

SUMMARY OF GENERAL INFORMATION

THE FUND

The Central Europe and Russia Fund, Inc. (“Fund”) is a non-diversified, actively-managed Closed-End Fund listed on the New York Stock Exchange with the symbol “CEE.” The Fund seeks long term capital appreciation primarily through investment in equity and equity-linked securities of issuers domiciled in Central Europe and Russia. It is managed and advised by wholly-owned subsidiaries of the Deutsche Bank Group.

SHAREHOLDER INFORMATION

Prices for the Fund’s shares are published daily in the New York Stock Exchange Composite Transactions section of newspapers. Net asset value and market price information are published each Monday in *The Wall Street Journal* and *The New York Times*, and each Saturday in *Barron’s* and other newspapers in a table called “Closed End Funds.” Daily information on the Fund’s net asset value is available from NASDAQ (symbol XCEEX). It is also available by calling: 1-800-437-6269 (in the U.S.) or 617-443-6918 (outside of the U.S.). In addition, a schedule of the Fund’s largest holdings, dividend data and general shareholder information may be obtained by calling these numbers.

The foregoing information is also available on our Web site: www.ceefund.com.

There are three Closed-End Funds investing in European equities managed by wholly-owned subsidiaries of the Deutsche Bank Group:

- The European Equity Fund, Inc.—investing primarily in equity or equity-linked securities of companies domiciled in European countries that utilize the Euro currency.
- The New Germany Fund, Inc.—investing primarily in the middle market German companies and up to 20% elsewhere in Western Europe (with no more than 10% in any single country).
- The Central Europe and Russia Fund, Inc.—investing primarily in Central European and Russian companies.

Please consult your broker for advice on any of the above or call 1-800-GERMANY (in the U.S.) or 617-443-6918 (outside of the U.S.) for shareholder reports.

These funds are not diversified and focus their investments in certain geographical regions, thereby increasing their vulnerability to developments in those regions. Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation, political and economic changes, and market risks. This may result in greater share price volatility.



The Central Europe and Russia Fund, Inc.

Quarterly Report

January 31, 2007



The Central Europe and Russia Fund, Inc.

LETTER TO THE SHAREHOLDERS

Dear Shareholders,

We are pleased to report that for the first fiscal quarter ended January 31, 2007, The Central Europe and Russia Fund's total return based on share price was 11.43% while its total return based on net asset value per share was 10.41%. The Fund's blended benchmark rose 7.37% during the same period.¹

Emerging European equity markets rallied in the last two months of 2006 before dipping lower at the start of the new year, along with global markets. The CE-3 (Czech Republic, Hungary, Poland) markets outperformed Russia and Turkey during the Fund's fiscal first quarter. Among Czech stocks, we believe strong cash generation could result in regional acquisitions, attractive dividend yields, and/or share buybacks for a number of blue chip stocks. As a result, we continue to believe that the possibility of positive returns cannot be ruled out for some Czech stocks in 2007, though we are somewhat cautious on the overall outlook for emerging European equities and believe that gains will be harder to come by in 2007. During the past quarter, the Fund swapped its position in Komerční Banka for Erste Bank. In addition, we initiated a position in Telefonica O2. In Hungary, the macroeconomic risks that have dogged the Hungarian stock market for several quarters seem to be moderating. The Fund has exposure to shares in only three Hungarian companies: OTP, Magyar Telekom, and MOL. In addition, the Fund has recently shifted assets from MOL to Magyar Telekom, a more defensive stock with a good dividend yield and strong cash generation. In Poland, we believe domestic-focused names, particularly infrastructure plays benefiting from EU funding, are likely to outperform. One of the key characteristics of the Polish market is that there is an equity culture among the population. As a result, steady inflows of new money are going into the private pension funds and the local mutual fund industry, providing good support for the equity market. However, we have been discouraged by the

lofty valuations of Polish stocks and have maintained a significant underweight in Polish equities. We may reduce this underweight if the market pulls back and there is an opportunity to build positions at more reasonable prices.² During the quarter, we reduced our position in refiner PKN and initiated a new position in Multimedia Polska, which provides broadband, cable TV, and voice services.

Unlike the other markets in the region, Turkish shares struggled at the end of 2006 amidst setbacks with EU accession talks, but rebounded in January. The Turkish market remains at a lower valuation level than its emerging Europe peer markets due to the high level of real interest rates, the greater perceived risk posed by the external accounts, and by a variety of political risks. Should these conditions improve, we believe there would be significant potential for the market to re-rate. While we believe Turkish shares offer the best value among the Fund's core markets, we believe it is too early to aggressively buy Turkish stocks due to the aforementioned risks. We are currently evaluating rebalancing the Fund's Turkish holdings by reducing exposure to high-beta stocks and adding to high quality and defensive, highly cash generative stocks.³

In Russia, it will be difficult for the indices to make significant gains unless crude oil prices rebound; domestic-oriented shares may well prove to be the market leaders in the coming months as money flows out of the oil sector into industries with greater near-term growth prospects. We believe a steady flow of news regarding the ongoing restructuring and liberalization of the electricity sector is likely to keep the shares of companies in this segment well supported. Consumer stocks, with growing volumes of demand and improving management capabilities, should be able to show further earnings growth in 2007. Financials are another group that we think has the potential to benefit from wealth distribution in Russia. The banking sector is still under-penetrated in comparison with Western countries or even Eastern European countries. During the Fund's first

LETTER TO THE SHAREHOLDERS (continued)

fiscal quarter, we reduced our holdings in many of the oil companies, using some of the proceeds to initiate a position in Rosneft. The Fund is significantly underweight in Russian oils while maintaining an overweight position in Russian equities overall through holdings in the banking, utilities, consumer, gas, and telecom sectors. Other new additions to the fund during the past quarter include pipe producer TMK and metals company VSMPO. In addition, the fund reduced its holdings in Polyus Gold, Sistema, and Novatek and increased its position in Sberbank.

The Fund's discount to net asset value averaged 8.5% during the fiscal quarter ended January 31, 2007, compared with 3.46% for the same period last year.

¹ A custom blend of 45% in Central Europe (CECE-Index), 45% Russia (RTX-Index) and 10% in Turkey (ISE National 30). The CECE is a regional capitalization-weighted index, including stocks from the Czech Republic, Hungary, Poland and Slovakia and is published daily by the Vienna Stock Exchange. The RTX is a capitalization-weighted index of Russian blue chip stocks and published daily by the Vienna Stock Exchange. The ISE National 30 is a capitalization-weighted index composed of National Market companies except investment trusts and will also be used for trading in the Derivatives Market. Index returns assume reinvestment of dividends and, unlike Fund returns, do not reflect any fees or expenses. It is not possible to invest directly in an index.

² "Overweight" means the fund holds a higher weighting in a given sector or security than the benchmark. "Underweight" means the fund holds a lower weighting.

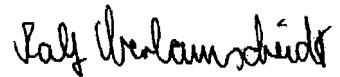
³ Beta is a risk measure comparing the volatility of a stock's price movement to the general market.

The sources, opinions and forecasts expressed are as of February, 2007. There is no guarantee that the views, opinions and forecasts expressed herein will come to pass. This information is subject to change at any time based on market and other conditions and should not be construed as a recommendation for any specific security. Past performance does not guarantee future results.

Sincerely,



Christian Strenger
Chairman



Ralf Oberbannschmidt
Lead Portfolio Manager

For additional information about the Fund including performance, dividends, presentations, press releases, daily NAV and shareholder reports, please visit www.ceefund.com

FUND HISTORY AS OF JANUARY 31, 2007

All performance shown is historical, assumes reinvestment of all dividend and capital gain distributions, and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when sold, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please visit www.ceefund.com for the Fund's most recent performance.

TOTAL RETURNS:

	For the three months ended January 31, 2007 ^(c)	For the years ended October 31,				
		2006	2005	2004	2003	2002
Net Asset Value ^(a)	10.41%	48.55% ^(d)	48.74%	35.20% ^(b)	44.88%	17.05%
Market Value ^(a)	11.43%	19.25%	80.71%	18.73%	60.38%	23.43%
Benchmark	7.37% ⁽¹⁾	45.00% ⁽¹⁾	37.81% ⁽¹⁾	32.73% ⁽²⁾	40.65% ⁽³⁾	14.68% ⁽⁴⁾

(a) Total return based on net asset value reflects changes in the Fund's net asset value during the period. Total return based on market value reflects changes in market value. Each figure includes reinvestments of distributions. These figures will differ depending upon the level of any discount from or premium to net asset value at which the Fund's shares trade during the period.

(b) Return excludes the effect of the \$2.15 per share dilution associated with the Fund's rights offering.

(c) Total returns shown for the three month period are not annualized.

(d) Return excludes the effect of the \$3.25 per share dilution associated with the Fund's rights offering.

(1) Represents an arithmetic composite consisting of 45% CECE*/45% RTX**/10% ISE National 30***.

(2) Represents an arithmetic composite consisting of 70% CECE/30% RTX for the 5 months ended 3/31/04 and 45% CECE/45% RTX/10% ISE National 30 for the seven months ended 10/31/04. The Fund changed its benchmark from 70% CECE/30% RTX to 45% CECE/45% RTX/10% ISE National 30 on April 1, 2004.

(3) Represents an arithmetic composite consisting of 85% CECE/15% RTX for the 9 months ended 7/31/03 and 70% CECE/30% RTX for the 3 months ended 10/31/03. The Fund changed its benchmark from 85% CECE/15% RTX to 70% CECE/30% RTX on August 1, 2003.

(4) Represents the CECE Index.

*The CECE is a regional capitalization-weighted index including stocks from the Czech Republic, Hungary and Poland and is published daily by the Vienna Stock Exchange.

**The RTX is a capitalization-weighted index of Russian blue chip stocks and published daily by the Vienna Stock Exchange.

***The ISE National 30 is a capitalization-weighted index composed of National Market companies except investment trusts and will also be used for trading in the Derivatives Market.

Index returns assume reinvestment of dividends and, unlike Fund returns, do not reflect any fees or expenses. It is not possible to invest directly in an index.

Investments in funds involve risks including the loss of principal.

This Fund is not diversified and may focus its investments in certain geographical regions, thereby increasing its vulnerability to developments in that region. Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes and market risks. This may result in greater share price volatility.

Shares of closed-end funds frequently trade at a discount to net asset value. The price of the Fund's shares is determined by a number of factors, several of which are beyond the control of the Fund. Therefore, the Fund cannot predict whether its shares will trade at, below or above net asset value. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering, and once issued, shares of closed-end funds are sold in the open market through a stock exchange.

FUND HISTORY AS OF JANUARY 31, 2007 (continued)

STATISTICS:

Net Assets	\$816,347,942
Shares Outstanding	14,794,916
NAV Per Share	\$55.18

DIVIDEND AND CAPITAL GAIN DISTRIBUTIONS:

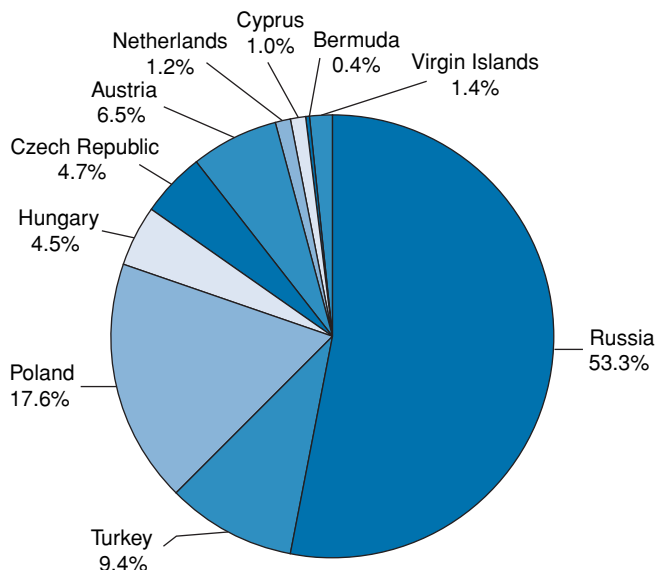
<u>Record Date</u>	<u>Payable Date</u>	<u>Ordinary Income</u>	<u>ST Capital Gains</u>	<u>LT Capital Gains</u>	<u>Total</u>
12/21/06	12/28/06	\$0.58	\$1.94	\$3.00	\$5.52
12/20/05	12/30/05	\$0.33	\$0.215	\$2.507	\$3.05
12/22/04	12/31/04	\$0.17	\$ —	\$ —	\$0.17
12/22/03	12/31/03	\$0.22	\$ —	\$ —	\$0.22
11/19/01	11/29/01	\$0.10	\$0.13	\$ —	\$0.23

OTHER INFORMATION:

NYSE Ticker Symbol	CEE
NASDAQ Symbol	XCEEX
Dividend Reinvestment Plan	Yes
Voluntary Cash Purchase Program	Yes
Annualized Expense Ratio (10/31/06)	1.09%

Fund statistics and expense ratio are subject to change. Distributions are historical, will fluctuate and are not guaranteed.

COUNTRY BREAKDOWN AS OF JANUARY 31, 2007 (As a % of Portfolio's Market Value*)



10 LARGEST EQUITY HOLDINGS AS OF JANUARY 31, 2007 (As a % of Portfolio's Net Asset Value*)

1. Gazprom	10.9	6. Ceske Energeticke Zavody	3.5
2. Lukoil	7.6	7. Surgutneftegaz	3.8
3. Unified Energy Systems	6.7	8. PKO Bank Polski	3.2
4. JSC MMC Norilsk Nickel	5.8	9. Telekomunikacja Polska	2.9
5. Erste Bank	3.9	10. Sberbank	2.9

*Percentage (%) refers to all securities in the portfolio, except cash and cash equivalents.

Country Breakdown and 10 Largest Equity Holdings are subject to change and is not indicative of future portfolio composition.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-Q. The form will be available on the SEC's web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330.

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

<u>Shares</u>	<u>Description</u>	<u>Value</u>	<u>Shares</u>	<u>Description</u>	<u>Value</u>
INVESTMENTS IN RUSSIAN			INVESTMENTS IN POLISH		
COMMON STOCKS – 50.1%			COMMON STOCKS – 16.5%		
COMMERCIAL BANKS – 2.9%			BUILDING PRODUCTS – 1.2%		
7,000	Sberbank	\$ 23,100,000	610,950	Cersanit-Krasnystaw	\$ 9,587,034
1,000	Sberbank RF (GDR) (Reg S)	342,423	COMMERCIAL BANKS – 6.7%		
		<u>23,442,423</u>	185,000	Bank Pekao	15,376,176
DIVERSIFIED TELECOMMUNICATION SERVICES – 2.2%			45,000	BK Prezemyslowo-Handlowy	
400,000	AFK Sistema OAO (GDR)	12,120,000		PBank	15,559,028
117,100	Rostelecom (ADR)	5,532,975	1,450,000	PKO Bank Polski	23,862,163
		<u>17,652,975</u>			<u>54,797,367</u>
FOOD PRODUCTS – 1.1%			CONSTRUCTION & ENGINEERING – 0.2%		
116,319	Lebedyansky JSC*	8,703,569	40,842	Budimex*	1,412,137
METALS & MINING – 7.0%			DIVERSIFIED TELECOMMUNICATION SERVICES – 2.9%		
281,000	JSC MMC Norilsk Nickel (ADR)	47,489,000	2,320,207	Telekomunikacja Polska	19,669,962
82,370	Polyus Gold Co. (ADR)	4,085,316	490,000	Telekomunikacja Polska (GDR)†	4,120,900
3,000	Vsmo-Avisma Corporation	885,000			<u>23,790,862</u>
3,500	Vyksa Metallurgical Plant*	4,830,000	MEDIA – 0.6%		
		<u>57,289,316</u>	692,135	Multimedia Polska*	3,214,577
MULTI-UTILITIES – 6.7%			188,500	TVN*	1,685,777
468,000	Unified Energy Systems (GDR)	54,522,000			<u>4,900,354</u>
OIL, GAS & CONSUMABLE FUELS – 27.5%			METAL & MINING – 2.0%		
1,400,000	Gazprom	15,106,000	550,000	KGHM Polska Miedz	16,639,516
785,000	Lukoil (ADR)	62,093,500	OIL, GAS & CONSUMABLE FUELS – 1.6%		
220,000	Novatek OAO (GDR)	11,880,000	536,102	Polski Koncern Naftowy	8,369,743
1,725,000	OAO Gazprom (ADR)	74,088,750	149,500	Polski Koncern Naftowy (GDR)	4,609,085
2,000,000	OAO Rosneft Oil Company* (GDR)	18,000,000			<u>12,978,828</u>
440,000	Surgutneftegaz (ADR)†	26,400,000	REAL ESTATE – 1.3%		
107,000	Tatneft (ADR)	9,266,200	278,200	Echo Investment*	10,627,075
153,250	TMK OAO (GDR)	5,379,075		Total Investments in Polish	
1,143,800	TNK-BP	2,602,145		Common Stocks	
		<u>224,815,670</u>		(cost \$71,326,107)	<u>134,733,173</u>
PERSONAL PRODUCTS – 1.0%			INVESTMENTS IN HUNGARIAN		
181,000	Kalina	8,054,500	COMMON STOCKS – 4.2%		
WIRELESS TELECOMMUNICATION SERVICES – 1.7%			COMMERCIAL BANKS – 2.1%		
140,000	Mobile Telesystems (GDR)	7,522,200	387,400	OTP Bank	17,142,918
50,000	Mobile Telesystems-SP (ADR)	2,686,500	DIVERSIFIED TELECOMMUNICATION SERVICES – 0.6%		
45,500	Vimpel-Communications (ADR)*	3,856,580	1,000,000	Magyar Telekom Nyrt.	5,085,177
		<u>14,065,280</u>			
Total Investment in Russian					
Common Stocks					
(cost \$188,180,774)			<u>408,545,733</u>		

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	Shares	Description	Value
	OIL, GAS & CONSUMABLE FUELS – 0.6%			DIVERSIFIED FINANCIAL SERVICES – 2.8%	
50,000	MOL Magyar Olaj-Es Gazipari . . .	\$ 5,138,571	630,550	Akbank T.A.S.	\$ 4,023,360
	PHARMACEUTICALS – 0.9%		1,416,356	Turkiye Garanti Bankasi	5,322,004
30,000	Gedeon Richter RT	6,008,391	2,800,000	Turkiye Is Bankasi	13,300,250
4,300	Gedeon Richter	833,942			<u>22,645,614</u>
		<u>6,842,333</u>		FOOD & STAPLES RETAILING – 1.5%	
	Total Investments in Hungarian Common Stocks (cost \$14,752,911)	<u>34,208,999</u>	203,000	BIM Birlesik Magazalar*	<u>12,029,210</u>
			3,200,000	HOTELS RESTAURANTS & LEISURE – 0.4%	
				Marmaris Marti Otel Isletmel	<u>3,312,301</u>
			1,520,833	INSURANCE – 0.6%	
				Anadolu Hayat Emeklilik Ord	<u>5,347,985</u>
				WIRELESS TELECOMMUNICATION SERVICES – 0.5%	
			683,166	Turkcell Iletisim Hizmet	<u>3,802,096</u>
				Total Investments in Turkish Common Stocks (cost \$47,265,655)	<u>72,037,438</u>
INVESTMENTS IN CZECH REPUBLIC COMMON STOCKS – 4.4%				INVESTMENTS IN AUSTRIAN COMMON STOCKS – 6.1%	
	DIVERSIFIED TELECOMMUNICATION SERVICES – 0.9%			COMMERCIAL BANKS – 3.9%	
300,000	Telefonica O2 Czech Republic	<u>7,306,749</u>	410,868	Erste Bank Der Oester Spark	<u>31,889,482</u>
	MULTI-UTILITIES – 3.5%			OIL, GAS & CONSUMABLE FUELS – 2.2%	
675,000	Ceske Energeticke Zavody	<u>28,727,390</u>	7,750	Bank Austria Credit Transneft Warrant (expires 4/16/07)	<u>18,154,301</u>
	Total Investments in Czech Republic Common Stocks (cost \$9,531,606)	<u>36,034,139</u>		Total Investments In Austrian Common Stocks (cost \$37,660,371)	<u>50,043,783</u>
INVESTMENTS IN TURKISH COMMON STOCKS – 8.8%				INVESTMENTS IN DUTCH COMMON STOCKS – 1.1%	
	AUTOMOBILES – 1.0%			BEVERAGES – 0.4%	
200,000	Ford Otomotiv Sanayi	1,900,035	93,000	Efes Breweries International (GDR)	<u>2,859,750</u>
1,600,000	Tofas Turk Oromobil Fabrika	6,068,770		FOOD & STAPLES RETAILING – 0.7%	
		<u>7,968,805</u>	219,700	X5 Retail Group* (GDR)	<u>5,986,825</u>
	BUILDING PRODUCTS – 0.5%			Total Investments in Dutch Common Stocks (cost \$5,871,109)	<u>8,846,575</u>
1,528,517	Trakya Cam Sanayii	<u>4,399,701</u>			
	COMMERCIAL BANKS – 0.2%				
750,000	Turkiye Sinai Kalkinma Bank	<u>1,595,179</u>			
	CONSTRUCTION & ENGINEERING – 0.8%				
600,000	Enka Insaat Ve Sanayi	<u>6,338,178</u>			
	CONSTRUCTION MATERIALS – 0.5%				
690,000	Akcansa Cimento	<u>4,598,369</u>			

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)

<u>Shares</u>	<u>Description</u>	<u>Value</u>	<u>Shares</u>	<u>Description</u>	<u>Value</u>
INVESTMENTS IN CYPRUS			SECURITIES LENDING		
COMMON STOCKS – 0.9%			COLLATERAL –3.3%		
	OIL, GAS & CONSUMABLE FUELS – 0.9%		26,889,500	Daily Assets Fund	
1,050,000	Urals Energy Public Co., Ltd.			Institutional, 5.28%††	
	(cost \$5,541,802)	<u>\$ 7,456,444</u>		(cost \$26,889,500)	<u>\$ 26,889,500</u>
				Total Investments – 97.1%	
				(cost \$413,797,126)	<u>792,942,753</u>
INVESTMENTS IN BERMUDA				Other Assets	
COMMON STOCKS – 0.4%				and Liabilities, Net – 2.9%	<u>23,405,189</u>
	OIL, GAS & CONSUMABLE FUELS – 0.4%		NET ASSETS – 100.0%		
52,000	Vostok Nafta Investment* (SDR)		<u><u>\$816,347,942</u></u>		
	(cost \$265,840)	<u>3,379,436</u>			
INVESTMENTS IN VIRGIN ISLANDS (BR)					
COMMON STOCKS – 1.3%					
	MULTI-UTILITIES – 1.3%				
4,094,119	Renshares Utilities-Rengen				
	(cost \$6,511,451)	<u>10,767,533</u>			
	Total Investments in				
	Common Stocks – 93.8%				
	(cost \$386,907,626)	<u>766,053,253</u>			

* Non-income producing security.
† 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

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

EXECUTIVE OFFICES

345 Park Avenue, New York, NY 10154

MANAGER

Deutsche Investment Management Americas Inc.

INVESTMENT ADVISER

Deutsche Asset Management International GmbH

CUSTODIAN

*Brown Brothers Harriman & Co.**

TRANSFER AGENT

*DWS Scudder Investments Service Company**

LEGAL COUNSEL

Sullivan & Cromwell LLP

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers LLP

DIRECTORS AND OFFICERS

CHRISTIAN H. STRENGER

Chairman and Director

DETLEF BIERBAUM

Director

DR. KURT W. BOCK

Director

JOHN A. BULT

Director

RICHARD R. BURT

Director

JOHN H. CANNON

Director

DR. FRANK TRÖMEL

Director

ROBERT H. WADSWORTH

Director

WERNER WALBRÖL

Director

MICHAEL CLARK

President and Chief Executive Officer

PAUL H. SCHUBERT

Chief Financial Officer and Treasurer

ELISA METZGER

Chief Legal Officer

PHILIP GALLO

Chief Compliance Officer

SCOTT MCHUGH

Assistant Treasurer

DAVID GOLDMAN

Secretary

JOHN MILLETTE

Assistant Secretary

HONORARY DIRECTOR

OTTO WOLFF von AMERONGEN

48640 (12/06)

* Effective on February 1, 2007, the Board of Directors of the Fund approved the replacement of Investors Bank & Trust Company with Brown Brothers Harriman & Co. as accounting agent, custody agent, and foreign custody manager, and DWS Scudder Investments Service Company as the transfer agent for the Fund.

**VOLUNTARY CASH PURCHASE PROGRAM
AND DIVIDEND REINVESTMENT PLAN**

The Fund offers stockholders a Voluntary Cash Purchase Program and Dividend Reinvestment Plan ("Plan") which provides for optional cash purchases and for the automatic reinvestment of dividends and distributions payable by the Fund in additional Fund shares. Plan participants may invest as little as \$100 in any month and may invest up to \$36,000 annually. The Plan has been amended to allow current shareholders, who are not already participants in the Plan, and first time investors to enroll in the Plan by making an initial cash deposit of at least \$250 with the plan agent. Share purchases are combined to receive a beneficial brokerage fee. A brochure is available by writing or telephoning the plan agent:

DWS Scudder Investments Service Company
210 W 10th Street 6th Floor
Attn Closed End Fund Area
Kansas City, MO 64105
Tel. 1-800-437-6269

This report is transmitted to the shareholders of The Central Europe and Russia Fund, Inc. for their information. This is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report. The information contained in the letter to the shareholders is derived from carefully selected sources believed reasonable. We do not guarantee its accuracy or completeness, and nothing in this report shall be construed to be a representation of such guarantee. Any opinions expressed reflect the current judgment of the author, and do not necessarily reflect the opinion of Deutsche Bank AG or any of its subsidiaries and affiliates.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may purchase at market prices from time to time shares of its common stock in the open market.

Comparisons between changes in the Fund's net asset value per share and changes in the CECE, RTX and ISE National 30 indices should be considered in light of the Fund's investment policy and objectives, the characteristics and quality of the Fund's investments, the size of the Fund and variations in the foreign currency/dollar exchange rate.

Fund Shares are not FDIC – insured and are not deposits or other obligations of or guaranteed by any bank. Fund Shares involve investment risk, including possible loss of principal.



Copies of this report, monthly fact sheets and other information are available at:

www.ceefund.com

For latest net asset value, schedule of the Fund's largest holdings, dividend data and shareholder inquiries, please call 1-800-437-6269 in the U.S. or 617-443-6918 outside of the U.S.