

EUROPEAN EQUITY FUND, INC / MD
Form N-Q
May 30, 2006
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-4632

European Equity Fund, Inc.

(Exact name of registrant as specified in charter)

Two International Place

Boston, MA 02110

(Address of principal executive offices) (Zip code)

Paul Schubert

345 Park Avenue

New York, NY 10154

(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 454-7190

Date of fiscal year end: 12/31

Date of reporting period: 03/31/06

Form N-Q is to be used by registered management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-4). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of

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Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

ITEM 1. SCHEDULE OF INVESTMENTS

THE EUROPEAN EQUITY FUND, INC.

SCHEDULE OF INVESTMENTS MARCH 31, 2006 (unaudited)

<u>Shares</u>	<u>Description</u>	<u>Value</u>
INVESTMENTS IN GERMAN		
SECURITIES - 27.3%		
COMMON STOCKS - 26.0%		
AUTOMOBILES - 3.5%		
84,000	DaimlerChrysler	<u>\$ 4,825,699</u>
CHEMICALS - 1.0%		
17,200	K + S	<u>1,388,370</u>
ELECTRIC UTILITIES - 3.3%		
41,000	E.ON	<u>4,512,531</u>
ELECTRICAL EQUIPMENT - 0.9%		
4,500	Solarworld	1,182,427
ELECTRONIC EQUIPMENT &		
INSTRUMENTS - 1.5%		
17,000	Wincor Nixdorf	<u>2,142,816</u>
INDUSTRIAL		
CONGLOMERATES - 3.3%		
48,100	Siemens	<u>4,491,216</u>
INDUSTRIAL GASES - 1.2%		

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19,000	Linde	<u>1,649,956</u>
INSURANCE - 1.1%		
40,500	Hannover Rückversicherungs	<u>1,502,522</u>
MACHINERY - 0.9%		
17,000	Rheinmetall	<u>1,318,656</u>
REAL ESTATE - 3.1%		
62,500	Hypo Real Estate Holding	<u>4,285,178</u>
SOFTWARE - 3.5%		
22,000	SAP	<u>4,773,123</u>
TEXTILES, APPAREL & LUXURY GOODS - 2.7%		
18,600	Adidas Salomon	<u>3,678,825</u>
Total Common Stocks		
	(cost \$18,671,667)	<u>35,751,319</u>

PREFERRED STOCKS - 1.3%

HEALTHCARE PROVIDERS & SERVICES - 1.3%

10,000	Fresenius	
	(Cost \$979,732)	<u>1,793,760</u>
Total Investments in		
German Securities		
	(cost \$19,651,399)	<u>37,545,079</u>

<u>Shares</u>	<u>Description</u>	<u>Value</u>
INVESTMENTS IN AUSTRIAN		

COMMON STOCKS - 4.4%

COMMERCIAL BANKS - 1.0%

21,750	Wiener Staedt Vers.	<u>\$ 1,344,411</u>
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CONSTRUCTION

MATERIALS - 1.0%

28,300 Wienerberger Ag 1,423,433

INSURANCE - 2.4%

50,000 Uniqa Versicherungen 1,621,050

Total Investments in

Austrian Common Stocks

(cost \$3,789,263) 4,388,894

INVESTMENTS IN DUTCH

COMMON STOCKS - 1.3%

FOOD & STAPLES

RETAILING - 1.3%

40,000 Koninklijke Numico Nv*
(Cost \$1,678,782) 1,770,005

INVESTMENTS IN FRENCH

COMMON STOCKS - 28.3%

AIRLINES - 1.9%

40,000 Zodiac SA* 2,596,104

BEVERAGES - 2.2%

15,800 Pernod-Ricard 3,027,552

CONSTRUCTION

MATERIALS - 2.5%

50,000 Compagnie De Saint-Gobain 3,493,590

ENERGY EQUIPMENT &

SERVICES - 1.5%

29,800 Technip-Coflexip S.A. 2,017,168

INDUSTRIAL

CONGLOMERATES - 1.6%

20,000 Neopost SA 2,174,328

INSURANCE - 3.5%

93,100 Axa 3,267,765

15,000 Cnp Assurances 1,512,576

4,780,341

METALS & MINING - 1.5%

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2,100	Vallourec	<u>2,028,524</u>
NATIONAL COMMERCIAL		

BANKS - 3.8%

35,000	Societe Generale	<u>5,264,322</u>
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THE EUROPEAN EQUITY FUND, INC.

SCHEDULE OF INVESTMENTS MARCH 31, 2006 (unaudited) (continued)

<u>Shares</u>	<u>Description</u>	<u>Value</u>
OIL, GAS & CONSUMABLE FUELS - 4.9%		
25,400	Total	<u>\$ 6,701,851</u>
SPECIALTY RETAIL - 1.3%		
20,700	Essilor International	<u>1,846,506</u>
TELECOMMUNICATIONS SERVICES - 2.0%		
122,000	France Telecom SA	<u>2,744,356</u>
TEXTILES, APPAREL & LUXURY GOODS - 1.6%		
22,000	Lvmh Moet Hennessy Loui V Sa	<u>2,157,118</u>
Total Investments in		
French Common Stocks		
	(cost \$34,555,018)	<u>38,831,760</u>
INVESTMENTS IN SWEDISH		
COMMON STOCKS - 2.6%		
COMMUNICATIONS		
EQUIPMENT - 2.6%		

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940,000	Ericsson	
	(Cost \$3,151,495)	<u>3,578,557</u>

INVESTMENTS IN ITALIAN

COMMON STOCKS - 14.1%

COMMERCIAL BANKS - 9.0%

800,000	Banca Intesa Spa	4,775,280
60,000	Banca Italease*	2,972,067
548,000	Capitalia Spa	<u>4,556,247</u>
		<u>12,303,594</u>

ENERGY EQUIPMENT & SERVICES - 1.4%

84,000	Saipem	<u>1,941,478</u>
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HEALTHCARE PROVIDERS & SERVICES - 1.1%

17,000	Amplifon Spa	<u>1,486,991</u>
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INSURANCE - 2.6%

70,000	Assicurazioni Generali	2,636,827
150,000	Ergo Previdenza Spa	<u>961,722</u>
3,598,549		

Total Investments in

Italian Common Stocks

(cost \$13,658,716)	<u>19,330,612</u>
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<u>Shares</u>	<u>Description</u>	<u>Value</u>
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INVESTMENTS IN SWISS

COMMON STOCKS - 6.4%

DIVERSIFIED CONSUMER SERVICES - 1.3%

1,900	Sgs SA	<u>\$ 1,759,718</u>
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ELECTRICAL DISTRIBUTION - 1.1%

117,000	Abb Ltd*	<u>1,475,619</u>
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HEALTHCARE EQUIPMENT &

SUPPLIES- 1.0%

6,000 Nobel Biocare Holding Ag 1,335,199

INSURANCE - 1.2%

24,000 Baloise Holding -R 1,710,343

NATIONAL COMMERCIAL

BANKS - 0.9%

22,000 Credit Suisse Group 1,233,842

TEXTILES, APPAREL & LUXURY GOODS - 0.9%

7,500 The Swatch Group Ag-B 1,258,721

Total Investments in

Swiss Common Stocks

(cost \$7,630,853) 8,773,442

INVESTMENTS IN FINNISH

Common Stocks 0.9%

PAPER MILLS - 0.9%

50,000 Upm-Kymene Oyj
(Cost \$1,182,796) 1,181,700

INVESTMENTS IN SPANISH

Common Stocks 3.2%

COMMERCIAL BANKS - 1.9%

126,100 Banco Bilbao Vizcaya Argentaria 2,631,788

COMMUNICATIONS

EQUIPMENT - 1.3%

90,000 Indra Sistemas SA 1,830,362

Total Investments in

Spanish Common Stocks

(cost \$3,945,461) 4,462,150

INVESTMENTS IN NORWEGIAN

Common Stocks 3.1%

COMMERCIAL BANKS - 1.0%

110,000	Sparebanken Midt-Norge	<u>1,321,309</u>
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THE EUROPEAN EQUITY FUND, INC.

SCHEDULE OF INVESTMENTS MARCH 31, 2006 (unaudited) (continued)

<u>Shares</u>	<u>Description</u>	<u>Value</u>
DIVERSIFIED FINANCIAL SERVICES - 0.7%		
32,000	Sparebanken Rogaland	\$ <u>990,848</u>
OIL, GAS & CONSUMABLE FUELS - 1.4%		
69,000	Statoil Asa	<u>1,989,170</u>
Total Investments in		
Norwegian Common Stocks		
	(cost \$3,765,029)	<u>4,301,327</u>

INVESTMENTS IN LUXEMBOURG

COMMON STOCKS - 1.4%

ENERGY EQUIPMENT & SERVICES - 1.4%

121,000	Stolt Offshore SA* (Cost \$1,249,871)	<u>1,901,007</u>
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INVESTMENTS IN BELGIAN

COMMON STOCKS - 1.5%

METALS & MINING - 1.5%

15,000	Umicore (Cost \$1,828,961)	<u>2,077,974</u>
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INVESTMENTS IN GREEK

COMMON STOCKS - 3.9%

COMMERCIAL BANKS - 1.2%

43,000	Efg Eurobank	<u>1,656,246</u>
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DIVERSIFIED FINANCIAL SERVICES - 1.0%

85,000	Hellenic Exchanges SA	<u>1,339,260</u>
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DIVERSIFIED TELECOMMUNICATION SERVICES - 1.7%

110,000	Hellenic Telecommunications Organization SA*	<u>2,431,757</u>
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Total Investments in

Greek Common Stocks

(cost \$4,877,152)	<u>5,427,263</u>
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INVESTMENTS IN IRISH

COMMON STOCKS - 1.6%

COMMERCIAL BANKS - 1.6%

131,000	Anglo Irish Bank Corp Plc (Cost \$1,792,089)	<u>2,159,299</u>
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Shares Description Value
SECURITIES LENDING COLLATERAL - 7.8%

10,791,058 Daily Assets Fund
Institutional, 4.73%

(cost \$10,791,058)	<u>\$ 10,791,058</u>
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Total Investments 106.6%

(cost \$132,219,610)	<u>\$ 146,520,127</u>
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Liabilities in excess of cash and

other assets (6.6)% (9,082,692)

NET ASSETS-100.0% \$ 137,437,435

- * Non-income producing security.
-All or a portion of these securities were on loan. The value of all securities loaned at March 31, 2006 amounted to \$10,268,071 which is 7.47% of the net assets.
-Represents collateral held in connection with securities lending. Daily Assets Fund Institutional, an affiliated fund, is managed by Deutsche Asset Management, Inc. The rate shown is the annualized seven-day yield at period end.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: The European Equity Fund, a series of European Equity Fund, Inc.

By: /s/Michael Colon
Michael Colon
President

Date: May 19, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

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Registrant: The European Equity Fund, a series of European Equity Fund, Inc.

By: /s/Michael Colon
Michael Colon
President

Date: May 19, 2006

By: /s/Paul Schubert
Paul Schubert
Chief Financial Officer and Treasurer

Date: May 19, 2006