

CENTRAL EUROPE & RUSSIA FUND, INC.  
Form N-Q  
March 28, 2008  
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

Date of fiscal year end: 10/31

Date of reporting period: 01/31/08

ITEM 1. SCHEDULE OF INVESTMENTS

**THE CENTRAL EUROPE AND RUSSIA FUND, INC.**

## SCHEDULE OF INVESTMENTS — JANUARY 31, 2008 (unaudited)

| Shares   | Description                                      | Value(a)     |
|--|--|--------------|
| <b>INVESTMENTS IN RUSSIAN SECURITIES – 49.6%</b>               |  |              |
| <b>COMMON STOCKS – 48.9%</b>                                   |  |              |
| <b>BUILDING PRODUCTS – 0.8%</b>                                |  |              |
| 30,000   | Sibirskiy Cement                                 | \$ 6,900,000 |
| <b>COMMERCIAL BANKS – 4.1%</b>                                 |  |              |
| 9,421,000  | Sberbank   | 33,915,600   |
| 1,000  | Sberbank RF (GDR) Reg S                          | 464,845      |
|  |  | 34,380,445   |
| <b>CONSTRUCTION MATERIALS – 1.1%</b>                           |  |              |
| 710,000  | LSR Group (GDR) Reg S*                           | 8,804,000    |
| <b>DIVERSIFIED TELECOMMUNICATION SERVICES – 1.7%</b>           |  |              |
| 600,000  | Comstar United Telesystems (GDR) Reg S           | 6,240,000    |
| 117,100  | Rostelecom (ADR)†                                | 8,126,740    |
|  |  | 14,366,740   |
| <b>ELECTRIC UTILITIES – 0.2%</b>                               |  |              |
| 216,633  | OJSC The Fifth Power Generation (GDR)*           | 1,899,460    |
| 1,728  | RAO Unified Energy System of Russia (GDR) Reg S* | 172,627      |
|  |  | 2,072,087    |
| <b>ENERGY EQUIPMENT &amp; SERVICES – 2.1%</b>                  |  |              |
| 328,980  | Eurasia Drilling (GDR) Reg S*                    | 7,566,540    |
| 498,824  | Integra Group Holdings (GDR) Reg S*              | 6,609,418    |
| 91,000   | OAO TMK (GDR) Reg S                              | 3,276,000    |
|  |  | 17,451,958   |
| <b>FOOD PRODUCTS – 1.1%</b>                                    |  |              |
| 40,000   | Lebedyansky JSC                                  | 3,520,000    |
| 50,000   | Wimm Bill Dann Foods (ADR)                       | 5,474,500    |
|  |  | 8,994,500    |
| <b>INDEPENDENT POWER PRODUCERS &amp; ENERGY TRADERS – 0.1%</b> |  |              |
| 106,380  | OJSC Territorial Generating (GDR) Reg S*         | 352,767      |
| <b>Shares</b>  |  |              |
| <b>Description</b>   |  |              |
| <b>Value(a)</b>  |  |              |
| <b>METALS &amp; MINING – 7.6%</b>                              |  |              |
| 31,100   | MMC Norilsk Nickel                               | \$ 7,215,200 |
| 200,000  | MMC Norilsk Nickel (ADR)                         | 48,536,780   |
| 75,000   | Mechel Steel Group OAO (ADR)                     | 6,690,000    |
| 3,000  | Vsmo-Avisma Corporation                          | 747,000      |
|  |  | 63,188,980   |

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|           |  |             |
|-----------|--|-------------|
|           | <b>OIL, GAS &amp; CONSUMABLE</b>                       |             |
|           | <b>FUELS – 26.7%</b>                                   |             |
| 1,400,000 | Gazprom  | 16,730,000  |
| 1,950,000 | Gazprom (ADR)  | 94,087,500  |
| 711,500   | LUKOIL (ADR)   | 49,022,350  |
| 170,000   | NovaTek OAO (GDR) Reg S                                | 11,220,000  |
|           | Rosneft Oil Company (GDR)                              |             |
| 5,000,000 | Reg S  | 35,450,000  |
| 170,000   | Surgutneftegaz (ADR)†                                  | 7,990,000   |
| 70,000    | Tatneft (GDR) Reg S                                    | 7,000,000   |
|           |  | 221,499,850 |
|           | <b>PHARMACEUTICALS – 0.6%</b>                          |             |
| 78,570    | Pharmstandard*   | 5,044,194   |
|           | <b>REAL ESTATE MANAGEMENT &amp; DEVELOPMENT – 0.6%</b> |             |
| 600,000   | RGI International Ltd.*                                | 4,869,000   |
|           | <b>WIRELESS TELECOMMUNICATIONS</b>                     |             |
|           | <b>SERVICES – 2.2%</b>                                 |             |
| 50,000    | Mobile Telesystems (ADR)                               | 4,009,000   |
| 100,000   | Mobile Telesystems (GDR) Reg S                         | 8,018,000   |
| 175,000   | Sistema JSFC (GDR) Reg S                               | 6,212,500   |
|           |  | 18,239,500  |
|           | Total Common Stocks                                    |             |
|           | (cost \$250,637,569)                                   | 406,164,021 |
|           | <b>PREFERRED STOCK – 0.7%</b>                          |             |
|           | <b>OIL, GAS &amp; CONSUMABLE</b>                       |             |
|           | <b>FUELS – 0.7%</b>                                    |             |
| 3,500     | Transneft  |             |
|           | (cost \$7,910,045)                                     | 5,810,000   |
|           | Total Investments in                                   |             |
|           | Russian Securities                                     |             |
|           | (cost \$258,547,614)                                   | 411,974,021 |

**THE CENTRAL EUROPE AND RUSSIA FUND, INC.**

**SCHEDULE OF INVESTMENTS — JANUARY 31, 2008 (unaudited) (continued)**

| Shares                       | Description                                  | Value(a)      |
|------------------------------|--|---------------|
| <b>INVESTMENTS IN POLISH</b> |  |               |
| <b>COMMON STOCKS – 20.3%</b> |  |               |
|                              | <b>COMMERCIAL BANKS – 10.9%</b>              |               |
| 600,000                      | Bank Pekao                                   | \$ 47,756,660 |
|                              | Powszechna Kasa Oszczednosci                 |               |
| 2,353,000                    | Bank Polski                                  | 43,175,198    |
|                              |  | 90,931,858    |
|                              | <b>CONSTRUCTION &amp; ENGINEERING – 0.4%</b> |               |
| 97,175                       | Pol-Aqua*                                    | 3,151,277     |
|                              | <b>DIVERSIFIED TELECOMMUNICATION</b>         |               |
|                              | <b>SERVICES – 3.4%</b>                       |               |
| 3,000,000                    | Telekomunikacja Polska                       | 28,200,813    |

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|   |  |                 |
|---|--|-----------------|
|   | <b>MEDIA – 1.4%</b>  |                 |
| 1,250,056   | TVN  | 11,258,252      |
|   | <b>METALS &amp; MINING – 2.5%</b>                                    |                 |
| 550,000   | KGHM Polska Miedz  | 20,375,806      |
|   | <b>OIL, GAS &amp; CONSUMABLE<br/>FUELS – 1.7%</b>                    |                 |
| 560,000   | Polski Koncern Naftowy Orlen*  | 9,250,195       |
| 149,500   | Polski Koncern Naftowy Orlen<br>(GDR) Reg S*                         | 4,933,500       |
|   |  | 14,183,695      |
|   | Total Investments in Polish<br>Common Stocks<br>(cost \$120,348,127) | 168,101,701     |
| <b>INVESTMENTS IN TURKISH<br/>COMMON STOCKS – 10.3%</b> |  |                 |
|   | <b>AUTOMOBILES – 1.2%</b>  |                 |
| 400,000   | Ford Otomotiv Sanayi   | 4,086,846       |
| 1,350,000   | Tofas Turk Otomobil Fabrikasi  | 6,091,954       |
|   |  | 10,178,800      |
|   | <b>BUILDING PRODUCTS – 0.0%</b>                                      |                 |
| 74,918  | Trakya Cam Sanayii   | 142,883         |
|   | <b>COMMERCIAL BANKS – 2.9%</b>                                       |                 |
| 2,999,999   | Turkiye Garanti Bankasi  | 18,901,654      |
| 2,000,000   | Turkiye Vakiflar Bankasi T.A.O.                                      | 4,904,215       |
|   |  | 23,805,869      |
|   | <b>CONSTRUCTION<br/>MATERIALS – 0.5%</b>                             |                 |
| 825,000   | Akcansa Cimento  | 4,214,559       |
| <b>Shares</b>   | <b>Description</b>   | <b>Value(a)</b> |
|   | <b>FOOD &amp; STAPLES<br/>RETAILING – 2.0%</b>                       |                 |
| 120,370   | Bim Birlesik Magazalar   | \$ 9,889,915    |
| 400,000   | Migros Turk T.A.S.   | 6,334,610       |
|   |  | 16,224,525      |
|   | <b>HOTELS RESTAURANTS &amp;<br/>LEISURE – 0.2%</b>                   |                 |
| 1,758,333   | Marmaris Marti Otel Isletmeleri                                      | 1,257,556       |
|   | <b>INDUSTRIAL<br/>CONGLOMERATES – 1.0%</b>                           |                 |
| 600,000   | Enka Insaat ve Sanayi  | 8,429,119       |
|   | <b>INSURANCE – 0.6%</b>  |                 |
| 1,520,833   | Anadolu Hayat Emeklilik  | 4,739,250       |
|   | <b>MEDIA – 0.6%</b>  |                 |
| 2,020,431   | Hurriyet Gazetecilik ve<br>Matbaacilik*                              | 5,401,578       |
|   | <b>OIL, GAS &amp; CONSUMABLE<br/>FUELS – 0.6%</b>                    |                 |
| 200,000   | Tupras-Turkiye Petrol<br>Rafinerileri                                | 5,023,414       |

|           |                                      |            |
|-----------|--------------------------------------|------------|
|           | <b>WIRELESS TELECOMMUNICATIONS</b>   |            |
|           | <b>SERVICES – 0.7%</b>               |            |
| 683,166   | Turkcell Iletisim Hizmetleri         | 5,932,987  |
|           | Total Investments in Turkish         |            |
|           | Common Stocks                        |            |
|           | (cost \$63,125,637)                  | 85,350,540 |
|           | <b>INVESTMENTS IN CZECH REPUBLIC</b> |            |
|           | <b>COMMON STOCKS – 5.0%</b>          |            |
|           | <b>ELECTRIC UTILITIES – 5.0%</b>     |            |
| 625,000   | Ceske Energeticke Zavody             | 41,718,741 |
|           | (cost \$1,760,447)                   |            |
|           | <b>INVESTMENTS IN HUNGARIAN</b>      |            |
|           | <b>COMMON STOCKS – 4.1%</b>          |            |
|           | <b>COMMERCIAL BANKS – 1.3%</b>       |            |
| 250,000   | OTP Bank                             | 10,509,737 |
|           | <b>DIVERSIFIED TELECOMMUNICATION</b> |            |
|           | <b>SERVICES – 1.1%</b>               |            |
| 2,000,000 | Magyar Telekom Nyrt.                 | 9,564,719  |

## THE CENTRAL EUROPE AND RUSSIA FUND, INC.

## SCHEDULE OF INVESTMENTS — JANUARY 31, 2008 (unaudited) (continued)

| Shares  | Description  | Value(a)     |
|---------|--|--------------|
|         | <b>OIL, GAS &amp; CONSUMABLE<br/>FUELS – 0.8%</b>                        |              |
|         | MOL Hungarian Oil and<br>Gas Nyrt.                                       | \$ 6,585,052 |
| 50,000  |  |              |
|         | <b>PHARMACEUTICALS – 0.9%</b>  |              |
|         | Richter Gedeon Nyrt.   | 6,592,783    |
| 30,000  |  |              |
|         | Richter Gedeon Nyrt. (GDR)   | 940,410      |
| 4,300   |  |              |
|         |  | 7,533,193    |
|         | Total Investments in Hungarian<br>Common Stocks<br>(cost \$16,617,606)   | 34,192,701   |
|         | <b>INVESTMENTS IN LUXEMBOURG<br/>COMMON STOCKS – 1.8%</b>                |              |
|         | <b>METALS &amp; MINING – 1.8%</b>  |              |
|         | Evrast Group (GDR) Reg S(b)<br>(cost \$6,399,674)                        | 14,540,000   |
| 200,000 |  |              |
|         | <b>INVESTMENTS IN BERMUDA<br/>COMMON STOCKS – 1.7%</b>                   |              |
|         | <b>MEDIA – 1.7%</b>  |              |
|         | 150,000 Central European Media<br>Enterprises*(c)<br>(cost \$14,358,565) | 13,968,000   |
|         | <b>INVESTMENTS IN CYPRUS<br/>COMMON STOCKS – 0.7%</b>                    |              |
|         | <b>OIL, GAS &amp; CONSUMABLE<br/>FUELS – 0.3%</b>                        |              |
|         | Urals Energy Public Co., Ltd.*(b)  | 2,851,775    |
| 875,000 |  |              |
|         | <b>REAL ESTATE MANAGEMENT &amp; DEVELOPMENT – 0.4%</b>                   |              |
|         | AFI Development PLC (GDR)<br>Reg S*(b)                                   | 3,220,000    |
| 400,000 |  |              |
|         | Total Investments in Cyprus<br>Common Stocks<br>(cost \$7,953,565)       | 6,071,775    |
|         | <b>INVESTMENTS IN SWEDISH<br/>COMMON STOCKS – 0.5%</b>                   |              |
|         | <b>DIVERSIFIED FINANCIAL<br/>SERVICES – 0.1%</b>                         |              |
|         | Vostok Nafta Investment<br>(SDR)*(b)                                     | \$ 832,839   |
| 52,000  |  |              |
|         | <b>ENERGY – 0.4%</b>   |              |
|         | Vostok Gas Ltd.*(b)  | 3,591,362    |
| 52,000  |  |              |
|         | Total Investments in Swedish<br>Common Stocks<br>(cost \$427,267)        | 4,424,201    |

**INVESTMENTS IN DUTCH  
COMMON STOCKS – 0.4%**

|  | <b>BEVERAGES – 0.4%</b> |           |
|--|-------------------------|-----------|
| 93,000 Efes Breweries International<br>(GDR)*(b) | (cost \$3,091,954)      | 2,929,500 |

**CLOSED-END INVESTMENT  
COMPANY – 0.9%**

|           | <b>VIRGIN ISLANDS – 0.9%</b>  |             |
|-----------|---|-------------|
| 2,788,996 | RenShares Utilities Limited*(b)<br>(cost \$4,435,731)                               | 7,753,409   |
|           | Total Investments in Common<br>and Preferred Stocks – 95.2%<br>(cost \$497,066,187) | 791,024,589 |

**SECURITIES LENDING  
COLLATERAL – 1.3%**

|   |                                |            |
|---|--------------------------------|------------|
| 11,196,150 Daily Assets Institutional Fund,<br>4.22 | %(d)(e)<br>(cost \$11,196,150) | 11,196,150 |
|---|--------------------------------|------------|

**THE CENTRAL EUROPE AND RUSSIA FUND, INC.****SCHEDULE OF INVESTMENTS — JANUARY 31, 2008 (unaudited) (continued)**

| Shares                         | Description  | Value(a)              |
|--------------------------------|--|-----------------------|
| <b>CASH EQUIVALENTS – 2.1%</b> |  |                       |
| 17,294,197                     | Cash Management QP Trust,<br>4.52%(e)<br>(cost \$17,294,197) | \$ 17,294,197         |
|                                | Total Investments – 98.7%<br>(cost \$525,556,534)            | 819,514,936           |
|                                | Other Assets and Liabilities,<br>Net – 1.3%                  | 11,018,013            |
|                                | <b>NET ASSETS–100.0%</b>                                     | <b>\$ 830,532,949</b> |

\* Non-income producing securities.

† All or a portion of these securities were on loan. The value of all securities loaned at January 31, 2008 amounted to \$10,892,700 which is 1.3% of the net assets.

(a) Values stated in US dollars.

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

(c) Security listed in country of incorporation. Significant business activities of company are in Czech Republic.

(d) Represents collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates.

(e) Affiliated fund managed by Deutsche Investment Management Americas Inc. The rate shown is the annualized seven-day yield at period end.

Key

ADR – American Depositary Receipt

GDR – Global Depositary Receipt

SDR – Swedish Depositary 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.



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**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

President

Date: March 17, 2008

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: March 17, 2008

By: /s/Paul Schubert  
Paul Schubert

Chief Financial Officer and Treasurer

Date: March 17, 2008