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VALUE LINE FUND INC
Form N-30D
August 20, 2002

SEMI-ANNUAL REPORT

JUNE 30, 2002

THE VALUE LINE
FUND, INC.

[LOGO]
VALUE LINE
NO-LOAD MUTUAL FUNDS

| | |
|--------------------------------|---|
| INVESTMENT ADVISER | Value Line, Inc. 220 East 42nd Street New York, NY 10017-5891 |
| DISTRIBUTOR | Value Line Securities, Inc. 220 East 42nd Street New York, NY 10017-5891 |
| CUSTODIAN BANK | State Street Bank and Trust Co. 225 Franklin Street Boston, MA 02110 |
| SHAREHOLDER SERVICING AGENT | State Street Bank and Trust Co. c/o NFDS P.O. Box 219729 Kansas City, MO 64121-9729 |
| INDEPENDENT ACCOUNTANTS | PricewaterhouseCoopers LLP 1177 Avenue of the Americas New York, NY 10036 |
| LEGAL COUNSEL | Peter D. Lowenstein, Esq. Two Sound View Drive, Suite 100 Greenwich, CT 06830 |
| DIRECTORS | Jean Bernhard Buttner John W. Chandler Frances T. Newton Francis C. Oakley David H. Porter Paul Craig Roberts Marion N. Ruth Nancy-Beth Sheerr |
| OFFICERS | Jean Bernhard Buttner CHAIRMAN AND PRESIDENT Alan N. Hoffman VICE PRESIDENT Philip J. Orlando VICE PRESIDENT |

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Stephen E. Grant
VICE PRESIDENT
David T. Henigson
VICE PRESIDENT AND
SECRETARY/TREASURER
Joseph Van Dyke
ASSISTANT SECRETARY/TREASURER
Stephen La Rosa
ASSISTANT SECRETARY/TREASURER

THE FINANCIAL STATEMENTS INCLUDED HEREIN HAVE BEEN TAKEN FROM THE RECORDS OF THE FUND WITHOUT EXAMINATION BY THE INDEPENDENT ACCOUNTANTS AND, ACCORDINGLY, THEY DO NOT EXPRESS AN OPINION THEREON.

THIS UNAUDITED REPORT IS ISSUED FOR INFORMATION OF SHAREHOLDERS. IT IS NOT AUTHORIZED FOR DISTRIBUTION TO PROSPECTIVE INVESTORS UNLESS PRECEDED OR ACCOMPANIED BY A CURRENTLY EFFECTIVE PROSPECTUS OF THE FUND (OBTAINABLE FROM THE DISTRIBUTOR).

#522854

THE VALUE LINE FUND, INC.

TO OUR VALUE LINE

TO OUR SHAREHOLDERS:

Despite the difficult environment for equity investment during the first six months of 2002 -- especially for investment in large-capitalization growth stocks -- we are pleased that your Fund narrowly surpassed the first-half return of the benchmark Standard & Poor's 500 Index (including reinvested dividends). The actual results are as follows:

| | VALUE LINE FUND | S&P (1) 500 |
|------------------------|--------------------|----------------|
| First half, 2002 | -12.87% | -13.16% |

The market we've encountered over the past several months has been shaped by an extremely negative psychological overhang, brought about by the unrelenting juggernaut of unfolding headlines. When the force of the Enron/Andersen imbroglio began to fade, Tyco International and its chairman were there to draw the attention. Other big companies, like General Electric and IBM, also fell under suspicion. Global Crossing joined the parade a little later, and then we got the news about WorldCom. In other words, the run of corporate malfeasance disclosures has thoroughly dispirited the marketplace, and enthusiasm is so difficult to jump-start because investors are terrified that there might be more shockers waiting in the wings.

This negative psychology is truly a shame, because the U.S. economy has shown some real recovery from levels almost everyone thought were the makings of a protracted recession. In terms of GDP growth, manufacturing, productivity, and several other segments of the economy, significant progress has been made over the first half of the year. (For more detailed information about our view of the economy, please read our "Economic Observations" nearby.)

The consumer has been the mainstay of the recent economy, and that's where we have been getting our best relative returns. Retail spending has remained vibrant, and we've had good returns from both general merchandise stores and some of the big-box specialty stores. Also, the weak stock market has prompted

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money to flow into the nation's housing stock, which is benefiting both the building supply sector and the large, nationwide homebuilders.

The market's travails over the past several months make forecasting its future course difficult, but let's try it. Let us assume that we've seen the end of the big corporate blowups, and that is definitely an assumption. As these situations filter out of the market's collective memory into the fall, investment fundamentals will again capture investors' attentions, especially because earnings comparisons should improve as we anniversary some weak results back in 2001. Under that scenario, stocks could begin trading higher later this year, and with interest rates low and inflation under control, it's entirely possible that 2003 could be a good one for investors.

We thank you for your continued confidence in Value Line, and we look forward to a more upbeat report on the second half of the year.

Sincerely,

/s/ Jean Bernhard Buttner

Jean Bernhard Buttner
CHAIRMAN AND PRESIDENT

August 5, 2002

(1) THE STANDARD & POOR'S 500 INDEX CONSISTS OF 500 STOCKS WHICH ARE TRADED ON THE NEW YORK STOCK EXCHANGE, AMERICAN STOCK EXCHANGE AND THE NASDAQ NATIONAL MARKET SYSTEM AND IS REPRESENTATIVE OF THE BROAD STOCK MARKET. THIS IS AN UNMANAGED INDEX AND DOES NOT REFLECT CHARGES, EXPENSES OR TAXES, AND IT IS NOT POSSIBLE TO DIRECTLY INVEST IN THIS INDEX.

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THE VALUE LINE FUND, INC.

FUND SHAREHOLDERS

ECONOMIC OBSERVATIONS

The U.S. economic recovery, which accelerated markedly earlier this year, has now moved back onto a slower, but, we believe, ultimately sustainable upward path. Our cautious optimism on the business outlook reflects the ongoing strength in such key sectors as housing and retailing, and the gradual emergence of the industrial sector from its deep slump. Also contributing to the likely sustained business expansion are continued low interest rates. The Federal Reserve, which put into effect a succession of interest rate cuts last year, now appears in no hurry to lift borrowing costs, even though economic activity is firming up. Overall, we expect the economy to expand by some 3% in the second half of this year and to then proceed at a similar pace in 2003. Our expectations assume that oil supplies will remain high enough, notwithstanding the continuing turmoil in the Middle East, and that equity prices will stabilize sufficiently so that consumers do not rein in their spending to any significant degree.

Inflation, meantime, remains muted, thanks, in part, to continued stable labor costs. Adequate supplies of raw materials are also helping to keep the costs of

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production low. We caution, though, that as the economy moves further along the recovery road over the next year or two, some modest increases in pricing pressures may evolve. Absent a more vigorous business recovery than we now expect, or a prolonged rise in oil prices, inflation should remain on the modest side through 2003, and perhaps beyond.

Finally, the Federal Reserve, which, as noted, had been aggressive in reducing interest rates in order to promote stronger economic activity, has completed its extended rate reduction cycle. We believe the Fed will now keep interest rates at current levels until well into 2003.

PERFORMANCE DATA:**

| | AVERAGE ANNUAL TOTAL RETURN | GROWTH OF AN ASSUMED INVESTMENT OF \$10,000 |
|------------------------------|--------------------------------|--|
| | ----- | ----- |
| 1 year ended 6/30/02 | -18.35% | \$ 8,165 |
| 5 years ended 6/30/02 | +1.28% | \$10,656 |
| 10 years ended 6/30/02 | +8.87% | \$23,382 |

** THE PERFORMANCE DATA QUOTED REPRESENT PAST PERFORMANCE AND ARE NO GUARANTEE OF FUTURE PERFORMANCE. THE AVERAGE ANNUAL TOTAL RETURNS AND GROWTH OF AN ASSUMED INVESTMENT OF \$10,000 INCLUDE DIVIDENDS REINVESTED AND CAPITAL GAINS DISTRIBUTIONS ACCEPTED IN SHARES. THE INVESTMENT RETURN AND PRINCIPAL VALUE OF AN INVESTMENT WILL FLUCTUATE SO THAT AN INVESTMENT, WHEN REDEEMED, MAY BE WORTH MORE OR LESS THAN ITS ORIGINAL COST.

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THE VALUE LINE FUND, INC.

PORTFOLIO HIGHLIGHTS AT JUNE 30, 2002 (UNAUDITED)

TEN LARGEST HOLDINGS

| ISSUE | SHARES | VALUE (IN THOUSANDS) | PERCENTAGE OF NET ASSETS |
|-----------------------------|---------|-------------------------|-----------------------------|
| | | ----- | ----- |
| Bed Bath & Beyond Inc. | 250,000 | \$9,435 | 3.7% |
| Fifth Third Bancorp | 135,000 | 8,998 | 3.5 |
| HCA, Inc. | 180,000 | 8,550 | 3.4 |
| Kohl's Corp. | 120,000 | 8,409 | 3.3 |
| Harley-Davidson, Inc. | 150,000 | 7,690 | 3.0 |
| Citigroup, Inc. | 150,000 | 5,813 | 2.3 |
| Lowe's Companies, Inc. | 120,000 | 5,448 | 2.1 |
| State Street Corp. | 120,000 | 5,364 | 2.1 |
| Pfizer, Inc. | 150,000 | 5,250 | 2.1 |
| Amgen Inc. | 125,000 | 5,235 | 2.1 |

FIVE LARGEST INDUSTRY CATEGORIES

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| INDUSTRY | VALUE (IN THOUSANDS) | PERCENTAGE OF NET ASSETS |
|--|-------------------------|-----------------------------|
| Financial Services - Diversified | \$25,231 | 10.0% |
| Medical Services | 23,518 | 9.3 |
| Retail Store | 18,149 | 7.1 |
| Retail - Special Lines | 17,561 | 6.9 |
| Computer Software & Services | 16,024 | 6.3 |

FIVE LARGEST NET SECURITY PURCHASES*

| ISSUE | COST (IN THOUSANDS) |
|------------------------------|------------------------|
| Whirlpool Corp. | \$2,691 |
| Electronic Arts Inc. | 2,411 |
| Polycom, Inc. | 2,361 |
| Ann Taylor Stores Corp. | 2,346 |
| Best Buy Co., Inc. | 2,345 |

FIVE LARGEST NET SECURITY SALES*

| ISSUE | PROCEEDS (IN THOUSANDS) |
|--|----------------------------|
| International Business Machines Corp. | \$5,558 |
| AOL Time Warner, Inc. | 4,388 |
| American International Group, Inc. | 3,579 |
| Omnicom Group, Inc. | 3,532 |
| Kohl's Corp. | 3,300 |

* FOR THE SIX MONTH PERIOD ENDED 6/30/02

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THE VALUE LINE FUND, INC.

SCHEDULE OF INVESTMENTS (UNAUDITED) JUNE 30, 2002

| SHARES | VALUE (IN THOUSANDS) |
|----------------------------------|-------------------------|
| COMMON STOCKS (97.2%) | |
| ADVERTISING (2.0%) | |
| 110,000 Omnicom Group, Inc. | \$ 5,038 |
| AEROSPACE/DEFENSE (2.9%) | |

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| | | |
|---------|--|----------------|
| 35,000 | General Dynamics Corp. | 3,722 |
| 28,100 | L-3 Communications Holdings, Inc.* | 1,517 |
| 50,000 | Raytheon Co. | 2,038 |
| | | ----- |
| | | 7,277 |
| | BANK (4.4%) | |
| 45,800 | BB&T Corp. | 1,768 |
| 120,000 | State Street Corp. | 5,364 |
| 75,000 | Zions Bancorporation | 3,907 |
| | | ----- |
| | | 11,039 |
| | BANK -- MIDWEST (4.7%) | |
| 135,000 | Fifth Third Bancorp | 8,998 |
| 120,000 | U.S. Bancorp | 2,802 |
| | | ----- |
| | | 11,800 |
| | BEVERAGE -- SOFT DRINK (0.9%) | |
| 45,000 | PepsiCo, Inc. | 2,169 |
| | BIOTECHNOLOGY (2.9%) | |
| 125,000 | Amgen Inc.* | 5,235 |
| 90,000 | Immunex Corp.* | 2,011 |
| | | ----- |
| | | 7,246 |
| | CHEMICAL -- SPECIALTY (1.4%) | |
| 110,000 | International Flavors & Fragrances, Inc. | 3,574 |
| | COMPUTER & PERIPHERALS (1.1%) | |
| 100,000 | Adaptec, Inc.* | 789 |
| 80,000 | Dell Computer Corp.* | 2,091 |
| | | ----- |
| | | 2,880 |
| | | VALUE |
| SHARES | | (IN THOUSANDS) |
| | ----- | |
| | COMPUTER SOFTWARE & SERVICES (6.3%) | |
| 75,000 | Adobe Systems, Inc. | \$ 2,138 |
| 112,500 | Fiserv, Inc.* | 4,130 |
| 70,000 | Microsoft Corp.* | 3,829 |
| 160,000 | Network Associates, Inc.* | 3,083 |
| 60,000 | Paychex, Inc. | 1,877 |
| 65,000 | Peoplesoft, Inc.* | 967 |
| | | ----- |
| | | 16,024 |
| | DRUG (3.2%) | |
| 51,800 | Biovail Corp.* | 1,500 |
| 55,000 | MedImmune, Inc.* | 1,452 |
| 150,000 | Pfizer, Inc. | 5,250 |
| | | ----- |
| | | 8,202 |
| | EDUCATIONAL SERVICES (1.2%) | |
| 73,800 | Education Management Corp.* | 3,006 |
| | ELECTRICAL | |

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| | | |
|---------|---|--------|
| 150,000 | EQUIPMENT (1.7%) General Electric Co. | 4,358 |
| | ENTERTAINMENT | |
| 40,000 | TECHNOLOGY (1.0%) Electronic Arts Inc.* | 2,642 |
| | FINANCIAL SERVICES -- | |
| 75,000 | DIVERSIFIED (10.0%) American International Group, Inc. | 5,117 |
| 40,000 | Capital One Financial Corp. | 2,442 |
| 150,000 | Citigroup, Inc. | 5,813 |
| 40,000 | Federal Home Loan Mortgage Corp. | 2,448 |
| 35,000 | Federal National Mortgage Association | 2,581 |
| 40,000 | Hartford Financial Services Group, Inc. (The) | 2,379 |
| 35,000 | Household International, Inc. | 1,739 |
| 40,000 | MGIC Investment Corp. | 2,712 |
| | | ----- |
| | | 25,231 |

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THE VALUE LINE FUND, INC.

SCHEDULE OF INVESTMENTS (UNAUDITED)

| SHARES | | VALUE (IN THOUSANDS) |
|---------|--|-------------------------|
| 130,000 | FOOD WHOLESALERS (1.2%) Supervalu, Inc. | \$ 3,189 |
| 15,491 | FURNITURE/HOME FURNISHINGS (0.4%) Mohawk Industries, Inc.* | 953 |
| 115,000 | GROCERY (1.3%) Safeway Inc.* | 3,357 |
| 40,000 | HOME APPLIANCE (1.0%) Whirlpool Corp. | 2,614 |
| 80,000 | HOMEBUILDING (1.6%) KB Home | 4,121 |
| 45,000 | HOUSEHOLD PRODUCTS (0.9%) Colgate-Palmolive Co. | 2,252 |
| 90,000 | INSURANCE -- LIFE (0.9%) UnumProvident Corp. | 2,291 |
| 180,000 | MEDICAL SERVICES (9.3%) HCA, Inc. | 8,550 |

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| | | |
|---------|--|----------------|
| 100,000 | Healthsouth Corp.* | 1,279 |
| 70,600 | Laboratory Corp. of America Holdings* | 3,223 |
| 85,000 | Oxford Health Plans, Inc.* | 3,949 |
| 50,000 | Tenet Healthcare Corp.* | 3,577 |
| 60,000 | Universal Health Services, Inc.* | 2,940 |
| | | ----- |
| | | 23,518 |
| | MEDICAL SUPPLIES (6.1%) | |
| 93,000 | Biomet, Inc. | 2,522 |
| 41,250 | Cardinal Health, Inc. | 2,533 |
| 70,500 | Fisher Scientific International, Inc.* | 1,974 |
| 80,000 | Johnson & Johnson | 4,181 |
| 100,000 | Medtronic, Inc. | 4,285 |
| | | ----- |
| | | 15,495 |
| | | |
| | | VALUE |
| SHARES | | (IN THOUSANDS) |
| | | ----- |
| | OFFICE EQUIPMENT & SUPPLIES (1.0%) | |
| 125,000 | Staples, Inc.* | \$ 2,463 |
| | OILFIELD SERVICES/ EQUIPMENT (2.3%) | |
| 90,000 | BJ Services Co.* | 3,049 |
| 75,000 | Noble Corporation* | 2,895 |
| | | ----- |
| | | 5,944 |
| | RAILROAD (0.7%) | |
| 75,000 | Norfolk Southern Corp. | 1,754 |
| | RECREATION (3.9%) | |
| 150,000 | Harley-Davidson, Inc. | 7,690 |
| 100,000 | Mattel, Inc. | 2,108 |
| | | ----- |
| | | 9,798 |
| | RESTAURANT (1.0%) | |
| 75,000 | Cheesecake Factory, Incorporated (The)* | 2,661 |
| | RETAIL BUILDING SUPPLY (3.2%) | |
| 75,000 | Home Depot, Inc. (The) | 2,755 |
| 120,000 | Lowe's Companies, Inc. | 5,448 |
| | | ----- |
| | | 8,203 |
| | RETAIL -- SPECIAL LINES (6.9%) | |
| 125,000 | Abercrombie & Fitch Co. Class "A"* | 3,015 |
| 60,000 | American Eagle Outfitters, Inc.* | 1,268 |
| 82,500 | AnnTaylor Stores Corp.* | 2,095 |
| 250,000 | Bed Bath & Beyond Inc.* | 9,435 |
| 45,000 | Best Buy Co., Inc.* | 1,633 |
| 3,500 | Linens 'n Things, Inc.* | 115 |
| | | ----- |
| | | 17,561 |

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THE VALUE LINE FUND, INC.

JUNE 30, 2002

| SHARES | | VALUE (IN THOUSANDS) |
|---------|---|-------------------------|
| | RETAIL STORE (7.1%) | |
| 124,000 | Costco Wholesale Corp.* | \$ 4,789 |
| 120,000 | Kohl's Corp.* | 8,409 |
| 90,000 | Wal-Mart Stores, Inc. | 4,951 |
| | | ----- |
| | | 18,149 |
| | SEMICONDUCTOR (0.7%) | |
| 75,000 | Texas Instruments, Inc. | 1,778 |
| | TELECOMMUNICATIONS | |
| | EQUIPMENT (1.5%) | |
| 80,000 | Polycom, Inc.* | 959 |
| 100,000 | QUALCOMM Incorporated* | 2,749 |
| | | ----- |
| | | 3,708 |
| | TELECOMMUNICATION | |
| | SERVICES (0.3%) | |
| 12,900 | Telephone & Data Systems, Inc. | 781 |
| | THRIFT (1.1%) | |
| 75,000 | Washington Mutual, Inc. | 2,783 |
| | TOBACCO (0.9%) | |
| 51,500 | Philip Morris Companies, Inc. | 2,250 |
| | TRUCKING/TRANSPORTATION | |
| | LEASING (0.2%) | |
| 19,500 | Hunt (J.B.) Transport Services, Inc.* | 576 |
| | | ----- |
| | TOTAL COMMON STOCKS AND TOTAL INVESTMENT SECURITIES (97.2%) (COST \$186,836,000) | 246,685 |
| | | ----- |

| PRINCIPAL AMOUNT (IN THOUSANDS) | VALUE (IN THOUSANDS EXCEPT PER SHARE AMOUNT) |
|---------------------------------------|---|
|---------------------------------------|---|

REPURCHASE AGREEMENT (2.8%)
(INCLUDING ACCRUED INTEREST)
\$7,000 Collateralized by \$6,090,000
U.S. Treasury Notes
10.375%, due 11/15/09,
with a value of
\$7,140,000 (with State
Street Bank and Trust
Company, 1.83%,

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dated 6/28/02,
 due 7/1/02, delivery
 value \$7,001,067) \$ 7,001

CASH AND OTHER ASSETS
 LESS LIABILITIES (0.0%) 32

 NET ASSETS (100.0%) \$253,718
 =====
 NET ASSET VALUE, OFFERING
 AND REDEMPTION PRICE
 PER OUTSTANDING SHARE
 (\$253,718,056 divided by 15,750,214
 SHARES OF CAPITAL STOCK OUTSTANDING) \$ 16.11
 =====

* NON-INCOME PRODUCING

SEE NOTES TO FINANCIAL STATEMENTS.

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THE VALUE LINE FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES
 AT JUNE 30, 2002 (UNAUDITED)

(IN THOUSANDS
 EXCEPT PER SHARE
 AMOUNT)

ASSETS:

| | |
|---|-----------|
| Investment securities, at value (Cost - \$186,836) | \$246,685 |
| Repurchase agreement (Cost - \$7,001) | 7,001 |
| Cash | 83 |
| Receivable for capital shares sold | 967 |
| Dividends receivable | 193 |
| Prepaid insurance expense | 11 |
| | ----- |
| TOTAL ASSETS | 254,940 |
| | ----- |

LIABILITIES:

| | |
|---|-------|
| Payable for capital shares repurchased | 969 |
| Accrued expenses: | |
| Advisory fee | 145 |
| Service and distribution plan fees payable | 54 |
| Other | 54 |
| | ----- |
| TOTAL LIABILITIES | 1,222 |
| | ----- |

NET ASSETS \$253,718
 =====

NET ASSETS CONSIST OF:

| | |
|---|-----------|
| Capital stock, at \$1.00 par value (authorized 50,000,000, outstanding 15,750,214 shares) | \$ 15,750 |
|---|-----------|

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| | |
|---|-----------|
| Additional paid-in capital | 163,508 |
| Accumulated net investment loss | (566) |
| Undistributed net realized gain on investments | 15,177 |
| Net unrealized appreciation of investments | 59,849 |
| | ----- |
| NET ASSETS | \$253,718 |
| | ===== |
| NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER OUTSTANDING SHARE (\$253,718,056 divided by 15,750,214 SHARES OUTSTANDING) | \$ 16.11 |
| | ===== |

STATEMENT OF OPERATIONS FOR THE
SIX MONTHS ENDED JUNE 30, 2002 (UNAUDITED)

| | |
|--|----------------|
| | (IN THOUSANDS) |
| | ----- |
| INVESTMENT INCOME: | |
| Dividends | \$ 909 |
| Interest | 76 |
| | ----- |
| Total Income | 985 |
| | ----- |
| EXPENSES: | |
| Advisory fee | 956 |
| Service and distribution plan fees | 358 |
| Transfer agent fees | 69 |
| Trading service expense | 46 |
| Auditing and legal fees | 25 |
| Custodian fees | 21 |
| Postage | 19 |
| Printing | 15 |
| Registration and filing fees | 14 |
| Directors' fees and expenses | 11 |
| Telephone | 10 |
| Insurance, dues and other | 8 |
| | ----- |
| Total Expenses before Custody Credits | 1,552 |
| Less: Custody Credits | (1) |
| | ----- |
| Net Expenses | 1,551 |
| | ----- |
| NET INVESTMENT LOSS | (566) |
| | ----- |
| NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS: | |
| Net Realized Gain | 13,413 |
| Change in Net Unrealized Appreciation | (50,940) |
| | ----- |
| NET REALIZED GAIN AND CHANGE IN NET UNREALIZED APPRECIATION ON INVESTMENTS | (37,527) |
| | ----- |
| NET DECREASE IN NET ASSETS FROM | |

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OPERATIONS \$ (38,093)
 =====

SEE NOTES TO FINANCIAL STATEMENTS.

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THE VALUE LINE FUND, INC.

STATEMENT OF CHANGES IN NET ASSETS FOR THE
 SIX MONTHS ENDED JUNE 30, 2002 (UNAUDITED) AND FOR THE YEAR ENDED DECEMBER 31,
 2001

| | SIX MONTHS ENDED JUNE 30, 2002 (UNAUDITED) | YEAR ENDED DECEMBER 2001 |
|---|---|--------------------------------|
| | (IN THOUSANDS) | |
| OPERATIONS: | | |
| Net investment loss | \$ (566) | \$ |
| Net realized gain on investments | 13,413 | 3 |
| Change in net unrealized appreciation | (50,940) | (53) |
| | <hr/> | |
| Net decrease in net assets from operations | (38,093) | (50) |
| DISTRIBUTIONS TO SHAREHOLDERS: | | |
| Net realized gain from investment transactions | -- | (2) |
| CAPITAL SHARE TRANSACTIONS: | | |
| Proceeds from sale of shares | 76,951 | 228 |
| Proceeds from reinvestment of distributions to shareholders | -- | 2 |
| Cost of shares repurchased | (88,174) | (260) |
| | <hr/> | |
| Decrease from capital share transactions | (11,223) | (30) |
| | <hr/> | |
| TOTAL DECREASE IN NET ASSETS | (49,316) | (83) |
| NET ASSETS: | | |
| Beginning of period | 303,034 | 386 |
| | <hr/> | |
| End of period | \$ 253,718 | \$ 303 |
| | <hr/> | |
| ACCUMULATED NET INVESTMENT LOSS, END OF PERIOD | \$ (566) | \$ |
| | <hr/> | |

SEE NOTES TO FINANCIAL STATEMENTS.

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THE VALUE LINE FUND, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

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1. SIGNIFICANT ACCOUNTING POLICIES

The Fund is registered under the Investment Company Act of 1940, as amended, as a diversified, open-end management investment company whose primary investment objective is long-term growth of capital.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

(A) SECURITY VALUATION. Securities listed on a securities exchange and over-the-counter securities traded on the NASDAQ national market are valued at the closing sales prices on the date as of which the net asset value is being determined. In the absence of closing sales prices for such securities and for securities traded in the over-the-counter market, the security is valued at the midpoint between the latest available and representative asked and bid prices. Securities for which market quotations are not readily available or that are not readily marketable and all other assets of the Fund are valued at fair value as the Board of Directors may determine in good faith. Short-term instruments with maturities of 60 days or less at the date of purchase are valued at amortized cost, which approximates market value. Short-term instruments with maturities greater than 60 days at the date of purchase are valued at the midpoint between the latest available and representative asked and bid prices, and commencing 60 days prior to maturity such securities are valued at amortized cost.

(B) REPURCHASE AGREEMENTS. In connection with transactions in repurchase agreements, the Fund's custodian takes possession of the underlying collateral securities, the value of which exceeds the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to ensure the adequacy of the collateral. In the event of default of the obligation to repurchase, the Fund has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. Under certain circumstances, in the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral or proceeds may be subject to legal proceedings.

(C) FEDERAL INCOME TAXES. It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies, including the distribution requirements of the Tax Reform Act of 1986, and to distribute all of its taxable income to its shareholders. Therefore, no federal income tax or excise tax provision is required.

(D) SECURITY TRANSACTIONS AND DISTRIBUTIONS. Security transactions are accounted for on the date the securities are purchased or sold. Interest income is accrued as earned. Realized gains and losses on sales of securities are calculated for financial accounting and federal income tax purposes on the identified cost basis. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles.

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THE VALUE LINE FUND, INC.

JUNE 30, 2002

2. CAPITAL SHARE TRANSACTIONS, DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS

Transactions in capital stock were as follows (IN THOUSANDS EXCEPT PER SHARE AMOUNTS):

| | SIX MONTHS ENDED JUNE 30, 2002 (UNAUDITED) | YEAR ENDED DECEMBER 31, 2001 |
|--|---|---------------------------------------|
| Shares sold | 4,238 | 12,093 |
| Shares issued to shareholders in reinvestment of dividends and distributions | -- | 117 |
| | 4,238 | 12,210 |
| Shares repurchased | 4,878 | 13,898 |
| Net decrease | (640) | (1,688) |
| Distributions per share from net realized gains | \$ -- | \$.1387 |

3. PURCHASES AND SALES OF SECURITIES

Purchases and sales of investment securities, excluding short-term securities, were as follows:

| | SIX MONTHS ENDED JUNE 30, 2002 (UNAUDITED) |
|-----------------------------|---|
| | (IN THOUSANDS) |
| PURCHASES: | |
| Investment Securities | \$29,215 |
| SALES: | |
| Investment Securities | \$40,475 |

4. INCOME TAXES

At June 30, 2002, information on the tax components of capital is as follows:

| | (UNAUDITED) (IN THOUSANDS) |
|---|-------------------------------|
| Cost of investment for tax purposes | \$193,595 |
| Gross tax unrealized appreciation | \$ 71,054 |
| Gross tax unrealized depreciation | (11,448) |

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| | |
|---------------------------------|-----------|
| Net tax unrealized appreciation | ----- |
| on investments | \$ 59,606 |
| | ===== |

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THE VALUE LINE FUND, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

5. INVESTMENT ADVISORY CONTRACT, MANAGEMENT FEES AND TRANSACTIONS WITH AFFILIATES

An advisory fee of \$956,000 was paid or payable to Value Line, Inc., the Fund's investment adviser (the "Adviser"), for the six months ended June 30, 2002. This was computed at the rate of .70% of the first \$100 million of the Fund's average daily net assets plus .65% on the excess thereof, and paid monthly. The Adviser provides research, investment programs, supervision of the investment portfolio and pays costs of administrative services, office space, equipment and compensation of administrative, bookkeeping and clerical personnel necessary for managing the affairs of the Fund. The Adviser also provides persons, satisfactory to the Fund's Board of Directors, to act as officers and employees of the Fund and pays their salaries and wages. The Fund bears all other costs and expenses.

The Fund has a Service and Distribution Plan (the "Plan"), adopted pursuant to Rule 12b-1 under the Investment Company Act of 1940, for the payment of certain expenses incurred by Value Line Securities, Inc. (the "Distributor"), a wholly-owned subsidiary of the Adviser, in advertising, marketing and distributing the Fund's shares and for servicing the Fund's shareholders at an annual rate of 0.25% of the Fund's average daily net assets. For the six months ended June 30, 2002, fees amounting to \$358,000 were paid or payable to the Distributor under this Plan. For the six months ended June 30, 2002, the Fund also reimbursed the Distributor \$46,000 for trading services it performed on behalf of the Fund.

Certain officers and directors of the Adviser and its wholly owned subsidiary, Value Line Securities, Inc. (the Fund's distributor and a registered broker/dealer), are also officers and directors of the Fund.

For the six months ended June 30, 2002, the Fund's expenses were reduced by \$905 under a custody credit arrangement with the Custodian.

The Adviser and/or affiliated companies and the Value Line, Inc. Profit Sharing and Savings Plan owned 507,992 shares of the Fund's capital stock, representing 3.2% of the outstanding shares at June 30, 2002. In addition, certain officers and directors of the Fund owned 175,738 shares of the Fund, representing 1.1% of the outstanding shares.

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THE VALUE LINE FUND, INC.

FINANCIAL HIGHLIGHTS

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 SELECTED DATA FOR A SHARE OF CAPITAL STOCK OUTSTANDING THROUGHOUT EACH PERIOD:

| | SIX MONTHS ENDED JUNE 30, 2002 (UNAUDITED) | 2001 | 2000 | YEARS ENDED DECEMBER 1999 |
|--|---|-----------|-----------|------------------------------|
| NET ASSET VALUE, BEGINNING OF PERIOD | \$ 18.49 | \$ 21.37 | \$ 26.25 | \$ 22.65 |
| INCOME (LOSS) FROM INVESTMENT OPERATIONS: | | | | |
| Net investment (loss) income | (.04) | (.04) | (.07) | (.02) |
| Net gains or losses on securities (both realized and unrealized) | (2.34) | (2.70) | (3.95) | 5.98 |
| Total from investment operations | (2.38) | (2.74) | (4.02) | 5.96 |
| LESS DISTRIBUTIONS: | | | | |
| Dividends from net investment income | -- | -- | -- | -- |
| Distributions from net realized gains | -- | (.14) | (.86) | (2.36) |
| Total distributions | -- | (.14) | (.86) | (2.36) |
| NET ASSET VALUE, END OF PERIOD | \$ 16.11 | \$ 18.49 | \$ 21.37 | \$ 26.25 |
| TOTAL RETURN | -12.87%+ | -12.82% | -15.35% | 26.74% |
| RATIOS/SUPPLEMENTAL DATA: | | | | |
| Net assets, end of period (in thousands) | \$253,718 | \$303,034 | \$386,406 | \$495,465 |
| Ratio of expenses to average net assets | 1.08%*(1) | 1.04%(1) | .89%(1) | .76%(1) |
| Ratio of net investment (loss) income to average net assets | (0.40)%* | (.18)% | (.27)% | (.09)% |
| Portfolio turnover rate | 10%+ | 45% | 17% | 36% |

(1) RATIOS REFLECT EXPENSES GROSSED UP FOR CUSTODY CREDIT ARRANGEMENT. THE RATIO OF EXPENSES TO AVERAGE NET ASSETS NET OF CUSTODY CREDITS WOULD HAVE BEEN 1.03% FOR THE YEAR ENDED DECEMBER 31, 2001 AND UNCHANGED FOR THE YEARS ENDED DECEMBER 31, 2000 AND DECEMBER 31, 1999.

* ANNUALIZED.

+ NOT ANNUALIZED

SEE NOTES TO FINANCIAL STATEMENTS.

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THE VALUE LINE FUND, INC.

THE VALUE LINE FAMILY OF FUNDS

1950 -- THE VALUE LINE FUND seeks long-term growth of capital. Current income is a secondary objective.

1952 -- VALUE LINE INCOME AND GROWTH FUND'S primary investment objective is income, as high and dependable as is consistent with reasonable risk. Capital growth to increase total return is a secondary objective.

1956 -- THE VALUE LINE SPECIAL SITUATIONS FUND seeks long-term growth of capital. No consideration is given to current income in the choice of investments.

1972 -- VALUE LINE LEVERAGED GROWTH INVESTORS' sole investment objective is to realize capital growth.

1979 -- THE VALUE LINE CASH FUND, a money market fund, seeks to secure as high a level of current income as is consistent with maintaining liquidity and preserving capital. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

1981 -- VALUE LINE U.S. GOVERNMENT SECURITIES FUND seeks maximum income without undue risk to capital. Under normal conditions, at least 80% of the value of its net assets will be invested in securities issued or guaranteed by the U.S. Government and its agencies and instrumentalities.

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1983 -- VALUE LINE CENTURION FUND* seeks long-term growth of capital.

1984 -- THE VALUE LINE TAX EXEMPT FUND seeks to provide investors with the maximum income exempt from federal income taxes while avoiding undue risk to principal. The Fund offers investors a choice of two portfolios: The Money Market Portfolio and The National Bond Portfolio.

The Fund may be subject to state and local taxes and the Alternative Minimum tax (if applicable).

1985 -- VALUE LINE CONVERTIBLE FUND seeks high current income together with capital appreciation primarily from convertible securities ranked 1 or 2 for year-ahead performance by the Value Line Convertible Ranking System.

1986 -- VALUE LINE AGGRESSIVE INCOME TRUST seeks to maximize current income.

1987 -- VALUE LINE NEW YORK TAX EXEMPT TRUST seeks to provide New York taxpayers with the maximum income exempt from New York State, New York City and federal income taxes while avoiding undue risk to principal. The Trust may be subject to state and local taxes and the Alternative Minimum Tax (if applicable).

1987 -- VALUE LINE STRATEGIC ASSET MANAGEMENT TRUST* seeks to achieve a high total investment return consistent with reasonable risk.

1993 -- VALUE LINE EMERGING OPPORTUNITIES FUND invests primarily in common stocks or securities convertible into common stock, with its primary objective being long-term growth of capital.

1993 -- VALUE LINE ASSET ALLOCATION FUND seeks high total investment return, consistent with reasonable risk. The Fund invests in stocks, bonds and money market instruments utilizing quantitative modeling to determine the asset mix.

1995 -- VALUE LINE U.S. MULTINATIONAL COMPANY FUND'S investment objective is maximum total return. It invests primarily in securities of U.S. companies that have significant sales from international operations.

* ONLY AVAILABLE THROUGH THE PURCHASE OF GUARDIAN INVESTOR, A TAX DEFERRED VARIABLE ANNUITY, OR VALUEPLUS, A VARIABLE LIFE INSURANCE POLICY.

FOR MORE COMPLETE INFORMATION ABOUT ANY OF THE VALUE LINE FUNDS, INCLUDING CHARGES AND EXPENSES, SEND FOR A PROSPECTUS FROM VALUE LINE SECURITIES, INC., 220 EAST 42ND STREET, NEW YORK, NEW YORK 10017-5891 OR CALL 1-800-223-0818, 24 HOURS A DAY, 7 DAYS A WEEK, OR VISIT US AT WWW.VALUELINE.COM. READ THE PROSPECTUS CAREFULLY BEFORE YOU INVEST OR SEND MONEY.