

EUROPEAN EQUITY FUND, INC / MD
Form N-Q
November 28, 2007
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

The European Equity Fund, Inc.

(Exact name of registrant as specified in charter)

345 Park Avenue

New York, NY 10154

(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: 09/30/07

ITEM 1. SCHEDULE OF INVESTMENTS

THE EUROPEAN EQUITY FUND, INC.

SCHEDULE OF INVESTMENTS - SEPTEMBER 30, 2007

| Shares | Description | Value(a) |
|---|--|-------------|
| INVESTMENTS IN GERMAN SECURITIES - 24.8% | | |
| COMMON STOCKS - 22.5% | | |
| AUTOMOBILES - 2.5% | | |
| 17,000 | Continental | \$2,344,230 |
| 20,000 | DaimlerChrysler | 2,008,860 |
| | | 4,353,090 |
| CHEMICALS - 2.4% | | |
| 15,000 | BASF | 2,068,865 |
| 11,000 | K + S | 2,010,794 |
| | | 4,079,659 |
| CONSTRUCTION MATERIALS - 0.8% | | |
| 20,000 | Bauer | 1,305,304 |
| DIVERSIFIED FINANCIAL SERVICES - 0.9% | | |
| 45,000 | AWD Holding | 1,499,180 |
| <hr/> | | |
| ELECTRIC UTILITIES - 3.5% | | |
| 32,000 | E.ON | 5,899,634 |
| ELECTRICAL EQUIPMENT - 1.1% | | |
| 33,000 | Solarworld | 1,894,269 |
| ENERGY EQUIPMENT & SERVICES - 1.0% | | |
| 14,000 | RWE | 1,755,762 |
| INDUSTRIAL CONGLOMERATES - 4.4% | | |
| 47,500 | Siemens | 6,512,231 |
| 34,325 | Tognum* | 1,073,748 |
| | | 7,585,979 |
| INDUSTRIAL GASES - 1.4% | | |
| 19,000 | Linde | 2,352,832 |
| INTERNET SOFTWARE & SERVICES - 1.6% | | |
| 45,000 | D+S Online* | 812,616 |
| 85,000 | United Internet | 1,908,403 |
| | | 2,721,019 |
| SOFTWARE - 2.9% | | |
| 60,000 | SAP | 3,502,140 |
| 16,000 | Software | 1,497,886 |
| | | 5,000,026 |
| | Total Common Stocks (cost \$27,314,180) | 38,446,754 |
| PREFERRED STOCK - 2.3% | | |
| AUTOMOBILES - 1.2% | | |
| 1,000 | Porsche | 2,118,247 |
| HEALTHCARE PROVIDERS & SERVICES - 1.1% | | |
| 24,000 | Fresenius | 1,862,234 |
| | Total Preferred Stock | |

Edgar Filing: EUROPEAN EQUITY FUND, INC / MD - Form N-Q

| | |
|--|------------|
| (cost \$2,624,753) | 3,980,481 |
| Total Investments in German Securities | |
| (cost \$29,938,933) | 42,427,235 |

INVESTMENTS IN FRENCH COMMON STOCKS - 19.9%

| | | |
|--------|---|-----------|
| | CHEMICALS - 0.8% | |
| 36,500 | Rhodia* | 1,324,471 |
| | COMMERCIAL BANKS - 2.4% | |
| 24,000 | Societe Generale | 4,015,901 |
| | CONSTRUCTION MATERIALS - 1.9% | |
| 42,000 | Vinci | 3,272,048 |
| | ENERGY EQUIPMENT & SERVICES - 1.1% | |
| 6,000 | Compagnie Generale de Geophysique* | 1,954,970 |
| | FOOD & STAPLES RETAILING - 1.6% | |
| 35,000 | Groupe Danone | 2,747,111 |
| | INDUSTRIAL CONGLOMERATES - 1.2% | |

| | | |
|---------|---|------------|
| 14,000 | Neopost | 1,969,161 |
| | INSURANCE - 4.4% | |
| 170,100 | AXA | 7,589,730 |
| | OIL, GAS & CONSUMABLE FUELS - 3.4% | |
| 71,600 | Total | 5,805,094 |
| | SPECIALITY RETAIL - 1.5% | |
| 41,400 | Essilor International | 2,590,133 |
| | TEXTILE, APPAREL & LUXURY GOODS - 1.6% | |
| 23,000 | LVMH Moet Hennessy Louis Vuitton | 2,749,400 |
| | Total Investments in French Common Stocks (cost \$27,261,328) | 34,018,019 |

INVESTMENTS IN SPANISH COMMON STOCKS - 10.9%

| | | |
|---------|--|------------|
| | BUILDING PRODUCTS - 1.0% | |
| 24,000 | Tecnicas Reunidas | 1,766,000 |
| | CHEMICALS - 0.9% | |
| 480,000 | La Seda De Barcelona | 1,522,002 |
| | COMMERCIAL BANKS - 2.5% | |
| 185,000 | Banco Bilbao Vizcaya Argentaria | 4,324,566 |
| | COMMUNICATIONS EQUIPMENT - 1.0% | |
| 61,000 | Indra Sistemas | 1,645,380 |
| | DIVERSIFIED TELECOMMUNICATION SERVICES - 3.8% | |
| 230,000 | Telefonica | 6,419,736 |
| | ELECTRIC UTILITIES - 1.7% | |
| 50,000 | Iberdrola | 2,929,114 |
| | Total Investments in Spanish Common Stocks (cost \$15,856,453) | 18,606,798 |

INVESTMENTS IN SWISS COMMON STOCKS - 6.8%

Edgar Filing: EUROPEAN EQUITY FUND, INC / MD - Form N-Q

| | | |
|--------|--|-----------|
| | CHEMICALS - 1.0% | |
| 15,000 | Lonza GRP | 1,630,574 |
| | DIVERSIFIED CONSUMER SERVICES - 0.9% | |
| 1,400 | SGS | 1,593,769 |
| | ELECTRONIC EQUIPMENT & INSTRUMENTS - 0.9% | |
| 9,000 | Inficon Holdings | 1,541,471 |
| | HEALTHCARE EQUIPMENT & SUPPLIES - 1.1% | |
| 4,500 | Galenica | 1,916,246 |
| | INSURANCE - 1.0% | |
| 5,500 | Zurich Financial Services | 1,644,162 |
| | PHARMACEUTICALS - 0.9% | |
| 29,000 | Actelion, Ltd.* | 1,601,044 |

| | | |
|--------|--|------------|
| | TEXTILE, APPAREL & LUXURY GOODS - 1.0% | |
| 25,000 | Compagnie Financiere Richemont | 1,650,903 |
| | Total Investments in Swiss Common Stocks (cost \$10,063,482) | 11,578,169 |

INVESTMENTS IN ITALIAN COMMON STOCKS - 6.3%

| | | |
|---------|---|------------|
| | COMMERCIAL BANKS - 5.3% | |
| 730,000 | Intesa Sanpaolo | 5,620,699 |
| 400,000 | Unicredito Italiano SpA | 3,412,560 |
| | | 9,033,259 |
| | DIVERSIFIED TELECOMMUNICATION SERVICES - 1.0% | |
| 60,000 | Prismian SpA* | 1,705,427 |
| | Total Investments in Italian Common Stocks (cost \$8,445,369) | 10,738,686 |

INVESTMENTS IN FINNISH COMMON STOCKS - 4.8%

| | | |
|--------|---|-----------|
| | DIVERSIFIED TELECOMMUNICATION SERVICES - 1.6% | |
| 70,000 | Nokia | 2,653,550 |
| | ELECTRIC UTILITIES - 2.0% | |
| 92,000 | Fortum | 3,367,173 |
| | PAPER & FOREST PRODUCTS - 1.2% | |
| 31,000 | Metso | 2,129,011 |
| | Total Investments in Finnish Common Stocks (cost \$4,857,118) | 8,149,734 |

INVESTMENTS IN DUTCH COMMON STOCKS - 4.6%

| | | |
|--------|---|-----------|
| | BEVERAGES - 1.2% | |
| 31,000 | Heineken Holdings | 2,028,511 |
| | BUILDING PRODUCTS - 1.3% | |
| 43,000 | Boskalis Westminster | 2,161,970 |
| | ENERGY EQUIPMENT & SERVICES - 2.1% | |
| 23,000 | Fugro | 1,861,822 |
| 20,000 | Smit Internationale | 1,740,690 |
| | | 3,602,512 |
| | Total Investments in Dutch | |

Edgar Filing: EUROPEAN EQUITY FUND, INC / MD - Form N-Q

| | | |
|--|---|-----------|
| | Common Stocks (cost \$6,545,393) | 7,792,993 |
| INVESTMENTS IN NORWEGIAN COMMON STOCKS - 4.1% | | |
| ENERGY EQUIPMENT & SERVICES - 2.1% | | |
| 60,000 | Aker Kvaerner | 1,900,450 |
| <hr/> | | |
| 60,000 | Subsea 7, Inc.* | 1,654,249 |
| | | 3,554,699 |
| OIL, GAS & CONSUMABLE FUELS - 2.0% | | |
| 104,000 | Statoil | 3,524,270 |
| | Total Investments in Norwegian Common Stocks (cost \$5,727,784) | 7,078,969 |
| INVESTMENTS IN BELGIAN COMMON STOCKS - 4.1% | | |
| COMMERCIAL BANKS - 3.0% | | |
| 37,000 | KBC Groep | 5,075,842 |
| METALS & MINING - 1.1% | | |
| 8,000 | Umicore | 1,906,483 |
| | Total Investments in Belgian Common Stocks (cost \$5,265,048) | 6,982,325 |
| INVESTMENTS IN GREEK COMMON STOCKS - 3.9% | | |
| COMMERCIAL BANKS - 1.4% | | |
| 70,176 | EFG Eurobank | 2,460,655 |
| DIVERSIFIED FINANCIAL SERVICES - 1.2% | | |
| 61,000 | Hellenic Exchanges | 1,951,558 |
| DIVERSIFIED TELECOMMUNICATION SERVICES - 1.3% | | |
| 60,000 | Hellenic Telecommunications Organization | 2,218,164 |
| | Total Investments in Greek Common Stocks (cost \$3,869,687) | 6,630,377 |
| INVESTMENTS IN IRISH COMMON STOCKS - 2.4% | | |
| COMMERCIAL BANKS - 2.4% | | |
| 78,000 | Anglo Irish Bank Corp. | 1,441,807 |
| 140,000 | Bank of Ireland | 2,587,858 |
| | Total Investments in Irish Common Stocks (cost \$4,180,443) | 4,029,665 |
| INVESTMENTS IN AUSTRIAN SECURITIES - 2.2% | | |
| COMMON STOCKS - 2.2% | | |
| CONSTRUCTION MATERIALS - 1.0% | | |
| 28,800 | Wienerberger | 1,796,099 |
| OIL, GAS & CONSUMABLE FUELS - 1.2% | | |
| 30,000 | OMV | 1,997,627 |
| | Total Common Stocks | |

| | | |
|--|--|----------------------|
| | (cost \$2,653,427) | 3,793,726 |
| | RIGHTS - 0.0% | |
| | CONSTRUCTION MATERIALS - 0.0% | |
| 28,800 | Wienerberger | |
| | Expiration Date: 10/8/07* | |
| | (cost \$0) | 0 |
| | Total Investments in Austrian Securities | |
| | (cost \$2,653,427) | 3,793,726 |
| INVESTMENTS IN SWEDISH COMMON STOCKS - 1.8% | | |
| | COMMUNICATIONS EQUIPMENT - 1.8% | |
| 72,000 | Axis Communications | 1,545,041 |
| 390,000 | Ericsson | 1,553,377 |
| | | 3,098,418 |
| | Total Investments in Swedish Common Stocks | |
| | (cost \$2,927,814) | 3,098,418 |
| INVESTMENTS IN DANISH COMMON STOCKS - 0.9% | | |
| | BUILDING PRODUCTS - 0.9% | |
| 5,000 | Rockwool International | |
| | (cost \$1,392,098) | 1,621,457 |
| INVESTMENTS IN CYPRUS COMMON STOCKS - 0.5% | | |
| | COMMERCIAL BANKS - 0.5% | |
| 50,000 | Bank of Cyprus, Ltd.(b) | |
| | (cost \$822,859) | 880,156 |
| | Total Investments in Common and Preferred Stocks - 98.0% | |
| | (cost \$129,807,236) | 167,426,727 |
| SECURITIES LENDING COLLATERAL - 4.9% | | |
| 8,430,047 | Daily Assets Fund Institutional, 5.38%(c)(d) | |
| | (cost \$8,430,047) | \$8,430,047 |
| CASH EQUIVALENTS - 0.0% | | |
| 13,995 | Cash Management QP Trust, 5.14%(c) (cost \$13,995) | \$13,995 |
| | Total Investments - 102.9% | |
| | (cost \$138,251,278) | 175,870,769 |
| | Other Assets and Liabilities, Net - (2.9%) | (5,014,504) |
| | NET ASSETS-100.0% | \$170,856,265 |

* Non-income producing securities.

Edgar Filing: EUROPEAN EQUITY FUND, INC / MD - Form N-Q

All or a portion of these securities were on loan. The value of all securities loaned at September 30, 2007 amounted to \$8,025,706 which is 4.7% 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 America Inc. The rate shown is the annualized seven-day yield at period end.

- (a) Values stated in US dollars.
 - (b) Security listed in country of incorporation significant business activities of company are in Greece.
 - (c) Affiliated fund managed by Deutsche Investment Americas Inc. The rate shown is the annualized seven-day yield at period end.
 - (d) Represents collateral held in connection with securities lending.
-

ITEM 2. CONTROLS AND PROCEDURES

(a) The Chief Executive and Financial Officers concluded that the Registrant's Disclosure Controls and Procedures are effective based on the evaluation of the Disclosure Controls and Procedures as of a date within 90 days of the filing date of this report.

(b) There have been no changes in the registrant's internal control over financial reporting that occurred during the registrant's last half-year (the registrant's second fiscal half-year in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal controls over financial reporting.

ITEM 3. EXHIBITS

Certification pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) is filed and attached hereto as Exhibit 99.CERT.

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, Inc.

By: /s/Michael G. Clark
Michael G. Clark

President

Date: November 16, 2007

Edgar Filing: EUROPEAN EQUITY FUND, INC / MD - Form N-Q

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.

Registrant: The European Equity Fund, Inc.

By: /s/Michael G. Clark
Michael G. Clark
President

Date: November 16, 2007

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

Date: November 16, 2007