ENR Russia Invest SA

ANNUAL REPORT 2002

Letter to shareholders

Dear shareholders,

In spite of another volatile year in the global capital markets we are pleased to report that ENR Russia Invest SA's net asset value per share appreciated by 37.5% in 2002. Over this same period, the company's share price appreciated by 64.3%. This compares favourably to the benchmark CSFB ROS index which declined by 2.4% in Swiss francs terms, and positions ENR as the top performing Swiss listed investment company for the year.

During this very successful year, the company's assets almost doubled to CHF 117.2 million from CHF 63.1million 12 month ago.

Main events during the year include the sale of the company's stake in Syktyvkar Pulp & Paper to Anglo American during the first quarter. This transaction is among the most prominent examples of foreign direct investment in Russia in its recent history and created for ENR a gain of 600% over its initial cost price. In April 2003, ENR issued 418'000 new shares in a public offering. The capital increase highlights the ongoing investor interest in the region and in ENR Russia Invest SA.

During 2002, reforms have significantly improved the investment climate in Russia. Going forward, we expect this trend to continue. While we believe the natural resources sector remains attractive for investments, we also see very interesting opportunities in the new developing sectors such as retail, banking, telecommunication and real estate. During the second half of 2002, ENR has built up a position in Russian telecommunication companies, and we intent to continue that strategy while further diversifying the portfolio.

February 2003

Dr. Christoph Loew

COMMENTARY AND OUTLOOK

GDP performance in 2002 met optimistic expectations, rising 4.3%. Clearly, windfall revenues from higher than anticipated oil prices have contributed to overall growth; with commodity exports underpinning a burgeoning current account surplus and boosting foreign exchange reserves to record levels. Furthermore, non-fuel sectors such as construction, food processing and transportation are also surging. Russia is in the early stages of a consumer boom. Personal income rose 9% in 2002 and retail spending rose an estimated 17%. The trend appears to continue. Over the first two months of 2003, industrial production grew by a solid 5.7% and investment in fixed assets increased by an impressive 9.5%.

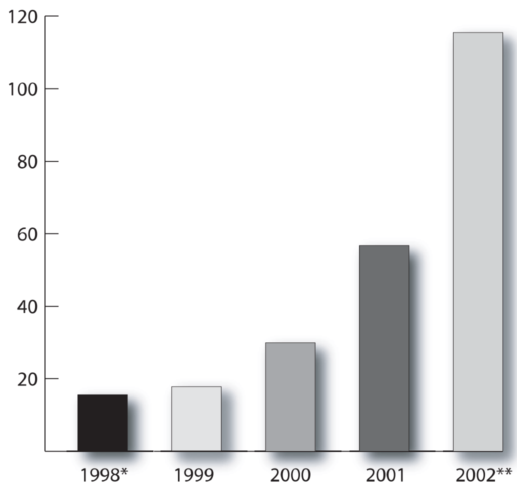
On the fiscal side the government posted a budget surplus of approximately 1.4% of GDP in 2002 and we do not anticipate any financing difficulties this year. While oil related revenues remain important to the budget, sensitivity to crude price fluctuations has declined due to sharply rising production volumes and comparatively low budget obligations. For instance, this year oil price of USD 18/bbl will be sufficient to meet federal budget obligations, this compares with an oil price USD 25/bbl required to balance the budget in 1998. Accordingly, Russia's risk premium has declined considerably. Sovereign Eurobond yields are trading at all time lows and there are expectations that Russia could gain investment grade status as early as next year.

Sustained economic expansion will depend on meaningful capital inflows and investment. There are signs that foreign direct investment is set to rise. In February of this year British Petroleum's announced it would acquire a 50% stake in Russia's third largest oil producer for USD 6.75 billion. The size of this investment is significant. It represents the single largest foreign acquisition in Russia to-date and alone is nearly double the entire foreign investment inflows for whole of 2002. Other sectors such as retail and food processing are also attracting foreign strategic interest. It is interesting to note that the retail sector attracted half of total FDI in 2002. Foreign retailers such as Ikea, Auchan, Metro and Adidas are each developing major new shopping facilities in the Moscow region.

2003 is an election year in Russia and political issues will almost certainly influence government policy and the pace of structural reforms. This is particularly the case in socially sensitive areas such as the liberalization of energy prices and changes to the land code. Nevertheless the centralist Unified Russia party appears likely to consolidate its position in the Duma and we do not anticipate a significant challenge to the interests of President Putin's administration or the Kremlin's reform agenda. President Putin, who is himself up for re-election in March 2004, enjoys considerable popularity, with opinion polls consistently posting 70%+ support rating.

* Shareholders economic interest
** includes capital increase proceeds, April 2002

ENR's net asset value appreciation (CHF million)



Top Holdings

Gazprom *Gas producer/pipeline operator*

At the end of 2002 Gazprom was awarded domestic tariff increases of 20%. This is good news for the company, which sells two thirds of its production into the local market at substantial discounts to world prices. Price liberalization should enable Gazprom to significantly improve cash flow and, for the first time, to post a profit from its domestic sales. Regarding the Gazprom's shareholder structure, the company has recently completed the consolidation of shares held by related groups. The government now effectively controls over 51% of Gazprom. This has been considered a principal precondition for liberalization of the capital structure: namely the removal of the 'ring fence', which prevents foreigners from buying local shares directly. Meanwhile Ruhrgas, Gazprom's single largest foreign investor, has increased its stake to 5.7% along with the stated intention to eventually boost this holding above 10%.

UES *Electricity holding company*

Asset valuations in the electricity sector have long been depressed due to uncertainty over the direction and timing of sector reform. Events now unfolding are adding clarification to the process and helping to reassure investor concerns. Firstly, legislation introduced before the Duma in the autumn of 2002 (and subsequently approved) formulates a mechanism of tariff rebalancing which, when implemented, should bring about a substantial increase in household prices. Secondly, the publication of UES's own "Strategy Report", expected this spring, should detail the process in which the holding company's generating, distribution and transmission assets will be divided. The electricity sector as a whole has sparked interest amongst Russia's strategic investors (both industrial users and financial groups) which have begun acquiring large stakes in many of the regional energos and UES itself.

LUKoil *Russian oil major*

Lukoil has Russia's largest reserve base and a strong geographical and downstream mix of assets The company however, has been slow to restructure: extraction and operating costs are above its peers and production growth has lagged. There are signs of improvement though. Recently the company announced it would sell-off its drilling operations. Judging by the performance of other Russian oil majors, outsourcing these activities could significantly improve efficiency levels. Last November the company considerably strengthened its balance sheet by selling a 10% stake in a BP led Caspian oil consortium for USD 1.6billion. The following month the company successfully placed a USD 350 million convertible bond which was 10x oversubscribed.

Sberbank *Banking group*

Sberbank is Russia's largest bank with nearly three quarters of total retail deposits and a sprawling network over 1'200 branches. It is also the only bank to provide state guarantees on savings accounts. This deposit base provides the bank with low cost funding which it re-invests in government securities and loans to major Russian corporates at a significant premium. In 2002 net interest margins exceeded 10%, deposits rose 43% and net income jumped 79% (RAS) to USD 1.0 billion. Given the bank's substantial bond portfolio Sberbank will be the main equity beneficiary of improvements to Russia's investment grade status.

Surgutneftegaz *Russian oil major*

Crude production increased an impressive 11.7% in 2002. This was above the sector average of 8.9%. For 2003 the company expects oil production to rise another 7.5%. Surgutneftegaz continues to generate significant cash flows and boasts one of the strongest corporate balance sheets in Russia. At the end of 2002 it is estimated that the company's net cash position stood at USD 4.2 billion, or approximately one third of its market capitalization. Corporate transparency concerns remain though. Most notably the management's intentions regarding this accumulated cash pile. To-date the company has been reluctant to disburse meaningful dividends or re-invest these funds productively.

Buryotzoloto *Independent gold producer*

In 2002 Buryotzoloto was ENR's top performing holding rising over 500%. Following a multi-year investment program gold production has been boosted to 153'000 oz/pa (a 5% rise over 2001) and total cash costs have been brought down to an estimated USD 187/oz. This compares very favourably with an averaged realized gold price of USD 305/oz last year. The company's investor base has been strengthened following the acquisition of a controlling stake by High River Gold of Canada, which in turn is 21% owned by Harmony Gold Mining Co of South Africa. Both have ongoing interests in expanding mining operations in the region. For instance High River Gold recently acquired the Berezitovoye deposit which we expect Buryotzoloto to develop.

VimpelCom *Nationwide mobile telecom operator*

Vimpelcom controls a 35% market share in mobile telecom services and is the largest single operator in the lucrative Moscow region. The sector offers good exposure to the consumer boom taking place in Russia. Rising personal incomes and pent-up demand for telecom services are driving growth. In 2002 Russian subscriber numbers doubled yet overall penetration levels remain low by international standards (12% year-end 2002). Furthermore the company does not have the high debt levels of its western peers.

Chelyabinsk Pipe *Steel pipe producer*

The company provides direct exposure to rapid expansion of Russia's oil and gas infrastructure. Demand for wide diameter pipe is particularly great given the number of pipeline mega-projects currently planned or underway. Chelyabinsk Pipe is the key supplier of seamless pipes for this segment and should benefit greatly in the coming years. In 2002 sales volumes rose 9% and according to management, operating earnings are expected to rise 38%. Disappointingly though, the consolidation between Chelyabinsk and Vyksa Pipe has failed to materialise.

Kondopoga *Russia's largest newsprint producer*

Newsprint accounts for 97% of production and 50% of exports. Production volumes have remained constant over 2002 at 308,000 tons (January to July 2002). Lower paper prices resulted in declines in sales over the first 6 months YoY by 26%. Operating profit and margins also declined. The company is inexpensive on an asset valuation. International Moscow Bank (controlled by HVB) recently bought a 15% stake in Kondopoga.

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CORPORATE GOVERNANCE

Group structure and shareholders

Investments are conducted through ENR Russia Invest SA's non-listed wholly owned subsidiaries in the Cayman Islands and Cyprus as described in note 3.2 of the consolidated financial statements. Significant shareholders are disclosed in note 7 of the consolidated financial statements.

Capital structure

Capital structure is described in note 6.2 of the consolidated financial statements. Changes of capital over the last 3 years are summarised in the consolidated statement of change in equity.

Board of directors

The directors are elected for one year term and are reeligible. The Board of ENR Russia Invest SA consists of the following individuals:

Dr. Christoph Löw, *executive member*
Chairman of the Board (Swiss national, first election in 2002)

Dr. Christoph Löw is an attorney-at-law and partner of the Vischer law firm in Basle. His areas of practice include corporate law, public and private building law, law relating to pensions and other employee benefits, estate planning, immigration law, tax law, mediation, and art. Before joining Vischer he gained additional professional experience as an associate with a Geneva law firm.
Dr. Löw is currently also a Director and Chairman of the board of Hansa AG (the major shareholder of ENR Russia Invest SA) and Director of both Pelham Investments AG and MCTrustco. He is a graduate in law from University of Basel and Columbia Law School, New York.

Gustav Stenbolt, *executive member*
Board Member (Norwegian national, first election in 2002)

Gustav Stenbolt is also Managing Director of MCTrustco and the General Manager of Hansa AG (the major shareholder of ENR Russia Invest SA). Prior to joining MCTrustco, he headed the investment management department of Unifund, a private Swiss-based investment company. He was responsible for that company's

expansion into Asia, Latin America, Eastern Europe and the former Russian Republics, actively participating in privatisation programmes in these regions.
Mr. Stenbolt is currently also a director of Pelham Investments AG and Anglo Chinese Group. He is a graduate in economics from Fribourg University.

Peter Rüegg, *non executive member*
Proposed Board Member (Swiss national, proposed for election in 2003)

Mr. Rüegg is Chief Executive Officer of the Zurich based Banking Group OZ Bankers AG. Prior to joining OZ Bankers, he has held several management position on capital markets desks of renowned banks in Switzerland and abroad. Furthermore, he serves on the Board of Directors of SenTec AG.

Each member of the ENR Board is elected for a period of 1 year, expiring at the first ordinary General Assembly following his or her election. Physical Board Meetings are held typically 4 times per year. The duration of the meetings are normally 3 hours. All board members physically attend at least 3 meetings per year. In addition, conference calls are organized occasionally. The Board has formed an audit committee which is composed of Christoph Löw and Gustav Stenbolt. The audit committee is in charge of risk management, compliance and the supervision of the external auditors. The Board is regularly informed on the activity of the Company by the Investment Manager who also formally report during the directors' meetings.

Investment Manager

The Company has appointed MCT Management Limited, Cyprus as its Investment Manager to provide overall investment management services in accordance with the terms of the Investment Management Agreement dated 20 March 2002 (entered into force retroactively as of 1 January 2002). The Investment Manager is a wholly owned subsidiary of MCTrustco SA, Geneva, which has been appointed as sub-advisor of the Investment Manager. MCTrustco also acts as investment manager to Pelham Investments AG, a SWX listed investment company. Further information about MCTrustco is available on the Investment Advisor's website (http ://www.mctrustco.com).
Pursuant to the management agreement the Investment Manager is responsible on a day-to-day basis for investing, reinvesting and supervising the Company's assets in accordance with its investment policies. The duties of the Investment Manager shall comprise research work with regard to appropriate investment opportunities, expert advise on investments and divestments, and the delegation of staff representing the Company, at the specific request of the Board of Direc-

tors of the Company, to the Board of Directors (or similar bodies) of the Subsidiaries and of companies constituting Strategic Investments. In addition, it shall ensure that the Company and the Subsidiaries will be properly administered, designate external advisors to the Company and the Subsidiaries, pursuant to instructions and under the supervision of the Board of Directors.
The Investment Management Agreement has been concluded for an indefinite period of time. It may be terminated with a thirty day advance notice for the end of any calendar quarter. In the event of its termination by the Company, the Investment Manager is entitled to material compensation.
The Investment Manager appoints the Investment Committee, composed of at least three of its (or its subadvisor's) officers, which is responsible for day-to-day investment decisions. The member of the investment committee are the followings:

Timothy Rogers
His responsibilities include investment management, corporate analysis and securities trading. He has been with MC Trustco since its inception in March 1996. He began his career with Credit Lyonnais Securities in Hong Kong and later relocated to Seoul. In 1993 he joined Unifund, a Swiss-based private investment company where he continued to focus on the emerging capital markets of Eastern Europe and Russia. He has a bachelor of arts degree with specialization in economics from the University of Alberta.

Philipp LeibundGut
Philipp LeibundGut is a member of the Investment Committee. He is taking care of investment analyses at MC Trustco. Before working for MC Trustco he has worked for Hansa AG – today one of its major customers and a main shareholder. Prior to joining Hansa AG he has worked as a broker for Credit Suisse on the Basle Stock Exchange. He is a graduate in business economics from the Basle University of Applied Sciences (FHBB).

Christine Spyrou-Catras
Christine Spyrou-Catras is employed by MCT Management Limited, Cyprus. She began her career with Goldman Sachs in Toronto and moved later in 1997 to Cyprus where she was head of the Robert Fleming office in charge of all administrative and client related matters. In 1999, she also became Branch Manager of Anglo Irish Bank where she opened and maintained all corporate accounts. She holds a degree in computer programming from Centennial College in Toronto.

Georg von Opel
Georg von Opel is a member of the Investment Committee. He is the owner of Hansa AG, Basel, a Swiss holding company. He studied in various universities in

the USA. He is a member of the Board of Directors of Hansa AG. Hansa AG started to build up a Russian portfolio in 1999. In addition, Hansa AG owns stocks and securities on a highly diversified worldwide basis and is invested in private equity as well as in real estate.

The remuneration of the Investment Manager is described under note 7 of the consolidated financial statements.
The members of the Investment Manager and the Investment Advisors own no shares of ENR Russia Invest SA.

Compensation, shareholdings and loans

The Directors will be reimbursed for travelling, hotel and other expenses reasonably incurred in the performance of their duties as members of the Board of Directors. The Directors and officers of the Company will be covered by a Directors' and officers' liability insurance entered into by the Company. It is the Company's policy not to grant compensations to Directors which are also officers of the Investment Manager. No shares have been allotted to the Board of Directors or to the Investment Committee.
In 2002 the total remuneration of the members of the Board of Directors of the Company amounted in aggregate to CHF 57'145, thereof CHF 37'145 to non-executive members and CHF 20'000 to executive members. The highest individual remuneration was CHF 20'000.
The directors own no shares of ENR Russia Invest SA. The members of the Investment Committee own no shares of ENR Russia Invest SA.

Changes of control and defence measure

Pursuant to Art. 32 of the Federal Act on Stock Exchanges and Securities Trading of March 24, 1995 ("SESTA") an offeror who acquires directly or indirectly 33 1/3% of the voting rights of the Company will be required to make a public offer to acquire all the listed securities of the Company. Pursuant, however, to Art. 11 of the Company's Articles of Association, art. 32 SESTA shall not apply with respect to the Company. A purchaser of Shares of the Company will therefore not be obliged to make a public tender offer under Art. 32 SESTA ("Opting-Out").

Auditors

Ernst & Young is acting as the auditor of the Company since its inception. The auditor is elected by the General Assembly for the term one-year durations. Ernst & Young is also the auditor of all subsidiaries. For the Company, Nigel Le Masurier is the auditor in charge since auditing the results for the calendar year 1999.
For the audit of the calendar year 2002, Ernst & Young has charged the Group an audit fee of CHF 69'700 including interim reviews and special reviews.
At least one member of the audit committee is in contact with the auditor in charge on an ongoing basis. Furthermore, it is the Company's policy to hold a formal audit meeting between the Board and the auditor in charge once a year.

Information policy

The Company calculates its Net Asset Value per share ("NAV") on a daily basis. The corresponding figure is communicated on ENR's home page (http://www.enr.ch/), via Bloomberg (ENR SW Equity) and Reuters (MSCY) and twice a week in the newspaper "Finanz und Wirtschaft" as well as once a week in the Financial Times. Audited reports are published on an annually basis per December 31. In addition, ENR publishes an un-audited interim report each quarter. All recent reports as well as portfolio information, press releases, the investment guidelines and general corporate information are also available through the company's website.

Determination of the Net Asset Value as of December 31, 2002

	2002		2001	
	CHF		CHF	
	Following IAS presentation	Representing the existing shareholders' economic interest	Following IAS presentation	Representing the existing shareholders' economic interest
Treasury stock – at market value	–	511'175	–	–
Cash, investments and other assets	117'201'337	117'201'337	63'098'242	63'098'242
Total assets	117'201'337	117'712'512	63'098'242	63'098'242
Liabilities				
Convertible bonds	–	–	7'182'774	7'480'000
Other liabilities	–	–	1'374'612	1'374'612
Total current liabilities	1'268'962	1'268'962	8'557'386	8'854'612
Share-capital	58'400'000	58'400'000	37'500'000	37'500'000
Capital paid in excess of par value (share premium)	19'799'131	19'700'759	1'776'924	1'776'924
Equity component of convertible bonds	–	–	1'527'465	–
Treasury stock – at cost	(609'547)	–	–	–
Retained earnings	38'342'791	38'342'791	13'736'467	14'966'706
Total shareholders' equity	115'932'375	116'443'550	54'540'856	54'243'630
Total liabilities and shareholders' equity	117'201'337	117'712'512	63'098'242	63'098'242
Net Asset Value per share		CHF 99.69		CHF 72.32

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Consolidated result

The Company's shareholder's equity (or total Net Asset Value), at the year end on a consolidated basis amounted to CHF 115.9 million which represents an increase of +113% or CHF 61.4 million compared to 2001. The increase in shareholders' equity resulted from the value appreciation and earned returns on the company's investment portfolio net of expenses of CHF 23.2 million and a capital increase of CHF 38.2 million.

Parent company

As of December 31, 2002, the Parent Company recorded shareholders' equity of CHF 115.3 million compared to CHF 54.4 million at December 31, 2001. Total assets represents CHF 140.1 million. During the period, provisions of CHF 22.0 million required against the declining value of investments in prior years were reversed, resulting in a net gain for the year of CHF 22.7 million. The retained earnings as of December 31, 2002 amount to CHF 39.7 million. In May 2002, the parent company increased its share capital by a net amount of 38.2 million.

Consolidated Balance Sheet as of as of December 31, 2002

	Notes	2002	2001
Assets		CHF	CHF
Cash and cash equivalents		39'671'054	4'239'095
Available for sale investments - short term	4	62'674'377	38'766'620
Accounts receivable		1'062'282	–
Derivative financial instruments	4	3'332'558	82'162
Other assets		10'026	13'607
Total current assets		*106'750'297*	*43'101'484*
Available for sale investments-long term	4	10'451'040	19'996'758
Total assets		117'201'337	63'098'242
Liabilities and Shareholders' Equity			
Derivative financial instruments	4	–	494'334
Accounts payable and accrued expenses		1'203'924	816'162
Provision for taxes	5	65'038	64'116
Total current liabilities		*1'268'962*	*1'374'612*
Convertible bonds	5	–	7'182'774
Total liabilities		*1'268'962*	*8'557'386*
Share capital (1'168'000 issued and fully paid Shares of CHF 50 each)	6	58'400'000	37'500'000
Capital paid in excess of par value (share premium)	6	19'799'131	1'776'924
Treasury stock and warrants held for trading purpose	6	(609'547)	–
Equity component of convertible bonds		–	1'527'465
Retained earnings	6	38'342'791	13'736'467
Shareholders' Equity		*115'932'375*	*54'540'856*
Total Liabilities and Shareholders' Equity		117'201'337	63'098'242

Consolidated Statement of Income and Retained Earnings for the year ended December 31, 2002

	Notes	2002	2001
Operating Income		CHF	CHF
Interest income		359'443	196'694
Dividends		1'055'186	1'956'924
Gain on sale of investments net	4	28'641'188	3'725'794
Unrealised gain on investments net	4	3'772'473	20'558'879
Exchange (loss) / gain net		(83'451)	310'714
Total operating income		33'744'839	26'749'005
Operating expenses			
Loss on sale of investments	4	5'569'466	1'908'556
Management fees	7	2'027'353	675'597
Administrative fees		107'600	107'600
Directors' fees		57'145	55'931
Investment bank and professional fees		317'621	1'360'070
Bank charges and interest expenses		415'456	453'703
Accrued finance cost of convertible bonds		297'226	335'734
Other expenses		260'025	207'401
Taxes other than on income		86'623	30'055
Total operating expenses		9'138'515	5'134'647
Net income for the year		24'606'324	21'614'358
Retained earnings / (accumulated deficit) at the beginning of the year		13'736'467	(7'877'891)
Retained earnings at the end of the year		**38'342'791**	**13'736'467**
Average number of outstanding shares		990'992	750'000
Earnings per share		24.83	28.82

The Company does not plan to pay a dividend.

** in thousands*

Consolidated Cash Flow Statement for the year ended December 31, 2002

	Notes	2002	2001
Cash flow from operating activities		CHF	CHF
Net income for the year		24'606'324	21'614'358
Adjustments for:			
Dividends received		(1'055'186)	(1'956'924)
Unrealised foreign exchange loss / (gain)		922'334	(310'714)
Interest income		(359'443)	(196'694)
Bank charges and interest expenses		415'456	453'703
Accrued finance cost of convertible bonds		297'226	335'734
Fair value adjustment on investment portfolio	4	(3'772'473)	(20'558'878)
Operating income before working capital changes		**(21'054'238)**	**(619'415)**
Movement in working capital:			
Net purchase of investments	4	(14'334'297)	(6'035'940)
Accounts receivable		(1'062'282)	–
Accounts payable and accrued expenses		387'762	(35'740)
Other assets		3'581	(4)
Provision for income taxes	5	922	(8'106)
Dividend received		1'055'186	1'956'924
Interest income		359'443	196'694
Bank charges and interest expenses		(415'456)	(453'703)
Net cash flow from / (used in) operating activities		**7'049'097**	**(4'999'290)**
Cash flow from financing activities			
Proceeds from increase of share capital	6	38'167'706	–
Reimbursement of convertible bonds	6	(7'480'000)	–
Loss on sale of treasury shares	6	(772'963)	(1'507)
Net purchase treasury stock	6	(609'547)	–
Net cash flow from / (used) in financing activities		**29'305'196**	**(1'507)**
Net cash flow		**36'354'293**	**(5'000'797)**
Unrealised foreign exchange (loss) / gain		(922'334)	310'714
Cash and cash equivalents at the beginning of the year		4'239'095	8'929'178
Cash and cash equivalents at the end of the year		**39'671'054**	**4'239'095**

Consolidated Statement of changes in equity for the year ended December 31, 2002

	Share Capital	Share premium	Treasury stock	(Accumated Deficit)/ retained earnings	Equity component of convertible bonds	Total Equity
	CHF *	CHF *	CHF *	CHF *	CHF *	CHF *
Balance as at January 1, 2000	**37'500**	**1'674**		**(20'961)**	**1'752**	**19'965**
Purchase of convertible bonds	–	3	–	–	(224)	(221)
Net gain on sale of treasury shares	–	101	–	–	–	101
Net gain for year	**–**	**–**	**–**	**13'083**	**–**	**13'083**
Balance as at December 31, 2000	37'500	1'778	–	(7'878)	1'528	32'928
Loss on sale of treasury shares	–	(2)	–	–	–	(2)
Net gain for year	**–**	**–**	**–**	**21'615**	**–**	**21'615**
Balance as at December 31, 2001	37'500	1'776	–	13'737	1'528	54'541
Increase of share capital	20'900	19'144	–	–	–	40'044
Cost of issue of share capital	–	(1'876)	–	–	–	(1'876)
Reversal of equity component	–	1'528	–	–	(1'528)	–
Purchase of treasury stock and warrants	–	–	(5'472)	–	–	(5'472)
Sale of treasury stock and warrants	–	–	4'862	–	–	4'862
Net loss on sale of treasury shares	–	(773)	–	–	–	(773)
Net gain for the year	–	–	–	24'606	–	24'606
Balance as at December 31, 2002	**58'400**	**19'799**	**(610)**	**38'343**	**–**	**115'932**

** in thousands*

Notes to the Consolidated Financial Statements as of December 31, 2002

1 Incorporation and activity

ENR Russia Invest SA, Geneva, which changed its named from ENR Eastern Natural Resources SA on April 10, 2002 (hereinafter, the "Company") is an investment holding company incorporated as a limited company under the laws of Switzerland. The company's registered office is 62 route de Frontenex, Geneva, Switzerland. The company has no employees.

The Company invests, through its wholly-owned subsidiaries (hereinafter, together, the "Group"), in a diversified portfolio composed primarily of equity and equity-related securities of companies with substantial activities in the natural resources industry in the Commonwealth of Independent States (CIS) and the Baltic States, which it considers to be its unique segment of operations as of December 31, 2002.

Following a change of the statutes of the Company on April 10, 2002, the Company can also acquire, sell, and manage, through the participation in companies, all types of investments in the CIS and in the Baltic States.

The consolidated financial statements as of December 31, 2002 were approved by the Board of Directors on February 4, 2003.

2 Basis for the presentation of the consolidated financial statements

The consolidated financial statements of the Group, which include the accounts of ENR Russia Invest SA and its subsidiaries at December 31, 2002, are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Financial instruments held in the available for sale portfolios and derivative financial instruments are measured on a fair value basis, as described in note 3.5, all other assets / liabilities are measured on an historical cost basis.

3 Significant accounting policies

3.1 Consolidation

Full consolidation is applied to subsidiaries, all of which are wholly owned. The accounts of the Company's subsidiaries are appropriately reclassified and adjusted for consolidation purposes to conform to the Group's accounting policies. All intra-group balances and operations are eliminated.

3.2 Fully consolidated companies

At December 31, 2002, the ENR Group was composed of ENR Russia Invest SA and the following wholly-owned subsidiaries:

	Share capital*			
Company		2002		2001
ENR Overseas Ltd, Nicosia	C£	1'833.0	C£	1'833.0
ENR Holdings Ltd, Nicosia	C£	3'310.0	C£	3'310.0
ENR Treasury Ltd, Nicosia	C£	370.0	C£	370.0
ENR Investment Ltd, Nicosia	C£	3'846.0	C£	3'846.0
ENR Securities Ltd, Grand Cayman	USD	0.1	USD	0.1
ENR Finance Ltd, Grand Cayman	USD	0.1	USD	0.1

The financial statements of the wholly-owned subsidiaries are maintained in Swiss Francs.

3.3 Recognition of revenues and expenses

Revenues and expenses are recognised as they are earned or incurred and recorded in the financial statements of the periods to which they relate.

3.3.1 Interest

Interest is recognised on a time proportion basis that reflects the effective yield on the asset or liability.

3.3.2 Gain / (Loss) on investments

The gains or losses arising from the disposal of investments are recognised in the statement of income as they arise.

3.3.3 Dividends

Dividends are recognised when the Company's right to receive payment is established.

3.3.4 Other revenue

Other revenue is measured at the fair value of the consideration received or receivable.

3.4 Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into Swiss francs at exchange rates ruling on the balance sheet date.

Foreign exchange profits and losses are included in the income statement of the year in which the profits and losses arise.

The financial statements of the subsidiaries are prepared in Swiss Francs as subsidiaries are integral to the operations of the parent. Their operations in foreign currencies are translated according to the above mentioned principles.

* *in thousands*

3.5 Investment portfolio

The Group has classified its investment securities into the following three categories : trading, available for sale short term and available for sale long term. Investment securities intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices are classified as available-for-sale, either current or long term depending upon the initial management decision. Derivative financial instruments are held for trading purposes and are classified under a separate heading. Management determines the appropriate classification of its investment securities at the time of purchase. Transactions are recorded on the trade date basis.

The short term available for sale portfolio is composed of listed shares and the long term available for sale portfolio is composed of special situations and illiquid shares, both are recorded in the balance sheet at fair value. Fair value is determined on the basis of bid price for actively-traded investments and on the basis of the last transaction for illiquid investments. Changes in value are charged or credited in the statement of income.

3.6 Taxation

The Company provides for taxes when profits are earned. Deferred tax assets resulting from tax loss carry forwards are accounted for only when the realisation is probable.

3.7 Risk management policies

The Company's risks at December 31, 2002 are concentrated in its listed equity positions. These are managed on a daily basis under the oversight of the Investment Committee and the Board of Directors within the guidelines set forth in the Offering Circular and Listing Memorandum dated April 12, 2002.

Currency risk

Investments are usually not denominated in Swiss francs, the base currency of the company. In order to protect the net asset against unfavourable currency fluctuations, the company regularly engages in financial derivative transactions. This policy is implemented with options and forward contracts to protect the value of foreign-denominated assets that are likely to undergo significant currency fluctuations. The financial derivative positions are recorded in the balance sheet at fair value, which is determined on the basis of market price. Changes in value are charged or credited in the statement of income.

Liquidity risk

A significant percentage of the company's investments are considered to be readily realizable as they are listed on recognized exchanges. A liquidity risk exists for the investments held in the special situations and illiquid shares category due to the low market volumes on these investments.

The company has the ability to borrow in the short term to ensure settlement, although no such borrowings have been made.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has with the Company. All transactions are undertaken using approved brokers. The risk of default is considered minimal as delivery of investments sold is only made after the broker has received payment. For purchases payment is made once the investments have been received. The maximum credit exposure in the event the counterparties fail to perform their obligations as at the balance sheet date in relation to each class of recognized financial assets, is the carrying amount of those assets on the balance sheet.

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's convertible bonds issued and the bonds held within the available for sale portfolio. The Company does not use derivative financial instruments to hedge its interest rate risk, but seeks to minimise its overall exposure to interest rate risk.

3.8 Treasury stock

As Treasury stock, which is held for trading and market making purposes, is purchased, the amount of consideration paid is recognized as a charge to equity. The subsequent resale of treasury shares does not give rise to a profit or loss for the company, the difference over purchase price being taken to equity.

3.9 Cash and cash equivalents

All cash instruments with a maturity of one month or less are considered to be cash and cash equivalents.

** in thousands*

4 Investment portfolio

	31.12.2002 CHF*	31.12.2001 CHF*
Fair value of portfolio brought forward	58'351	31'756
Purchase of investments	77'390	18'893
Sale of investments	(86'128)	(14'675)
Net gain/(loss) on disposal of investments	23'072	2'551
Net investment movement for the year	14'334	6'769
Increase in fair value	3'773	19'826
Fair value of portfolio	76'458	58'351

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

Available for sale - current	62'674	38'766
Available for sale - non-current	10'451	19'997
Derivative financial instruments - assets	3'333	82
Derivative financial instruments - liabilities	–	(494)
Total	76'458	58'351

The investments in listed shares consist of the following positions:

Securities	Balance as of 01/01/2002 Quantity	CHF	Additions CHF	Withdrawals CHF
Listed shares				
Gazprom financial contracts	3'000'000	2'614	22'896	(5'384)
Lenenergo -preferred-	750'000	213	–	–
Lukoil Holding -common-	255'000	5'224	–	(5'296)
Lukoil -ADR-	37'000	3'033	3'910	(4'682)
Lukoil -NEW ADR-	–	–	10'944	–
MMC Norilsk Nickel -ADR-	80'000	2'276	–	(2'439)
Sahalinmorneftegaz -preferred-	135'000	282	–	–
Samaraenergo	9'050'000	431	–	–
Sberbank	–	–	3'394	–
Sibir Energy	–	–	424	–
Surgutneftegas -common-	6'100'000	3'212	–	(3'740)
Surgutneftegaz -Sp. ADR-	80'000	2'103	–	(2'346)
Surgutneftegas -preferred-	11'300'000	3'740	355	–
Surgutneftegaz -pref. ADR-	–	–	1'620	–
Sverdlovenergo -preferred-	500'000	43	–	–
TransNeft -preferred-	–	–	980	–
Unified Energy System -common-	–	–	3'880	(363)
Unified Energy System -preferred-	–	–	425	–
Unified Energy System -ADR-	75'000	1'972	–	–
Vimpel Communications - ADR-	–	–	3'840	–
Yukos Holding -ADR-	427'500	3'716	2	(5'358)
Sub-total		**28'859**	**52'670**	**(29'608)**
Fixed income instruments				
3% BP Finance Plc 01-06 conv.	1'240'000	2'466	–	(2'499)
3.5% Lukinter Finance NV 2007 conv	–	–	2'540	–
5% Russian Federation 2030	–	–	18'775	(10'054)
1.75% UBS 01-04 conv.	3'500'000	7'443	–	(8'847)
The Red Square Debt Fund -B- Cap.shs	400'000	–	–	–
Sub-total		**9'909**	**21'315**	**(21'400)**
Total available for sale investment - current		**38'768**	**73'985**	**(51'008)**

** in thousands*

At the end of the period, the investment portfolio consisted of the following:

Fair value	31.12.2002 CHF*	31.12.2001 CHF*
Listed shares	50'180	28'858
Special situations and illiquid shares	10'451	19'997
Derivative financial instrument, net	3'333	(412)
Fixed income instruments	12'494	9'908
Total	76'458	58'351

The investment portfolio was invested in the following sectors:

Fair value	31.12.2002 CHF*	31.12.2001 CHF*
Pulp and paper	2'691	15'844
Energy	6'865	2'760
Steel, pipes and tubes	2'664	5'189
Oil and gas	35'862	34'172
Russian fixed income	12'494	–
Communication	4'493	–
Other	8'056	798
Derivative financial instruments	3'333	(412)
	76'458	58'351

All investments have been made in Russia.

Gains		Losses		Balance as of 31/12/2002	
Realized	Unrealized	Realized	Unrealized	Quantity	CHF
318	–	(164)	(3'819)	15'896'000	16'461
–	–	–	(17)	750'000	196
687	24	–	–	30'000	639
–	446	(827)	–	22'000	1'880
–	–	–	(698)	120'000	10'246
163	–	–	–	–	–
–	–	–	(58)	135'000	224
–	–	–	(69)	9'050'000	362
–	–	–	(69)	12'500	3'325
–	–	–	(213)	1'000'000	211
528	–	–	–	–	–
243	–	–	–	–	–
–	43	–	–	12'300'000	4'138
–	–	–	(274)	40'000	1'346
–	23	–	–	500'000	66
–	–	–	(263)	1'500	717
52	523	–	–	23'000'000	4'092
–	23	–	–	3'000'000	448
–	–	–	(637)	75'000	1'335
–	654	–	–	101'300	4'494
2'770	–	(1'130)	–	–	–
4'761	1'736	(2'121)	(6'117)		50'180
33	–	–	–	–	–
–	–	–	(37)	1'750'000	2'503
663	608	–	–	9'000'000	9'992
1'404	–	–	–	–	–
–	–	–	–	400'000	–
2'100	608	–	(37)		12'495
6'861	2'344	(2'121)	(6'154)	–	62'675

*in thousands

Long term available for sale portfolio				
Akron	10	33	–	–
BAM Resources PLC -Reg-	200'000	–	–	–
Buryatzoloto	285'800	764	–	(392)
Cheljabinsk Tube Plant (Trubny Zadov)	18'347'616	2'300	–	–
Kondopoga	162'314	2'442	–	–
Nosta (Orsko-Khalilovsk Met C)	45'000	13	–	–
Oskol Steel (Oskolskyy electromet.kom)	12'500	104	–	–
Purneftegas -preferred-	120'000	341	–	(346)
Sakhalinenergo	2'200'000	101	–	–
Sinarsky Trubny Zadov	156'631	496	–	–
Syktyvkarsky LPK -common-	40'083	13'401	–	(23'808)
Total available for sale non current assets		19'995	–	(24'546)
Total securities		58'763	73'985	(75'554)
Hedging instrument		(412)	3'406	(10'574)
Total investment portfolio		58'351	77'391	(86'128)

Derivatives on currency	Quantity	Currency	Forward rate	Expiry date
Forward exchange contract	(58,215,000)	USD	1.4437	03.03.03

Exchange rates :	1.3817 USD	1.4457 EUR	2.2245 GBP

5 Taxes

The Company pays Swiss taxes on capital of 0.07%. Net income from Cyprus subsidiaries are taxed at 4.25%. As at December 31, 2002, no taxes are due as current income is offset by losses carried forward.

The Company pays Swiss taxes on capital. Net income from the Jersey subsidiary is not taxed.
The movement on taxes are the followings :

	2002 CHF*	2001 CHF*
Balance as of January 1	64	72
Payments during the year	(86)	(38)
Charge for the year	87	30
Balance as of December 31	65	64

The Company has tax losses carried forward in Switzerland for CHF 1.7 million (2001 : CHF 26.3) and does not have a current Swiss income tax liability.

6 Share capital

In May 3, 2002, the Company increased its capital by 418'000 ordinary shares of par value CHF 50 each. The issue price was CHF 95.80 per share.
At December 31, 2002, the issued ordinary share capital of the Company was CHF 58.4 million, divided into 1'168'000 bearer shares of par value CHF 50 each.

6.1 Treasury shares

Movements on own shares during the year are as follows :

Date	Purchase / (Sale)	Average Unit Price CHF*
May	57'000	95.80
June	(650)	84.50
December	(50'000)	81.00

At December 31, 2002, the Company owns 6'350 treasury shares (2001 : -0-).

** in thousands*

–	1	–	–	10	34
–	–	–	–	200'000	–
340	3'984	–	–	266'344	4'696
–	–	–	(272)	18'347'616	2'028
–	249	–	–	162'314	2'691
–	13	–	–	45'000	26
–	–	–	(35)	12'500	69
9	–	(4)	–	–	–
–	264	–	–	2'200'000	365
–	45	–	–	156'631	541
10'407	–	–	–	–	–
10'756	4'556	(4)	(307)		10'450
17'617	6'900	(2'125)	(6'461)	–	73'125
11'024	3'333	(3'444)	–		3'333
28'641	10'233	(5'569)	(6'461)	–	76'458

Value in CHF
80,714

6.2 Conditional capital and authorised capital

The Company may increase its share capital by the exercise of option or conversion rights by up to a maximum amount of CHF 18'750'000 through the issue of a maximum of 375'000 bearer shares each with a par value of CHF 50 each. These shares are reserved for the exercise of option and conversion rights issued by the Company. As of December 31, 2002, no option and conversion rights existed.

	2002 CHF*	2001 CHF*
Conditional capital	18'750	18'750
Authorised capital	–	18'750

6.3 Convertible bonds

On October 28, 1997, ENR Finance Ltd issued, at par value, 3 3/4% convertible bonds for CHF 60'000'000, with mature on October 28, 2002.
As of December 31, 2001, the Company had bought for cancellation, on the open market, CHF 52'520'000 nominal value of its own bonds. The remaining bonds of nominal value of CHF 7'480'000 were not converted and were reimbursed at maturity date.

7 Related parties – significant shareholders

The Company pays to the Investment Manager a management fee (the "Management Fee"), payable quarterly in arrear in Swiss Francs, of 2% per annum (plus VAT) of the Company's average Net Asset Value, as adjusted by adding back the amount of any outstanding debt convertible into Shares of the Company.
In addition, the Investment Manager is entitled to receive a Performance Fee if the Company's (adjusted) NAV appreciates by an amount in excess of 10% per year, whereby the High Watermark shall be a Net Asset Value of CHF 138.77 per Share for the year 2003. The Performance Fee is 15% of the increase in NAV in excess of 10% and 20% of the increase in NAV in excess of 20%. Adjustment events include among others share splits and right issues.
In case of a termination of the investment management agreement by the Company, the Investment Manager shall be entitled to an indemnity of three times the fees paid to the Investment Manager in the previous year.
The Company bears all of its expenses, including expenses relating to its formation and organisational expenses, as well as administrative and operating expenses.
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.
As of December 31, 2002 MCT Management Ltd, Cyprus received an amount of CHF 2'027'353 (in 2001 : CHF 675'597) as management fees for the year. MC Trustco owns 100% of MCT Management Ltd. In 2001, an amount of CHF 675'597 was paid to NRM Natural Resources Management Ltd, former investment manager.
As of December 31, 2002, Hansa AG, a minority shareholder of MC Trustco (the investment advisor of the company) owns 46.37% of the share Capital of ENR Russia Invest SA.

* *in thousands*

ERNST & YOUNG

Report of the Group Auditors to the Board of Directors of ENR Russia Invest SA, Geneva

As auditors of the group, we have audited the consolidated financial statements (consolidated balance sheet, consolidated statement of retained earnings, consolidated cash flow statement and notes) of ENR Russia Invest SA for the year ended December 31, 2002.

These consolidated financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards, promulgated by the Swiss profession and with International Standards on Auditing issued by the International Federation of Accountants (IFAC), which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law and the accounting provisions as contained in the additional rules for the listing of investment companies of the Swiss Exchange.

In addition, as required under article 20 of the listing rules for investment companies, in our opinion the board of directors has used reasonable methods and estimates to determine the fair value of the investment portfolio.

Geneva, February 5, 2003

Ernst & Young SA

Pascal Gisiger
Certified Accountant

Nigel Le Masurier
Chartered Accountant
(Auditor in charge)

ERNST & YOUNG

Report of the Statutory Auditors to the Board of Directors of ENR Russia Invest SA, Geneva

As statutory auditors, we have audited the accounting records and the financial statements of ENR Russia Invest SA for the year ended December 31, 2002.

These financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the accounting records, the financial statements and the appropriation of the available earnings comply with Swiss law and the company's articles of incorporation as well as the accounting provisions as contained in the additional rules for the listing of investment companies of the Swiss Exchange.

In addition, as required under article 20 of the listing rules for investment companies, in our opinion the board of directors has used reasonable methods and estimates to determine the fair value of the investment portfolio.

We recommend that the financial statements submitted to you be approved.

Geneva, February 5, 2003

Ernst & Young SA

Pascal Gisiger
Certified Accountant

Nigel Le Masurier
Chartered Accountant
(Auditor in charge)

Parent Company Balance Sheet as of December 31, 2002

		2002	2001
Assets		CHF	CHF
Cash and cash equivalents		16'330'384	8'550
Receivables from subsidiaries (net of a provision of CHF 0 ; 2001 : CHF 10'476'405)		77'203'486	22'286'817
Accounts receivable		39'586	–
Other assets		10'026	2'414
	Current assets	*93'583'482*	*22'297'781*
Investments (net of a provision of CHF 3'500'000 ; 2001 : CHF 15'000'000)		46'500'000	35'000'000
	Non current assets	*46'500'000*	*35'000'000*
Total assets		140'083'482	57'297'781
Liabilities and Shareholder's Equity			
Account payable		2'346	46'573
Provision for taxes		52'139	–
Accrued expenses		54'730	80'407
Payables to subsidiaries		24'656'903	2'753'929
	Liabilities	*24'766'118*	*2'880'909*
Share capital		58'400'000	37'500'000
Share premium		17'267'705	–
Retained earnings/(accumulated deficit)		39'649'659	16'916'872
	Shareholder's Equity	*115'317'364*	*54'416'872*
Total Liabilities and Shareholder's Equity		140'083'482	57'297'781

Parent Company Statement of Income and Retained Earnings for the year ended December 31, 2002

	2002	2001
Income	CHF	CHF
Interest income	1'333'249	987'751
Reversal of provision on receivable from subsidiaries	10'476'405	12'000'000
Reversal of provision on investments	11'500'000	10'000'000
Total income	23'309'654	22'987'751
Expenses		
Administrative fees	11'137	10'760
Legal fees	59'896	–
Professional and director's fees	65'173	1'147'138
Publication & Marketing	128'901	–
Bank charges and interest	11'369	990
Exchange loss	92'689	–
Other expenses	123'459	200'868
Taxes	84'243	30'056
Total expenses	576'867	1'389'812
Net income for the year	22'732'787	21'597'939
Retained earnings/(accumulated deficit) at the beginning of the year	16'916'872	(4'681'067)
Retained earnings at the end of the year	39'649'659	16'916'872

** in thousands*

Proposal of appropriation of available earnings

The Board of Directors proposes the following appropriation of the retained earnings:

	2002	2001
Accumulated earnings/(accumulated deficit)	16'916'872	(4'681'067)
Net income for the year	22'732'787	21'597'939
Available retained earnings carried forward	39'649'659	16'916'872

Notes to the Financial Statements as of December 31, 2002

These notes are an extract of the notes to the consolidated financial statements and should be read in conjunction with them.

1 **Significant investments**

At December 31, 2002, the ENR Group was composed of ENR Russia Invest SA and the following wholly-owned subsidiaries:

	Share capital*			
Company		2002		2001
ENR Overseas Ltd, Nicosia	C£	1'833.0	C£	1'833.0
ENR Holdings Ltd, Nicosia	C£	3'310.0	C£	3'310.0
ENR Treasury Ltd, Nicosia	C£	370.0	C£	370.0
ENR Investment Ltd, Nicosia	C£	3'846.0	C£	3'846.0
ENR Securities Ltd, Grand Cayman	USD	0.1	USD	0.1
ENR Finance Ltd, Grand Cayman	USD	0.1	USD	0.1

2 **Share capital**

In May 3, 2002, the Company increased its capital by 418'000 ordinary shares of par value CHF 50 each. The issue price was CHF 95.80 per share.

At December 31, 2002, the issued ordinary share capital of the Company was CHF 58.4 million, divided into 1'168'000 bearer shares of par value CHF 50 each.

2.1 **Movements in shareholders' equity**

	Share capital CHF*	Share premiun CHF*	(Accumulated deficit) /retained earnings CHF*	Total CHF*
Balance at January 1, 2002	37'500	–	16'917	54'417
Increase of share capital	20'900	19'144	–	40'044
Cost of issue of share capital	–	(1'876)	–	(1'876)
Net profit for the year	–	–	22'733	22'733
Balance at December 31, 2002	**58'400**	**17'268**	**39'650**	**115'318**

2.2 **Conditional capital and authorised capital**

The Company may increase its share capital by the exercise of option or conversion rights by up to a maximum amount of CHF 18'750'000 through the issue of a maximum of 375'000 bearer shares of par value of CHF 50 each. These shares are reserved for the exercise of option and conversion rights issued by the Company.

	2002 CHF*	2001 CHF*
Conditional capital	18'750	18'750
Authorised capital	–	18'750

** in thousands*

Price information

Date	Net Assets CHF (in thousand)	NAV per share CHF (adjusted)	Share price CHF
31. 12. 1995	45'958	75.31	88.69
30. 06. 1996	70'260	115.13	118.55
31. 12. 1996	69'202	113.39	109.64
30. 06. 1997[1)]	162'998	217.33	154.00
31. 12. 1997	149'752	199.67	155.00
30. 06. 1998	65'003	86.67	91.00
31. 12. 1998	N/A	N/A	25.85
30. 06. 1999	N/A	N/A	24.20
31. 12. 1999	N/A	N/A	25.85
30. 06. 2000	30'261	40.35	34.00
31. 12. 2000	32'296	43.06	38.50
30. 06. 2001	52'710	70.28	48.10
31. 12. 2001	54'244	72.32	49.00
30. 06. 2002[2)]	121'621	104.13	86.00
31. 10. 2002	117'283	100.41	75.50
29. 11. 2002	119'985	102.73	83.50
31. 12. 2002	116'444	99.69	80.00

[1)] Capital increase of 250'000 shares, par value CHF 50, subscription price CHF 120 on June 30, 1997
[2)] Capital increase of 418'000 shares, par value CHF 50, subscription price CHF 95.80 on April 26, 2002

Summary

Organisation

Board of directors	Christoph Löw	*Chairman*
	Gustav Stenbolt	*Vice-Chairman*
	Peter Rüegg	*Member (proposed for election on June 12, 2003)*

Investment Manager: MCT Management Ltd

Investment Advisors: MC Trustco

Custodian: ING Bank Eurasia A/O

Administrator: Fidutec Fiduciaire SA

Auditors: Ernst & Young

Management Fee: 2% per annum of the average Net Asset Value

Performance Fee: 15% of the amount by which the Net Asset Value increase exceeds an annual return of 10% and 20% of the amount in excess of an annual return of 20% (high watermark: CHF 138.77 as of 31.12.02)

Publication Listing

NAV Publication: Finanz & Wirtschaft (twice a week)
The Financial Times (once a week)
Reuters : MCSY (daily)

Interim Report: Available upon request from the Company; www.enr.ch

Listing: Swiss Exchange

Ticker symbol: Bloomberg: ENR SW • Reuters: ENRZ.S

Security number: Bearer Shares 347.166 • Warrants 347.167

Investment policy

The investment objective of the Company is to maximise the 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 other baltic states, and within certain limits, in debt instruments, physical commodities and privatisation vouchers.

ENR Russia Invest SA

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