



BLUECHIP VALUE FUND

**Annual Report
to Stockholders**

December 31, 2007

MANAGED DISTRIBUTION POLICY

The Blue Chip Value Fund, Inc. (the “Fund”) has a Managed Distribution Policy. This policy is to make quarterly distributions of at least 2.5% of the Fund’s net asset value (“NAV”) to stockholders. This is the quarterly payment that Fund investors elect to receive in cash or reinvest in additional shares through the Fund’s Dividend Reinvestment Plan. The Board of Directors believes this policy creates a predictable level of quarterly cash flow to Fund shareholders.

The table on the next page sets forth the amounts of the most recent quarterly distribution and the cumulative distributions paid during the 2007 fiscal year from the following sources: net investment income; net realized short term capital gains; net realized long term capital gain; and return of capital.

You should not necessarily draw any conclusions about the Fund’s investment performance from the amount of the distributions, as summarized in the table on the next page, or from the terms of the Fund’s Managed Distribution Policy.

The Fund distributed more than its income and capital gains during 2007; therefore, a portion of the distributions, as summarized in the table on the next page, is a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in the Fund is paid back to you. A return of capital distribution does not necessarily reflect the Fund’s investment performance and should not be confused with “yield” or “income.” It is important to note that the Fund’s investment adviser, Denver Investment Advisors LLC, seeks to minimize the amount of net realized capital gains, if consistent with the Fund’s investment objective, to reduce the amount of income taxes incurred by our stockholders. This strategy can lead to greater levels of return of capital being paid out under the Managed Distribution Policy.

The amounts and sources of distributions reported are not being provided for tax reporting purposes. The Fund will send you a Form 1099-DIV for the calendar year that will tell you how to report these distributions for federal income tax purposes.

The Fund’s Managed Distribution Policy may be changed or terminated at the discretion of the Fund’s Board of Directors without prior notice to stockholders. If, for example, the Fund’s total distributions for the year result in taxable return of capital, the Fund’s Board of Directors would consider that factor, among others, in determining whether to retain, alter or eliminate the Managed Distribution Policy. It is possible, that the Fund’s market price may decrease if the Managed Distribution Policy is terminated. At this time, the Board has no intention of making any changes or terminate the Managed Distribution Policy.

SOURCES OF DISTRIBUTIONS

	Current Distribution (\$)	% Breakdown of the Current Distribution	Total Cumulative Distributions for the Fiscal Year to Date (\$)	% Breakdown of the Total Cumulative Distributions for the Fiscal Year to Date
Net Investment Income	\$0.0000	0.00%	\$0.0146	2.52%
Net Realized Short Term Capital Gains	\$0.0000	0.00%	\$0.0000	0.00%
Net Realized Long Term Capital Gains	\$0.0000	0.00%	\$0.2118	36.52%
Return of Capital	\$0.1400	100.00%	\$0.3536	60.96%
Total (per common share)	\$0.1400	100%	\$0.5800	100%
Average annual total return (in relation to NAV) for the 5 years ending December 31, 2007				12.26%
Annualized current distribution rate expressed as a percentage of NAV as of December 31, 2007				10.47%
Cumulative total return (in relation to NAV) for the fiscal year through December 31, 2007				3.25%
Cumulative fiscal year distributions as a percentage of NAV as of December 31, 2007				10.84%

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The Investment Adviser's Commentary included in this report contains certain forward-looking statements about the factors that may affect the performance of the Fund in the future. These statements are based on Fund management's predictions and expectations concerning certain future events and their expected impact on the Fund, such as performance of the economy as a whole and of specific industry sectors, changes in the levels of interest rates, the impact of developing world events, and other factors that may influence the future performance of the Fund. Management believes these forward-looking statements to be reasonable, although they are inherently uncertain and difficult to predict. Actual events may cause adjustments in portfolio management strategies from those currently expected to be employed.

INVESTMENT ADVISER'S COMMENTARY

Dear Fellow Stockholders:

February 5, 2008

The Blue Chip Value Fund posted a return of 3.25% for 2007. This performance lagged the S&P 500 Index return of 5.49% and the Lipper Large-Cap Core return of 6.63%. Our portfolio's underperformance was caused mostly by being overweight in the financial sector which performed poorly because of the subprime mortgage crisis that materialized in the second half of 2007. We reduced our exposure to financial stocks, but not fast enough to avoid adversely affecting our performance.

More specifically, we underestimated the illiquidity of mortgage-backed CDO's (collateralized debt obligations) because we did not anticipate the poor quality of mortgage lending practices. The price decline of these securities has been so substantial that it reduced the capital of mortgage and bond insurers to the brink of bankruptcy, and materially hurt companies such as Citigroup Inc. and Merrill Lynch. The extent and impact of this financial crisis is still uncertain. Today, it appears that government authorities are attempting to solve this crisis. For example, the New York State Insurance Commissioner is coordinating a process to restructure a number of the important bond insurers such as MBIA Inc.

In addition, increased energy costs and declining housing prices created an environment where consumer spending did not live up to expectations. Holiday spending was extremely weak. In this environment, our consumer cyclical stocks were down 15% for the year. Our holdings include Starwood Hotels and Resorts Worldwide, Darden Restaurants, Walt Disney and a new holding you will recognize—Nike. Our only sale from this sector last year was J.C. Penney. We made the switch from Penney to Nike primarily because over half of Nike's sales come from international markets while Penney's sales are completely domestic.

In contrast, our energy stocks were up 50% as a group with our three best performers being TransOcean, Occidental Petroleum and Marathon Oil. Our holdings in the capital goods sector also performed well, closing up 30% for the year. This sector of our portfolio included names such as General Electric, General Dynamics, Raytheon and Parker-Hannifin.

Our holdings in the healthcare sector were up 3%. Amgen was an underperformer in this sector because the FDA recommended reduced use of Amgen's anemia drug, Aranesp. We continue to hold the stock because we believe the company's new

product for improving bone density in women—Denosumab—will become a major product. We also have meaningful holdings in Abbott Laboratories, because we believe it has a robust product pipeline, and two generic drug companies—Teva Pharmaceuticals and Barr Pharmaceuticals. We have entered 2008 with an overweight position in healthcare. The companies we own are all projected to have good earnings and cash flow growth in 2008. We believe that political change may negatively impact some healthcare stocks. However, we feel that our pharmaceutical holdings are insulated because of the good value proposition offered by their products.

2008 has already started out to be a volatile year in the stock market. There is widespread speculation about the possibility of a U.S. recession. We do not know if there will be a recession, but we are experiencing a meaningful slowing of the U.S. economy. We expect that this domestic slowdown will have a negative impact on world economic activity. It appears to us that this slowdown has been largely discounted by the stock market, and we expect the market should stabilize. We continue to focus on investing in companies with attractive valuations and improving cash flows. Thank you for your continued support.



Todger Anderson, CFA
President, Blue Chip Value Fund, Inc.
Chairman, Denver Investment Advisors LLC

**Sector Diversification in Comparison to
S&P 500 as of December 31, 2007***

	Fund	S&P 500
Basic Materials	2.4%	2.8%
Capital Goods	12.8%	9.5%
Commercial Services	4.2%	1.9%
Communications	6.9%	7.7%
Consumer Cyclical	11.5%	10.5%
Consumer Staples	10.0%	10.0%
Energy	10.7%	12.2%
Interest Rate Sensitive	13.1%	15.8%
Medical/Healthcare	13.6%	11.3%
REITs	0.0%	1.0%
Technology	10.2%	11.9%
Transportation	2.0%	1.7%
Utilities	2.4%	3.7%
Short-Term Investments	0.2%	0.0%

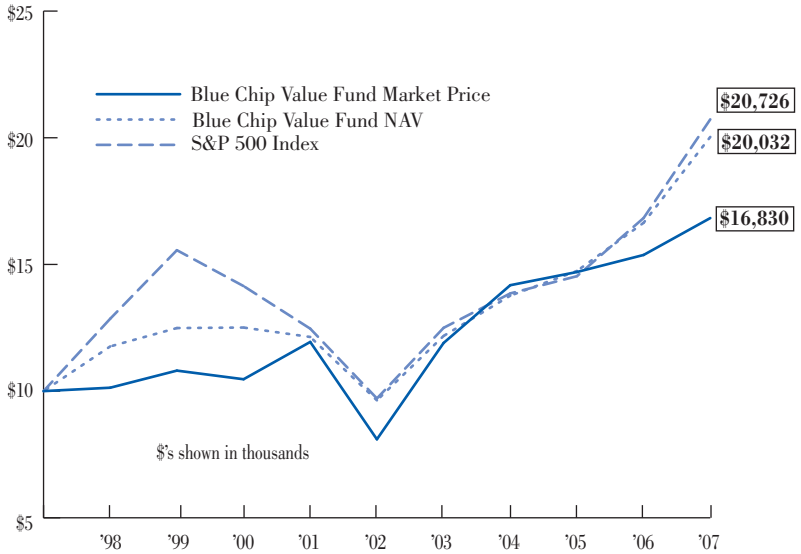
*Sector diversification percentages are based on the Fund's total investments at market value.
Sector diversification is subject to change and may not be representative of future investments.

**Average Annual Total Returns
as of December 31, 2007**

Return	3 Mos.	1-Year	3-Year	5-Year	10-Year
Blue Chip Value Fund – NAV	(5.14%)	3.25%	7.67%	12.26%	5.56%
Blue Chip Value Fund – Market Price	(9.45%)	(3.33%)	1.58%	12.90%	4.04%
S&P 500 Index	(3.33%)	5.49%	8.62%	12.83%	5.91%

Past performance is no guarantee of future results. Share prices will fluctuate, so that a share may be worth more or less than its original cost when sold. Total investment return is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Rights offerings, if any, are assumed for purposes of this calculation to be fully subscribed under the terms of the rights offering. Please note that the Fund's total return shown above does not reflect the deduction of taxes that a stockholder would pay on Fund distributions or the cost of sale of Fund shares. Current performance may be higher or lower than the total return shown above. Please visit our website at www.blu.com to obtain the most recent month end returns. Generally, total investment return based on net asset value will be higher than total investment return based on market value in periods where there is an increase in the discount or a decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. Conversely, total investment return based on the net asset value will be lower than total investment return based on market value in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods.

Comparison of Change in Value of \$10,000 Investment in Blue Chip Value Fund versus the S&P 500 Index

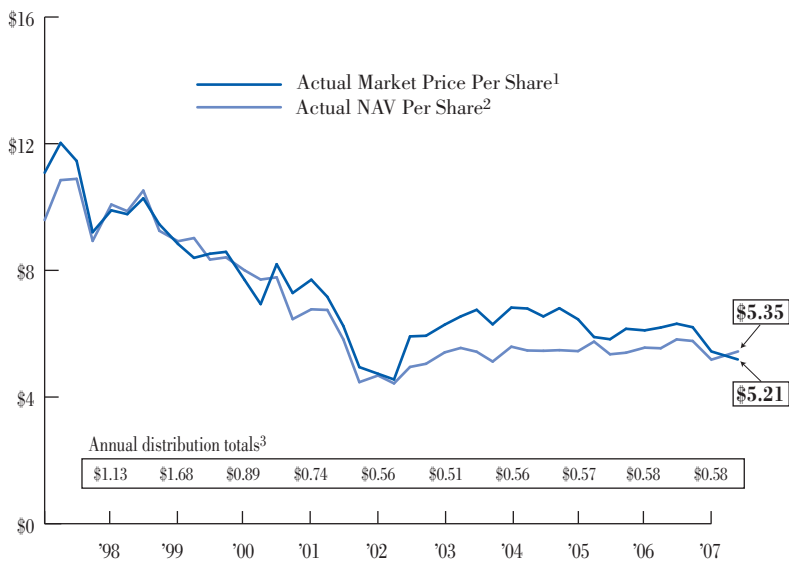


Please Note: Performance calculations are as of the end of December each year. Past performance is not indicative of future results. This chart assumes an investment of \$10,000 on 1/1/98. This chart does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

S&P 500 Index is a broad-based measurement of changes in stock market conditions based on the average performance of 500 widely held common stocks. It is an unmanaged index.

Please see Average Annual Total Return information on page 6.

Performance History of Market Price and Net Asset Value January 1, 1998 through December 31, 2007



Please Note: line graph points are as of the end of each calendar quarter.

Past performance is no guarantee of future results. Share prices will fluctuate, so that a share may be worth more or less than its original cost when sold.

¹*Reflects the actual market price of one share as it has traded on the NYSE.*

²*Reflects the actual NAV of one share.*

³*The graph above includes the distribution totals since January 1, 1998, which equals \$7.80 per share. The NAV per share is reduced by the amount of the distribution on the ex-dividend date. The sources of these distributions are depicted in the chart on the bottom of the next page.*

STOCKHOLDER DISTRIBUTION INFORMATION

Certain tax information regarding Blue Chip Value Fund, Inc. is required to be provided to stockholders based upon the Fund's income and distributions to the stockholders for the calendar year ended December 31, 2007.

The Board of Directors of Blue Chip Value Fund, Inc. voted to pay 2.5% of the Fund's net asset value on a quarterly basis in accordance with the Fund's distribution policy. The following table summarizes the final sources of such distributions:

	Net Investment Income	Long-Term Capital Gain	Return of Capital	Undesignated*	Total
1st Quarter 2007	\$ 0.0046	\$ 0.0674	\$ 0.0680		\$ 0.1400
2nd Quarter 2007	\$ 0.0050	\$ 0.0722	\$ 0.0728		\$ 0.1500
3rd Quarter 2007	\$ 0.0050	\$ 0.0722	\$ 0.0728		\$ 0.1500
4th Quarter 2007	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 0.1400*	\$ 0.1400
Total	\$0.0146	\$0.2118	\$0.2136	\$0.1400*	\$0.5800

The Fund notified stockholders by the end of January 2008 of amounts for use in preparing 2007 income tax returns.

100% of the distributions paid from net investment income and short-term capital gain qualify for the corporate dividends received deduction and meet the requirements of the tax rules regarding qualified dividend income. In addition, none of the distributions from net investment income include income derived from U.S. Treasury obligations. There were no assets invested in direct U.S. Government Obligations as of December 31, 2007.

HISTORICAL SOURCES OF DISTRIBUTION

Year	Net Investment Income	Capital Gains	Return of Capital	Undesignated*	Total Amount of Distribution
1998	\$0.0541	\$1.0759	\$0.0000		\$1.13
1999	\$0.0335	\$1.6465	\$0.0000		\$1.68
2000	\$0.0530	\$0.8370	\$0.0000		\$0.89
2001	\$0.0412	\$0.3625	\$0.3363		\$0.74
2002	\$0.0351	\$0.0000	\$0.5249		\$0.56
2003	\$0.0136	\$0.0000	\$0.4964		\$0.51
2004	\$0.0283	\$0.5317	\$0.0000		\$0.56
2005	\$0.0150	\$0.1128	\$0.4422		\$0.57
2006	\$0.0182	\$0.1260	\$0.4358		\$0.58
2007	\$0.0146	\$0.2118	\$0.2136	\$0.1400*	\$0.58
Totals	\$0.3066	\$4.9042	\$2.4492	\$0.1400*	\$7.80
% of Total Distribution	3.93%	62.87%	31.40%	1.80%	100%

*Pursuant to Section 852 of the Internal Revenue Code, the taxability of this distribution will be reported in 2008.

DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

The Fund's Dividend Reinvestment and Cash Purchase Plan offers stockholders the opportunity to reinvest dividends and capital gain distributions in additional shares of the Fund. A stockholder may also make additional cash investments under the Plan. There is no service charge for participation.

Participating stockholders will receive additional shares issued at a price equal to the net asset value per share as of the close of the New York Stock Exchange on the record date ("Net Asset Value"), unless at such time the Net Asset Value is higher than the market price of the Fund's common stock, plus brokerage commission. In this case, the Fund will attempt, generally over the next 10 business days (the "Trading Period"), to acquire shares of the Fund's common stock in the open market at a price plus brokerage commission which is less than the Net Asset Value. In the event that prior to the time such acquisition is completed, the market price of such common stock plus commission equals or exceeds the Net Asset Value, or in the event that such market purchases are unable to be completed by the end of the Trading Period, then the balance of the distribution shall be completed by issuing additional shares at Net Asset Value.

Participating stockholders may also make additional cash investments (minimum \$50 and maximum \$10,000 per month) by check or money order (or by wire for a \$10 fee) to acquire additional shares of the Fund. Please note, however, that these additional shares will be purchased at market value plus brokerage commission (without regard to net asset value) per share.

A stockholder owning a minimum of 50 shares may join the Plan by sending an Enrollment Form to the Plan Agent at Mellon Investor Services, 480 Washington Blvd., Jersey City, NJ 07310.

The automatic reinvestment of dividends and distributions will not relieve participants of any income taxes that may be payable (or required to be withheld) on dividends or distributions, even though the stockholder does not receive the cash. Participants must own at least 50 shares at all times.

A stockholder may elect to withdraw from the Plan at any time on 15-days' prior written notice, and receive future dividends and distributions in cash. There is no penalty for withdrawal from the Plan and stockholders who have withdrawn from the Plan may rejoin in the future.

The Fund may amend the Plan at any time upon 30-days prior notice to participants.

Additional information about the Plan may be obtained from Blue Chip Value Fund, Inc. by writing to 1225 17th Street, 26th Floor, Denver, CO 80202, by telephone at (800) 624-4190 or by visiting us at www.blu.com.

If your shares are registered with a broker, you may still be able to participate in the Fund's Dividend Reinvestment and Cash Purchase Plan. Please contact your broker about how to participate and to inquire if there are any fees which may be charged by the broker to your account.

OTHER IMPORTANT INFORMATION

How to Obtain a Copy of the Fund's Proxy Voting Policies and Records

A description of the policies and procedures that are used by the Fund's investment adviser to vote proxies relating to the Fund's portfolio securities is available (1) without charge, upon request, by calling (800) 624-4190; (2) on the Fund's website at www.blu.com and (3) on the Fund's Form N-CSR which is available on the U.S. Securities and Exchange Commission ("SEC") website at www.sec.gov.

Information regarding how the Fund's investment adviser voted proxies relating to the Fund's portfolio securities during the most recent 12-month period ended June 30 is available, (1) without charge, upon request by calling (800) 624-4190; (2) on the Fund's website at www.blu.com and (3) on the SEC website at www.sec.gov.

Quarterly Portfolio Holdings

The Fund files its complete schedule of portfolio holdings with the 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 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 SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330. In addition, the Fund's complete schedule of portfolio holdings for the first and third quarters of each fiscal year is available on the Fund's website at www.blu.com.

Send Us Your E-mail Address

If you would like to receive monthly portfolio composition and characteristic updates, press releases and financial reports electronically as soon as they are available, please send an e-mail to blu@denveria.com and include your name and e-mail address. You will still receive paper copies of any required communications and reports in the mail. This service is completely voluntary and you can cancel at any time by contacting us via e-mail at blu@denveria.com or toll-free at 1-800-624-4190.

INFORMATION ON THE DIRECTORS AND OFFICERS OF THE FUND

The list below provides certain information about the identity and business experience of the directors and officers of the Fund.

INTERESTED DIRECTORS*

TODGER ANDERSON, CFA¹

Age: 63

Position(s) Held with the Fund:

President and Director

Term of Office² and Length of Time Served:

President since 1987. Director from 1988 to 1995 and since 1998. Term as Director expires in 2010.

Principal Occupations During the Past Five Years:

Chairman, Denver Investment Advisors LLC (since 2004);

President, Westcore Funds (since 2005);

President, Denver Investment Advisors LLC and predecessor organizations (1983-2004);

Portfolio Manager, Westcore MIDCO Growth Fund (1986-2005);

Portfolio Co-Manager, Westcore Select Fund (2001-2005).

Number of Portfolios in Fund Complex³ Overseen by Director: One

Other Directorships⁴ Held by Director: None

KENNETH V. PENLAND, CFA¹

Age: 65

Position(s) Held with the Fund:

Chairman of the Board and Director

Term of Office² and Length of Time Served:

Chairman of the Board and Director since 1987. Term as Director expires in 2009.

Principal Occupations During the Past Five Years:

Chairman, Denver Investment Advisors LLC and predecessor organizations (1983-2001);

President, Westcore Funds (1995-2001)

Trustee, Westcore Funds (2001-2005).

Number of Portfolios in Fund Complex³ Overseen by Director: One

Other Directorships⁴ Held by Director: None

INDEPENDENT DIRECTORS

RICHARD C. SCHULTE¹

Age: 63

Position(s) Held with the Fund:

Director

Term of Office² and Length of Time Served:

Director since 1987. Term expires in 2008.

Principal Occupations During the Past Five Years:

Private Investor;

President, Transportation Service Systems, Inc., a subsidiary of Southern Pacific Lines, Denver, Colorado (1993-1996);

Employee, Rio Grande Industries, Denver, Colorado (holding company) (1991-1993).

Number of Portfolios in Fund Complex³ Overseen by Director: One

Other Directorships⁴ Held by Director: None

ROBERTA M. WILSON, CFA¹

Age: 64

Position(s) Held with the Fund:

Director

Term of Office² and Length of Time Served:

Director since 1987. Term expires in 2009.

Principal Occupations During the Past Five Years:

Management consultant and coach (since 1998);

Director of Finance, Denver Board of Water Commissioners (Retired), Denver, Colorado (1985-1998).

Number of Portfolios in Fund Complex³ Overseen by Director: One

Other Directorships⁴ Held by Director: None

LEE W. MATHER, JR.¹

Age: 64

Position(s) Held with the Fund:

Director

Term of Office² and Length of Time Served:

Director since 2001. Term expires in 2008.

Principal Occupations During the Past Five Years:

Director, American Rivers (conservation organization) (2000-2006);

Investment Banker, Merrill Lynch & Co. (1977-2000).

Number of Portfolios in Fund Complex³ Overseen by Director: One

Other Directorships⁴ Held by Director: None

OFFICERS

MARK M. ADELMANN, CFA, CPA

Age: 50

1225 Seventeenth St.
26th Floor
Denver, Colorado 80202

Position(s) Held with the Fund:

Vice President

Term of Office² and Length of Time Served:

Vice President since 2002.

Principal Occupations During the Past Five Years:

Vice President, Denver Investment Advisors LLC (since 2000);
Research Analyst, Denver Investment Advisors LLC (since 1995).

NANCY P. O'HARA

Age: 49

One Logan Square
18th and Cherry Sts.
Philadelphia, PA 19103

Position(s) Held with the Fund:

Secretary

Term of Office² and Length of Time Served:

Secretary since 2007.

Principal Occupations During the Past Five Years:

Associate of the law firm of Drinker Biddle & Reath LLP, Philadelphia, PA.

JASPER R. FRONTZ, CPA, CFA⁵

Age: 39

1225 Seventeenth St.
26th Floor
Denver, Colorado 80202

Position(s) Held with the Fund:

Treasurer, Chief Compliance Officer

Term of Office² and Length of Time Served:

Treasurer since 1997, Chief Compliance Officer since 2004.

Principal Occupations During the Past Five Years:

Vice President, Denver Investment Advisors LLC (since 2000);
Director of Mutual Fund Administration, Denver Investment Advisors LLC
(since 1997);
Fund Controller, ALPS Mutual Fund Services, Inc. (1995-1997);
Registered Representative, ALPS Distributors, Inc. (since 1995).

NOTES

*These directors each may be deemed to be an “interested director” of the Fund within the meaning of the Investment Company Act of 1940 by virtue of their affiliations with the Fund’s investment adviser and their positions as officers of the Fund.

1. Each director may be contacted by writing to the director, *c/o* Blue Chip Value Fund, Inc., 1225 Seventeenth Street, 26th Floor, Denver, Colorado 80202, Attn: Jasper Frontz.
2. The Fund’s By-Laws provide that the Board of Directors shall consist of three classes of members. Directors are chosen for a term of three years, and the term of one class of directors expires each year. The officers of the Fund are elected by the Board of Directors and, subject to earlier termination of office, each officer holds office for one year and until his or her successor is elected and qualified.
3. The Fund complex is comprised of fourteen portfolios, the Fund, eleven Westcore Funds, the Dunham Small-Cap Value Fund and the RiverSource VP Small-Cap Value Fund.
4. Includes only directorships of companies required to report to the Securities and Exchange Commission under the Securities Exchange Act of 1934 (i.e., “public companies”) or other investment companies registered under the Investment Company Act of 1940.
5. Mr. Frontz also serves as Treasurer and Chief Compliance Officer of Westcore Funds.

The Fund’s President has certified to the New York Stock Exchange that, as of June 6, 2007, he was not aware of any violation by the Fund of the applicable NYSE Corporate Governance listing standards. In addition, the Fund has filed certifications of its principal executive officer and principal financial officer as exhibits to its reports on Form N-CSR filed with the Securities and Exchange Commission relating to the quality of the disclosures contained in such reports.

STATEMENT OF INVESTMENTS

December 31, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>
COMMON STOCKS – 108.93%			
BASIC MATERIALS – 2.60%			
Forestry & Paper – 2.60%			
Ball Corp.	88,040	\$ 4,634,499	\$ 3,961,800
TOTAL BASIC MATERIALS		4,634,499	3,961,800
CAPITAL GOODS – 13.92%			
Aerospace & Defense – 5.79%			
General Dynamics Corp.	55,000	2,948,776	4,894,450
Raytheon Co.	64,400	<u>2,444,777</u>	<u>3,909,080</u>
		5,393,553	8,803,530
Farm Equipment – 2.58%			
CNH Global N.V. – ADS (Netherlands)	59,700	2,317,214	3,929,454
Industrial Products – 5.55%			
ITT Corp.	49,400	2,701,957	3,262,376
Parker Hannifin Corp.	68,850	<u>3,261,524</u>	<u>5,185,093</u>
		5,963,481	8,447,469
TOTAL CAPITAL GOODS		13,674,248	21,180,453
COMMERCIAL SERVICES – 4.61%			
Business Products & Services – 2.01%			
Quanta Services Inc.**	116,300	3,568,917	3,051,712
IT Services – 1.10%			
Computer Sciences Corp.**	33,950	1,606,368	1,679,507
Transaction Processing – 1.50%			
The Western Union Co.	94,100	1,738,127	2,284,748
TOTAL COMMERCIAL SERVICES		6,913,412	7,015,967
COMMUNICATIONS – 7.55%			
Networking – 3.47%			
Cisco Systems Inc.**	194,700	4,936,873	5,270,529
Telecomm Equipment & Solutions – 4.08%			
Nokia Corp. – ADR (Finland)	51,230	849,215	1,966,720
QUALCOMM Inc.	107,700	<u>4,585,089</u>	<u>4,237,995</u>
		5,434,304	6,204,715
TOTAL COMMUNICATIONS		10,371,177	11,475,244
CONSUMER CYCLICAL – 12.49%			
Apparel & Footwear Manufacturers – 2.32%			
Nike Inc.	54,950	3,451,525	3,529,988

STATEMENT OF INVESTMENTS (cont'd.)

	<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>
Clothing & Accessories – 3.49%			
TJX Companies Inc.	184,900	\$ 4,512,232	\$ 5,312,177
Hotels & Gaming – 2.06%			
Starwood Hotels & Resorts Worldwide Inc.	71,100	3,032,156	3,130,533
Internet – 1.06%			
Expedia Inc.**	50,800	1,596,928	1,606,296
Publishing & Media – 2.17%			
Walt Disney Co.	102,100	2,570,509	3,295,788
Restaurants – 1.39%			
Darden Restaurants Inc.	76,340	2,017,202	2,115,381
TOTAL CONSUMER CYCLICAL		<u>17,180,552</u>	<u>18,990,163</u>
CONSUMER STAPLES – 10.92%			
Consumer Products – 3.07%			
Colgate Palmolive Co.	60,000	3,410,589	4,677,600
Food & Agricultural Products – 7.85%			
Bunge Ltd.	36,100	1,558,802	4,202,401
Campbell Soup Co.	95,900	3,217,540	3,426,507
Unilever N.V. (Netherlands)	118,100	<u>4,184,909</u>	<u>4,305,926</u>
		8,961,251	11,934,834
TOTAL CONSUMER STAPLES		<u>12,371,840</u>	<u>16,612,434</u>
ENERGY – 11.67%			
Exploration & Production – 5.84%			
Occidental Petroleum Corp.	64,680	1,862,346	4,979,713
XTO Energy Inc.	76,037	<u>1,882,835</u>	<u>3,905,260</u>
		3,745,181	8,884,973
Integrated Oils – 2.40%			
Marathon Oil Corp.	60,000	1,245,020	3,651,600
Oil Services – 3.43%			
Transocean Inc.	36,449	1,742,493	5,217,674
TOTAL ENERGY		<u>6,732,694</u>	<u>17,754,247</u>
INTEREST RATE SENSITIVE – 14.33%			
Insurance – 1.12%			
The Travelers Cos. Inc.	31,600	1,662,274	1,700,080
Integrated Financial Services – 0.94%			
Citigroup Inc.	48,600	2,135,247	1,430,784
Property Casualty Insurance – 6.17%			
ACE Ltd. (Cayman Islands)	60,300	3,335,901	3,725,334
American International Group Inc.	81,600	5,255,975	4,757,280
MBIA Inc.	48,590	<u>2,855,134</u>	<u>905,232</u>
		11,447,010	<u>9,387,846</u>

STATEMENT OF INVESTMENTS (cont'd.)

	<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>
Regional Banks – 1.05%			
Wachovia Corp.	41,800	\$ 2,081,965	\$ 1,589,654
Securities & Asset Management – 5.05%			
Invesco Ltd.	117,000	2,860,479	3,671,460
State Street Corp.	49,500	<u>3,341,694</u>	<u>4,019,400</u>
		6,202,173	7,690,860
TOTAL INTEREST RATE SENSITIVE		<u>23,528,669</u>	<u>21,799,224</u>
MEDICAL & HEALTHCARE – 14.88%			
Medical Technology – 2.94%			
Zimmer Holdings Inc.**	67,600	4,751,682	4,471,740
Pharmaceuticals – 11.94%			
Abbott Laboratories	128,000	5,474,045	7,187,200
Amgen Inc.**	58,700	3,372,041	2,726,028
Barr Pharmaceuticals Inc.**	34,100	1,589,798	1,810,710
Teva Pharmaceutical Industries Ltd. – ADR (Israel)	138,300	<u>3,679,708</u>	<u>6,428,184</u>
		14,115,592	18,152,122
TOTAL MEDICAL & HEALTHCARE		<u>18,867,274</u>	<u>22,623,862</u>
TECHNOLOGY – 11.16%			
Computer Software – 2.92%			
Microsoft Corp.	124,900	3,327,879	4,446,440
PC's & Servers – 3.58%			
International Business Machines Corp.	50,300	4,074,509	5,437,430
Semiconductors – 4.66%			
Altera Corp.	109,700	2,100,294	2,119,404
Intel Corp.	186,500	<u>3,681,180</u>	<u>4,972,090</u>
		5,781,474	7,091,494
TOTAL TECHNOLOGY		<u>13,183,862</u>	<u>16,975,364</u>
TRANSPORTATION – 2.15%			
Railroads – 2.15%			
Norfolk Southern Corp.	64,800	2,308,288	3,268,512
TOTAL TRANSPORTATION		<u>2,308,288</u>	<u>3,268,512</u>
UTILITIES – 2.65%			
Regulated Electric – 2.65%			
PPL Corp.	77,250	3,625,329	4,023,953
TOTAL UTILITIES		<u>3,625,329</u>	<u>4,023,953</u>
TOTAL COMMON STOCKS		<u>133,391,844</u>	<u>165,681,223</u>

STATEMENT OF INVESTMENTS (cont'd.)

	<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>
SHORT TERM INVESTMENTS – 0.17%			
Goldman Sachs Financial Square Prime Obligations Fund – FST Shares			
	252,398	\$ 252,398	\$ 252,398
TOTAL SHORT TERM INVESTMENTS		252,398	252,398
TOTAL INVESTMENTS			
	109.10%	\$133,644,242	\$165,933,621
Liabilities in Excess of Other Assets	<u>(9.10%)</u>		<u>(13,842,171)</u>
NET ASSETS	<u>100.00%</u>		<u>\$152,091,450</u>

*** Non-income producing security
ADR – American Depositary Receipt
ADS – American Depositary Share*

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease. Industries are shown as a percent of net assets. These industry classifications are unaudited.

COUNTRY BREAKDOWN

As of December 31, 2007

Country	<u>Market Value</u>	<u>%</u>
United States	\$ 145,578,003	95.71%
Netherlands	8,235,380	5.42%
Israel	6,428,184	4.23%
Cayman Islands	3,725,334	2.45%
Finland	1,966,720	1.29%
Total Investments	<u>\$ 165,933,621</u>	<u>109.10%</u>
Liabilities in Excess of Other Assets	<u>(13,842,171)</u>	<u>(9.10%)</u>
Net Assets	<u>\$ 152,091,450</u>	<u>100.00%</u>

Please note the country classification is based on the company headquarters. All of the Fund's investments are traded on U.S. exchanges.

See accompanying notes to financial statements.

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2007

ASSETS

Investments at market value (cost \$133,644,242)	\$ 165,933,621
Receivable for securities sold	2,434,479
Dividends and interest receivable	267,546
Other assets	<u>10,445</u>
TOTAL ASSETS	<u>168,646,091</u>

LIABILITIES

Loan payable to bank (Note 4)	12,355,000
Interest due on loan payable to bank	43,309
Distribution payable	3,980,886
Advisory fee payable	82,590
Administration fee payable	9,997
Accrued Compliance Officer fees	4,458
Accrued expenses and other liabilities	<u>78,401</u>

TOTAL LIABILITIES 16,554,641

NET ASSETS \$ 152,091,450

COMPOSITION OF NET ASSETS

Capital stock, at par	\$ 284,349
Paid-in-capital	121,112,750
Accumulated net realized loss	(1,595,028)
Net unrealized appreciation on investments	<u>32,289,379</u>
NET ASSETS	<u>\$ 152,091,450</u>

SHARES OF COMMON STOCK OUTSTANDING

(100,000,000 shares authorized at \$0.01 par value) 28,434,898

Net asset value per share \$ 5.35

See accompanying notes to financial statements.

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2007

INCOME

Dividends (net of foreign withholding taxes of \$22,154)	\$ 2,560,941	
Interest	<u>33,472</u>	
TOTAL INCOME		<u>\$ 2,594,413</u>

EXPENSES

Investment advisory fee (Note 3)	966,652	
Administrative services fee (Note 3)	103,708	
Interest on loan payable to bank	669,959	
Stockholder reporting	108,246	
Legal fees	85,316	
Directors' fees	71,844	
Transfer agent fees	67,701	
Audit and tax preparation fees	28,640	
NYSE listing fees	27,245	
Chief Compliance Officer fees	20,500	
Insurance and fidelity bond	14,994	
Custodian fees	9,599	
Other	<u>8,510</u>	
TOTAL EXPENSES		<u>2,182,914</u>
NET INVESTMENT INCOME		<u>411,499</u>

REALIZED AND UNREALIZED

GAIN/(LOSS) ON INVESTMENTS		
Net realized gain on investments		5,229,902
Change in net unrealized appreciation or depreciation of investments		<u>(222,134)</u>
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS		<u>5,007,768</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		<u>\$ 5,419,267</u>

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN NET ASSETS

	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
Increase in net assets from operations:		
Net investment income	\$ 411,499	\$ 511,118
Net realized gain on investments	5,229,902	4,058,061
Change in net unrealized appreciation or depreciation of investments	<u>(222,134)</u>	<u>14,782,873</u>
	<u>5,419,267</u>	<u>19,352,052</u>
Decrease in net assets from distributions to stockholders from:		
Net investment income	(411,499)	(511,118)
Net realized gain on investments	(5,980,234)	(3,514,240)
Return of capital	<u>(10,012,387)</u>	<u>(12,139,609)</u>
	<u>(16,404,120)</u>	<u>(16,164,967)</u>
Increase in net assets from common stock transactions:		
Net asset value of common stock issued to stockholders from reinvestment of dividends (412,794 and 398,849 shares issued, respectively)	<u>2,412,947</u>	<u>2,267,911</u>
	<u>2,412,947</u>	<u>2,267,911</u>
NET INCREASE/(DECREASE) IN NET ASSETS	(8,571,906)	5,454,996
NET ASSETS		
Beginning of year	<u>160,663,356</u>	<u>155,208,360</u>
End of year (including undistributed net investment income of \$0 and \$0, respectively)	<u>\$ 152,091,450</u>	<u>\$ 160,663,356</u>

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2007

Cash Flows from Operating Activities

Net increase in net assets from operations	\$ 5,419,267
Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities:	
Purchase of investment securities	(69,654,974)
Proceeds from disposition of investment securities	81,537,539
Net proceeds from disposition of short-term investment securities	54,762
Proceeds from class-action litigation settlements	268,467
Net realized gain from securities investments	(5,229,902)
Net change in unrealized appreciation on investments	222,134
Increase in receivable for securities sold	(2,434,479)
Increase in dividends and interest receivable	(49,325)
Decrease in other assets	370
Decrease in advisory fee payable	(1,540)
Decrease in administrative fee payable	(115)
Decrease in accrued Compliance Officer fees	(792)
Increase in other accrued expenses and payables	<u>7,191</u>
Net cash provided by operating activities	10,138,603

Cash Flows from Financing Activities

Proceeds from bank borrowing	17,600,000
Repayment of bank borrowing	(13,525,000)
Cash distributions paid	<u>(14,213,603)</u>
Net cash used in financing activities	(10,138,603)

Net increase in cash	0
Cash, beginning balance	0
Cash, ending balance	0

Supplemental disclosure of cash flow information:

Cash paid during the period for interest from bank borrowing: \$675,556.

Noncash financing activities not included herein consist of reinvestment of dividends and distributions of \$2,412,947.

See accompanying notes to financial statements.

FINANCIAL HIGHLIGHTS

Per Share Data

(for a share outstanding throughout each period)

Net asset value – beginning of period

Investment operations⁽¹⁾

Net investment income

Net gain on investments

Total from investment operations

Distributions

From net investment income

From net realized gains on investments

Return of capital

Total distributions

Net asset value, end of year

Per share market value, end of year

Total investment return⁽²⁾ based on:

Market Value

Net Asset Value

Ratios/Supplemental data:

Ratio of total expenses to average net assets⁽³⁾

Ratio of net investment income to average net assets

Ratio of total distributions to average net assets

Portfolio turnover rate⁽⁴⁾

Net assets – end of year (in thousands)

See accompanying notes to financial statements.

(1) Per share amounts calculated based on average shares outstanding during the period.

(2) Total investment return is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Rights offerings, if any, are assumed for purposes of this calculation to be fully subscribed under the terms of the rights offering. Please note that the Fund's total investment return does not reflect the deduction of taxes that a stockholder would pay on Fund distributions or the sale of Fund shares. Generally, total investment return based on net asset value will be higher than total investment return based on market value in periods where there is an increase in the discount or a decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. Conversely, total investment return based on the net asset value will be lower than

For the year ended December 31,

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 5.73	\$ 5.62	\$ 5.76	\$ 5.58	\$ 4.85
0.01	0.02	0.01	0.03	0.01
<u>0.19</u>	<u>0.67</u>	<u>0.42</u>	<u>0.71</u>	<u>1.23</u>
<u>0.20</u>	<u>0.69</u>	<u>0.43</u>	<u>0.74</u>	<u>1.24</u>
(0.02)	(0.02)	(0.02)	(0.03)	(0.01)
(0.21)	(0.13)	(0.11)	(0.53)	—
<u>(0.35)</u>	<u>(0.43)</u>	<u>(0.44)</u>	<u>—</u>	<u>(0.50)</u>
<u>(0.58)</u>	<u>(0.58)</u>	<u>(0.57)</u>	<u>(0.56)</u>	<u>(0.51)</u>
<u>\$ 5.35</u>	<u>\$ 5.73</u>	<u>\$ 5.62</u>	<u>\$ 5.76</u>	<u>\$ 5.58</u>
<u>\$ 5.21</u>	<u>\$ 5.96</u>	<u>\$ 6.31</u>	<u>\$ 6.68</u>	<u>\$ 6.14</u>
(3.3%)	4.6%	3.7%	19.2%	46.9%
3.3%	12.9%	7.1%	13.1%	26.4%
1.34%	1.36%	1.33%	1.12%	1.13%
0.25%	0.32%	0.21%	0.57%	0.27%
10.04%	10.25%	10.13%	10.16%	10.07%
40.03%	36.54%	40.96%	115.39%	52.58%
\$152,091	\$160,663	\$155,208	\$156,903	\$150,057

total investment return based on market value in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods.

⁽³⁾For the years ended December 31, 2007, 2006, 2005 and 2004, the ratio of total expenses to average net assets excluding interest expense was 0.93%, 0.92%, 0.97% and 0.99%, respectively. For 2003 the interest expense was less than 0.01%.

⁽⁴⁾A portfolio turnover rate is the percentage computed by taking the lesser of purchases or sales of portfolio securities (excluding short-term investments) for the year and dividing it by the monthly average of the market value of the portfolio securities during the year. Purchases and sales of investment securities (excluding short-term securities) for the year ended December 31, 2007 were \$69,654,974 and \$81,537,539, respectively.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Blue Chip Value Fund, Inc. (the “Fund”) is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company.

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

Security Valuation – All securities of the Fund are valued as of the close of regular trading on the New York Stock Exchange (“NYSE”), generally 4:00 p.m. (Eastern Time), on each day that the NYSE is open. Listed securities are generally valued at the last sales price as of the close of regular trading on the NYSE. Securities traded on the National Association of Securities Dealers Automated Quotation (“NASDAQ”) are generally valued at the NASDAQ Official Closing Price (“NOCP”). In the absence of sales and NOCP, such securities are valued at the mean of the bid and asked prices.

Securities having a remaining maturity of 60 days or less are valued at amortized cost which approximates market value.

When market quotations are not readily available or when events occur that make established valuation methods unreliable, securities of the Fund may be valued at fair value determined in good faith by or under the direction of the Board of Directors. Factors which may be considered when determining the fair value of a security include (a) the fundamental data relating to the investment; (b) an evaluation of the forces which influence the market in which the security is sold, including the liquidity and depth of the market; (c) the market value at date of purchase; (d) information as to any transactions or offers with respect to the security or comparable securities; and (e) any other relevant matters.

Investment Transactions – Investment transactions are accounted for on the date the investments are purchased or sold (trade date). Realized gains and losses from investment transactions and unrealized appreciation and depreciation of investments are determined on the “specific identification” basis for both financial statement and federal income tax purposes. Dividend income is recorded on the ex-dividend date. Interest income, which includes interest earned on money market funds, is accrued and recorded daily.

Federal Income Taxes – The Fund intends to comply with the requirements of the Internal Revenue Code that are applicable to regulated investment companies and to distribute all of its taxable income to its stockholders. Therefore, no provision has been made for federal income taxes.

The Fund intends to elect to defer to its fiscal year ending December 31, 2008 approximately \$724,755 of losses recognized during the period from November 1, 2007 to December 31, 2007.

Classification of Distributions to Shareholders – Net investment income (loss) and net realized gain (loss) may differ for financial statement and tax purposes. The character of distributions made during the year from net investment income or net realized gains may differ from its ultimate characterization for federal income tax purposes. Also, due to the timing of dividend distributions, the fiscal year in which amounts are distributed may differ from the fiscal year in which the income or realized gain was recorded by the Fund.

The tax character of the distributions paid was as follows:

	<u>Year Ended December 31, 2007</u>	<u>Year Ended December 31, 2006</u>
Distributions paid from:		
Ordinary income	\$ 411,499	\$ 960,443
Long-term capital gain	5,980,234	3,064,915
Return of capital	<u>6,031,501</u>	<u>12,139,609</u>
Total	<u>\$ 12,423,234</u>	<u>\$ 16,164,967</u>

Tax components of distributable earnings are determined in accordance with income tax regulations which may differ from composition of net assets reported under accounting principles generally accepted in the United States. Accordingly, for the period ended December 31, 2007, the effects of certain differences were reclassified. The Fund increased accumulated net realized loss by \$73,306 and increased paid in capital by \$73,306. These differences were primarily due to the differing tax treatment of certain investments. Net assets of the portfolio were unaffected by the reclassifications and the calculation of net investment income per share in the Financial Highlights excludes these adjustments.

As of December 31, 2007, the components of distributable earnings on a tax basis were as follows:

Accumulated net realized loss	\$ (724,755)
Net unrealized appreciation	31,419,106
Total	<u>\$ 30,694,351</u>

The difference between book basis and tax basis is typically attributable to the tax deferral of losses on wash sales, corporate actions and post October losses.

Distributions to Stockholders – Distributions to stockholders are recorded on the ex-dividend date.

The Fund currently maintains a “managed distribution policy” which distributes at least 2.5% of its net asset value quarterly to its stockholders. These fixed distributions are not related to the amount of the Fund’s net investment income or net realized capital gains or losses and will be classified to conform to the tax reporting requirements of the Internal Revenue Code.

Denver Investment Advisors LLC (“DenverIA”) generally seeks to minimize realized capital gain distributions without generating capital loss carryforwards. As such, if the Fund’s total distributions required by the fixed payout policy for the year exceed the Fund’s “current and accumulated earnings and profits,” the excess will be treated as non-taxable return of capital, reducing the stockholder’s adjusted basis in his or her shares. Although capital loss carryforwards may offset any current year net realized capital gains, such amounts do not reduce the Fund’s “current earnings and profits.” Therefore, to the extent that current year net realized capital gains are offset by capital loss carryforwards, such excess distributions would be classified as taxable ordinary income rather than non-taxable return of capital. In this situation, the Fund’s Board of Directors would consider that factor, among others, in determining whether to retain, alter or eliminate the “managed distribution policy.” The Fund’s distribution policy may be changed or terminated at the discretion of the Fund’s Board of Directors. At this time, the Board of Directors has no plans to change or terminate the current policy.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures made in the accompanying notes to the financial statements. Actual results could differ from those estimates.

2. UNREALIZED APPRECIATION AND DEPRECIATION OF INVESTMENTS (TAX BASIS)

As of December 31, 2007:

Gross appreciation (excess of value over tax cost)	\$ 38,150,269
Gross depreciation (excess of tax cost over value)	(6,731,163)
Net unrealized appreciation	<u>\$ 31,419,106</u>
Cost of investments for income tax purposes	<u>\$ 134,514,515</u>

3. INVESTMENT ADVISORY AND ADMINISTRATION SERVICES

The Fund has an Investment Advisory Agreement with Denver Investment Advisors LLC (“DenverIA”), whereby an investment advisory fee is paid to DenverIA based on an annual rate of 0.65% of the Fund’s average weekly net assets up to \$100,000,000 and 0.50% of the Fund’s average weekly net assets in excess of \$100,000,000. The

management fee is paid monthly based on the average of the net assets of the Fund computed as of the last business day the New York Stock Exchange is open each week. Certain officers and a director of the Fund are also officers of DenverIA.

ALPS Fund Services, Inc. (“ALPS”) and DenverIA serve as the Fund’s co-administrators. The Administrative Agreement includes the Fund’s administrative and fund accounting services. The administrative services fee is based on an annual rate for ALPS and DenverIA, respectively, of 0.0855% and 0.01% of the Fund’s average daily net assets up to \$75,000,000, 0.04%, and 0.005% of the Fund’s average daily net assets between \$75,000,000 and \$125,000,000, and 0.02% and 0.005% of the Fund’s average daily net assets in excess of \$125,000,000 plus certain out-of-pocket expenses. The administrative service fee is paid monthly.

Effective April 1, 2008, the administrative services fee for ALPS will be increased to an annual rate of 0.0955% of the Fund’s average daily net assets up to \$75,000,000, 0.0500% of the Fund’s average daily net assets between \$75,000,000 and \$125,000,000 and 0.0300% of the Fund’s average daily net assets in excess of \$125,000,000. DenverIA’s administrative services fee remains unchanged.

The Directors have appointed a Chief Compliance Officer who is also Treasurer of the Fund and an employee of DenverIA. The Directors agreed that the Fund would reimburse DenverIA a portion of his compensation for his services as the Fund’s Chief Compliance Officer.

4. LOAN OUTSTANDING

The Fund has a line of credit with The Bank of New York Mellon (“BONY”) in which the Fund may borrow up to the lesser of \$15,000,000 or the maximum amount the Fund is permitted to borrow under the Investment Company Act of 1940. The interest rate resets daily at overnight Federal Funds Rate plus 0.825%. The borrowings under the BONY loan are secured by a perfected security interest on all of the Fund’s assets.

Details of the loan outstanding are as follows:

	As of December 31, 2007	Average for the Year Ended December 31, 2007
Loan outstanding	\$12,355,000	\$ 11,309,055
Interest rate	4.84%*	5.86%
% of Fund’s total assets	7.33%	6.71%
Amount of debt per share outstanding	\$ 0.43	\$ 0.40
Number of shares outstanding (in thousands)	28,435	28,264**

*Annualized

**Weighted average

5. NEW ACCOUNTING PRONOUNCEMENTS

Effective January 2, 2007, the Fund adopted Financial Accounting Standards Board (“FASB”) Interpretation No. 48 (“FIN 48”) “Accounting for Uncertainty in Income Taxes,” which requires that the financial statement effects of a tax position taken or expected to be taken in a tax return be recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Management has concluded that the Fund has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of FIN 48. The Fund files income tax returns in the U.S. federal jurisdiction and the State of Colorado. For the years ended December 31, 2004 through December 31, 2006, the Fund’s federal and Colorado returns are still open to examination by the appropriate taxing authority. However, to management’s knowledge there are currently no federal or Colorado income tax returns under examination.

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

TAX DESIGNATIONS (Unaudited):

Certain tax information is provided to shareholders as required by the Internal Revenue Code or to meet a specific state’s requirement. The Fund designates the following amounts or, if subsequently determined to be different, the maximum amount allowable for its fiscal year ended December 31, 2007:

Corporate Dividends Received Deduction	100%
Qualified Dividend Income	100%
Long-Term Capital Gain Dividends	\$5,980,234

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Blue Chip Value Fund, Inc.:

We have audited the accompanying statement of assets and liabilities of Blue Chip Value Fund, Inc. (the "Fund"), including the statement of investments, as of December 31, 2007, and the related statements of operations and cash flows for the year then ended, the statements of changes in 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. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits 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 and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2007, by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Blue Chip Value Fund, Inc. as of December 31, 2007, the results of its operations and its cash flows 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.



DELOITTE & TOUCHE LLP
Denver, Colorado

February 15, 2008

BOARD OF DIRECTORS

Kenneth V. Penland, *Chairman*
Todger Anderson, *Director*
Lee W. Mather, Jr, *Director*
Richard C. Schulte, *Director*
Roberta M. Wilson, *Director*

OFFICERS

Kenneth V. Penland, *Chairman*
Todger Anderson, *President*
Mark M. Adelmann, *Vice President*
Nancy P. O'Hara, *Secretary*
Jasper R. Frontz, *Treasurer, Chief Compliance Officer*

Investment Adviser/Co-Administrator

Denver Investment Advisors LLC
1225 17th Street, 26th Floor
Denver, CO 80202

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Custodian

The Bank of New York Mellon
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New York, NY 10286

Co-Administrator

ALPS Fund Services, Inc.
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Transfer Agent Dividend Reinvestment Plan Agent (Questions regarding your Account)

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