



Semi-annual Report 2010



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Letter to Shareholders

Dear shareholders,

For the period 1 January 2010 to 30 June 2010, ENR Russia Invest SA ("ENR or the "Company") realised a consolidated net profit of CHF 35'283. At 30 June 2010 total assets amounted to CHF 131.9 million, shareholders equity was CHF 106.2 million and the net asset value per share was CHF 40.70.

During the first half of 2010 ENR deployed CHF 4.33 million to acquire local and foreign currency fixed income investments of the Gazprom group, TNK BP, the VTB Group and a Lithuania sovereign bond. ENR should receive a satisfactory return on its investments and has secured further investment exposure to the oil and gas and financial services sectors of the Russian economy. Consequently, ENR was around 88% invested at 30 June 2010.

We are pleased to welcome Dr. Dmitry Amunts, a respected Russian businessman, to our board

of directors, who we look forward in working with over the years to come.

In the first six months of 2010 uncertainties about the strength and sustainability of certain Euro zone economies caused negative sentiments that spilled over to equity and bond markets worldwide, including Russia.

However, the measured recovery of the Russian economy continues as gross domestic product is projected to increase by more than 3% in 2010. In Ukraine recent current and capital account surpluses were announced and the International Monetary Fund has adopted a new USD 15.5 billion standby program where the primary aim is to bring about fiscal sustainability in Ukraine.

Many mid-sized businesses in Russia still find it difficult to secure reasonably priced funding. ENR has seen a number of interesting Russian

consumer and financial services businesses and will continue to consider additional investment opportunities, especially where the business has a strong management team, market relevance and good growth potential.

31 August 2010

Gustav Stenbolt
Chairman
ENR Russia Invest SA

Portfolio Investments

During the period 2003 to 2006 ENR made a total investment of USD 30 million in Naftrans. In March 2008 Naftrans concluded the sale of its Georgian operating assets, including the Batumi oil terminal, to a subsidiary controlled by the Kazakhstan oil company KazMunaiGas. Naftrans then commenced to distribute sale proceeds to its shareholders and ENR received a special dividend of USD 10.0 million (May 2008) and a non repayable shareholders' loan of USD 21.3 million (July 2008). Naftrans proceeded with a disposal process of remaining assets and with the recovery of funds outstanding to it relating to an inter-company account with its managing shareholder. The recovery process resulted in Naftrans concluding a settlement agreement on 12 April 2010, which has closed on 30 June 2010, for the recovery of funds owing to it. The settlement, inter alia, was structured to remove the managing shareholder and that resulted in an increase in ENR's shareholding in Naftrans to 22.66%. ENR, via settlement proceeds and the sale of a remaining Naftrans asset should, over time, receive the remaining USD 13.96 million due to it. The net value attributable to the investment in Naftrans at half-year 2010 is CHF 15.14 million.

Pursuant to the 2008 unbundling of the Russian electricity company Unified Energy Systems, ENR received shares in electricity companies.

ENR continues to hold shares in Moscow United Electricity Distribution; RAO Eastern Energy System JSC; Federal Grid Company of UES OJSC; IDGC Holding (MRSK Holding); INTER RAO UES JSC; Kuzbassenergo; Moscow Power JSC (Mosenergo); Federal Hydrogeneration Company JSC; Territorial Generation Companies No1; No2; No4; No6; No9; and No11; Eniseyska Territory Generation Company (TGC 13); First Generation Company of Wholesale Electricity Market OJSC (WGC-1) and Second Generation Company of Wholesale Electricity Market OJSC. In the reporting period, ENR disposed of its interests in Volzhskaya Territorial Generation Company OJSC (TGC 7). At 30 June 2010 the aggregate value of ENR's shares of electricity sector companies was CHF 7.93 million.

Eastern Property Holdings Ltd ("EPH") is a Russian focused real estate development company listed on the SIX Swiss Exchange. EPH has limited gearing and an interesting real estate development portfolio in Russia. It is well positioned to benefit from a recovery of the Russian real estate market, which is expected over the medium term. EPH is managed by a Valartis Group AG subsidiary. ENR, in turn, is managed by another Valartis Group AG subsidiary. Therefore, the EPH investment is not taken into account for management fee calculations (see Note 9.1 to the

condensed consolidated financial statements in this report). At 30 June 2010, the aggregate value attributed to the investment in EPH amounted to CHF 14.34 million.

ENR owns foreign currency fixed income instruments issued by the Lukoil group, a leading vertically integrated oil and gas group. Lukoil's business comprises of exploration and production of oil and gas, production of petroleum products and petrochemicals and the marketing of these outputs. It has around 1.1 % of global oil reserves and 2.3 % of global oil production and dominates the Russian energy sector, with 18 % of total Russian oil production and 19 % of total Russian oil refining. Lukoil's proven reserves at the start of 2009 were 14,458 million barrels of crude oil and 29,253 million barrels equivalent of natural gas. Lukoil also operates some 2,106 retail stations in Russia.

ENR owns foreign currency fixed income instruments issued by the TNK-BP group. During the reporting period ENR made a CHF 254'292 investment in further TNK-BP fixed income instrument. TNK-BP is a leading vertically integrated Russian oil group with a diversified upstream and downstream portfolio in Russia and Ukraine. It's major oil producing assets are located in West Siberia, the Volga-Urals and East Siberia.

TNK-BP owns and operates five refineries (four in Russia and one in Ukraine). It also has a retail network of approximately 1,400 sites spread across Central Russia and Ukraine, with a strong position in the Moscow market.

VTB Group is one of the largest universal banking and financial services groups in Russia, offering a wide range of corporate, retail and investment banking services. VTB Capital is the investment banking arm of the group offering, amongst other things, debt and equity arrangement services, private investment, operations in the global commodities markets, asset management and advising clients on merger and acquisition deals in Russia and abroad. ENR owns foreign currency fixed income instruments of this group. ENR deployed CHF 1.066 million to acquire a further foreign currency VTB fixed income instrument in the reporting period.

ENR owns local currency fixed income instruments issued by Russian Railways, who has the second largest network in the world comprising 85,500 km of track, 43,000 km of which are electrified. It carries over 1.1 billion passengers and 1.1 billion tonnes of freight annually and is responsible for 43 % of Russia's total freight traffic (including pipelines) and more than 41 % of passenger traffic. Rolling stock includes

19,700 goods and passenger locomotives; 624,900 goods wagons; 24,100 long-distance passenger carriages; 15,600 short-range passenger carriages. Services rendered include freight transportation; long-distance passenger transport; suburban passenger transport; infrastructure services; locomotive propulsion services; repair and maintenance of rolling stock and infrastructure development.

The Magnit group comprises of entities operating in the retail trade under the "Magnit" brand. Magnit is one of the leading food retail networks in Russia. At December 31, 2009 it consisted of 3,204 convenience stores and 24 hypermarkets in 1,048 locations in Russia (largest food retailer in Russia measured by number of stores). Approximately two-thirds of its stores are located in cities with a population of less than 500,000 inhabitants and most stores are located in the Southern, Central and Volga regions. It also operates stores in the North-Western and Urals regions and has in-house logistics system consisting of 9 distribution centers, employing automated stock replenishment systems and a fleet of 1,453 vehicles. ENR has invested in a local fixed income instrument of this group.

ENR owns foreign currency fixed income instruments issued by the Gazprom group, the world's largest gas business engaged in natural gas, gas condensate and oil prospecting, production, transmission, processing and marketing both inside and outside Russia. Major business lines are geological exploration, production, transportation, storage, processing and marketing of hydrocarbons and generation and marketing of heat and electric power. Gazprom possesses some of the richest natural gas reserves in the world, with its share in the global and Russian total making up some 17% and over 60%, respectively. Gazprom also owns the gas trunk lines integrated in the Unified Gas Supply System of Russia. In the reporting period ENR invested a further CHF 1.93 million in a fixed income instrument of this group.

ENR owns foreign currency fixed income instruments issued by the Lithuanian government. Lithuania is the largest and most southern of the three Baltic republics. After reasonable growth in 2007 and 2008, the economy faced a deep recession in 2009. Despite challenges, a moderate recovery is expected in 2010, followed by projected GDP growth of 3.4% in 2011. The cabinet recently introduced successful budget cuts and there is a political will to keep its currency stable. In the reporting period ENR in-

vested CHF 254'318 in a foreign currency fixed income instrument issued by the Lithuanian government.

ENR has an investment in the Valartis Russia and CIS Fixed Income Fund. The fund seeks total returns through investments in fixed income securities in Russia and other members of the CIS seeking both capital appreciation and income through an active strategy. The investment manager selects fixed income securities issued by companies, federal, municipal, regional governments and agencies that enjoy both high yields as well as a potential for capital appreciation, experiencing fundamental credit improvement and have a positive outlook. Generally, the investment manager seeks exposure to euro bonds denominated in USD, EUR, CHF. The fund concentrates on a short list of some 100 issuers and runs an average portfolio comprising 20 to 30 entities. At 30 June 2010 the value of ENR's investment in the fund was CHF 3.48 million. As this fund is managed by a Valartis Group AG entity, ENR does not pay management fees to its investment manager on the value of the position held in the Valartis Russia and CIS Fixed Income Fund (see Note 9.1 to the condensed consolidated financial statements in this report).

Financial Statements

Determination of the Net Asset Value and Attributable Net Asset Value as of 30 June 2010

(Currency-CHF)

| | 30.06.2010 | | 31.12.2009 | |
|---|-----------------------------|---|-----------------------------|---|
| | Following IFRS presentation | Representing the existing shareholders' economic interest | Following IFRS presentation | Representing the existing shareholders' economic interest |
| Assets | | | | |
| Treasury stock - at market value | - | 1,447,600 | - | 1,269,000 |
| Cash, investments and other assets | 131,982,367 | 131,982,367 | 129,645,244 | 129,645,244 |
| Total assets | 131,982,367 | 133,429,967 | 129,645,244 | 130,914,244 |
| Liabilities | | | | |
| Bank overdraft | 1,597,136 | 1,597,136 | - | - |
| Other liabilities | 24,206,004 | 24,206,004 | 23,498,723 | 23,498,723 |
| Total liabilities | 25,803,140 | 25,803,140 | 23,498,723 | 23,498,723 |
| Shareholders' Equity | | | | |
| Share capital | 32,790,585 | 32,790,585 | 32,790,585 | 32,790,585 |
| Capital paid in excess of par value (share premium) | 75,447,951 | 75,447,951 | 75,447,951 | 75,447,951 |
| Treasury stock - at cost | - 1,552,228 | - | - 1,552,228 | - |
| Retained losses | - 450,070 | - 554,698 | - 485,353 | - 768,581 |
| Non controlling interests | - 57,011 | - 57,011 | - 54,434 | - 54,434 |
| Total shareholders' equity | 106,179,227 | 107,626,827 | 106,146,521 | 107,415,521 |
| Total liabilities and shareholders' equity | 131,982,367 | 133,429,967 | 129,645,244 | 130,914,244 |
| Number of shares issued | | 2,644,402 | | 2,644,402 |
| Net asset value per share | | 40.70 | | 40.62 |
| Attributable net asset value per share | | 40.72 | | 40.64 |
| Number of treasury shares | | 47,000 | | 47,000 |

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 issued.

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

Attributable net asset value per share is the consolidated NAV, less the aggregate value of all minority interests, reflecting the economic value attributed to shareholders, divided by the number of shares issued.

Condensed consolidated statement of financial positions as of 30 June 2010 (unaudited)

(Currency-CHF)

| | Note | 30.06.2010 | 31.12.2009 |
|---|------|--------------------|--------------------|
| Assets | | | |
| Cash and cash equivalents | 6 | 12,421,323 | 18,659,402 |
| Forward foreign exchange contracts | | 1,585,285 | 238,400 |
| Accounts receivable and accrued income | | 2,174,786 | 1,748,177 |
| Investments at fair value through profit or loss | 5 | 115,800,973 | 108,999,265 |
| Total assets | | 131,982,367 | 129,645,244 |
| Liabilities | | | |
| Bank overdraft | 6 | 1,597,136 | - |
| Futures contracts | | 99,844 | - |
| Accounts payable and accrued expenses | 7.1 | 23,826,160 | 22,968,293 |
| Current tax liabilities | 7.2 | 280,000 | 530,430 |
| Total liabilities | | 25,803,140 | 23,498,723 |
| Shareholders' Equity | | | |
| Share capital | 8 | 32,790,585 | 32,790,585 |
| Capital paid in excess of par value (share premium) | | 75,447,951 | 75,447,951 |
| Treasury stock | | - 1,552,228 | - 1,552,228 |
| Retained losses | | - 450,070 | - 485,353 |
| Non controlling interests | | - 57,011 | - 54,434 |
| Total shareholders' equity | | 106,179,227 | 106,146,521 |
| Total liabilities and shareholders' equity | | 131,982,367 | 129,645,244 |
| Number of shares issued and fully paid | 8 | 2,644,402 | 2,644,402 |
| Nominal value (in CHF) | | 12.40 | 12.40 |

The notes on pages 16 to 29 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of comprehensive income for the period ended 30 June 2010 (unaudited)

(Currency-CHF)

| | Note | 30.06.2010 | 30.06.2009 |
|---|------|-------------------|------------------|
| Revenue | | | |
| Interest income | | 1,873,751 | 15,756 |
| Dividend income | | 5,110 | 11 |
| Realised gains on sale of investments at fair value through profit or loss | 5.1 | 163,141 | 158,564 |
| Changes in fair value on investments at fair value through profit or loss | 5.1 | 5,783,305 | 4,786,110 |
| Realised gains on forward foreign exchange contracts and futures | 5.1 | 4,935,465 | 2,162,285 |
| Changes in fair value on forward foreign exchange contracts and futures | 5.1 | 1,460,511 | 608,127 |
| Other income | | - | 34,116 |
| Total revenue | | 14,221,283 | 7,764,969 |
| Expenses | | | |
| Changes in fair value on investments at fair value through profit or loss | 5.1 | 1,783,561 | 409,951 |
| Realised losses on forward foreign exchange contracts and futures | 5.1 | 10,313,909 | 2,546,870 |
| Exchange loss, net | | 1,059,762 | 427,607 |
| Management fees | 9.1 | 884,381 | 813,150 |
| Administrative fees | | 77,238 | 209,845 |
| Directors' fees and travel expenses | 9.2 | 68,541 | 37,687 |
| Investment bank and professional fees | | 123,864 | 8,839 |
| Bank charges and interest expenses | | 11,088 | 11,997 |
| Other expenses | | - 136,344 | 120,554 |
| Total expenses | | 14,186,000 | 4,586,500 |
| Profit for the period before tax | | 35,283 | 3,178,469 |
| Income tax | | - | - |
| Profit for the period after tax | | 35,283 | 3,178,469 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the period | | 35,283 | 3,178,469 |
| Total comprehensive income attributable to | | | |
| Equity holders of the Company | | 37,860 | 3,183,266 |
| Non controlling interests | | - 2,577 | - 4,797 |
| Earnings per share for profit attributable to equity holders of the Company during the period: | | | |
| Weighted average number of outstanding shares | 4 | 2,644,402 | 2,597,402 |
| Basic earnings per share (in CHF) | 4 | 0.014 | 1.226 |
| Diluted earnings per share (in CHF) | 4 | 0.014 | 1.226 |

The notes on pages 16 to 29 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of cash flows for the period ended 30 June 2010 (unaudited)

(Currency-CHF)

| | Note | 30.06.2010 | 30.06.2009 |
|--|------|-------------|--------------|
| Cash Flows from Operating Activities | | | |
| Profit before tax | | 35,283 | 3,178,469 |
| Adjustments for: | | | |
| Interest income | | - 1,873,751 | - 15,756 |
| Dividend income | | - 5,110 | - 11 |
| Bank charges and interest expenses | | 11,088 | 11,997 |
| Fair value adjustment on investment portfolio | | - 5,485,184 | - 4,984,286 |
| Operating income before working capital changes | | - 7,317,674 | - 1,809,587 |
| Movement in working capital: | | | |
| Net investment portfolio movement | 5 | - 3,592,669 | - 11,091,687 |
| Change in accounts receivable | | 349,488 | - 431,182 |
| Change in accounts payable and accrued expenses | | 2,455,003 | - 1,210,615 |
| Dividend received | | 5,110 | 11 |
| Interest received | | 1,873,751 | 15,756 |
| Bank charges and interest expenses | | - 11,088 | - 11,997 |
| Net cash flows (used in)/from operating activities | | - 6,238,079 | - 14,539,301 |
| Cash Flows from Financing Activities | | | |
| Increase of share capital (net) | | - | - |
| Purchase of treasury stock | | - | - |
| Sale of treasury stock | | - | - |
| Dividend paid to non controlling interests | | - | - |
| Net cash flows from/(used in) financing activities | | - | - |
| Net change in cash and cash equivalents | | - 6,238,079 | - 14,539,301 |
| Cash and cash equivalents at beginning of the period | | 18,659,402 | 75,805,646 |
| Cash and cash equivalents at the end of the period | 6 | 12,421,323 | 61,266,345 |

The notes on pages 16 to 29 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of changes in equity for the period ended 30 June 2010 (unaudited)

(Currency-CHF)

| | Share capital | Share premium | Treasury stock | Retained earnings | Total | Non controlling interests | Total share-holders' equity |
|---|---------------|---------------|----------------|-------------------|-------------|---------------------------|-----------------------------|
| Balance as at January 1 2009 | 32,790,585 | 75,447,951 | - 1,552,228 | - 10,216,170 | 96,470,138 | - 47,555 | 96,422,583 |
| Increase of share capital | - | - | - | - | - | - | - |
| Purchase of treasury stock | - | - | - | - | - | - | - |
| Sale of treasury stock | - | - | - | - | - | - | - |
| Dividend payment to non controlling interests | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 3,183,266 | 3,183,266 | - 4,797 | 3,178,469 |
| Balance as at June 30 2009 | 32,790,585 | 75,447,951 | - 1,552,228 | - 7,032,904 | 99,653,404 | - 52,352 | 99,601,052 |
| Balance as at January 1 2010 | 32,790,585 | 75,447,951 | - 1,552,228 | - 485,353 | 106,200,955 | - 54,434 | 106,146,521 |
| Increase of share capital | - | - | - | - | - | - | - |
| Purchase of treasury stock | - | - | - | - | - | - | - |
| Sale of treasury stock | - | - | - | - | - | - | - |
| Dividend payment to non controlling interests | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 35,283 | 35,283 | - 2,577 | 32,706 |
| Balance as at June 30 2010 | 32,790,585 | 75,447,951 | - 1,552,228 | - 450,070 | 106,236,238 | - 57,011 | 106,179,227 |

The notes on pages 16 to 29 are an integral part of these condensed consolidated financial statements.

Condensed notes to the consolidated financial statements as of 30 June 2010

1. Incorporation and activity

ENR Russia Invest SA, Geneva (hereinafter, the "Company") is an investment company founded on 18 May 2007 for an unlimited duration. On 25 May 2007 it was registered with the Commercial Register of the Canton of Geneva under the reference number CH-660-1263007-3 and the company name is ENR Russia Invest SA. The Company is 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.

The Company is trading under Swiss security number 3447695 with ISIN number of the shares CH0034476959 and the ticker symbol of the shares is RUS.

2. Basis for the presentation of the condensed consolidated financial statements

These condensed financial statements are the unaudited condensed interim consolidated financial statements for the half year period ended 30 June 2010 of the Company and its subsidiaries (collectively "the Group"), and which are prepared in accordance with IAS 34 "Interim Financial Reporting". The condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with the International Financial Reporting Standards ("IFRS").

3. Significant accounting policies

3.1 Accounting policies

Except as described below, the accounting policies are consistent with those of the annual financial statements of the Company for the year ended 31 December 2009, as described in those financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Standards, amendments and interpretations to existing standards that are effective in 2010

The following new standards and amendments to standards are mandatory, have been published and are mandatory for the Group's accounting periods on or after 1 January 2010 and are relevant to the Group:

Improvements to IFRS (issued in May 2008 and April 2009)

The improvements project contains numerous amendments to IFRS that the International Accounting Standards Board ("IASB") considers non-urgent but necessary. Improvements to IFRS' comprise amend-

ments that result in accounting changes for presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. Most of the amendments are effective for annual periods beginning on or after 1 July 2010 and 1 January 2010 respectively, with earlier application permitted. No material changes to accounting policies are expected as a result of these amendments.

Interpretations and amendments to standards becoming effective in 2010 but not relevant to the Group:

- IAS 27 (revised) – Consolidated and separate financial statements;
- IAS 39 (Amendment) – Financial Instruments: Recognition and Measurement: Eligible hedged Items;
- IFRS 1 (Amendment) – Additional Exemptions for first time adopters;
- IFRS 1 (Amendment) – First-time adoption of IFRS;
- IFRS 2 (Amendment) – Group settled share-based payment transactions;
- IFRS 3 (revised) – Business Combinations;
- IFRIC 9 & IAS 39 (Amendment) – Reassessment of embedded derivatives;
- IFRIC 17 – Distribution of non-cash assets to owners; and
- IFRIC 18 – Transfers of assets from customers.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 January 2010 and have not been early adopted:

IAS 24 – Related Party Disclosures (effective from 1 January 2010)

The amendments to IAS 24 are disclosure related only and will have no impact on the Group's financial statements.

IAS 32 – Classification of Rights Issues (effective for financial years beginning after 1 February 2010)

Following the amendment of this standard, rights issues for the purchase of shares in the Company in a foreign currency may be classified as equity instruments under certain circumstances. The management does not expect the amendment to be relevant for the Group.

IFRS 9 – Financial instruments: Classification and measurement (effective from 1 January 2013)

In November 2009, the IASB issued the first part of IFRS 9 relating to the classification and measurement of financial assets. IFRS 9 will ultimately replace IAS 39. The standard requires an entity to classify its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, and subsequently measures the financial assets as either at amortised cost or fair value. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Company will analyse the potential impact on the consolidated financial statements.

IFRIC 14 – The limit on a defined benefit asset, minimum funding requirement and their interaction (effective from 1 January 2011)

The change in interpretation permits that, under certain circumstances, a company may present pre-payments of contributions to defined pension plans under IAS 19 as an asset. The Company does not anticipate any significant impact on its consolidated financial statements.

IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments (effective for financial years beginning after 1 July 2010)

The interpretation governs the treatment of a full or partial repayment of a financial liability by issuing equity instruments. The Company will analyze the implication, but does not anticipate any impact on the consolidated financial statements.

Improvements to IFRS (issued in May 2010 – effective for annual periods beginning on 1 July 2010)

The improvements to IFRS related largely to clarification issues only. Therefore, applying these amendments has no material impact on the Group's financial statements.

3.2 Fully consolidated companies

The condensed consolidated financial statements comprise the Company and the following subsidiaries:

| Name of subsidiary | Incorporated in | Currency | 30.06.2010 | % Voting | Currency | 31.12.2009 | % Voting |
|--------------------------------|------------------------------|----------|------------|----------|----------|------------|----------|
| ENR Investment Limited | Limassol, Cyprus | EUR | 6,576,660 | 100.00% | EUR | 6,576,660 | 100.00% |
| Panariello Enterprises Limited | Nicosia, Cyprus | EUR | 7,435 | 77.00% | EUR | 7,435 | 77.00% |
| ENR Private Equity Limited | Grand Cayman, Cayman Islands | USD | 500 | 100.00% | USD | 500 | 100.00% |

Voting is equivalent to economic interest except for Panariello, as described below. In the consolidated Company accounts the participation in Panariello is consolidated. The Company has an effective economic interest of 70.12 % in Panariello. Therefore, under the Shareholders' equity section of the consolidated balance sheet, a non-controlling interest is shown, which comprises the third party shareholders' 23 % equity interest in Panariello, as well as the 6.88 % economic interest held by Valartis International Ltd. For an explanation of the ownership structure and economic interests of the Company and Valartis International Ltd in Panariello, see Note 9.4.

These condensed financial statements of the Company and the subsidiaries are drawn up to 30 June 2010.

4. Earnings per share attributable to equity holders of the Company

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

| | 30.06.2010 | | 30.06.2009 | |
|--|------------|-----------|------------|-----------|
| Earnings per share basic and diluted | | | | |
| Net profit attributable to equity holders | CHF | 37,860 | CHF | 3,183,266 |
| Weighted average number of ordinary shares outstanding | | 2,644,402 | | 2,597,402 |
| Basic and diluted earnings per share | CHF | 0.014 | CHF | 1.226 |

5. Investment portfolio

in CHF

| | 30.06.2010 | 31.12.2009 |
|--|-------------|------------|
| Fair value of portfolio at beginning of the period | 109,237,665 | 46,330,653 |

Investment Portfolio Movement for the Period

| | | |
|--|-------------|-------------|
| Purchase of investments | 4,333,056 | 56,967,047 |
| Sale of investments | - 1,694,234 | - 3,205,287 |
| Net realised gain on disposal of investments | 163,141 | 201,399 |
| Net investment portfolio movement for the period | 2,801,963 | 53,963,159 |
| Changes in fair value, increase | 5,246,786 | 8,943,853 |
| Fair value of portfolio at the end of the period | 117,286,414 | 109,237,665 |

The investment portfolio is represented as follows on the balance sheet:

| | | |
|--|--------------------|--------------------|
| | | - |
| Held for Trading: | | |
| Listed equity securities and bonds held for trading | 77,806,728 | 72,669,826 |
| Total held for trading | 77,806,728 | 72,669,826 |
| Designated as Fair Value Through Profit or Loss: | | |
| Unlisted equity securities | 37,994,245 | 36,329,439 |
| Total designated as fair value through profit or loss | 37,994,245 | 36,329,439 |
| Total financial assets at fair value through profit or loss | 115,800,973 | 108,999,265 |
| Derivatives: | | |
| Exchange rate forward agreements | 1,585,285 | 124,774 |
| Futures | - 99,844 | 113,626 |
| Total derivatives | 1,485,441 | 238,400 |
| Gains on investments at fair value through profit or loss | | |
| Net realised gains | 163,141 | 201,399 |
| Changes in fair value, increase | 3,999,744 | 8,105,635 |
| Total | 4,162,885 | 8,307,034 |
| Gains /(losses) recognised on derivatives | | |
| Net realised (losses) /gains | - 5,378,452 | 1,206,265 |
| Changes in fair value, increase | 1,460,511 | 838,216 |
| Total | - 3,917,941 | 2,044,481 |

5.1 Details of investments at fair value through profit or loss

| Listed and unlisted securities and Fixed Income | Balance as of 01.01.2010 | |
|--|--------------------------|--------------------|
| | Quantity | CHF |
| MOSCOW UNITED ELECTRICITY DISTRIBUTION | 12,313,327 | 498,431 |
| RAO EASTERN ENERGY SYSTEM JSC | 18,400,000 | 231,426 |
| RAO EASTERN ENERGY SYSTEM JSC PEF. SHARES | 6,400,000 | 24,727 |
| FEDERAL GRID COMPANY OF UES OJSC | 10,173,273 | 111,072 |
| IDGC HOLDING (MRSK HOLDING) | 20,900,000 | 2,355,043 |
| IDGC HOLDING (MRSK HOLDING) PEF. SHARES | 6,400,000 | 381,321 |
| INTER RAO UES JSC | 215,675,995 | 354,768 |
| KUZBASSENERGO JSC | 16,961,051 | 152,161 |
| MOSCOW POWER JSC (MOSENERGO) | 50 | 5 |
| FEDERAL HYDROGENERATION COMPANY JSC | 32,708,775 | 1,267,542 |
| TERRITORIAL GENERATION COMPANY NO 1 OJSC | 927,579,908 | 505,164 |
| TERRITORIAL GENERATION COMPANY NO 2 OJSC | 314,979,184 | 69,042 |
| TERRITORIAL GENERATION COMPANY NO 4 OJSC | 23,263,819 | 9,585 |
| TERRITORIAL GENERATION COMPANY NO 6 OJSC | 71,823,486 | 23,971 |
| VOLZHSKAYA TERRITORIAL GENERATION COMPANY OJSC (TGC 7) | 146,011 | 6,016 |
| TERRITORIAL GENERATION COMPANY NO 9 OJSC | 133,615,552 | 11,010 |
| TERRITORIAL GENERATION COMPANY NO 11 HOLDING OJSC | 18,400,000 | 7,980 |
| TERRITORIAL GENERATION COMPANY NO 11 HOLDING OJSC PEF. SHARES | 6,400,000 | 2,719 |
| ENISEYSKA TERRITORY GENERATION COMPANY (TGC 13) | 49 | - |
| FIRST GENERATION COMPANY OF WHOLESALE ELECTRICITY MARKET OJSC (WGC-1) | 23,339,695 | 583,100 |
| SECOND GENERATION COMPANY OF WHOLESALE ELECTRICITY MARKET OJSC | 8 | - |
| EASTERN PROPERTY HOLDINGS LTD. | 493,000 | 15,995,385 |
| VTB CAPITAL SA 15 %, 04/19 | 10,000,000 | 348,160 |
| MAGNIT FINANCE LLC 8.2 %, 03/12 | 10,000,000 | 320,536 |
| LUKOIL OAO JSC 13.5 %, 06/10 | 10,000,000 | 348,798 |
| RUSSIAN RAILWAYS 9.4 %, 12/12 | 29,700,000 | 1,017,374 |
| VALARTIS RUSSIA & CIS FIXED INCOME FUND | 250,000 | 3,208,450 |
| GAZ CAPITAL 9.25 %, 04/19 | 3,000,000 | 3,478,568 |
| TNK - BP FINANCE SA 6.625 %, 03/17 | 4,500,000 | 4,549,484 |
| TNK - BP FINANCE SA 7.25 %, 02/20 | - | - |
| VTB CAPITAL SA 7.5 %, 09/11 | 10,000,000 | 10,350,000 |
| VTB CAPITAL SA 6.465 %, 03/15 | - | - |
| LITHUANIAN REPUBLIC 6.75 %, 01/15 | 1,800,000 | 1,903,873 |
| LITHUANIAN REPUBLIC 7.375%, 02/20 | - | - |
| LUKOIL INTERNATIONAL FINANCE B.V. 7.25 %, 11/19 | 5,000,000 | 5,201,500 |
| LUKOIL INTERNATIONAL FINANCE B.V. 6.375 %, 11/14 | 5,000,000 | 5,315,830 |
| TNK - BP FINANCE 7.5 %, 07/16 | 4,500,000 | 4,767,329 |
| LUKOIL INTERNATIONAL FINANCE B.V. 6.356 %, 06/17 | 1,500,000 | 1,528,469 |
| LUKOIL INTERNATIONAL FINANCE B.V. 6.656 %, 06/22 | 3,000,000 | 2,961,611 |
| TNK - BP FINANCE 7.875 %, 03/18 | 4,500,000 | 4,779,380 |
| TMK 5.25 %, 02/15 | - | - |
| Sub-total listed investments at fair value through profit or loss - trading | | 72,669,826 |
| NAFTRANS LTD, LIMASSOL, CYPRUS | 9,213,540 | 10,723,639 |
| NAFTRANS LTD, LIMASSOL, CYPRUS REDEEMABLE | 22,000,000 | 25,605,800 |
| Sub-total unlisted investments at fair value through profit or loss | | 36,329,439 |
| FORWARD FOREIGN EXCHANGE CONTRACTS | - | 124,774 |
| OCC US 10 YEARS FUTURES 21.12.2009 | - | 51,472 |
| OCC US 10 YEARS FUTURES 21.09.10 | - 259 | 54,188 |
| OCC US 5 YEARS FUTURES 30.09.10 | - 30 | 7,966 |
| Sub-total derivative financial instruments | - 289 | 238,400 |
| Total investments | | 109,237,665 |

| Movement in period (CHF) | | Realised (CHF) | | Changes in fair value (CHF) | | Balance as of 30.06.2010 | |
|--------------------------|-----------------------|----------------|-------------|-----------------------------|------------|--------------------------|-------------|
| Purchases and Additions | Sales and Withdrawals | Gains | Losses | Gains | Losses | Quantity | CHF |
| - | - | - | - | 74,570 | - | 12,313,327 | 573,001 |
| - | - | - | - | 56,924 | - | 18,400,000 | 288,350 |
| - | - | - | - | 58,275 | - | 6,400,000 | 83,002 |
| - | - | - | - | - | -2,103 | 10,173,273 | 108,969 |
| - | - | - | - | 77,331 | - | 20,900,000 | 2,432,374 |
| - | - | - | - | 174,557 | - | 6,400,000 | 555,878 |
| - | - | - | - | - | -117,795 | 215,675,995 | 236,973 |
| - | - | - | - | 46,380 | - | 16,961,051 | 198,541 |
| - | - | - | - | - | - | 50 | 5 |
| - | - | - | - | 494,025 | - | 32,708,775 | 1,761,566 |
| - | - | - | - | 108,019 | - | 927,579,908 | 613,183 |
| - | - | - | - | 31,586 | - | 314,979,184 | 100,628 |
| - | - | - | - | 439 | - | 23,263,819 | 10,024 |
| - | - | - | - | 6,976 | - | 71,823,486 | 30,947 |
| - | -7,345 | 1,329 | - | - | - | - | - |
| - | - | - | - | 3,384 | - | 133,615,552 | 14,394 |
| - | - | - | - | - | -4,168 | 6,100,000 | 3,811 |
| - | - | - | - | - | -2,719 | 6,400,000 | - |
| - | - | - | - | - | - | 49 | - |
| - | - | - | - | 336,016 | - | 23,339,695 | 919,115 |
| - | - | - | - | - | - | 8 | - |
| - | - | - | - | - | -1,656,776 | 493,000 | 14,338,609 |
| - | -357,000 | 8,840 | - | - | - | - | - |
| - | - | - | - | 25,500 | - | 10,000,000 | 346,035 |
| - | -374,000 | 25,203 | - | - | - | - | - |
| - | - | - | - | 62,608 | - | 29,700,000 | 1,079,981 |
| - | - | - | - | 268,213 | - | 250,000 | 3,476,664 |
| 1,931,026 | - | - | - | 166,856 | - | 4,500,000 | 5,576,450 |
| - | - | - | - | 217,934 | - | 4,500,000 | 4,767,418 |
| 254,292 | - | - | - | 13,715 | - | 250,000 | 268,007 |
| - | - | - | - | 130,000 | - | 10,000,000 | 10,480,000 |
| 1,065,300 | - | - | - | 14,593 | - | 1,000,000 | 1,079,893 |
| - | - | - | - | 136,882 | - | 1,800,000 | 2,040,755 |
| 254,318 | - | - | - | 28,420 | - | 250,000 | 282,738 |
| - | - | - | - | 352,543 | - | 5,000,000 | 5,554,043 |
| - | - | - | - | 345,933 | - | 5,000,000 | 5,661,763 |
| - | - | - | - | 276,148 | - | 4,500,000 | 5,043,477 |
| - | - | - | - | 109,467 | - | 1,500,000 | 1,637,936 |
| - | - | - | - | 215,052 | - | 3,000,000 | 3,176,663 |
| - | - | - | - | 286,153 | - | 4,500,000 | 5,065,534 |
| 828,120 | -955,889 | 127,769 | - | - | - | - | - |
| 4,333,056 | -1,694,234 | 163,141 | - | 4,118,498 | -1,783,561 | - | 77,806,728 |
| - | - | - | - | 965,351 | - | 30,363,169 | 11,215,053 |
| - | - | - | - | 699,456 | - | 22,000,000 | 26,779,192 |
| - | - | - | - | 1,664,807 | - | - | 37,994,245 |
| 170,354,654 | -169,338,652 | - | -2,601,286 | 1,460,511 | - | - | 1,585,285 |
| - | - | - | - | - | - | - | - |
| 31,367,357 | -31,421,545 | 4,524,178 | -7,082,863 | - | - | -234 | -95,063 |
| 4,513,702 | -4,521,669 | 411,286 | -629,759 | - | - | -36 | -4,781 |
| 206,235,713 | -205,281,866 | 4,935,465 | -10,313,908 | 1,460,511 | - | -270 | 1,485,441 |
| 210,568,769 | -206,976,100 | 5,098,605 | -10,313,908 | 7,243,816 | -1,783,561 | - | 117,286,414 |

5.2 Naftrans Limited

Naftrans, through its subsidiaries, operated the Batumi oil terminal in Adjara, Georgia on the Black Sea coast. Its principle activity was the provision of oil and oil related product rail forwarding (transported oil from Gardabani on the Azerbaijan – Georgia border to the Batumi oil terminal) and transshipment and storage at the Batumi port. The Batumi oil terminal has been in operation since the 1890s and was privatised in 1999. Subsequently, Naftrans became the terminal operator. The Batumi terminal is one of the few existing transportation points for crude oil products shipped out of the Caspian Basin and Batumi, which in the past, has been a preferred shipping port for major hydrocarbon producers in Kazakhstan and Azerbaijan. During the latter part of 2006, Naftrans took operational control of the Batumi Port via an acquisition of Port Capital Partners Limited, effective 1 January 2007. This strengthened Naftrans's strategic positioning in the region. In early March 2008, Naftrans sold all its subsidiaries which held its Georgian operating assets to the KazMunaiGas group for cash.

During 2008, ENR received a special dividend of USD 10 million in respect of this sale which was recognised in the statement of comprehensive income as dividend income. In July 2008, ENR received a further USD 21.311 million from Naftrans as an interest free shareholders' loan. This loan formed part of distribution arrangements to Naftrans shareholders, comprising of sales proceeds from the KazMunaiGas transaction. A warranty period linked to the KazMunaiGas transaction expired on February 6, 2009. In December 2008, a KazMunaiGas group entity lodged a claim with Naftrans for USD 6.9 million. This was the only claim submitted prior to the expiration of the warranty period. Naftrans obtained legal advice confirming that it was not a valid claim.

This shareholders' loan is not repayable as KazMunaiGas group claims under the warranties did not exceed USD 100 million, a benchmark in the loan agreement which would have then required repayment.

Naftrans proceeded with a disposal process of remaining assets and also with the recovery of funds outstanding to it relating to an inter-company account with one of its shareholders. The recovery process resulted in Naftrans concluding a settlement agreement with its managing shareholder on 12 April 2010 for the recovery of the funds owing to it. This transaction closed on 30 June 2010 and ENR, via settlement proceeds and the sale of a remaining Naftrans asset should, over time, receive the outstanding USD 13.96 million due to it ("Due Proceeds"). The settlement, inter alia, was structured to remove the managing shareholder as a Naftrans shareholder, which resulted in an increase in ENR's ordinary shareholding in Naftrans. Economically the position has remained the same as ENR is entitled to the Due Proceeds. Accordingly, ENR estimated the value its investment in Naftrans as the same USD value attributed to this investment at year end 2009. The fair value at 31 December 2009 was based

on the KazMunaiGas transaction value, adjusted for the USD 10 million dividend received during 2008. Accordingly, the fair value at 30 June 2010 took account of the KazMunaiGas transaction and represents the value still to be received as a result of the settlement agreement and the disposal by Naftrans of its remaining asset. During the reporting period, the only change to the valuation was due to movements in the CHF/USD rate during where ENR reporting currency is in Swiss Francs and the investment is based in USD. At 31 December 2009 the exchange rate was USD/CHF 1.03 whilst at 30 June 2010 the exchange rate was USD/CHF 1.0772. This resulted in an unrealised profit on the Naftrans shares of CHF 1.66 million, which is shown in the table in note 5.1.

5.3 Fixed income instruments

ENR has acquired a range of local and foreign currency fixed income instruments issued by Russian corporates and a sovereign bond of the Lithuanian government. In the reporting period, CHF 4.33 million was deployed to acquire fixed income instruments. All fixed instruments, save for the following, have investment ratings of "BBB" from Standard & Poor's ("S&P") Ratings Services. The exceptions are a Lukoil RUR denominated fixed income instruments with a ruAA+ rating from S&P, a TMK OAO USD denominated fixed income instrument with a single B rating from S&P (this instrument was sold during the reporting period realising a USD 127'769 gain) and a Magnit fixed income instrument which is not rated. Fixed income instruments are denominated in USD, RUR and CHF. Details of the fixed income instruments at 30 June 2010 are contained in note 5.1. At year end, the aggregate fair value attributed to fixed income instruments was CHF 52.06 million (excluding Valartis & CIS Fixed Income Fund – see note 5.6 below).

5.4 Shares in Russian electricity companies

Pursuant to the 2008 unbundling of the Russian electricity company Unified Energy Systems, ENR holds shares in electricity companies covering a range of market and geographical segments in the Russian electricity sector. ENR for the reporting period, disposed of its interest in Volzhskaya Territorial Generation Company OJSC (TGK 7) realising CHF 7'345. Fair value at 30 June 2010 attributed to these shares was based on the last available closing prices of the shares at this date. At 30 June 2010, the aggregate value of ENR's shares of electricity sector companies was valued at CHF 7.93 million.

5.5 Eastern Property Holdings Limited

EPH is a Russian focused real estate development company listed on the SIX Swiss Exchange. During the first half of 2009 EPH was trading at a material discount to its net asset value and ENR increased its position in EPH by CHF 4.65 million. Fair value at 30 June 2010 attributed to the shares was based on the closing price of the EPH shares at this date and amounted to CHF 14.34 million.

5.6 Valartis Russia & CIS Fixed Income Fund

During 2009 ENR made a USD 2.5 million subscription in the Valartis Russia and CIS Fixed Income Fund. The fund seeks total returns through investments in fixed income securities in Russia and other members of the CIS seeking both capital appreciation and income through an active strategy. Its investment manager selects fixed income securities issued by companies, federal, municipal, regional governments and agencies that enjoy both high yields as well as a potential for capital appreciation, experiencing fundamental credit improvement and have a positive outlook. There are two classes of shares in the fund. ENR, during 2009, switched share classes so as to optimise its position. Fair value at 30 June, 2010 attributed to the shares was based on the closing net asset value of the shares where the value of ENR's investment in the fund was CHF 3.48 million.

6. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Cash and cash equivalents include the following for the purpose of the cash flow statement:

in CHF

| | 30.06.2010 | | 31.12.2009 | |
|--|------------------|-------------------|-------------------|-------------------|
| | Valartis Bank* | Others | Valartis Bank* | Others |
| Cash at bank and in hand | 4,726,954 | 58,975 | 14,115,617 | 417,177 |
| Money market instruments | - | 5,363,304 | - | 4,126,608 |
| Fiduciary deposits | - | 2,272,090 | - | - |
| Subtotal | 4,726,954 | 7,694,369 | 14,115,617 | 4,543,785 |
| Total cash and cash equivalents | | 12,421,323 | | 18,659,402 |

* Valartis Bank is a group-related party

7. Liabilities

7.1 Accounts payable and accrued expenses

in CHF

| | 30.06.2010 | 31.12.2009 |
|---|-------------------|-------------------|
| Management fees | 439,202 | 434,985 |
| Naftrans Limited (see note 5.2) | 22,851,547 | 21,980,171 |
| Other creditors | 535,411 | 553,137 |
| Balance at the end of the period | 23,826,160 | 22,968,293 |

7.2 Taxes

The Company pays Swiss taxes on capital of 0.07 %. Net income from Cyprus subsidiaries is taxed at 10%. Net income from the Cayman Islands subsidiary is not taxed. No deferred taxes are calculated on unrealised gains on securities as these are tax exempt in the corresponding legislation.

The movement on tax liabilities is as follows:

in CHF

| | 30.06.2010 | 31.12.2009 | 30.06.2009 |
|--|----------------|------------------|------------------|
| Balance at beginning of period | 530,430 | 530,195 | 530,195 |
| Payment during the period | | -60,491 | -17,097 |
| Charge for the period | -250,430 | 60,726 | 17,097 |
| Balance at the end of the period | 280,000 | 530,430 | 530,195 |
| Profit before tax | 35,283 | 9,723,938 | 3,178,469 |
| Tax calculated at domestic tax rates applicable to profits in the respective countries | 817 | 224,254 | 79,570 |
| Deduction for income not subject to tax | -817 | -224,254 | -79,570 |
| Income tax charges | - | - | - |

8. Share capital

On 30 June 2010, the issued and authorised ordinary share capital of the Company was CHF 32.8 million (31.12.2009: CHF 32.8 million), divided into 2,644,402 (31.12.2009: 2,644,402) bearer shares of par value CHF 12.40 (31.12.2009: CHF 12.40) each and one voting right per share. There are no restrictions on share transfers.

The Company has not issued any participation certificates or profit sharing certificates.

Article 11 of the Company's Articles of Association contains an "Opting Out" clause regarding matters dealt with in article 32 of SESTA and waives the requirement to make a public tender offer whenever a shareholder acquires shares exceeding the threshold of 33 ⅓ %, conversely 49 %, of the voting rights.

| | 30.06.2010 | | 31.12.2009 | |
|------------------------------------|------------------|-------------------|------------------|-------------------|
| | Number of shares | CHF | Number of shares | CHF |
| Issued Capital | | | | |
| At beginning of the period | 2,644,402 | 32,790,585 | 2,644,402 | 32,790,585 |
| Capital increase | - | - | - | - |
| Closing balance | 2,644,402 | 32,790,585 | 2,644,402 | 32,790,585 |
| Treasury Stock | | | | |
| Opening balance | 47,000 | | 47,000 | |
| Purchases | - | | - | |
| Sales | - | | - | |
| Closing balance | 47,000 | | 47,000 | |
| Conditional and Authorised Capital | | | | |
| Conditional capital | 805,307 | 9,985,807 | 805,307 | 9,985,807 |
| Authorised increase of capital | 670,465 | 8,313,766 | 670,465 | 8,313,766 |

All issued shares are fully paid in.

Article 8 of the Company's Articles of Association provides for a conditional capital pursuant to which the Company's share capital may be increased through the exercise of options or conversion rights up to a maximum amount of CHF 9,985,806.80 through the issue of a maximum of 805,307 bearer shares with par value of CHF 12.40 each.

Article 8 of the Company's Articles of Association authorises the Board, until 8 November 2009, to increase the Company's share capital, in one or several blocks, by a maximum nominal amount of CHF 8,313,766, through the issue of a maximum of 670,465 fully paid in bearer shares with a par value of CHF 12.40 each.

Existing shareholders have no preferential subscription right with regard to the conditional capital.

9. Related parties, significant shareholders

9.1 Valartis International Ltd.

Valartis International Ltd. (a fully owned subsidiary of Valartis Group AG, Baar, Switzerland) (the "Investment Manager") is the investment manager of the Company. The Company pays to the Investment Manager a management fee payable quarterly in arrears in Swiss Francs, of 2% (plus VAT, if applicable) per annum of the Company's average attributable NAV, as adjusted by adding back the amount of any outstanding debt issued by the Company or by any of its subsidiaries or affiliates that is convertible into or exchangeable for shares of the Company.

Considering that another Valartis Group AG subsidiary acts as investment manager of EPH this investment is not taken into account for purposes of the calculation of the management fees.

As the Valartis Russia & CIS Fixed Income Fund is managed by a Valartis Group entity, a group which the ENR investment manager forms part of, ENR does not pay management fees to its investment manager on the value of the position held in this fund.

Out-of-pocket expenses incurred by the Investment Manager in carrying out the investigative and "due diligence" analysis required in pursuing likely investment opportunities and in monitoring existing investments are borne by the Company.

In addition, the Investment Manager is entitled to receive a performance fee equal to 17.5% (plus VAT, if applicable) of the total net profits (sale proceeds less acquisition costs and transaction costs) realised by the Company on such investment in the event of a sale, another form of disposal or a refinancing of an investment held by the Company, provided the annual hurdle rate of 8% has been reached by the Company.

in CHF

| Management fees | 30.06.2010 | 30.06.2009 |
|---|----------------|----------------|
| Management fees for the period | 884,381 | 813,150 |
| Balance payable at the end of the period | 439,202 | 387,913 |

| Performance fees | 30.06.2010 | 30.06.2009 |
|---|------------|------------|
| Provision for performance fees for the period | - | - |
| Final performance due on profit realised on sale of investments in 2008 | - | - |
| Less: Provision for performance fees as at December 31, 2007 | - | - |
| Difference through profit and loss account | - | - |

9.2 Directors' fees

The remuneration paid to the directors of ENR Russia Invest SA amounted to:

in CHF

| | 30.06.2010 | 30.06.2009 |
|---------------|---------------|---------------|
| W. Fetscherin | 25,000 | 25,000 |
| Total | 25,000 | 25,000 |

9.3 Significant shareholders as of 30 June 2010

Valartis Group AG, Baar, Valartis Bank AG, Zurich, MCT Global Opportunities Fund, Grand Cayman, ENR Russia Invest SA, Geneva and Valartis International Ltd, BVI, jointly own 56.21% (1,486,489 shares) of the outstanding share capital of the Company. Information on beneficial shareholders have been provided to SIX Swiss Exchange.

Paramount-Finanz AG, Zug owns 33.76 % (892,703 shares) of the outstanding share capital of the Company.

9.4 Other

Valartis International Ltd. holds a 6.88 % economic interest in Panariello Enterprises Ltd. governed by a sub-participation agreement between ENR Investment Ltd. and Valartis International Ltd., dated 7 March 2003.

Gustav Stenbolt, who is a delegate of the Board of MCG Holding SA, the major shareholder of Valartis Group AG, is a member of the investment committee and Chairman of the Board of the Company.

10. Segment reporting

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

11. Risk management

An extensive overview of the risk factors that the Group is faced with was set out in the ENR's annual report for the year ended 31 December 2009. The Board, in cooperation with the Investment Manager, assesses the potential impact of the identified risk factors on the financial performance of the Group and implements risk management policies accordingly. Certain risk factors, e.g. portfolio concentration and hedging policies regarding currency exposure, are dealt with in the investment guidelines, which provide the general framework under which the Group's operations are carried out.

On a day-to-day basis the Investment Manager has the operative responsibility for the Group, including the risk management functions. This role, however, is performed under the overview of the Board.

The Board, supported by the Investment Manager, performs a review of the potential risk factors, including those that arise from the accounting and financial reporting, and assesses their potential impact on the Group's operations no less frequently than annually. Throughout the internal control system framework on financial reporting relevant control measures are defined, which reduce the financial risk. Should the risk environment change substantially, measures are taken on the level of the Board to alleviate such risks, including updating relevant risk management policies.

Price information

in CHF

| Date | Attributable Net Assets (millions) | Attributable NAV per share | Share price |
|------------|------------------------------------|----------------------------|-------------|
| 31.12.2008 | 96.5 | 36.93 | 26.00 |
| 31.03.2009 | 97.8 | 36.97 | 24.00 |
| 30.06.2009 | 100.9 | 38.17 | 27.40 |
| 30.09.2009 | 108.2 | 40.93 | 27.75 |
| 31.12.2009 | 107.5 | 40.64 | 27.00 |
| 31.03.2010 | 112.1 | 42.42 | 27.65 |
| 30.06.2010 | 107.6 | 40.72 | 30.80 |

Shareholder Information and Corporate Details

Board of Directors

Gustav Stenbolt
Walter Fetscherin
Dmitry Amunts

Domicile

ENR Russia Invest SA
2-4 Place du Molard
1204 Geneva
Switzerland

Auditors

Ernst & Young AG
Badenerstrasse 47
8022 Zurich
Switzerland

Investment Manager

Valartis International Limited
Vanterpool Plaza, 2nd Floor
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Road Town, Tortola
British Virgin Islands

Security Number

3447695

ISIN Number

CH0034476959

Ticker Symbol

RUS

Company Website

www.enr.ch



Imprint

ENR Russia Invest SA, Geneva, Switzerland

Realisation

Multimedia Solutions AG, Zurich, Switzerland

Printing

Neidhart + Schön AG, Zurich, Switzerland

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