

EUROPEAN EQUITY FUND, INC / MD
Form N-CSRS
August 29, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM N-CSRS

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 10154-0004
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, including Area Code: (212) 250-3220

Paul Schubert
60 Wall Street
New York, NY 10005
(Name and Address of Agent for Service)

Date of fiscal year end: 12/31

Date of reporting period:6/30/2013

ITEM 1. REPORT TO STOCKHOLDERS

SUMMARY OF GENERAL INFORMATION

THE FUND

The European Equity Fund, Inc. (the "Fund") is a diversified, actively-managed closed-end fund listed on the New York Stock Exchange under the symbol "EEA." The Fund seeks long-term capital appreciation primarily through investment in European equities. It is advised and administered by wholly owned subsidiaries of the Deutsche Bank Group.

SHAREHOLDER INFORMATION

Prices for the Fund's shares are published weekly in the New York Stock Exchange Composite Transactions section of certain newspapers. Net asset value and market price information are published each Saturday in Barron's and other newspapers in a table called "Closed End Funds." Daily information on the Fund's net asset value is available from NASDAQ (symbol XEEAX). It is also available by calling: 1-800-349-4281 (in the U.S.) or 00-800-2287-2750 (outside of the U.S.). In addition, a schedule of the Fund's largest holdings, dividend data and general shareholder information may be obtained by calling these numbers.

The foregoing information is also available on our web site: www.dws-investments.com.

There are three closed-end funds investing in European equities advised and administered by wholly owned subsidiaries of the Deutsche Bank Group:

- The European Equity Fund, Inc.—investing primarily in equity or equity-linked securities of companies domiciled in countries utilizing the euro currency (with normally at least 80% in securities of issuers in such countries).
- The New Germany Fund, Inc.—investing primarily in equity or equity-linked securities of middle market German companies with up to 20% in other Western European companies (with no more than 15% in any single country).
- The Central Europe, Russia and Turkey Fund, Inc.—investing primarily in equity or equity-linked securities of issuers domiciled in Central Europe, Russia and Turkey (with normally at least 80% in securities of issuers in such countries).

Please consult your broker for advice on any of the above or call 1-800-349-4281 (in the U.S.) or 00-800-2287-2750 (outside of the U.S.) for shareholder reports.

The European Equity Fund, Inc. is diversified and primarily focuses its investments in equity securities of issuers domiciled in European countries that utilize the euro currency, thereby increasing its vulnerability to developments in that region. Investing in foreign securities presents certain risks, such as currency fluctuations, political and economic changes, and market risks. Any fund that concentrates in a particular segment of the market will generally be more volatile than a fund that invests more broadly.

The European
Equity Fund, Inc.

Semi-Annual Report

June 30, 2013

The European
Equity Fund, Inc.

LETTER TO THE SHAREHOLDERS

Dear Shareholder,

For the six months ended June 30, 2013, the European Equity Fund's total return in U.S. dollars (USD) was 1.92% based on net asset value and 1.85% based on market price. During the same period, the total return of the Fund's benchmark, the MSCI EMU Index, was 1.31%.¹

The absolute return numbers displayed in the snapshot above can lead a reader to believe that the semi-annual period transpired uneventfully. In reality, the period experienced three spikes in market volatility (in February, April and June) where volatility rose above 18, as measured by the VIX (Volatility Index).² The Fund, on two occasions, returned more than 8% in performance (YTD) before falling back to the levels seen at the start of the year. Markets rose, supported by ongoing better U.S. economic data, the end of the political deadlock in Italy post-elections, the European Central Bank's key interest rate cut and the ultra-expansionary monetary policy by the Bank of Japan, causing the German DAX and U.S. equity markets to rise to new all-time highs in May.³ This was followed by a period of increased investor concern after the U.S. Federal Reserve Board issued statements that led market

participants to believe that the third tranche of quantitative easing would be reduced, and disappointing economic data prompted worries over a cash crunch in China.⁴ The result was a rapid consolidation of the equity markets toward the end of the second quarter.

While U.S. economic indicators remained supportive, indirectly helping the European equity markets, news from Asia caused heightened investor concern. In China, an important export market for Europe and for Germany specifically, interbank funding costs surged in June as the government ignored market pressure to inject more funds, despite complaints by local companies indicating a shortage of domestic credit. Only after the Chinese equity market fell toward its lowest level in four years, did China's central bank issue statements, saying that it would guide rates to reasonable levels. In Japan, the Central Bank in June decided against fresh measures to calm its own bond markets. The yen posted its strongest day against the U.S. dollar in more than two years following this decision, and the Japanese Nikkei suffered a sell-off during June.⁵

Amid this high market volatility, the Fund maintained stability throughout the period. As markets rose during the first part of the period, the portfolio gained less than the market, but more than made up for it by losing considerably less than the market during the subsequent decline in May and June. The outperformance was due to stock selection, with the best picks in the financials and information technology sectors. Selection in industrials and consumer staples detracted from performance. In addition, the purchase of put options in April and May paid off well in the market drawdown in June. These not only reduced the Fund's overall beta but they additionally gained in value as volatility swelled.⁶ We used the volatility spike at the peak of the sell-off to reduce the put protection.

As discussed in previous reports, portfolio management screens for stocks based on three criteria or style factors: value, momentum and quality. For the semi-annual period, the Fund's holdings within the value and momentum style factors outperformed, while quality initially underperformed, but made a strong comeback during the market correction seen in late June, as value stocks were perceived as more desirable. In June, as we replaced stocks that were underperformers or no longer met our stability criteria, the biggest sector increases were in the industrials and consumer discretionary sectors, while the biggest reductions were in materials and health care. We held back on some planned purchases given the market's ongoing correction, which led to a temporary increase in the Fund's cash position, which was close to 5% at period-end.

The Fund's discount to net asset value averaged 9.96% for the six months ended June 30, 2013, compared with 10.15% for the same period a year earlier.

Economic Outlook

The global macroeconomic picture and its expected growth component have remained mostly unchanged as compared to this year's first quarter. The composition of the expected growth, however, seems slightly different. While GDP growth across Europe is still expected to be anemic, a number of lead indicators have improved and surprises in the numbers reported have, on average, been mostly positive.⁷ The IFO Business Climate Index (an early indicator for economic development in Germany)

For additional information about the Fund including performance, dividends, presentations, press releases, market updates, daily NAV and shareholder reports, please visit www.dws-investments.com

LETTER TO THE SHAREHOLDERS (continued)

continues to be in expansionary territory, while many of the Southern European indicators have turned less negative.⁸ China has mostly disappointed in the recent past and the future effect of a more restrictive monetary policy remains to be seen. The U.S. is keeping its pace with slow, but steady, growth.

While this may seem premature at first glance in terms of where the economy finds itself within the investment style, the cycle indicators are beginning to point towards the later stages of the "recovery" phase which we are currently believed to be in. If the assessment holds true, growth factors would end their underperformance and quality would begin to underperform. The portfolio is positioned for value and momentum, and is neutral on quality.

Sincerely,

	Rainer	
	Vermehren	
Christian	Lead	
Strenger	Portfolio	W. Douglas Beck
Chairman	Manager	President and Chief Executive Officer

The views expressed in the preceding discussion reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as recommendations. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

1 The MSCI-EMU Index is an unmanaged capitalization-weighted index that comprises approximately 300 stocks of companies domiciled in the countries utilizing the euro currency. MSCI indices are calculated using closing local market prices and translate into U.S. dollars using the London close foreign exchange rates. Index returns assume reinvested dividends and the MSCI-EMU index does not reflect any fees or expenses. It is not possible to invest directly in the MSCI-EMU index.

2 The VIX (or Volatility) Index shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. It is a widely used measure of market risk and is often referred to as the "investor fear gauge."

3 The DAX Index is the German stock market index which consists of 30 major German blue chip companies trading on the Frankfurt Stock Exchange. Index returns assume reinvested dividends and the DAX Index does not reflect any fees or expenses. It is not possible to invest directly in the DAX Index.

4 Quantitative easing is a government monetary policy often used when interest rates are extremely low. With this policy, government securities are purchased from the market, causing the price of the securities purchased to rise and the yield or interest rates on the securities purchased to fall. Lower interest rates are in turn paid on new bonds issued to replace existing bonds that have matured. With lower borrowing costs, the central banks hope consumers will be encouraged to spend more, thus helping the overall economy and improving the balance sheets for the companies providing the goods and services on which consumers are spending their money.

5 The Nikkei is a price-weighted index comprising Japan's top 225 blue-chip companies on the Tokyo Stock Exchange. It is not possible to invest directly in the Nikkei.

6 Beta measures a security's sensitivity to the movements of a fund's benchmark or the market as a whole. A beta of greater than one indicates more volatility than the benchmark or market, while a beta of less than one indicates less volatility.

7 Gross domestic product (GDP) is the monetary value of goods and services produced within a country's borders in a specific time frame.

8 The Ifo Business Climate Index is a monthly survey that measures the business climate in Germany.

For additional information about the Fund including performance, dividends, presentations, press releases, market updates, daily NAV and shareholder reports, please visit www.dws-investments.com

PERFORMANCE SUMMARY AS OF JUNE 30, 2013 (unaudited)

All performance shown is historical, assumes reinvestment of all dividend and capital gain distributions, and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when sold, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please visit www.dws-investments.com for the Fund's most recent performance.

TOTAL RETURNS:

	For the six months ended June 30, 2013(b)	2012	For the years ended December 31,			
			2011	2010	2009	2008
Net Asset Value(a)	1.92%	21.17%	(17.52)%	1.99%	33.76%	(50.68)%
Market Value(a)	1.85%	23.44%	(21.56)%	8.32%	36.84%	(53.96)%
Benchmark(c)	1.31%	21.17%	(17.64)%	(4.25)%	31.41%	(47.57)%

(a) Total return based on net asset value reflects changes in the Fund's net asset value during each period. Total return based on market value reflects changes in market value during each period. Each figure includes reinvestments of dividend and capital gain distributions, if any. These figures will differ depending upon the level of any discount from or premium to net asset value at which the Fund's shares trade during the period. Expenses of the Fund include investment advisory and administration fees and other fund expenses. Total returns shown take into account these fees and expenses. The annualized expense ratio of the Fund for the six months ended June 30, 2013 was 1.62%.

(b) Total returns shown for the six-month period are not annualized.

(c) The MSCI-EMU Index is an unmanaged, capitalization-weighted index that is comprised of approximately 300 stocks of companies domiciled in the countries utilizing euro currency. MSCI indices are calculated using closing

local market prices and translate into U.S. dollars using the London close foreign exchange rates.

Index returns assume reinvestment of dividends and, unlike Fund returns, do not reflect any fees or expenses and it is not possible to invest directly in the MSCI-EMU Index.

Investments in funds involve risks, including the loss of principal.

This Fund is diversified and primarily focuses its investments in equity securities of issuers domiciled in European countries that utilize the euro currency, thereby increasing its vulnerability to developments in that region. Investing in foreign securities presents certain risks, such as currency fluctuations, political and economic changes, and market risks. Any fund that concentrates in a particular segment of the market will generally be more volatile than a fund that invests more broadly.

The shares of most closed-end funds, including the Fund, are not continuously offered. Once issued, shares of closed-end funds are bought and sold in the open market. Shares of closed-end funds frequently trade at a discount to net asset value. The price of the Fund's shares is determined by a number of factors, several of which are beyond the control of the Fund. Therefore, the Fund cannot predict whether its shares will trade at, below, or above net asset value.

The Fund elected to be subject to the statutory calculation, notification and publication requirements of the German Investment Tax Act (Investmentsteuergesetz) (the "Act") for the fiscal year ended December 31, 2012 and intends to elect to be subject to the Act for the fiscal year ending December 31, 2013. This election allows investors based in Germany to invest in the Fund without adverse tax consequences.

FUND FACTS AND DIVIDEND AND CAP GAIN DISTRIBUTIONS AS OF JUNE 30, 2013 (unaudited)

FUND FACTS:

Net Assets	\$78,705,659
Shares Outstanding	9,866,669
Net Asset Value (NAV) Per Share	\$ 7.98

OTHER INFORMATION:

NYSE Ticker Symbol	EEA
NASDAQ Symbol	XEEAX
Dividend Reinvestment Plan	Yes
Voluntary Cash Purchase Program	Yes
Annualized Expense Ratio (6/30/13)	1.62 %

Fund statistics and expense ratio are subject to change.

DIVIDEND AND CAPITAL GAIN DISTRIBUTIONS:*

Record Date	Payable Date	Ordinary Income	ST Capital Gain	LT Capital Gain	Total Distribution
12/31/12	01/28/13**	\$ 0.1520	\$ 0.0000	\$ 0.0000	\$ 0.1520
05/21/12	06/22/12	\$ 0.1350	\$ 0.0000	\$ 0.0000	\$ 0.1350
05/19/11	05/31/11	\$ 0.0080	\$ 0.0000	\$ 0.0000	\$ 0.0080
12/31/10	01/28/11**	\$ 0.0450	\$ 0.0000	\$ 0.0000	\$ 0.0450
04/30/10	05/10/10	\$ 0.0103	\$ 0.0000	\$ 0.0000	\$ 0.0103
12/31/09	01/28/10**	\$ 0.0996	\$ 0.0000	\$ 0.0000	\$ 0.0996
05/11/09	06/05/09	\$ 0.2340	\$ 0.0000	\$ 0.0000	\$ 0.2340
05/06/08	05/15/08	\$ 0.0000	\$ 0.1235	\$ 0.4030	\$ 0.5265
12/21/07	12/31/07	\$ 0.0000	\$ 0.0000	\$ 1.0000	\$ 1.0000
05/03/07	05/15/07	\$ 0.2500	\$ 0.0000	\$ 0.0000	\$ 0.2500
12/21/06	12/28/06	\$ 0.2900	\$ 0.0000	\$ 0.0000	\$ 0.2900
05/05/06	05/15/06	\$ 0.0900	\$ 0.0000	\$ 0.0000	\$ 0.0900
12/22/05	12/30/05	\$ 0.0600	\$ 0.0000	\$ 0.0000	\$ 0.0600
12/22/04	12/31/04	\$ 0.0250	\$ 0.0000	\$ 0.0000	\$ 0.0250
05/06/04	05/14/04	\$ 0.0390	\$ 0.0000	\$ 0.0000	\$ 0.0390
11/19/02	11/29/02	\$ 0.0100	\$ 0.0000	\$ 0.0000	\$ 0.0100
11/19/01	11/29/01	\$ 0.0600	\$ 0.0000	\$ 0.0000	\$ 0.0600
09/03/01	09/17/01	\$ 0.0000	\$ 0.0000	\$ 0.0200	\$ 0.0200

Distributions are historical, will fluctuate and are not guaranteed. Distributions do not include return of capital or other non-income sources.

* This Fund posts estimated capital gain information to its web site: www.dws-investments.com.

** Although this distribution was payable in January, it may have been taxable in the prior year.

 SECTOR DIVERSIFICATION AS OF JUNE 30, 2013 (As a % of Equity Securities) (unaudited)

10 LARGEST EQUITY HOLDINGS AS OF JUNE 30, 2013 (As a % of Net Assets) (unaudited)

1.	Sanofi (France)	3.0%
2.	SES (Luxembourg)	2.9%
3.	Allianz (Germany)	2.8%
4.	Sampo (Finland)	2.8%
5.	Daimler (Germany)	2.8%
6.	United Internet (Germany)	2.5%
7.	AXA (France)	2.5%
8.	Adidas (Germany)	2.5%
9.	Nutreco (Netherlands)	2.4%
10.	Deutsche Lufthansa (Germany)	2.3%

Portfolio by Market Sector and 10 Largest Equity Holdings are subject to change and not indicative of future portfolio composition.

For more complete details about the Fund's Schedule of Investments, see page 7.

Following the Fund's fiscal first and third quarter-ends, a complete portfolio holdings listing is filed with the SEC on Form N-Q. This form is available on the SEC's web site at www.sec.gov, and it also may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (800) SEC-0330. A complete list of the Fund's portfolio holdings and the Fund's sector breakdown compared to that of its benchmark as of the month end is posted on www.dws-investments.com on or after the last day of the following month. More frequent postings of portfolio holdings information may be made from time to time on www.dws-investments.com.

INTERVIEW WITH PORTFOLIO MANAGEMENT TEAM — RAINER VERMEHREN AND GERD KIRSTEN

Question: Consumer activity plays an important role in economic health. What is the level and trend of household debt within the Eurozone?¹

Answer: Overall household debt within the Eurozone stood at 69.1% of GDP at the end of 2011 (latest available data). Coming in considerably above the EMU average in 2012 were the current crisis countries: Spain (86%), Portugal (100%) and Ireland (112%).² In addition, the Netherlands has household debt at 139% of GDP.³ Household debt in Greece and France recently stood at approximately the euro-area average, with Greek households more than tripling their debt levels from the relatively low previous levels. There is evidence to suggest that private indebtedness has peaked, especially in countries with above-average debt levels. In Portugal and Ireland, for instance, debt levels have come down noticeably over the last three years and in Spain in the last two years. There is need for further adjustment, despite the reduction in debt ratios already witnessed. This will certainly dampen domestic demand in these countries over the coming years, as households are unlikely to take on new debt and are expected to spend larger parts of their disposable income on debt repayment than on consumption.

Question: Has export diversification progressed within Europe since the sovereign debt crisis?

Answer: A likely positive consequence of the crisis within the Eurozone was that countries like Greece, Spain and Portugal were able to raise their exports to non-EU countries substantially between 2009 and 2012. Greece's non-EU exports, for example, rose by 181%, compared to only 19% in the four years from 2005 to 2008. Spain and Portugal were able to boost their extra-EU trade by 70%. Italy and France have thus far recorded the smallest increases. In view of the still difficult economic situation in Europe and low domestic demand in many Eurozone countries, a diversified export structure with markets outside the EU is particularly helpful, allowing companies to compensate for at least some of the sales decline in the domestic market and the EU. While the Eurozone continues to struggle with recession, GDP in the U.S. is expected to grow in 2013 by roughly 2% and in the emerging markets by as

much as 5% or more on average, providing good alternatives for European exports.

Question: Corporate bond issuance in the Eurozone was strong in 2012. What were the main drivers then for increased issuance and what does it say about equities and equity issuance this year?

Answer: From a corporate issuers perspective, 2012 offered very attractive conditions for raising capital via debt issuance as opposed to via equity placements. The heightened level of corporate bond issuance in Eurozone countries in 2012 can be attributed to a number of factors including: 1. the expansionary monetary policy in place with central banks providing historically low benchmark interest rates, reducing the cost of funding; 2. strong demand from investors given the ongoing recession/stagnation in Europe, which offers few investment alternatives; 3. ongoing desire to invest in "safe-haven" countries (those with a lower perceived default risk) created unusually high demand for investment grade bond issuance and 4. higher funding costs at banks that are leading to tighter lending standards at some commercial banks that have led more corporations to bypass banks altogether and issue debt directly in the bond market. While bond spreads remain higher than pre-crisis levels, attracting demand from investors searching for higher yield, they are lower than they were during recent peaks. Overall, this lending environment remains mostly intact this year and the relatively higher attractiveness of debt issuance comes at the expense of bank lending and equity issuance.

- 1 The Eurozone represents the European Union countries that have adopted the euro as their national currency
- 2 The European Monetary Union (EMU) is an agreement between participating European Union members that identifies the protocols for pooling currency reserves and for the introduction of a common currency
- 3 Gross domestic product (GDP) is the monetary value of goods and services produced within a country's borders in a specific time frame.

THE EUROPEAN EQUITY FUND, INC.

SCHEDULE OF INVESTMENTS — JUNE 30, 2013 (unaudited)

Shares	Description	Value(a)
INVESTMENTS		
IN		
GERMANY –		
32.7%		
	COMMON STOCKS – 28.5%	
	AIR FREIGHT &	
	LOGISTICS – 2.3%	
72,000	Deutsche Post	\$ 1,787,017
	AIRLINES – 2.3%	
90,000	Deutsche Lufthansa*	1,824,334
	AUTOMOBILES – 2.8%	
36,000	Daimler	2,175,163
	CHEMICALS – 2.3%	
20,000	BASF	1,784,106
	COMPUTERS &	
	PERIPHERALS – 1.0%	
15,000	Wincor Nixdorf	812,245
	HEALTH CARE PROVIDERS &	
	SERVICES – 1.6%	

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10,000	Fresenius SE & Co. INDUSTRIAL CONGLOMERATES – 2.3%	1,231,041
18,000	Siemens INSURANCE – 2.8%	1,816,731
15,000	Allianz INTERNET SOFTWARE & SERVICES – 2.5%	2,188,538
70,000	United Internet MEDIA – 1.1%	1,973,031
20,000	Axel Springer METALS & MINING – 0.8%	852,019
12,000	Aurubis PERSONAL PRODUCTS – 1.5%	642,777
14,000	Beiersdorf PHARMACEUTICALS – 1.7%	1,219,212
13,000	Bayer TEXTILES, APPAREL & LUXURY GOODS – 2.5%	1,384,404
18,000	Adidas WIRELESS TELECOMMUNICATION SERVICES – 1.0%	1,945,177
35,000	Freenet*	763,373
	Total Common Stocks (cost \$19,521,984)	22,399,168
Shares	Description	Value(a)
	PREFERRED STOCKS – 4.2% AUTOMOBILES – 3.1% Bayerische Motoren Werke	
26,000	(cost \$1,569,843) Volkswagen	\$ 1,775,241
3,500	(cost \$332,872)	707,643
	HOUSEHOLD PRODUCTS – 1.1% Henkel & Co.	2,482,884
9,000	(cost \$341,121) Total Preferred Stocks (cost \$2,243,836)	845,195
	Total Investments in Germany (cost \$21,765,820)	3,328,079
		25,727,247
	INVESTMENTS IN FRANCE – 19.4%	
	ADVERTISING SERVICES – 2.2%	
24,000	Publicis Groupe AUTO COMPONENTS – 1.0% Cie Generale des Etablissements	1,706,377
9,000	Michelin	803,666

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	BUILDING PRODUCTS – 0.7%	
14,000	Cie de St-Gobain	565,933
	COMMERCIAL BANKS – 3.1%	
120,000	Credit Agricole*	1,029,910
42,000	Societe Generale	1,441,218
		2,471,128
	COMMERCIAL SERVICES & SUPPLIES – 1.9%	
15,000	Societe BIC	1,501,269
	DIVERSIFIED TELECOMMUNICATION SERVICES – 1.9%	
80,000	Vivendi	1,512,967
	HEALTH CARE EQUIPMENT & SUPPLIES – 1.1%	
8,000	Essilor International	849,965
	INSURANCE – 2.5%	
100,000	AXA	1,962,048

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

THE EUROPEAN EQUITY FUND, INC.

SCHEDULE OF INVESTMENTS — JUNE 30, 2013 (unaudited) (continued)

Shares	Description	Value(a)
INVESTMENTS IN FRANCE – 19.4% (continued)		
	IT SERVICES – 2.0%	
21,000	AtoS	\$ 1,556,407
	PHARMACEUTICALS – 3.0%	
23,000	Sanofi	2,380,272
	Total Investments in France (cost \$14,058,209)	15,310,032
INVESTMENTS IN SPAIN – 9.9%		
	CONSTRUCTION & ENGINEERING – 1.7%	
50,000	ACS Actividades de Construccion y Servicios	1,322,547
	DIVERSIFIED TELECOMMUNICATION SERVICES – 1.6%	
100,000	Telefonica*	1,279,653
	INSURANCE – 3.0%	
26,000	Grupo Catalana Occidente	574,511
540,000	Mapfre†	1,756,134

			2,330,645
	100,000	IT SERVICES – 1.6% Indra Sistemas†	1,292,131
	76,000	OIL, GAS & CONSUMABLE FUELS – 2.0% Repsol YPF†	1,601,302
		Total Investments in Spain (cost \$7,363,422)	7,826,278
INVESTMENTS IN NETHERLANDS – 9.4%			
	34,000	AEROSPACE & DEFENSE – 2.3% EADS	1,814,794
	140,000	AIR FREIGHT & LOGISTICS – 0.5% PostNL*	390,148
	18,000	CHEMICALS – 1.5% Koninklijke DSM	1,171,224
	120,000	DIVERSIFIED FINANCIAL SERVICES – 1.4% ING Groep*	1,091,832
Shares		Description	Value(a)
	44,000	FOOD PRODUCTS – 2.4% Nutreco	\$ 1,867,292
	13,090	SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT – 1.3% ASML Holding	1,031,412
		Total Investments in Netherlands (cost \$6,446,583)	7,366,702
INVESTMENTS IN UNITED KINGDOM – 6.8%			
	260,000	COMMERCIAL BANKS – 1.4% Barclays	1,098,624
	160,000	HEALTH CARE EQUIPMENT & SUPPLIES – 2.3% Smith & Nephew	1,784,580
	12,000	HOUSEHOLD PRODUCTS – 1.1% Reckitt Benckiser Group	846,401
	12,000	MULTILINE RETAIL – 1.0% Next	830,012
	140,000	MULTI-UTILITIES – 1.0% Centrica	765,245
		Total Investments in United Kingdom (cost \$5,203,172)	5,324,862
INVESTMENTS IN ITALY – 3.6%			
	1,000,000	COMMERCIAL BANKS – 2.0% Intesa Sanpaolo	1,600,054
		OIL, GAS & CONSUMABLE	

		FUELS – 1.6%	
60,000		Eni	1,230,650
		Total Investments in Italy (cost \$2,939,722)	2,830,704
INVESTMENTS IN NORWAY – 2.9%			
		DIVERSIFIED TELECOMMUNICATION SERVICES – 1.8%	
74,000		Telenor	1,460,207

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

THE EUROPEAN EQUITY FUND, INC.

SCHEDULE OF INVESTMENTS — JUNE 30, 2013 (unaudited) (continued)

Shares	Description	Value(a)
INVESTMENTS IN NORWAY – 2.9% (continued)		
	ENERGY EQUIPMENT & SERVICES – 1.1%	
30,000	TGS Nopec Geophysical	\$ 867,805
	Total Investments in Norway (cost \$2,271,980)	2,328,012
INVESTMENTS IN LUXEMBOURG – 2.9%		
	MEDIA – 2.9%	
80,000	SES	2,287,648
	Total Investments in Luxembourg (cost \$2,097,894)	2,287,648
INVESTMENTS IN FINLAND – 2.8%		
	INSURANCE – 2.8%	
56,000	Sampo	2,179,297
	Total Investments in Finland (cost \$1,417,010)	2,179,297
INVESTMENTS IN SWEDEN – 2.2%		
	COMMERCIAL SERVICES & SUPPLIES – 2.2%	
200,000	Securitas	1,737,495

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	Total Investments in Sweden (cost \$1,822,584)		1,737,495
INVESTMENTS IN SWITZERLAND – 1.2%			
	CHEMICALS – 1.2%		
2,500	Syngenta		976,125
	Total Investments in Switzerland (cost \$834,336)		976,125
	Total Investments in Common and Preferred Stocks – 93.8% (cost \$66,220,732)		73,894,402
SECURITIES LENDING COLLATERAL – 2.8%			
	Daily Assets Fund Institutional, 0.10% (cost \$2,175,505)(b)(c)		2,175,505
2,175,505			
Shares	Description		Value(a)
CASH EQUIVALENTS – 5.1%			
	Central Cash Management Fund, 0.07% (cost \$3,981,125)(c)		\$ 3,981,125
3,981,125			
Number of contracts			
PUT OPTIONS PURCHASED – 0.8%			
	DAX Index, Expiration: 9/23/2013 Exercise Price 7,000.00 (cost \$116,424)		132,580
300			
	CAC 40 Index, Expiration: 9/23/2013 Exercise Price 3,300.00 (cost \$95,480)		151,628
350			
	DAX Index, Expiration: 12/20/2013 Exercise Price 6,800.00 (cost \$205,140)		173,263
200			
	CAC 40 Index, Expiration: 12/20/2013 Exercise Price 3,200.00 (cost \$214,346)		166,192
200			
	Total Investments in Purchased Options – 0.8%		623,663

(cost \$631,390)	
Total Investments – 102.5%	
(cost \$73,008,752)**	80,674,695
Other Assets and Liabilities,	
Net – (2.5%)	(1,969,036)
NET ASSETS – 100.0%	\$78,705,659

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

THE EUROPEAN EQUITY FUND, INC.

SCHEDULE OF INVESTMENTS — JUNE 30, 2013 (unaudited) (continued)

* Non-income producing security.

** The cost for federal income tax purposes was \$73,008,755. At June 30, 2013, net unrealized appreciation for all securities based on tax cost was \$7,665,940. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$10,789,453 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$3,123,513.

† All or a portion of these securities were on loan (see Notes to Financial Statements). The value of all securities loaned at June 30, 2013 amounted to \$2,009,143, which is 2.6% of net assets.

(a) Value stated in U.S. 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.

For purposes of its industry concentration policy, the Fund classifies issuers of portfolio securities at the industry sub-group level. Certain of the categories in the above Schedule of Investments consist of multiple industry sub-groups or industries.

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

THE EUROPEAN EQUITY FUND, INC.

SCHEDULE OF INVESTMENTS — JUNE 30, 2013 (unaudited) (continued)

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 June 30, 2013 in valuing the Fund's investments. For information on the Fund's policy regarding the valuation of investments, please refer to the Security Valuation section of Note 1 in the accompanying Notes to Financial Statements.

Category	Level 1	Level 2	Level 3	Total
Common Stocks and/or Other Equity Investments(1)				
Germany	\$25,727,247	\$ —	\$ —	\$25,727,247
France	15,310,032	—	—	15,310,032
Spain	7,826,278	—	—	7,826,278
Netherlands	7,366,702	—	—	7,366,702
United Kingdom	5,324,862	—	—	5,324,862
Italy	2,830,704	—	—	2,830,704
Norway	2,328,012	—	—	2,328,012
Luxembourg	2,287,648	—	—	2,287,648
Finland	2,179,297	—	—	2,179,297
Sweden	1,737,495	—	—	1,737,495
Switzerland	976,125	—	—	976,125
Short-Term Instruments(1)	6,156,630	—	—	6,156,630
Purchased Options	623,663	—	—	623,663
Total	\$80,674,695	\$ —	\$ —	\$80,674,695

There have been no transfers between fair value measurement levels during the period ended June 30, 2013.

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

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

THE EUROPEAN EQUITY FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES

JUNE 30, 2013 (unaudited)

ASSETS

Investments in non-affiliated securities, at value (cost \$66,852,122) — including \$2,009,143 of securities loaned	\$ 74,518,065
Investment in Central Cash Management Fund (cost \$3,981,125)	3,981,125
Investment in Daily Assets Fund Institutional (cost \$2,175,505)*	2,175,505
Total Investments, at value (cost \$73,008,752)	80,674,695
Foreign currency, at value (cost \$1,308,374)	1,307,438
Receivable for investments sold	1,216,399
Dividends receivable	74,274

Foreign taxes recoverable	107,173
Interest receivable	20,852
Other assets	18,367
Total assets	83,419,198
LIABILITIES	
Payable upon return of securities loaned	2,175,505
Payable for investments purchased	2,331,339
Payable for fund shares repurchased	7,145
Investment advisory fee payable	47,137
Administration fee payable	12,699
Payable for Directors' fees and expenses	26,712
Accrued expenses and other liabilities	113,002
Total liabilities	4,713,539
NET ASSETS	\$ 78,705,659
Net assets consist of:	
Paid-in capital, \$0.001 par (Authorized 80,000,000 shares)	\$ 108,337,574
Undistributed net investment income	1,369,711
Accumulated net realized loss	(38,662,541)
Net unrealized appreciation (depreciation) on:	
Investments	7,665,943
Foreign currency	(5,028)
Net assets	\$ 78,705,659
Net assets value per share (\$78,705,659 ÷ 9,866,669 shares of common stock issued and outstanding)	\$ 7.98

*Represents collateral on securities loaned.

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

THE EUROPEAN EQUITY FUND, INC.

STATEMENT OF OPERATIONS (unaudited)

	For the six months ended June 30, 2013
NET INVESTMENT INCOME	
Income:	
Dividends (net of foreign withholding taxes of \$211,936)	\$ 1,842,181
Interest	20
Income distributions — Central Cash Management Fund	676
Securities lending, including income from Daily Assets Fund Institutional, net of borrower rebates	175,193
Total investment income	2,018,070
Expenses:	
Investment advisory fee	301,124

Administration fee	79,030
Custodian fee	23,423
Services to shareholders	10,915
Reports to shareholders	53,960
Directors' fees and expenses	67,708
Legal fees	49,159
Audit and tax fees	33,988
NYSE listing fee	11,635
Insurance	3,206
Miscellaneous	14,211
Net expenses	648,359
Net investment income	1,369,711
REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain (loss) from:	
Investments	2,718,089
Foreign currency	27,946
Net realized gain (loss)	2,746,035
Change in net unrealized appreciation (depreciation) on:	
Investments	(2,712,814)
Foreign currency	(20,686)
Change in net unrealized appreciation (depreciation)	(2,733,500)
Net gain (loss)	12,535
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ 1,382,246

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

THE EUROPEAN EQUITY FUND, INC.

STATEMENT OF CHANGES IN NET ASSETS

	For the six months ended June 30, 2013 (unaudited)	For the year ended December 31, 2012
INCREASE (DECREASE) IN NET ASSETS		
Operations:		
Net investment income	\$ 1,369,711	\$ 1,193,669
Net realized gain (loss)	2,746,035	3,199,316
Change in net unrealized appreciation (depreciation)	(2,733,500)	9,544,278
Net increase in net assets resulting from operations	1,382,246	13,937,263
Distributions to shareholders from:		
Net investment income	—	(2,923,172)
Capital share transactions:		
Net proceeds from reinvestment of dividends (77,880 and 72,390 shares, respectively)	588,772	435,064
Cost of shares tendered (0 and 529,026 shares, respectively)	—	(3,745,504)

Cost of shares repurchased (105,576 and 328,667 shares, respectively)

(776,663)