think, and so. This is the point.

Q. Mr Berezovsky --

- A. I remember -- I'm sorry. I remember also well that we agreed in Dorchester Hotel that Badri, because of his role in merge, will be presented by the plain(?). It's also discussed in Dorchester Hotel, I remember that well.
- Q. Mr Berezovsky, I'm going to put to you, so that you have an opportunity to comment on it, our case about what happened at the Dorchester Hotel meeting. I'm going to describe in summary what we say happened and this is to allow you to comment on it. Do you understand?
- A. To comment? No comment.
- Q. Well, you haven't yet heard our case, so I think you better wait until you do before commenting.
- A. It's the reason why I said that.
- Q. The terms of the merger had in fact been agreed in principle but in some detail between Mr Abramovich and Mr Deripaska several days before the Dorchester Hotel meeting, without any involvement on your part, and you were entirely ignorant of the terms and contents of that document.
- Well, let's pause there. What do you say about that?
- A. Nothing.
- Q. At the meeting, you turned up --
- A. I think this is absolute -- sorry, nothing.

Q. At the meeting, you turned up an hour late. There was some discussion at the meeting about the aluminium --

MRS JUSTICE GLOSTER: Well, just a second. I think if you're putting a question in relation to each statement to him, he should have an opportunity --

MR SUMPTION: Well, I've already asked him, my Lady about that and he has --

MRS JUSTICE GLOSTER: Well, you agreed you turned up an hour late, do you?

A. That I came later?

MRS JUSTICE GLOSTER: Yes.

A. Yes, I agree.

MRS JUSTICE GLOSTER: But whether it was an hour or not, you don't --

A. No, it's less than an hour, but -- and my impression, my Lady, is because I came from another court against of Forbes magazine and I was impressed so much and so-so. This I recollect.

MRS JUSTICE GLOSTER: But you don't think you were an hour late?

A. I think maybe a little bit less. But could be -- okay, it's correct to say in frame of hour.

MRS JUSTICE GLOSTER: Right. Next, Mr Sumption.

MR SUMPTION: At the meeting there was no negotiation of terms for the merger because those terms had already

been agreed in principle ten days earlier and the details were being hammered out by other people, the working party, elsewhere.

A. Wrong.

Q. What do you say about that?

A. Wrong.

Q. There was some discussion at the meeting about the aluminium wars. Do you agree?

A. Sorry, there were...?

Q. There was some discussion at the Dorchester Hotel meeting about the aluminium wars, the --

A. Not some. We discussed what we discussed with you before. I mentioned all points which we discussed at the meeting in Dorchester Hotel.

MRS JUSTICE GLOSTER: Can I be clear: when you say "the aluminium wars", did you discuss the aluminium wars specifically at the meeting?

A. We discuss about merge for aluminium between Deripaska and our group.

MRS JUSTICE GLOSTER: But was there any discussion about the aluminium wars, as Mr Sumption puts it?

A. Was -- I'm sorry.

MR RABINOWITZ: I think maybe Mr Sumption needs to make it clear what he means by that.

MRS JUSTICE GLOSTER: I think you need to explain further,

Mr Sumption.

MR SUMPTION: "The aluminium wars" is an expression used by witnesses on both sides of this case to describe the state of lawlessness and racketeering which had damaged the aluminium industry over the past few years. (Pause)

A. Again, I'm sorry, I didn't understand what is that.

I don't remember at all that we discussed that. What I remember, when Abramovich came the first time -- not in Dorchester now -- the first time with the proposal for us, he said, "Boris, why" -- argument of Abramovich was, "Boris, there are a lot of mess, a lot of fight" -- not "war" but "fight" -- "about aluminium and better to make this merge because we reduce the tension, we'll have fantastic business and we'll reduce the tension", and it's the reason why I also accept that.

Because, as you know, all the time I was for merge, like Yukos and Sibneft the first time when we merge, and I also support that. And it's one of the argument, I would like to say, mainly for me political argument, that we reduce the tension and we create one of the biggest in the world company which can compete on the world market.

MRS JUSTICE GLOSTER: Are you saying that the aluminium wars weren't discussed at the meeting at the Dorchester --

A. Absolutely correct: we did not discuss that in
Dorchester Hotel.

MR SUMPTION: The evidence of others present was that you
did.

A. Fine. What I can do with the other witnesses?

Q. Finally, there was, as I think you accept, discussion
about the money that Mr Deripaska claimed you had not
repaid to him.

A. We discussed that, it's true, and I said that in my
reply as I remember.

Q. Now, the final agreement for the merger was drawn up and
executed on 15 March, the terms having been negotiated
by the working party that was working elsewhere. I'd
like to ask you to look at bundle H(A)18/124.

A. Yes.

Q. Now, this was intended to be, was it not --

A. Is it possible -- it's just in English or in Russian as
well this exist?

Q. This one I think is just in English.

A. Yes, because English lawyer. Okay.

Q. And the signatures appear on the English text. This is
an agreement between Runicom, Mr Abramovich's company,
and GSA (Cyprus), which was Mr Deripaska's company.

A. Yes. And what?

Q. Now, when you did you first see this agreement?

- A. I even don't recollect that I have seen this agreement.
- Q. Ever?
- A. I think so.
- Q. Until now?
- A. I don't recollect.
- Q. I see. Well now, this agreement followed the basic lines of the preliminary agreement that had been made at the beginning of March.
- A. Okay.
- Q. And if you look at -- first of all, I take it from the fact that you haven't seen this agreement that you were not involved in negotiating it?
- A. I was involved in negotiating, as I told you, as I told you precisely, between me, Badri and Abramovich before Dorchester Hotel. I was involved in negotiation in Dorchester Hotel directly between principals and I didn't was involved in any -- in this -- in the final stage of preparation and I haven't seen, I think, even this document before.
- Q. Now, this document was actually drawn up, do you agree, by a working party consisting of Mr Tenenbaum, Ms Panchenko, Mr Osipov and Mr Schneider on Mr Abramovich's side and Mr Mishakov, Mr Bulygin and Mr Hauser on Mr Deripaska's side. Do you accept that?
- A. I don't know anything about that. I know just that

Abramovich took responsibility to present our group, completely like it's happened in Sibneft for example, and Deripaska present his group. I'm sure that they create a working group but it absolutely does not contradict of our agreement with Mr Abramovich.

Q. The evidence that will be given is that the people who belonged to that working party and drew up this agreement knew nothing about any discussions at the Dorchester Hotel.

A. Mr Sumption, I don't know anything about this witness statement; I just know about what happened. I know what happened at Le Bourget, for example, where we discussing aluminium assets and how to share the profit from aluminium assets. It's reality. It's words of Mr Abramovich, which he accept; it's my words, which I also accept. Unfortunately Badri is not able to confirm that it's his words. But Abramovich confirm, I think, already that Le Bourget happened and it's absolutely clear that we own aluminium business 50/50, that we got a profit for that.

What we are discussing, I don't believe, I'm sorry to say.

Q. Look at page 126, please.

A. 126, thank you.

Q. Do you see there's a series of definitions at the top of

the page, including a definition of a term called the "Transfer Price"? Do you see that?

A. "Transfer Price", yes.

Q. The transfer price is the compensation payment that was payable by Deripaska's company to Abramovich's company.

A. Yes.

Q. And it's \$400 million, not 575.

A. Mr Sumption, I present you my recollection; that's it. It's my memory. I am sorry to say I don't remember 400 at all.

Q. You actually got the 575 figure from the May restatement of this agreement when the terms were amended, didn't you?

A. Mr Sumption, again my recollection is like that. I present you my recollection. I don't remember 400, sorry. My memory is not so good to remember 400. My memory just remember 575. What I can do with that?

Q. Are you aware that there was a renegotiation and restatement of this agreement in May?

A. I don't remember that.

Q. You don't remember that. So were you involved in any renegotiation and restatement of this agreement?

A. I don't remember that.

Q. At that stage there was a revaluation of the assets that were being contributed by each side and an addition of

the Bratsk assets and the compensation payment was therefore increased to --

A. Compensation payment?

Q. The compensation payment was therefore increased from \$400 million to \$575 million. Are you aware of that?

A. I don't remember that at all. I just remember, as I told you before, the principal assets which we bought, it's four, as I mentioned you before: it's Krasnoyarsk aluminium plant, it's Krasnoyarsk hydro station, it's Bratsk aluminium plant and it's Achinsk aluminium complex. And, as I recollect, later on, later on, we also bought the additional assets, I don't remember well which one, but it's happened that we bought more than -- already when merge happened, when merge happened we bought some additional assets. This I remember well.

Q. When was --

A. Nikolaevsky, I think -- not Nikolaevsky. I don't remember. Novokuznetsky, Novokuznetsky aluminium plant, as I recollect.

Q. When was it decided to include the Bratsk aluminium assets in the merger?

A. My understanding is from the very beginning.

Q. No --

A. We discuss --

Q. -- it was decided in May.

- A. No, I said you, my recollection, my recollection is that from very beginning we discuss Bratsk aluminium. My recollection, I say again.
- Q. There's no doubt that the Bratsk aluminium assets were acquired in February but they weren't included in the merger until May, were they?
- A. Mr Sumption, I can't comment that. I don't know. I know -- I recollect perfectly that there were four assets from the beginning which we accept -- which we propose to sell and we accept to buy. That's it.
- Q. You see, I suggest that the reason why you can remember so little about the terms of this agreement is that you had nothing whatever to do with their negotiation.
- A. Mr Sumption, I already gave in details what part, what was my role in this project; nothing more, nothing less. It's what I recollect and what I present to you.
- Q. I want to turn to what you say was agreed between you and Mr Patarkatsishvili and Mr Abramovich, okay? We've been talking about what was agreed between the buyers and sellers of the aluminium assets and between the two parties to the merger. I now want to turn to what was agreed between you, Mr Patarkatsishvili and Mr Abramovich.
- A. Yes.
- Q. Now, the first question I want to ask you is this: you

say that there was an agreement not to sell without the consent of the others and that that was a point that was important to you; that's your evidence, isn't it?

A. You are correct.

Q. Can you tell us why that wasn't included in your original claim form?

A. I don't know.

Q. Did you tell your lawyers that an agreement like that had been made?

A. If they ask me, I -- definitely I told them. If they don't ask, maybe I did not.

Q. Well, they can hardly have asked you, "Was there an agreement about whether the other people's permission would be required?" You must have taken the initiative and told them what this agreement was.

A. Mr Sumption, I gave my answer. Again, I precisely answer to questions of my lawyers, if I recollect that. If the question have been done, no doubts that I will give answer to this question.

Q. So is your position that in relation to these oral agreements, you just sat there in silence and waited for them to think of questions to ask you?

A. No, Mr Sumption. I tried to describe some points I could forgot, for example, and it's already the problem of how lawyers understand and what to put me

questions. Again, Mr Sumption, I told you that in the agreement concerning '95, '96, I don't already remember, we agreed with Abramovich about this point and we just repeat again the same position, nothing more.

Q. Now, Mr Berezovsky, I suggest that no agreement was ever made between you, Mr Patarkatsishvili and Mr Abramovich about whether it would require the consent of the others to sell.

A. I understand that I am not good in business but not so stupid. Definitely it was done.

Q. Now, I want to turn to another thing that you say was agreed, namely that English law --

A. Yes.

Q. -- was going to govern the relationship between the three of you, you, Mr Patarkatsishvili and Mr Abramovich. Do you understand?

A. As my recollection is that we -- I use the "British law", the word, and, as I recollect, this was in terms of "proper British law way" or "precisely British law way". In Russian it's (Russian words). I'm sorry for my --

Q. I'm going to use the expression "English law" because it is, as I think you acknowledge, more correct, but I'm not seeking to take a point on the difference between English and British. Do you understand?

A. I didn't understand the question.

Q. I am not going to trouble you with the difference between English and British.

A. Thank you.

Q. It may well be that you use the terms, if you use them at all, interchangeably. That's not a point I'm making against you.

A. Thank you, Mr Sumption.

Q. Right. I want to investigate with you the question whether any agreement was made about the governing law at all. Now, I understand your evidence that it was.

You say, as I understand it, that it was Mr Anisimov who suggested that you should make your arrangements among yourselves in what you call a very precise British way. Is that right?

A. Anisimov definitely was one of the person who spend a lot of time with Badri and he -- and it was -- and I mentioned that because he talked to Badri. Anisimov -- as I remember, Anisimov also told about the importance of western law; I don't remember that he mentioned me that.

But, as I told you already before, that starting from the end of '99/the beginning of 2000 we start to care more -- I mean Badri and me -- how we structure our business. And we had already meetings with

different people, including Mr Samuelson -- I don't remember exactly the date, yes? But it's absolutely clear that we start to change -- that we progressing in our understanding what it should be done.

And, Mr Sumption, again, I'm sorry to return you back once and once to Le Bourget meeting. It's absolutely clear my understanding --

- Q. Mr Berezovsky, I'm only asking you about Mr Anisimov's suggestion.
- A. Mr Anisimov, Badri told me that Anisimov suggest him. Finish.
- Q. Mr Anisimov denies that. What do you say?
- A. Fine. Nothing. It's Mr Anisimov should answer to the question here and he will give answer.
- Q. Would you please look at paragraph 411 of your witness statement D2/17/287.
- A. 411.
- Q. Now, this is a passage in your witness statement which roughly corresponds to what you have told us on a number of occasions, including a couple of minutes ago: that you have:
- "... grown to understand the importance of formal records of our interest in... assets..."
- Is that correct?
- A. Just a second. Formal records, yes, correct.

- Q. So in early 2000, is it right you appreciated the importance of formally recording your interest in assets when you had acquired one?
- A. Correct.
- Q. Now, why then did you not formally record the arrangements that you say were made between yourself, Mr Patarkatsishvili and Mr Abramovich?
- A. It's absolutely clear why: because we just start this process, we had already experience with Mr Abramovich, he was correct partner, and step by step we decide to change, to more formalise. It doesn't happen in one day, it takes time for do that, and we start to move in this direction.
- Q. Mr Berezovsky, this is your introductory section introducing the Rusal sales. What you say is that:
- "From early 2000..."
- The period we've just been talking about.
- "... [you and] Badri... had both grown to understand the importance of formal records of our interest in... assets..."
- A. It's correct.
- Q. Did you appreciate the importance of having formal records of your interest in assets in February and March 2000?
- A. Definitely, yes. But the point is that it doesn't

happen in one day and we start to prepare that.

- Q. It would have been easy enough, wouldn't it, if you had made an agreement of the kind that you allege with Mr Patarkatsishvili and Mr Abramovich, to record it in writing?
- A. Mr Sumption, I was not in hurry that time. I have another problem, I tour(?) a lot, and we just took a decision, principal decision with Badri that we should change to more formal way our relations with whoever, but Mr Abramovich was the last in my agenda because I trust him that time. I trust him. This is the point. And he was last in my agenda to change to more formalise our relations. I already put, sorry to say, my two foote to him, yes? That's it.
- Q. If you had in fact made the agreement which you allege, you would have recorded it in writing, wouldn't you?
- A. No. No. Not, Mr Sumption.
- Q. What did you know about English law trusts in February and March 2000, Mr Berezovsky?
- A. Not a lot. I just understood that it's more defended as a structure, I understood a little bit what means "offshore". I just understood that I will give my assets to Mr Abramovich, some structure, western structure, as my shares and he will hold that, and he will give me back if I ask him to return me back under

my control and I will have --

- Q. My question was different, Mr Berezovsky.
- A. Just a second. Don't, please, interrupt me. I try not to interrupt you. And you asked me what I understand. It's my understanding.
- Q. What you understand about a specific thing.
- A. Specific, nothing.
- Q. I would like to know what you understood about English law trusts. I'm not asking you what you understood about what you had agreed with Mr Abramovich; I want to know what you knew in February and March 2000 about English law trusts.
- A. I understand about English law what I -- and my conclusion was just that it's absolutely fair laws, according of my experience in -- against of Forbes, and I think I was the most experienced Russian as far as English law is concerned because no one that time had this type of experience. I understood the trust, that trust is some offshore that could be managed by different law, and my preference was -- not preference -- my understanding was English law or British law trust. That's it; nothing more.
- Q. Ms Nosova tells us that you had in the past, ie before 2000, used offshore trusts for a number of specific ventures with Mr Patarkatsishvili and that you had

experience of such trusts in Delaware, Ireland, the Cayman Islands, the BVI and Cyprus. Is that true?

A. Believe me that it's only partially true because, if it's so, only Mr Badri -- Mr Patarkatsishvili provide this service, maybe together with Mrs Nosova, but not me. I did not participate at all in that.

Q. Now, you must have realised, Mr Berezovsky, that English law trusts set up in a precise British way were invariably created by a written document?

A. Mr Sumption --

Q. Did you realise that?

A. No, I did not realise that.

MRS JUSTICE GLOSTER: I'm not sure I understand that question because, as a matter of law, English trusts can be set up orally --

MR SUMPTION: They can, yes, but in practice --

MRS JUSTICE GLOSTER: -- so I'm not quite sure I understand the thrust of the question you're putting to Mr Berezovsky.

MR SUMPTION: In practice, Mr Berezovsky, English law and other common law trusts are invariably recorded in writing in commercial transactions. You must have been aware of that?

A. No, I did not.

Q. Every other aspect of the --

- A. Moreover, Mr Sumption, my experience here in this country is that shake hands, if you really have agreement shake hands, means a lot, even I think more than in Russia because I have some litigation here against of me and I lost this case. I mean in some -- I sold some assets, some property here and I was -- it was just shake hands, nothing more. We never -- we didn't sign anything and I lost the case here. I have absolutely different impression, I think that word in this country even value more than in Russia.
- Q. Every other aspect of the acquisition of the aluminium assets and the making of the merger agreement was agreed in writing, wasn't it?
- A. As my knowledge is, yes. It was in writing merger agreement, it was in writing when we sold -- when we bought our assets and we -- what else? It's additional reason why -- I don't understand why you don't believe that we discussed our relations with Abramovich in the same way. It's absolutely natural what we -- that we -- I had in my mind real impression of English or British way of law, according from personal experience, and definitely we discussed that, as I told you before, with Mr Abramovich exactly in that way.
- Q. If every other aspect of the acquisition of the aluminium assets and the merger were agreed in writing,

why not the arrangements between you and Mr Patarkatsishvili and Mr Abramovich?

A. I already state my position because, first of all -- not because first of all -- because Abramovich has reason not to do that and I accept these reasons because I have -- still I was in danger, you see, and it was political battle that time and later on. And I didn't have -- I didn't have doubt about that position but I start to change this position and I start to prepare to be absolutely fix -- to fix as agreement our relations and you know the structures which you have seen. But that time again, I trust Abramovich, he present the reason why I shouldn't be visible and I accept that.

Q. What do you say Mr Abramovich's reasons were for not entering into this in writing?

A. No, I think that again the same, that he afraid that our company would be more dangerous if it turn out that we have a written agreement. That's it.

Q. If you remember expressly agreeing with Mr Patarkatsishvili and Mr Abramovich that your arrangements were to be governed by English law, why didn't you say so in your original claim in this action in 2007?

A. Mr Sumption, I already gave answer to this question.

I gave answers to my lawyers when they put me direct question, I didn't pay my personally attention. Later on, definitely, I recognise that it's important but, again, I did not make any fact statement which controvert to the next events. It means that when I really was put a question, direct question, "What is your understanding and what was discussion, if it was, between you, Abramovich and Patarkatsishvili", I gave clear answer.

- Q. They must have asked you, at the outset of this action, probably several times, "What did you agree about these aluminium assets with Mr Patarkatsishvili and Mr Abramovich?" and you must have told them.
- A. Mr Sumption, my clear understanding is that I gave all the (inaudible) -- all the time picture and I make -- nevertheless I just want to mention to you that it's really a lot of examples but something I present to my lawyers and they did not write in proper way in notes. But when we were discussing in more details, it's turned out that they accept what I told.

Again, I didn't pay attention, particularly at the beginning, and it's absolutely truthful. What is important in legal system here? What is not important? When I was put -- when I was asked directly, I give direct answer. That's it.

MR SUMPTION: Well, we'll go through the things that you paid detailed personal attention to this afternoon.

My Lady, I'm afraid progress has been very much slower than I had hoped and I expect to be most, if not all, the afternoon.

MRS JUSTICE GLOSTER: Very well. 2 o'clock, Mr Berezovsky.

THE WITNESS: Thank you.

(1.00 pm)

(The short adjournment)

(2.00 pm)

MRS JUSTICE GLOSTER: Mr Sumption, before you start I want to correct something I said this morning.

Apparently the photograph that was taken on the mobile phone was taken yesterday during the course of Mr Berezovsky giving evidence. I have taken steps to ensure that the photograph has been deleted and, as presently advised, I don't propose to take the matter further. But again I reiterate the point that I made this morning that no photographs are to be taken in court, particularly not when any party or any witness is giving evidence. If the matter happens again, if a similar incident happens again, I will regard the matter as very serious indeed and treat it as a contempt.

Yes, Mr Sumption, continue.

MR SUMPTION: Mr Berezovsky, I was asking you when her Ladyship rose at 1.00 about the absence of any mention in your original pleadings of an agreement that English law should apply. Now, I want to explore this a little further with you.

The notes that we have of interviews with Badri indicate that there were five days over 2007 when Badri was interviewed in your presence: just to remind you, on 29 April at Downside Manor --

A. Which year?

Q. 2007 -- on 11 and 13 June at Downside Manor and on 29 and 30 November in Tel Aviv.

A. Just a second. This is 2007 and in Badri house, yes?

Q. Well, the first three were in Mr Patarkatsishvili's house at Downside Manor; 29 and 30 November was at Tel Aviv.

A. When Tel Aviv? I'm sorry, again.

Q. 29 and 30 November was in Tel Aviv.

A. Which year, please?

Q. 2007.

A. You refer now only 2007?

Q. I'm referring only to 2007.

A. Good.

Q. There were five days on which the allegations that you have been making were discussed in 2007 in your

presence --

A. All of them?

Q. Yes -- with Mr Patarkatsishvili.

A. Mm-hm.

Q. Now, in particular, Rusal was discussed at the June meetings in the presence of Mr Gruder QC and at the Tel Aviv meetings.

A. Mr Gruder was in Tel Aviv, yes?

Q. No, Mr Gruder was at the June meeting at Downside Manor.

A. Mm-hm.

Q. Now, I'm not going to take you through these notes again in order to establish what they don't say, but at no point in the course of these meetings did you or Mr Patarkatsishvili mention that there was an agreement that this arrangement should be governed by English law. Can you tell us why that is?

A. I don't know why it was not putting in the notes and I even don't remember did I face this question. I just -- as I told you, when I face this question, I gave direct answer.

But, my Lady, I don't want definitely to say that everything what is written in notes is completely wrong but I just want to give you example which for me is very important: that, for example, these notes, as I understand, we never mentioned about Le Bourget

meeting, for example. It means that we forgot that and nobody ask us about, "Have you had the -- which kind of meetings you have after", yes?

I just again don't want to argue -- what is written in notes, it's written in notes and it's absolutely precisely -- but I just want to stress that it does not mean that I mislead somebody; it just means that I did not face direct question and it is reason why I didn't give the reply.

Moreover, definitely, I did not pay the attention which I understand important for this litigation and it's the reason why myself, my own, I did not present that. I just describe events; that's it.

MRS JUSTICE GLOSTER: Sorry, I don't understand that last point you're making. Can you just amplify it?

A. Yes, I just -- just a second.

MRS JUSTICE GLOSTER: You say, "definitely, I didn't pay the [in]tention..."?

A. Definitely, I didn't pay attention of the law, you understand? It means that I didn't -- on the future proceeding, I mean. And it's reason that definitely I did not, let's say, myself made an accent of some points because I didn't understand what is important, what is not important; I just describe and answer to questions which my lawyers put in front of me.

MR SUMPTION: You are actually mistaken, Mr Berezovsky, when you say that the Le Bourget meeting was not discussed on these occasions. On 11 June the notes made of the meeting do refer to the Le Bourget meeting.

A. 11 June?

Q. Yes. It's a by-way, I'm not proposing to turn back to it, but in fact --

A. Could you show me please this, please?

Q. Very well: R(D)1/17/126.

A. It's a meeting of when?

Q. 11 June at Downside Manor. At the top of the page:

"Le Bourget airport/Sibneft.

"Roman last time met in chateau."

A. Just a second. (Pause)

Yes, I see that. I didn't see that before. You're absolutely correct.

Q. Would you please take bundle K2.

A. It's 2007 -- just a second. I just -- Mr Sumption, just one moment. My Lady, I just want to remind -- no, it's happened later that we got this tape, yes? Recording from Le Bourget we got later, yes?

Q. You tell me.

A. I don't remember when we got Le Bourget taping.

Q. Well, I can't give evidence, Mr Berezovsky, about when you got that tape. You tell us.

A. Sorry. My impression is that we got it later, just to understand for myself how I didn't recollect that we talk about Le Bourget.

Q. Yes.

A. Okay.

Q. Would you take bundle K2 and turn to flag 4. I'd like you to look, please, at K2/04/35.

A. Yes.

Q. Now, what you are looking at, as you can see from the first page on page 16, is your particulars of claim. This was in fact the second attempt to plead the case, the first one having been in the documents that you delivered to Mr Abramovich in Sloane Street.

A. Yes.

Q. It's got a statement of truth at the end.

A. Yes.

Q. And at paragraph 62 you'll see what you at that stage were contending had been agreed at the Dorchester meeting. You say it was agreed that there should be a trust; you don't say anything about English law.

A. Mr Sumption, I understand your point. As I present you just before afternoon, I remember what we discussing in Dorchester Hotel. My understanding of -- my comment, again, I don't -- I am not responsible to comment instead of the lawyer, but my understanding is that for

lawyers mentioning "trust" automatically means English or western law as a minimum, yes?

Again, you asked me to interpret, yes? I try to interpret. But again, my absolutely clear recollection, which I presented you before the break, that we discuss that as far as Mr Abramovich, between three of us, as far as the meeting in Dorchester Hotel. And my just, let's say, explanation, it's again explanation, would be that meaning "trust", they think that it's already western at least law and as far as we discussing about Dorchester, it means English law.

And it's not unusual because, as you have seen yesterday in -- Mr Curtis, who prepared the Devonian agreement, they put even that we are beneficiaries, yes? And I never told him that we are beneficiaries of -- that we are beneficiaries in trust as far as Sibneft is concerned but Mr Curtis understood like that.

This is my just explanation again, nothing more.

Q. Right. Would you please turn to the next flag, flag 6, which is the next version of your case --

A. Yes.

Q. -- where you, at paragraph 62 on page 64 K2/06/64, say exactly the same things as in the previous document about the Dorchester Hotel meeting.

A. 62?

Q. Yes, paragraph 62 on page 64.

A. Paragraph 62, sorry.

Q. It's exactly the same as the paragraph I've just shown you in the previous document.

A. Okay. Yes, I have seen -- yes.

Q. This time you've added a bit about the governing law and you will find that at paragraph 75A on page 67 K2/06/67.

A. 75?

Q. 75A.

A. Yes, 75A.

Q. Yes.

A. And then?

Q. Now, if you look at 75A, you will see that what it says is this:

"In the event that it is averred..."

In other words, in the event that Mr Abramovich should say:

"... that the proper law of the said claims is not English law, Mr Berezovsky [will say] that the proper law of the claims is British Virgin Islands law. Mr Berezovsky relies on [certain facts as pointing to that conclusion]."

Namely, in summary, that the aluminium assets were going to be held by companies in the British Virgin

Islands and -- item 3 -- that in any event:

"the... intention of all parties... was that the entities which held [the] shares... [were to be] domiciled outside Russia.

- A. Okay. Again, Mr Sumption, it's just my interpretation. It's confirmed that we really discuss about how it will be hold as a trust, that it's trust, and my understanding is that when I discuss about that it will be trust, maybe on Virgin Islands and so and so on, and this was just convert what -- my lawyer convert that it will be law just Virgin Island. I don't remember that I discuss Virgin Island law. We discuss about that offshore company could be located in offshore zones, this is correct, and I definitely did not know which kind of law implied to offshore company which based on Virgin Island.

Again, it's just -- the just continuation of my understanding what they are looking for and what -- but again, I never put direct question from my lawyers. If you show me -- I'm sorry to say, if you're able to present me that I was put direct question during -- even in notes the other story. Just again my interpretation, nothing more.

- Q. What was your side doing suggesting that it might be the law of the British Virgin Islands if there had been an

express discussion and agreement that it should be the law of England?

- A. Mr Sumption, I follow just the way how my lawyers understand the problem. I don't understand. They understand the problem of law which we agree or the company which we put in the trust, where they're located and what law is there.

When I answer to direct question, you will find out simple that my answer is absolutely correct. Again, it's like I present my story, like lawyers understand the story and like they put on the paper; nothing more.

- Q. Do you remember a hearing before Judge Mackie in the Commercial Court on 28 April 2008?

- A. I don't remember but I try to recollect. It's Commercial Court about what?

- Q. About this case.

- A. I'm sorry, I don't remember.

MRS JUSTICE GLOSTER: Well, if he doesn't remember, Mr Sumption...

MR SUMPTION: Do you remember sitting in court in front of Judge Mackie with your legal team?

- A. Just a second. What is the event? What we discuss there?

MRS JUSTICE GLOSTER: What was the subject matter of the application?

MR SUMPTION: It was the very first hearing of the case and the subject matter being discussed was whether you should be allowed to change your pleadings in order to rely on the law of the British Virgin Islands.

A. Mr Sumption, I several times have been on the hearing and I think it's good to be in the court and show up that you are here, you don't afraid. Definitely I don't remember exactly this discussion. I remember that I have been several times and one time, the first time, I came by -- I think I should be polite to be present. One time I remember I was recommended by my lawyers to go there. But in any case I haven't stay all over the day, I don't remember that, and definitely I don't remember that what was discussed about, I'm sorry.

Q. Do you remember being represented by Barbara Dohmann QC?

A. I remember that Barbara Dohmann -- Barbara represent me and solicitor was Michelle Duncan as well.

Q. Now, there was only one hearing at which Barbara Dohmann represented you in court. Do you remember being present at a hearing when you were represented by Barbara Dohmann?

A. Mr Sumption, you may believe me, maybe not: it don't reflect in my memory. I remember Barbara well because I met her several times and she was my barrister and she was presented to me, as I recollect, by Michelle Duncan,

who become my solicitor. I don't recollect visual the picture that Barbara present something, but nevertheless, it doesn't mean that I would not recollect if I concentrate on that.

MRS JUSTICE GLOSTER: Anyway, you don't remember particularly being in court?

A. I don't remember.

MRS JUSTICE GLOSTER: No.

MR SUMPTION: I wonder if I may assist the witness with a photograph that may help.

A. In the court?

Q. No, and I didn't take it! (Handed)

This is a photograph which comes from the Getty Press Images library headed:

"Exiled Russian tycoon Boris Berezovsky arrives at the High Court in London, on April 28, 2008. Berezovsky is suing Chelsea boss Roman Abramovich over alleged claims that he was forced to sell shares in... Sibneft, aluminium giant Rusal and the country's central TV."

A. I definitely don't recollect -- don't remember this picture. You know well that even I already don't remember the pictures of this hearing because there are thousands of pictures. I'm sorry, my Lady, I really...

MRS JUSTICE GLOSTER: All you're being asked is: do you remember the hearing where Barbara Dohmann represented

you?

A. I don't remember.

MR SUMPTION: I would like you to look at the transcript of that hearing. Could you be given bundle J1/2.

I understand from Ms Davies, who was present, that you were present during this part of the hearing.

A. I can't exclude that, I told you from the beginning.

Q. Would you please take bundle J1/2.02/69.

A. Thank you.

Q. It's after flag 2. It's the first page after flag 2.

A. Yes.

Q. Now, the argument that was going on, just to help you by summarising the background, Ms Dohmann was applying on your behalf to be allowed to change your pleadings in order to rely in the alternative on the law of the British Virgin Islands. That's what the argument was about.

A. Yes.

Q. And the first part of the transcript is taken up with a long argument about whether the draft pleading was properly particularised, ie whether it had enough information in it to be properly understood --

MR RABINOWITZ: Sorry, before my learned friend continues, my learned friend started by saying Ms Davies remembers that he was there and I'm willing to accept that

generally, except that the first two lines of the transcript say that Ms Davies wasn't there.

MR SUMPTION: Sorry, my learned friend is quite right.

I had understood that she was, but she clearly was not.

THE WITNESS: Even your witnesses don't remember, how can I recollect all that?

MR SUMPTION: Ms Davies is not one of my witnesses.

MRS JUSTICE GLOSTER: Anyway, let's get on with the cross-examination.

MR SUMPTION: Could you please look at page 96 J1/2.02/96, where a discussion occurs after there has been an argument about whether your draft pleading is sufficiently precise. Now, above letter C --

A. Just a second. Page number?

Q. 96?

MRS JUSTICE GLOSTER: In the bottom left-hand corner.

THE WITNESS: Thank you.

MR SUMPTION: And letter C along the right-hand margin.

This is Ms Dohmann speaking on your behalf --

A. Yes, yes.

Q. -- and, as we understand it, in your presence.

A. Yes, thank you. (Pause)

Okay.

Q. Now, what she says is:

"We do not at this point face a strike-out" --

MRS JUSTICE GLOSTER: This is just below letter B, just above letter C. Do you have it, Mr Berezovsky?

A. Yes, I have letter C on the next page, 97.

MR SUMPTION: No, you should be looking at page 96.

A. Yes.

Q. Do you see letters B and C, if you start halfway between those two letters:

"We do not at this point..."

Just read that paragraph, if you will.

A. Just a second, Mr Sumption. Even with translator can't find it. But I will find it, definitely.

THE INTERPRETER: Sir, did you say between B and C?

MR SUMPTION: Between B and C on page 96 there's a paragraph that starts, "We do not at this point..."

A. Yes, I have it.

Q. I would like you to read that paragraph to yourself, please.

A. Yes. (Pause)

Up to which point I should read?

Q. You should stop at the end of the paragraph.

A. Yes, I stop at the end of the paragraph.

Q. Right. Now, Ms Dohmann is saying on your behalf that she has been working very hard with her team --

A. Yes.

Q. -- and she has put forward an amendment:

"... in favour of saying that the applicable law, which might well be Russian if you have shares in a Russian company and you are setting up certain agreements in Russia between Russians. But nonetheless it looks as though there is an argument for saying, 'No, everything was going to go offshore. Not only were all the individuals going offshore in due course, but their interests were run from offshore islands'..."

A. I'm sorry, I'm sorry that I interrupt. It's discussion about aluminium or about Sibneft?

Q. I'm just referring you to what your barrister is saying. She is talking here about the aluminium agreements and she's talking about the governing law of those agreements.

A. I'm sorry that I -- maybe I was not attentively enough. I just want to -- please refer me to aluminium, where is written here? I just want to understand.

Q. The whole of this argument, Mr Berezovsky, was about your application to amend your pleadings so as to say in the alternative that the agreement was governed by the law of the British Virgin Islands.

A. It's again -- I'm sorry, because it's just part of the text. It's concerning aluminium, definitely, yes?

Q. Yes.

A. All right. This is the question. Thank you very much.

Again, I don't have any reason why Barbara is doing in this way. Again, as I told you before, I gave direct answer to all questions what they put in front of me but I don't know the reason why Barbara is operating like that.

Q. Now, what --

A. And this I think the reason why finally I was permitted to present my case and strike out, I won. It's one of the point which was under discussion. And I don't want to refer the previous decision, just I continue that my understanding.

MRS JUSTICE GLOSTER: What's the question on this point, Mr Sumption?

MR SUMPTION: The question I want to ask you is this. Your barrister is saying that although there was a deal between Russians about Russian assets, there was an argument that it was governed by the law of the British Virgin Islands. Now, why didn't you say, "No, no, we expressly discussed the governing law and we agreed it was going to be English law"? Why didn't you say that?

A. Mr Sumption, it's absolutely clear why: because during discussion with Barbara, she never ask me about that. And she has her way, I don't know the reason why she think that better to present that it's Virgin Island.

MR RABINOWITZ: My Lady, we are, I think, trespassing into

areas of privilege where there hasn't been --

MRS JUSTICE GLOSTER: Mr Sumption, I don't think

Mr Berezovsky can be regarded as responsible for what Ms Dohmann is submitting orally.

MR SUMPTION: My Lady, that is quite right, but he can be responsible for the absence of any instructions by himself. Ms Dohmann was submitting that there was an argument that it might be governed by the law of the British Virgin Islands. What I am asking the witness is why he didn't point out that this very subject, the governing law, had in fact been discussed and agreed back in March 2000.

MR RABINOWITZ: With respect to my learned friend, it's difficult to see how one gets into the answer to that without getting into areas which are covered by privilege.

MRS JUSTICE GLOSTER: Yes. Well, I don't think it's going to assist me, Mr Sumption, in my assessment at this point. It's a point you can easily make in submission.

A. My Lady, nevertheless, Mr Sumption start his logic from the point that I have been there, I have listened what they discuss and why I did not refer to her. This is the point what Mr Sumption started to base his position. And I answer -- my answer was clear: I don't remember that.

MRS JUSTICE GLOSTER: Fine.

A. This is the point. Thank you, my Lady.

MRS JUSTICE GLOSTER: Let's move on, shall we?

MR SUMPTION: There's one other document I want to refer you to, Mr Berezovsky.

I do need to do this, my Lady, because this is the basis of a submission that I shall be making to your Ladyship. If the witness has something to say about it, it's reasonable that he should be allowed an opportunity to do so.

MRS JUSTICE GLOSTER: Certainly.

MR SUMPTION: Would you please take bundle K2, flag 15, page 191 K2/15/191. 191 is the first page of this document which I'm showing you simply in order to identify what it is: it's your reply in this litigation served in October 2008.

A. Just a second. 2008 October, yes?

Q. Yes. And if you look at the last page, you will find your signature.

A. Mr Sumption, please, you are much more quicker than me in thinking. I am not so quick. It's reason why I want to identify. It's October 2008 and it's my reply --

Q. Yes.

A. -- during the strike-out?

Q. No, it's before that.

A. It's before --

Q. Yes.

A. Okay.

Q. It's in October 2008 and you will find your signature saying you believe that the facts stated in this reply are true on the last page, page 247 K2/15/247.

A. Yes, I see that.

Q. At page 238 --

MRS JUSTICE GLOSTER: Just a second. Page 246, you'll see that it was served on 2 October 2008. So that's when --

A. Yes, yes, yes. Yes, just a second. I believe --
2 October, yes.

MRS JUSTICE GLOSTER: When you were still being represented by Ms Dohmann.

A. I don't remember.

MR SUMPTION: Well, she has signed this document.

A. Ah, okay. Not I signed this document?

Q. You signed it as well. You signed it with a statement saying that it was true.

A. Yes.

Q. Now, if you look at page 238 K2/15/238, you will see there's a paragraph --

A. Page?

Q. 238. There's a paragraph about the governing law.

A. Yes.

Q. It's the first paragraph on that page, paragraph 64.1.

A. Yes.

Q. What is said on your behalf is this:

"It is denied that the trust was governed by Russian law. Paragraph C75A is repeated."

That's the paragraph about the law of the British Virgin Islands.

"Further or alternatively, as Mr Abramovich admits... the concept of a trust, and in consequence a beneficial interest, does not exist in Russian law. Mr Berezovsky (and Mr Patarkatsishvili) as the settlors of the trust expressly agreed with Mr Abramovich... as set out at... C63..."

And then the next sentence says:

"By obvious inference, the... agreement required the governing law of the trust to be one which recognised the validity of such trusts."

And the conclusion of that paragraph is that in those circumstances:

"... the governing law of the trust is, alternatively should be deemed to be, British Virgin Islands..."

Which has now emerged as the front runner.

"... alternatively English, law."

Now, the first question I want to ask you is: when

you were asked to put your signature to this document saying that the facts stated in the reply are true, did you read it?

- A. Mr Sumption, the same answer, unfortunately: definitely I look it through and I am responsible for my signature, and I can't refuse that I am not responsible for that. But you want to know true? It's true that I have seen not definitely in details because I don't have even the time for that but I trust my lawyers and whatever they wrote, it's my responsibility, not them -- not only them.

But again I think, even reading that, I think that there's big mess around because on the one hand it's trust agreed with Abramovich and trust in offshore zone; on the other hand that we discuss that everything should be settled in English law. It's I think the mess -- and it may be in my head as well, but just my recollection -- in the head of lawyers that they don't understand what we are discussing, but they never put me direct question. When they put me direct question, I give direct answer.

- Q. Mr Berezovsky, why didn't you say, when you read this through, "Hold on a moment, this was a subject we actually discussed"? Because this is a document being served on your behalf. You could have said, "Well, it's

simpler than that: we actually agreed all this".

- A. Mr Sumption, I already gave this answer. I understand that whatever they asking my attention, I give reply. I didn't understand really which -- how it's connect a trust in Virgin Island with English law or not. This is the point. And they discussing about Virgin Island law, as I understand, here.

MRS JUSTICE GLOSTER: Yes. I think the simple point that is being made to you is that if you actually agreed expressly that there was going to be English law governing your arrangements, your relationships in relation to the aluminium interests, why did you let your solicitors or your barristers write in this document "by obvious inference"? Why didn't you say, "Well, hang on, we actually agreed it, you don't need to infer anything"? That's the point that's being made to you.

- A. Yes, I understand the point and my answer is very simple: because I didn't understand what the preference from them -- for them there is. I just present direct answer to direct question. I didn't want to mislead my lawyers because I did not understand why, I'm sorry to say, at that time it was very important, yes? And there's a reason why I just gave direct answer when they --

MRS JUSTICE GLOSTER: And is the point you were making earlier that there is a difference in your mind between the law that governs the trust --

A. Correct.

MRS JUSTICE GLOSTER: -- and the law that actually governs the whole arrangements between the parties?

A. Absolutely correct, my Lady.

MRS JUSTICE GLOSTER: That's the point you're making?

A. Absolutely correct, my Lady.

MRS JUSTICE GLOSTER: Thank you.

A. Thank you.

MR SUMPTION: Do you remember telling us this morning in your evidence that the agreement on English law was one of the most important points of the agreement that was made at the Dorchester Hotel?

A. Yes, because, as I told you, we just start at that time to focus on their structuring on the western manner. But again, in spite of we discuss English law, on the other hand we discuss that it will be trust offshore. And it is the reason why I did not understand well the difference between English law, which I present as our agreement, and the law which imply if it will be offshore for the trust.

It's exactly the point which maybe I mislead, but I didn't understand that well. And I think my lawyers

as well, they didn't understand that well, and step by step they start to recognise what is happening.

- Q. If there had been an agreement on English law and if this was an important point for you, as you have said, then you would have drawn that to the attention of your lawyers at the very latest when this document was drafted and probably earlier?
- A. Mr Sumption, now I recognise even a little bit more. Now, my Lady, maybe I even recognise why we use British law, not even English law: because British Virgin Island, as I could imagine that time, it had the same party, like England. It means that when we discussing about trust and when we discussing about English law or British law, for me it's the same, but I recognised them as an English law. And again, it's just because -- okay, definitely it's again my responsibility fully, but it's again because I didn't understand perfectly the trust law and the English law which we are discussing.
- Q. One month or so -- a bit more than a month -- after this reply was served, Mr Abramovich's solicitors applied to strike out your claim. Do you remember that?
- A. I remember that it was strike-out but I don't remember the date.
- Q. Well, I can tell you that it was in November.
- A. In November which year?

Q. November 2008.

A. 2008.

Q. About four to six weeks after this pleading was served.

A. Yes.

Q. One of the grounds on which they did it was that it was common ground that Russian law did not recognise the concept of a trust.

A. I didn't know that.

Q. Now, it was only when you were faced with the prospect of having your Rusal claim struck out that you, for the first time, said that there was an express agreement that it would be governed by English law; that's right, isn't it?

A. Mr Sumption, when I was faced with direct question, I gave direct answer, because I didn't understand. And it's only true that when we are discussing about trust, what is that? It's British Virgin Island; it's also, for me, British law. I'm sorry again to repeat the same point. And finally, and I think -- I don't know why lawyers didn't from the beginning focus exactly, but finally, as I understand, I'm sorry that I use the same argument, my Lady, but strike-out was strike out; it means that the court accept that. I'm sorry that I used the same argument again.

Q. You amended your pleading in response to the strike-out

application to allege that there was an express agreement, did you not?

- A. Mr Sumption, I just present the same position -- I'm sorry, my Lady, I present the same position to my lawyers and it's not my correction. It's correction of lawyers how they understood me, yes, or how they recognise importance of that; nothing more.
- Q. All that has happened, I suggest, in this case is that you have invented an agreement about the governing law in order to get round the possibility that your claim in respect of Rusal might be struck out.
- A. Mr Sumption, I gave my answer. I didn't mislead anybody; I just answer to questions of my lawyers. And I think they also had the same mess maybe at the beginning like I had, with the trust and with the English law. This is the point.
- Q. What I suggest to you is that there was in fact no agreement to create a trust at all and no agreement about any particular law.
- A. It means that you controvert yourself because your way of logic based that it was we discuss about trust.
- Q. Now, you say that you and Mr Patarkatsishvili received money from Mr Abramovich's companies after 2000 which you say represented your profit share in Rusal. That's part of your case, isn't it?

A. Just a second, Mr Sumption. We switch to the other point?

Q. Yes, I'm now dealing with what you claim to have been profit distributions after 2000.

A. Thank you. Just a second. I can take away?

Q. Yes.

A. Thank you. (Pause)

Now, what we discussing?

Q. As I understand it, you say that you and Mr Patarkatsishvili received money from Mr Abramovich's companies after 2000 representing your profit shares in Rusal. Is that right? Is that your case or part of it?

A. That we got money from Abramovich starting from 2000?

Q. Yes.

A. It's absolutely correct. We got money for Rusal and for Sibneft and, again, in Le Bourget we are discussing how to share the profit.

Q. Why did you remain, on your evidence, a partner of Mr Abramovich in aluminium after 2000 if you regarded him as a blackmailer, which I think is your position about what happened in 2000 in December?

A. Again, we are discussing about which time? We're discussing about 2000 or 2001 already?

Q. I'm discussing the period after 2000, ie between 2001 and 2004 --

A. Yes, good. Finally.

Q. -- when your case is that you remained a partner of Mr Abramovich in relation to aluminium.

A. "Remained"? (Consults interpreter)

It's absolutely correct.

Q. Why did you remain a partner with Mr Abramovich in relation to aluminium if you regarded him as a blackmailer and no longer trusted him?

A. Do you think I have a lot of choice? It's not. First of all, he under threat took my shares -- my shares -- my interest in Sibneft, mine and Badri interest in Sibneft, and definitely after that we start to worry what -- how to solve the problem. And definitely, as I told you, I never met Abramovich more, but Badri continued relations with him and Badri tried to make everything quiet that finally to get a solution, not to lose everything.

And finally, as I remember, in 2000 -- Badri mentioned that we have problem long before but in 2003, as I remember, Badri -- me and Badri in 2000, even earlier, but we start to discuss several options for aluminium or to sell it to Abramovich because we knew that sooner or later we lose that or to -- with Abramovich together to sell to anybody because we -- as I told you, Badri keeps still relations with Abramovich

and met him, or -- that's it: two options which we had in our mind.

And, as I recollect, in 2003, but I just -- I'm sorry to say, my Lady, again, I should -- we should understand the events which happen in parallel. In parallel I try -- I concentrate of the killing of my two partners in politics in 2002 and 2003, Mr Golovlyev and Mr Yushenkov; definitely it was not my focus, yes? But nevertheless in 2003, as I recollect, Badri start to think how we settle that and, as I remember, had meeting in Georgia with Mr Curtis that time and he just present our position which -- I don't remember did he agreed with Roman or not or did he discuss with Roman or not -- that we want to sell our shares directly to Abramovich -- no, directly or indirectly, doesn't matter -- to sell Abramovich.

Q. What steps did you or Mr Patarkatsishvili take from 2001 onwards to discover what the profits of Rusal were?

A. You know, Mr Sumption, I was not responsible for that. I think that Badri communicate to Roman and he inform me that he has connections to Roman and he even met Roman. I knew that Badri had a telephone of his secretary, Marina her name, and Badri told me that, "This telephone which any moment I can communicate to Abramovich", and this is our connection.

But what Badri -- how Badri -- Badri didn't report me; Badri just report me that we -- it was already in situation with Sibneft that Roman stop to pay us our interest and it's happened, as I recollect, with Rusal as well that he didn't pay us what we are part of.

- Q. Did Badri ever tell you that he had taken steps to discover what the profits of Rusal were?
- A. I don't remember that, but I think that he have done that because of just logic, because he just inform me that Roman is not paying us what he must to pay.
- Q. Your case is that you no longer trusted Mr Abramovich in 2001 and later because he'd blackmailed and betrayed you in December 2000.
- A. I stop to trust him completely at all after our meeting in Cap d'Antibes and even in Le Bourget I already maybe have the same understanding. It's correct, I didn't trust him.
- Q. I understand that's your case. So you must have been particularly keen to ensure that you found out what the profits of Rusal were so that you got your 25 per cent?
- A. Mr Sumption, again and again, I never, never -- I want just to stress -- I never was trying to calculate, to check. Badri have done that and Roman have done that; I never do that. And I told you just now that I had amazing headache because my two friends were killed that

time. And you think that I go to calculate how much Roman should pay us? I am sorry, it's not.

Q. If you had actually reached an agreement which entitled you to 25 per cent of the profits in Rusal, you would have made sure that you found out what those profits were, wouldn't you?

A. Mr Sumption, again and again, Badri was responsible for that. I trust him, I trust him completely, like I trust before Mr Abramovich.

Q. Neither of you in fact, the evidence will be, made any enquiries on this subject at all.

A. Sorry?

Q. Neither you nor Mr Patarkatsishvili made any enquiries about the scale of the profit at all.

A. Mr Sumption, I am responsible just for myself. I didn't. As far as Badri is concerned, I am sure that he did.

Q. Now, one of the things that you say in your witness statement is that a sum of \$175 million in Rusal profits was paid over to you between 2002 and 2005. Do you remember that part of your evidence?

A. My evidence is that when we took a decision to make a second sale of 25 per cent, it was agreed that we'll get -- I don't remember exact number -- \$450 million and Roman will pay finally our dividends \$135 -- like

that -- million. This is my case.

Q. Let me just remind you of the relevant part of your witness statement. If you look at bundle D4, which you haven't got in front of you, but perhaps --

A. D4.

Q. This is your sixth witness statement. It's behind flag 9 in bundle D4.

A. Yes. Flag?

Q. Flag 9.

A. Yes.

Q. And if you turn to page 76 in the bundle numbering D4/09/76, you refer to some paragraphs of Mr Mitchard's witness statement in the strike-out proceedings.

A. Just a second. Mitchard strike-out. Who is Mr Mitchard? I'm sorry, I forgot.

Q. Mr Mitchard is a partner of the firm of solicitors representing Mr Abramovich.

A. Ah, thank you very much.

Q. He made a witness statement in the strike-out. I think I can help you by just summarising what this is about.

A. Yes.

Q. Mr Mitchard had explained that commission payments were made to Mr Patarkatsishvili in relation to this matter and they amounted to \$377 million.

A. I don't know anything about that.

Q. I understand. What you're saying, you then refer on paragraph 38 to Mr Marino's witness statement in the striking-out action.

A. Yes.

Q. And Mr Marino is saying that these amounts were not in fact commission payments but they were payments in respect of Rusal profit shares.

A. May I tell, Mr Sumption, I'm almost sure that this knowledge Mr Marino got not from myself directly; maybe he analyse papers and so.

What I remember well, in my witness statement which we are discussing -- I mean not reply but the fourth my witness statement -- that finally we agreed with Mr Abramovich, my Lady, that he will pay us 450 for our interest in Rusal and 155 like that, definitely. I didn't remember all those years; I just recollect when I start to prepare to -- to prepare for the litigation and step by step I recollect what was happening.

And it's the -- I don't remember the point which is in my witness statement but it's clear written here when we sold -- it was the second sale of 25 per cent Rusal, we will got \$135 million as our interest cover, our interest for Rusal. This is the point.

Q. I'm going to come to that. I'm talking about

a different sum here and it may well be that you can't help us on this.

A. I can't. Definitely I don't remember this number.

Q. But you will see that in paragraph 39 --

A. Yes.

Q. -- you adopt Mr Marino's explanation in his witness statement --

A. Okay.

Q. -- and you say that:

"... [you] believe that \$175 million was paid by Mr Abramovich in 2003 and 2004 in respect of... [Rusal profit shares]."

A. Mr --

Q. Can I just help you by putting the question to you.

A. Yes.

Q. I understand that this is not something which you know from recollection but that Mr Marino has deduced from all sorts of documents. Is that right?

A. I don't know. Sorry, Mr Sumption, I don't know.

I don't remember well what we discussed with Mr Marino, yes? And maybe we discuss about some sums. So definitely I didn't recollect 175 or something like that; it's absolutely correct.

Q. You see --

A. And it means that definitely it's the result of

Marino -- Mr Marino discussion with me and with the others and with documents which he obtain; nothing more.

Q. Right. I don't want to take up time asking you questions about something which Mr Marino had deduced from documents but you really don't know anything about.

A. Yes.

Q. Now, if the position is that you do not yourself know about this \$175 million, it was something that Marino deduced from documents, well, we can look at the documents ourselves in due course and I won't bother to ask you questions about it.

A. Yes.

Q. If, on the other hand, you claim to remember something about it, then I may have some questions. So what's the position?

A. The position is that I remember not everything definitely and I need time to remind better. I'm sorry, my Lady, I am not 18 unfortunately. But if I take time, I can remind; and if I presented some documents and so, some arguments, I can remind, definitely.

And it's happened not one time. It means that when Mr Marino signed documents, I don't remember did he present me some papers or not, but I accept the position. That's it.

MRS JUSTICE GLOSTER: So, looking at paragraph 39 --

A. Yes.

MRS JUSTICE GLOSTER: -- what was the \$175 million paid for, as you can remember now?

A. As I can remember now? It --

MRS JUSTICE GLOSTER: Now, yes. Forget about Mr Marino.

A. Yes, as I can remember now, it's our interest in Rusal.

MRS JUSTICE GLOSTER: For your capital interest in the shares or your interest in the profits?

A. No, no, no, no, no, not capital. It's as a profit.

MRS JUSTICE GLOSTER: As a part of the profits or the whole of the profits you were owed in relation to certain years which you can't remember?

A. Absolutely correct, my Lady. Absolutely correct, my Lady.

MRS JUSTICE GLOSTER: Right.

MR SUMPTION: Now, how do you know that?

A. Because I know that 450 is the other number and it's only number which my Lady put me the question if I remember that it was paid for Rusal as the shares or is it paid as our interest in Rusal, because I remember well what was paid for shares -- not shares -- for shareholder interest: it was 450.

Q. Mr Berezovsky, I think -- I'm quite genuinely trying to help you.

A. Yes.

- Q. I think you are getting confused between what was agreed in July 2004 and what was paid to you in 2003 and 2004. Now, I understand that you are saying that in July 2004 it was agreed to pay \$450 million for your shares and \$135 million for profits.
- A. Absolutely correct.
- Q. I understand that's your case and I'm going to come to that.
- A. Yes.
- Q. This is a different amount which was paid earlier than that: it's an amount of \$175 million which was paid to you between 2003 and 2004. Right? It's a different amount. It's not the same as the \$135 million agreed in July 2004.
- A. I think you're correct and it's give me additional understanding that it's just for my interest in Rusal, nothing more. Because what we got for our share or, sorry, for our holding of the shares of Rusal is concerned, it's just \$450 million. That's it.
- Q. How do you know that the \$175 million that you are talking about in paragraph 39 was a payment of Rusal profit shares?
- A. I think because we recollect together with the others, with Mr Marino on the one hand, with my assistant on the other hand, I was presented some papers and I accept

that it's payment for that.

- Q. Right. So do I understand you rightly: in relation to the \$175 million, your view -- is this right? -- was based on some documents that your solicitors showed you at the time that these strike-out witness statements --
- A. Not only documents but also, again, I have -- I was lucky that still people with whom I work in Moscow, they are still here, they can help me to recollect what is happening. And, as I understand, that time Mr Fomichev continue to serve me, who was more deeply involved compared with others, and maybe it's Mr Fomichev recollection. I don't just able to say this correctly.
- Q. Mr Berezovsky, in the light of what you have said about the way you operate, it wouldn't surprise anybody to know that you didn't go through these accounting documents in detail at the time. I am simply trying to establish: are you able to help us about the detailed mechanism by which this money reached you and to explain why it must be Rusal profits and not something else?
- A. Again, again, Mr Sumption, I knew perfectly that Roman has obligation to pay money to us because of Sibneft, but we sold that time, and also some continue to come, and Rusal as well.

And my understanding, when we start to present the case we just try to find out all paper which possible to

find, all arguments which possible to find, because, as I gave you in my statement, that a lot of documents were destroyed because of rates in Russia, in other places and so on, and I just need -- just use help of my assistants of papers which we have just to reconstruct what happened before. Nothing more.

Q. Right. The dispute about this \$175 million is that Mr Abramovich says that the \$175 million was part of a larger sum of \$377.5 million which was paid, at the request of Mr Patarkatsishvili, to compensate Mr Patarkatsishvili and yourself for the fact that you had lost so much money in --

A. Okay.

Q. -- getting the \$1.3 billion to England. That is one version: that's the version of Mr Abramovich.

Your version is that: no, this was nothing to do with compensation for the cost of getting the \$1.3 billion to England; your version is that it was Rusal profit shares.

Now, what I want you to tell us is: why do you say that this was not, in fact, a compensation for that cost --

A. Because --

Q. -- but was Rusal profit shares?

A. First of all, I completely, as you know, disagree that

Abramovich gave us -- gave, by his own will, some money to support our life abroad or in Russia, it doesn't matter. But again, it's my recollection, a recollection which is based on the papers which I was presented and with my employers (sic) which supply me this information. It's not my personal and only my recollection; it's recollection based on the documents and the other, let's say, facts which I was presented. But, my Lady, I told you -- really it's not a game what I'm playing -- I don't remember that myself.

MRS JUSTICE GLOSTER: Very well.

MR SUMPTION: There's no criticism of this at all.

Does this mean that you are not able to help us on the question why this \$175 million was Rusal profit shares; we've got to look at the documents in due course?

A. Yes, I am sure that Mr Abramovich will help you when he will be in witness box.

Q. Let's turn to the sale of the second tranche of Rusal shares in July 2004. Did you have any personal involvement in the negotiation of that transaction?

A. Mr Sumption, give me one minute to switch from this point to the other one, okay?

Q. Yes.

A. Thank you.

Q. Do you want me to repeat the question?

A. Just -- no, I remember your question. Just a second. I want to recollect the events of this time and what happened.

Okay, definitely I did not have any direct involvement. Everything what happened based on Badri and lawyers' connections and with Roman as well. Only the real channel, as I recollect, I had that time was on the one hand my conversation with Badri, on the one hand; on the second hand, my conversation with Mr Fomichev, who assist me and Badri and who visited Georgia, where Badri based that time, to discuss about the sale after Abramovich breach our trust, our agreement of -- sorry, our agreement of '95, '96, and that's it.

But before even he breach, as I mentioned already before, we start -- Badri initiate to start negotiation to sell our shares. And it's happened in April, as I recollect again, 2003. It was meeting of Badri with Mr Curtis. I think Ruslan Fomichev as well -- I don't remember well -- present there. And they discuss the point how to sell our shares, our interest, our shares, in Rusal to Mr Abramovich direct -- to Mr Abramovich for himself.

I just remember one point why maybe I even remember

that better, that because I did not trust Mr Abramovich that time already: I gave proposal to have right to buy back half of what we will sell Mr Abramovich, if we will sell. And it's the point which I just -- it's what my idea for Badri because, as you correctly mentioned, at that time I already didn't trust Mr Abramovich.

Q. Could you focus, please, on the sale negotiations for the second tranche --

A. Mm-hm.

Q. -- which ultimately went through in July 2004.

A. Just a second. July 2004. Am I correct to recollect that Abramovich sold in 2003 his -- the first part of our shares, 25 per cent, and we signed the agreement in 2004 in July? Is this correct?

Q. You didn't, but Mr Patarkatsishvili did sign certain documents on 20 July 2004.

A. Yes, yes. Yes, correct.

Q. Now, the subject that I'm asking you about is the negotiations for those agreements in July 2004.

A. Yes.

Q. You have already confirmed that you had no direct involvement; that it was Mr Patarkatsishvili who was involved.

A. Yes. Moreover, I remember that there were -- that the party, I mean Deripaska, which, as I understand, was

presented for this deal by Mr Abramovich, as I remember, they insist that I even have -- that my name didn't have any record to this matter. At the beginning it was different: I was -- nobody hid, and Abramovich knew first of all himself well that I'm shareholder through him as a trust.

But you are correct: I didn't have any direct involvement in this negotiation.

Q. Understood. Did you have any knowledge of that negotiation otherwise than from what Mr Patarkatsishvili told you?

A. I had knowledge from Mr Patarkatsishvili definitely; I had knowledge from Mr Fomichev, as I recollect. That's it. I don't remember did Mr Curtis talk to me or not, I don't remember that well. But Badri and Fomichev definitely.

Q. Mr Curtis was dead.

A. I am sorry. At that time already?

Q. Yes, he died in March 2004.

A. Ah, it means that he just start to negotiate in 2003 in springtime and continued to negotiate in July -- June, July, August 2003, as well at the meeting with Mr Tenenbaum and Mr Fomichev and Badri as well. Yes, you're correct.

Q. You say your sources of information were

Mr Patarkatsishvili and possibly Mr Fomichev. As I understand it, it was Mr Patarkatsishvili who was in charge of the negotiations that led to the sale in July 2004. Is that right?

A. Definitely Mr Patarkatsishvili present his and my interests in that.

Q. Yes.

Now, did you see the various contractual documents that were agreed in July 2004 at the time?

A. No, I didn't see it.

Q. You didn't?

A. I have seen just the notes which were presented to me by -- made by Mr Curtis, but it's also later on. It's just when -- I didn't see the -- I'm sorry that it's too far. I didn't see it.

Q. You didn't see them. Now, were you interested in seeing them? Why didn't you look at them?

A. Because Badri was responsible for that and it is my usual way. It's not exceptional way. As you already put me many times question, correct question, have I seen this paper or this paper, and I absolutely truthful gave you answer: I didn't see that.

Q. So was the position that you trusted Mr Patarkatsishvili and if he was satisfied with the terms, then that was good enough for you?

A. If he explain me, if he explain me why he took this decision or not. I am not just puppet. It mean that if he take some -- if he discuss some way of settling the deal, he should report me and explain me why he make this step or another step. But I never went to the details.

But the principal problem was that -- and the principal problems mainly he discussed with me. One point which was absolutely new for me that he signed agreement with Abramovich not to have any claim against of Abramovich (inaudible). That never Badri discussed with me and it was surprise me when I have seen the first time already been in London.

But the other points maybe not also -- were also principal points, Badri discussed with me. The price, the condition that I will not be include in -- my name will be not mentioned: I accept that position because Badri told me that we don't have choice.

Q. You authorised him to contract on terms that only his involvement would be disclosed, not yours; that's your evidence, isn't it?

A. I accept the position that only his name will be in agreement and not -- and my name will not be at all.

Q. Now --

A. Initial -- again, initial discussion was different and

you will see, my Lady, from the documents which we have that they openly discussed that my presence and Badri present as well. Later on they formulate the other position and we accept it.

- Q. Now, your evidence is that you understood from Mr Patarkatsishvili that under the terms that he had negotiated, you were going to get \$135 million in outstanding Rusal profits and \$450 million for the capital value of your shares.
- A. It was my understanding of what Badri agreed with Mr, as I understand, Deripaska --
- Q. I understand.
- A. -- and Mr Abramovich, because it was dividends or profit.
- Q. Could you please take bundle M4. M4/02/3.
- A. What is that?
- Q. This is the points of claim in the Metalloinvest action which you have brought in the Chancery Division.
- A. Yes.
- Q. Would you like to turn to page 4 M4/02/4.
- A. Just a second, I just want to understand. I understand this is claim for Metalloinvest: it's the first point. The second point: what is this? It's particulars of claim?
- Q. That's right. It's your particulars of claim --

A. It's presented by whom?

Q. It's presented on behalf of you.

A. Yes.

Q. And in paragraph 6 on page 4 you refer to one of the defendants --

A. When it was done? When it was done?

Q. Sorry?

A. When it was done?

Q. The date?

A. Yes.

Q. This was amended on various occasions but the initial document was served in October 2009. It's been amended at various times but not so far as affects paragraph 6.

A. 2009 -- October 2009, okay. Paragraph 6?

Q. Yes. Now, you're talking here about one of the defendants called Cliren, okay?

A. Cliren, okay.

Q. You say:

"... ('Cliren') is a company incorporated in the British Virgin Islands... Until 13 July... Cliren was owned by the Fifth Defendant ('Coalco'). On 13 July... Coalco and Mr Patarkatsishvili executed a Share Sale Agreement under which Coalco sold Cliren to Mr Patarkatsishvili. Mr Patarkatsishvili held Cliren on behalf of himself and Mr Berezovsky and used it to hold

certain assets for himself and Mr Berezovsky in accordance with the Joint Venture."

A. Yes.

Q. Now, is that paragraph of your pleading true?

A. I think so. Again, definitely you understand well that I did not even maybe know the name of the companies. Coalco, as I now already learn that this company belong to Mr Anisimov and who -- and the case -- Metalloinvest is case mainly against of Mr Anisimov. But I can't ex -- but again, I confirm that it's correct.

Q. Well, I'm not asking about Coalco. But, as I understand it, you confirm that Cliren was a company which, after 13 July 2004, was acquired by Mr Patarkatsishvili to hold assets on behalf of both himself and you. That's your case, is it not?

A. Mr Sumption, I would like to be precise. This is particulars of claim. Definitely it's based on -- partly on information which I present and on the information which will become clear for us through the documents, through the witnesses and so. And definitely I just believe that it's true, I can't check that.

But again I'm responsible, my Lady, again and again, I'm responsible for that, but I want to explain how much responsibility I take. I am responsible for my signature, I am responsible for understanding that time

when I was explained; definitely I am not responsible for my memory that this was like that. I never even remember the company name which Badri own in our favour.

MR SUMPTION: My Lady, there's not going to be a convenient moment but would now be a suitable one?

MRS JUSTICE GLOSTER: Right. Well, I'll rise now for ten minutes.

(3.17 pm)

(A short break)

(3.29 pm)

MR SUMPTION: Now, Mr Berezovsky, since you have said that you didn't see the agreements that were concluded on 20 July at the time, I'm not going to take you through those agreements. I would, however, like to ask you this.

Did Mr Patarkatsishvili tell you that the \$135 million was the difference between what Mr Deripaska was prepared to pay for the 25 per cent second tranche and the amounts that Mr Abramovich had agreed to pay to him in commission? Did he tell you that?

A. My recollection is very simple: that it's money as dividends which Abramovich did not pay us -- not dividends, okay, interest -- which Abramovich didn't pay to us a long time -- I don't know what means "long

time" -- and it's money which Badri and Abramovich -- maybe Abramovich and Deripaska together, I don't know that well -- accept to pay us as our profit in Sib -- aluminium business.

And as far as \$450 million is concerned, it's a payment for our shares -- not for our -- for the second, because we never accept that Abramovich sold his shares. Yes, it's the reason why -- looking for terminology, I'm sorry to say, but the reality is so -- the second sale of 25 per cent and we got for that \$450 million. This is my understanding.

Q. Mr Abramovich's evidence will be that the price that Mr Deripaska was prepared to pay was \$450 million. He had agreed to pay a commission to Mr Patarkatsishvili of \$585 million. The \$135 million was simply the difference between the price that Mr Patarkatsishvili was able to get from Mr Deripaska and the amount of commission that Mr Abramovich had promised him.

Now, all of that was discussed on occasions you weren't present. All I'm asking you is this: did Mr Patarkatsishvili discuss that aspect of the transaction with you?

A. Mr Patarkatsishvili discussed with me very simple point: that we paid 450 million for our shares, let's say, in -- 25 per cent in --

MRS JUSTICE GLOSTER: Your beneficial interest that you say you had in the shares?

A. Absolutely correct. Absolutely correct.

And the rest is just what Roman is paying for and it's obligation of Deripaska to pay that and Roman Abramovich will cover -- will pay what we should be paid before for our interest as a profit in Rusal. That's it.

Q. Now, I want to ask you about a different aspect, which is the final stage of my cross-examination of you.

You have disclosed in this action the tape recording made at Le Bourget.

A. Yes, Mr Sumption.

Q. Is it right that you bought that tape from a third party last year in return for 5 per cent of whatever you win in this action?

A. Not only. I accept the proposal that I give 5 per cent of Abramovich if I win and that I also give a boat, Thunder B, to them because they want to pay immediately something, I didn't have cash enough, and Abramovich knows as well. I'm stopped by all parties which I fighting for. And I decide to propose them the boat and they accept the boat and they estimate the boat around \$20 million.

MRS JUSTICE GLOSTER: What's -- a boat, sorry?

A. Thunder B. The name of the boat is Thunder B.

MRS JUSTICE GLOSTER: Oh right, a boat. Yes, I see.

A. Which was arrested later by General Prosecutor Office when I already sold that.

MR SUMPTION: Right. Can you tell us: what other witnesses are due to be called by you in this action stand to gain financially if you win it?

A. Witnesses, I don't know anybody. I have obligation in front of my former wife, Galina, that she will be paid agreed amount of money. As far as witnesses is concerned, nobody, because it's bribing of the witnesses as I understand.

Q. Is it right that Mr Michael Chernoi stands to gain 5 per cent of your recoveries in this action and the Chancery litigation --

A. No, no, no, no.

Q. -- combined if you win them?

A. No. Definitely I didn't have any agreement with Mike Chernoi that he will be compensated. I try several times to accumulate our power talking to him but he decide to go his way, I decide to go his way -- my way, because of collision against of me is very big. And definitely Michael Chernoi, I know him much better now, because before I didn't know. I met him a lot, many times, after I start to -- he start also with this

trial. Definitely we discuss and I give statement even in his favour. And he, as I understand, also is my witness.

But Michael Chernoi is much richer than me, now at least, and it's the reason why I didn't have any agreement with Mike Chernoi and no one witness to be paid from the commission -- as a commission if I win this battle.

- Q. Did Michael Chernoi agree to lend you \$50 million to fund this litigation and the Chancery litigation in a transaction which, through Baltic Bank, in return for the repayment, interest and 5 per cent of your recovers in this litigation and the Chancery litigation?
- A. It doesn't coincide with reality completely. It's not a secret that Michael Chernoi help me not with litigation but, as I understand, one of the point of all the parties against of whom I'm fighting, they thought that I will not have enough money for my life even. And Mike Chernoi help me with my life, not with expenses for litigation, yes? It's also absolutely open point.

And moreover, I just want to confirm, my Lady, that we never discussed with Michael Chernoi the compensation as a result of my trial here. But on the other hand, I want just to stress that if I win and Michael will not have money enough for his life, definitely I will give

him money for his life like he gave it to me.

Q. Has Michael Chernoi lent you \$50 million or arranged for you to be lent \$50 million by Baltic Bank?

A. No, no, no, no, no. The number is different, I even don't remember which, but much less.

Q. I see. And have you got an understanding with him that if you win this litigation, he will benefit financially?

A. Again, again, he gave me that money even without guarantee. I didn't sign because I didn't have -- what to put as a guarantee? Sometimes I put guarantee to obtain money: I put, let's say, my house as a collateral to obtain money in banks; I put the other house as well to obtain money for the litigation.

But as far as Michael Chernoi is concerned, it's also exception and surprise for me a little bit that person who didn't have very close relations to me in former time, even I harmed him a little bit when we -- and Gusinsky as well, we describe the aluminium war so-called, yes? And in spite of that, he, at my surprise, help me with my life; and opposite, the people who were very close to me did not do that.

But it's usual story, life story.

MR SUMPTION: Thank you very much, Mr Berezovsky.

MRS JUSTICE GLOSTER: Yes, Mr Malek.

THE WITNESS: Mr Sumption, you have finished with me?

MR SUMPTION: Yes.

THE WITNESS: Thank you.

My Lady -- okay, later on. Because, Mr Sumption,

I just want to --

MRS JUSTICE GLOSTER: No, just a second. The court is --

THE WITNESS: Sorry, sorry, sorry.

MR SUMPTION: You might be wise to keep this point to
yourself, Mr Berezovsky.

THE WITNESS: No, you'll love that.

MRS JUSTICE GLOSTER: No, court is not a social occasion.

THE WITNESS: I'm sorry. Sorry, sorry.

Cross-examination by MR MALEK

MR MALEK: Your Ladyship asked us, the Chancery defendants,
to confirm whether or not we adopted lines of
questioning, and the reference for that is Day 2,
page 146, lines 12 to 14, and I confirm that I do adopt
the line of questioning raised by Mr Sumption.

Mr Berezovsky, can we start off by going back to the
acquisition of the aluminium assets and going back to
February 2000, which we covered earlier today.

A. Just a second, okay. February 2000. Yes, yes, now
I return back.

Q. Yes. Your case in substance is that the KrAZ assets
were a portfolio of aluminium industry assets which you
acquired with Badri and Mr Abramovich in February 2000;

that's your case?

A. KrAZ, it's Russian, it's Krasnoyarsky aluminium plant, yes?

Q. Yes, it's all those assets together.

A. Yes, because I already in English -- I forgot even in Russian. It's KrAZ, it's correct.

Q. I just want to clarify some aspects of this.

A. February 2000 you want to return back, yes?

Q. Yes.

A. Thank you.

Q. Can we just deal first of all with the question of the nature of the interests that you acquired.

As I understand it -- and confirm whether I've got this right -- the interests that you acquired was what? Was it against shares in companies? Was it in relation to claims against any person? Can you help us -- can you explain to us the nature of the interest which you acquired in February 2000, based on your understanding at the time?

A. Yes. That time we bought four companies which today present this position which -- just a second, February 2000 -- which we proposed to buy as far -- my recollection is that Mr Bosov the first person who presented to me and then Badri told me that he already knows about that and Mr Anisimov, the person who had

already long relations, made this proposal. And -- but the discussions start, as I told you -- as I told today, at the end of '99 -- at the end of '99 and discussion was initiated not by me, by people who worry about political instability, and that's it.

- Q. I'm just trying to clarify because you could have acquired shares in particular companies; you could have acquired assets in the companies; you could have acquired rights against the companies.
- A. As I understand, we finally got shares of the companies. I don't know how it was structured before; I just understand that we -- when we bought -- first of all, it was agreement, yes, between parties: between on the one hand Badri, Mr Abramovich, Mr Shvidler, what we discussed together with Mr Sumption; and on the other hand the owners of the assets of the company. I don't know how it was structured. And, as I understand, it was agreement first of all and then, on basing of this agreement, they sold their offshore company, I don't know how it was organised, but the owners of KrAZ and the other company owned that through offshore company, again, as my understanding is.
- Q. Now, the KrAZ agreement, 10 February -- and the reference is H(A)17/146T to 150T --
- A. Just a second.

Q. -- we know that you are not a signatory to that.

A. Yes, it's correct.

Q. You tell us in your evidence -- and could you turn to that, please, in your fourth statement, paragraph 262, which is D2, tab 17, page 251 D2/17/251.

A. D2?

Q. Yes, it's going to be taken to you. D2/17/251.

A. Yes. The paragraph?

Q. Yes, it's at 262.

A. Just a second. (Pause)

Yes.

Q. You say that you've been shown a copy of the contract --

A. Just a second.

I was shown during litigation, not shown before.

Q. Yes. And my question is: am I right in saying that the first time that you actually saw a copy of that agreement was in the course of the litigation?

A. You're absolutely correct.

Q. Now, the next question is about how you held your interest in the KrAZ assets that you say you acquired in February 2000. You've explained to us in the course of your evidence that you were considering in late 1999 asset protections and schemes.

My question is this: was the interest that you acquired in KrAZ an interest that you held personally or

was it held by a company or trust on your behalf?

- A. First of all, I can't recognise difference between how we hold KrAZ, I didn't think about that directly, yes, because for me it was just one deal about four companies, yes? I didn't specify it's KrAZ, it's Bratsk or something else.

And the way how we hold that, I also present today that finally we agreed between me, Abramovich and Badri conditions of our cooperations and then Abramovich and Deripaska prepare this document which we -- or team of Abramovich and Deripaska, they prepare that, and then -- and we discuss, as I present before, the terms, general our relations between Badri, me and Abramovich on the one hand and us and Deripaska from the other hand, and these terms we just as a principle confirm at the meeting in Dorchester Hotel. And, as I understand what was agreed, we hold that through the -- some structures which Abramovich create and keeping our interest as a trust.

- Q. The question is slightly different, Mr Berezovsky. You acquire assets but you normally hold them in a company. So, for example, the French property, it's not held in your own name; it's held in the name of a company. When you buy a boat --

- A. As I understand, it was holding -- moreover, in

Le Bourget Abramovich told us that he already created trust structures which hold the shares. I don't know the details of that.

Q. But your interest in the KrAZ assets that you've told us about, can you help us in terms of which trust or company held it?

A. I don't know the company which hold that.

Q. Now, what about Logovaz? Because one of your witnesses is going to give evidence that Logovaz was involved in a possible deal involving Mr Zhivilo of Mikom. Is that something that you're familiar with?

A. I don't familiar with that. I just familiar that later on, when we obtain interest in aluminium assets and later on Roman and Deripaska, they extend empire and they try to obtain the other assets, like this Novokuznetsky aluminium plant. But I heard no details about that, I just heard they're expanding, because that time I already left Russia.

Q. And this morning you told us about an article in the Vedomosti in March, I think, 2000 where you made reference to Logovaz's decision to expand into the aluminium industry. Do you recall that?

A. Yes, yes, I can use Logovaz because it's company which I funded from the beginning and which directly or indirectly presence and maybe it's just for -- if

I create some public -- maybe some publicly, me, my name, coordinate with Logovaz name because it's the story which I start from the beginning my own, yes? And that means when I say -- when I, let's say, present Logovaz, it means me, yes?

I did not know how it was organised in reality. I don't think that Logovaz was involved in that; at least I don't know anything about it.

Q. So did Logovaz acquire an interest in the KrAZ assets in February 2000?

A. Definitely not.

Q. So why were you reporting in March that --

A. Again, because people know me as Logovaz, yes? And it's reason -- maybe it's not special reason but -- I don't know why I said that -- but Logovaz itself was not involved in that.

Q. Misinformation?

A. Misinformation, if you like, like that.

Q. Could we turn to your statement again at 262, which is in your fourth statement at D2, tab 17, page 252 D2/17/252.

A. Just a second. Just a second. It's my witness statement, yes?

Q. Yes, at 262.

A. 262, yes, I have.

Q. What you say is:

"Although I was not a signatory to the agreement, I considered that I acquired interests under it as a result of the agreements with Badri..."

This is at page 252. You say that you:

"... acquired interests... as a result of the agreements with Badri and... Mr Abramovich that I have discussed above."

Do you see that?

A. Yes, yes --

Q. Do you see that?

A. The purchasers under the agreement are said to be Mr Abramovich, Mr Shvidler and Badri, yes?

Q. Yes. It's --

A. There are three signature -- all three are signed signature.

Q. Yes.

A. Yes, yes, okay.

Q. So the point is although you didn't sign the agreement, you acquired interest under it as a result of the agreements that you refer to?

A. Yes, I didn't sign that because of the reasons which I explain already today: because of the reason that, on the one hand, Abramovich insist and I accept that my political position is very exploded and it's the reason

why I should not sign.

On the other hand, I accept that because at that time I have -- I will have been a member of the Parliament, as Abramovich as well, and it was forbidden to participate in business directly. I participate in the meeting: it's not just breach of law because I start this negotiation about acquiring aluminium assets before I become member of the Parliament.

Q. Yes, I don't want to interrupt you, Mr Berezovsky, but my question is: when you say that you acquired interest under it, am I right in saying that you thought that you were actually a party to the contract although you didn't sign it?

A. No -- yes, yes, I absolutely understand that I am party.

Q. Yes. And what obligations did you assume under this contract, personally?

A. I think that I almost deliver my obligations because everybody knew, including Abramovich, including all the party, that I was the key person who made this deal happen because, as I told you, it's a little bit strange, and you accept that the price was not market price, it was lower than market price, I mean for the assets which they propose. And the reason why they do that was only one: they afraid of future political battles and they decide to sell it.

And I accept the risk because I understood well that we winning, yes? Elections, I mean. Not many people understood that so clear like me. And it's the reason why I have benefit from my knowledge, from my intuition and from my hard work to reach -- to win the elections. It means that I took this risk and it means that my obligations are almost delivered that time already, not exactly, but everybody understood that Putin will become president in March.

And it's the reason why I think that everybody understood my obligations and I already invested much more than anybody more that time.

Q. You say that you were "the key person who made this deal happen".

A. Definitely.

Q. Are you sure about that?

A. 100 per cent.

Q. Could we have a look at your statement at paragraph 256 D2/17/250.

A. Yes.

Q. In fact I think it's 257. Let me just get the reference. You say that:

"I should say that although I have mentioned Mr Bosov, it was Badri who was the deal-maker with regard to the purchase of the Bratsk and Krasnoyarsk

assets."

A. Yes.

Q. So what is your evidence: that you were the key person who put the deal together, or was it Badri?

A. I was the key person and it's clear why: because the initial point was people came to me asking -- proposing to sell. If they will not come to me, it means that it's no deal at all in the beginning.

It's in completion, I mean in negotiation later on, how to structure, how to -- and so-so, definitely Badri and Roman, they play amazing role in that. But as far as their generation of -- not generation -- as far as the beginning of everything, without being impossible to move forward, definitely I was the key person and everybody understood that.

Q. Yes, and I think you have told us that you were heavily involved in the negotiations and attended a number of meetings?

A. A couple -- in several meetings I was involved, as you know, for example Dorchester meeting, and I talk also with Mr Abramovich and with Mr Badri as well.

But again, if you ask me why I think that I'm key person, it's not because I talk with Mr Abramovich or with Mr Badri. It's not so. I key person just because people who propose that, they propose it to me; not even

to Badri, I would like to say. Because they understood that we -- they did not maybe believe so much like we believe that we'll create political stability in Russia, we'll win elections.

It's regular story: before elections all the time, people don't believe what -- are not sure what is happening. And after it's happened with Sibneft, for example, absolutely as well because a lot of speculation even during our discussion and even still in Russia that we bought just for \$100 million. We bought because nobody believe that Communists will lose. And next day after we won, I had proposal for \$1 billion.

It's absolutely clear that we won political battle and people who propose us understood that we understood better what is happening later than they.

Q. Mr Berezovsky, my question is really focusing at this stage just on the aluminium acquisition in the KrAZ assets in February. We're not talking about Dorchester.

A. Mm-hm.

Q. You told us in answer to questions from Mr Sumption this morning -- and you don't need to turn to it but the reference is at [draft] page 15, where you say you participated in several meetings before the meeting in the Dorchester Hotel. Then at [draft] page 17 you say you recall meetings with Lev Chernoi and you refer to

meetings with Mr Anisimov.

A. Yes.

Q. And then you refer to meetings with the brothers and with -- with David Reuben.

A. Not brothers; with brother. With Mr Reuben.

Q. Yes, with --

A. Mr David Reuben, not with Simon.

Q. So it was just in fact David Reuben, not Simon?

A. Yes, yes, correct.

Q. So you've referred to a number of meetings.

Now, I just want to look at that in slightly more detail. So the point is that you, on your evidence, were heavily involved in the negotiations?

A. Not heavily, because people want to see me that I'm really real, I'm sorry to say that, and this was -- definitely they want to understand that it's really me who is part of this deal. I think particularly it was important for David Reuben because he was foreigner, he was not so hard involved in that. But on the other hand, as I told you, that time I had good relations with Mr Anisimov and who else who I mentioned.

Q. But the point is that you were involved in the discussions leading up to the agreement; that's what I think you're telling us?

A. Not -- yes, from general, general point that I'm the

person who is really in the project.

Q. Could you pick up M4 and go to tab 4.

A. I should keep that?

Q. No, you can put the -- that's the only file that you need to have open. Turn, please, to tab 4. Go to page 35 M4/04/35. Somebody should find it.

A. Yes, 35. What is that?

Q. I'll explain this to you now. It's the defence of the third, fifth and tenth defendants: that's Mr Anisimov and the companies related to him.

A. Yes.

Q. And what is pleaded there -- could you turn to paragraph 20 --

A. Yes.

Q. -- which is at M4/04/35. What is pleaded there, set out, is this:

"Mr Berezovsky was neither a party to the KrAZ Agreement nor was he present at any of the meetings at which the sale of the KrAZ Assets was discussed or agreed. And, as far as Mr Anisimov is aware, at no time did Mr Berezovsky have any interest in, or entitlement to, those assets."

What I would like to do is focus on the first sentence, which is that:

"Mr Berezovsky... was [not] present at any of the

meetings at which the sale of the KrAZ assets was discussed or agreed."

- A. Again, definitely I had a lot of meetings with Mr Anisimov and definitely it's absolutely not true what Anisimov try to present here.

As well you know, my Lady, that Anisimov said that he never have been my friend, that he doesn't even almost know -- doesn't know who is Mr Berezovsky. I just want to remind you -- this is in the papers -- that Mr Anisimov even present on my birthday when I celebrate in Cap d'Antibes. It was 2001, I celebrate 55 years, and it happened definitely after we already made a deal about Rusal is concerned. Anisimov, even more, he came even day before to celebrate birthday of my daughter, who was born 22nd January.

I just -- I'm sorry that is so long again. It's completely wrong what Mr Anisimov is presenting here.

- Q. And it's wrong because you were present at meetings at which the sale of KrAZ assets were discussed?

- A. I don't remember any meeting which I present. I just remember that I talk to Mr Anisimov about that or Mr Anisimov talk with me about that. I remember that Mr David Reuben talk with me about that. But I don't remember, I don't recollect meeting, formal meeting, where we are sitting together to discuss. I don't

remember that. Moreover, I'm almost sure that I haven't present on the meeting.

Q. I thought earlier you were telling us that you were at a lot of the meetings?

A. "Meetings" means for me -- I'm sorry, maybe it's the miscalculation in translation. "Meeting" for me is, for example, I meet Mr Anisimov; not formal meeting, just to discuss with him. Or I met someone, David Reuben. For me it's not meeting; it's just we met and we discuss.

It's not meeting with prepared the plan of the meeting, with presence there, the date there; I haven't been there, it's true. But as far as my meeting, personal meeting with Mr Anisimov to discuss that, with Mr Reuben to discuss that, it's happened like that. It's not formal meeting, it's true, because I was not a party of this type of meetings.

Q. Could you move on to, in the same bundle, M4/08/122. Somebody should find that for you, please.

A. Yes.

Q. In response to this, what you -- this is your document --

A. Yes.

Q. -- served on your behalf. As to the first sentence, the one that we've just been looking at --

A. Yes, yes. (a), yes?

Q. Yes.

A. Just a second. Just a second.

Q. Read it to yourself.

A. Yes. What is that, this paper?

Q. If you go to page 117, it's a reply and if we go to
the --

A. This is reply of whom?

Q. It's your reply.

A. Yes, okay.

Q. If you turn to the last page of this at 134 --

A. Just a second, again I want just to be correct. Where
is the end of this reply?

Q. It's M4/08/134.

A. 134, just a second. It's my reply, it's not Mr -- no,
it's Mr Marino, it's not my reply, yes? It's pleading
of Mr Marino, as I understand, correct?

Q. Yes --

A. It's not my reply, yes?

Q. It is.

A. No, I mean -- Mr Marino signed, it means my reply but
through Mr Marino, yes.

Q. Yes, but just look at the statement of truth:

"The claimant [that's you] believes that the facts
stated in the reply are true."

A. Yes, yes, no, no, I accept.

Q. You understand?

A. I just want to clarify. Nothing more.

Q. What you say at paragraph 10 --

A. Paragraph?

Q. At page M4/08/122, at 10(1).

A. Paragraph 8. I don't see paragraph 8, I'm sorry.

Q. Sorry, it's page M4/08/122 and it's paragraph 10(1).

What it says is:

"As to paragraph 20..."

And I'll read it:

"(a) It is admitted, subject to paragraph 9(1) of this Reply, that Mr Berezovsky did not participate in the negotiations in person. As set out above, Mr Patarkatsishvili had conduct of the negotiations on behalf of the purchasers..."

If we then go back one page, you can see that 9(1) reads:

"Mr Patarkatsishvili was asked" --

A. 9?

Q. 9(1).

A. Just a second.

Q. Page 121, going back one page.

A. Yes.

Q. What is stated there is that:

"Mr Patarkatsishvili was asked in late 1999 to

assist Mr Cherney and Mr Anisimov in resolving a dispute about control of aluminium production plants... Shortly thereafter, Mr Bosov approached Mr Berezovsky with a proposal that he purchase various aluminium plant interests in the Krasnoyarsk and Bratsk regions..."

A. Yes, it's absolutely correct what is written here.

Q. Yes, but the suggestion that you were involved in a number of discussions --

A. Again, number of informal, my Lady, discussions, which what I tell. It means that definitely they talk to me, they negotiate with me, I was not involved in formal discussion with a schedule and so, but definitely each of them who I mentioned, yes, they talk to me. I knew well that time, maybe even better than others except of Mr Anisimov, I knew well Lev Chernoi as well and I had already practise to cooperate with him on the other field, in politics and so, because he like to discuss that and so.

But again it was my participation as at private meetings, not in formal meetings. It means that I did not discuss exact terms and so-so, they knew that I'm one of the -- part of the party, that's it, and I am not -- not because of my status, not because of that, but definitely on the other hand I really had a lot to do but I met them privately and talked to them about

this deal because I knew that they are those people who sell their interests. That's it.

Q. So the statement, going back to paragraph 10(1) at page M4/08/122, that you did not participate in the negotiations in person, is that true?

A. Again, what means meeting? Let's -- okay, let's go to the point. What means meeting and what means negotiations? Meeting for me is formal meeting; negotiations, it's negotiations during this formal meeting. I never participate in formal meeting, it's true, but I met them, each of them I knew, each of them well, and I discuss with them. Just, again, as I told you starting to answer to your question, I just show up that I am here. It's true that we are going to buy and I am part of this deal. That's it.

Q. What discussions did you have with Mr Anisimov about this deal in terms of --

A. Anisimov just -- I don't recollect definitely which kind of discussion I had with him but Anisimov was close friend of Badri and I didn't recollect that I met Mr Anisimov separately for that. I met him together with Badri and I don't recollect exactly what we were discussing.

At the same time I don't recollect exactly what we discuss with Mr Reuben David. And you remember that

even in my statement, because I really forgot, even in my statement I think, which I present here, I did not mention Reuben and so but here I mentioned because that time I remembered this, that I had these meetings, yes. And that's it.

Q. You remember it today, is that right?

A. What do you mean today? Today, definitely I don't remember well.

Q. Yes. If we can turn to your statement at paragraphs 254 to 257 of B4 D2/17/250.

A. Just a second, can I keep that or you don't need it anymore?

Q. I don't need it anymore, you can put it away.

A. 25?

Q. Yes, 254. It's right that --

A. Just a second. I just need to remind because a lot of jumps from one point to another point.

Q. Yes, let me just pose a question and then you can answer it. There's absolutely no mention here of any discussion or meeting with Mr Anisimov, is there?

A. No, again, it's even did not mention here discussion with Mr Reuben as well, as I understand, but on the other hand I remind that, okay, in some moment, I present that today, my recollection, yes, that I met definitely Mr Reuben, I met definitely Mr Anisimov.

It's not possible without Anisimov because, as I said, Badri -- Anisimov was very close to Badri and it's Anisimov who was one of the shareholder, as I understand, the assets which we bought.

Q. Mr Berezovsky, it's very difficult, isn't it, to make things up as you go along? About ten minutes ago --

A. Sorry?

Q. It's difficult to make things up as you go along.

A. Yes.

Q. Ten minutes earlier, and this is at [draft] page 156, you said:

"Again, definitely I had a lot of meetings with Mr Anisimov and definitely it's absolutely not true what Anisimov tried to present here."

A. Absolutely correct, because I have meeting with Mr Anisimov not because of this deal as well. As far as this deal is concerned, I had meetings with Mr Anisimov in Badri presence. I don't remember that -- I can't recollect that I had separate meetings with Mr Anisimov. I recollect that with Mr Badri. What is wrong with that?

MR MALEK: My Lady, I was about to move on to something else.

MRS JUSTICE GLOSTER: Very well. I'll finish there for the day. The court is not sitting tomorrow. Monday,

Mr Rabinowitz, 10.15?

MR RABINOWITZ: Yes.

MRS JUSTICE GLOSTER: Mr Malek, are you content with that?

MR MALEK: Yes, absolutely.

MRS JUSTICE GLOSTER: Mr Sumption, are you content with
10.15.

MR SUMPTION: Yes.

MRS JUSTICE GLOSTER: Very well. 10.15 Monday.

Again, don't talk to anyone about --

THE WITNESS: Yes, my Lady. Thank you.

(4.15 pm)

(The hearing adjourned until
Monday, 17 October 2011 at 10.15 am)

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