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**A N N U A L R E P O R T**

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*March 31, 2009*

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*Value Line  
Emerging  
Opportunities  
Fund, Inc.*



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**V A L U E L I N E**

*No-Load  
Mutual  
Funds*

*This audited report is issued for information to 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).*

**#00063839**

## To Our Value Line Emerging

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### To Our Shareholders (unaudited):

Your Fund continues to gain recognition for its consistently superior track record. Lipper Inc., the mutual fund analysis company, awards its top Lipper Leader Rating to the Fund for both Total Return and Consistent Return, in recognition of the Fund's top-quartile performance within its category for each time span under review—three years, five years, and ten years. The Fund also earns the top Lipper Leader Rating for expense minimization. Morningstar, another independent mutual fund advisory service, rates the Fund Above Average for Overall Return and Below Average for Overall Risk exposure relative to other funds in its peer group, certainly an enviable combination. We note the Fund's portfolio manager is Stephen Grant who has been serving since 1998. In Morningstar's January 12th, 2009 Fund report publication, it was indicated that Mr. Grant's long term record is commendable and his performance has been superior to his peers and the index benchmark.

The Value Line Emerging Opportunities Fund recorded a loss of 38.1% in the fiscal year ended March 31, 2009, after expenses and fees. That compared with a loss of 37.5% in the same period for the unmanaged Russell 2000. <sup>(1)</sup>

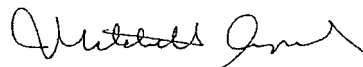
In September 2007, the Fund was named to the Forbes Magazine Honor Roll, ranking 10<sup>th</sup> among many hundreds of funds of all kinds on that long-standing annual list, which is based upon long-term performance and consistency of returns. In September 2008, Forbes ranked the Fund 11<sup>th</sup> in that calculation.

Of course, there has been no place to hide in this difficult stock market. But the Fund's disciplined investment approach has helped it avoid the worst of the dangers. We invest in stocks that show superior earnings momentum and price momentum, relative to other stocks. When these measures subsequently falter, we are quick to sell the holding and replace it with a better-performing issue. Put another way, we continually search for stocks where investor psychology is improving, rather than deteriorating. This discipline allowed your Fund to avoid, for example, most of the large declines in the financial services sector.

Wide diversification helps reduce the risk profile of the Fund, too. The portfolio holds about 300 stocks across many different industries. We invest less than 1/2 of 1% of total assets in any new holding, and only about 9% of the Fund's assets are invested in its top 10 holdings.

Thank you for your continued confidence in the Fund.

Sincerely,



Mitchell Appel, President

May 26, 2009

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*(1) The Russell 2000 Index is representative of the smaller capitalization stocks traded in the United States. This is an unmanaged index and does not reflect charges, expenses, or taxes, so it is not possible to invest in this Index.*

# Opportunities Fund Shareholders

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## **Economic Observations (unaudited)**

The recession is in full bloom, having hit this country with its worst business setback in several generations. Meanwhile, the downturn has spread overseas with ferocity creating a global crisis.

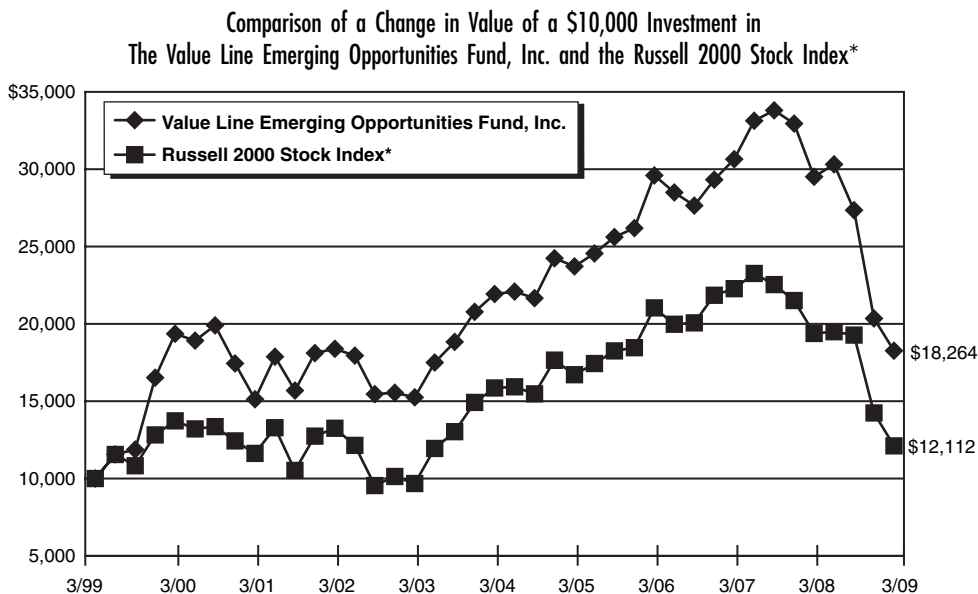
The current situation is traceable to several events, beginning with the sharp declines in housing construction, home sales, and real estate prices. We also have seen a reduction in credit availability, a high level of bank failures, rising foreclosure rates, increasing unemployment, a contraction in auto activity, and declines in manufacturing and nonmanufacturing. These developments are consistent with a deep and prolonged recession. As 2009 proceeds, we are facing a serious worldwide contraction that will at best end by late this year. Government reaction to this global upheaval is likely to involve attempts to foster major infrastructure

rebuilding and stabilize employment. It is hoped that such efforts will shorten the downturn's duration and reduce its severity.

Meanwhile, inflation, which had earlier moved sharply higher in this country due to dramatic increases in oil, food, and commodity prices, has moderated noticeably, thanks to more recent declines in energy prices. Our expectation is that absent a more potent long-term business expansion than we now project, inflation should remain in check for the most part over the next year or so. In fact, there is the possibility that we could see selective deflation along the way, especially if consumer demand falters much further. By early next decade, however, the massive governmental efforts being undertaken may result in somewhat higher inflation.

# (unaudited)

The following graph compares the performance of the Value Line Emerging Opportunities Fund, Inc. to that of the Russell 2000 Stock Index. The Value Line Emerging Opportunities 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 Russell 2000 Stock Index is representative of the smaller capitalization stocks traded in the United States.

## Performance Data:\*\*

	<u>Average Annual Total Return</u>	<u>Growth of an Assumed Investment of \$10,000</u>
1 year ended 3/31/09 .....	(38.11)%	\$ 6,189
5 years ended 3/31/09 .....	(3.59)%	\$ 8,329
10 years ended 3/31/09 .....	6.21%	\$ 18,264

\*\* 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.

**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 (October 1, 2008 through March 31, 2009).

**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.

	<b>Beginning account value 10/1/08</b>	<b>Ending account value 3/31/09</b>	<b>Expenses paid during period 10/1/08 thru 3/31/09*</b>
Actual .....	\$1,000.00	\$ 667.77	\$5.43
Hypothetical (5% return before expenses) .....	\$1,000.00	\$1,018.42	\$6.57

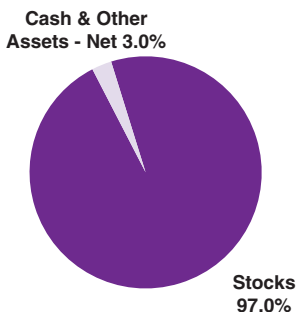
\* Expenses are equal to the Fund’s annualized expense ratio of 1.31% multiplied by the average account value over the period, multiplied by 182/365 to reflect the one-half year period. This expense ratio may differ from the expense ratio shown in the Financial Highlights.

# Portfolio Highlights at March 31, 2009 (unaudited)

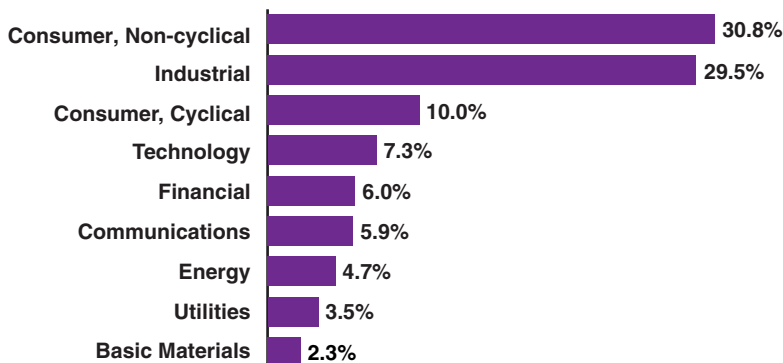
## Ten Largest Holdings

Issue	Shares	Value	Percentage of Net Assets
Illumina, Inc. ....	166,000	\$6,181,840	1.3%
ITT Educational Services, Inc. ....	48,500	\$5,888,870	1.3%
Hansen Natural Corp. ....	140,000	\$5,040,000	1.1%
URS Corp. ....	114,865	\$4,641,695	1.0%
Alexion Pharmaceuticals, Inc. ....	118,000	\$4,443,880	1.0%
Buckle, Inc. (The) ....	133,500	\$4,262,655	0.9%
Watson Wyatt Worldwide, Inc. Class A ....	85,300	\$4,211,261	0.9%
GameStop Corp. Class A ....	150,000	\$4,203,000	0.9%
Flowers Foods, Inc. ....	175,800	\$4,127,784	0.9%
FTI Consulting, Inc. ....	83,000	\$4,106,840	0.9%

## Asset Allocation – Percentage of Net Assets



## Equity Sector Weightings – Percentage of Total Investment Securities



## Schedule of Investments

March 31, 2009

Shares		Value	Shares		Value
<b>COMMON STOCKS (97.0%)</b>			<b>BUILDING MATERIALS (0.3%)</b>		
<b>AEROSPACE/DEFENSE (2.9%)</b>			10,500	Ameron International Corp. . . . .	\$ 552,930
28,000	AAR Corp.* . . . . .	\$ 351,120	28,000	Dynamic Materials Corp. . . . .	256,480
27,000	Alliant Techsystems, Inc.* . . . .	1,808,460	16,200	Jacobs Engineering	
102,000	BE Aerospace, Inc.* . . . . .	884,340		Group, Inc.* . . . . .	626,292
79,200	Esterline Technologies Corp.* . . .	1,599,048			<u>1,435,702</u>
24,400	Grupo Aeroportuario del		<b>CANADIAN ENERGY (0.2%)</b>		
	Sureste S.A.B. de		35,000	Suncor Energy, Inc. . . . .	777,350
	C.V. ADR. . . . .	702,232	<b>CHEMICAL - DIVERSIFIED (0.8%)</b>		
66,000	HEICO Corp. . . . .	1,603,800	28,000	Albemarle Corp. . . . .	609,560
54,025	Moog, Inc. Class A* . . . . .	1,235,552	18,000	FMC Corp. . . . .	776,520
177,000	Orbital Sciences Corp.* . . . . .	2,104,530	89,200	LSB Industries, Inc.* . . . . .	882,188
24,800	Precision Castparts Corp. . . . .	1,485,520	60,000	Sociedad Quimica y Minera	
59,700	Teledyne Technologies, Inc.* . . . .	1,592,796		de Chile S.A. ADR . . . . .	1,593,600
		<u>13,367,398</u>			<u>3,861,868</u>
<b>APPAREL (1.3%)</b>			<b>CHEMICAL - SPECIALTY (1.5%)</b>		
136,000	Guess?, Inc. . . . .	2,866,880	50,700	Airgas, Inc. . . . .	1,714,167
66,000	Phillips-Van Heusen Corp. . . . .	1,496,880	26,350	Ceradyne, Inc.* . . . . .	477,725
77,000	Warnaco Group, Inc. (The)* . . . .	1,848,000	12,400	Ecolab, Inc. . . . .	430,652
		<u>6,211,760</u>	32,000	Lubrizol Corp. (The) . . . . .	1,088,320
<b>AUTO PARTS (0.9%)</b>			16,000	NewMarket Corp. . . . .	708,800
67,000	BorgWarner, Inc. . . . .	1,360,100	8,000	Praxair, Inc. . . . .	538,320
200,000	LKQ Corp.* . . . . .	2,854,000	58,000	Sigma-Aldrich Corp. . . . .	2,191,820
		<u>4,214,100</u>			<u>7,149,804</u>
<b>BANK (0.3%)</b>			<b>COMPUTER &amp; PERIPHERALS (0.9%)</b>		
10,000	Bancolumbia S.A. ADR . . . . .	194,700	19,000	Logitech International S.A.* . . . .	195,320
37,500	Bank of Hawaii Corp. . . . .	1,236,750	79,200	MICROS Systems, Inc.* . . . . .	1,485,000
		<u>1,431,450</u>	103,000	NCR Corp.* . . . . .	818,850
<b>BANK - MIDWEST (0.2%)</b>			71,600	Synaptics, Inc.* . . . . .	1,916,016
15,040	Commerce Bancshares, Inc. . . . .	545,952			<u>4,415,186</u>
7,916	First Financial Bankshares,		<b>COMPUTER SOFTWARE</b>		
	Inc. . . . .	381,314	<b>&amp; SERVICES (4.3%)</b>		
4,250	IBERIABANK Corp. . . . .	195,245	70,200	Advent Software, Inc.* . . . . .	2,338,362
		<u>1,122,511</u>	111,726	ANSYS, Inc.* . . . . .	2,804,323
<b>BEVERAGE - ALCOHOLIC (0.1%)</b>			82,600	Blackbaud, Inc. . . . .	958,986
64,025	Central European Distribution		55,200	Cognizant Technology	
	Corp.* . . . . .	688,909		Solutions Corp. Class A* . . . . .	1,147,608
<b>BEVERAGE - SOFT DRINK (1.1%)</b>			117,000	Concur Technologies, Inc.* . . . . .	2,245,230
140,000	Hansen Natural Corp.* . . . . .	5,040,000	50,700	Equinix, Inc.* . . . . .	2,846,805
<b>BIOTECHNOLOGY (1.2%)</b>			340,000	Lawson Software, Inc.* . . . . .	1,445,000
31,000	Alnylam Pharmaceuticals, Inc.* . . .	590,240	46,800	ManTech International Corp.	
35,000	Gen-Probe, Inc.* . . . . .	1,595,300		Class A* . . . . .	1,960,920
39,200	Techne Corp. . . . .	2,144,632	35,000	Omniture, Inc.* . . . . .	461,650
20,400	United Therapeutics Corp.* . . . .	1,348,236	26,000	Quality Systems, Inc. . . . .	1,176,500
		<u>5,678,408</u>	90,000	Sybase, Inc.* . . . . .	2,726,100
					<u>20,111,484</u>

See Notes to Financial Statements.

March 31, 2009

Shares	Value	Shares	Value
<b>DIVERSIFIED COMPANIES (3.2%)</b>		<b>ELECTRICAL EQUIPMENT (1.7%)</b>	
89,200	Acuity Brands, Inc. .... \$ 2,010,568	13,000	Baldor Electric Co. .... \$ 188,370
87,700	AMETEK, Inc. .... 2,742,379	91,000	EnerSys* .... 1,102,920
111,000	Barnes Group, Inc. .... 1,186,590	104,000	FLIR Systems, Inc.* .... 2,129,920
63,000	Brink's Co. (The) .... 1,666,980	71,700	General Cable Corp.* .... 1,421,094
12,000	Chemed Corp. .... 466,800	28,200	Rofin-Sinar Technologies, Inc.* .... 454,584
18,900	EnPro Industries, Inc.* .... 323,190	47,000	Thomas & Betts Corp.* .... 1,175,940
52,800	ESCO Technologies, Inc.* .... 2,043,360	101,600	Trimble Navigation Ltd.* .... 1,552,448
10,600	GeoEye, Inc.* .... 209,350		<b>8,025,276</b>
43,500	Matthews International Corp. Class A .... 1,253,235		<b>ELECTRICAL UTILITY –</b>
49,700	Taubman Centers, Inc. .... 846,888		<b>CENTRAL (0.7%)</b>
43,600	Valmont Industries, Inc. .... 2,189,156	77,000	ITC Holdings Corp. .... <b>3,358,740</b>
	<b>14,938,496</b>		<b>ELECTRONICS (0.7%)</b>
	<b>DRUG (3.9%)</b>	78,000	Amphenol Corp. Class A .... 2,222,220
118,000	Alexion Pharmaceuticals, Inc.* .. 4,443,880	94,950	Diodes, Inc.* .... 1,007,420
37,500	AMAG Pharmaceuticals, Inc.* .... 1,378,875		<b>3,229,640</b>
99,000	Auxilium Pharmaceuticals, Inc.* .. 2,744,280		<b>ENTERTAINMENT (0.1%)</b>
61,589	Celgene Corp.* .... 2,734,552	29,100	Central European Media Enterprises Ltd. Class A* ... <b>333,486</b>
31,200	Covance, Inc.* .... 1,111,656		<b>ENTERTAINMENT</b>
79,187	Immucor, Inc.* .... 1,991,553		<b>TECHNOLOGY (0.2%)</b>
128,200	PAREXEL International Corp.* .... 1,247,386	29,000	Dolby Laboratories, Inc. Class A* .... <b>989,190</b>
52,000	Perrigo Co. .... 1,291,160		<b>ENVIRONMENTAL (2.5%)</b>
59,000	Pharmaceutical Product Development, Inc. .... 1,399,480	119,000	Calgon Carbon Corp.* .... 1,686,230
	<b>18,342,822</b>	60,800	Clean Harbors, Inc.* .... 2,918,400
	<b>E-COMMERCE (1.4%)</b>	29,000	Fuel Tech, Inc.* .... 303,340
72,000	Ctrip.com International Ltd. ADR .... 1,972,800	22,500	Republic Services, Inc. .... 385,875
180,000	Informatica Corp.* .... 2,386,800	73,600	Stericycle, Inc.* .... 3,512,928
60,000	Salesforce.com, Inc.* .... 1,963,800	108,000	Waste Connections, Inc.* .... 2,775,600
	<b>6,323,400</b>		<b>11,582,373</b>
	<b>EDUCATIONAL SERVICES (3.1%)</b>		<b>FINANCIAL SERVICES –</b>
72,000	Blackboard, Inc.* .... 2,285,280		<b>DIVERSIFIED (2.2%)</b>
34,000	DeVry, Inc. .... 1,638,120	23,400	Affiliated Managers Group, Inc.* .... 976,014
48,500	ITT Educational Services, Inc.* .... 5,888,870	11,400	BlackRock, Inc. .... 1,482,456
28,000	New Oriental Education & Technology Group, Inc. ADR* .... 1,407,000	3,000	Credicorp Ltd. .... 140,520
19,000	Strayer Education, Inc. .... 3,417,530	24,000	Eaton Vance Corp. .... 548,400
	<b>14,636,800</b>	79,000	EZCORP, Inc. Class A* .... 914,030
		9,135	Fidelity National Information Services, Inc. .... 166,257
		53,250	Financial Federal Corp. .... 1,127,835
		32,800	First Cash Financial Services, Inc.* .... 489,376

See Notes to Financial Statements.

# Schedule of Investments

Shares		Value	Shares		Value
24,000	Global Payments, Inc. ....	\$ 801,840	85,300	Watson Wyatt Worldwide, Inc.	
4,567	Lender Processing Services, Inc. ....	139,796		Class A .....	\$ 4,211,261
60,300	ProAssurance Corp.* .....	2,811,186			<b>7,365,821</b>
45,000	Wright Express Corp.* .....	819,900		<b>INDUSTRIAL SERVICES (5.4%)</b>	
		<b>10,417,610</b>	38,100	Aaron Rents, Inc. ....	1,015,746
	<b>FOOD PROCESSING (2.2%)</b>		63,000	Brink's Home Security Holdings, Inc.* .....	1,423,800
175,800	Flowers Foods, Inc. ....	4,127,784	19,600	C.H. Robinson Worldwide, Inc. ....	893,956
109,000	McCormick & Company, Inc. ....	3,223,130	141,900	Corrections Corp. of America* .....	1,817,739
52,400	Ralcorp Holdings, Inc.* .....	2,823,312	102,000	EMCOR Group, Inc.* .....	1,751,340
		<b>10,174,226</b>	83,000	FTI Consulting, Inc.* .....	4,106,840
	<b>FOOD WHOLESALERS (0.7%)</b>		134,900	Geo Group, Inc. (The)* .....	1,787,425
68,000	Green Mountain Coffee Roasters, Inc.* .....	<b>3,264,000</b>	10,800	Michael Baker Corp.* .....	280,800
	<b>FOREIGN</b>		166,920	Quanta Services, Inc.* .....	3,580,434
	<b>TELECOMMUNICATIONS (0.3%)</b>		111,600	Ritchie Bros. Auctioneers, Inc. ....	2,074,644
21,722	Brasil Telecom Participacoes S.A. ADR .....	784,598	82,100	Stanley, Inc.* .....	2,084,519
26,998	Brasil Telecom S.A. ADR .....	447,627	114,865	URS Corp.* .....	4,641,695
		<b>1,232,225</b>			<b>25,458,938</b>
	<b>GROCERY (0.5%)</b>			<b>INFORMATION SERVICES (2.1%)</b>	
112,000	Ruddick Corp. ....	<b>2,514,400</b>	47,000	Alliance Data Systems Corp.* .....	1,736,650
	<b>HEALTH CARE INFORMATION SYSTEMS (0.1%)</b>		85,400	Arbitron, Inc. ....	1,281,854
6,000	Cerner Corp.* .....	<b>263,820</b>	52,050	FactSet Research Systems, Inc. ....	2,601,979
	<b>HOME APPLIANCES (0.1%)</b>		36,700	IHS, Inc. Class A* .....	1,511,306
22,700	Toro Co. (The) .....	<b>548,886</b>	27,000	Interactive Data Corp. ....	671,220
	<b>HOTEL/GAMING (1.0%)</b>		182,000	Nuance Communications, Inc.* .....	1,976,520
55,000	Bally Technologies, Inc.* .....	1,013,100			<b>9,779,529</b>
48,000	Penn National Gaming, Inc.* ..	1,159,200		<b>INSURANCE - LIFE (0.2%)</b>	
124,000	WMS Industries, Inc.* .....	2,592,840	22,400	Reinsurance Group of America, Inc. ....	<b>725,536</b>
		<b>4,765,140</b>		<b>INSURANCE - PROPERTY &amp; CASUALTY (2.2%)</b>	
	<b>HOUSEHOLD PRODUCTS (1.1%)</b>		63,500	American Financial Group, Inc. ....	1,019,175
71,000	Church & Dwight Co., Inc. ....	3,708,330	54,300	Arch Capital Group Ltd.* .....	2,924,598
24,000	Energizer Holdings, Inc.* .....	1,192,560	4,100	Markel Corp.* .....	1,163,908
12,000	Tupperware Brands Corp. ....	203,880	27,000	Odyssey Re Holdings Corp. ....	1,024,110
		<b>5,104,770</b>	63,200	RLI Corp. ....	3,172,640
	<b>HUMAN RESOURCES (1.6%)</b>		10,000	Tower Group, Inc. ....	246,300
106,000	Hewitt Associates, Inc. Class A* .....	3,154,560			

See Notes to Financial Statements.

March 31, 2009

Shares		Value	Shares		Value
34,100	Zenith National Insurance Corp. ....	\$ 822,151			
		<b>10,372,882</b>			
	<b>INTERNET (1.1%)</b>			<b>MEDICAL SERVICES (1.5%)</b>	
135,000	Atheros Communications, Inc.* .....	1,979,100	82,333	Amedisys, Inc.* .....	\$ 2,263,334
201,000	CyberSource Corp.* .....	2,976,810	12,000	Emergency Medical Services Corp. Class A* .....	376,680
6,000	GigaMedia Ltd.* .....	33,120	28,200	Gentiva Health Services, Inc.* .....	428,640
		<b>4,989,030</b>	47,000	ICON PLC ADR* .....	759,050
			23,000	Kendle International, Inc.* .....	482,080
	<b>MACHINERY (7.5%)</b>		100,000	PSS World Medical, Inc.* .....	1,435,000
27,000	Actuant Corp. Class A .....	278,910	51,100	Psychiatric Solutions, Inc.* .....	803,803
75,750	Applied Industrial Technologies, Inc. ....	1,277,902	76,000	Sun Healthcare Group, Inc.* .....	641,440
60,000	Bucyrus International, Inc. ....	910,800			<b>7,190,027</b>
14,100	Cascade Corp. ....	248,583		<b>MEDICAL SUPPLIES (8.7%)</b>	
80,800	CIRCOR International, Inc. ....	1,819,616	2,000	Abaxis, Inc.* .....	34,480
88,400	Curtiss-Wright Corp. ....	2,479,620	12,600	Bard (C.R.), Inc. ....	1,004,472
34,800	Donaldson Company, Inc. ....	934,032	40,000	Bio-Rad Laboratories, Inc. Class A* .....	2,636,000
28,000	Flowserve Corp. ....	1,571,360	12,000	Charles River Laboratories International, Inc.* .....	326,520
78,000	Foster Wheeler AG* .....	1,362,660	67,000	DENTSPLY International, Inc. ....	1,798,950
96,400	Gardner Denver, Inc.* .....	2,095,736	64,000	Edwards Lifesciences Corp.* .....	3,880,320
44,850	Graco, Inc. ....	765,590	68,500	Haemonetics Corp.* .....	3,772,980
54,400	IDEX Corp. ....	1,189,728	34,000	Henry Schein, Inc.* .....	1,360,340
69,500	Kaydon Corp. ....	1,899,435	46,800	IDEXX Laboratories, Inc.* .....	1,618,344
101,600	Lennox International, Inc. ....	2,688,336	166,000	Illumina, Inc.* .....	6,181,840
44,400	Lincoln Electric Holdings, Inc. ....	1,407,036	25,600	Integra LifeSciences Holdings Corp.* .....	633,088
41,100	Lindsay Corp. ....	1,109,700	18,400	Intuitive Surgical, Inc.* .....	1,754,624
116,000	Manitowoc Company, Inc. (The) .....	379,320	87,000	Life Technologies Corp.* .....	2,825,760
44,000	Middleby Corp. (The)* .....	1,426,920	46,000	Masimo Corp.* .....	1,333,080
35,900	MSC Industrial Direct Co., Inc. Class A .....	1,115,413	120,800	Meridian Bioscience, Inc. ....	2,188,896
44,000	Nordson Corp. ....	1,250,920	18,000	Natus Medical, Inc.* .....	153,180
58,000	Regal-Beloit Corp. ....	1,777,120	94,900	NuVasive, Inc.* .....	2,977,962
91,000	Robbins & Myers, Inc. ....	1,380,470	95,000	Owens & Minor, Inc. ....	3,147,350
43,200	Roper Industries, Inc. ....	1,833,840	87,000	West Pharmaceutical Services, Inc. ....	2,854,470
57,000	Snap-on, Inc. ....	1,430,700	26,800	Zoll Medical Corp.* .....	384,848
6,600	Sun Hydraulics Corp. ....	96,426			<b>40,867,504</b>
8,600	Tennant Co. ....	80,582			
85,000	Wabtec Corp. ....	2,242,300			
		<b>35,053,055</b>		<b>METALS &amp; MINING</b>	
				<b>DIVERSIFIED (0.0%)</b>	
	<b>MARITIME (0.5%)</b>		7,000	AMCOL International Corp. ...	<b>103,880</b>
92,400	Kirby Corp.* .....	2,461,536			

See Notes to Financial Statements.

# Schedule of Investments

Shares		Value	Shares		Value
<b>METALS FABRICATING (0.1%)</b>					
13,000	Harsco Corp. ....	\$ 288,210	92,800	Frontier Oil Corp. ....	\$ 1,186,912
20,000	Kennametal, Inc. ....	324,200	20,000	Holly Corp. ....	424,000
		<b>612,410</b>			<b>3,376,280</b>
<b>NATURAL GAS - DISTRIBUTION (1.9%)</b>					
37,200	AGL Resources, Inc. ....	986,916	33,050	Atlas America, Inc. ....	289,187
78,000	Northwest Natural Gas Co. ...	3,386,760	46,000	Forest Oil Corp.* ....	604,900
94,400	South Jersey Industries, Inc. ...	3,304,000	54,000	Quicksilver Resources, Inc.* ..	299,160
54,700	UGI Corp. ....	1,291,467	80,700	Range Resources Corp. ....	3,321,612
		<b>8,969,143</b>			<b>4,514,859</b>
<b>NATURAL GAS - DIVERSIFIED (0.6%)</b>					
26,000	Energen Corp. ....	757,380	<b>PHARMACY SERVICES (0.2%)</b>		
95,800	Penn Virginia Corp. ....	1,051,884	54,700	Catalyst Health Solutions, Inc.* ....	<b>1,084,154</b>
34,720	XTO Energy, Inc. ....	1,063,126	<b>POWER (0.2%)</b>		
		<b>2,872,390</b>	83,000	Covanta Holding Corp.* ....	<b>1,086,470</b>
<b>OILFIELD SERVICES/EQUIPMENT (2.9%)</b>					
91,000	Arena Resources, Inc.* ....	2,318,680	<b>PRECISION INSTRUMENT (1.2%)</b>		
16,000	Atwood Oceanics, Inc.* ....	265,440	36,700	Badger Meter, Inc. ....	1,060,263
103,000	AZZ, Inc.* ....	2,718,170	8,400	Dionex Corp.* ....	396,900
71,000	Bristow Group, Inc.* ....	1,521,530	24,600	Thermo Fisher Scientific, Inc.* ....	877,482
20,000	Core Laboratories N.V. ....	1,463,200	39,000	Triumph Group, Inc. ....	1,489,800
40,000	Exterran Holdings, Inc.* ....	640,800	22,400	Varian, Inc.* ....	531,776
38,800	FMC Technologies, Inc.* ....	1,217,156	104,600	Woodward Governor Co. ....	1,169,428
47,000	Oceaneering International, Inc.* ....	1,732,890			<b>5,525,649</b>
57,000	Superior Energy Services, Inc.* ....	734,730	<b>PUBLISHING (0.1%)</b>		
111,000	Willbros Group, Inc.* ....	1,076,700	13,000	John Wiley & Sons, Inc. Class A ....	<b>387,140</b>
		<b>13,689,296</b>	<b>R.E.I.T. (0.1%)</b>		
<b>PACKAGING &amp; CONTAINER (2.2%)</b>					
99,200	AptarGroup, Inc. ....	3,089,088	12,000	PS Business Parks, Inc. ....	<b>442,200</b>
96,000	CLARCOR, Inc. ....	2,418,240	<b>RAILROAD (0.7%)</b>		
61,600	Greif, Inc. Class A ....	2,050,664	90,700	Genesee & Wyoming, Inc. Class A* ....	1,927,375
56,200	Silgan Holdings, Inc. ....	2,952,748	98,000	Kansas City Southern* ....	1,245,580
		<b>10,510,740</b>			<b>3,172,955</b>
<b>PAPER &amp; FOREST PRODUCTS (0.2%)</b>					
74,000	Koppers Holdings, Inc. ....	<b>1,074,480</b>	<b>RECREATION (0.7%)</b>		
<b>PETROLEUM - INTEGRATED (0.7%)</b>					
118,800	Denbury Resources, Inc.* ....	1,765,368	130,000	Marvel Entertainment, Inc.* ...	<b>3,451,500</b>
<b>RESTAURANT (0.2%)</b>					
			12,200	Chipotle Mexican Grill, Inc. Class A* ....	<b>809,836</b>

See Notes to Financial Statements.

March 31, 2009

Shares		Value	Shares		Value
<b>RETAIL - AUTOMOTIVE (0.7%)</b>			<b>TELECOMMUNICATIONS</b>		
62,000	Copart, Inc.*	\$ 1,838,920	<b>EQUIPMENT (0.8%)</b>		
45,400	O'Reilly Automotive, Inc.*	1,589,454	67,200	Comtech Telecommunications Corp.*	\$ 1,664,544
		<b>3,428,374</b>	81,200	Nice Systems Ltd. ADR*	2,018,632
<b>RETAIL - SPECIAL LINES (2.6%)</b>					<b>3,683,176</b>
133,000	Aeropostale, Inc.*	3,532,480	<b>THRIFT (0.1%)</b>		
133,500	Buckle, Inc. (The)	4,262,655	47,448	Hudson City Bancorp, Inc.	<b>554,667</b>
7,000	Fossil, Inc.*	109,900	<b>TIRE &amp; RUBBER (0.1%)</b>		
150,000	GameStop Corp. Class A*	4,203,000	15,600	Carlisle Companies, Inc.	<b>306,228</b>
9,962	Hibbett Sports, Inc.*	191,470	<b>TOILETRIES &amp; COSMETICS (0.6%)</b>		
		<b>12,299,505</b>	50,500	Chattem, Inc.*	<b>2,830,525</b>
<b>SECURITIES BROKERAGE (1.0%)</b>			<b>TRUCKING (1.4%)</b>		
12,400	Investment Technology Group, Inc.*	316,448	126,400	HUB Group, Inc. Class A*	2,148,800
33,000	Raymond James Financial, Inc.	650,100	124,000	Hunt (J.B.) Transport Services, Inc.	2,989,640
91,000	Stifel Financial Corp.*	3,941,210	44,400	Landstar System, Inc.	1,486,068
		<b>4,907,758</b>			<b>6,624,508</b>
<b>SHOE (0.9%)</b>			<b>WATER UTILITY (0.6%)</b>		
46,700	Deckers Outdoor Corp.*	2,476,968	9,300	American States Water Co.	337,776
101,750	Wolverine World Wide, Inc.	1,585,265	32,000	California Water Service Group	1,339,520
		<b>4,062,233</b>	58,000	Cia de Saneamento Basico do Estado de Sao Paulo ADR	1,238,300
<b>STEEL - GENERAL (0.3%)</b>					<b>2,915,596</b>
25,000	Ampco-Pittsburgh Corp.	331,500	<b>WIRELESS NETWORKING (1.0%)</b>		
48,800	Cliffs Natural Resources, Inc.	886,208	42,700	Itron, Inc.*	2,021,845
6,000	Haynes International, Inc.*	106,920	110,000	SBA Communications Corp. Class A*	2,563,000
		<b>1,324,628</b>			<b>4,584,845</b>
<b>TELECOMMUNICATION SERVICES (1.4%)</b>			<b>TOTAL COMMON STOCKS AND TOTAL INVESTMENT SECURITIES (97.0%)</b>		
93,000	Alaska Communications Systems Group, Inc.	623,100	<b>(Cost \$560,051,872)</b>		
60,417	American Tower Corp. Class A*	1,838,490	<b>455,356,394</b>		
55,008	Crown Castle International Corp.*	1,122,713			
9,200	NTELOS Holdings Corp.	166,888			
69,000	Premiere Global Services, Inc.*	608,580			
36,000	Syniverse Holdings, Inc.*	567,360			
161,000	TW Telecom, Inc.*	1,408,750			
		<b>6,335,881</b>			

See Notes to Financial Statements.

# Schedule of Investments

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<u>Principal Amount</u>	<u>Value</u>
<b>SHORT-TERM INVESTMENTS (2.9%)</b>	
<b>U.S. TREASURY OBLIGATIONS (2.7%)</b>	
\$13,000,000 United States Treasury Bill, 0.13%, 4/23/09 (1) . . . . .	<b>\$ 12,999,920</b>
<b>REPURCHASE AGREEMENTS (0.2%)</b>	
900,000 With Morgan Stanley, 0.06%, dated 3/31/09, due 4/1/09, delivery value \$900,002 (collateralized by \$915,000 U.S. Treasury Notes 1.125%, due 12/15/11, with a value of \$920,714) . . . . .	<b>900,000</b>
<b>TOTAL SHORT-TERM INVESTMENTS (Cost \$13,899,920) . . . . .</b>	<b><u>13,899,920</u></b>
<b>CASH AND OTHER ASSETS IN EXCESS OF LIABILITIES (0.1%) . . . . .</b>	<b><u>287,898</u></b>
<b>NET ASSETS (100%) . . . . .</b>	<b><u>\$469,544,212</u></b>
<b>NET ASSET VALUE OFFERING AND REDEMPTION PRICE, PER OUTSTANDING SHARE (\$469,544,212 ÷ 25,163,771 shares outstanding) . . . . .</b>	
	<b><u>\$ 18.66</u></b>

\* *Non-income producing.*

(1) *The rate shown on discount securities represents the yield or rate as of March 31, 2009.*

ADR *American Depositary Receipt.*

**Statement of Assets and Liabilities  
at March 31, 2009**

<b>Assets:</b>	
Investment securities, at value (Cost — \$573,051,792) .....	\$468,356,314
Repurchase agreements (Cost - \$900,000) .....	900,000
Cash .....	48,681
Interest and dividends receivable .....	537,668
Receivable for capital shares sold .....	402,224
Receivable for securities sold .....	156,037
Prepaid expenses .....	95,896
<b>Total Assets</b> .....	<u>470,496,820</u>
<b>Liabilities:</b>	
Payable for capital shares repurchased .....	325,107
Accrued expenses:	
Advisory fee .....	284,848
Service and distribution plan fees .....	94,949
Directors' fees and expenses .....	17,306
Other .....	230,398
<b>Total Liabilities</b> .....	<u>952,608</u>
<b>Net Assets</b> .....	<u>\$469,544,212</u>
<b>Net assets consist of:</b>	
Capital stock, at \$0.001 par value (authorized 300,000,000, outstanding 25,163,771 shares) .....	\$ 25,164
Additional paid-in capital .....	666,743,334
Accumulated net realized loss on investments and foreign currency .....	(92,528,808)
Net unrealized depreciation of investments .....	(104,695,478)
<b>Net Assets</b> .....	<u>\$ 469,544,212</u>
<b>Net Asset Value, Offering and Redemption Price per Outstanding Share (\$469,544,212 ÷ 25,163,771 shares outstanding) .....</b>	
	<u>\$ 18.66</u>

**Statement of Operations  
for the Year Ended  
March 31, 2009**

<b>Investment Income:</b>	
Dividends (net of foreign withholding tax of \$30,950) .....	\$ 5,089,343
Interest .....	638,488
<b>Total Income</b> .....	<u>5,727,831</u>
<b>Expenses:</b>	
Advisory fee .....	5,688,279
Service and distribution plan fees .....	1,896,093
Auditing and legal fees .....	537,177
Transfer agent fees .....	265,654
Printing and postage .....	237,966
Custodian fees .....	144,471
Directors' fees and expenses .....	78,218
Insurance .....	68,766
Other .....	37,199
<b>Total Expenses Before Custody Credits</b> .....	<u>8,953,823</u>
Less: Custody Credits .....	(18,833)
<b>Net Expenses</b> .....	<u>8,934,990</u>
<b>Net Investment Loss</b> .....	<u>(3,207,159)</u>
<b>Net Realized and Unrealized Gain/ (Loss) on Investments and Foreign Exchange Transactions:</b>	
Net Realized Loss .....	(92,317,526)
Change in Net Unrealized Appreciation/(Depreciation) .....	<u>(252,691,831)</u>
<b>Net Realized Loss and Change in Net Unrealized Appreciation/ (Depreciation) on Investments and Foreign Exchange Transactions</b> .....	
	<u>(345,009,357)</u>
<b>Net Decrease in Net Assets from Operations</b> .....	<u>\$(348,216,516)</u>

## Statement of Changes in Net Assets for the Years Ended March 31, 2009 and 2008

	<b>Year Ended March 31, 2009</b>	<b>Year Ended March 31, 2008</b>
<b>Operations:</b>		
Net investment loss .....	\$ (3,207,159)	\$ (1,684,057)
Net realized gain/(loss) on investments and foreign currency .....	(92,317,526)	16,834,059
Change in net unrealized appreciation/(depreciation) .....	(252,691,831)	(60,077,178)
<b>Net decrease in net assets from operations .....</b>	<b>(348,216,516)</b>	<b>(44,927,176)</b>
<b>Distributions to Shareholders:</b>		
Net realized gain from investment transactions .....	(5,586,516)	(20,312,212)
<b>Capital Share Transactions:</b>		
Proceeds from sale of shares .....	193,628,543	363,136,292
Proceeds from reinvestment of distributions to shareholders .....	5,346,374	19,658,865
Cost of shares repurchased .....	(286,341,528)	(215,667,232)
<b>Net increase/(decrease) in net assets from capital share transactions ...</b>	<b>(87,366,611)</b>	<b>167,127,925</b>
<b>Total Increase/(Decrease) in Net Assets .....</b>	<b>(441,169,643)</b>	<b>101,888,537</b>
<b>Net Assets:</b>		
Beginning of year .....	910,713,855	808,825,318
End of year .....	\$ 469,544,212	\$ 910,713,855
<b>Undistributed net investment income, at end of year .....</b>	<b>\$ —</b>	<b>\$ 2,678</b>

See Notes to Financial Statements.

# Notes to Financial Statements

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## 1. Significant Accounting Policies

Value Line Emerging Opportunities Fund, Inc., (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 Fund invests primarily in “small-cap” common stocks. The following significant accounting policies are in conformity with generally accepted accounting principles for investment companies. Such policies are consistently followed by the Fund in the preparation of its financial statements. Generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results may differ from those estimates.

**(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 market or the specific issuer.

**(B) Fair Value Measurements:** The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (“FAS 157”), effective April 1, 2008. In accordance with FAS 157, fair value is defined as the price that the Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. FAS 157 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

March 31, 2009

- Level 3 – significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments)

The following is a summary of the inputs used as of March 31, 2009 in valuing the Fund’s investments carried at value:

Valuation Inputs	Investments in Securities	Other Financial Instruments*
Level 1 - Quoted		
Prices . . . . .	\$455,356,394	–
Level 2 - Other Significant		
Observable Inputs . . . . .	13,899,920	–
Level 3 - Significant		
Unobservable Inputs . . .	–	–
<b>Total</b> . . . . .	<b>\$469,256,314</b>	<b>–</b>

\* *Other financial instruments include futures, forwards and swap contracts.*

For the year ended March 31, 2009, there were no Level 3 investments.

**(C) 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.

**(D) Federal Income Taxes:** It is the policy of the Fund to qualify as a regulated investment company by complying with the provisions available to regulated investment companies, as defined in applicable sections of the Internal Revenue Code, and to distribute all of its investment income and capital gains to its shareholders. Therefore, no provision for federal income tax is required.

**(E) 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.

**(F) 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.

# Notes to Financial Statements

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.

**(G) Representations and Indemnifications:** In the normal course of business, the Fund enters into contracts that contain a variety of representations 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.

**(H) Accounting for Real Estate Investment Trusts:** The Fund owns shares of Real Estate Investment Trusts ("REITs") which report information on the source of their distributions annually. Distributions received from REITs during the year which represent a return of capital are recorded as a reduction of cost and distributions which represent a capital gain dividend are recorded as a realized long-term capital gain on investments.

**(I) Foreign Taxes:** The Fund may be subject to foreign taxes on income, gains on investments, or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

## 2. Capital Share Transactions

Transactions in capital stock were as follows:

	<u>Year Ended March 31, 2009</u>	<u>Year Ended March 31, 2008</u>
Shares sold . . . . .	7,009,365	10,790,033
Shares issued to shareholders in reinvestment of distributions . . .	273,053	588,590
Shares repurchased . . .	<u>(12,006,409)</u>	<u>(6,517,836)</u>
Net increase/ (decrease) . . . . .	<u>(4,723,991)</u>	<u>4,860,787</u>
Distributions per share from net realized gains . . .	<u>\$ 0.2075</u>	<u>\$ 0.7140</u>

## 3. Purchases and Sales of Securities

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

	<u>Year Ended March 31, 2009</u>
<b>Purchases:</b>	
Investment Securities . . . . .	<u>\$ 119,050,220</u>
<b>Sales:</b>	
Investment Securities . . . . .	<u>\$ 154,782,699</u>

## 4. Income Taxes

At March 31, 2009, information on the tax components of capital is as follows:

Cost of investments for tax purposes . . . . .	<u>\$ 573,980,028</u>
Gross tax unrealized appreciation . . . . .	48,960,162
Gross tax unrealized depreciation . . . . .	<u>(153,683,876)</u>
Net tax unrealized depreciation on investments . . . . .	<u>\$ (104,723,714)</u>
Capital loss carryforward, expires March 31, 2017 . . . . .	<u>\$ (13,110,504)</u>

March 31, 2009

During the year ended March 31, 2009, as permitted under federal income tax regulations, the Fund elected to defer \$79,390,068 of post-October net capital losses to the next taxable year.

To the extent that current or future capital gains are offset by capital losses, the Fund does not anticipate distributing any such gains to shareholders.

It is uncertain whether the Fund will be able to realize the benefits of the capital losses before they expire.

Net unrealized gain (loss) differs for financial statements and tax purposes primarily due to differing treatments of wash sales and real estate investment trusts.

Permanent book-tax differences relating to the classification of income in the current year were reclassified within the composition of the net asset accounts. The Fund increased undistributed net investment income by \$3,204,481, decreased additional paid in capital by \$3,206,673, and increased accumulated net realized gain by \$2,192. These reclassifications were primarily due to differing treatments of net operating loss, foreign currency gain/losses and distributions. Net assets were not affected by this reclassification.

The tax composition of distributions to shareholders for the years ended March 31, 2009 and March 31, 2008 were as follows:

	2009	2008
Long-term capital gains . . .	\$5,586,516	\$20,312,212

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

On June 30, 2008, Value Line, Inc. (“Value Line”) 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 to EULAV and EULAV replaced Value Line as the Fund’s investment adviser. The portfolio managers, who are now employees of EULAV, have not changed as a result of the reorganization.

An advisory fee of \$5,688,279 was paid or payable to Value Line or EULAV for the year ended March 31, 2009. The fee was computed at an annual rate of 0.75% of 1% of the daily net assets during the period and paid monthly. The Adviser provides research, investment programs, and supervision of the investment portfolio and pays costs of certain administrative services and office space. The Adviser also provides persons, satisfactory to the Fund’s Board of Directors, to act as officers of the Fund and pays their salaries. 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 Value Line, for 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 March 31, 2009, fees amounting to \$1,896,093 were paid or payable to the Distributor under this plan.

For the year ended March 31, 2009, the Fund’s expenses were reduced by \$18,833 under a custody credit arrangement with the custodian.

Certain officers, employees and a director of Value Line and/or affiliated companies are also officers and a director of the Fund. At March 31, 2009, the Adviser, and/or affiliated companies including the Value Line Profit Sharing and Savings Plan, owned 92,673 shares

## Notes to Financial Statements

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of the Fund representing less than 1% of the outstanding shares. In addition, the officers and director of the Fund as a group owned 585 shares, representing less than 1% of the outstanding shares.

### **6. Other**

By letter dated June 15, 2005, the staff of the Northeast Regional Office of the Securities and Exchange Commission (“SEC”) informed Value Line that it was conducting an investigation in the matter of Value Line Securities, Inc. (“VLS”). Value Line has supplied numerous documents to the SEC in response to its requests and various individuals, including employees and former employees of Value Line, directors of the Fund and others, 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 from the Value Line Funds (“Funds”) 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 Funds. Thereafter, certain

officers of Value Line, who are former officers of the Funds, asserted their constitutional privilege not to provide testimony. Value Line has informed the Funds that it believes that the SEC has completed the fact finding phase of its investigation and Value Line will seek to settle this matter with the SEC. Although management of Value Line cannot determine the effect that the investigation will have on Value Line’s financial statements, it believes that any settlement is likely to be material to it and has informed the Funds of its belief, in light of settlement discussions to date, that there are no loss contingencies that should be accrued or disclosed in the Fund’s financial statements and that the resolution of this matter is not likely to have a materially adverse effect on the ability of the Adviser or VLS to perform their respective contracts with the Fund.

### **7. Subsequent Event**

On May 5, 2009, Value Line Securities, Inc. changed its name to EULAV Securities, Inc.

# Financial Highlights

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

	Years Ended March 31,				
	2009	2008	2007	2006	2005
<b>Net asset value, beginning of year</b> . . . . .	\$ 30.47	\$ 32.32	\$ 31.70	\$ 25.75	\$ 23.81
<b>Income from investment operations:</b>					
Net investment loss . . . . .	(0.13)	(0.06)	(0.05)	(0.04)	(0.05)
Net gains or (losses) on securities (both realized and unrealized) . . . . .	(11.47)	(1.08)	1.15	6.38	1.99
Total from investment operations . . . . .	(11.60)	(1.14)	1.10	6.34	1.94
<b>Less distributions:</b>					
Distributions from net realized gains . . . . .	(0.21)	(0.71)	(0.48)	(0.39)	—
<b>Net asset value, end of year</b> . . . . .	\$ 18.66	\$ 30.47	\$ 32.32	\$ 31.70	\$ 25.75
<b>Total return</b> . . . . .	(38.11)%	(3.71)%	3.55%	24.85%	8.15%
<b>Ratios/Supplemental Data:</b>					
Net assets, end of year (in thousands) . . . . .	\$ 469,544	\$ 910,714	\$ 808,825	\$ 665,418	\$ 409,609
Ratio of expenses to average net assets <sup>(1)</sup> . . . . .	1.18%	1.12%	1.16%	1.10%	1.14%
Ratio of net investment loss to average net assets . . . . .	(0.41)%	(0.18)%	(0.16)%	(0.17)%	(0.28)%
Portfolio turnover rate . . . . .	17%	26%	24%	40%	44%

(1) Ratio reflects expenses grossed up for custody credit arrangement. The ratio of expenses to average net assets net of custody credits would have been 1.15% for the year ended March 31, 2007 and would have been unchanged for the years ended March 31, 2009, 2008, 2006 and 2005.

# Report of Independent Registered Public Accounting Firm

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**To the Board of Directors and Shareholders of Value Line Emerging Opportunities 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 Emerging Opportunities Fund, Inc. (the "Fund") at March 31, 2009, 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 March 31, 2009 by correspondence with the custodian, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
New York, New York

May 29, 2009

# Factors Considered by the Board in Approving the Investment Advisory Agreement for the Value Line Emerging Opportunities Fund, Inc. (unaudited)

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March 31, 2009 Annual Report

The Investment Company Act of 1940 (the “1940 Act”) requires the Board of Directors, including a majority of Directors who are not interested persons of Value Line Emerging Opportunities Fund (the “Fund”), as that term is defined in the 1940 Act (the “Independent Directors”), annually to consider the investment advisory agreement (the “Agreement”) between the Fund and its investment adviser, EULAV Asset Management, LLC<sup>1</sup> (the “Adviser”). As required by the 1940 Act, the Board requested and the Adviser provided such information as the Board deemed to be reasonably necessary to evaluate the terms of the Agreement. At meetings held throughout the year, including the meeting specifically focused upon the review of the Agreement, the Independent Directors met in executive sessions separately from the non-Independent Director of the Fund and any officers of the Adviser. In selecting the Adviser and approving the continuance of the Agreement, the Independent Directors relied upon the assistance of counsel to the Independent Directors.

Both in the meetings which specifically addressed the approval of the Agreement and at other meetings held during the course of the year, the Board, including the Independent Directors, received materials relating to the Adviser’s investment and management services under the Agreement. These materials included information on: (i) the investment performance of the Fund, compared to a peer group of funds consisting of the Fund and all retail and institutional small-cap growth funds regardless of asset size or primary channel of distribution (the

“Performance Universe”), and its benchmark index, each as classified by Lipper Inc., an independent evaluation service (“Lipper”); (ii) the investment process, portfolio holdings, investment restrictions, valuation procedures, and financial statements for the Fund; (iii) sales and redemption data with respect to the Fund; (iv) the general investment outlook in the markets in which the Fund invests; (v) arrangements with respect to the distribution of the Fund’s shares; (vi) the allocation and cost of the Fund’s brokerage (none of which was effected through any affiliate of the Adviser); and (vii) the overall nature, quality and extent of services provided by the Adviser.

As part of the review of the continuance of the Agreement, the Board requested, and the Adviser provided, additional information in order to evaluate the quality of the Adviser’s services and the reasonableness of its fees under the Agreement. In a separate executive session, the Independent Directors reviewed information, which included data comparing: (i) the Fund’s management fee rate, transfer agent and custodian fee rates, service fee (including 12b-1 fees) rates, and the rate of the Fund’s other non-management fees, to those incurred by a peer group of funds consisting of the Fund and 13 other retail no-load small-cap growth funds, as selected objectively by Lipper (“Expense Group”), and a peer group of funds consisting of the Fund, the Expense Group and all other retail no-load small-cap growth funds (excluding outliers), as selected objectively by Lipper (“Expense Universe”); (ii) the Fund’s expense ratio to those of its Expense Group

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<sup>1</sup> On June 30, 2008, Value Line, Inc., the Fund’s former investment adviser, reorganized its investment management division into EULAV Asset Management, LLC, a newly formed wholly-owned subsidiary located at 220 East 42nd Street, New York, NY 10017. As part of the reorganization, the Fund’s investment advisory agreement was transferred from Value Line, Inc. to EULAV Asset Management, LLC, and EULAV Asset Management, LLC replaced Value Line, Inc. as the Fund’s investment adviser. For periods prior to June 30, 2008, the term “Adviser” refers to Value Line, Inc.

and Expense Universe; and (iii) the Fund's investment performance over various time periods to the average performance of the Performance Universe as well as the appropriate Lipper Index, as selected objectively by Lipper (the "Lipper Index"). In the separate executive session, the Independent Directors also reviewed information regarding: (a) the Adviser's financial results and condition, including the Adviser's and certain of its affiliates' profitability from the services that have been performed for the Fund as well as the Value Line family of funds; (b) the Fund's current investment management staffing; and (c) the Fund's potential for achieving economies of scale. In support of its review of the statistical information, the Board was provided with a detailed description of the methodology used by Lipper to determine the Expense Group, the Expense Universe and the Performance Universe to prepare its information. The Independent Directors also requested and reviewed information provided by the Adviser relating to an investigation by the Securities and Exchange Commission in the matter of Value Line Securities, Inc.<sup>2</sup>, the Fund's principal underwriter and affiliate of the Adviser (the "Distributor"), and a representation by Value Line, Inc. that the resolution of this matter is not likely to have a materially adverse effect on the ability of the Adviser or the Distributor to perform their respective contracts with the Fund.

The following summarizes matters considered by the Board in connection with its renewal of the Agreement. However, the Board did not identify any single factor as all-important or controlling, and the summary does not detail all the matters that were considered.

**Investment Performance.** The Board reviewed the Fund's overall investment performance and compared it

to its Performance Universe and the Lipper Index. The Board noted that the Fund outperformed both the Performance Universe average and the Lipper Index for the one-year, three-year, five-year and ten-year periods ended December 31, 2008.

**The Adviser's Personnel and Methods.** The Board reviewed the background of the portfolio manager responsible for the daily management of the Fund's portfolio, seeking to achieve the Fund's investment objective and adhering to the Fund's investment strategies. The Independent Directors also engaged in discussions with the Adviser's senior management responsible for the overall functioning of the Fund's investment operations. The Board concluded that the Fund's management team and the Adviser's overall resources were adequate and that the Adviser had investment management capabilities and personnel essential to performing its duties under the Agreement.

**Management Fee and Expenses.** The Board considered the Adviser's fee under the Agreement relative to the management fees charged by its Expense Group and Expense Universe averages. The Board noted that, for the most recent fiscal year, the Fund's management fee rate was less than that of both the Expense Group average and the Expense Universe average. Based on these factors, the Board determined that the Fund's management fee rate payable to the Adviser under the Agreement does not constitute fees that are so disproportionately large as to bear no reasonable relationship to the services rendered and that could not have been the product of arm's-length bargaining, and concluded that the management fee rate under the Agreement is fair and reasonable.

The Board also considered the Fund's total expense ratio relative to its Expense Group and Expense Universe

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<sup>2</sup> On May 6, 2009, Value Line Securities, Inc. changed its name to EULAV Securities, Inc. No other change was made to the Distributor's organization, including its operations and personnel.

averages. The Board noted that the Fund's total expense ratio was less than that of the Expense Group average and the Expense Universe average. The Board concluded that the average expense ratio was satisfactory for the purpose of approving the continuance of the Agreement for the coming year.

**Nature and Quality of Other Services.** The Board considered the nature, quality, cost and extent of other services provided by the Adviser and the Distributor. At meetings held throughout the year, the Board reviewed the effectiveness of the Adviser's overall compliance program, as well as the services provided by the Distributor. The Board also reviewed the services provided by the Adviser and its affiliates in supervising third party service providers. Based on this review, the Board concluded that the nature, quality, cost and extent of such other services provided by the Adviser and its affiliates were satisfactory, reliable and beneficial to the Fund's shareholders.

**Profitability.** The Board considered the level of profitability of the Adviser and its affiliates with respect to the Fund individually and in the aggregate for all the funds within the Value Line group of funds, including the impact of certain actions taken during prior years. These actions included the Adviser's reduction (voluntary in some instances and contractual in other instances) of management and/or Rule 12b-1 fees for certain funds, the Adviser's termination of the use of soft dollar research, and the cessation of trading through the Distributor. The Board concluded that the profitability of the Adviser and its affiliates with respect to the Fund, including the financial results derived from the Fund's Agreement, were within a range the Board considered reasonable.

**Other Benefits.** The Board also considered the character and amount of other direct and incidental benefits received by the Adviser and its affiliates from their association with

the Fund. The Board concluded that potential "fall-out" benefits that the Adviser and its affiliates may receive, such as greater name recognition, appear to be reasonable, and may in some cases benefit the Fund.

**Economies of Scale.** The Board noted that, given the current and anticipated size of the Fund, any perceived and potential economies of scale were not yet a significant consideration for the Fund and the addition of break points was determined not to be necessary at this time.

**Fees and Services Provided for Other Comparable Funds/Accounts Managed by the Adviser and its Affiliates.** In addition to comparing the Fund's management fee rate to unaffiliated mutual funds included in the Fund's Expense Group and Expense Universe, the Board was informed by the Adviser that the Adviser and its affiliates do not manage any investment companies comparable to the Fund. The Adviser informed the Board that it manages a small-cap growth non-mutual fund asset management account. The Board noted that the Fund's management fee rate was higher than that charged to the non-mutual fund asset management account but still fair and reasonable based on the differences in the services the Adviser renders to the Fund and the non-mutual fund asset management account.

**Conclusion.** The Board, in light of the Adviser's overall performance, considered it appropriate to continue to retain the Adviser as the Fund's investment adviser. Based on their evaluation of all material factors deemed relevant, and with the advice of independent counsel, the Board concluded that the Fund's Agreement is fair and reasonable and voted to approve the continuation of the Agreement for another year.

## **Federal Tax Notice (unaudited)**

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During the year ended March 31, 2009, the Fund distributed \$5,586,951 of long-term capital gain to its shareholders.

# 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.

<b>Name, Address, and Age</b>	<b>Position</b>	<b>Length of Time Served</b>	<b>Principal Occupation During the Past 5 Years</b>	<b>Other Directorships Held by Director</b>
<b>Interested Director*</b>				
Thomas T. Sarkany Age 62	Director	Since 2008	Mutual Fund Marketing Director of Value Line Securities, Inc. (the "Distributor").	None
<b>Non-Interested Directors</b>				
Joyce E. Heinzerling 500 East 77th Street New York, NY 10162 Age 53	Director	Since 2008	General Counsel, Archery Capital LLC (private investment fund).	Burnham Investors Trust, since 2004 (4 funds).
Francis C. Oakley 54 Scott Hill Road Williamstown, MA 01267 Age 77	Director (Lead Independent Director since 2008)	Since 1993	Professor of History, Williams College, (1961-2002). 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.	None
David H. Porter 5 Birch Run Drive Saratoga Springs, NY 12866 Age 73	Director	Since 1997	Professor, Skidmore College, since 2008; Visiting Professor of Classics, Williams College, (1999-2008); President Emeritus, Skidmore College since 1999 and President, (1987-1998).	None
Paul Craig Roberts 169 Pompano St. Panama City Beach, FL 32413 Age 69	Director	Since 1983	Chairman, Institute for Political Economy.	None
Nancy-Beth Sheerr 1409 Beaumont Drive Gladwyne, PA 19035 Age 59	Director	Since 1996	Senior Financial Advisor, Veritable L.P. (Investment Adviser) since 2004; Senior Financial Advisor, Hawthorn, (2001-2004).	None

# Management of the Fund

<b>Name, Address, and Age</b>	<b>Position</b>	<b>Length of Time Served</b>	<b>Principal Occupation During the Past 5 Years</b>	<b>Other Directorships Held by Director</b>
Daniel S. Vandivort 59 Indian Head Road Riverside, CT 06878 Age 54	Director	Since 2008	President, Chief Investment Officer, Weiss, Peck and Greer/Robeco Investment Management 2005-2007; Managing Director, Weiss, Peck and Greer, 1995-2005.	None
<b>Officers</b>				
Mitchell E. Appel Age 38	President	Since 2008	President of each of the Value Line Funds since June 2008; Chief Financial Officer of Value Line since April 2008 and from September 2005 to November 2007; Treasurer from June 2005 to September 2005; Chief Financial Officer of XTF Asset Management from November 2007 to April 2008; Chief Financial Officer of Circle Trust Company from 2003 through May 2005; Chief Financial Officer of the Distributor since April 2008 and President since February 2008; President of the Adviser since February 2009.	
Howard A. Brecher Age 55	Vice President and Secretary	Since 2008	Vice President and Secretary of each of the Value Line Funds since June 2008; Vice President, Secretary and a Director of Value Line; Vice President of the Distributor and Secretary since June 2008; Secretary of the Adviser since February 2009; Vice President, Secretary, Treasurer, General Counsel and a Director of Arnold Bernhard & Co., Inc.	
Emily D. Washington Age 30	Treasurer	Since 2008	Treasurer and Chief Financial Officer (Principal Financial and Accounting Officer) of the Value Line Funds since August 2008; Associate Director of Mutual Fund Accounting at Value Line until August 2008.	

\* *Mr. Sarkany is an "interested person" as defined in the Investment Company Act of 1940 by virtue of his position with the Distributor.*

*Unless otherwise indicated, the address for each of the above officers is c/o Value Line Funds, 220 East 42<sup>nd</sup> 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 or on the Fund's website, [www.vlfunds.com](http://www.vlfunds.com).

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 for the 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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## 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.vlfunds.com](http://www.vlfunds.com). Read the prospectus carefully before you invest or send money.