

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**

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

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19,000	Linde	<u>1,649,956</u>
<b>INSURANCE - 1.1%</b>		
40,500	Hannover Rückversicherungs	<u>1,502,522</u>
<b>MACHINERY - 0.9%</b>		
17,000	Rheinmetall	<u>1,318,656</u>
<b>REAL ESTATE - 3.1%</b>		
62,500	Hypo Real Estate Holding	<u>4,285,178</u>
<b>SOFTWARE - 3.5%</b>		
22,000	SAP	<u>4,773,123</u>
<b>TEXTILES, APPAREL &amp; LUXURY GOODS - 2.7%</b>		
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>
<b>INVESTMENTS IN AUSTRIAN</b>		

**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>
<b>NATIONAL COMMERCIAL</b>		

**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>
<b>OIL, GAS &amp; CONSUMABLE FUELS - 4.9%</b>		
25,400	Total	<u>\$ 6,701,851</u>
<b>SPECIALTY RETAIL - 1.3%</b>		
20,700	Essilor International	<u>1,846,506</u>
<b>TELECOMMUNICATIONS SERVICES - 2.0%</b>		
122,000	France Telecom SA	<u>2,744,356</u>
<b>TEXTILES, APPAREL &amp; LUXURY GOODS - 1.6%</b>		
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>
<b>INVESTMENTS IN SWEDISH</b>		
<b>COMMON STOCKS - 2.6%</b>		
<b>COMMUNICATIONS</b>		
<b>EQUIPMENT - 2.6%</b>		

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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>
<b>DIVERSIFIED FINANCIAL SERVICES - 0.7%</b>		
32,000	Sparebanken Rogaland	\$ <u>990,848</u>
<b>OIL, GAS &amp; CONSUMABLE FUELS - 1.4%</b>		
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