

CENTRAL EUROPE & RUSSIA FUND, INC.
Form N-Q
March 28, 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

The 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

Date of reporting period: 1/31/07

ITEM 1. SCHEDULE OF INVESTMENTS

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Page: 6 The accompanying notes are an integral part of the financial statements.

THE CENTRAL EUROPE AND RUSSIA FUND, INC.

SCHEDULE OF INVESTMENTS JANUARY 31, 2007

| Shares | Description | Value |
|-----------|--|--------------|
| | INVESTMENTS IN RUSSIAN COMMON STOCKS 50.1% | |
| | COMMERCIAL BANKS 2.9% | |
| 7,000 | Sberbank | \$23,100,000 |
| 1,000 | Sberbank RF (GDR) (Reg S) | 342,423 |
| | 23,442,423 | |
| | DIVERSIFIED TELECOMMUNICATION SERVICES 2.2% | |
| 400,000 | AFK Sistema OAO (GDR) | 12,120,000 |
| 117,100 | Rostelecom (ADR) | 5,532,975 |
| | 17,652,975 | |
| | FOOD PRODUCTS 1.1% | |
| 116,319 | Lebedyansky JSC* | 8,703,569 |
| | METALS & MINING 7.0% | |
| 281,000 | JSC MMC Norilsk Nickel (ADR) | 47,489,000 |
| 82,370 | Polyus Gold Co. (ADR) | 4,085,316 |
| 3,000 | Vsmo-Avisma Corporation | 885,000 |
| 3,500 | Vyksa Metallurgical Plant* | 4,830,000 |
| | 57,289,316 | |
| | MULTI-UTILITIES 6.7% | |
| 468,000 | Unified Energy Systems (GDR) | 54,522,000 |
| | OIL, GAS & CONSUMABLE FUELS 27.5% | |
| 1,400,000 | Gazprom | 15,106,000 |
| 785,000 | Lukoil (ADR) | 62,093,500 |
| 220,000 | Novatek OAO (GDR) | 11,880,000 |
| 1,725,000 | OAO Gazprom (ADR) | 74,088,750 |
| 2,000,000 | OAO Rosneft Oil Company* (GDR) | 18,000,000 |
| 440,000 | Surgutneftegaz (ADR) | 26,400,000 |
| 107,000 | Tatneft (ADR) | 9,266,200 |
| 153,250 | TMK OAO (GDR) | 5,379,075 |
| 1,143,800 | TNK-BP | 2,602,145 |
| | 224,815,670 | |
| | PERSONAL PRODUCTS 1.0% | |
| 181,000 | Kalina | 8,054,500 |
| | WIRELESS TELECOMMUNICATION SERVICES 1.7% | |
| 140,000 | Mobile Telesystems (GDR) | 7,522,200 |
| 50,000 | Mobile Telesystems-SP (ADR) | 2,686,500 |
| 45,500 | Vimpel-Communications (ADR)* | 3,856,580 |
| | 14,065,280 | |
| | Total Investment in Russian Common Stocks (cost \$188,180,774) | 408,545,733 |

| Shares | Description | Value |
|---------|---|-------------|
| | INVESTMENTS IN POLISH COMMON STOCKS 16.5% | |
| | BUILDING PRODUCTS 1.2% | |
| 610,950 | Cersanit-Krasnystaw | \$9,587,034 |
| | COMMERCIAL BANKS 6.7% | |
| 185,000 | Bank Pekao | 15,376,176 |
| 45,000 | BK Prezemyslowo-Handlowy PBank | 15,559,028 |

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| | | |
|-----------|---|------------|
| 1,450,000 | PKO Bank Polski 54,797,367 | 23,862,163 |
| | CONSTRUCTION & ENGINEERING 0.2% | |
| 40,842 | Budimex* | 1,412,137 |
| | DIVERSIFIED TELECOMMUNICATION SERVICES 2.9% | |
| 2,320,207 | Telekomunikacja Polska | 19,669,962 |
| 490,000 | Telekomunikacja Polska (GDR) 23,790,862 | 4,120,900 |
| | MEDIA 0.6% | |
| 692,135 | Multimedia Polska* | 3,214,577 |

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| | | |
|-----------|---|-------------|
| 188,500 | TVN* | 1,685,777 |
| | 4,900,354 | |
| | METAL & MINING 2.0% | |
| 550,000 | KGHM Polska Miedz | 16,639,516 |
| | OIL, GAS & CONSUMABLE FUELS 1.6% | |
| 536,102 | Polski Koncern Naftowy | 8,369,743 |
| 149,500 | Polski Koncern Naftowy (GDR) | 4,609,085 |
| | 12,978,828 | |
| | REAL ESTATE 1.3% | |
| 278,200 | Echo Investment* | 10,627,075 |
| | Total Investments in Polish Common Stocks (cost \$71,326,107) | 134,733,173 |
| | INVESTMENTS IN HUNGARIAN COMMON STOCKS 4.2% | |
| | COMMERCIAL BANKS 2.1% | |
| 387,400 | OTP Bank | 17,142,918 |
| | DIVERSIFIED TELECOMMUNICATION SERVICES 0.6% | |
| 1,000,000 | Magyar Telekom Nyrt. | 5,085,177 |

Page: 7 The accompanying notes are an integral part of the financial statements.

THE CENTRAL EUROPE AND RUSSIA FUND, INC.

SCHEDULE OF INVESTMENTS JANUARY 31, 2007 (continued)

| Shares | Description | Value |
|-----------|--|-------------|
| | OIL, GAS & CONSUMABLE FUELS 0.6% | |
| 50,000 | MOL Magyar Olaj-Es Gazipari | \$5,138,571 |
| | PHARMACEUTICALS 0.9% | |
| 30,000 | Gedeon Richter RT | 6,008,391 |
| 4,300 | Gedeon Richter | 833,942 |
| | 6,842,333 | |
| | Total Investments in Hungarian Common Stocks (cost \$14,752,911) | 34,208,999 |
| | INVESTMENTS IN CZECH REPUBLIC COMMON STOCKS 4.4% | |
| | DIVERSIFIED TELECOMMUNICATION SERVICES 0.9% | |
| 300,000 | Telefonica O2 Czech Republic | 7,306,749 |
| | MULTI-UTILITIES 3.5% | |
| 675,000 | Ceske Energeticke Zavody | 28,727,390 |
| | Total Investments in Czech Republic Common Stocks (cost \$9,531,606) | |
| | 36,034,139 | |
| | INVESTMENTS IN TURKISH COMMON STOCKS 8.8% | |
| | AUTOMOBILES 1.0% | |
| 200,000 | Ford Otomotiv Sanayi | 1,900,035 |
| 1,600,000 | Tofas Turk Oromobil Fabrika | 6,068,770 |
| | 7,968,805 | |
| | BUILDING PRODUCTS 0.5% | |
| 1,528,517 | Trakya Cam Sanayii | 4,399,701 |
| | COMMERCIAL BANKS 0.2% | |
| 750,000 | Turkiye Sinai Kalkinma Bank | 1,595,179 |
| | CONSTRUCTION & ENGINEERING 0.8% | |
| 600,000 | Enka Insaat Ve Sanayi | 6,338,178 |
| | CONSTRUCTION MATERIALS 0.5% | |
| 690,000 | Akcansa Cimento | 4,598,369 |

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| Shares | Description | Value |
|-----------|-------------------------------------|-------------|
| | DIVERSIFIED FINANCIAL SERVICES 2.8% | |
| 630,550 | Akbank T.A.S. | \$4,023,360 |
| 1,416,356 | Turkiye Garanti Bankasi | 5,322,004 |
| 2,800,000 | Turkiye Is Bankasi | 13,300,250 |
| | 22,645,614 | |
| | FOOD & STAPLES RETAILING 1.5% | |
| 203,000 | BIM Birlesik Magazalar* | 12,029,210 |
| | HOTELS RESTAURANTS & LEISURE 0.4% | |
| 3,200,000 | Marmaris Marti Otel Isletmel | 3,312,301 |

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| | | |
|-----------|---|------------|
| | INSURANCE 0.6% | |
| 1,520,833 | Anadolu Hayat Emeklilik Ord | 5,347,985 |
| | WIRELESS TELECOMMUNICATION SERVICES 0.5% | |
| 683,166 | Turkcell Iletisim Hizmet | 3,802,096 |
| | Total Investments in Turkish Common Stocks (cost \$47,265,655) | 72,037,438 |
| | INVESTMENTS IN AUSTRIAN COMMON STOCKS 6.1% | |
| | COMMERCIAL BANKS 3.9% | |
| 410,868 | Erste Bank Der Oester Spark | 31,889,482 |
| | OIL, GAS & CONSUMABLE FUELS 2.2% | |
| 7,750 | Bank Austria Credit Transneft Warrant (expires 4/16/07) | 18,154,301 |
| | Total Investments In Austrian Common Stocks (cost \$37,660,371) | 50,043,783 |
| | INVESTMENTS IN DUTCH COMMON STOCKS 1.1% | |
| | BEVERAGES 0.4% | |
| 93,000 | Efes Breweries International (GDR) | 2,859,750 |
| | FOOD & STAPLES RETAILING 0.7% | |
| 219,700 | X5 Retail Group* (GDR) | 5,986,825 |
| | Total Investments in Dutch Common Stocks (cost \$5,871,109) | 8,846,575 |

Page: 8 The accompanying notes are an integral part of the financial statements.

THE CENTRAL EUROPE AND RUSSIA FUND, INC.

SCHEDULE OF INVESTMENTS JANUARY 31, 2007 (continued)

| Shares | Description | Value |
|-----------|---|-------------|
| | INVESTMENTS IN CYPRUS COMMON STOCKS 0.9% | |
| | OIL, GAS & CONSUMABLE FUELS 0.9% | |
| 1,050,000 | Urals Energy Public Co., Ltd. (cost \$5,541,802) | \$7,456,444 |
| | INVESTMENTS IN BERMUDA COMMON STOCKS 0.4% | |
| | OIL, GAS & CONSUMABLE FUELS 0.4% | |
| 52,000 | Vostok Nafta Investment* (SDR) (cost \$265,840) | 3,379,436 |
| | INVESTMENTS IN VIRGIN ISLANDS (BR) COMMON STOCKS 1.3% | |
| | MULTI-UTILITIES 1.3% | |
| 4,094,119 | Renshares Utilities-Rengen (cost \$6,511,451) | 10,767,533 |
| | Total Investments in Common Stocks 93.8% (cost \$386,907,626) | 766,053,253 |

| Shares | Description | Value |
|------------|--|---------------------------------|
| | SECURITIES LENDING COLLATERAL 3.3% | |
| 26,889,500 | Daily Assets Fund Institutional, 5.28% (cost \$26,889,500) | \$26,889,500 |
| | Total Investments 97.1% | (cost \$413,797,126)792,942,753 |
| | Other Assets and Liabilities, Net 2.9% | 23,405,189 |
| | NET ASSETS 100.0% | \$816,347,942 |

* Non-income producing security.

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All or a portion of these securities were on loan. The value of all securities loaned at January 31, 2007 amounted to \$26,238,875, which is 3.2% 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 Americas 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

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: The Central Europe & Russia Fund, Inc.

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

Date: March 21, 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: The Central Europe & Russia Fund, Inc.

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

Date: March 21, 2007

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

Date: March 21, 2007