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New York, NY 10017-5891

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**SHAREHOLDER  
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David T. Henigson  
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Chief Compliance Officer*  
Stephen R. Anastasio  
*Treasurer*  
Howard A. Brecher  
*Assistant Secretary/  
Assistant Treasurer*

*This 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 Trust (obtainable from the Distributor).*

#537651

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**ANNUAL REPORT**

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*December 31, 2006*

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*Value Line  
Premier  
Growth  
Fund, Inc.*



## To Our Value Line Premier

### To Our Shareholders:

The Value Line Premier Growth Fund (the "Fund") earned a total return of 10.68% in 2006, versus a total return of 15.79% for the Standard & Poor's 500<sup>(1)</sup>.

For the five years ended December 31, 2006, your Fund earned an average annual total return of 9.95%, versus 6.19% for the S&P 500. For ten years, the Fund earned an annualized 13.09% return, versus 8.42% for the S&P 500.

The Fund continued to do well versus its peer group, the Lipper Mid-Capitalization Growth Category<sup>(2)</sup>. For the 2006 year, according to mutual fund analysis company Lipper Inc., the Fund ranked in the top 29% of its category. Looking at the longer term, the Fund ranks in the top 11% for the five years ending December 31, 2006, and in the top 3% for ten years.

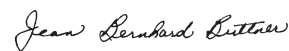
Our disciplined strategy is responsible for the rewarding results. We focus on stocks with strong earnings momentum and strong stock price momentum. In addition, we favor stocks with a multi-year history of consistent growth. Most important, we emphasize defense as well as offense, quickly selling any holding that no longer meets our criteria. With approximately 400 holdings in

the portfolio, we do not form attachments to any particular stock. Laggards are rapidly replaced with issues showing superior momentum.

Representatives of nearly all economic sectors and a variety of company sizes are included in the Fund. No single holding accounts for as much as 1% of assets, translating into wide portfolio diversification. By market capitalization, the year-end breakdown of stockholdings was 35% large-cap, 50% mid-cap, and 15% small-cap.

Your Fund celebrated its 50th anniversary in the past year, and Steve Grant has now been the lead portfolio manager for over ten years. We believe our disciplined investment process will continue to serve you well. Thank you for investing with us.

Sincerely,



Jean Bernhard Buttner  
Chairman and President

January 31, 2007

<sup>(1)</sup> 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.

<sup>(2)</sup> The Lipper Mid-Cap Growth Fund Index is a composite of funds that, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P Super Composite 1500 Index. Mid-cap growth funds typically have an above-average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Mid-Cap 400 Index.

# Growth Fund Shareholders

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## Economic Observations

The economy slowed markedly over the final three quarters of 2006, with growth decelerating from 5.6% in the opening period, to 2.6% in the second three months, and to just 2.0% and 2.2%, respectively, during the year's closing two quarters. Further Federal Reserve monetary tightening and soaring oil prices were initially responsible for the sharp slowdown in the nation's gross domestic product growth. Later on it was a downward spiral in the housing market that proved to be the primary culprit.

Now, as we start a new year, we find that the Fed is still on hold: oil prices seem to be stabilizing in the \$55-\$65 a barrel range: and there are signs that the aggregate economy is pressing forward at a modest, but seemingly sustainable, rate of 2.5%, or so. In our view, such a rate of

GDP growth would allow corporate earnings to move modestly higher, but would be insufficient to push inflation up sharply.

Helping to sustain this prospective level of economic growth should be solid levels of activity in the retail sector, comparative stability in oil prices, and a steady monetary course at the Federal Reserve. The nation's business expansion is likely to be restrained, however, by weak housing demand, softness in the auto sector, and sluggish industrial activity.

Gross domestic product growth along these lines and accompanying subdued inflation probably would have positive ramifications for the stock and bond markets.

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*Performance data shown represents past performance and is no guarantee of future results. Investment return and principle value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. Visit [vlfunds.com](http://vlfunds.com) for most recent month-end performance.*

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**FUND EXPENSES (unaudited):**

**Example**

As a shareholder of the Fund, you incur ongoing costs, including management fees; distribution and service (12b-1) fees; and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (July 1, 2006 through December 31, 2006).

**Actual Expenses**

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example an \$8,600 account value divided by \$1,000=8.6), then multiply the result by the number in the first line under the heading “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

**Hypothetical Example for Comparison Purposes**

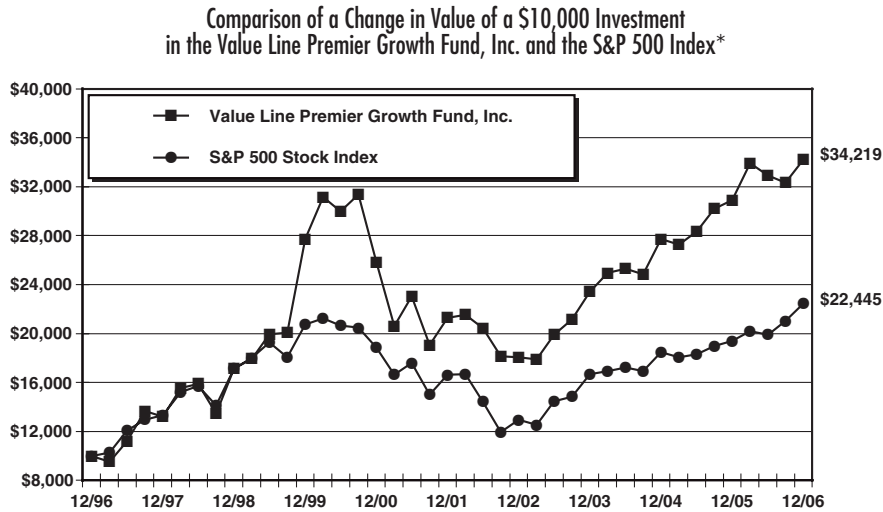
The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if transactional costs were included, your costs would have been higher.

	Beginning account value 7/1/06	Ending account value 12/31/06	Expenses* paid during period 7/1/06 thru 12/31/06
Actual .....	\$1,000.00	\$1,039.80	\$6.32
Hypothetical (5% return before expenses) .....	\$1,000.00	\$1,019.00	\$6.26

\* Expenses are equal to the Fund’s annualized expense ratio of 1.23%, multiplied by the average account value over the period, multiplied by 184/365 to reflect the one-half period. This expense ratio may differ from the expense ratio shown in the Financial Highlights.

The following graph compares the performance of the Value Line Premier Growth Fund, Inc. to that of the S&P 500 Index. The Value Line Premier Growth Fund, Inc. is a professionally managed mutual fund, while the Index is not available for investment and is unmanaged. The returns for the Index do not reflect charges, expenses or taxes but do include the reinvestment of dividends. The comparison is shown for illustrative purposes only.



\* The Standard and Poor's 500 Index (S&P 500 Index) is an unmanaged index that is representative of the larger capitalization stocks traded in the United States.  
The return for the index does not reflect expenses which are deducted from the Fund's returns.

**Performance Data:\*\***

	Average Annual Total Return	Growth of an Assumed Investment of \$10,000
1 year ended 12/31/06.....	10.68%	\$11,068
5 years ended 12/31/06.....	9.95%	\$16,071
10 years ended 12/31/06 .....	13.09%	\$34,219

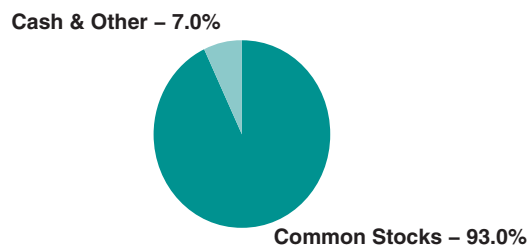
\*\* The performance data quoted represent past performance and are no guarantee of future performance. The average annual total returns and growth of an assumed investment of \$10,000 include dividends reinvested and capital gains distributions accepted in shares. The investment return and principal value of an investment will fluctuate so that an investment, when redeemed, may be worth more or less than its original cost. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

## Portfolio Highlights at December 31, 2006 (unaudited)

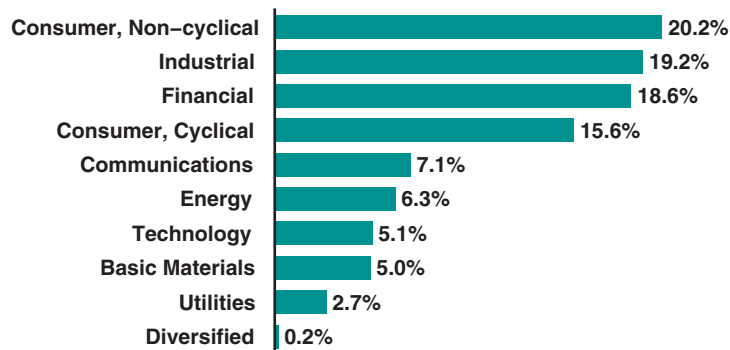
### Ten Largest Holdings

Issue	Shares	Value	Percentage of Net Assets
Hansen Natural Corp. ....	120,000	\$4,041,600	0.83%
Tenaris S.A. (ADR) ....	77,500	\$3,866,475	0.79%
Cognizant Technology Solutions Corp. Class A ....	50,000	\$3,858,000	0.79%
Sonic Corp. ....	126,562	\$3,031,160	0.62%
Celgene Corp. ....	52,000	\$2,991,560	0.61%
Landstar System, Inc. ....	76,000	\$2,901,680	0.59%
Henry Schein, Inc. ....	56,000	\$2,742,880	0.56%
Penn National Gaming, Inc. ....	64,000	\$2,663,680	0.54%
Sears Holdings Corp. ....	15,400	\$2,586,122	0.53%
NII Holdings, Inc. Class B ....	39,000	\$2,513,160	0.51%

### Asset Allocation — Percentage of Net Assets



### Sector Weightings — Percentage of Total Investment Securities





## Schedule of Investments

Shares		Value	Shares		Value
<b>BEVERAGE — SOFT DRINK (1.5%)</b>			<b>CEMENT &amp; AGGREGATES (1.0%)</b>		
29,000	Companhia de Bebidas das Americas ADR .....	\$1,415,200	30,000	Cemex S.A. de C.V. ADR* .....	\$1,016,400
10,000	Fomento Economico Mexicano S.A.B. de C.V. ADR Unit 1 Ser. B .....	1,157,600	24,900	Eagle Materials, Inc. ....	1,076,427
120,000	Hansen Natural Corp.* .....	4,041,600	10,650	Florida Rock Industries, Inc. ....	458,483
15,000	PepsiCo, Inc. ....	938,250	12,000	Martin Marietta Materials, Inc. ....	1,246,920
		<b>7,552,650</b>	11,000	Vulcan Materials Co. ....	988,570
					<b>4,786,800</b>
<b>BIOTECHNOLOGY (0.5%)</b>			<b>CHEMICAL — DIVERSIFIED (0.9%)</b>		
18,000	Techne Corp.* .....	998,100	15,000	Air Products & Chemicals, Inc. ....	1,054,200
17,800	United Therapeutics Corp.* .....	967,786	22,000	Albemarle Corp. ....	1,579,600
14,000	Vertex Pharmaceuticals, Inc.* .....	523,880	6,000	Bayer AG ADR .....	320,160
		<b>2,489,766</b>	28,000	Monsanto Co. ....	1,470,840
			1,600	Veolia Environnement ADR .....	120,416
					<b>4,545,216</b>
<b>BUILDING MATERIALS (1.0%)</b>			<b>CHEMICAL — SPECIALTY (1.5%)</b>		
7,400	Fluor Corp. ....	604,210	29,000	Airgas, Inc. ....	1,175,080
2,000	Granite Construction, Inc. ....	100,640	26,000	Ecolab, Inc. ....	1,175,200
20,000	Jacobs Engineering Group, Inc.* ...	1,630,800	9,000	H.B. Fuller Co. ....	232,380
17,000	NCI Building Systems, Inc.* .....	879,750	30,000	Praxair, Inc. ....	1,779,900
24,000	Simpson Manufacturing Company, Inc. ....	759,600	8,000	Sherwin-Williams Co. (The) .....	508,640
18,300	Washington Group International, Inc.* .....	1,094,157	15,000	Sigma-Aldrich Corp. ....	1,165,800
		<b>5,069,157</b>	36,800	Syngenta AG ADR .....	1,366,752
					<b>7,403,752</b>
<b>CABLE TV (0.6%)</b>			<b>COAL (0.9%)</b>		
25,000	Comcast Corp. Class A* .....	1,058,250	46,750	Joy Global, Inc. ....	2,259,895
18,900	Rogers Communications, Inc. Class B .....	1,126,440	53,200	Peabody Energy Corp. ....	2,149,812
20,300	Shaw Communications, Inc. Class B .....	643,713			<b>4,409,707</b>
		<b>2,828,403</b>	<b>COMPUTER &amp; PERIPHERALS (0.4%)</b>		
<b>CANADIAN ENERGY (1.2%)</b>			32,000	Hewlett-Packard Co. ....	1,318,080
23,000	Nexen, Inc. ....	1,265,000	14,000	MICROS Systems, Inc.* .....	737,800
7,000	Petro-Canada .....	287,280			<b>2,055,880</b>
28,000	Suncor Energy, Inc. ....	2,209,480	<b>COMPUTER SOFTWARE &amp; SERVICES (2.3%)</b>		
77,000	Talisman Energy, Inc. ....	1,308,230	28,000	Accenture Ltd. Class A .....	1,034,040
26,000	TransCanada Corp. ....	908,700	30,000	ANSYS, Inc.* .....	1,304,700
		<b>5,978,690</b>			

See Notes to Financial Statements.

December 31, 2006

Shares		Value	Shares		Value
50,000	Cognizant Technology Solutions Corp. Class A*	\$ 3,858,000	30,000	Salesforce.com, Inc.*	\$ 1,093,500
					<b>3,165,180</b>
17,000	DST Systems, Inc.*	1,064,710		<b>EDUCATIONAL SERVICES (0.2%)</b>	
28,400	Infosys Technologies Ltd. ADR	1,549,504	15,500	ITT Educational Services, Inc.*	<b>1,028,735</b>
17,000	SEI Investments Co.	1,012,520		<b>ELECTRICAL EQUIPMENT (2.4%)</b>	
20,000	Transaction Systems Architects, Inc.*	651,400	11,600	Cooper Industries Ltd. Class A	1,048,988
48,800	Trident Microsystems, Inc.*	887,184	24,000	Emerson Electric Co.	1,058,160
		<b>11,362,058</b>	24,000	Garmin Ltd.	1,335,840
	<b>DIVERSIFIED COMPANIES (2.8%)</b>		27,000	General Cable Corp.*	1,180,170
85,000	ABB Ltd. ADR	1,528,300	24,000	Harman International Industries, Inc.	2,397,840
24,000	Acuity Brands, Inc.	1,248,960	14,000	Rockwell Automation, Inc.	855,120
33,000	AMETEK, Inc.	1,050,720	21,500	Thomas & Betts Corp.*	1,016,520
18,300	Brink's Co. (The)	1,169,736	20,800	Trimble Navigation Ltd.*	1,055,184
23,250	Brookfield Asset Management, Inc. Class A	1,120,185	27,700	WESCO International, Inc.*	1,629,037
16,000	Danaher Corp.	1,159,040			<b>11,576,859</b>
24,000	ESCO Technologies, Inc.*	1,090,560		<b>ELECTRICAL UTILITY — CENTRAL (0.6%)</b>	
9,600	Fortune Brands, Inc.	819,744	13,000	Entergy Corp.	1,200,160
17,200	ITT Corp.	977,304	34,000	TXU Corp.	1,843,140
27,750	McDermott International, Inc.*	1,411,365			<b>3,043,300</b>
11,500	Textron, Inc.	1,078,355		<b>ELECTRICAL UTILITY — EAST (0.4%)</b>	
17,000	United Technologies Corp.	1,062,840	18,000	Exelon Corp.	1,114,020
		<b>13,717,109</b>	17,000	FirstEnergy Corp.	1,025,100
	<b>DRUG (2.0%)</b>				<b>2,139,120</b>
8,600	Allergan, Inc.	1,029,764		<b>ELECTRICAL UTILITY — WEST (0.2%)</b>	
22,000	Amylin Pharmaceuticals, Inc.*	793,540	18,500	Sempra Energy	<b>1,036,740</b>
52,000	Celgene Corp.*	2,991,560		<b>ELECTRONICS (1.0%)</b>	
18,400	Covance, Inc.*	1,083,944	20,400	Amphenol Corp. Class A	1,266,432
12,700	Genzyme Corp.*	782,066	24,700	Diodes, Inc.*	876,356
21,000	Gilead Sciences, Inc.*	1,363,530	26,500	Harris Corp.	1,215,290
24,500	Immucor, Inc.*	716,135	31,000	MEMC Electronic Materials, Inc.*	1,213,340
32,000	Pharmaceutical Product Development, Inc.	1,031,040	9,000	Rogers Corp.*	532,350
		<b>9,791,579</b>			<b>5,103,768</b>
	<b>E-COMMERCE (0.7%)</b>				
39,000	Akamai Technologies, Inc.*	2,071,680			

See Notes to Financial Statements.

## Schedule of Investments

Shares		Value	Shares		Value
	<b>ENTERTAINMENT (0.2%)</b>		37,500	Flowers Foods, Inc. ....	\$ 1,012,125
15,100	Central European Media Enterprises Ltd. Class A* .....	\$ 1,057,000	30,300	Groupe Danone ADR .....	987,780
	<b>ENTERTAINMENT TECHNOLOGY (0.1%)</b>		25,000	Herbalife Ltd.* .....	1,004,000
21,000	Scientific Games Corp. Class A* ...	634,830	21,000	Hormel Foods Corp. ....	784,140
	<b>ENVIRONMENTAL (0.9%)</b>		20,000	Ralcorp Holdings, Inc.* .....	1,017,800
25,000	Republic Services, Inc. ....	1,016,750	41,000	United Natural Foods, Inc.* .....	1,472,720
18,300	Stericycle, Inc.* .....	1,381,650	19,000	Wm. Wrigley Jr. Co. ....	982,680
25,200	Waste Connections, Inc.* .....	1,047,060			<b>9,320,109</b>
28,000	Waste Management, Inc. ....	1,029,560		<b>FOREIGN TELECOMMUNICATIONS (0.3%)</b>	
	<b>4,475,020</b>		34,000	America Movil SAB. de C.V. Ser. L ADR .....	1,537,480
	<b>FINANCIAL SERVICES — DIVERSIFIED (4.4%)</b>			<b>HEALTH CARE INFORMATION SYSTEMS (0.3%)</b>	
12,000	Affiliated Managers Group, Inc.* ...	1,261,560	46,000	Allscripts Healthcare Solutions, Inc.* .....	1,241,540
12,000	Ambac Financial Group, Inc. ....	1,068,840		<b>HOME APPLIANCES (0.4%)</b>	
15,500	American Express Co. ....	940,385	40,000	Toro Co. (The) .....	1,865,200
20,000	Barclays PLC ADR .....	1,162,800		<b>HOME BUILDING (0.3%)</b>	
10,700	BlackRock, Inc. Class A .....	1,625,330	25,600	Forest City Enterprises, Inc. Class A .....	1,495,040
42,000	Brown & Brown, Inc. ....	1,184,820		<b>HOTEL/GAMING (2.1%)</b>	
19,000	CIT Group, Inc. ....	1,059,630	7,000	Boyd Gaming Corp. ....	317,170
2,000	Credicorp Ltd. ....	81,880	36,000	Choice Hotels International, Inc. ....	1,515,600
34,000	Eaton Vance Corp. ....	1,122,340	19,200	Gaylord Entertainment Co.* .....	977,856
15,961	Fidelity National Information Services, Inc. ....	639,876	2,000	InterContinental Hotels Group PLC ADR .....	50,500
9,000	Franklin Resources, Inc. ....	991,530	27,000	International Game Technology .....	1,247,400
28,200	Global Payments, Inc. ....	1,305,660	24,500	Marriott International, Inc. Class A .	1,169,140
18,300	HDFC Bank Ltd. ADR .....	1,381,284	10,000	MGM MIRAGE* .....	573,500
38,000	Leucadia National Corp. ....	1,071,600	64,000	Penn National Gaming, Inc.* .....	2,663,680
33,000	MoneyGram International, Inc. ....	1,034,880	23,000	Station Casinos, Inc. ....	1,878,410
23,000	Nuveen Investments, Inc. Class A ..	1,193,240			<b>10,393,256</b>
19,000	Principal Financial Group, Inc. ....	1,115,300		<b>HOUSEHOLD PRODUCTS (0.4%)</b>	
21,000	ProAssurance Corp.* .....	1,048,320	24,200	Church & Dwight Company, Inc. ...	1,032,130
24,000	T. Rowe Price Group, Inc. ....	1,050,480	22,000	Scotts Miracle-Gro Co. (The) Class A .....	1,136,300
18,000	UBS AG .....	1,085,940			<b>2,168,430</b>
	<b>21,425,695</b>				
	<b>FOOD PROCESSING (1.9%)</b>				
14,400	Bunge Ltd. ....	1,044,144			
24,000	Dean Foods Co.* .....	1,014,720			

See Notes to Financial Statements.

December 31, 2006

Shares		Value	Shares		Value
<b>HUMAN RESOURCES (0.2%)</b>			<b>INSURANCE — PROPERTY &amp; CASUALTY (3.0%)</b>		
25,300	Watson Wyatt Worldwide, Inc. Class A	\$ 1,142,295	13,000	ACE Ltd.	\$ 787,410
<b>INDUSTRIAL SERVICES (2.5%)</b>			18,000	Allstate Corp. (The)	1,171,980
28,250	Aaron Rents, Inc. Class B	813,035	15,000	Arch Capital Group Ltd.*	1,014,150
26,000	Amdocs Ltd.*	1,007,500	25,000	Assurant, Inc.	1,381,250
30,000	C.H. Robinson Worldwide, Inc.	1,226,700	55,687	Berkley (W.R.) Corp.	1,921,758
48,000	CB Richard Ellis Group, Inc. Class A*	1,593,600	20,000	Chubb Corp. (The)	1,058,200
31,500	Corrections Corp. of America*	1,424,745	15,117	Fidelity National Financial, Inc. Class A	360,994
20,000	EMCOR Group, Inc.*	1,137,000	33,750	HCC Insurance Holdings, Inc.	1,083,038
34,000	Expeditors International of Washington, Inc.	1,377,000	3,000	Markel Corp.*	1,440,300
23,000	Iron Mountain, Inc.*	950,820	24,250	Old Republic International Corp.	564,540
21,400	Laidlaw International, Inc.	651,202	8,800	RLI Corp.	496,496
22,400	URS Corp.*	959,840	16,500	SAFECO Corp.	1,032,075
22,500	World Fuel Services Corp.	1,000,350	24,100	Sun Life Financial, Inc.	1,020,635
		<b>12,141,792</b>	23,550	Zenith National Insurance Corp.	1,104,730
					<b>14,437,556</b>
<b>INFORMATION SERVICES (1.2%)</b>			<b>INTERNET (0.8%)</b>		
19,000	Alliance Data Systems Corp.*	1,186,930	43,000	E*Trade Financial Corp.*	964,060
11,700	Corporate Executive Board Co. (The)	1,026,090	5,000	Google, Inc. Class A*	2,302,400
14,000	Dun & Bradstreet Corp. (The)*	1,159,060	13,000	Nutri/System, Inc.*	824,070
28,000	Equifax, Inc.	1,136,800			<b>4,090,530</b>
21,000	FactSet Research Systems, Inc.	1,186,080	<b>MACHINERY (2.6%)</b>		
7,600	IHS, Inc. Class A*	300,048	1,700	Actuant Corp. Class A	81,005
		<b>5,995,008</b>	33,700	CNH Global NV	920,010
<b>INSURANCE — LIFE (1.2%)</b>			16,000	Flowserve Corp.*	807,520
20,600	AFLAC, Inc.	947,600	21,300	Foster Wheeler Ltd.*	1,174,482
28,650	Delphi Financial Group, Inc. Class A	1,159,179	38,400	Gardner Denver, Inc.*	1,432,704
34,000	Manulife Financial Corp.	1,148,860	28,125	Graco, Inc.	1,114,312
20,000	MetLife, Inc.	1,180,200	19,900	IDEX Corp.	943,459
11,700	Prudential Financial, Inc.	1,004,562	31,000	Manitowoc Company, Inc. (The)	1,842,330
6,000	Torchmark Corp.	382,560	20,600	MSC Industrial Direct Co., Inc. Class A	806,490
		<b>5,822,961</b>	26,000	Roper Industries, Inc.	1,306,240

See Notes to Financial Statements.

## Schedule of Investments

Shares		Value	Shares		Value
31,200	Terex Corp.*	\$ 2,014,896	56,000	Henry Schein, Inc.*	\$ 2,742,880
4,000	Watts Water Technologies, Inc. Class A	164,440	41,600	Hologic, Inc.*	1,966,848
		<b>12,607,888</b>	12,000	IDEXX Laboratories, Inc.*	951,600
	<b>MARITIME (0.4%)</b>		23,600	illumina, Inc.*	927,716
9,000	American Commercial Lines, Inc.*	589,590	24,000	Intuitive Surgical, Inc.*	2,301,600
34,000	Kirby Corp.*	1,160,420	22,000	Kyphon, Inc.*	888,800
		<b>1,750,010</b>	18,000	McKesson Corp.	912,600
	<b>MEDICAL SERVICES (4.1%)</b>		27,000	Owens & Minor, Inc.	844,290
24,000	Aetna, Inc.	1,036,320	19,600	Palomar Medical Technologies, Inc.*	993,132
20,700	Coventry Health Care, Inc.*	1,036,035	26,000	PolyMedica Corp.	1,050,660
24,000	DaVita, Inc.*	1,365,120	26,000	ResMed, Inc.*	1,279,720
4,000	Fresenius Medical Care AG & Co. KGaA ADR	177,720	34,000	Respironics, Inc.*	1,283,500
23,000	Healthways, Inc.*	1,097,330	20,000	Varian Medical Systems, Inc.*	951,400
23,000	Humana, Inc.*	1,272,130	21,400	Ventana Medical Systems, Inc.*	920,842
36,000	inVentiv Health, Inc.*	1,272,600	20,400	West Pharmaceutical Services, Inc.	1,045,092
17,000	Laboratory Corporation of America Holdings*	1,248,990			<b>26,661,895</b>
22,000	Manor Care, Inc.	1,032,240		<b>METALS &amp; MINING DIVERSIFIED (0.5%)</b>	
21,000	Pediatrix Medical Group, Inc.*	1,026,900	27,000	Allegheny Technologies, Inc.	2,448,360
42,400	Psychiatric Solutions, Inc.*	1,590,848		<b>METALS FABRICATING (0.2%)</b>	
36,000	Sierra Health Services, Inc.*	1,297,440	13,000	Harsco Corp.	989,300
27,300	Sunrise Senior Living, Inc.*	838,656		<b>NATURAL GAS — DISTRIBUTION (0.7%)</b>	
29,850	UnitedHealth Group, Inc.	1,603,840	18,000	AGL Resources, Inc.	700,380
34,400	VCA Antech, Inc.*	1,107,336	15,800	BG Group PLC ADR	1,081,352
15,000	WellCare Health Plans, Inc.*	1,033,500	33,600	Southern Union Co.	939,120
23,630	WellPoint, Inc.*	1,859,445	31,000	UGI Corp.	845,680
		<b>19,896,450</b>			<b>3,566,532</b>
	<b>MEDICAL SUPPLIES (5.5%)</b>			<b>NATURAL GAS — DIVERSIFIED (1.5%)</b>	
25,000	ArthroCare Corp.*	998,000	32,000	Energen Corp.	1,502,080
12,200	Bard (C.R.), Inc.	1,012,234	20,000	Equitable Resources, Inc.	835,000
14,500	Becton Dickinson & Co.	1,017,175	10,000	Questar Corp.	830,500
14,600	Cytoc Corp.*	413,180	60,000	Southwestern Energy Co.*	2,103,000
32,000	Dade Behring Holdings, Inc.	1,273,920	42,776	XTO Energy, Inc.	2,012,611
37,000	DENTSPLY International, Inc.	1,104,450			<b>7,283,191</b>
24,800	DJO, Inc.*	1,061,936		<b>OFFICE EQUIPMENT &amp; SUPPLIES (0.4%)</b>	
16,000	Haemonetics Corp.*	720,320	24,500	Office Depot, Inc.*	935,165

See Notes to Financial Statements.

December 31, 2006

Shares		Value	Shares		Value
45,000	Staples, Inc. ....	\$1,201,500			
		<b>2,136,665</b>			
	<b>OILFIELD SERVICES/ EQUIPMENT (0.3%)</b>				
22,000	FMC Technologies, Inc.* .....	1,355,860	27,300	Appera Corporation - Applied Biosystems Group .....	\$ 1,001,637
8,000	Helix Energy Solutions Group, Inc.* .....	250,960	15,400	Mettler Toledo International, Inc.* .	1,214,290
		<b>1,606,820</b>	38,000	Thermo Fisher Scientific, Inc.* .....	1,721,020
	<b>PACKAGING &amp; CONTAINER (0.4%)</b>				<b>3,936,947</b>
7,000	Ball Corp. ....	305,200		<b>PUBLISHING (0.4%)</b>	
34,000	CLARCOR, Inc. ....	1,149,540	18,700	Banta Corp. ....	680,680
18,000	Jarden Corp.* .....	626,220	17,000	McGraw-Hill Cos, Inc. (The) .....	1,156,340
		<b>2,080,960</b>			<b>1,837,020</b>
	<b>PETROLEUM — INTEGRATED (1.4%)</b>			<b>R.E.I.T. (2.3%)</b>	
50,000	Chesapeake Energy Corp. ....	1,452,500	9,200	AvalonBay Communities, Inc. ....	1,196,460
61,000	Denbury Resources, Inc.* .....	1,695,190	16,000	BRE Properties, Inc. ....	1,040,320
34,800	Frontier Oil Corp. ....	1,000,152	30,000	Brookfield Properties Co. ....	1,179,900
16,000	Petroleo Brasileiro S.A. - Petrobras ADR .....	1,647,840	9,400	Essex Property Trust, Inc. ....	1,214,950
16,000	Tesoro Corp. ....	1,052,320	20,000	General Growth Properties, Inc. ....	1,044,600
		<b>6,848,002</b>	13,000	Global Signal, Inc. ....	684,710
	<b>PETROLEUM — PRODUCING (1.6%)</b>		7,958	Host Hotels & Resorts, Inc. ....	195,369
8,600	CNOOC Ltd. ADR .....	813,818	3,266	Kimco Realty Corp. ....	146,807
66,000	Range Resources Corp. ....	1,812,360	24,000	LaSalle Hotel Properties .....	1,100,400
77,500	Tenaris S.A. ADR .....	3,866,475	21,000	ProLogis .....	1,276,170
29,000	Unit Corp.* .....	1,405,050	8,000	SL Green Realty Corp. ....	1,062,240
		<b>7,897,703</b>	16,000	Starwood Hotels & Resorts Worldwide, Inc. ....	1,000,000
	<b>PHARMACY SERVICES (0.5%)</b>				<b>11,141,926</b>
20,000	Express Scripts, Inc.* .....	1,432,000		<b>RAILROAD (1.2%)</b>	
22,000	Longs Drug Stores Corp. ....	932,360	13,500	Burlington Northern Santa Fe Corp.	996,435
		<b>2,364,360</b>	22,900	Canadian National Railway Co. ....	985,387
	<b>POWER (0.5%)</b>		19,000	Canadian Pacific Railway Ltd. ....	1,002,440
49,000	AES Corp. (The)* .....	1,079,960	22,500	Genesee & Wyoming, Inc. Class A* .....	590,400
58,000	Covanta Holding Corp.* .....	1,278,320	41,000	Kansas City Southern* .....	1,188,180
		<b>2,358,280</b>	20,000	Norfolk Southern Corp. ....	1,005,800
					<b>5,768,642</b>
				<b>RECREATION (0.7%)</b>	
			45,000	Pool Corp. ....	1,762,650

See Notes to Financial Statements.



December 31, 2006

Shares		Value	Shares	Value
116,000	Qwest Communications International, Inc.*	\$ 970,920	<b>WIRELESS NETWORKING (0.4%)</b>	
22,000	Time Warner Telecom, Inc. Class A*	438,460	12,700	Itron, Inc.* \$ 658,367
		<b>10,576,475</b>	43,000	SBA Communications Corp. Class A* 1,182,500
				<b>1,840,867</b>
	<b>TELECOMMUNICATIONS EQUIPMENT (0.5%)</b>			<b>TOTAL COMMON STOCKS AND TOTAL INVESTMENT SECURITIES (93.0%)</b>
22,700	Anixter International, Inc.*	1,232,610		<b>(Cost \$294,442,072) \$455,657,923</b>
34,000	CommScope, Inc.*	1,036,320		
		<b>2,268,930</b>		
	<b>THRIFT (0.6%)</b>		<b>Principal Amount</b>	<b>Value</b>
11,000	FirstFed Financial Corp.*	736,670	<b>REPURCHASE AGREEMENTS (6.6%)</b>	
89,768	Hudson City Bancorp, Inc.	1,245,980	\$16,400,000	With Morgan Stanley & Co., 4.60%, dated 12/29/06, due 1/2/07, delivery value \$16,408,382 (collateralized by \$16,655,000 U.S. Treasury Notes 2.25%, due 2/15/07, with a value of \$16,738,841) \$ 16,400,000
22,500	People's Bank	1,003,950		
		<b>2,986,600</b>	16,000,000	With UBS Securities, LLC, 4.50%, dated 12/29/06, due 1/2/07, delivery value \$16,008,000 (collateralized by \$11,544,000 U.S. Treasury Notes 8.75%, due 8/15/20, with a value of \$16,331,074) 16,000,000
	<b>TIRE &amp; RUBBER (0.2%)</b>			<b>TOTAL REPURCHASE AGREEMENTS (Cost \$32,400,000) 32,400,000</b>
12,200	Carlisle Companies, Inc.	957,700		<b>CASH AND OTHER ASSETS IN EXCESS OF LIABILITIES (0.4%) 1,728,068</b>
	<b>TOBACCO (0.2%)</b>			<b>NET ASSETS (100%) \$489,785,991</b>
15,600	British American Tobacco PLC ADR	883,896		<b>NET ASSET VALUE OFFERING AND REDEMPTION PRICE, PER OUTSTANDING SHARE (\$489,785,991 ÷ 18,408,419 shares outstanding) \$ 26.61</b>
	<b>TOILETRIES &amp; COSMETICS (0.2%)</b>			
34,800	Luxottica Group S.p.A. ADR	1,067,316		
	<b>TRUCKING (0.9%)</b>			
5,000	Forward Air Corp.	144,650		
29,000	Hunt (J.B.) Transport Services, Inc.	602,330		
44,700	Knight Transportation, Inc.	762,135		
76,000	Landstar System, Inc.	2,901,680		
		<b>4,410,795</b>		
	<b>UTILITY — FOREIGN (0.0%)</b>			
2,000	Scottish Power PLC ADR	116,860		
	<b>WATER UTILITY (0.2%)</b>			
40,000	Aqua America, Inc.	911,200		

\* Non-income producing.  
ADR American Depositary Receipt

See Notes to Financial Statements.

**Statement of Assets and Liabilities  
at December 31, 2006**

<b>Assets:</b>	
Investment securities, at value (Cost - \$294,442,072) .....	\$455,657,923
Repurchase agreements (Cost - \$32,400,000)	32,400,000
Cash .....	135,331
Receivable for securities sold .....	1,659,624
Receivable for capital shares sold .....	915,849
Interest and dividends receivable .....	335,997
<b>Total Assets</b> .....	<u>491,104,724</u>
<b>Liabilities:</b>	
Payable for securities purchased .....	311,756
Payable for capital shares repurchased .....	431,543
Accrued expenses:	
Advisory fee .....	313,853
Service and distribution plan fees payable	104,618
Directors' fees and expenses .....	9,662
Other .....	147,301
<b>Total Liabilities</b> .....	<u>1,318,733</u>
<b>Net Assets</b> .....	<u>\$489,785,991</u>
<b>Net assets consist of:</b>	
Capital stock, at \$1.00 par value (authorized 100,000,000, outstanding 18,408,419 shares) .....	\$ 18,408,419
Additional paid-in capital .....	302,120,205
Undistributed net investment income .....	1,537
Accumulated net realized gain on investments .....	8,040,272
Net unrealized appreciation of investments and foreign currency translations .....	161,215,558
<b>Net Assets</b> .....	<u>\$489,785,991</u>
<b>Net Asset Value, Offering and Redemption Price Per Outstanding Share (\$489,785,991 ÷ 18,408,419 shares outstanding) .....</b>	<u>\$ 26.61</u>

**Statement of Operations  
for the Year Ended December 31, 2006**

<b>Investment Income:</b>	
Dividends (Net of foreign withholding tax of \$81,077) .....	\$ 4,053,770
Interest .....	1,261,647
<b>Total Income</b> .....	<u>5,315,417</u>
<b>Expenses:</b>	
Advisory fee .....	3,542,261
Service and distribution plan fees .....	1,180,754
Printing and postage .....	165,450
Transfer agent .....	154,500
Auditing and legal fees .....	146,199
Proxy Fee Expense .....	110,000
Custodian fees .....	101,681
Insurance .....	65,704
Registration and filing fees .....	55,875
Directors' fees and expenses .....	46,225
Telephone .....	9,725
Other .....	14,396
Total Expenses Before Custody Credits ..	5,592,770
Less: Custody Credits .....	(7,405)
Net Expenses .....	<u>5,585,365</u>
<b>Net Investment Loss</b> .....	<u>(269,948)</u>
<b>Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Exchange Transactions:</b>	
Net Realized Gain .....	30,116,141
Change in Net Unrealized Appreciation/ (Depreciation) .....	17,238,314
<b>Net Realized Gain and Change in Net Unrealized Appreciation/(Depreciation) on Investments and Foreign Exchange Transactions</b> .....	<u>47,354,455</u>
<b>Net Increase in Net Assets from Operations</b> .....	<u>\$47,084,507</u>

See Notes to Financial Statements.

**Statement of Changes in Net Assets  
for the Years Ended December 31, 2006 and December 31, 2005**

	Year Ended December 31, 2006	Year Ended December 31, 2005*
<b>Operations:</b>		
Net investment loss .....	\$ (269,948)	\$ (225,386)
Net realized gain on investments .....	30,116,141	24,671,770
Change in net unrealized appreciation .....	17,238,314	20,178,559
Net increase in net assets from operations .....	47,084,507	44,624,943
<b>Distributions to Shareholders:</b>		
Net realized gain on investment transactions .....	(30,048,237)	(23,222,282)
<b>Capital Share Transactions:</b>		
Proceeds from sale of shares .....	102,143,231	89,522,091
Proceeds from reinvestment of distributions to shareholders .....	28,814,224	21,844,324
Cost of shares repurchased .....	(99,322,215)	(75,684,311)
Net increase from capital share transactions .....	31,635,240	35,682,104
<b>Total Increase in Net Assets</b> .....	<b>48,671,510</b>	<b>57,084,765</b>
<b>Net Assets:</b>		
Beginning of year .....	441,114,481	384,029,716
End of year .....	\$489,785,991	\$441,114,481
<b>Undistributed net investment income, at end of year</b> .....	<b>\$ 1,537</b>	<b>\$ 1,863</b>

\* Numbers were previously presented rounded to thousands.

See Notes to Financial Statements.

## Notes to Financial Statements

### 1. Significant Accounting Policies

Value Line Premier Growth Fund, Inc. (the “Fund”) (formerly known as The Value Line Special Situations Fund, Inc.) 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 Fund invests primarily in a diversified portfolio of U.S. equity securities with favorable growth potential.

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 are valued at the closing sales prices on the date as of which the net asset value is being determined. Securities traded on the NASDAQ Stock Market are valued at the NASDAQ Official Closing Price. 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. 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. 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.

In addition, the Fund may use the fair value of a security when the closing market price on the primary exchange

where the security is traded no longer accurately reflects the value of a security due to factors affecting one or more relevant securities markets or the specific issuer.

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157, “Fair Value Measurements” (SFAS No. 157). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosure about fair value measurements. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007. Management is currently evaluating the impact the adoption of SFAS No. 157 will have on the Fund’s financial statement disclosures.

**(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, it is the Fund’s policy to mark-to-market the collateral 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 provision is required.

In July 2006, the Financial Accounting Standards Board issued Interpretation No. 48, “Accounting for Uncertainty in Income Taxes — an Interpretation of FASB Statement No. 109” (the “Interpretation”). The Interpretation establishes for all entities, including pass-through entities such as the Fund, a minimum threshold for financial statement

## December 31, 2006

recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. The Interpretation is effective for fiscal years beginning after December 15, 2006, and is to be applied to all open tax years as of the date of effectiveness. Management has recently begun to evaluate the application of the Interpretation to the Fund, and is not in a position at this time to estimate the significance of its impact, if any, on the Fund's financial statements.

**(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. Dividends received in excess of income are recorded as a reduction of cost of investments and/or realized gain on Real Estate Investment Trusts (REITs).

**(E) Foreign Currency Translation.** The books and records of the Fund are maintained in U.S. dollars. Assets and liabilities which are denominated in foreign currencies are translated to U.S. dollars at the prevailing rates of exchange. The Fund does not isolate changes in the value of investments caused by foreign exchange rate differences from the changes due to other circumstances.

Income and expenses are translated to U.S. dollars based upon the rates of exchange on the respective dates of such transactions.

Net realized foreign exchange gains or losses arise from currency fluctuations realized between the trade and settlement dates on securities transactions, the differences between the U.S. dollar amounts of dividends, interest, and foreign withholding taxes recorded by the Fund, and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities, other than investments, at the end of the fiscal period,

resulting from changes in the exchange rates. The effect of the change in foreign exchange rates on the value of investments is included in realized gain/loss on investments and change in net unrealized appreciation/depreciation on investments.

**(F) Representations and Indemnifications.** In the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

### 2. Capital Share Transactions and Distributions to Shareholders

Transactions in capital stock were as follows:

	Year Ended December 31, 2006	Year Ended December 31, 2005
Shares sold .....	3,766,825	3,562,820
Shares issued to shareholders in reinvestment of distributions ....	1,079,194	852,200
	4,846,019	4,415,020
Shares repurchased	(3,665,496)	(3,034,292)
Net increase	1,180,523	1,380,728
Distributions per share from net realized gains ...	\$ 1.7309	\$ 1.4165

### 3. Purchases and Sales of Securities

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

	Year Ended December 31, 2006
<b>Purchases:</b>	
Investment Securities .....	\$169,293,111
<b>Sales</b>	
Investment Securities .....	\$177,812,703

## Notes to Financial Statements

December 31, 2006

### 4. Income Taxes

At December 31, 2006, information on the tax components of capital is as follows:

Cost of investments for tax purposes..	\$326,858,001
Gross tax unrealized appreciation.....	\$162,808,625
Gross tax unrealized depreciation.....	(1,608,703)
Net tax unrealized appreciation on investments.....	<u>\$161,199,922</u>
Undistributed long-term gain.....	<u>\$ 8,060,522</u>

Net unrealized gain (loss) differs for financial statements and tax purposes primarily due to wash sales.

The tax composition of distributions to shareholders for the years ended December 31, 2006 and December 31, 2005 were all from net long-term capital gains.

Permanent book-tax differences relating to the current year were reclassified within the composition of the net asset accounts. The Fund increased undistributed net investment income by approximately \$269,622, decreased accumulated net realized gain by approximately \$89,571, and decreased additional paid-in-capital by \$180,051. Net assets were not affected by this reclassification. These reclasses are primarily due to differing treatments of net operating losses for tax purposes.

### 5. Investment Advisory Fee, Service and Distribution Fees, and Transactions With Affiliates

An advisory fee of \$3,542,261 was paid or payable to Value Line, Inc., the Fund's investment adviser (the "Adviser"), for the year ended December 31, 2006. This was computed at the rate of 3/4 of 1% of the average daily net assets during the year 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. Direct expenses of the Fund are charged to the Fund while common expenses of the Value Line Funds are allocated proportionately based upon the Funds' respective net assets. 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 year ended December 31, 2006, fees amounting to \$1,180,754 were paid or payable to the Distributor under this Plan.

For the year ended December 31, 2006, the Fund's expenses were reduced by \$7,405 under a custody credit agreement with the custodian.

Certain officers and directors of the Adviser and the Distributor are also officers and directors of the Fund.

The Adviser and/or affiliated companies and the Value Line, Inc. Profit Sharing and Savings Plan owned 51,367 shares of the Fund's capital stock, representing less than 1% of the outstanding shares at December 31, 2006. In addition, the officers and directors of the Fund as a group owned 1,139 shares of the Fund, representing less than 1% of the outstanding shares.

## Financial Highlights

Selected data for a share of capital stock outstanding throughout each year:

	Years Ended December 31,				
	2006	2005	2004	2003	2002
<b>Net asset value, beginning of year</b> .....	\$ 25.60	\$ 24.23	\$ 20.84	\$ 16.08	\$ 18.95
<b>Income (loss) from Investment Operations:</b>					
Net investment loss .....	(0.01)	(0.01)	(0.06)	(0.04)	(0.05)
Net gains or losses on securities (both realized and unrealized) .....	2.75	2.80	3.89	4.80	(2.82)
Total income from investment operations ..	2.74	2.79	3.83	4.76	(2.87)
<b>Less distributions:</b>					
Distributions from net realized gains .....	(1.73)	(1.42)	(0.44)	—	—
<b>Net asset value, end of year</b> .....	\$ 26.61	\$ 25.60	\$ 24.23	\$ 20.84	\$ 16.08
<b>Total return</b> .....	10.68%	11.49%	18.42%	29.60%	(15.15)%
<b>Ratios/Supplemental Data:</b>					
Net assets, end of year (in thousands) .....	\$489,786	\$441,114	\$384,030	\$309,825	\$242,394
Ratio of expenses to average net assets <sup>(1)</sup> .....	1.18%	1.13%	1.15%	1.18%	1.20%
Ratio of net investment loss to average net assets .....	(0.06)%	(0.06)%	(0.31)%	(0.21)%	(0.31)%
Portfolio turnover rate .....	38%	44%	54%	52%	66%

<sup>(1)</sup> Ratio reflects expenses grossed up for custody credit arrangement. The ratio of expenses to average net assets net of custody credits would have been unchanged for the years ended December 31, 2006, 2005, 2004, 2003 and 2002.

See Notes to Financial Statements.

## Report of Independent Registered Public Accounting Firm

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### To the Board of Directors and Shareholders of Value Line Premier Growth Fund, Inc.

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Value Line Premier Growth Fund, Inc. (the "Fund") at December 31, 2006, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards

of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2006 by correspondence with the custodian, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
New York, New York

February 26, 2007

## **Federal Tax Status of Distributions (unaudited)**

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During the calendar year 2006, the Fund distributed \$30,048,237 of long-term capital gain to its shareholders.

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (“SEC”) for the first and third quarters of each fiscal year on Form N-Q. The Fund’s Forms N-Q are available on the SEC’s website at <http://www.sec.gov> and may be reviewed and copied at the SEC’s Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities, and information regarding how the Fund voted these proxies during the most recent 12-month period ended June 30 is available through the Fund’s website at <http://www.vlfunds.com> and on the SEC’s website at <http://www.sec.gov>. The description of the policies and procedures is also available without charge, upon request, by calling 1-800-243-2729.

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## Management of the Fund

### MANAGEMENT INFORMATION

The business and affairs of the Fund are managed by the Fund's officers under the direction of the Board of Directors. The following table sets forth information on each Director and Officer of the Fund. Each Director serves as a director or trustee of each of the 14 Value Line Funds. Each Director serves until his or her successor is elected and qualified.

Name, Address, and Age	Position	Length of Time Served	Principal Occupation During the Past 5 Years	Other Directorships Held by Director
<b>Interested Director*</b>				
Jean Bernhard Buttner Age 72	Chairman of the Board of Directors and President	Since 1983	Chairman, President and Chief Executive Officer of Value Line, Inc. (the "Adviser") and Value Line Publishing, Inc. Chairman and President of each of the 14 Value Line Funds and Value Line Securities, Inc. (the "Distributor").	Value Line, Inc.
<b>Non-Interested Directors</b>				
John W. Chandler 18 Victoria Lane Lanesboro, MA 01237 Age 83	Director	Since 1991	Consultant, Academic Search Consultation Service, Inc., (1994–2004); Trustee Emeritus and Chairman (1993–1994) of the Board of Trustees of Duke University; President Emeritus, Williams College.	None
Frances T. Newton 4921 Buckingham Drive Charlotte, NC 28209 Age 65	Director	Since 2000	Customer Support Analyst, Duke Power Company.	None
Francis C. Oakley 54 Scott Hill Road Williamstown, MA 01267 Age 75	Director	Since 2000	Professor of History, Williams College, (1961 to 2002); Professor Emeritus since 2002. President Emeritus since 1994 and President, (1985–1994); Chairman (1993–1997) and Interim President (2002–2003) of the American Council of Learned Societies. Trustee since 1997 and Chairman of the Board since 2005, National Humanities Center.	Berkshire Life Insurance Company of America
David H. Porter 5 Birch Run Drive Saratoga Springs, NY 12866 Age 71	Director	Since 1997	Visiting Professor of Classics, Williams College, since 1999; President Emeritus, Skidmore College since 1999 and President, (1987–1998).	None

## Management of the Fund

Name, Address, and Age	Position	Length of Time Served	Principal Occupation During the Past 5 Years	Other Directorships Held by Director
Paul Craig Roberts 169 Pompano St. Panama City Beach, FL 32413 Age 68	Director	Since 1983	Chairman, Institute for Political Economy.	A. Schulman Inc. (plastics)
Nancy-Beth Sheerr 1409 Beaumont Drive Gladwyne, PA 19035 Age 58	Director	Since 1996	Senior Financial Adviser, Veritable L.P. (investment adviser) since 2004; Senior Financial Advisor, Hawthorn, (2001–2004).	None
<b>Officers</b>				
David T. Henigson Age 49	Vice President, Secretary and Chief Compliance Officer	Since 1994	Director, Vice President and Compliance Officer of the Adviser. Director and Vice President of the Distributor. Vice President, Secretary, and Chief Compliance Officer of each of the 14 Value Line Funds.	
Stephen R. Anastasio Age 47	Treasurer	Since 2005	Controller of the Adviser until 2003; Chief Financial Officer of the Adviser, (2003–2005); Treasurer of the Adviser since 2005. Treasurer of each of the 14 Value Line Funds.	
Howard A. Brecher Age 53	Assistant Secretary/ Assistant Treasurer	Since 2005	Director, Vice President and Secretary of the Adviser. Director and Vice President of the Distributor.	

\* *Mrs. Butner is an “interested person” as defined in the Investment Company Act of 1940 by virtue of her positions with the Adviser and her indirect ownership of a controlling interest in the Adviser.*

*Unless otherwise indicated, the address for each of the above is 220 East 42nd Street, New York, NY 10017.*

The Fund’s Statement of Additional Information (SAI) includes additional information about the Fund’s directors and is available, without charge, upon request by calling 1-800-243-2729.

## The Value Line Family of Funds

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**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 — Value Line Premier Growth Fund** seeks long-term growth of capital. No consideration is given to current income in the choice of investments.

**1972 — Value Line Larger Companies Fund's** 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.

**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 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.

\* 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 1-800-243-2729, 9am–5pm CST, Monday–Friday, or visit us at [www.valueline.com](http://www.valueline.com). Read the prospectus carefully before you invest or send money.