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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended January 31, 2006

Commission file number 0-11306

VALUE LINE, INC.

(Exact name of registrant as specified in its charter)

New York

13-3139843

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

220 East 42nd Street, New York, New York

10017-5891

(address of principal executive offices)

(zip code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class

Outstanding at January 31, 2006

Common stock, \$.10 par value

9,981,600 Shares

Part I - Financial Information
Item 1. Financial Statements

Value Line, Inc.
Consolidated Balance Sheets
(in thousands, except share amounts)
(unaudited)

	Jan. 31, 2006	Apr. 30, 2005
	(unaudited)	
Assets		
Current Assets:		
Cash and cash equivalents (including short term investments of \$9,828 and \$5,654, respectively)	\$ 10,674	\$ 5,971
Trading securities	22,407	0
Securities available for sale	64,244	76,274
Accounts receivable, net of allowance for doubtful accounts of \$74 and \$52, respectively	2,597	3,096
Receivable from affiliates	2,834	2,557
Prepaid expenses and other current assets	1,469	1,468
Deferred income taxes	32	32
Total current assets	104,257	89,398
Long term assets		
Property and equipment, net	5,549	5,984
Capitalized software and other intangible assets, net	2,486	3,483
Total long term assets	8,035	9,467
Total assets	\$ 112,292	\$ 98,865
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 4,974	\$ 4,331
Accrued salaries	1,335	1,247
Dividends payable	2,495	2,495
Unearned revenue	30,418	29,748
Deferred income taxes	7,952	6,176
Total current liabilities	47,174	43,997
Long term liabilities		
Unearned revenue	7,054	10,344
Deferred charges	381	381
Total long term liabilities	7,435	10,725
Shareholders' Equity:		
Common stock, \$.10 par value; authorized 30,000,000 shares; issued 10,000,000 shares	1,000	1,000
Additional paid-in capital	991	991
Retained earnings	41,040	30,798
Treasury stock, at cost (18,400 shares on 1/31/06 and 4/30/05)	(354)	(354)
Accumulated other comprehensive income, net of tax	15,006	11,708
Total shareholders' equity	57,683	44,143
Total liabilities and shareholders' equity	\$ 112,292	\$ 98,865

The accompanying notes are an integral part of these consolidated financial statements.

Part I - Financial Information
Item 1. Financial Statements

Value Line, Inc.
Consolidated Condensed Statements of Income
(in thousands, except per share amounts)
(unaudited)

	Three months ended Jan. 31,		Nine months ended Jan. 31,	
	2006	2005	2006	2005
Revenues:				
Investment periodicals and related publications	\$ 11,890	\$ 12,525	\$ 35,963	\$ 37,556
Licensing fees	1,442	648	3,335	1,716
Investment management fees & svcs	8,250	7,885	24,160	24,088
Total revenues	21,582	21,058	63,458	63,360
Expenses:				
Advertising and promotion	3,826	5,455	9,902	16,245
Salaries and employee benefits	4,747	4,812	14,605	15,337
Production and distribution	1,712	2,106	5,314	6,615
Office and administration	3,260	2,248	7,967	6,613
Total expenses	13,545	14,621	37,788	44,810
Income from operations	8,037	6,437	25,670	18,550
Income from securities transactions, net	2,858	1,104	3,571	8,033
Income before income taxes	10,895	7,541	29,241	26,583
Provision for income taxes	4,201	2,884	11,514	10,187
Net income	\$ 6,694	\$ 4,657	\$ 17,727	\$ 16,396
Earnings per share, basic & fully diluted	\$ 0.67	\$ 0.46	\$ 1.78	\$ 1.64
Weighted average number of common shares	9,981,600	9,981,600	9,981,600	9,981,600

The accompanying notes are an integral part of these consolidated financial statements.

Part I - Financial Information
Item 1. Financial Statements

Value Line, Inc.
Consolidated Condensed Statements of Cash Flows
(in thousands)
(unaudited)

	For the nine months ended	
	Jan. 31, 2006	Jan. 31, 2005
Cash flows from operating activities:		
Net income	\$ 17,727	\$ 16,396
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,659	1,800
Gains on sales of trading securities and securities available for sale	(2,430)	(8,726)
Unrealized losses on trading securities	125	1,055
Deferred income taxes	(44)	(369)
Changes in assets and liabilities:		
Proceeds from sales of trading securities	—	42,205
Purchases of trading securities	(4,365)	(21,815)
(Decrease) in unearned revenue	(2,621)	(19)
(Decrease) in deferred charges	(63)	(63)
Increase/(decrease) in accounts payable and accrued expenses	706	(143)
Increase/(decrease) in accrued salaries	88	(242)
Decrease in accrued taxes payable	0	(556)
Decrease in prepaid expenses and other current assets	43	578
Decrease/(increase) in accounts receivable	499	(332)
(Increase)/decrease in receivable from affiliates	(277)	90
Total adjustments	(6,680)	13,463
Net cash provided by operations	11,047	29,859
Cash flows from investing activities:		
Purchase of equity securities	(2,463)	(1,037)
Proceeds from sales of equity securities	2,430	12,669
Proceeds from sales of fixed income securities	9,650	9,019
Purchases of fixed income securities	(8,249)	(23,680)
Acquisition of property and equipment	(64)	(189)
Expenditures for capitalized software	(163)	(563)
Net cash provided by/(used in) investing activities	1,141	(3,781)
Cash flows from financing activities:		
Dividends paid	(7,485)	(182,162)
Net cash used in financing activities	(7,485)	(182,162)
Net increase/(decrease) in cash and cash equivalents	4,703	(156,084)
Cash and cash equivalents at beginning of year	5,971	178,108
Cash and cash equivalents at end of period	\$ 10,674	\$ 22,024

The accompanying notes are an integral part of these consolidated financial statements.

Part I - Financial Information

Item 1. Financial Statements

VALUE LINE, INC.
CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED JANUARY 31, 2006
(in thousands, except share amounts)
(unaudited)

	Common stock				Comprehensive income	Retained earnings	Accumulated Other Comprehensive income	Total
	Number of shares	Amount	Additional paid-in capital	Treasury Stock				
Balance at April 30, 2005	9,981,600	\$ 1,000	\$ 991	(\$354)		\$ 30,798	\$ 11,708	\$ 44,143
Comprehensive income								
Net income					\$ 17,727	17,727		17,727
Other comprehensive income, net of tax:								
Change in unrealized gains on securities, net of taxes					3,298		3,298	3,298
Comprehensive income					<u>\$ 21,025</u>			
Dividends declared						(7,485)		(7,485)
Balance at January 31, 2006	<u>9,981,600</u>	<u>\$ 1,000</u>	<u>\$ 991</u>	<u>(\$354)</u>		<u>\$ 41,040</u>	<u>\$ 15,006</u>	<u>\$ 57,683</u>

The accompanying notes are an integral part of these consolidated financial statements.

Part I - Financial Information

Item 1. Financial Statements

VALUE LINE, INC.
CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED JANUARY 31, 2005
(in thousands, except share amounts)
(unaudited)

	Common stock				Comprehensive income	Retained earnings	Accumulated Other Comprehensive income	Total
	Number of shares	Amount	Additional paid-in capital	Treasury Stock				
Balance at April 30, 2004	9,981,600	\$ 1,000	\$ 991	(\$354)		\$ 19,459	\$ 14,202	\$ 35,298
Comprehensive income								
Net income					\$ 16,396	16,396		16,396
Other comprehensive income, net of tax:								
Change in unrealized gains on securities, net of taxes					(1,668)		(1,668)	(1,668)
Comprehensive income					<u>\$ 14,728</u>			
Dividends declared						(7,485)		(7,485)
Balance at January 31, 2005	<u>9,981,600</u>	<u>\$ 1,000</u>	<u>\$ 991</u>	<u>(\$354)</u>		<u>\$ 28,370</u>	<u>\$ 12,534</u>	<u>\$ 42,541</u>

The accompanying notes are an integral part of these consolidated financial statements.

VALUE LINE, INC.
NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Significant Accounting Policies - Note 1:

In the opinion of management, the accompanying unaudited consolidated condensed financial statements contain all adjustments (consisting of normal recurring accruals except as noted below) considered necessary for a fair presentation. This report should be read in conjunction with the financial statements and footnotes contained in the Company's annual report on Form 10-K, dated July 29, 2005 and Form 10-K Amended, dated August 26, 2005 for the fiscal year ended April 30, 2005. Results of operations covered by this report may not be indicative of the results of operations for the entire year.

Value Line, Inc. (the "Company") is incorporated in New York State and carries on the investment periodicals and related publications and investment management activities formerly performed by Arnold Bernhard & Co., Inc. (the "Parent") which owns approximately 86% of the issued and outstanding common stock of the Company.

Principles of Consolidation:

The consolidated condensed financial statements include the accounts of the Company and all of its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Revenue Recognition:

Subscription revenues are recognized ratably over the terms of the subscriptions. Accordingly, the amount of subscription fees to be earned by servicing subscriptions after the date of the balance sheet is shown as unearned revenue.

Investment management fees (except 12b-1 fees) are recorded as the related services are performed (see note 6). Service and distribution fees collected under rule 12b-1 are recorded in the Consolidated Condensed Statements of Income based upon the average daily net asset values of the respective Value Line mutual funds.

Valuation of Securities:

The Company's securities classified as available for sale consist of shares of the Value Line Mutual Funds and government debt securities accounted for in accordance with Statement of Financial Accounting Standards No.115, "Accounting for Certain Investments in Debt and Equity Securities". The securities are valued at market with unrealized gains and losses on these securities reported, net of applicable taxes, as a separate component of Shareholders' Equity. Realized gains and losses on sales of the securities available for sale are recorded in earnings on trade date and are determined on the identified cost method.

The Company classifies its securities available for sale as current assets. It does so to properly reflect its liquidity and to recognize the fact that it has assets available for sale to fully satisfy its current liabilities should the need arise.

Trading securities held by the Company are valued at market with unrealized gains and losses included in earnings.

Market valuation of securities listed on a securities exchange and over-the-counter securities traded on the NASDAQ national market is based on the closing sales prices on the last business day of each month. In the absence of closing sales prices for such securities, and for other 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.

Valuation of open-ended mutual fund shares are based upon the net asset values of the shares as calculated by such funds.

Market valuation of the Company's fixed maturity government debt obligations are valued utilizing quoted prices provided by a third party pricing service.

Advertising Expenses:

The Company expenses advertising costs as incurred.

VALUE LINE, INC.
NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Reclassification:

Certain items in the prior year financial statements have been reclassified to conform to the current year presentation.

Income Taxes:

The Company computes its income tax provision in accordance with the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes". Deferred tax liabilities and assets are recognized for the expected future tax consequences of events that have been reflected in the Consolidated Condensed Financial Statements. Deferred tax liabilities and assets are determined based on the differences between the book values and the tax bases of particular assets and liabilities, using tax rates currently in effect for the years in which the differences are expected to reverse.

Earnings per Share, basic & fully diluted:

Earnings per share are based on the weighted average number of shares of common stock and common stock equivalents outstanding during each year.

Cash and Cash Equivalents:

For purposes of the Consolidated Condensed Statements of Cash Flows, the Company considers all cash held at banks and short term liquid investments with an original maturity of less than three months to be cash and cash equivalents. As of January 31, 2006 and April 30, 2005, cash equivalents included \$9,784,000 and \$5,546,000 respectively, invested in the Value Line money market funds.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Marketable Securities - Note 2:

Trading Securities:

Securities held by the Company had an aggregate cost of \$22,403,000 and a fair market value \$22,407,000 at January 31, 2006. There were no trading securities held at April 30, 2005. There were no sales of trading securities in fiscal 2006. The proceeds from sales of trading securities, during the nine months ended January 31, 2005, were \$42,205,000 and the related gains on these sales were \$2,425,000. Unrealized gains on the trading securities portfolio of \$4,000 and unrealized losses of \$1,055,000 for the nine months ended January 31, 2006 and 2005, respectively, were included in the Consolidated Condensed Statements of Income.

Securities Available for Sale:

Equity Securities:

The aggregate cost of the equity securities classified as available for sale, which are invested in the Value Line mutual funds, was \$21,632,000 and the market value was \$44,916,000 at January 31, 2006. The aggregate cost of the equity securities classified as available for sale at April 30, 2005 was \$19,169,000 and the market value was \$37,209,000. The total gains for equity securities with net gains included in Accumulated Other Comprehensive Income on the Consolidated Condensed Balance Sheet were \$23,284,000 and \$18,157,000, net of deferred income taxes of \$8,149,000 and \$6,355,000, as of January 31, 2006 and April 30, 2005, respectively. Losses on equity securities included in Accumulated Other Comprehensive Income at April 30, 2005 were \$117,000, net of deferred income taxes of \$41,000. The net increase in unrealized holding gains on these securities of \$5,244,000 and the decrease of \$2,503,000, net of deferred income taxes of \$1,835,000 and \$875,000, were included in Shareholders' Equity at January 31, 2006 and 2005, respectively.

VALUE LINE, INC.
NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Realized capital gains from the sales of equity securities classified as available for sale during the nine months ended January 31, 2006 and January 31, 2005 were \$2,430,000 and \$6,301,000, of which \$2,355,000 and \$5,861,000, respectively, were reclassified out of Accumulated Other Comprehensive Income into earnings. The proceeds received from the sales of these securities during the nine months ended January 31, 2006 and January 31, 2005 were \$2,430,000 and \$12,669,000, respectively. Proceeds and capital gains included \$75,000 and \$433,000 from an installment sale of an investment in a privately held Company, in fiscal 2006 and 2005, respectively.

Government Debt Securities:

The Company's investments in debt securities are available for sale and valued at market value. The aggregate cost and market value at January 31, 2006 for U.S. Government debt securities classified as available for sale were as follows:

Maturity	(In Thousands)		
	Historical Cost	Market Value	Gross Unrealized Holding Losses
Due in less than 2 years	\$ 15,103	\$ 14,974	(\$129)
Due in 2-5 years	4,420	4,354	(66)
Total investment in debt securities	\$ 19,523	\$ 19,328	(\$195)

The aggregate cost and market value at April 30, 2005 for U.S. Government debt securities classified as available for sale were as follows:

Maturity	(In Thousands)		
	Historical Cost	Market Value	Gross Unrealized Holding Losses
Due in less than 2 years	\$ 34,506	\$ 34,481	(\$25)
Due in 2-5 years	4,587	4,584	(3)
Total investment in debt securities	\$ 39,093	\$ 39,065	(\$28)

The unrealized losses of \$195,000 and \$28,000 on U.S. government debt securities net of deferred income taxes of \$66,000 and \$10,000, respectively, were included in Accumulated Other Comprehensive Income on the Consolidated Condensed Balance Sheets as of January 31, 2006 and April 30, 2005. During the third quarter of fiscal 2006, the Company reclassified \$18,038,000 of US Government debt securities from the classification of available for sale to trading securities that resulted in the recognition and reclassification of an unrealized loss of \$129,000 from Accumulated Other Comprehensive Income to the Consolidated Condensed Statement of Income.

The average yield on the U.S. Government debt securities classified as available for sale at January 31, 2006 and 2005 was 1.85% and 1.31%, respectively.

Proceeds from sales of government debt securities classified as available for sale were \$9,650,000 and \$9,019,000 during the first nine months of fiscal year 2006 and 2005, respectively. There were no related gains or losses.

For the nine months ended January 31, 2006, and 2005, income from securities transactions, net also included \$358,000 and \$161,000 of dividend income; \$957,000 and \$199,000 of interest income; and \$11,000 and \$7,000 of related interest expense, respectively.

VALUE LINE, INC.
NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Supplemental Disclosure of Cash Flow Information - Note 3:

Cash payments for income taxes were \$11,406,000 and \$11,111,000 during the nine months ended January 31, 2006 and 2005, respectively.

Employees' Profit Sharing and Savings Plan - Note 4:

Substantially all employees of the Company and its subsidiaries are members of the Value Line, Inc. Profit Sharing and Savings Plan (the "Plan"). In general, this is a qualified, contributory plan which provides for a discretionary annual Company contribution which is determined by a formula based upon the salaries of eligible employees and the amount of consolidated net operating income as defined in the Plan. The estimated profit sharing plan contribution, which is included as an expense in salaries and employee benefits in the Consolidated Condensed Statement of Income, was \$911,000 and \$797,000 for the nine months ended January 31, 2006 and 2005, respectively.

Comprehensive Income - Note 5:

Statement of Financial Accounting Standards no. 130 requires the reporting of comprehensive income in addition to net income from operations. Comprehensive income is a more inclusive financial reporting methodology that includes disclosure of certain financial information that historically has not been recognized in the calculation of net income.

At January 31, 2006 and April 30, 2005 the Company held both equity securities and U.S. Government debt securities that are classified as Available for Sale on the Consolidated Condensed Balance Sheets. The change in valuation of these securities, net of deferred income taxes, has been recorded in Accumulated Other Comprehensive Income in the Company's Consolidated Condensed Balance Sheets.

The components of comprehensive income that are included in the Statement of Changes in Shareholders' Equity are as follows:

	Before Tax Amount	(In Thousands) Tax (Expense) or Benefit	Net of Tax Amount
Nine months ended 1-31-06			
<u>Unrealized Gains on Securities:</u>			
Unrealized Holding Gains/(Losses) arising during the period	\$ 7,303	(\$2,563)	\$ 4,740
Add: Reclassification adjustments for losses realized in net income	129	(45)	84
Less: Reclassification adjustments for gains realized in net income	(2,355)	829	(1,526)
Other Comprehensive income	<u>\$ 5,077</u>	<u>(\$1,779)</u>	<u>\$ 3,298</u>
Nine months ended 1-31-05			
<u>Unrealized Gains on Securities:</u>			
Unrealized Holding Gains/(Losses) arising during the period	\$ 3,296	(\$1,166)	\$ 2,130
Less: Reclassification adjustments for gains realized in net income	(5,861)	2,063	(3,798)
Other Comprehensive income	<u>(\$2,565)</u>	<u>\$ 897</u>	<u>(\$1,668)</u>

VALUE LINE, INC.
NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Related Party Transactions - Note 6:

The Company acts as investment adviser and manager for fourteen open-ended investment companies, the Value Line Family of Funds. The Company earns investment management fees based upon the average daily net asset values of the respective Value Line mutual funds. In addition, effective July 1, 2000, twelve of the fourteen Value Line Mutual Funds adopted a service and distribution plan under rule 12b-1 of the Investment Company Act of 1940. Effective September 18, 2002, the remaining two funds for which Value Line is the adviser adopted a service and distribution plan under rule 12b-1 of the Investment Company Act of 1940. Further, the Company earned brokerage commission income on securities transactions executed by Value Line Securities, Inc. (VLS) on behalf of the funds that cleared on a fully disclosed basis through non-affiliated brokers, who received a portion of the gross commission. Pending a review of effecting trades for the Value Line Funds, VLS in November 2004 suspended effectuation of trades through VLS for any of the Value Line Funds.

For the nine months ended January 31, 2006 investment management fees and 12b-1 service and distribution fees amounted to \$23,362,000, which includes fee waivers for certain of the Value Line Mutual Funds. For the nine months ended January 31, 2005, investment management fees, 12b-1 service and distribution fees and brokerage commission income amounted to \$23,164,000. The amounts for service and distribution fees during the nine months ended January 31, 2006 and 2005 were \$7,498,000 and \$7,214,000, respectively. The related receivables from the funds for management advisory fees and 12b-1 service fees included in Receivable from affiliates on the Consolidated Condensed Balance Sheet were \$2,721,000 and \$2,406,000 at January 31, 2006 and April 30, 2005, respectively.

For the nine months ended January 31, 2006 and 2005, the Company was reimbursed \$700,000 and \$387,000, respectively, for payments it made on behalf of and services it provided to Arnold Bernhard and Company, Inc. ("Parent"). At January 31, 2006 and April 30, 2005, Receivable from affiliates on the Consolidated Condensed Balance Sheet also included a receivable from the Parent of \$83,000 and \$107,000, respectively.

From time to time, the Parent has purchased additional shares of Value Line, Inc. in the market when and as the Parent has determined it to be appropriate. As stated several times in the past, the public is reminded that the Parent may make additional purchases from time to time in the future.

Federal, State and Local Income Taxes - Note 7:

The Company computes its tax in accordance with the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes".

The provision for income taxes includes the following:

	Nine months ended January 31,	
	2006	2005
	(in thousands)	
<u>Current:</u>		
Federal	\$ 9,492	\$ 9,051
State and local	2,210	1,522
	\$ 11,702	\$ 10,573
<u>Deferred:</u>		
Federal	(\$271)	(\$371)
State and local	83	(15)
	(\$188)	(\$386)
Total:	\$ 11,514	\$ 10,187

VALUE LINE, INC.
NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Deferred income taxes are provided for temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. The tax effect of temporary differences giving rise to the Company's deferred tax liability are primarily a result of unrealized gains on the Company's available for sale securities portfolios.

Business Segments - Note 8:

The Company operates two reportable business segments: Publishing and Investment Management Services. The publishing segment produces investment related periodicals in both print and electronic form, and licensing fees. The investment management segment provides advisory services to the Value Line family of mutual funds, as well as institutional and individual clients. The segments are differentiated by the products and services they offer.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Company allocates all revenues and expenses, except for depreciation and income from securities transactions related to corporate assets, between the two reportable segments.

Disclosure of Reportable Segment Profit and Segment Assets (in thousands)

	Nine months ended January 31, 2006		
	Publishing	Investment Management Services	Total
Revenues from external customers	\$ 39,298	\$ 24,160	\$ 63,458
Intersegment revenues	64	0	64
Income from securities transactions, net	124	327	451
Depreciation and amortization	1,581	66	1,647
Segment operating profit	13,408	12,274	25,682
Segment assets	17,490	73,937	91,427
Expenditures for segment assets	227	0	227

	Nine months ended January 31, 2005		
	Publishing	Investment Management Services	Total
Revenues from external customers	\$ 39,272	\$ 24,088	\$ 63,360
Intersegment revenues	167	0	167
Income from securities transactions, net	2	8,031	8,033
Depreciation and amortization	1,717	71	1,788
Segment operating profit	10,466	8,096	18,562
Segment assets	16,140	60,910	77,050
Expenditures for segment assets	613	139	752

VALUE LINE, INC.
NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Reconciliation of Reportable Segment Revenues,
Operating Profit and Assets (in thousands)

	Nine months ended January 31,	
	2006	2005
Revenues		
Total revenues for reportable segments	\$ 63,522	\$ 63,527
Elimination of intersegment revenues	(64)	(167)
Total consolidated revenues	\$ 63,458	\$ 63,360
Segment profit		
Total profit for reportable segments	\$ 26,133	\$ 26,595
Add: Income from securities transactions related to corporate assets	3,120	0
Less: Depreciation related to corporate assets	(12)	(12)
Income before income taxes	\$ 29,241	\$ 26,583
Assets		
Total assets for reportable segments	\$ 91,427	\$ 77,050
Corporate assets	20,865	20,654
Consolidated total assets	\$ 112,292	\$ 97,704

Contingencies - Note 9:

On September 17, 2003 the Company commenced an action in New York Supreme Court, seeking damages in an unspecified amount, against a small mutual fund company pertaining to a contemplated transaction. The Company was countersued for alleged damages in excess of \$5,000,000. The action was settled in November, 2004 without a material adverse effect on the Company. A related entity of the defendant in the New York action brought suit against the Company and certain Directors in Federal Court in Texas in March, 2004 based on the same transaction. On the Company's motion, that action has been transferred from Texas to New York. On March 2, 2006 the Federal Judge in New York granted the Company's motion dismissing three causes of action. The court allowed one cause of action to continue at this time. Although the ultimate outcome of the litigation is subject to the inherent uncertainties of any legal proceeding, based upon Counsel's analysis of the factual and legal issues and the Company's meritorious defenses, it is management's belief that the expected outcome of this matter will not have a material adverse effect on the Company's consolidated results of operations and financial condition.

By letter dated June 15, 2005, the staff of the Securities and Exchange Commission requested the Company as part of a preliminary inquiry to provide documents relating to, among other things, trades for the Company's proprietary accounts, and the effectuation and execution of trades through VLS for the Value Line Funds. The Company is cooperating with the preliminary inquiry.

Item 2. MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Liquidity and Capital Resources

The Company had working capital as of January 31, 2006 of \$57,083,000 which included cash and short-term securities at market value of \$74,918,000.

The Company's cash flows from operations of \$11,047,000 for the nine months ended January 31, 2006 was 63% lower than cash flow of \$29,859,000 for the comparable period of the prior fiscal year. The decrease in cash flow from operations was primarily due to the liquidation of the Company's trading securities portfolio during the prior fiscal year. Exclusive of the net cash flows from the trading securities portfolio activity, cash flows from operations were \$5,943,000 higher than the prior fiscal year's. Net cash inflows of \$1,141,000 from investing activities during the first nine months of fiscal 2006 primarily resulted from proceeds received from sales of callable U.S. Government debt securities. Net cash outflows of \$3,781,000 during the first nine months of the prior fiscal year resulted from sales of equity securities to partially finance the payment of the Company's special dividend offset by a redeployment of the net proceeds from sales of trading securities and callable fixed income securities into fixed income, government debt obligations. Cash outflows from financing activities of \$7,485,000 during the first nine months of fiscal year 2006 represent the payment of the Company's quarterly dividend of \$0.25 per share for each of the first three quarters. Cash outflows from financing activities for the same period of fiscal year 2005 of \$182,162,000 reflect the Company's quarterly dividends of \$.25 per share for each of the first three quarters as well as a special \$17.50 dividend paid to all shareholders on May 19, 2004.

Management believes that the Company's cash and other liquid asset resources used in its business together with the future cash flows from operations will be sufficient to finance current and forecasted operations. Management anticipates no borrowing for fiscal year 2006.

Operating Results

Net income for the nine months ended January 31, 2006 of \$17,727,000 or \$1.78 per share was \$1,331,000 or 8% above net income of \$16,396,000 or \$1.64 per share in fiscal 2005. Net income for the third quarter ended January 31, 2006 of \$6,694,000 or \$0.67 per share was \$2,037,000 or 44% above net income of \$4,657,000 or \$0.46 per share in the third quarter of fiscal 2005. Operating income of \$25,670,000 for the nine months ended January 31, 2006 was \$7,120,000 above operating income of \$18,550,000 for the same period of the last fiscal year, a 38% increase for the period. Operating income of \$8,037,000 for the three months ended January 31, 2006 was \$1,600,000 or 25% above operating income of \$6,437,000 for the same period of last fiscal year. The Company's income from securities transactions of \$3,571,000 was 56% below last year's for the nine months ended January 31, 2006. For the third quarter of fiscal 2006, income from securities transactions of \$2,858,000 was 159% above last fiscal year's third quarter income (see last paragraph). Shareholders' equity of \$57,683,000 at January 31, 2006 was 36% higher than shareholders' equity of \$42,541,000 at January 31, 2005.

Subscription revenues of \$35,963,000 for the nine months ended January 31, 2006 were 4% below revenues for the comparable period of the prior fiscal year. Electronic publications revenues of \$8,240,000 were up \$168,000 or 2% compared to \$8,072,000 for the prior fiscal year. Within electronic publications revenues are revenues generated by institutional subscribers and retail subscribers. Institutional revenues increased \$698,000 or 35%, while revenues from retail subscribers were down \$530,000 or 9%. Print subscription revenues of \$27,723,000 were down \$1,761,000 or 6% compared to \$29,484,000 for the last fiscal year. Subscription revenues of \$11,890,000 for the three months ended January 31, 2006 were 5% below revenues for the comparable period of the prior fiscal year. Electronic publications revenues of \$2,697,000 were down \$55,000 or 2% compared to \$2,752,000 for the prior fiscal year. Institutional electronic publications revenues increased \$26,000 or 3%, while revenues from retail electronic publication subscribers were down \$81,000 or 4%. Print subscription revenues of \$9,193,000 were down \$580,000 or 6% compared to \$9,773,000 for the last fiscal year.

Licensing fees for the nine months ended January 31, 2006 of \$3,335,000 were up \$1,619,000 or 94% compared to \$1,716,000 for the same period of fiscal 2005. Licensing fees for the third quarter ended January 31, 2006 of \$1,442,000 increased \$794,000 or 123% from the comparable period of last fiscal year.

Investment management fees and service revenues of \$24,160,000 for the nine months ended January 31, 2006 were up \$72,000, which is less than 1% above the prior fiscal year's revenues of \$24,088,000. Beginning November 2004, Value Line Securities, Inc. suspended its business of effecting trades for any of the Value Line Funds, from which it had earned net commission revenues. The decline in brokerage revenues was mostly offset by higher investment advisory fees that resulted primarily from a 10% increase in the net assets of the Value Line family of mutual funds, which includes fee waivers for certain of the Value Line Mutual Funds. Total mutual funds net assets as of January 31, 2006 were \$3,604,391,000.

Operating expenses for the nine months ended January 31, 2006 of \$37,788,000 were 16% below expenses of \$44,810,000 for the comparable period of the previous fiscal year. Operating expenses for the third quarter ended January 31, 2006 of \$13,545,000 were 7% below expenses of \$14,621,000 for the same period last fiscal year. Total advertising and promotional expenses of \$9,902,000 for the nine months ended January 31, 2006 were 39% below the prior year's expenses of \$16,245,000. Advertising and promotional expenses for the third quarter ended January 31, 2006 of \$3,826,000 were 30% below expenses of \$5,455,000 for the prior year. The decrease in advertising expenses resulted primarily from the reduction in the frequency of marketing campaigns in fiscal 2006 for the Company's investment periodicals. Salaries and employee benefit expenses of \$14,605,000 for the third quarter of fiscal 2006 were 5% below expenses of \$15,337,000 for the prior fiscal year primarily as a result of staff consolidations in the Company. Production and distribution expenses for the nine months ended January 31, 2006 of \$5,314,000 were 20% below expenses of \$6,615,000 for the same period of fiscal 2005. Production and distribution expenses for the third quarter of fiscal 2006 of \$1,712,000 were 19% below fiscal 2005 expenses. The decline in expenses for the nine months and third quarter were primarily due to lower paper, printing and distribution costs that resulted in part from a decrease in circulation of the print products and the elimination of brokerage execution fees. Office and administrative expenses for the first nine months of fiscal 2006 of \$7,967,000 were 20% higher than the prior fiscal year's expenses of \$6,613,000 and expenses of \$3,260,000 for the third quarter of fiscal 2006 were 45% higher than the last fiscal year's expenses. The increase in administrative expenses was primarily due to an increase in professional fees and the additional costs associated with outsourcing certain of the mutual fund administration functions.

For the nine months ended January 31, 2006, the Company's income from securities transactions, net, of \$3,571,000 was 56% below securities transactions income of \$8,033,000 for the same period of the last fiscal year. Income from securities transactions, net, for the nine months ended January 31, 2006 included dividend and interest income of \$1,315,000. Capital gains during the first nine months of fiscal 2006 were \$2,310,000, of which \$2,355,000 represented distributions during the quarter ended January 31, 2006 from the Value Line Mutual Funds and \$75,000 from an installment sale of an investment in a privately held Company. The income from securities transactions for the first nine months of fiscal 2006 compares to dividend and interest income of \$360,000 and capital gains of \$6,750,000 from sales of securities included in the Company's trading and available for sale portfolios included in the nine months ended January 31, 2005. The first nine months of the prior fiscal year included capital gains that resulted from partial sales of the Company's equity securities in preparation for payment on May 19, 2004 of a special dividend of \$17.50 per share to all common shareholders of record as of May 7, 2004 and redeployment of the remaining proceeds in fixed income government obligations. Capital gains for the nine months of fiscal 2005 also included \$433,000 from the initial proceeds from an installment sale of an investment in a privately held Company.

For the third quarter ended January 31, 2006, the Company's income from securities transactions, net, was \$2,858,000, 159% above securities transactions income of \$1,104,000 for the same period of the last fiscal year. Income from securities transactions, net, for the three months ended January 31, 2006 included dividend and interest income of \$587,000 and capital gains of \$2,271,000 of which \$2,355,000 represented capital gain distributions from the Value Line Mutual Funds. This compares to dividend and interest income of \$186,000 and capital gains of \$918,000 from sales of securities included in the Company's trading and available for sale portfolios, the proceeds of which were reinvested in fixed income government obligations during the three months ended January 31, 2005.

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

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

- demand for and market acceptance of the Company's new and existing products;
- renewals of subscriptions for the Company's products;
- adaptation of the Company's products to new technologies;
- fluctuations in the Company's assets under management due to broadly based changes in the values of equity and debt securities, redemptions by investors and other factors;
- competitive product and pricing pressures;
- the impact of government regulation on the Company's business and the uncertainties of litigation and regulatory initiatives and inquiries; and
- other risks and uncertainties, including but not limited to those detailed from time to time in our SEC filings.

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

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Market Risk Disclosures

Value Line, Inc.'s Consolidated Balance Sheet includes a substantial amount of assets and liabilities whose fair values are subject to market risks. Value Line's significant market risks are primarily associated with interest rates and equity prices. The following sections address the significant market risks associated with Value Line's business activities.

Interest Rate Risk

Value Line concentrates its fixed income investments in highly liquid debt securities with extremely low credit risk. Value Line's strategy is to acquire securities that are attractively priced in relation to the perceived credit risk. Management recognizes and accepts that losses may occur. To limit the price fluctuation in these securities from interest rate changes, Value Line's management invests primarily in short-term obligations maturing in 1 to 5 years.

The fair values of Value Line's fixed maturity investments will fluctuate in response to changes in market interest rates. Increases and decreases in prevailing interest rates generally translate into decreases and increases in fair values of those instruments. Additionally, fair values of interest rate sensitive instruments may be affected by prepayment options, relative values of alternative investments, and other general market conditions.

The following table summarizes the estimated effects of hypothetical increases and decreases in interest rates on assets that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risks. The hypothetical changes in market interest rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes in the timing of repayments due to prepayment options available. For these reasons, actual results might differ from those reflected in the table. Dollars are in thousands.

Fixed Income Securities	Estimated Fair Value After Hypothetical Change in Interest Rates				
	Fair Value	(bp = basis points)			
		50bp increase	50bp decrease	100bp increase	100bp decrease
As of January 31, 2006					
Investments in securities with fixed maturities	\$ 41,735	\$ 41,550	\$ 41,890	\$ 41,560	\$ 41,943
As of April 30, 2005					
Investments in securities with fixed maturities	\$ 39,065	\$ 38,927	\$ 39,253	\$ 38,911	\$ 39,326

Equity Price Risk

The carrying values of investments subject to equity price risks are based on quoted market prices or management's estimates of fair value as of the balance sheet dates. Market prices are subject to fluctuation and, consequently, the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the issuer, the relative price of alternative investments and general market conditions. Furthermore, amounts realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

Value Line invests a significant level of its assets in equity securities, primarily the Value Line family of equity mutual funds. Each mutual fund invests in a variety of equity positions of various companies thereby diversifying Value Line's risk. Value Line has also utilized derivative financial instruments in the past to minimize market price risk, although no such derivative financial instruments were utilized during fiscal years 2006 and 2005.

The table below summarizes Value Line's equity price risks as of January 31, 2006 and April 30, 2005 and shows the effects of a hypothetical 30% increase and a 30% decrease in market prices as of those dates. The selected hypothetical changes do not reflect what could be considered the best or worst case scenarios. Dollars are in thousands.

<u>Equity Securities</u>	<u>Fair Value</u>	<u>Hypothetical Price Change</u>	<u>Estimated Fair Value after Hypothetical Change in Prices</u>	<u>Hypothetical Percentage Increase (Decrease) in Shareholders' Equity</u>
As of January 31, 2006	\$ 44,916	30% increase	\$ 58,390	15.1%
		30% decrease	\$ 31,441	(15.1)%
As of April 30, 2005	\$ 37,209	30% increase	\$ 48,372	16.4%
		30% decrease	\$ 26,046	(16.4)%

Item 4. Disclosure Controls and Procedures

- (a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Exchange Act Rule 13a - 15(e)), based on their evaluation of these controls and procedures as of the end of the period covered by this report, are appropriately designed to ensure that material information relating to the registrant is made known to such officers and are operating effectively.
- (b) The registrant's principal executive officer and principal financial officer have determined that there have been no changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

VALUE LINE, INC.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Form 10-Q report for the period ended January 31, 2006 to be signed on its behalf by the undersigned thereunto duly authorized.

Value Line, Inc.
(Registrant)

Date: March 17, 2006

By: /s/ Jean Bernhard Buttner

Jean Bernhard Buttner
Chairman & Chief Executive Officer

Date: March 17, 2006

By: /s/ Mitchell E. Appel

Mitchell E. Appel
Chief Financial Officer

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Exhibit 31 (a)

CERTIFICATIONS

I, Jean Bernhard Buttner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Value Line, Inc;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 17, 2006

By: /s/ Jean Bernhard Buttner

Jean Bernhard Buttner
Chairman & Chief Executive Officer

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Exhibit 31 (b)

CERTIFICATIONS

I, Mitchell E. Appel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Value Line, Inc;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 17, 2006

By: /s/ Mitchell E. Appel

Mitchell E. Appel
Chief Financial Officer

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Exhibit 32

Certification Pursuant to 18 U.S.C. Section 1350

In accordance with 18 U.S.C. Section 1350, the undersigned hereby certify, in the indicated capacities with respect to Value Line, Inc. (the "Issuer"), that the quarterly report on Form 10-Q for the quarter ended January 31, 2006 of the issuer fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 and that the information contained in the quarterly report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the issuer. This certification is not to be deemed to be filed pursuant to the Securities Exchange Act of 1934 and does not constitute a part of the quarterly report on Form 10-Q of the issuer accompanying this certification.

Date: March 17, 2006

By: /s/ Jean Bernhard Buttner

Jean Bernhard Buttner
Chairman & Chief Executive Officer

Date: March 17, 2006

By: /s/ Mitchell E. Appel

Mitchell E. Appel
Chief Financial Officer
