

NEW GERMANY FUND INC  
Form N-Q  
November 29, 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 811-5983

New Germany 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: 09/30/06

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.

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ITEM 1. SCHEDULE OF INVESTMENTS

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THE NEW GERMANY FUND, INC.

SCHEDULE OF INVESTMENTS SEPTEMBER 30, 2006 (unaudited)

| Shares  | Description                            | Value       |
|---------|----------------------------------------|-------------|
|         | INVESTMENTS IN GERMAN SECURITIES       | 86.6%       |
|         | COMMON STOCKS                          | 78.1%       |
|         | AEROSPACE & DEFENSE                    | 1.6%        |
| 145,000 | MTU Aero Engines Holding AG*           | \$5,416,218 |
|         | AIRPORTS, FLYING FIELDS & AIRLINES     | 2.4%        |
| 204,400 | Air Berlin PLC                         | 3,238,463   |
| 75,000  | Fraport AG                             | 5,158,091   |
|         |                                        | 8,396,554   |
|         | BIOTECHNOLOGY                          | 0.9%        |
| 160,000 | GPC Biotech*                           | 3,025,776   |
|         | CHEMICALS                              | 9.0%        |
| 505,000 | GEA Group*                             | 9,102,044   |
| 180,200 | K + S                                  | 14,435,101  |
| 170,000 | Lanxess*                               | 7,293,829   |
| 5,000   | Wacker Chemie AG                       | 588,120     |
|         |                                        | 31,419,094  |
|         | COMMERCIAL SERVICES & SUPPLIES         | 0.5%        |
| 50,000  | Interseroh AG                          | 1,787,175   |
|         | CONSTRUCTION & ENGINEERING             | 1.7%        |
| 97,200  | Bilfinger Berger AG                    | 5,764,575   |
|         | DIVERSIFIED FINANCIALS                 | 5.3%        |
| 190,000 | Bayer Hypovereinsbank                  | 8,308,463   |
| 90,000  | Deutsche Postbank AG                   | 6,827,389   |
| 25,000  | Interhyp AG                            | 2,259,636   |
| 20,000  | Sixt AG                                | 922,740     |
|         |                                        | 18,318,228  |
|         | DIVERSIFIED TELECOMMUNICATION SERVICES | 1.7%        |
| 255,000 | Mobilcom AG                            | 5,911,557   |
|         | ELECTRICAL EQUIPMENT                   | 3.1%        |
| 40,000  | Conergy AG                             | 1,931,163   |
| 160,000 | SGL Carbon AG*                         | 3,078,504   |
| 107,000 | Solarworld AG                          | 5,876,523   |
|         |                                        | 10,886,190  |
|         | ELECTRONIC EQUIPMENT & INSTRUMENTS     | 7.4%        |
| 492,720 | Kontron AG*                            | 6,107,831   |
| 130,000 | Q-Cells AG                             | 5,322,233   |
| 321,600 | Suss MicroTec AG*                      | 3,432,228   |

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| Shares  | Description                          | Value       |
|---------|--------------------------------------|-------------|
| 150,000 | Utimaco Safeware AG*                 | \$2,214,956 |
| 60,000  | Wincor Nixdorf AG                    | 8,719,133   |
|         | 25,796,381                           |             |
|         | HEALTHCARE PROVIDERS & SERVICES 0.9% |             |
| 71,000  | Rhoen-Klinikum                       | 3,186,634   |
|         | HOUSEHOLD PRODUCTS 1.5%              |             |
| 99,483  | Beiersdorf AG                        | 5,292,195   |
|         | INTERNET SOFTWARE & SERVICES 3.0%    |             |
| 760,000 | United Internet AG                   | 10,451,805  |
|         | INVESTORS 1.3%                       |             |
| 55,000  | MPC Muenchmeyer Peterson Cap         | 4,576,626   |
|         | LIFE INSURANCE 1.6%                  |             |
| 42,000  | AMB Generali Holding AG              | 5,717,971   |
|         | MACHINERY 7.4%                       |             |
| 145,000 | Heidelberger Druckmaschinen          | 5,974,932   |
| 38,000  | Krones AG                            | 5,013,013   |
| 65,234  | Pfeiffer Vacuum Technology           | 4,254,097   |
| 146,709 | Rheinmetall AG                       | 10,673,740  |
|         | 25,915,782                           |             |
|         | METALS & MINING 4.0%                 |             |
| 150,000 | Salzgitter AG                        | 14,090,164  |
|         | MULTILINE RETAIL 1.8%                |             |
| 134,625 | Douglas Holding AG                   | 6,296,512   |
|         | PHARMACEUTICALS 11.8%                |             |
| 216,000 | Celesio AG                           | 11,255,096  |
| 142,000 | Merck KGAA                           | 15,050,346  |
| 65,000  | Schwarz Pharma AG                    | 7,550,814   |
| 145,000 | Stada Arzneimittel                   | 7,404,798   |
|         | 41,261,054                           |             |
|         | REAL ESTATE 4.0%                     |             |
| 60,000  | Deutsche Euroshop AG                 | 4,157,654   |
| 270,000 | IVG Holding AG*                      | 9,767,102   |
|         | 13,924,756                           |             |
|         | SOFTWARE 2.4%                        |             |
| 135,000 | Software AG                          | 8,261,312   |
|         | SPECIALTY RETAIL 1.6%                |             |
| 130,000 | Hugo Boss Ag -Ord                    | 5,753,943   |

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THE NEW GERMANY FUND, INC.

SCHEDULE OF INVESTMENTS SEPTEMBER 30, 2006 (unaudited) (continued)

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| Shares     | Description                                                      | Value                       |               |
|------------|------------------------------------------------------------------|-----------------------------|---------------|
|            | TEXTILES, APPAREL & LUXURY GOODS                                 | 3.2%                        |               |
| 33,000     | Puma AG                                                          | \$11,251,598                |               |
|            | Total Common Stocks (cost \$172,744,658)                         |                             |               |
|            | 272,702,100                                                      |                             |               |
|            | PREFERRED STOCKS                                                 | 8.5%                        |               |
|            | DIVERSIFIED FINANCIAL SERVICES                                   | 0.3%                        |               |
| 32,600     | Sixt AG                                                          | 1,116,067                   |               |
|            | ELECTRICAL EQUIPMENT                                             | 2.5%                        |               |
| 222,800    | Sartorius AG                                                     | 8,683,769                   |               |
|            | HEALTHCARE PROVIDERS & SERVICES                                  | 4.4%                        |               |
| 85,354     | Fresenius AG                                                     | 15,225,043                  |               |
|            | MEDIA                                                            | 1.3%                        |               |
| 163,400    | Prosieben Sat.1 Media AG                                         |                             | 4,525,343     |
|            | Total Preferred Stocks (cost \$12,254,918)                       | 29,550,222                  |               |
|            | Total Investments in German Securities (cost \$184,999,576)      |                             | 302,252,322   |
|            | INVESTMENTS IN DUTCH COMMON STOCKS                               | 5.3%                        |               |
|            | AEROSPACE & DEFENSE                                              | 5.3%                        |               |
| 640,000    | European Aeronautic Defence and Space Company (cost \$6,201,367) |                             | 18,487,248    |
|            | INVESTMENTS IN IRISH COMMON STOCKS                               | 3.8%                        |               |
|            | DIVERSIFIED FINANCIAL SERVICES                                   | 3.8%                        |               |
| 710,000    | Depfa Bank PLC (Cost \$4,407,317)                                |                             | 13,102,908    |
|            | INVESTMENTS IN ITALIAN COMMON STOCKS                             | 1.0%                        |               |
|            | COMMERCIAL BANKS                                                 | 1.0%                        |               |
| 70,000     | Banca Italease* (Cost \$1,615,617)                               |                             | 3,451,403     |
|            | Shares                                                           | Description                 | Value         |
|            | INVESTMENTS IN SWISS COMMON STOCKS                               | 0.2%                        |               |
|            | OIL & GAS EXPLORATION & PRODUCTION                               | 0.2%                        |               |
| 78,800     | Biopetrol Industries AG (Cost \$756,589)                         |                             | \$828,996     |
|            | Total Investments in Common Stocks (cost \$197,980,466)          |                             | 338,122,877   |
|            | SECURITIES LENDING COLLATERAL                                    | 10.3%                       |               |
| 35,900,544 | Daily Assets Fund Institutional, 5.31%                           | (cost \$35,900,544)         | 35,900,544    |
|            | Total Investments                                                | 107.2% (cost \$233,881,010) | 374,023,421   |
|            | Liabilities in excess of cash and other assets                   | (7.2)%                      | (25,171,205)  |
|            | NET ASSETS                                                       | 100.0%                      | \$348,852,216 |

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\* Non-income producing security.

All or a portion of these securities were on loan. The value of all securities loaned at September 30, 2006 amounted to \$34,487,635 which is 10.0% 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.

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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: New Germany Fund, Inc.

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

Date: November 21, 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.

Registrant: New Germany Fund, Inc.

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

Date: November 21, 2006

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

Date: November 21, 2006