

VALUE LINE INC
Form 10-K
July 17, 2008

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

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended April 30, 2008

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to

Commission file number: 0-11306

VALUE LINE, INC.

(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of incorporation or organization)

13-3139843
(I.R.S. Employer Identification No.)

220 East 42nd Street, New York, New York
(Address of principal executive offices)

10017-5891
(Zip Code)

Registrant's telephone number, including area code (212) 907-1500

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, \$.10 par value
(Title of class)

The NASDAQ Global MarketSM
(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
 Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
 Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or

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information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the registrant's voting and non-voting common stock held by non-affiliates at October 31, 2007 was \$58,919,312.

There were 9,981,600 shares of the registrant's Common Stock outstanding at June 30, 2008.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement relating to the registrant's 2008 Annual Meeting of Shareholders, to be held on August 21, 2008 are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated.

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Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

This report contains statements that are predictive in nature, depend upon or refer to future events or conditions (including certain projections and business trends) accompanied by such phrases as “believe”, “estimate”, “expect”, “anticipate”, “will”, “intend” and other similar or negative expressions, that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those projected as a result of certain risks and uncertainties, including but not limited to the following:

- dependence on key personnel;
- maintaining revenue from subscriptions for the Company’s products;
- protection of intellectual property rights;
- changes in market and economic conditions;
- fluctuations in the Company’s assets under management due to broadly based changes in the values of equity and debt securities, redemptions by investors and other factors;
- dependence on Value Line Funds for investment management and related fees;
- competition in the fields of publishing, licensing and investment management;
- the impact of government regulation on the Company’s business and the uncertainties of litigation and regulatory proceedings;
- terrorist attacks; and
- other risks and uncertainties, including but not limited to the risks described in Item 1A, “Risk Factors”, and other risks and uncertainties from time to time.

Any forward-looking statements are made only as of the date hereof, and the Company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

Part I

Item 1. BUSINESS.

Value Line, Inc. (the "Company" or “Value Line”), a New York corporation, was organized in 1982 and is the successor to substantially all of the operations of Arnold Bernhard & Company, Inc. ("AB&Co.").

The Company's primary businesses are:

- Producing investment related periodical publications
- Licensing certain Value Line trademarks and Value Line proprietary ranking system information to third parties under written agreements for use in third party managed and marketed investment products
- Providing investment management and distribution services to the Value Line Mutual Funds, institutions and individual accounts.

The name "Value Line" as used to describe the Company, its products, and its subsidiaries, is a registered trademark of the Company.

A. Investment Related Periodicals & Publications

The investment related periodicals offered by Value Line Publishing Inc. (“VLP”), a wholly owned subsidiary of the Company, cover a broad spectrum of investments including stocks, mutual funds, options and convertible securities. The Company’s services are of interest to individual and professional investors, as well as to institutions including municipalities and university libraries and investment firms. The services generally fall into four categories:

- Comprehensive reference periodical publications

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- Targeted, niche periodical newsletters
- Investment analysis software
- Current and historical financial databases

The comprehensive services (The Value Line Investment Survey, The Value Line Investment Survey-Small and Mid-Cap Edition, The Value Line 600, and The Value Line Mutual Fund Survey) provide both statistical and text coverage of a large number of investment securities, with an emphasis placed on Value Line's proprietary statistical rankings. The Value Line Investment Survey is the Company's premier service published each week and covering approximately 1,700 stocks.

The niche newsletters (The Value Line Special Situations Service, Value Line Select, The Value Line No-Load Fund Advisor, The Value Line Convertibles Survey and Value Line Daily Options) provide information on a less comprehensive basis for securities that the Company believes will be of interest to subscribers. Certain of these services make use of Value Line's proprietary statistical rankings.

Investment analysis software (The Value Line Investment Analyzer and Mutual Fund Survey for *Windows*®) includes data sorting and filtering tools. In addition, for institutional and professional subscribers, VLP offers current and historical financial databases (DataFile, Estimates & Projections, Convertibles and Mutual Funds) via CD-ROM or online.

Value Line offers online versions of most of its products at the Company's website, www.valueline.com. Subscribers to the print versions generally receive free access to the corresponding online versions. The most comprehensive of the Company's online efforts is The Value Line Research Center, which allows subscribers to access most of the investment services the Company publishes at a packaged price, but only via the Internet.

The print and electronic services include, but are not limited to the following:

The Value Line Investment Survey®

The Value Line Investment Survey is a weekly investment related periodical that in addition to various timely articles on current economic, financial and investment matters ranks common stocks for future relative performance based primarily on computer-generated statistics of financial results and stock price performance. Two of the evaluations for covered stocks are "Timeliness™" and "Safety™." Timeliness relates to the probable relative price performance of one stock over the next six to twelve months, as compared to the rest of the approximately 1,700 covered stocks. Rankings are updated each week and range from Rank 1 for the expected best performing stocks to Rank 5 for the expected poorest performers. "Safety" Ranks are a measure of risk and are based on the issuer's relative financial strength and its stock's price stability. "Safety" ranges from Rank 1 for the least risky stocks to Rank 5 for the riskiest. VLP employs analysts and statisticians who prepare articles of interest for each periodical and who evaluate stock performance and provide future earnings estimates and quarterly written evaluations with more frequent updates when relevant. The Value Line Investment Survey is also referred to as The Value Line Investment Survey – Standard Edition.

The Value Line Investment Survey - Small and Mid-Cap Edition

The Value Line Investment Survey - Small and Mid-Cap Edition is a weekly publication introduced in 1995 that provides detailed descriptions of approximately 1,800 small and medium-capitalization stocks, many listed on NASDAQ, beyond the approximately 1,700 stocks of generally larger-capitalization companies covered in The Value Line Investment Survey – Standard Edition. Like The Value Line Investment Survey, the Small and Mid-Cap Edition has its own "Summary & Index" providing updated performance ranks and other data, as well as "screens" of key financial measures. The "Ratings and Reports" section, providing updated reports on about 140 stocks each week, has been organized to correspond closely to the industries reviewed in The Value Line Investment Survey – Standard Edition. A combined Index, published quarterly, allows subscribers to easily locate a specific stock among the approximately 3,500 stocks covered.

One unique feature in the Small and Mid-Cap Edition is The Performance Ranking System. It incorporates many of the elements of the Value Line Timeliness Ranking System, modified to accommodate the approximately 1,800 stocks

in the Small and Mid-Cap Edition. The Performance Rank is based on earnings growth and price momentum, and is designed to predict relative price performance over the next six to 12 months.

The principal differences between the Small and Mid-Cap Edition and The Value Line Investment Survey's Standard Edition are that the Small and Mid-Cap Edition does not include Value Line's Timeliness Ranks, financial forecasts, analyst comments, or a Selection & Opinion section. These modifications allow VLP to offer this service at a relatively low price.

The Value Line Mutual Fund Survey

The Value Line Mutual Fund Survey is published once every three weeks and was introduced in 1993. It provides full-page profiles of about 700 mutual funds and condensed coverage of about 1,250 funds. Every three weeks, subscribers receive an updated issue, containing over 200 fund reports, plus a "Performance & Index" providing current rankings and performance figures for the full universe of about 2,000 funds, as well as articles on investment trends and developments of concern to mutual fund investors. Funds are ranked for both risk and overall risk-adjusted performance, using a Value Line proprietary model. The Value Line Mutual Fund Survey also includes annual profiles and analyses on 100 of the nation's major fund families.

The Value Line No-Load Fund Advisor

The Value Line No-Load Fund Advisor is a 32-page monthly newsletter featuring no-load and low-load, open-end mutual funds. It was introduced in 1994. Each issue offers strategies for maximizing total return, and model portfolios for a range of investor profiles. It also includes information about retirement planning, industry news, and specific fund reviews. A full statistical review, including latest performance, rankings, and sector weightings, is updated each month on 600 leading no-load and low-load funds.

The Value Line Special Situations Service

The Value Line Special Situations Service concentrates on fast-growing, smaller companies whose stocks are perceived by VLP analysts as having exceptional appreciation potential. It was introduced in 1951.

The Value Line Options Survey

The Value Line Options Survey is a semi-monthly service that evaluates and ranks for expected performance approximately 8,000 U.S. equity options. It was introduced in 1973. An electronic version of this product, The Value Line Daily Options Survey (available on the Internet), was introduced during fiscal 1995. An enhanced version was introduced in fiscal 2002. It evaluates and ranks U.S. equity options (approximately 130,000). Features include an interactive database and a new spreadsheet.

The Value Line Convertibles Survey

Introduced in 1972, the Value Line Convertibles Survey is a semi-monthly print and online service that evaluates and ranks approximately 660 convertible securities (bonds and preferred stocks) and approximately 100 warrants for future market performance. The Value Line Electronic Convertibles, which was introduced in 2001, provides daily price updates and analysis online.

Value Line Select

Value Line Select, a monthly publication, was first published in 1998. It focuses each month on a company that senior VLP analysts have chosen. Recommendations are backed by in-depth research and are subject to ongoing monitoring.

The Value Line 600

The Value Line 600 is a monthly service, which contains full-page reports on approximately 600 stocks. Its reports provide information on many actively traded, larger capitalization issues as well as some smaller growth stocks. Since it was introduced in fiscal 1996, it has proven to be popular among investors who want the same type of analysis provided in The Value Line Investment Survey, but who do not want or need coverage of the approximately 1,700 companies contained in that publication. Readers also receive supplemental reports as well as a monthly Index, which includes updated statistics.

Value Line Investment Analyzer

Value Line Investment Analyzer is a powerful menu-driven software program with fast filtering, ranking, reporting and graphing capabilities utilizing over 350 data fields for about 8,000 stocks, industries and indices, including the approximately 1,700 stocks covered in VLP's benchmark publication, The Value Line Investment Survey.

Value Line Investment Analyzer allows subscribers to apply more than 60 charting and graphing variables for comparative research. In addition to containing digital replicas of the entire Value Line Investment Survey, the Analyzer includes daily data updates through its integration with the Value Line databases via Internet connection. The software includes a portfolio module that lets users create and track their own stock portfolios in depth and up to ten years of historical financial data for scrutinizing performance, risk, yield and return.

Value Line Mutual Fund Survey for Windows®

Value Line Mutual Fund Survey for Windows®, a monthly CD-ROM product with weekly Internet updates, is the electronic version of The Value Line Mutual Fund Survey. The program features powerful sorting and filtering analysis tools. It includes features such as style attribution analysis, a portfolio stress tester, portfolio rebalancing, correlation of fund returns and hypothetical assets. Windows is a registered trademark of Microsoft Corp. Value Line, Inc. and Microsoft Corp. are not affiliated companies.

Value Line DataFile

Value Line DataFile contains current and historic annual and quarterly financial records for nearly 8,000 active companies and over 5,000 companies that no longer exist in nearly 100 industries. DataFile has over 400 annual and over 80 quarterly fields for each of the companies included in the database. DataFile is sold to the institutional market. Value Line DataFile II, which includes less historical data, is also available. This version complies with Microsoft Access. In fiscal 1997, VLP introduced the Value Line Mutual Fund DataFile. It covers about 15,000 mutual funds with up to 20 years of historical data with almost 200 data fields. VLP also offers an Estimates and Projections File, with year-ahead and three- to five-year estimates of financial data and projections of stock-price ranges on companies covered in The Value Line Investment Survey, as well as a Convertible Securities File and custom services.

Value Line Research Center

The Value Line Research Center, an Internet-only service, provides on-line access to certain of VLP's leading publications covering stocks, mutual funds, and options and convertible securities as well as special situation stocks. This service includes full online subscriptions to The Value Line Investment Survey, The Value Line Mutual Fund Survey, The Value Line Daily Options Survey, The Value Line Investment Survey - Small and Mid-Cap Edition, The Value Line Convertibles Survey and The Value Line Special Situations Service.

B. Licensing Programs

The Company has licensed for fees certain trademarks and proprietary information for products, including unit investment trusts, annuity trusts, managed accounts and exchange traded funds. The sponsors of these products act as wholesalers and distribute the products by syndicating them through an extensive network of national and regional brokerage firms. These broad marketing networks are assembled and re-assembled each time that a product is introduced into the retail marketplace by a licensed product sponsor.

The sponsors of these various products will typically license one or more proprietary ranking systems, which may include Value Line Timeliness, Safety, Technical and Performance ranks, as screens for their portfolios. The sponsors are also given permission to associate Value Line trademarks with the products. Value Line collects a licensing fee from each of the product sponsors/managers primarily based upon the market value of assets invested in each product's portfolio. Since these fees are based on the market value of the respective portfolio, the payments to Value Line, which are typically received on a quarterly basis, will fluctuate.

Value Line's primary licensed products have been structured as Unit Investment Trusts, Exchange Traded Funds, Closed-end Funds and other types of managed products, all of which have in common some degree of reliance on ranking systems for their portfolio creation.

Examples of Value Line's licensing methodology can be found in the following five Value Line indexed Exchange Traded Fund portfolios now listed on the American Stock Exchange:

First Trust Value Line Dividend Fund (FVD)

The FVD portfolio seeks to provide total return through a combination of current income and capital appreciation by investing in stocks selected by the third party licensee from among U.S. exchange listed securities of companies that pay above average dividends and have the potential for capital appreciation.

First Trust Value Line 100 (FVL)

FVL's objective is to provide capital appreciation. It seeks to outperform the S&P 500 Index by adhering to a disciplined strategy of investing in a diversified portfolio of the 100 common stocks ranked #1 using Value Line's Timeliness Ranking System. This fund was a closed end fund that became an ETF in June 2007.

First Trust Value Line Equity Allocation Fund (FVI)

The FVI portfolio invests in a subset of the #1 and #2 ranked stocks per the Value Line Timeliness, Safety, and Technical Ranking Systems. The third party licensee purchases stocks in the index generated by the Company with the objective of capital appreciation.

PowerShares Value Line Timeliness Select Fund (PIV)

The PIV portfolio is constructed as an Index of 50 stocks within the 100 Rank #1 Timeliness stocks which factors Value Line Safety and Technical ranks into the portfolio selection process.

PowerShares Value Line Industry Rotation Fund (PYH)

The PYH portfolio contains 50 stocks chosen from the highest ranked stocks for Timeliness from each of the top 50 industries based on Industry Timeliness ranks, and the second highest ranked stocks for Timeliness from each of the top 25 industries based on Industry Timeliness ranks. The total number of stocks held by the Index is 75 stocks.

Total assets managed by third parties participating in licensing programs were \$6.3 billion as of April 30, 2008.

C. Investment Management Services

As of April 30, 2008, the Company was the investment adviser for 14 mutual funds registered under the Investment Company Act of 1940. Value Line Securities, Inc., a wholly-owned subsidiary of the Company, acts as distributor for the Value Line Mutual Funds ("Value Line Funds"). State Street Bank and Trust Company, an unaffiliated entity, acts as custodian of the Funds' assets and provides fund accounting and administrative services to the Value Line Funds. Shareholder services for the Value Line Funds are provided by Boston Financial Data Services, an affiliate of State Street, which is not related to the Company. On June 30, 2008, the Company reorganized its investment management division into EULAV Asset Management, LLC ("EULAV"), a newly formed wholly-owned subsidiary. As part of the reorganization, each advisory agreement was transferred from Value Line, Inc. to EULAV. The portfolio managers, who are now employees of EULAV, have not changed as a result of the reorganization.

Total net assets of the Value Line Funds at April 30, 2008, were:

(in thousands)

The Value Line Fund, Inc.	\$ 175,363
Value Line Income and Growth Fund, Inc.	381,128
Value Line Premier Growth Fund, Inc.	547,033
Value Line Larger Companies Fund, Inc.	279,910
The Value Line Cash Fund, Inc.	219,498
Value Line U.S. Government Securities Fund, Inc.	90,214
Value Line Centurion Fund, Inc.	246,564
The Value Line Tax Exempt Fund, Inc.	93,496
Value Line Convertible Fund, Inc.	30,043
Value Line Aggressive Income Trust	32,430
Value Line New York Tax Exempt Trust	19,988
Value Line Strategic Asset Management Trust ("SAM")	561,491
Value Line Emerging Opportunities Fund, Inc.	974,921
Value Line Asset Allocation Fund, Inc.	141,471
	\$ 3,793,550

The schedule below provides a breakdown of the major distribution channels for the Value Line Funds in terms of assets and shareholders.

Fund Categories	Aggregate Asset Levels	Percentage of Assets in Category	Shareholder Accounts	Percentage of Shareholder Accounts in Category
Guardian SAM and Centurion Funds	\$ 808,055,000	21.4%	41,773	20.0%
Value Line Funds direct accounts	\$ 1,551,836,000	40.8%	66,724	32.0%
Value Line Funds omnibus accounts	\$ 1,433,659,000	37.8%	99,800	48.0%
Total	\$ 3,793,550,000	100.0%	208,297	100.0%

Investment management fees and service and distribution fees vary among the Value Line Funds and may be subject to certain limitations. Each mutual fund may use "Value Line" in its name only so long as the Company or one of its subsidiaries acts as its investment adviser.

In addition to managing the Value Line Funds, EULAV manages institutional and individual portfolios.

D. Wholly-Owned Operating Subsidiaries

Wholly owned subsidiaries of the Company include Value Line Publishing, Inc. ("VLP"), Value Line Securities, Inc. ("VLS"), EULAV Asset Management, LLC ("EULAV"), Vanderbilt Advertising Agency, Inc. ("VAA"), Compupower Corporation ("CPWR") and Value Line Distribution Center ("VLDC").

1. VLP is the publishing unit for the investment related periodical publications.
2. VLS is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority, also known as "FINRA". VLS is the distributor for the Value Line Funds. Shares of the Value Line Funds are sold to the public without a sales charge (i.e., on a "no-load" basis). VLS receives service and distribution fees, pursuant to rule 12b-1 of the Investment Company Act of 1940 from certain Value Line Funds.
3. EULAV is a registered investment adviser that assumed the mutual fund investment management services previously provided by Value Line, Inc. as of June 30, 2008.
4. VAA places advertising on behalf of the Company's publications, investment advisory services, and mutual funds.
5. CPWR provides computerized subscription fulfillment services and subscriber relations services for VLP publications.
6. VLDC primarily handles all of the mailings of the publications to VLP's subscribers. Additionally, VLDC provides office space for Compupower's subscriber relations and data processing departments, and provides a disaster recovery site for the New York operations.

E. Trademarks

The Company holds trademark and service mark registrations for various names in multiple countries. Value Line believes that these trademarks and service marks provide significant value to the Company and are an important factor in the marketing of its products and services.

F. Investments

The Company invests in the Value Line Funds, fixed income government obligations and other marketable securities. As of April 30, 2008, the Company had \$51,870,000 invested in the Value Line equity funds and \$8,159,000 in the Value Line Cash Fund, representing approximately 1.6% of total Value Line Funds net assets at April 30, 2008.

G. Employees

At April 30, 2008, the Company and its subsidiaries employed 204 people.

The Company, its affiliates, officers, directors and employees, may from time to time own securities which are also held in the portfolios of the Value Line Funds or recommended in the Company's publications. Analysts are not permitted to own securities of the companies they cover. The Company has adopted rules requiring monthly reports of securities transactions by employees for their respective accounts. The Company has also established policies restricting trading in securities whose ranks are about to change in order to avoid possible conflicts of interest.

H. Principal Business Segments

The information with respect to revenues from external customers and profit and loss of the Company's identifiable principal business segments is incorporated herein by reference to Note 9 of the Notes to the Company's Consolidated Financial Statements included in this Annual Report on Form 10-K.

The Company's assets identifiable to each of its principal business segments were as follows:

	2008	April 30, 2007 (in thousands)	2006
Investment Periodicals, Related Publications and Licensing	\$ 10,780	\$ 18,976	\$ 14,861
Investment Management	76,671	80,581	81,762
Corporate Assets	50,502	29,406	22,591
	\$ 137,953	\$ 128,963	\$ 119,214

I. Competition

The investment management and the investment information and publications industries are very competitive. There are many competing firms and a wide variety of product offerings. Some of the firms in these industries are substantially larger and have greater financial resources than the Company. The Internet has increased the amount of competition in the form of free and paid investment research on the Internet, and the prevalence of broker "platforms" permitting easy transfer of assets among mutual funds, mutual fund families, and other investment vehicles.

J. Executive Officers of the Registrant

The following table lists the names, ages (at June 30, 2008), and principal occupations and employment during the past five years of the Company's Executive Officers. All officers are elected to terms of office for one year. Except as noted, each of the following has held an executive position with the companies indicated for at least five years.

Name	Age	Principal Occupation or Employment
Jean Bernhard Buttner	73	Chairman of the Board, President and Chief Executive Officer of the Company and AB&Co.; Chairman of the Board and President of each of the Value Line Funds until June 2008.
Mitchell E. Appel	37	Chief Financial Officer since April 8, 2008 and from September 2005 to November 2, 2007; Treasurer from June to September 2005; Chief Financial Officer, XTF Asset Management from November 2007 to April 2008; Chief Financial Officer, Circle Trust Company from January 2003 to May 2005; President of each of the Value Line Funds since June 2008.
Howard A. Brecher	54	Chief Legal Officer, Vice President and Secretary; Vice President, Secretary, Treasurer and General Counsel of AB&Co.; Vice President and Secretary of each of the Value Line Funds since June 2008.

David T. Henigson	50	Vice President; Vice President of AB&Co.; Vice President, Secretary and Chief Compliance Officer of each of the Value Line Funds and Chief Compliance Officer of the Company until June 2008.
Stephen R. Anastasio	49	Treasurer of the Company and of each of the Value Line Funds since September 2005; Chief Financial Officer from 2003 to September 2005.

WEB SITE ACCESS TO SEC REPORTS

The Company's Internet site address is www.valueline.com. The Company's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to these reports are available free of charge on the "View Recent Value Line Financials" page under the "About Value Line" tab of the Company's Internet site as soon as reasonably practicable after the reports are filed electronically with the Securities and Exchange Commission. All Company filings are also available on the SEC Internet site, www.sec.gov as soon as reasonably practicable after electronic filing.

ITEM 1A. RISK FACTORS

In addition to the risks referred to elsewhere in this Annual Report on Form 10-K, the following risks, among others, sometimes may have affected, and in the future could affect, the Company and its subsidiaries' business, financial condition or results of operations. The risks described below are not the only ones facing the Company and its subsidiaries. Additional risks not discussed or not presently known to the Company or that the Company currently deems insignificant may also impact its business, brand and stock price.

The Company and its subsidiaries are dependent on the efforts of its executives and professional staff.

The Company's future success relies upon its ability to retain and recruit qualified professionals and executives. While the Company has back-up staff for most positions, it is nevertheless possible that the loss of the services of key personnel could have an adverse effect on the Company.

If the Company does not maintain subscription revenue, its operating results could suffer.

A substantial portion of the Company's revenue is generated from print and electronic subscriptions. VLP's trial and full term subscriptions are typically paid in advance by subscribers. Unearned revenues are accounted for on the balance sheet of the Company. The backlog of orders is primarily generated through renewals and new subscription marketing efforts as the Company deems appropriate. Future results will depend on the renewal of existing subscribers and obtaining new subscriptions for the investment publications. The availability of free or low cost information on the Internet could negatively impact demand for VLP's publications or impact its pricing. Licensing agreements are based on market interest in the respective proprietary information. If the sales of the Company's publications or royalties from proprietary information decline, its operating results could suffer.

Failure to protect its intellectual property rights and proprietary information could harm the Company's ability to compete effectively and could negatively affect operating results.

The Company's trademarks and tradename protection are important assets to the Company. Although its trademarks are registered in the United States and in certain foreign countries, the Company may not always be successful in asserting global trademark or tradename protection. In the event that other parties infringe on its intellectual property rights and it is not successful in defending its intellectual property rights, the result may be a dilution in the value of the Company's brands in the marketplace. If the value of its brands becomes diluted, or if competitors introduce brands that cause confusion with its brands in the marketplace, such could adversely affect the value that its customers associate with its brands, and thereby negatively impact its sales. Any infringement of our intellectual property rights would also likely result in a commitment of Company resources to protect these rights through litigation or otherwise. In addition, third parties may assert claims against its intellectual property rights and it may not be able successfully to resolve such claims.

Adverse changes in market and economic conditions could lower demand for the Company's products and services.

The Company provides its products and services to individual investors, financial advisors, and institutional clients. Adverse conditions in the financial and securities markets may have an impact on the Company's investment management revenues, securities income, subscriptions, and licensing services which could cause material changes in the Company's operating results.

The Company's assets under management, which impact revenue, are subject to fluctuations based on market conditions and individual fund performance.

Financial market declines and/or adverse changes in interest rates would generally negatively impact the level of the Company's assets under management and consequently its revenue and net income. Major sources of investment management revenue for the Company (i.e., investment management and service and distribution fees) are calculated as percentages of assets under management. A decline in securities prices or in the sale of investment products or an increase in fund redemptions would reduce fee income. A recession or other economic or political events could also adversely impact the Company's revenue if it led to a decreased demand for products, a higher redemption rate, or a decline in securities prices. Good performance of managed assets relative to both competing products and benchmark indices generally assists retention and growth of assets, resulting in additional revenues. Conversely, poor performance of managed assets relative to both competing products and benchmark indices tends to result in decreased sales and increased redemptions with corresponding decreases in revenues to the Company. Poor performance could, therefore, have an adverse effect on the Company's business and results of operations.

The Company derives almost all of its investment management fees from the Value Line Funds.

The Company is dependent upon management contracts and service and distribution contracts with the Value Line Funds under which these fees are paid. As required in the mutual fund industry, the Board of Directors of the Value Line Funds, a majority of whom are independent of the Company, may elect to terminate such contracts. If any of these contracts are terminated, not renewed, or amended to reduce fees, the Company's financial results may be adversely affected.

The Company is in the highly competitive fields of publishing and investment management.

The Company competes with a large number of domestic and foreign investment management firms, broker-dealers and investment publishing firms offering competing products and services. Many of its competitors have greater resources and assets under management. The absence of significant barriers to entry by new investment management firms in the mutual fund industry increases competitive pressure. Entry barriers in publishing investment periodicals have been reduced by the minimal cost structure of the Internet and other technologies. Competition is based on various factors, including business reputation, investment performance, quality of service, marketing, distribution services offered, the range of products offered and fees charged. Since the Company is smaller than other companies in some of its product segments, adverse business developments may have an impact on the Company's operating

results.

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Government regulations, any changes to government regulations, and regulatory proceedings and litigation may adversely impact the business of the Company.

Changes in legal, regulatory, accounting, tax and compliance requirements could have an effect on the Company's operations and results, including but not limited to increased expenses and restraints on marketing certain funds and other investment products offered by the Company. EULAV Asset Management, LLC is registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. The Investment Advisers Act imposes numerous obligations on registered investment advisers, including fiduciary, record keeping, operational and disclosure obligations. VLS is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority, also known as "FINRA". Each Value Line Fund is a registered investment company under the Investment Company Act of 1940. This Act requires numerous compliance measures, which must be observed, and involves regulation by the Securities and Exchange Commission. Each fund and its shareholders may face adverse tax consequences if the Value Line Funds are unable to maintain qualification as registered investment companies under the Internal Revenue Code of 1986, as amended. Those laws and regulations generally grant broad administrative powers to regulatory agencies and bodies such as the Securities and Exchange Commission and FINRA. If these agencies and bodies believe that the Company and its subsidiaries or the Value Line Funds have failed to comply with their laws and regulations, these agencies and bodies have the power to impose sanctions. The Company and the Value Line Funds, like other companies, can also face lawsuits by private parties. The Company, along with its directors and officers, have been sued from time to time. Regulatory proceedings and lawsuits are subject to uncertainties, and the outcomes are difficult to predict. Changes in laws, regulations or governmental policies, and the costs associated with compliance, could adversely affect the business and operations of the Company and the Value Line Funds. An adverse resolution of any regulatory proceeding or lawsuit against the Company, its directors, officers, or its subsidiaries could result in substantial costs or reputational harm to the Company and its subsidiaries or to the Value Line Funds and have an adverse effect on the business and operations of the Company or the Value Line Funds. As noted under "Legal Proceedings," the Company and its broker-dealer subsidiary are currently being investigated by the SEC. As part of any settlement with or action by the SEC, the Company could be required to make disgorgement or pay penalties. It is also possible that under certain circumstances, either the Company's regulated subsidiaries or executives or others associated with the Company or its subsidiaries could face suspension, bar or loss of license. Any of these events could have an adverse impact on the Company and its business.

Terrorist attacks could adversely affect the Company.

A terrorist attack, including biological or chemical weapons attacks, and the response to such terrorist attacks, could have a significant impact on the New York City area, the local economy, the United States economy, the global economy, and U.S. and/or global financial markets and could also have a material adverse effect on the Company's business.

Item 1B. UNRESOLVED STAFF COMMENTS.

None.

Item 2. PROPERTIES.

The Company leases approximately 64,000 square feet of office space at 220 East 42nd Street in New York. The lease expires May 2013. In addition to the New York, NY office space, the Company owns a warehouse facility with approximately 85,000 square feet in New Jersey. The facility primarily serves the distribution operations for the various Company publications and the fulfillment operations of CPWR for the publications and serves as a disaster recovery site for the Company. The Company believes the capacity of these facilities is sufficient to meet the Company's current and expected future requirements.

Item 3. LEGAL PROCEEDINGS.

By letter dated June 15, 2005, the staff of the Northeast Regional Office of the Securities and Exchange Commission (“SEC”) informed the Company that it was conducting an informal inquiry primarily regarding the execution of portfolio transactions by VLS for the Value Line Funds. The Company has supplied numerous documents to the SEC in response to its requests and various employees and former employees of the Company have provided testimony to the SEC. On May 8, 2008 the SEC issued a formal order of private investigation regarding whether VLS’ brokerage charges and related expense reimbursements during periods prior to 2005 were excessive and whether adequate disclosure was made to the SEC and the boards of directors and shareholders of the Value Line Funds. Thereafter, two senior officers of the Company asserted their constitutional privilege not to provide testimony. Management believes that the SEC is nearing completion of its investigation and the Company will seek to settle this matter with the SEC. Management cannot determine the effect that the investigation will have on the Company’s financial statements although it believes that any settlement is likely to be material.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

No matters were submitted to a vote of the shareholders during the fourth quarter of the fiscal year ended April 30, 2008.

Part II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

The Registrant's Common Stock is traded on the NASDAQ Global MarketSM under the symbol “VALU”. The approximate number of record holders of the Registrant's Common Stock at April 30, 2008 was 59. As of June 30, 2008, the closing stock price was \$33.25.

The reported high and low prices and the dividends paid on these shares during the past two fiscal years were as follows:

Quarter Ended	High	Low	Dividend Declared Per Share
April 30, 2008	\$ 46.92	\$ 41.50	\$.30
January 31, 2008	\$ 41.40	\$ 31.10	\$.30
October 31, 2007	\$ 52.74	\$ 43.70	\$.30
July 31, 2007	\$ 56.00	\$ 42.69	\$.30
April 30, 2007	\$ 50.00	\$ 44.93	\$.30
January 31, 2007	\$ 48.32	\$ 44.37	\$.30
October 31, 2006	\$ 54.56	\$ 44.02	\$.30
July 31, 2006	\$ 45.82	\$ 38.83	\$.25

As of the date of this Annual Report on Form 10-K, there were no securities of the Company authorized for issuance under equity compensation plans. The Company did not sell any unregistered shares of common stock during Fiscal 2008.

There were no purchases of the Company's equity securities by the Company or any affiliated purchaser during the fiscal quarter ended April 30, 2008.

Item 6. SELECTED FINANCIAL DATA.

Earnings per share for each of the fiscal years shown below are based on the weighted average number of shares outstanding.

	Years ended April 30,				
	2008	2007	2006	2005	2004
	(in thousands, except per share amounts)				
Revenues:					
Investment periodicals and related publications	\$ 42,791	\$ 45,619	\$ 47,703	\$ 50,172	\$ 51,360
Licensing Fees	\$ 7,066	\$ 6,861	\$ 5,016	\$ 2,541	\$ 1,137
Investment management fees and services	\$ 32,821	\$ 31,155	\$ 32,467	\$ 31,765	\$ 32,773
Total revenues	\$ 82,678	\$ 83,635	\$ 85,186	\$ 84,478	\$ 85,270
Income from operations	\$ 34,450	\$ 35,636	\$ 35,180	\$ 27,084	\$ 24,739
Net income	\$ 25,550	\$ 24,607	\$ 23,439	\$ 21,318	\$ 20,350
Earnings per share, basic and fully diluted	\$ 2.56	\$ 2.47	\$ 2.35	\$ 2.14	\$ 2.04
Total assets	\$ 137,953	\$ 128,963	\$ 119,214	\$ 98,865	\$ 266,924
Cash dividends declared per share	\$ 1.20	\$ 1.15	\$ 1.00	\$ 1.00	\$ 18.50

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help a reader understand Value Line, its operations and business factors. The MD&A should be read in conjunction with Item 1, Business, and in conjunction with the consolidated financial statements and the accompanying notes contained in Item 8 of this report.

The MD&A includes the following subsections:

Executive Summary of the Business
Results of Operations
Liquidity and Capital Resources
Critical Accounting Estimates and Policies

Executive Summary of the Business

The Company's primary businesses are producing investment related periodical publications and data, licensing certain Value Line trademarks and Value Line proprietary ranking system information to third parties for use in selecting securities for third party marketed products, such as unit investment trusts, closed-end fund products and exchange traded funds, and providing investment management services to the Value Line Funds and other managed accounts.

The Company's target audiences within the investment related periodical publications field are individual investors, colleges, libraries, and investment management professionals. Individuals come to Value Line for complete research in one package. Institutional subscribers, such as libraries and universities, offer the Company's detailed research to their patrons and students. Investment management professionals use the research and historical information in their day to day business.

Depending upon the product, the Company offers three months or less, annual, or multi-year subscriptions. Generally, all subscriptions are paid for in advance of fulfillment. Renewal orders are solicited primarily through a series of renewal efforts that include letters, email, and telesales efforts. New orders are generated primarily from targeted direct mail campaigns for specific products. Other sales channels used by the Company include advertising in media publications, the Internet, cross selling via telesales efforts and Internet promotions through third parties.

Institutional subscribers consist of investment management companies, colleges, and libraries. The Company has a dedicated department that solicits institutional subscriptions. Fees for institutional services are based on university or college enrollment and number of users.

Cash received for retail and institutional orders is recorded as unearned revenues until the order is fulfilled. As the subscriptions are fulfilled, the Company recognizes revenue in equal installments over the life of the particular subscription. Subscription revenues are recognized on a straight line basis over the life of the subscription. Accordingly, the amount of subscription fees to be earned by fulfilling subscriptions after the date of the balance sheet is shown as unearned revenue within current and long-term liabilities. Changes in unearned revenue generally indicate the trend for subscription revenues over the following year as the current portion of deferred revenue is expected to be recognized as revenue within 12 months.

The Company's businesses consolidate into two business segments. The investment related periodical publications (retail and institutional) and licensing of trademarks and proprietary ranking system information consolidate into one segment entitled Investment Periodicals, Publications and Licensing. The second segment consolidates the investment

management services to the Value Line Funds and other managed accounts into a business segment entitled Investment Management.

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Results of Operations

The following table illustrates the key earnings figures for each of the past three years ended April 30, 2008, 2007, and 2006.

Year Ended April 30, (in thousands, except earnings per share)	2008		2007		2006		Percentage Change	
							08 vs 07	07 vs 06
Earnings Per Share	\$	2.56	\$	2.47	\$	2.35	3.6%	5.1%
Net Income	\$	25,550	\$	24,607	\$	23,439	3.8%	5.0%
Operating Income	\$	34,450	\$	35,636	\$	35,180	-3.3%	1.3%
Income from Securities transactions, net	\$	6,294	\$	4,867	\$	3,869	29.3%	25.8%

Operating revenues

Year Ended April 30, Operating revenues and % of total by year (in thousands)	2008		2007		2006		Percentage Change	
	\$	%	\$	%	\$	%	08 vs 07	07 vs 06
Investment periodicals and related publications	\$ 42,791	51.8%	\$ 45,619	54.5%	\$ 47,703	56.0%	-6.2%	-4.4%
Licensing Fees	\$ 7,066	8.5%	\$ 6,861	8.2%	\$ 5,016	5.9%	3.0%	36.8%
Investment management fees and related services	\$ 32,821	39.7%	\$ 31,155	37.3%	\$ 32,467	38.1%	5.3%	-4.0%
Total Operating Revenues	\$ 82,678		\$ 83,635		\$ 85,186		-1%	-1.8%

Investment periodicals and related publications revenues

The investment periodicals and related publications revenues were down \$2,828,000 or 6% for the twelve months ended April 30, 2008 as compared to the twelve months ended April 30, 2007. As a percentage of total operating revenues, investment periodicals and related publications revenues have decreased from 56% at the end of fiscal year 2006 to 52% at the end of fiscal year 2008. While the Company continues to attract new subscribers through various marketing channels, primarily direct mail and the Internet, total product line circulation continues to decline. Factors that have contributed to the decline in the investment periodicals and related publications revenues include the increasing amount of competition in the form of free and lower cost investment research on the Internet and research provided by brokerage firms at no cost to their clients.

Within investment periodicals and related publications are subscription revenues to print and electronic products.

Year Ended April 30, (in thousands)	2008		2007		2006		Percentage Change	
	\$		\$		\$		08 vs 07	07 vs 06
Print publication revenues	\$	30,660	\$	34,090	\$	36,756	-10.1%	-7.3%
Electronic publication revenues *	\$	12,131	\$	11,529	\$	10,947	5.2%	5.3%
Total Investment periodicals and related publications revenue	\$	42,791	\$	45,619	\$	47,703	-6.2%	-4.4%
Unearned Revenues (Short and Long Term)	\$	32,530	\$	34,500	\$	37,500	-5.7%	-8.0%

* Institutional Sales increased while Retail business decreased.

Value Line's electronic publications revenues derive 47% from institutional accounts and 53% from retail subscribers. For the twelve months ended April 30, 2008, institutional revenues increased \$1,092,000 or 23%, while revenues from retail subscribers were down \$490,000 or 7% as compared to the twelve months ended April 30, 2007. The decrease in electronic retail publications revenues is primarily attributable to the decrease in circulation within the Company's software products. Circulation of *The Value Line Investment Analyzer* decreased 11%, which resulted in a \$527,000 decline in revenues from this product, partially offset by an increase in the circulation and revenues from online subscriptions to *The Value Line Investment Survey*. For the year ended April 30, 2008 print publication revenues decreased \$3,430,000 or 10% below last fiscal year as a result of the decrease in advertising and increased competition in the form of free and paid investment research.

Licensing revenues

Licensing revenues have grown \$205,000, \$1,845,000 and \$2,475,000, respectively, each of the last three years ended April 30, 2008, 2007 and 2006. As of April 30, 2008, total third party sponsored assets attributable to the licensing business represent \$6.3 billion in various products. The recent credit crisis, corporate action by certain closed-end fund shareholders, and a broad market decline has impacted overall assets attributable to the licensing business revenues. However, total assets are relatively unchanged from the previous year end due to the ability of third parties to raise assets to offset the market erosion on their products. In fiscal year 2008 the company signed one new sponsor, which has significant distribution capabilities in the UIT market place. The new sponsor has tested several product related portfolio strategies and we believe will launch an ETF Unit Investment Trust in July 2008. The Company believes the growth of the business is dependent upon the desire of third party marketers to use the Value Line trademarks and proprietary research for their products, signing new licensing agreements, and the marketplace's acceptance of new products. As stated in the past, Value Line believes it was an early entrant into this new market six years ago. Today this market has significantly broadened as a result of product diversification and growth of Index utilization by portfolio managers. Simultaneously, the Company and its third party sponsors face greater competition in the marketplace from Index providers.

Investment management fees and distribution services revenues

The investment management fees and distribution services revenues were up \$1,666,000 or 5% for the twelve months ended April 30, 2008 as compared to the twelve months ended April 30, 2007 after being down \$1,312,000 or 4% for the year ended April 30, 2007 compared to year ended April 30, 2006. During the period, voluntary and contractual fee waivers exist for certain of the Value Line Funds. For the twelve months ended April 30, 2008, 2007, and 2006, 12b-1 fee waivers were \$3,774,000, \$3,127,000, and \$282,000. For the twelve months ended April 30, 2008, 2007, and 2006, total management fee waivers were \$226,000, \$250,000, and \$40,000. The Company and its subsidiary, VLS, have no right to recoup the previously waived amounts of management fees and 12b-1 fees.

The table below illustrates the total fund assets for the twelve months ended April 30, 2008 as compared to the previous two fiscal years. The second table shows the two channels through which the equity funds are available. Shares of Value Line Strategic Asset Management Trust ("SAM") and Value Line Centurion Fund are available to the public only through the purchase of certain variable annuity and variable life insurance contracts issued by The Guardian Insurance & Annuity Company, Inc. ("GIAC").

Year Ended April 30, (in thousands)	2008	2007	2006	Percentage Change	
				08 vs 07	07 vs 06
Equity funds	\$ 3,307,879	\$ 3,284,560	\$ 3,290,291	0.7%	-0.2%
Fixed income funds	\$ 266,172	\$ 291,586	\$ 314,022	-8.7%	-7.1%
Money Market funds	\$ 219,499	\$ 177,788	\$ 166,142	23.5%	7.0%
Total net assets	\$ 3,793,550	\$ 3,753,934	\$ 3,770,455	1.1%	-0.4%
Equity fund assets sold through GIAC	\$ 808,055	\$ 924,231	\$ 1,055,069	-12.6%	-12.4%

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Equity fund assets sold through VLS	\$	2,499,824	\$	2,360,329	\$	2,235,222	5.9%	5.6%
Total Equity fund net assets	\$	3,307,879	\$	3,284,560	\$	3,290,291	0.7%	-0.2%

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The Company believes that the 5.9% growth in equity fund assets for the twelve months of fiscal 2008 and 5.6% growth in equity fund assets for fiscal 2007 excluding SAM and Centurion Funds sold through GIAC, has been in large part due to the good performance for certain Value Line Funds at various intervals in terms of short, mid and long-term returns. As of April 30, 2008, 80% of the equity funds, excluding SAM and Centurion, had four or five-star ratings by Morningstar, Inc.[®] similar to fiscal 2007. The largest distribution channel for the Value Line Funds remains the fund supermarket platforms including, but not limited to, Charles Schwab & Co., Inc., TD Ameritrade, Inc., and National City Bank.

The Company's fixed income fund assets, representing 7% of total fund assets at April 30, 2008, are down 8.7% from the previous year end. The decline in fixed income assets reflects the challenge of competing against equity funds and other larger fixed income families in a low interest rate environment. The cash fund assets, representing 6% of the total fund assets at April 30, 2008, have increased 23% from the previous year end.. The increase is due primarily to additional cash fund purchases by the Parent company in the fourth quarter. The Parent has made no representations to Value Line as to how long the cash will remain in the Value Line Cash Fund.

Expenses

Advertising and promotion

Year Ended April 30, (in thousands)	2008	2007	2006	Percentage Change	
				08 vs 07	07 vs 06
Advertising and promotion	\$ 13,863	\$ 14,628	\$ 13,671	-5.2%	7.0%

Advertising and promotion expenses for the twelve months ended April 30, 2008 decreased \$765,000 as compared to the twelve months ended April 30, 2007. Costs associated with direct mail decreased \$1,507,000 or 30% below last fiscal year, due to a targeted reduction in the overall number of pieces mailed year to year. Promotion expense for the twelve months ended April 30, 2008 declined by \$381,000 as a result of the reversal of deferred advertising charges related to the SAM and Centurion Funds. Expenditures for print media promoting the Value Line Funds in select markets increased by \$424,000 for the twelve months ended April 30, 2008. The major increase of \$1,084,000 is due to fees paid to third party intermediaries (supermarkets), such as, Charles Schwab & Co., Inc. to market the Value Line Funds. This expense will fluctuate based on assets invested in the Value Line Funds by clients of the mutual fund supermarkets, and the change in market value of such assets. The Company anticipates third party intermediary expenses will continue to increase as more shareholders come into the Value Line Funds through intermediaries rather than by opening direct accounts.

Salary and employee benefits

Year Ended April 30, (in thousands)	2008	2007	2006	Percentage Change	
				08 vs 07	07 vs 06
Salaries and employee benefits	\$ 18,594	\$ 18,409	\$ 19,025	1.0%	-3.2%

Over the past several years, the Company has increased productivity by combining the roles and responsibilities and by selective outsourcing. Some duplication of effort has been eliminated and certain tasks, such as some data entry, have been outsourced to third party vendors that the Company believes can provide better controls and results at a favorable cost. As of April 30, 2008 the Company employed 204 employees as compared to 206 employees at year-end April 30, 2007, and 228 at year-end April 30, 2006.

Production and distribution

Year Ended April 30, (in thousands)	2008	2007	2006	Percentage Change	
				08 vs 07	07 vs 06
Production and distribution	\$ 6,251	\$ 6,981	\$ 7,073	-10.5%	-1.3%

Production and distribution expenses for the twelve months ended April 30, 2008 were \$730,000 below expenses for the twelve months ended April 30, 2007 and production and distribution expenses for the fiscal year ended April 30, 2007 were \$92,000 below expenses for fiscal year ended 2006. Amortized software costs decreased \$403,000 below last fiscal year due to a decrease in expenditures for capitalized projects. In addition, the decline in expenses was due to volume reductions in paper, printing and mailing that resulted primarily from a decrease in circulation of the print products. Partially offsetting the savings during fiscal 2008 was an approximate 8% increase in the cost of paper mid fiscal year and an increase in postage rates. The Company anticipates paper prices will increase over the upcoming fiscal year as raw material prices increase.

Office and administration

Year Ended April 30, (in thousands)	2008	2007	2006	Percentage Change	
				08 vs 07	07 vs 06
Office and administration	\$ 9,520	\$ 7,981	\$ 10,237	19.3	