

EUROPEAN EQUITY FUND, INC / MD  
Form N-Q  
June 01, 2009  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

**FORM N-Q**

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

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Investment Company Act file number 811-4632

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 10154-0004

(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: 3/31/09

**ITEM 1. SCHEDULE OF INVESTMENTS**

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**THE EUROPEAN EQUITY FUND**  
**SCHEDULE OF INVESTMENTS MARCH 31, 2009 (unaudited)**

| Shares   | Description                                | Value(a)     |
|--|--|--------------|
| <b>INVESTMENTS IN GERMAN SECURITIES 37.9%</b>      |  |              |
| <b>COMMON STOCKS 36.5%</b>                         |  |              |
| <b>CHEMICALS 6.0%</b>                              |  |              |
| 52,000   | BASF                                       | \$ 1,573,075 |
| 33,000   | Linde                                      | 2,241,899    |
|  |  | 3,814,974    |
| <b>CONSTRUCTION &amp; ENGINEERING 0.7%</b>         |  |              |
| 16,000   | Bauer                                      | 467,670      |
| <b>DIVERSIFIED FINANCIAL SERVICES 1.4%</b>         |  |              |
| 15,000   | Deutsche Boerse                            | 903,561      |
| <b>DIVERSIFIED TELECOMMUNICATION SERVICES 3.1%</b> |  |              |
| 160,000  | Deutsche Telekom                           | 1,985,790    |
| <b>ELECTRIC UTILITIES 4.6%</b>                     |  |              |
| 104,000  | E.ON                                       | 2,886,617    |
| <b>ELECTRICAL EQUIPMENT 1.2%</b>                   |  |              |
| 38,000   | Solarworld                                 | 777,803      |
| <b>INDUSTRIAL CONGLOMERATES 3.7%</b>               |  |              |
| 22,000   | Rheinmetall                                | 747,884      |
| 27,500   | Siemens                                    | 1,570,016    |
|  |  | 2,317,900    |
| <b>INSURANCE 7.5%</b>                              |  |              |
| 31,000   | Allianz                                    | 2,603,111    |
| 18,000   | Muenchener Rueckversicherungs              | 2,193,396    |
|  |  | 4,796,507    |
| <b>INTERNET SOFTWARE &amp; SERVICES 1.5%</b>       |  |              |
| 110,000  | United Internet                            | 918,428      |
| <b>PHARMACEUTICALS 3.5%</b>                        |  |              |
| 47,000   | Bayer                                      | 2,245,961    |
| <b>SOFTWARE 1.7%</b>                               |  |              |
| 15,000   | Software                                   | 1,068,225    |
| <b>TEXTILE, APPAREL &amp; LUXURY GOODS 1.6%</b>    |  |              |
| 30,000   | Adidas                                     | 997,939      |
|  | Total Common Stocks<br>(cost \$33,840,476) | 23,181,375   |

| Shares  | Description   | Value(a)   |
|---|---|------------|
| <b>PREFERRED STOCK 1.4%</b>                     |   |            |
| <b>HEALTHCARE EQUIPMENT &amp; SUPPLIES 1.4%</b> |   |            |
| 20,000  | Fresenius<br>(cost \$805,663)                                 | \$ 917,499 |
|   | Total Investments in German Securities<br>(cost \$34,646,139) | 24,098,874 |

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| <b>INVESTMENTS IN FRENCH COMMON STOCKS 22.8%</b>  |   |  |            |
|---|---|--|------------|
|   |   | <b>COMPUTERS &amp; PERIPHERALS 1.1%</b>            |            |
| 25,000  | Gemalto*  |  | 713,478    |
|   |   | <b>DIVERSIFIED TELECOMMUNICATION SERVICES 3.4%</b> |            |
| 95,000  | France Telecom  |  | 2,162,666  |
|   |   | <b>ELECTRICAL EQUIPMENT 2.0%</b>                   |            |
| 24,000  | Alstom  |  | 1,241,969  |
|   |   | <b>FOOD PRODUCTS 1.9%</b>                          |            |
| 25,000  | Groupe Danone   |  | 1,216,562  |
|   |   | <b>INSURANCE 3.4%</b>                              |            |
| 182,100   | AXA   |  | 2,187,562  |
|   |   | <b>MULTI-UTILITIES 1.5%</b>                        |            |
| 28,623  | GDF Suez  |  | 982,149    |
|   |   | <b>OIL, GAS &amp; CONSUMABLE FUELS 7.2%</b>        |            |
| 91,600  | Total   |  | 4,550,500  |
|   |   | <b>TEXTILE, APPAREL &amp; LUXURY GOODS 2.3%</b>    |            |
| 23,000  | LVMH Moet Hennessy Louis Vuitton                              |  | 1,443,773  |
|   | Total Investments in French Common Stocks (cost \$20,858,954) |  | 14,498,659 |
| <b>INVESTMENTS IN SPANISH COMMON STOCKS 17.5%</b> |   |  |            |
|   |   | <b>BIOTECHNOLOGY 1.2%</b>                          |            |
| 51,000  | Grifols   |  | 734,517    |
|   |   | <b>COMMERCIAL BANKS 3.8%</b>                       |            |
| 350,000   | Banco Santander   |  | 2,411,222  |

The accompanying notes are an integral part of the financial statements.

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| Shares  | Description  | Value(a)   |
|---------|--|------------|
|         | <b>CONSTRUCTION &amp; ENGINEERING 1.2%</b>                     |            |
| 25,000  | Tecnicas Reunidas*   | \$ 793,453 |
|         | <b>DIVERSIFIED TELECOMMUNICATION SERVICES 5.2%</b>             |            |
| 167,000 | Telefonica*  | 3,329,570  |
|         | <b>ELECTRIC UTILITIES 2.8%</b>                                 |            |
| 250,000 | Iberdrola  | 1,752,168  |
|         | <b>ELECTRICAL EQUIPMENT 0.9%</b>                               |            |
| 45,000  | Gamesa Corp Tecnologica  | 577,021    |
|         | <b>INDEPENDENT POWER PRODUCERS &amp; ENERGY TRADERS 1.3%</b>   |            |
| 200,000 | Iberdrola Renovables   | 828,298    |
|         | <b>IT SERVICES 1.1%</b>  |            |
| 36,000  | Indra Sistemas   | 693,859    |
|         | Total Investments in Spanish Common Stocks (cost \$13,345,055) | 11,120,108 |

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**INVESTMENTS IN SWISS  
COMMON STOCKS 6.1%**

|  |        | <b>INSURANCE 3.5%</b>   |           |
|--|--------|---|-----------|
|  | 4,500  | Helvetia Holding  | 959,256   |
|  | 8,000  | Zurich Financial Services   | 1,266,526 |
|  |        |   | 2,225,782 |
|  |        | <b>LIFE SCIENCES TOOLS &amp;<br/>SERVICES 1.4%</b>                |           |
|  | 9,000  | Lonza Group   | 890,032   |
|  |        | <b>SOFTWARE 1.2%</b>  |           |
|  | 70,000 | Temenos Group*  | 756,857   |
|  |        | Total Investments in Swiss<br>Common Stocks<br>(cost \$3,470,897) | 3,872,671 |

**INVESTMENTS IN DUTCH  
COMMON STOCKS 4.9%**

|  |        | <b>CONSTRUCTION &amp;<br/>ENGINEERING 1.2%</b>  |         |
|--|--------|---|---------|
|  | 38,000 | Grontmij  | 778,308 |
|  |        | <b>ENERGY EQUIPMENT &amp;<br/>SERVICES 1.2%</b> |         |
|  | 23,000 | Fugro   | 731,198 |

**Shares Description Value(a)**

|  |        | <b>FOOD PRODUCTS 2.5%</b>   |              |
|--|--------|---|--------------|
|  | 80,000 | Unilever  | \$ 1,576,951 |
|  |        | Total Investments in Dutch<br>Common Stocks<br>(cost \$5,103,279) | 3,086,457    |

**INVESTMENTS IN ITALIAN  
COMMON STOCKS 2.8%**

|  |         | <b>ENERGY EQUIPMENT &amp;<br/>SERVICES 2.8%</b> |           |
|--|---------|---|-----------|
|  | 100,000 | Saipem<br>(cost \$2,349,507)                    | 1,778,716 |

**INVESTMENTS IN FINNISH  
COMMON STOCKS 2.3%**

|  |        | <b>ELECTRIC UTILITIES 2.3%</b> |           |
|--|--------|--------------------------------|-----------|
|  | 78,000 | Fortum<br>(cost \$2,531,707)   | 1,485,759 |

**INVESTMENTS IN PORTUGAL  
COMMON STOCKS 1.9%**

|  |         | <b>OIL, GAS &amp; CONSUMABLE<br/>FUELS 1.9%</b> |           |
|--|---------|---|-----------|
|  | 100,000 | Galp Energia*<br>(cost \$2,304,198)             | 1,192,005 |

**INVESTMENTS IN NORWEGIAN  
COMMON STOCKS 1.1%**

|  |        | <b>COMMUNICATIONS<br/>EQUIPMENT 1.1%</b> |         |
|--|--------|--|---------|
|  | 47,000 | Tandberg<br>(cost \$695,025)             | 688,377 |

**INVESTMENTS IN LUXEMBOURG  
COMMON STOCKS 1.0%**

|  |        | <b>METALS &amp; MINING 1.0%</b>                           |            |
|--|--------|---|------------|
|  | 30,000 | Arcelormittal<br>(cost \$589,930)                         | 608,281    |
|  |        | Total Investments in Common<br>and Preferred Stocks 99.0% | 62,878,348 |

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(cost \$86,288,171)

The accompanying notes are an integral part of the financial statements.

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| Shares  | Description                              | Value(a)             |
|---|--|----------------------|
| <b>INVESTMENTS IN DANISH COMMON STOCKS 0.7%</b> |  |                      |
|   | <b>FOOD PRODUCTS 0.7%</b>                |                      |
|   | Danisco                                  |                      |
| 15,000  | (cost \$393,480)                         | \$ 448,441           |
| <b>SECURITIES LENDING COLLATERAL 1.9%</b>       |  |                      |
|   | Daily Assets Fund                        |                      |
|   | Institutional, 0.78%(b)(c)               |                      |
| 1,207,050                                       | (cost \$1,207,050)                       | 1,207,050            |
| <b>CASH EQUIVALENTS 0.2%</b>                    |  |                      |
|   | Cash Management QP                       |                      |
|   | Trust, 0.53%(c)                          |                      |
| 150,219   | (cost \$150,219)                         | 150,219              |
|   | Total Investments 101.1%                 |                      |
|   | (cost \$87,645,440)                      | 64,235,617           |
|   | Other Assets and Liabilities, Net (1.1%) | (705,141)            |
|   | <b>NET ASSETS 100.0%</b>                 | <b>\$ 63,530,476</b> |

All or a portion of this security was on loan. The value of the security loaned at March 31, 2009 amounted to \$1,196,367 which is 1.9% of the net assets.

\* Non-income producing security

(a) Values stated in US dollars.

(b) Represents collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates.

(c) Affiliated fund managed by Deutsche Investment Management Americas, Inc. The rate shown is the annualized seven-day yield at period end.

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**Fair Value Measurements**

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used as of March 31, 2009 in valuing the Fund's investments. Please see below for information on the Fund's policy regarding valuation inputs, and their aggregate levels used in the table below:

| Valuation Inputs | Investments in Securities |
|------------------|---------------------------|
| Level 1          | \$ 64,085,398             |
| Level 2          | 150,219                   |
| Level 3          |                           |

**Total** \$ **64,235,617**

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**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 fiscal quarter 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.

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**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 G. Clark  
Michael G. Clark  
President

Date: May 20, 2009

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, a series of European Equity Fund, Inc.

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

Date: May 20, 2009

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

Date: May 20, 2009