

Semi-annual Review
2006



The Investment company's net assets rose CHF 8 million over the first half of 2006. The share price over this period appreciated a solid 16.6%. Overall market conditions however have been volatile, particularly over the last three months as Russian assets moved in lock-step with other global emerging markets. This is a confirmation to us that the market has not been driven by the fundamental outlook for earnings and cash flow but rather by liquidity factors. Within the Russian market, the decline in sentiment also indiscriminately hit energy and non-energy, blue-chip and second-tier shares equally. We would remind our shareholders of the limited impact of rising global interest rates or shifting capital flow trends on Russian GDP growth - the country's economic output is re-inforced by a large dual current account and budget surpluses along with strong domestic demand growth.

The fundamental outlook for Russian equities remains sound. The market is trading at less than 10x on a price to earnings ratio and approximately 1.8 times book value with corporate earnings expected to grow by double digits over the next three years. Likewise, the macro-economic environment is robust. Recently, the Russian Central Bank announced foreign currency reserves of \$265bn (now third largest worldwide). This was followed

by a statement from the Finance Ministry that Russia had reached agreement to pre-pay its entire Paris Club debt (\$18bn). Fitch has since upgraded the country's credit rating. As a backdrop to this commodity prices have remained firm, with oil, nickel and copper back to all time highs. All good news for the Russian economy, which expanded 7.1% over the second quarter of this year.

The listed equities portfolio remains to be focused on value based mid-capitalization securities, particularly in the telecom sector and the electric utilities. Over the past several months, Russia's regional telecom operators have been buoyed by news that President Putin at last signed a decree paving the way for privatization; a long awaited trigger that is sure to unlock considerable value imbedded in these operators. Also over the last quarter tangible progress was made in electricity sector reform, notably the decision to allow newly created generation companies to raise capital through new share issues. This will not only allow these companies to raise an estimated \$15bn required to expand generation by some 20,000 Mw, but these equity issuances will also effectively dilute state ownership and increase the traded free float; all catalysts for a share price re-rating.

Portfolio Highlights

Mosmart (Sarnatus Trading Ltd.)

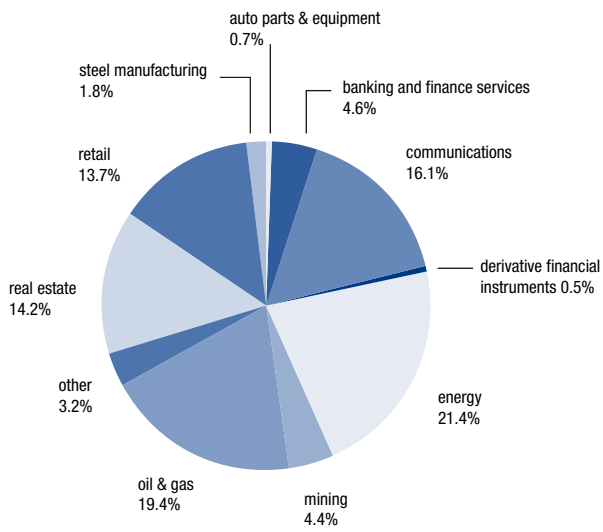
The first of Mosmart's three operational shopping complexes opened in June 2003 on Yaroslavkoye Shosse near Moscow's MKAD beltway. The next two centres, at Dmitrovskoye Shosse, and MKAD 71, opened in September and October 2004. Each complex is anchored by a Mosmart hypermarket, which shelves approximately 50'000 food and non-food items from over 500 producers. In addition, the Yaroslavskoye Shosse complexes are retail centers which rent space to retailers, banks, restaurants and other services providers. The MKAD 71 store has its own small trade gallery within the much larger Waypark retail center.

During the first half year of 2006, Mosmart opened an additional store in Krasnodar in a leased location. A further hypermarket, the 82'000 sqm hypercenter in Borovskoye Shosse, Moscow, is expected to open in the 4th quarter of the year. The 30'8000 sqm hypercenter in Nizhny Novgorod, originally expected to open this December, is now expected to open in the first half of 2007. The new "Mosmart Express" format of conveniently located 2'000 sqm stores allows the chain to capitalize on its growing buying power, and in the case of a regional city like Krasnodar, Mosmart can make additional use of the logistics network developed to supply its large format hypermarkets.

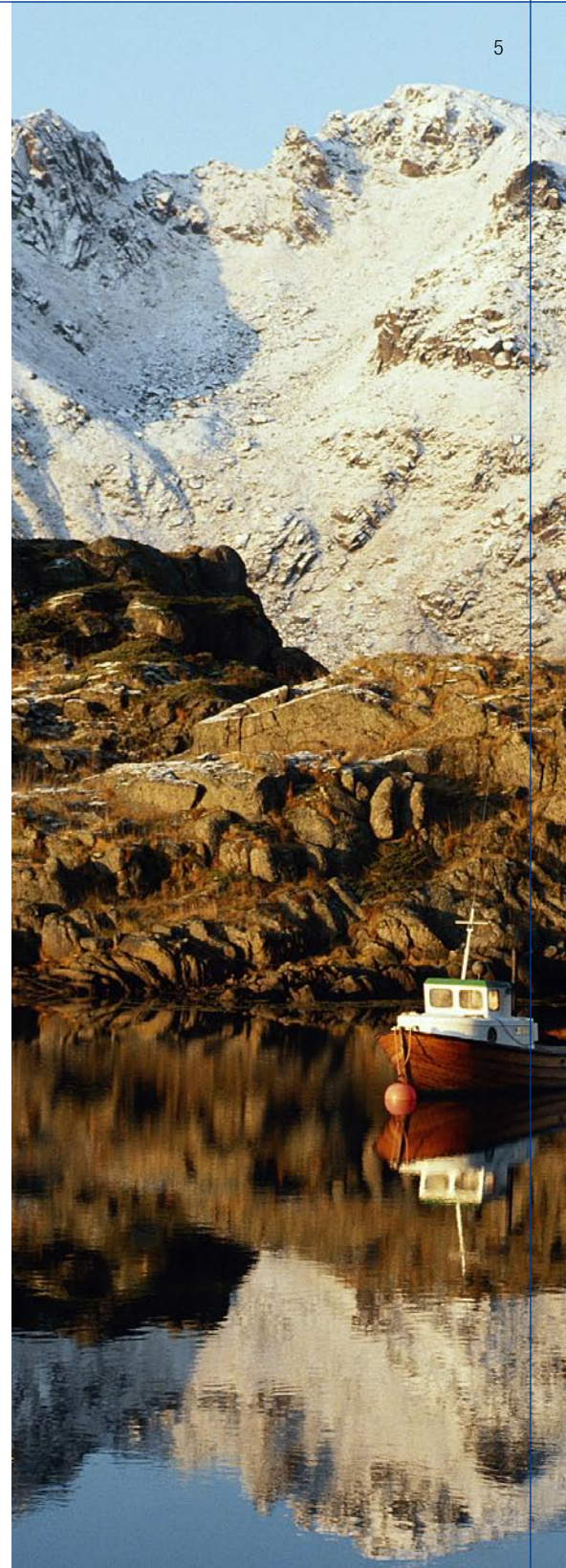
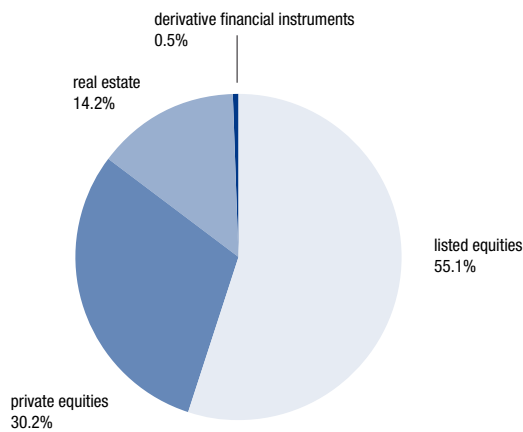
Batumi Oil Terminal

After a record year in 2005 with with 9.7 tonnes of transshipment volume and revenues of USD 140 million, the terminal continues to perform strongly, as the rail corridor was running at almost maximum capacity during the 1st half of this year. Important settlements with the new government have been concluded, which provides the terminal with a strengthened legal framework and a basis for further expansion. Based on our forecasts for the financial year in course, we are expecting again double digit dividend yields from this investment.

30.06.2006 Investment portfolio by sector



30.06.2006 Investment portfolio by asset class



Net Asset Value

Determination of the Net Asset Value as of June 30, 2006 (unaudited)

	30.06.2006		31.12.2005	
in CHF	Following IFRS presentation	Representing the existing shareholders' economic interest	Following IFRS presentation	Representing the existing shareholders' economic interest
Assets				
Treasury stock - at market value	-	21'451'043	-	12'183'433
Cash, investments and other assets	448'634'233	448'634'233	450'011'125	450'011'125
Total assets	448'634'233	470'085'276	450'011'125	462'194'558
Liabilities				
Derivative financial instruments	-	-	3'318'010	3'318'010
Convertible bonds	47'594'432	49'028'655	48'511'743	49'945'798
Other liabilities	16'210'511	16'210'511	24'883'313	24'883'314
Total current liabilities	63'804'943	65'239'166	76'713'066	78'147'122
Share capital	80'530'750	80'530'750	80'026'800	80'026'800
Capital paid in excess of value (share premium)	46'366'332	40'297'130	37'368'272	39'933'418
Equity component of convertible bonds	1'434'224	-	1'434'224	-
Treasury stock - at cost	(18'785'097)	-	(1'839'688)	-
Retained earnings	275'283'081	284'018'230	256'308'451	264'087'218
Total shareholders' equity	384'829'290	404'846'110	373'298'059	384'047'436
Total liabilities and shareholders' equity	448'634'233	470'085'276	450'011'125	462'194'558
Total number of shares outstanding		1'610'515		1'600'536
Net Asset Value per share		CHF 251.38		CHF 239.95
Number of treasury shares		79'068		56'068

Note

The net asset value per share ("NAV") is calculated in Swiss Francs as the aggregate of the value of all investments and treasury shares less the aggregate amount of the liabilities and accrued expenses divided by the total number of shares outstanding.

The main differences between the two calculations is due to applying the IFRS standards versus the Swiss GAAP standards. The differences are particularly prominent in the calculation and booking of Treasury Shares, convertible bonds, and in reclassifying the shareholders' equity.



Financial Statements

Consolidated Balance Sheet

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Consolidated Balance Sheet as of June 30, 2006 (unaudited)

	Notes	30.06.2006	31.12.2005
in CHF			
Assets			
Cash and cash equivalents		19'094'961	30'012'875
Accounts receivable		42'472'690	1'945'581
Derivative financial instruments	4	1'892'625	-
Investments at fair value through profit or loss	4	385'173'957	418'052'669
Total current assets		448'634'233	450'011'125
Available for sale investments non-current	4	145'301	118'612
Total assets		293'825	279'539
Liabilities			
Bank Overdraft		11'281'162	1'848'534
Derivative financial instruments	4	-	3'318'010
Accounts payable and accrued expenses	5	4'370'904	22'226'334
Current taxes liabilities		558'445	808'445
Convertible bonds	5	47'594'432	48'511'743
Total liabilities		63'804'943	76'713'066
Shareholders' Equity			
Share Capital	6	80'530'750	80'026'800
Capital paid in excess of par value (share premium)		46'366'332	37'368'272
Treasury stock	6	(18'785'097)	(1'839'688)
Equity component of convertible bonds	5	1'434'224	1'434'224
Retained earnings		275'283'081	256'308'451
Total Shareholders' Equity		384'829'290	373'298'059
Total Liabilities and Shareholders' Equity		448'634'233	450'011'125
Number of shares issued and fully paid		1'610'515	1'600'536
Nominal		CHF 50.00	CHF 50.00

Financial Statements

Consolidated statement of Income

Consolidated statement of Income for the period started January 1, to June 30, 2006 (unaudited)

	Notes	30.06.2006	31.12.2005
in CHF			
Revenue			
Interest income		680'589	849'092
Dividends		2'770'658	2'151'865
Realised gains on sale of investments at fair value through profit or loss	4	33'179'059	47'537'142
Unrealised gains on investments at fair value through profit or loss	4	20'066'037	-
Realised gains on derivative financial instruments	4	8'109'885	-
Unrealised gains on derivative financial instruments	4	1'892'625	-
Other income		119'520	10'457
Total Revenue		66'818'373	50'548'556
Operating expenses			
Realised losses on sale of investments at fair value through profit or loss	4	6'827'750	12'055'614
Realised losses on derivative financial instruments	4	33'488'930	-
Unrealised losses on derivative financial instruments	4	-	-
Exchange loss		889'079	16'679'396
Management fees		4'748'939	2'812'298
Performance fees		-	-
Administrative fees		91'964	-
Directors' fees		3'210	-
Investment bank and professional fees		572'064	747'669
Bank charges and interest expenses		57'080	274'052
Interest and charges on convertible bonds		1'029'470	650'092
Taxes other than on income		106'509	238'307
Other expenses		28'748	-
Total operating expenses		47'843'743	33'457'428
Profit before tax		18'974'630	17'091'128
Income taxes		-	-
Profit for the period		18'974'630	17'091'128
Attributable to:			
Equity holders of the Company		18'974'630	17'091'128
Retained earnings at the end of the period			
Weighted average number of outstanding shares		1'546'260	1'261'268
Basic earnings per share		CHF 12.27	CHF 13.55
Diluted earnings per share		CHF 11.25	CHF 11.47
Net income for the period		18'974'630	17'091'128
Retained earnings at the beginning of the year		256'308'451	146'287'375
Retained earnings at the end of the period		275'283'081	163'378'503

Financial Statements

Consolidated Cash Flow Statement

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Consolidated Cash Flow Statement for the period ended June 30, 2006 (unaudited)

	Notes	30.06.2006	31.12.2005
in CHF			
Cash flow from operating activities			
Profit before tax		18'974'630	17'091'128
Adjustments for :			
Dividend income		(2'770'658)	(2'151'865)
Interest income		(680'589)	(849'092)
Bank charges and interest expenses		57'080	274'052
Interest on convertible bonds		1'029'470	(722'728)
Fair value adjustment on investment portfolio	4	11'528'201	(32'654'868)
Operating income before working capital changes		28'138'134	(19'013'373)
Movement in working capital :			
Net purchase of investments	4	16'139'876	18'388'209
Accounts receivable		(40'527'109)	41'376
Accounts payable and accrued expenses		(17'855'430)	(7'547'274)
Provision for taxes		(250'000)	(15'508)
Dividends received		2'770'658	2'151'865
Interest received		680'589	849'092
Bank charges and interest expenses		(57'080)	(274'052)
Net cash flows from / (used in) operating activities		(10'960'362)	(5'419'665)
Cash flows from financing activities			
Net (purchase) / sale of treasury stock		(4'166'214)	(3'934'775)
Net (purchase) / sale of options on own shares		(7'072'500)	-
Net cash flows from financing activities		(11'238'714)	(3'934'775)
Net decrease in cash and cash equivalent		(22'199'076)	(9'354'440)
Cash and cash equivalents at the beginning of the year		30'012'875	37'579'162
Cash and cash equivalents at the end of the period		7'813'799	28'224'723

Financial Statements

Consolidated Statement of Changes in Equity

Consolidated Statement of Changes in Equity for the period ended June 30, 2006 (unaudited)

	Share capital	Share premium	Treasury stock	Retaining earnings	Equity comp. of convertible bonds	Total Equity
in CHF						
Balance as at December 31, 2004	64'203'550	23'727'154	(3'274'650)	146'287'375	1'859'074	232'802'503
Increase of share capital	15'823'250	15'358'742	-	-	-	31'181'992
Equity impact of repurchase of convertible bond	-	(1'801'479)	-	-	-	(1'801'479)
Reversal of equity component convertible bond 2008	-	1'859'074	-	-	(1'859'074)	-
Equity component convertible bond 2010	-	-	-	-	1'434'224	1'434'224
Purchase of treasury shares	-	-	(4'122'073)	-	-	(4'122'073)
Sale of treasury shares	-	162'787	5'557'035	-	-	5'719'822
Purchase of options on own shares	-	(5'344'226)	-	-	-	(5'344'226)
Sale of options on own shares	-	3'406'220	-	-	-	3'406'220
Net income for the year	-	-	-	110'021'076	-	110'021'076
Balance as at December 31, 2005	80'026'800	37'368'272	(1'839'688)	256'308'451	1'434'224	373'298'059
Increase of share capital	503'950	363'713	-	-	-	867'663
Purchase of treasury shares	-	-	(5'221'808)	-	-	(5'221'808)
Purchase of options on own shares	-	-	(11'723'601)	-	-	(11'723'601)
Sale of options on own shares	-	8'634'347	-	-	-	8'634'347
Net income for the period	-	-	-	18'974'630	-	18'974'630
Balance as at June 30, 2006	80'530'750	46'366'332	(18'785'097)	275'283'081	1'434'224	384'829'290

The third Mosmart at Dmitrovskoye Shosse, Moscow



Financial Statements

Notes as of June 30, 2006 (unaudited)

Note 1 Incorporation and activity

ENR Russia Invest SA, Geneva (Hereinafter, the "Company") is an investment holding company incorporated as a limited company under the laws of Switzerland. The company's registered office is 2-4, Place du Molard, Geneva, Switzerland. The company has no employees.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34. They do not include all of the information required for full annual statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2005.

Note 2 Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2005.

Note 3 Fully consolidated companies

At June 30, 2006, the ENR Group was composed of ENR Russia Invest SA and the following wholly-owned subsidiaries (see table below).

		30.06.2006*		31.12.2005*
ENR Russia Limited, Nicosia	€	0.1	€	0.1
ENR Holdings Ltd., Nicosia	€	3'310.0	€	3'310.0
ENR Investment Ltd., Nicosia	€	3'846.0	€	3'846.0
ENR Overseas Ltd., Nicosia	€	1'833.0	€	1'833.0
ENR One LLC, Moscow	RUB	10.0	RUB	10.0
ENR Russia Invest Finance Ltd., Grand Cayman	USD	0.1	USD	0.1
ENR Securities Ltd., Grand Cayman	USD	0.1	USD	0.1

*in thousands



Financial Statements

Notes as of June 30, 2006 (unaudited)

3.1 Earning per share

Basic earning per share is calculated by dividing the net income for the period by the weighted average number of shares outstanding during the same period.

Diluted earnings per share is calculated by dividing the net income of shares outstanding during the period, adjusted for the effect of shares resulting from conversion of the convertible bond.

		30.06.2006	30.06.2005
Net Profit	CHF	18'974'630	17'091'12
Weighted average number of outstanding shares	NBR	1'546'260	1'261'26
Basic earnings per shares	CHF	12.7	13.5
Diluted earnings calculation per shares			
Convertible bonds (2005-2010)	CHF	50'000'000	29'000'00
		Each block of CHF 5'000 is convertible into 23.119249 shares	Each block of CHF 5'000 is convertible into 49.183553 shares
Interest expenses	CHF	1'029'470	650'09
Adjusted net profit	CHF	20'004'100	17'741'22
Number of ordinary shares resulting from conversion of bonds	NBR	231'192	285'26
Number of shares used to calculate the diluted earnings	NBR	1'777'453	1'546'53
Diluted earnings per shares		11.25	11.4



Note 4 Investment portfolio

	30.06.2006	31.12.2005
in CHF		
Fair value of portfolio brought forward	414'734'669	240'599'000
Investment portfolio movement for the period		
Purchase of investments	582'420'478	2'326'228'651
Sale of investments	(633'021'558)	(2'276'064'723)
Net realised gain / (loss) on disposal of investments	34'461'194	11'218'779
Net investment portfolio movement for the year	(16'139'886)	61'382'707
Net unrealised gain	(11'528'201)	112'752'962
Fair value of portfolio	387'066'582	414'734'669

The investment portfolio is represented as follows on the balance sheet

Held for trading :		
- listed equity securities held for trading	248'500'388	276'527'066
- listed debt securities	-	33'458'913
Total held for trading	248'500'388	309'985'979
Designated as fair value through profit or loss :		
- unlisted equity securities	135'335'963	106'627'590
- unlisted debt securities	1'337'606	1'439'100
Total designated as fair value through profit or loss	136'673'569	108'066'690
Total financial assets at fair value through profit or loss	385'173'957	418'052'669

Derivatives

exchange rate forward agreements	1'892'625	(3'318'010)
Total derivatives	1'892'625	(3'318'010)

Gains/(losses) recognised in relation to financial assets

at fair value through profit or loss :		
- net realised gains	26'351'308	41'938'194
- unrealised losses/gains	(13'420'825)	116'070'972
Total gains/losses	12'930'483	158'009'166

Gains/(losses) recognised in relation to derivatives :

- net realised gains/losses	8'109'885	(30'719'415)
- unrealised gains/losses	1'892'625	(3'318'010)
Total gains/losses	10'002'510	(34'037'425)

Financial Statements

Notes as of June 30, 2006 (unaudited)

	Balance as of 1. 1. 2006	Additions		Withdrawals
Securities in CHF	Quantity	CHF *	CHF *	CHF *
Amtel-vredestein - Gdr Sp. - Reg. S	360'000	5'124	-	-
Azot	-	-	1'077	(1'426)
Bashkirenergo-\$us	2'375'000	2'050	-	-
Central Telecommunicat-pfd \$	10'000'000	6'063	-	-
Chelyabenergo	40'000'000	1'423	-	(244)
Chelyabinsk Pipe Works -\$us	15'847'616	21'513	-	(29'569)
Comstar-united Reg. S - Gdr Spons.	-	-	21'299	(14'233)
Consolidated Puma Minerals Corp.	500'000	654	-	-
Consolidated Puma Minerals Corp. Wts 26.12.2006	250'000	-	-	-
Eastern Property Holdings Ltd.	312'178	37'026	-	(252)
European Minerals Corp.	250'000	271	-	-
Evraz Group Reg. S - Gdr Spons.	142'000	3'369	-	(2'461)
Gazprom Oao	-	-	33'285	(26'658)
Gazprom Oao-spon Adr Reg S	213'000	20'128	17'138	(32'417)
International Marketing & Sales Group	300'000	1'324	126	-
Kirovnergo-pfd	2'000'000	47	-	-
Kolenergo	466'632	123	244	(245)
Kolskaya Generation Company	466'632	3	-	-
Kondopoga Pulp & Paper-\$ Brd	79'314	4'704	-	(5'614)
Korshunovsky Mining & Processing	1'000	1'041	-	-
Kostroma Gres	8'500'000	2'958	-	(2'958)
Kubanenergo	-	-	6'036	-
Kuzbassrazrezugol Coal	-	-	775	(975)
Lenenergo-pfd \$us	750'000	198	198	(198)
Lukoil Holding - Adr Spons. -	52'000	4'013	7'367	(8'790)
Lukoil-nizhnegorodneft. Pfd	-	-	596	-
Mechel Steel Group Oao-adr	47'900	1'263	305	(1'312)
Megabank	-	-	515	(484)
Mikhailovsky Gok Pfd	694	243	-	-
Mobile Telesystems - Ordinary Shares	390'000	3'418	8'558	-
Mobile Telesystems - Adr Spons.	150'000	6'919	4'452	-
Murmanskaya	466'632	13	-	-
Norilsk Nickel Jsc - Mmc	25'000	1'977	9'557	(12'037)
Norilsk Nickel Jsc - Adr Spon.	25'000	3'130	2'590	(5'587)
Novatek - Gdr Spons. - Reg. S	-	-	4'845	(5'134)
7 November Coal Mines Pfd	-	-	18	-
Novolipetsk Iron & Steel - Gdr - Reg. S	200'000	3'769	-	(141)
Novorossiysk Sea Shipping Pfd	500'000	613	-	-
Ogk-2	-	-	1'721	-
Ogk-3 (Third Generation Wholesale Electricity)	62'615'784	2'261	2'958	(10'430)
Ogk-5 (Fifth Generation Wholesale Electricity)	47'500'000	3'130	-	-
Ormskhina	31'100	5'329	53	(980)
Oskol Elektrometall-rts Brd\$	12'500	3'460	-	-
Promstroibank St Petersburg	3'050'000	4'462	-	-
Polyus Gold	-	-	-	-
Pyaterochka - Gdr Spons. - Reg. S	30'000	571	-	-

Gains		Losses		Balance as of 30.6. 2006	
Realised *	Unrealised *	Realised *	Unrealised *	Quantity	CHF
-	-	-	(2'588)	360'000	2'536
349	-	-	-	-	-
-	190	-	-	2'375'000	2'240
-	-	-	(2'265)	10'000'000	3'798
66	-	-	(174)	35'000'000	1'072
8'056	-	-	-	-	-
295	-	(262)	(1'679)	750'000	5'421
-	144	-	-	500'000	799
-	165	-	-	250'000	165
35	-	-	(1'836)	310'310	34'972
-	-	-	(15)	250'000	256
-	88	264	-	42'000	1'261
652	227	(1'136)	-	500'000	6'370
5'474	1'640	-	-	232'500	11'962
-	-	-	(87)	325'000	1'362
-	-	-	(11)	2'000'000	37
50	-	-	-	466'632	172
-	340	-	-	466'632	343
910	-	-	-	-	-
-	-	-	(61)	1'000	980
-	-	-	-	-	-
83	-	-	-	185'000	6'119
200	-	-	-	-	-
-	78	-	-	750'000	276
449	221	(715)	-	25'000	2'545
-	-	-	(26)	7'500	570
302	-	-	(29)	19'600	529
-	-	-	(31)	-	-
-	-	-	(1)	694	242
-	-	-	(3'244)	1'320'000	8'732
-	-	-	(2'355)	250'000	9'016
-	-	-	(1)	466'632	11
1'404	-	(901)	-	-	-
27	-	(161)	-	-	-
630	-	(341)	-	-	-
-	-	-	(8)	28	9
46	1'580	-	-	195'000	5'255
-	-	-	(106)	500'000	507
-	-	-	(121)	25'126'666	1'600
5'211	-	-	-	-	-
-	856	-	-	47'500'000	3'986
123	-	-	(1'302)	26'307	3'223
-	-	-	(1'086)	12'500	2'373
-	-	-	(838)	3'050'000	3'624
-	1'322	-	-	25'000	1'322
-	35	-	-	30'000	606

*in thousands

Financial Statements

Notes as of June 30, 2006 (unaudited)

	Balance as of 1. 1. 2006		Additions	Withdrawals
Securities in CHF	Quantity	CHF *	CHF *	CHF *
Razrez Borodinsky	150	194	-	(296)
Rosneft-sakhalinmorneft-\$pfd	135'000	1'779	-	-
Rostelecom-pfd	1'200'000	2'689	-	(2'723)
Rostov Power Generation Company Pfd	-	-	1'322	(1'322)
Sakhalinenergo	2'200'000	148	-	-
Samaraenergo-us \$	9'050'000	1'670	-	-
Samaraenergo-pfd \$us	3'200'000	498	-	-
Saratov Power	-	-	17'772	(1'981)
Sberbank	352'000	9'858	4'251	(7'270)
Sibir Energy Plc	430'000	3'554	-	(1'374)
Sibirtelecom-\$us	9'000'000	872	-	(600)
Sibirtelecom-\$us Pfd	246'050'000	19'781	-	-
Sinarsky Tube Works-\$us	156'631	14'079	-	(15'407)
Sistema Afk Reg. S - Gdr Spons.	168'019	5'204	-	(3'148)
Surgutneftegaz-pfd \$us	7'275'000	8'524	-	(10'661)
Surgutneftegaz-sp Adr Pref	62'000	7'395	2'659	-
Sverdlovenegero \$us	460'000	152	-	-
Sverdlovenegero-pfd \$us	500'000	132	132	(132)
Siloviye Mashiny	-	-	1'209	-
Third Generation Wholesale Electricity	-	-	7'971	(8'420)
Tnk-bp Holding	923'305	3'432	-	(2'443)
Tnk-bp Holding Pfd	1'945'350	6'179	-	-
Tulenergo	4'000'000	174	-	(280)
Udmurtenergo Ojsc	2'892'312	1'258	799	-
Ufaneftekhim Pfd	750'000	1'512	-	-
Ufa Oil Processing Plant Pfd	300'000	384	-	-
Unified Energy System	-	-	15'081	(1'415)
Unified Energy System Pfd	10'000'000	4'718	-	-
Unified Energy Sys-adr Pfd	50'000	2'399	-	-
Unified Energy Sys-gdr	60'000	3'361	11'086	(14'566)
Urasia Energy Ltd.	2'620'000	6'385	-	(2'400)
Uralsvyzinform \$us	19'136'098	913	-	(964)
Uralsvyzinform Pfd \$us	235'100'000	8'986	1'922	-
Uralsvyzinform Pfd - Adr - \$us	165'000	1'174	-	-
Vimpelcom-sp Adr	1'000	60	-	(58)
Volgatelecom	-	-	2'689	-
Volgatelecom-pfd \$	1'420'000	6'494	-	-
Voronezhsintezkautchuk	-	-	417	-
Zakhidenergo	-	-	36	-
Sub-total Listed Shares		276'543	191'056	(237'602)

Gains		Losses		Balance as of 30.6. 2006	
Realised *	Unrealised *	Realised *	Unrealised *	Quantity	CHF
102	-	-	-	-	-
-	701	-	-	135'000	2'481
-	34	-	-	-	-
-	-	-	-	-	-
-	81	-	-	2'200'000	229
-	880	-	-	9'050'000	2'550
-	326	-	-	3'200'000	823
241	903	-	-	230'415'629	16'936
457	682	-	-	260'500	7'978
308	808	-	-	301'000	3'296
91	-	-	(76)	3'750'000	287
-	-	-	(3'806)	246'050'000	15'975
1'329	-	-	-	-	-
51	-	-	(461)	68'019	1'646
2'137	-	-	-	-	-
-	796	-	-	82'000	10'851
-	136	-	-	460'000	287
-	67	-	-	500'000	199
-	129	-	-	12'000'000	1'338
449	-	-	-	-	-
-	-	(988)	-	-	-
-	-	-	(221)	1'945'350	5'958
107	-	-	-	-	-
-	-	-	(230)	2'892'312	1'828
-	325	-	-	750'000	1'838
-	47	-	-	300'000	430
-	1'537	(70)	-	17'800'000	15'133
2'264	-	-	-	10'000'000	6'983
-	1'031	-	-	50'000	3'430
175	557	(613)	-	-	-
694	1'200	-	-	1'920'000	5'879
51	-	-	-	-	-
-	-	-	(1'758)	285'100'000	9'150
-	-	-	(83)	165'000	1'092
-	-	(1)	-	-	-
-	-	-	(91)	700'000	2'598
-	-	-	(1'780)	1'420'000	4'714
-	-	-	(144)	740	273
-	-	-	(2)	1'000	34
32'815	17'127	(4'924)	(26'516)		248'500

*in thousands

Financial Statements

Notes as of June 30, 2006 (unaudited)

	Balance as of 1. 1. 2006		Additions	Withdrawals
Securities in CHF	Quantity	CHF *	CHF *	CHF *
Atf Bank - Atfbp 9 05/11/16	-	-	7'250	(7'242)
Azovstal Capital Bv For Pjsc Azovstal Iron - Azovtl 9 1/8 02/11	-	-	9'183	(9'189)
Bta Finance Luxembourg Sa - Btas 8 1/4 01/29/49	-	-	5'669	(5'720)
Centercredit International Bv - Bccrd 8 02/02/11	-	-	5'099	(5'194)
Evraz Group S.a. - Evraz 8 1/4 11/15	8'000'000	10'481	-	(10'345)
Ing Bank Nv - Intned 0 04/06/07	53'000'000	1'320	-	(1'320)
Ing Bank Nv For Oao Coal Co Kuzbassrazrezugol - Cckru 9 07/13/07	4'000'000	5'358	5'199	(10'156)
Ing Bank Nv For Open Investments Oao - Oivs 9 1/8 11/09/07	1'000'000	1'336	-	(1'303)
Megafoon Sa For Ojsc Megafoon - Megafo 8 12/10/09	5'000'000	6'693	-	(6'650)
Russian Standard Finance Sa For Cjsc Rusb 8 1/8 04/21/08	1'500'000	1'996	-	(1'980)
Sistema Capital Sa - Sisfin 8 7/8 01/11	2'000'000	2'770	-	(2'774)
Sistema Finance Sa - Sisfin 10 1/4 04/08	2'500'000	3'506	2'767	(5'992)
Ukrchem Capital Bv - Stiruz 7 7/8 08/08	-	-	2'526	(2'554)
Vtb Capital Sa For Vneshtorgbank - Vtb 0 09/21/07	-	-	13'178	(12'208)
Sub-total Fixed Income Instruments		33'459	50'872	(82'628)
Total Investments At Fair Value Through Profit Or Loss - Trading		310'002	241'928	(320'230)
Apatitskaya	466'632	13	-	-
Bam Resources Plc -reg-	200'000	-	-	-
Chelyabinsk Energy Generation Company	65'000'000	2'227	-	(885)
Chelyabinsk Management Energy Company	65'000'000	86	-	-
Chelyabinsk Trunk Grids Company	40'000'000	26	-	-
Ibs Group Hold. Reg. S - Gdr Spons. -	250'000	5'980	-	-
Kolsk Energy Retail Co.	-	-	1	-
Kolsk Trunk Grids	-	-	-	-
Kirovenergo Management Company Pfd	2'000'000	-	-	-
Mcsi Holding - 0 % Mcsi Holding 04/07	1'091'923	1'439	-	-
Mct Special Opportunities Fund	-	-	6'477	-
Nafrans Ltd, Limassol, Cyprus	8'000'000	12'142	28'238	-
North Western Energy Management Pfd	750'000	-	-	-
Panariello Enterprises Ltd.	3'049	21'293	-	(994)
Petersburg Energy Retail Company Pfd	750'000	-	-	-
Petersburg Generation Company Pfd	750'000	-	-	-
Petersburg Trunk Grid Pfd	-	-	-	-
Polyus Gold - Adr - Technical Right	-	-	540	-
Priorskaya Territorialnaya Generation Company	4'000'000	185	-	-
Pskovskaya Gres	12'000'000	1'708	-	(1'708)
Redberry Resources Limited	50	3'427	-	-
Sarnatus Trading Limited Company	1	56'935	-	-
Serovskaya Tpp Pfd	500'000	13	-	(13)
Sverdlovsk Energy Management Company	460'000	1	-	-
Sverdlovsk Energy Management Company Pfd	500'000	1	-	-
Sverdlovsk Energy Service Company	460'000	3	-	-
Sverdlovsk Energy Service Company Pfd	500'000	28	-	-
Sverdlovsk Energy Retail	460'000	152	-	-

Gains		Losses		Balance as of 30.6. 2006	
Realised *	Unrealised *	Realised *	Unrealised *	Quantity	CHF
-	-	(8)	-	-	-
19	-	(12)	-	-	-
51	-	-	-	-	-
95	-	-	-	-	-
-	-	(136)	-	-	-
-	-	-	-	-	-
-	-	(402)	-	-	-
-	-	(33)	-	-	-
19	-	(62)	-	-	-
-	-	-	(15)	-	-
5	-	-	-	-	-
-	-	(281)	-	-	-
28	-	-	-	-	-
-	-	(970)	-	-	-
217	0	(1'904)	(15)	-	-
33'033	17'127	(6'828)	(26'531)		248'500
-	-	-	(1)	466'632	12
-	-	-	-	200'000	-
29	540	-	-	40'000'000	1'911
-	-	-	(6)	65'000'000	80
-	-	-	(2)	40'000'000	25
-	-	-	(422)	250'000	5'558
-	-	-	(0)	466'632	1
-	16	-	-	466'632	16
-	-	-	-	-	-
-	-	-	(102)	1'091'923	1'338
-	-	-	(351)	5'000	6'126
-	1'680	-	-	30'000'000	42'060
-	-	-	-	750'000	-
-	-	-	(488)	3'049	19'811
-	-	-	-	750'000	-
-	184	-	-	750'000	184
-	-	-	-	750'000	-
-	-	-	(38)	25'000	502
-	501	-	-	4'000'000	686
-	-	-	-	-	-
-	-	-	(242)	50	3'185
-	-	-	(4'015)	1	52'920
-	-	-	-	-	-
-	-	-	(0)	460'000	1
-	-	-	(0)	500'000	1
-	-	-	(0)	460'000	3
-	-	-	(2)	500'000	26
-	6	-	-	460'000	158

*in thousands

Financial Statements

Notes as of June 30, 2006 (unaudited)

	Balance as of 1. 1. 2006		Additions	Withdrawals
Securities in CHF	Quantity	CHF *	CHF *	CHF *
Sverdlovsk Energy Retail Pfd	500'000	5	-	-
Sverdlovsk Generation Company Pfd	500'000	123	-	(123)
Sverdlovsk Trunk Grid Pfd	-	-	-	-
Sverdlovskie Magistralnye Seti	460'000	49	-	-
Tgc-5	-	-	105	-
Tgc-8	-	-	1'322	-
Tgc-9	-	-	123	-
Tula Trunk Grid Company Ord.	-	-	-	-
Tulskaya Power Manager Company	4'000'000	5	-	(5)
Tulskaya Sales Company	4'000'000	8	-	-
Trans-siberian Gold	200'000	330	-	(448)
Udmurt Energy Distribution	2'392'312	1'261	-	-
Udmurt Management Energy Company	2'392'312	32	-	(32)
Udmurtia Trunk Grids	2'392'312	473	-	-
Vyatskaya Electricity & Heat Pfd	2'000'000	105	-	(105)
Total Unlisted Investments Designated At Fair Value Through Profit Or Loss		108'051	36'808	(4'315)
Forward Foreign Exchange Contracts	-	(3'318)	303'685	(308'477)
Sub-total Derivative Financial Instruments		(3'318)	303'685	(308'477)
Total Investments		414'735	582'421	(633'022)
Derivatives On Currency				
	Currency Sold		Currency Bought	
Forward Foreign Exchange Contracts - Expiry Date 15.09.2006	245'000 Usd		299'386 Chf	
Total				

Gains		Losses		Balance as of 30.6. 2006	
Realised *	Unrealised *	Realised *	Unrealised *	Quantity	CHF
-	-	-	(0)	500'000	4
-	-	-	-	-	-
-	-	-	-	500'000	-
-	-	-	(3)	460'000	45
-	-	-	(3)	233'345'001	103
-	-	-	(96)	3'575'327'000	1'226
-	-	-	(10)	1'320'000'000	113
-	-	-	-	4'000'000	-
-	-	-	(0)	-	-
-	12	-	-	4'000'000	20
118	-	-	-	-	-
-	-	-	(1'141)	2'392'312	120
-	-	-	(0)	-	-
-	-	-	(33)	2'392'312	440
-	-	-	-	-	-
147	2'939	0	(6'956)		136'674
8'110	1'893	-	-	-	1'893
8'110	1'893	0	0	-	1'893
41'289	21'959	(6'828)	(33'487)	-	387'067
Contract Forward Rate	Forward Rate 30.06.2006	Fair Value 30.06.2006			
1.222	1.214	1'893			
				1'893	

*in thousands

Financial Statements

Notes as of June 30, 2006 (unaudited)

Note 5 Liabilities

5.1 Accounts Payable and accrued expenses

in CHF	30.06.2006	31.12.2005
Pending Securities settlements	-	4'608'275
Accrued management and performance fees	2'382'014	16'602'381
Interest accrued on 3.75% CV Bond maturing 2010	1'130'208	197'917
Others creditors	858'682	817'761
Balance as of December 31	4'370'904	22'226'334

5.2 Convertible bonds

Convertible bonds has changed as follows:

Balance as at 31.12.2005	48'511'743
Conversions during the 1 st semester 2006	(1'025'000)
Amortisation of transaction cost	107'689
Balance as at 30.06.2006	47'594'432

On November 23, 2005, ENR Russia Invest Finance Ltd. issued, at par value, 3 3/4% convertible bonds for CHF 50'000'000, which mature on November 23, 2010. Each bond of CHF 5'000 nominal is convertible into 23.11 bearer shares of ENR Russia Invest SA of CHF 50 nominal each. In the consolidated financial statements, the loan is divided into a liability and an equity component. The fair value of the liability component is calculated using a discount rate of 4.23%, as if the bonds have no embedded conversion rights and the market rate of interest applied.

The convertible bond includes a call option which allows the group to call for the redemption of the bond at 100% in case the closing price of the shares for a period of 20 consecutive Business days is at least 130 per cent of the then applicable conversion price, with a period of 60 days prior notice. The value of the option call has been estimated to CHF 405'000 and has been deducted from the liability component.

As at June 30, 2006 the detail of the liability and equity components were the following:

3.75 % convertible bonds 2005-2010

Present value of the principal (CHF 50.0 million payable at 23.11.2010)	40'644'924
Value of interest (CHF 1.87 million payable annually in arrears until 23.11.2010)	8'293'507
Value of call option	(405'000)
Allocation of transaction cost	(938'999)
Total Liability component	47'594'432
Equity component	1'434'224
Proceeds of bonds Issue	49'028'656

The outstanding nominal value of the bonds (excluding treasury bonds) is protected with cash and liquid securities during the whole life of the bonds. The Group has issued an unconditional and irrevocable guarantee in accordance with the article 111 of the Swiss Federal Code of Obligations up to a maximum amount of CHF 59'375'000 in favour of OZ Bankers AG on behalf of the bondholders for the due payment of all amounts payable on the bonds.

Note 6 Share capital

At June 30, 2006, the issued ordinary share capital of the Company was CHF 80.5 million, divided into 1'610'615 bearer shares of par value CHF 50 each and one voting right per share. There are no restrictions on share transfer.

Issued Capital	30.06.2006		31.12.2006	
	NBR	CHF	NBR	CHF
Opening Balance	1'600'536	80'026'800	1'284'071	64'203'550
Capital Increase	10'079	503'950	316'465	15'823'250
Closing Balance	1'610'615	80'530'750	1'600'536	80'026'800

All issued shares are fully paid in.

Treasury shares in NBR	30.06.2006	31.12.2006
Opening Balance	56'068	56'055
Purchase	31'250	40'593
Sales	(8'250)	(40'580)
Closing Balance	79'068	56'068

1st semester 2006

Date	Purchase	Sale	Unit Price CHF
April	23'000		228.19
May		8'250	228.19
May	7'500		227.19
May	750		202.67
Total	31'250	8'250	

During the period the company acquired and sold put and call options on own shares. As of June 30, 2006 the company held an option to buy 25'000 own shares at the price of CHF 100 expiring on September 15, 2006 and an option to buy 45'000 own shares at the price of CHF 100 expiring on December 15, 2006. The premium paid amounts to CHF 7'072'500.00

6.1 Authorised capital and conditional capital

The Company may increase its capital by up to CHF 18'873'050 through the issue of a maximum of 377'460 bearer shares each with a par value of CHF 50.

Conditional Capital	31.12.2006		30.06.2006	
	NBR	CHF	NBR	CHF
Conditional Capital	377'460	18'873'000	662'700	33'135'000
Authorised increase of capital	377'460	18'873'000	662'700	33'135'000

Furthermore, the Company may increase its share capital by the exercise of option or conversion rights by up to a maximum amount for CHF 18'873'050 through the issue of a maximum 377'460 bearer shares each with a par value of CHF 50. The options and conversion rights are limited to a maximum exercise period of 5 years.

Note 7 Segment reporting

Since ENR only has one sector of business activity and one geographical sector, the breakdown by segment does not apply.

Financial Statements

Price Information

Date in CHF		Net Assets in thousands	NAV per share adjusted	Share price
31.12.1995		45'958	75.31	88.69
30.6.1996		70'260	115.13	118.55
31.12.1996		69'202	113.39	109.64
30.6.1997	1)	162'998	217.33	154.00
31.12.1997		149'752	199.67	155.00
30.6.1998		65'003	86.67	91.00
31.12.1998		N/A	N/A	25.85
30.6.1999		N/A	N/A	24.20
31.12.1999		N/A	N/A	25.85
30.6.2000		30'261	40.35	34.00
31.12.2000		32'296	43.06	38.50
30.6.2001		52'710	70.28	48.10
31.12.2001		54'244	72.32	49.00
30.6.2002	2)	121'621	104.13	86.00
31.12.2002		116'444	99.69	80.00
31.3.2003		116'894	100.08	79.50
30.6.2003		145'440	124.52	95.50
30.9.2003		163'087	139.63	102.75
31.12.2003		179'524	153.70	114.50
31.3.2004		219'283	187.74	140.50
30.6.2004	3)	208'134	177.44	137.50
30.9.2004	4)	225'853	177.65	135.00
31.12.2004	5)	239'491	186.51	136.00
31.3.2005		250'862	195.36	151.00
30.6.2005	6)	261'644	197.40	149.00
30.09.2005	7)	337'346	243.98	174.00
31.12.2005	8)	383'133	231.32	181.00
31.03.2006	9)	498'298	278.34	216.00
30.06.2006		404'846	251.38	211.00

N° Par Value Capital increase	Conversion factor	Date	NBR of shares
1 CHF 50 Subscription price CHF 120.00	n/a	June 30, 1997	250'000
2 CHF 50 Subscription price CHF 95.80	n/a	April 26, 2002	418'000
3 CHF 50 Conversion of the convertible bonds	CHF 5'000.00 for 49.18 shares	May 5, 2004	2'016
4 CHF 50 Conversion of the convertible bonds	CHF 5'000.00 for 49.18 shares	3rd quarter 2004	101'268
5 CHF 50 Conversion of the convertible bonds	CHF 5'000.00 for 49.18 shares	November 3, 2004	12'787
6 CHF 50 Conversion of the convertible bonds	CHF 5'000.00 for 49.18 shares	2nd quarter 2005	41'313
7 CHF 50 Conversion of the convertible bonds	CHF 5'000.00 for 49.18 shares	3rd quarter 2005	57'295
8 CHF 50 Conversion of the convertible bonds	CHF 5'000.00 for 49.18 shares	4th quarter 2005	217'857
9 CHF 50 Conversion of the convertible bonds	CHF 5'000.00 for 49.18 shares	January 2006	10'079

Summary

Organisation	Board of Directors	Christoph Löw Gustav Stenbolt Peter Rüegg Walter Fetscherin	Chairman Vice-Chairman Member Member	
	Investment Committee	Gustav Stenbolt Timothy Rogers Volker Hemprich Christine Spyrou-Catras Georg von Opel Alexander Nikolaev Medina Dietz		
	Investment Manager	MCT International Limited, B.V.		
	Portfolio Management Committee	Alexander Nikolaev Christine Spyrou-Catras Medina Dietz		
	Custodian	Pictet & Cie, Geneva ING Bank Eurasia A/O, Moscow		
	Administrator	Rhône-Audit Société Fiduciaire S.A., Geneva		
	Auditors	PricewaterhouseCoopers, Geneva		
	Management Fees	2% per annum of the average Net Asset Value		
	Performance Fee	15% of the amount if the Net Asset Value increase exceeds an annual return of 10% and 20% of the amount if the Net Asset Value increase exceeds an annual return of 20%		
	Publication List	NAV Publication	Finanz & Wirtschaft The Financial Times Reuters : OZ Bankers Bloomberg	(Twice a week) (Once a week) (Daily) (Daily)
Interim Report		Available upon request from the Company Available on the company web site : http://www.enr.ch		
Listing		SWX Swiss Exchange		
Ticker Symbol		Bloomberg Reuters	ENR SW ENRZ.S	
Security Number		Bearer Shares 347166	CH0003471668	
		Convertible bonds 2324739	CH0023247395	

Investment Policy The investment objective of the Company is to maximize long term returns to shareholders. The investment Manager intends to achieve this by investing the Company's assets in a diversified portfolio of securities of companies with substantial activities in Russia and in other CIS and others Baltic states, and within certain limits, in debt instruments, physical commodities and privatization vouchers.

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