

EUROPEAN EQUITY FUND, INC / MD  
Form N-Q  
November 29, 2010

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 811-04632

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  
100 Plaza One  
Jersey City, NJ 07311  
(Name and address of agent for service)

Registrant's telephone number, including area code: (201) 593-6408

Date of fiscal year end: 12/31

Date of reporting period: 9/30/10

ITEM 1. SCHEDULE OF INVESTMENTS

THE EUROPEAN EQUITY FUND,  
INC.

SEPTEMBER 30, 2010 (unaudited)

SCHEDULE OF INVESTMENTS

Shares	Description	Value(a)
INVESTMENTS IN GERMAN SECURITIES – 43.8%		
	COMMON STOCKS – 40.5%	
	AIRLINES – 3.8%	
187,000	Deutsche Lufthansa*	\$ 3,441,862

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	AUTOMOBILES – 4.2%	
60,000	Daimler*	3,804,795
	CHEMICALS – 6.2%	
21,000	Lanxess	1,151,962
11,000	Linde	1,433,527
16,000	Wacker Chemie	2,955,828
		5,541,317
	CONSTRUCTION	
	MATERIALS – 1.0%	
18,000	HeidelbergCement	868,486
	DIVERSIFIED	
	TELECOMMUNICATION	
	SERVICES – 3.6%	
240,000	Deutsche Telekom	3,287,225
	ELECTRIC UTILITIES – 1.9%	
57,000	E.ON	1,682,799
	ELECTRICAL	
	EQUIPMENT – 2.0%	
80,000	Tognum	1,773,824
	INDUSTRIAL	
	CONGLOMERATES – 4.5%	
22,000	Rheinmetall	1,456,348
25,000	Siemens	2,642,105
		4,098,453
	INSURANCE – 2.0%	
16,000	Allianz	1,810,403
	INTERNET SOFTWARE &	
	SERVICES – 2.0%	
110,000	United Internet	1,780,649
	PERSONAL PRODUCTS – 1.0%	
15,000	Beiersdorf	919,260
	PHARMACEUTICALS – 1.9%	
24,000	Bayer	1,675,551
	SOFTWARE – 4.2%	
25,000	SAP	1,238,135
21,000	Software	2,539,533
		3,777,668

Shares	Description	Value(a)
	THRIFTS & MORTGAGE	
	FINANCE – 2.2%	
88,000	Aareal Bank*	\$ 1,959,614
	Total Common Stocks	
	(cost \$31,006,173)	36,421,906
	PREFERRED STOCKS – 3.3%	
	AUTOMOBILES – 1.3%	
	Volkswagen	
10,000	(cost \$951,062)	1,208,346
	HOUSEHOLD PRODUCTS – 2.0%	

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	34,000	Henkel & Co. (cost \$1,288,680)	1,828,420
		Total Preferred Stocks (cost \$2,239,742)	3,036,766
		Total Investments in German Securities (cost \$33,245,915)	39,458,672
<b>INVESTMENTS IN FRENCH COMMON STOCKS – 17.5%</b>			
	60,000	COMMERCIAL BANKS – 3.9% Societe Generale	3,460,022
	30,000	HEALTH CARE EQUIPMENT & SUPPLIES – 2.3% Essilor International	2,066,595
	50,000	HOTELS, RESTAURANTS & LEISURE – 2.0% Accor	1,827,942
	60,000	MULTI-UTILITIES – 2.4% GDF Suez	2,150,537
	32,000	OIL, GAS & CONSUMABLE FUELS – 1.8% Total	1,651,201
	31,000	TEXTILES, APPAREL & LUXURY GOODS – 5.1% LVMH Moet Hennessy Louis Vuitton	4,552,760
		Total Investments in French Common Stocks (cost \$15,378,700)	15,709,057
<b>Shares</b>		<b>Description</b>	<b>Value(a)</b>
<b>INVESTMENTS IN SPANISH COMMON STOCKS – 9.1%</b>			
	300,000	COMMERCIAL BANKS – 4.3% Banco Santander	\$ 3,815,032
	150,000	DIVERSIFIED TELECOMMUNICATION SERVICES – 4.1% Telefonica	3,719,012
	200,000	INDEPENDENT POWER PRODUCERS & ENERGY TRADERS – 0.7% Iberdrola Renovables	665,525
		Total Investments in Spanish Common Stocks (cost \$5,782,232)	8,199,569
<b>INVESTMENTS IN DUTCH COMMON STOCKS – 7.9%</b>			
	36,000	CHEMICALS – 2.1% Koninklijke DSM	1,846,546

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	DIVERSIFIED FINANCIAL SERVICES – 2.2%	
195,000	ING Groep*	2,025,444
	ENERGY EQUIPMENT & SERVICES – 2.3%	
110,000	SBM Offshore	2,086,932
	FOOD PRODUCTS – 1.3%	
40,000	Unilever	1,197,017
	Total Investments in Dutch Common Stocks (cost \$6,689,177)	7,155,939
INVESTMENTS IN SWISS COMMON STOCKS – 6.6%		
	ELECTRICAL EQUIPMENT – 1.6%	
70,000	ABB*	1,483,980
	INSURANCE – 2.4%	
9,000	Zurich Financial Services	2,121,711
	METALS & MINING – 2.6%	
120,000	Xstrata	2,302,751
	Total Investments in Swiss Common Stocks (cost \$5,114,254)	5,908,442
Shares	Description	Value(a)
INVESTMENTS IN BRITISH COMMON STOCKS – 4.5%		
	COMMERCIAL BANKS – 3.5%	
2,000,000	Lloyds Banking Group*	\$ 2,335,521
1,100,000	Royal Bank of Scotland*	818,173
		3,153,694
	COMMERCIAL SERVICES & SUPPLIES – 1.0%	
35,000	Aggreko	865,737
	Total Investments in British Common Stocks (cost \$3,417,161)	4,019,431
INVESTMENTS IN FINNISH COMMON STOCKS – 3.8%		
	AUTO COMPONENTS – 1.7%	
45,000	Nokian Renkaat	1,547,182
	CONSTRUCTION & ENGINEERING – 1.0%	
38,000	Yit	901,953
	MACHINERY – 1.1%	
22,000	Metso	1,009,535
		3,458,670

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		Total Investments in Finnish Common Stocks (cost \$2,880,250)	
INVESTMENTS IN DANISH COMMON STOCKS – 2.4%			
		CHEMICALS – 1.1%	
	50,000	Christian Hansen Holding*	1,011,137
		ELECTRICAL EQUIPMENT – 1.3%	
	30,000	Vestas Wind Systems*	1,132,034
		Total Investments in Danish Common Stocks (cost \$2,784,322)	2,143,171
INVESTMENTS IN ITALIAN COMMON STOCKS – 2.0%			
		COMMERCIAL BANKS – 2.0%	
	700,000	UniCredit (cost \$1,422,533)	1,789,521
Shares		Description	Value(a)
INVESTMENTS IN NORWEGIAN COMMON STOCKS – 1.0%			
		FOOD PRODUCTS – 1.0%	
	1,000,000	Marine Harvest (cost \$817,928)	\$ 881,481
INVESTMENTS IN BELGIAN COMMON STOCKS – 0.9%			
		DIVERSIFIED FINANCIAL SERVICES – 0.9%	
	37,000	KBC Ancora* (cost \$917,201)	811,556
		Total Investments in Common and Preferred Stocks – 99.5% (cost \$78,449,673)**	89,535,509
		Other Assets and Liabilities, Net – 0.5%	444,463
		NET ASSETS – 100.0%	\$89,979,972

For information on the Fund's policies regarding the valuation of investments and other significant accounting policies, please refer to the Fund's most recent semi-annual or annual financial statements.

\* Non-income producing security.

\*\* The cost for federal income tax purposes was \$79,031,380. At September 30, 2010, net unrealized appreciation for all securities based on tax cost was \$10,504,129. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$16,486,438 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$5,982,309.

(a) Value stated in US dollars.

## 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 September 30, 2010 in valuing the Fund's investments.

Category	Level 1	Level 2	Level 3	Total
Common Stocks and/or Other Equity Investments(b)				
Germany	\$39,458,672	\$ —	\$ —	\$39,458,672
France	15,709,057	—	—	15,709,057
Spain	8,199,569	—	—	8,199,569
Netherlands	7,155,939	—	—	7,155,939
Switzerland	5,908,442	—	—	5,908,442
United Kingdom	4,019,431	—	—	4,019,431
Finland	3,458,670	—	—	3,458,670
Denmark	2,143,171	—	—	2,143,171
Italy	1,789,521	—	—	1,789,521
Norway	881,481	—	—	881,481
Belgium	811,556	—	—	811,556
Total	\$89,535,509	\$ —	\$ —	\$89,535,509

There have been no transfers in and out of Level 1 and Level 2 fair value measurements during the period ended September 30, 2010.

(b) See Schedule of Investments for additional detailed categorizations.

## 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.

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 23, 2010

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.

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

Date: November 23, 2010

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

Date: November 23, 2010