

Edgar Filing: CENTRAL EUROPE & RUSSIA FUND INC - Form N-Q

CENTRAL EUROPE & RUSSIA FUND INC  
Form N-Q  
September 29, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM N-Q  
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY  
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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  
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Date of fiscal year end: 10/31  
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Date of reporting period: 7/31/05  
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Form N-Q is to be used by registered management investment companies, other than small business investment companies registered on Form N-5 (ss.ss. 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-4). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. SCHEDULE OF INVESTMENTS

THE CENTRAL EUROPE AND RUSSIA FUND, INC.  
SCHEDULE OF INVESTMENTS -- JULY 31, 2005 (UNAUDITED)

-----  
SHARES DESCRIPTION VALUE  
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|  |  |              |
|--|--|--------------|
| INVESTMENTS IN RUSSIAN SECURITIES -- 44.1% |  |              |
| COMMON STOCKS -- 41.9%                     |  |              |
| DIVERSIFIED TELECOMMUNICATION              |  |              |
| SERVICES -- 0.7%                           |  |              |
| 200,000                                    | Rostelecom (ADR)++ .....   | \$ 2,510,000 |
| -----                                      |  |              |
| FOOD PRODUCTS -- 0.6%                      |  |              |
| 50,000                                     | Lebedyansky* .....   | 2,280,000    |
| -----                                      |  |              |
| METALS & MINING -- 10.1%                   |  |              |
| 496,000                                    | JSC MMC Norilsk Nickel (ADR) .....                               | 34,224,000   |
| 100,000                                    | Mechel Steel Group OAO (ADR) .....                               | 2,767,000    |
| 3,500                                      | Vyksa Metallurgical Plant* .....                                 | 1,487,500    |
| -----                                      |  |              |
| 38,478,500                                 |  |              |
| -----                                      |  |              |
| MULTI-UTILITIES -- 3.9%                    |  |              |
| 468,000                                    | Unified Energy System (GDR) .....                                | 14,718,600   |
| -----                                      |  |              |
| OIL, GAS & Consumable                      |  |              |
| FUELS -- 24.9%                             |  |              |
| 868,000                                    | Lukoil (ADR) .....   | 35,891,800   |
| 240,000                                    | OAO Gazprom (ADR) .....  | 9,600,000    |
| 76,000                                     | Siberian Oil Company America<br>(ADR)++ .....                    | 1,166,600    |
| 850,000                                    | Surgutneftegaz (ADR)++ .....                                     | 34,714,000   |
| 252,500                                    | Tatneft (ADR) .....  | 10,428,250   |
| 330,000                                    | Tyumen Oil Company* .....  | 1,636,800    |
| 500,000                                    | Ufimskij Npzh* .....   | 404,250      |
| 52,000                                     | Vostok Nafta Investment (SDR)* .....                             | 1,215,032    |
| -----                                      |  |              |
| 95,056,732                                 |  |              |
| -----                                      |  |              |
| WIRELESS TELECOMMUNICATION                 |  |              |
| SERVICES -- 1.7%                           |  |              |
| 140,000                                    | Mobile Telesystems (GDR) .....                                   | 4,961,600    |
| 45,500                                     | Vimpel Communications (ADR)* .....                               | 1,734,460    |
| -----                                      |  |              |
| 6,696,060                                  |  |              |
| -----                                      |  |              |
| Total Common Stocks                        |  |              |
| (cost \$107,139,779) .....                 |  | 159,739,892  |
| -----                                      |  |              |
| WARRANTS -- 2.2%                           |  |              |
| OIL, GAS & CONSUMABLE                      |  |              |
| FUELS -- 2.2%                              |  |              |
| 7,750                                      | Transneft Warrants (expire 4/18/06)*<br>(Cost \$6,771,010) ..... | 8,204,929    |
| -----                                      |  |              |
| Total Investments in Russian               |  |              |
| Securities (cost \$113,910,789) .....      |  | 167,944,821  |
| -----                                      |  |              |
| SHARES                                     | DESCRIPTION  | VALUE        |
| -----                                      | -----  | -----        |
| INVESTMENTS IN POLISH                      |  |              |
| COMMON STOCKS -- 18.4%                     |  |              |
| BUILDING PRODUCTS -- 0.8%                  |  |              |
| 85,095                                     | Cersanit-Krasnystaw* .....                                       | \$ 3,068,115 |
| -----                                      |  |              |

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|           |                                     |            |
|-----------|-------------------------------------|------------|
|           | COMMERCIAL BANKS -- 3.9%            |            |
| 81,746    | Bank Pekao .....                    | 3,717,840  |
| 178,094   | Bank Pekao (GDR) .....              | 7,727,498  |
| 38,000    | Bank Pekao (GDR)+ .....             | 1,648,820  |
| 13,050    | ING Bank Slaski .....               | 1,716,129  |
|           |                                     | -----      |
|           |                                     | 14,810,287 |
|           |                                     | -----      |
|           | CONSTRUCTION                        |            |
|           | & ENGINEERING -- 0.1%               |            |
| 40,842    | Budimex* .....                      | 516,925    |
|           |                                     | -----      |
|           | CONSTRUCTION                        |            |
|           | MATERIALS -- 0.5%                   |            |
| 128,800   | Opoczno* .....                      | 1,953,909  |
|           |                                     | -----      |
|           | DIVERSIFIED FINANCIAL               |            |
|           | SERVICES -- 0.7%                    |            |
| 14,539    | Bank Prezemyslowo-Handlowy .....    | 2,553,602  |
|           |                                     | -----      |
|           | DIVERSIFIED                         |            |
|           | TELECOMMUNICATION                   |            |
|           | SERVICES -- 3.9%                    |            |
| 1,670,207 | Telekomunikacja Polska .....        | 11,444,224 |
| 490,000   | Telekomunikacja Polska (GDR)+ ..... | 3,307,500  |
|           |                                     | -----      |
|           |                                     | 14,751,724 |
|           |                                     | -----      |
|           | INTERNET SOFTWARE                   |            |
|           | & SERVICES -- 0.3%                  |            |
| 32,154    | Prokom Software .....               | 1,058,299  |
|           |                                     | -----      |
|           | MEDIA -- 0.1%                       |            |
| 39,000    | Tvn* .....                          | 589,300    |
|           |                                     | -----      |
|           | METAL & MINING -- 1.5%              |            |
| 497,029   | KGHM Polska Miedz .....             | 5,562,037  |
|           |                                     | -----      |
|           | OIL, GAS & CONSUMABLE               |            |
|           | FUELS -- 5.6%                       |            |
| 661,102   | Polski Koncern Naftowy .....        | 10,701,540 |
| 180,000   | Polski Koncern Naftowy (GDR)+ ..... | 5,819,400  |
| 144,500   | Polski Koncern Naftowy (GDR) .....  | 4,833,335  |
|           |                                     | -----      |
|           |                                     | 21,354,275 |
|           |                                     | -----      |
|           | REAL ESTATE -- 1.0%                 |            |
| 109,018   | Echo Investment* .....              | 3,783,875  |
|           |                                     | -----      |
|           | Total Investments in Polish         |            |
|           | Common Stocks                       |            |
|           | (cost \$26,736,198) .....           | 70,002,348 |
|           |                                     | -----      |

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| SHARES                        | DESCRIPTION  | VALUE        |
|-------------------------------|--|--------------|
| INVESTMENTS IN HUNGARIAN      |  |              |
| COMMON STOCKS -- 10.4%        |  |              |
|                               | CHEMICALS -- 0.7%  |              |
| 193,000                       | Borsodchem .....   | \$ 2,443,511 |
|                               | COMMERCIAL BANKS -- 3.8%   |              |
| 337,400                       | OTP Bank .....   | 12,726,389   |
| 25,000                        | OTP Bank (GDR) .....   | 1,897,500    |
|                               |  | 14,623,889   |
|                               | OIL, GAS & CONSUMABLE  |              |
|                               | FUELS -- 4.5%  |              |
| 110,000                       | Mol Magyar Olaj-ES Gazipari .....  | 11,055,139   |
| 61,000                        | Mol Magyar Olaj-ES Gazipari<br>(GDR) .....                                       | 6,161,000    |
|                               |  | 17,216,139   |
|                               | PHARMACEUTICALS -- 1.4%  |              |
| 30,000                        | Gedeon Richter .....   | 4,764,504    |
| 4,300                         | Gedeon Richter (GDR) .....   | 675,100      |
|                               |  | 5,439,604    |
|                               | Total Investments in Hungarian<br>Common Stocks<br>(cost \$10,783,177) .....     | 39,723,143   |
| INVESTMENTS IN CZECH REPUBLIC |  |              |
| COMMON STOCKS -- 5.9%         |  |              |
|                               | COMMERCIAL BANKS -- 1.7%   |              |
| 4,500                         | Komercni Banka .....   | 598,269      |
| 139,996                       | Komercni Banka (GDR) .....   | 6,061,827    |
|                               |  | 6,660,096    |
|                               | MULTI-UTILITIES -- 4.2%  |              |
| 750,000                       | Ceske Energeticke Zavody .....   | 15,932,658   |
|                               | Total Investments in Czech<br>Republic Common Stocks<br>(cost \$4,219,728) ..... | 22,592,754   |
| INVESTMENTS IN TURKISH        |  |              |
| COMMON STOCKS -- 12.5%        |  |              |
|                               | BUILDING PRODUCTS -- 0.5%  |              |
| 518,568                       | Trakya Cam Sanayii .....   | 1,979,417    |
|                               | COMMERCIAL BANKS -- 0.9%   |              |
| 316,420                       | Denizbank* .....   | 1,423,053    |
| 431,276                       | Finansbank* .....  | 1,890,701    |
|                               |  | 3,313,754    |
| SHARES                        | DESCRIPTION  | VALUE        |

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|                          |  |              |
|--------------------------|--|--------------|
| DIVERSIFIED FINANCIAL    |  |              |
| SERVICES -- 7.2%         |  |              |
| 1,125,000                | Akbank .....   | \$ 6,250,000 |
| 400,000                  | Haci Omer Sabanci Holding .....  | 1,738,473    |
| 2,166,356                | Turkiye Garanti Bankasi* .....   | 5,993,093    |
| 1,956,000                | Turkiye Is Bankasi .....   | 11,162,358   |
| 550,000                  | Yapi Ve Kredi Bankasi* .....   | 2,411,187    |
|                          |  | -----        |
|                          |  | 27,555,111   |
|                          |  | -----        |
| FOOD & STAPLES           |  |              |
| Retailing -- 0.3%        |  |              |
| 53,200                   | Bim Birlesik Magazalar* .....  | 1,156,085    |
|                          |  | -----        |
| HOUSEHOLD                |  |              |
| DURABLES -- 0.6%         |  |              |
| 600,000                  | Vestel Elektronik Sanayi* .....  | 2,335,601    |
|                          |  | -----        |
| INDUSTRIAL               |  |              |
| CONGLOMERATES -- 0.5%    |  |              |
| 600,000                  | Dogan Sirketler Grubu Holdings*  | 1,750,567    |
|                          |  | -----        |
| OIL, GAS & CONSUMABLE    |  |              |
| FUELS -- 0.8%            |  |              |
| 200,000                  | Tupras-Turkiye Petrol<br>Rafinerileri .....                                | 2,932,729    |
|                          |  | -----        |
| WIRELESS                 |  |              |
| TELECOMMUNICATION        |  |              |
| SERVICES -- 1.7%         |  |              |
| 1,175,998                | Turkcell Iletisim Hizmetleri .....   | 6,488,881    |
|                          |  | -----        |
|                          | Total Investments in Turkish Common Stocks<br>(cost \$29,828,700)          | 47,512,145   |
|                          |  | -----        |
| INVESTMENTS IN AUSTRIAN  |  |              |
| COMMON STOCKS -- 3.1%    |  |              |
| COMMERCIAL BANKS -- 3.1% |  |              |
| 196,740                  | Erste Bank Der Oester Spark .....  | 10,043,774   |
| 32,300                   | Raiffeisen International Bank<br>Holding* .....                            | 1,826,405    |
|                          |  | -----        |
|                          |  | 11,870,179   |
|                          |  | -----        |
|                          | Total Investments in Austrian<br>Common Stocks<br>(cost \$6,612,046) ..... | 11,870,179   |
|                          |  | -----        |

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THE CENTRAL EUROPE AND RUSSIA FUND, INC.  
SCHEDULE OF INVESTMENTS -- JULY 31, 2005 (UNAUDITED) (CONTINUED)

| SHARES                | DESCRIPTION | VALUE |
|-----------------------|-------------|-------|
| -----                 | -----       | ----- |
| INVESTMENTS IN DUTCH  |             |       |
| COMMON STOCKS -- 2.0% |             |       |

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|         |   |            |
|---------|---|------------|
|         | BEVERAGES -- 0.2%   |            |
| 23,000  | Efes Breweries International<br>(GDR) .....                             | \$ 833,750 |
|         |   | -----      |
|         | FOOD & STAPLES  |            |
|         | RETAILING -- 1.8%   |            |
| 419,700 | Pyaterochka Holding (GDR)* .....  | 6,736,185  |
|         |   | -----      |
|         | Total Investments in Dutch<br>Common Stocks<br>(cost \$5,913,905) ..... | 7,569,935  |
|         |   | -----      |

| SHARES             | DESCRIPTION   | VALUE         |
|--------------------|---|---------------|
| -----              | -----   | -----         |
| SECURITIES LENDING |   |               |
|                    | COLLATERAL -- 9.3%  |               |
| 35,564,400         | Scudder Daily Assets Fund<br>Institutional, 3.34%+++<br>(cost \$35,564,400) ..... | \$ 35,564,400 |
|                    |   | -----         |
|                    | Total Investments--105.7%<br>(cost \$233,568,943) .....                           | \$402,779,725 |
|                    | Liabilities in excess of cash<br>and other assets--(5.7)% .....                   | (21,689,052)  |
|                    |   | -----         |
|                    | NET ASSETS--100.0% .....  | \$381,090,673 |
|                    |   | -----         |

- 
- \* Non-income producing security.
  - + 144A - Restricted to resale to institutional investors only.
  - ++ All or a portion of these securities were on loan. The value of all securities loaned at July 31, 2005 amounted to \$34,136,910, which is 9.0% of the net assets.
  - +++ Represents collateral held in connection with securities lending. Scudder Daily Assets Fund Institutional, an affiliated fund, is managed by Deutsche Asset Management Inc. The rate shown is the annualized seven-day yield at period end.

Key

- 
- ADR -- American Depository Receipt
  - GDR -- Global Depository Receipt
  - SDR -- Swedish Depository Receipt

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: The Central Europe and Russia Fund

By: /s/Julian Sluyters  
Julian Sluyters

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Chief Executive Officer

Date: September 23, 2005

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: The Central Europe and Russia Fund

By: /s/Julian Sluyters  
Julian Sluyters  
Chief Executive Officer

Date: September 23, 2005

By: /s/Paul Schubert  
Paul Schubert  
Chief Financial Officer

Date: September 23, 2005