

CENTRAL EUROPE & RUSSIA FUND, INC.
Form N-Q
September 26, 2007
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-6041

Central Europe & Russia Fund, Inc.

(Exact name of registrant as specified in charter)

345 Park Avenue

New York, NY 10154

(Address of principal executive offices) (Zip code)

Paul Schubert

345 Park Avenue

New York, NY 10154

(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 454-7190

Date of fiscal year end: 10/31/07

Date of reporting period: 07/31/07

ITEM 1. SCHEDULE OF INVESTMENTS

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THE CENTRAL EUROPE AND RUSSIA FUND, INC.
SCHEDULE OF INVESTMENTS JULY 31, 2007

| Shares | Description | Value |
|--|-------------------------------------|---------------|
| INVESTMENTS IN RUSSIAN COMMON STOCKS 50.1% | | |
| COMMERCIAL BANKS 4.6% | | |
| 10,421,000 | Sberbank | \$ 43,247,150 |
| 1,000 | Sberbank RF (GDR) Reg S* | 453,240 |
| | | 43,700,390 |
| DIVERSIFIED TELECOMMUNICATION SERVICES 1.4% | | |
| 600,000 | Comstar United Telesystems (GDR) | 6,570,000 |
| 117,100 | Rostelecom (ADR)* | 6,768,380 |
| | | 13,338,380 |
| FINANCIALS 1.0% | | |
| 865,500 | VTB Bank OJSC (GDR) Rgs S* | 9,217,575 |
| FOOD PRODUCTS 0.6% | | |
| 60,000 | Lebedyansky JSC | 5,550,000 |
| MATERIALS 0.1% | | |
| 3,000 | Vsmo-Avisma Corporation | 882,000 |
| METALS & MINING 8.0% | | |
| 200,000 | Evrax Group (GDR) Reg S | 9,740,000 |
| 250,000 | JSC MMC Norilsk Nickel (ADR) | 59,375,000 |
| 3,500 | Vyksa Metallurgical Plant* | 5,390,000 |
| | | 74,505,000 |
| MULTI-UTILITIES 4.6% | | |
| | ROA Unified Energy | |
| 313,000 | System of Russia (GDR) Reg S | 43,272,250 |
| OIL, GAS & CONSUMABLE FUELS 26.6% | | |
| 1,400,000 | Gazprom | 15,260,000 |
| | Integra Group Holdings (GDR) Reg S* | 8,928,950 |
| 498,824 | LUKOIL (ADR) | 64,400,000 |
| 800,000 | NovaTek OAO (GDR) Reg S | 14,661,000 |
| 270,000 | OAO Gazprom (ADS) | 75,037,500 |
| 1,725,000 | Rosneft Oil Company (GDR) | 35,615,000 |
| 4,250,000 | Surgutneftegaz (ADR) | 22,600,000 |
| 400,000 | Tatneft (GDR) Reg S | 7,021,000 |
| 70,000 | OAO TMK Reg S | 3,649,100 |
| 91,000 | | |
| | | 247,172,550 |
| PHARMACEUTICALS 0.5% | | |
| 78,570 | Pharmstandard* | 4,753,485 |

| Shares | Description | Value |
|---|--------------------------------|--------------|
| REAL ESTATE 0.3% | | |
| 300,000 | RGI International Ltd.* | \$ 2,925,000 |
| WIRELESS TELECOMMUNICATION SERVICES 1.0% | | |
| 50,000 | Mobile Telesystems (ADR) | 3,220,000 |
| 100,000 | Mobile Telesystems (GDR) Reg S | 6,440,000 |

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| | | | |
|--|-----------|---|--------------|
| | | | 9,660,000 |
| | | PREFERRED STOCKS | 1.4% |
| | | ENERGY | 1.4% |
| | 7,000 | Transneft (Cost \$15,820,090) | 12,950,000 |
| | | Total Investment in Russian Securities (cost \$242,207,459) | 467,926,630 |
| INVESTMENTS IN POLISH COMMON STOCKS | | | 17.4% |
| | | BUILDING PRODUCTS | 0.1% |
| | 80,425 | Cersanit-Krasnystaw* | 1,198,956 |
| | | COMMERCIAL BANKS | 8.6% |
| | 350,000 | Bank Pekao | 32,615,446 |
| | | Bank Przemyslowo-Handlowy | |
| | 10,000 | BPH | 3,505,795 |
| | | Powszechna Kasa Oszczednosci | |
| | 2,078,000 | Bank Polski | 44,265,444 |
| | | | 80,386,685 |
| | | DIVERSIFIED TELECOMMUNICATION SERVICES | 3.1% |
| | 3,195,207 | Telekomunikacja Polska | 25,449,062 |
| | | Telekomunikacja | |
| | 490,000 | Polska 144A (GDR) | 3,920,000 |
| | | | 29,369,062 |
| | | MEDIA | 0.4% |
| | 469,056 | TVN | 3,971,319 |
| | | METAL & MINING | 2.7% |
| | 550,000 | KGHM Polska Miedz | 25,100,191 |
| | | OIL, GAS & CONSUMABLE FUELS | 2.4% |
| | 786,102 | Polski Koncern Naftowy Orlen | 15,652,788 |
| | | Polski Koncern Naftowy Orlen | |
| | 149,500 | (GDR) Reg S* | 6,114,550 |
| | | | 21,767,337 |

THE CENTRAL EUROPE AND RUSSIA FUND, INC.
SCHEDULE OF INVESTMENTS JULY 31, 2007 (continued)

| Shares | Description | Value |
|---|---|-------------------------|
| | REAL ESTATE 0.1% | |
| 25,100 | Echo Investment* | \$ 856,392 |
| | Total Investments in Polish Common Stocks (cost \$96,146,137) | 162,649,943 |
| INVESTMENTS IN HUNGARIAN COMMON STOCKS 5.5% | | |
| | COMMERCIAL BANKS 2.4% | |
| 387,400 | OTP Bank | 22,082,306 |
| | DIVERSIFIED TELECOMMUNICATION SERVICES 1.1% | |
| 2,000,000 | Magyar Telekom Nyrt. | 10,409,408 |
| | OIL, GAS & CONSUMABLE FUELS 1.2% | |
| 70,000 | MOL Hungarian Oil and Gas Nyrt. | 11,004,192 |
| | PHARMACEUTICALS 0.8% | |
| 30,000 | Richter Gedeon Nyrt. | 6,157,448 |
| 4,300 | Richter Gedeon Nyrt. (GDR) | 866,450 |
| | Total Investments in Hungarian Common Stocks (cost \$22,630,381) | 7,023,898 50,519,804 |
| INVESTMENTS IN CZECH REPUBLIC COMMON STOCKS 5.2% | | |
| | DIVERSIFIED TELECOMMUNICATION SERVICES 1.4% | |
| 450,000 | Telefonica 02 Czech Republic | 12,857,143 |
| | MULTI-UTILITIES 3.8% | |
| 675,000 | Ceske Energeticke Zavody | 35,472,527 |
| | Total Investments in Czech Republic Common Stocks (cost \$13,750,971) | 48,329,670 |
| INVESTMENTS IN TURKISH COMMON STOCKS 12.0% | | |
| | AUTOMOBILES 1.1% | |
| 400,000 | Ford Otomotiv Sanayi | 4,003,754 |
| 1,350,000 | Tofas Turk Otomobil Fabrikasi | 6,597,982 |
| | | 10,601,736 |
| | | |
| Shares | Description | Value |
| | BUILDING PRODUCTS 0.3% | |
| 778,517 | Trakya Cam Sanayii | \$ 2,958,705 |
| | CONSTRUCTION & ENGINEERING 1.2% | |
| 900,000 | Enka Insaat ve Sanayi | 11,401,314 |
| | CONSTRUCTION MATERIALS 0.6% | |
| 690,000 | Akcansa Cimento | 5,233,813 |
| | CONSUMER DISCRETIONARY 0.7% | |
| 2,000,000 | | 6,255,865 |

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Hurriyet Gazetecilik ve
Matbaacilik

**DIVERSIFIED FINANCIAL
SERVICES 3.6%**

| | | |
|-----------|---------------------------------|------------|
| 788,187 | Akbank T.A.S. | 5,454,687 |
| 2,400,000 | Turkiye Garanti Bankasi | 16,890,837 |
| 1,400,000 | Turkiye Is Bankasi | 7,772,911 |
| 1,000,000 | Turkiye Vakiflar Bankasi T.A.O. | 3,268,689 |
| | | 33,387,124 |

ENERGY 1.3%

| | | |
|---------|------------------------------------|------------|
| 500,000 | Tupras-Turkiye Petrol Rafinerileri | 12,511,730 |
|---------|------------------------------------|------------|

**FOOD & STAPLES
RETAILING 1.5%**

| | | |
|---------|------------------------|------------|
| 203,200 | BIM Birlesik Magazalar | 13,903,660 |
|---------|------------------------|------------|

**HOTELS RESTAURANTS &
LEISURE 0.4%**

| | | |
|-----------|---------------------------------|-----------|
| 3,840,000 | Marmaris Marti Otel Isletmeleri | 4,143,885 |
|-----------|---------------------------------|-----------|

INSURANCE 0.8%

| | | |
|-----------|-------------------------|-----------|
| 1,520,833 | Anadolu Hayat Emeklilik | 7,016,669 |
|-----------|-------------------------|-----------|

**WIRELESS TELECOMMUNICATION
SERVICES 0.5%**

| | | |
|---------|------------------------------|-----------|
| 683,166 | Turkcell Iletisim Hizmetleri | 4,888,155 |
|---------|------------------------------|-----------|

Total Investments in Turkish
Common Stocks
(cost \$68,644,083)

112,302,656

**INVESTMENTS IN SWEDISH
COMMON STOCKS 0.4%**

ENERGY 0.4%

| | | |
|--------|------------------|-----------|
| 52,000 | Vostok Gas Ltd.* | 3,017,960 |
|--------|------------------|-----------|

| | | |
|--------|-------------------------------|---------|
| 52,000 | Vostok Nafta Investment Ltd.* | 561,526 |
|--------|-------------------------------|---------|

Total Investments in Swedish
Common Stocks
(cost \$427,267)

3,579,486

THE CENTRAL EUROPE AND RUSSIA FUND, INC.
SCHEDULE OF INVESTMENTS JULY 31, 2007 (continued)

| Shares | Description | Value |
|---|--|-----------------------|
| INVESTMENTS IN AUSTRIAN COMMON STOCKS 2.5% | | |
| | COMMERCIAL BANKS 2.5% | |
| | Erste Bank der oesterreichischen Sparkassen* | |
| 310,868 | (cost \$12,525,110) | \$ 23,612,001 |
| INVESTMENTS IN DUTCH COMMON STOCKS 0.3% | | |
| | BEVERAGES 0.3% | |
| | Efes Breweries International (GDR)(a)* | |
| 93,000 | (cost \$3,091,954) | 2,778,840 |
| INVESTMENTS IN CYPRUS COMMON STOCKS 0.7% | | |
| | OIL, GAS & CONSUMABLE FUELS 0.7% | |
| | Urals Energy Public Co., Ltd.(a)* | |
| 1,000,000 | (cost \$5,207,866) | 6,858,000 |
| INVESTMENTS IN BERMUDA COMMON STOCKS 0.5% | | |
| | OIL, GAS & CONSUMABLE FUELS 0.5% | |
| | Central European Media Enterprises(b)* | |
| 50,000 | (cost \$4,952,495) | 4,666,000 |
| CLOSED END INVESTMENT COMPANY 1.6% | | |
| | VIRGIN ISLANDS 1.6% | |
| | RenShares Utilities Limited(a) | |
| 4,094,119 | (cost \$6,511,451) | 14,738,828 |
| | Total Investments in Common Stocks 95.6% | |
| | (cost \$476,095,174) | 897,961,858 |
| SECURITIES LENDING COLLATERAL 2.9% | | |
| | Description | Value |
| | Daily Assets Fund Institutional, 5.36% | |
| 27,161,611 | (cost \$27,161,611) | \$ 27,161,611 |
| | Total Investments 99.1% | |
| | (cost \$503,256,785) | 925,123,469 |
| | Other Assets and Liabilities, Net 0.9% | 8,578,963 |
| | NET ASSETS 100.0% | \$ 933,702,432 |

* Non-income producing security.

144A - Restricted to resale to institutional investors only.

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All or a portion of these securities were on loan. The value of all securities loaned at July 31, 2007 amounted to \$26,474,454, which is 2.8% of the net assets.

Represents collateral held in connection with securities lending. Daily Assets Fund Institutional, an affiliated fund, is managed by Deutsche Investment Management America Inc. The rate shown is the annualized seven-day yield at period end.

- (a) Security listed in country of incorporation. Significant business activities of company are in Russia.
- (b) Security listed in country of incorporation. Significant business activities of company are in Slovakia.

Key

ADR American Depository Receipt

ADS American Depository Share

GDR Global Depository Receipt

SDR Swedish Depository Receipt

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ITEM 2. CONTROLS AND PROCEDURES

(a) The Chief Executive and Financial Officers concluded that the Registrant's Disclosure Controls and Procedures are effective based on the evaluation of the Disclosure Controls and Procedures as of a date within 90 days of the filing date of this report.

(b) There have been no changes in the registrant's internal control over financial reporting that occurred during the registrant's last half-year (the registrant's second fiscal half-year in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal controls over financial reporting.

ITEM 3. EXHIBITS

Certification pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) is filed and attached hereto as Exhibit 99.CERT.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: Central Europe & Russia Fund, Inc.

By: /s/Michael G. Clark
Michael G. Clark

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President

Date: September 14, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Registrant: Central Europe & Russia Fund, Inc.

By: /s/Michael G. Clark
Michael G. Clark

President

Date: September 14, 2007

By: /s/Paul Schubert
Paul Schubert

Chief Financial Officer and Treasurer

Date: September 14, 2007