

BLUE CHIP VALUE FUND INC
Form N-30B-2
December 10, 2003

[LOGO] Blue Chip
BlueChip Value Fund

Quarterly Report
to Stockholders

September 30, 2003

INVESTMENT ADVISER'S COMMENTARY

Dear Fellow Stockholders:

Blue Chip Value Fund's net asset value was up 4.4% for the third quarter, outperforming the S&P 500 by 1.7%. However, year to date we are behind the S&P 500 by 1.9%.

In the third quarter, performance was driven by stock selection in technology, healthcare and commercial services. Our holding in National Semiconductor Corp. was up more than 60% during the period, as the market recognized the recovery in technology spending. Mylan Laboratories Inc., an exciting generic drug company with a strong pipeline of potential new opportunities, performed well during the quarter. Accenture Ltd., a worldwide leader in business consulting and outsourcing, was up more than 23% during the quarter as the market began to discount improvement in the company's cash flow. Radian Group Inc., a leading mortgage insurer, was up more than 21% during the quarter as gross margins expanded from better cost control. Starwood Hotels & Resorts Inc. was up more than 21% as investors forecasted better hotel occupancy and firmer pricing.

Investment performance from our energy and capital goods holdings was disappointing. We continue to believe that energy companies are undervalued. However, concerns about the return of Iraqi oil production led the market to a different conclusion. In capital goods, our holding of Raytheon Co. underperformed because of concerns that the government deficit would slow the growth in defense spending.

Year to date, the healthcare sector has provided our best performance, and Omnicare Inc., a contract provider of prescription drugs to long-term care patients, is our best performing stock. Our most disappointing performance has come from financial services provider, Freddie Mac, a major player in the home loan secondary market which, as you know from the newspaper accounts, has been involved in accounting irregularities materially understating their earnings.

We remain confident that the economic recovery is on track and that the stock market will provide a positive return in the year ahead. We continue to own quality companies purchased at what we believe is a discount to their intrinsic value based on the free cash flow we believe they will generate.

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Subsequent to the end of the third quarter, agreements were finalized to leverage the portfolio by borrowing on a secured basis. We continue to closely monitor the markets, and anticipate the possibility that before year end, we may borrow a portion of the available credit in order to enhance your portfolio's return.

Over the three years ended September 30, 2003, the Fund's NAV outperformed the S&P 500 by 5.7% annually. This noteworthy performance has come with contributions from our investment professionals using an intensive research process. In recognition of this, the investment adviser has chosen, effective December 1, 2003, to recognize the Fund as being managed by a team rather than citing one individual. This does not represent a change in personnel, but rather an evolution of the management team supporting the Fund. They are Mark Adelman, Kris Herrick, Troy Dayton and Derek Anguilm.

Thank you for your continued investment in the Blue Chip Value Fund.

Sincerely,

/s/ Todger Anderson

Todger Anderson, CFA
President

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.

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BLUE CHIP VALUE FUND RECOGNIZES PORTFOLIO MANAGEMENT TEAM

Effective December 1, 2003, Mark Adelman, Portfolio Manager since June 3, 2002, Troy Dayton, Kris Herrick and Derek Anguilm are recognized as the portfolio management team of Blue Chip Value Fund Inc. The Team meets regularly to review portfolio holdings and discuss purchase and sale activity.

Mark Adelman, CFA, CPA, Vice President and Portfolio Manager/Research Analyst, joined Denver Investment Advisors LLC in 1995. He has 23 years total investment experience.

Troy Dayton, CFA, Vice President and Portfolio Manager/ Research Analyst, joined Denver Investment Advisors LLC in 2002. Prior to joining the firm, he was an Equity Research Analyst with Jurika and Voyles (since 2001) and Dresdner RCM Global Investors (since 1998). He has 7 years total investment experience.

Kris Herrick, CFA, Vice President and Portfolio Manager/ Research Analyst, joined Denver Investment Advisors LLC in 2000. Prior to joining the

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firm, he was an Equity Research Analyst with Jurika and Voyles (since 1997). He has 6 years total investment experience.

Derek Anguilm, Vice President and Research Analyst, joined Denver Investment Advisors LLC in 2000. Prior to joining the firm he was with EVEREN Securities (since 1999). He has 4 years total investment experience.

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.

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Sector Diversification in Comparison to
S&P 500 as of September 30, 2003*

| | Fund | S&P 500 |
|--|-------|---------|
| Basic Materials | 2.8% | 2.6% |
| Capital Goods | 5.9% | 4.9% |
| Commercial Services | 2.0% | 2.2% |
| Communications | 3.9% | 6.2% |
| Consumer Cyclical | 12.0% | 12.6% |
| Consumer Staples | 6.7% | 8.7% |
| Energy | 7.1% | 5.7% |
| Financials | 21.4% | 23.4% |
| Medical/Healthcare | 18.3% | 13.4% |
| REITs | 0.0% | 0.4% |
| Technology | 14.3% | 15.5% |
| Transportation | 1.8% | 1.6% |
| Utilities | 1.1% | 2.9% |
| Short-Term Investments and Net Other Assets/Liabilities | 2.7% | -- |

* Sector diversification is subject to change and may not be representative of future investments.

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Average Annual Total Returns as of September 30, 2003

| | Return | 9 Mos. | 1-Year | 3-Year | 5-Year | 10-Year |
|----------------------|--------------|--------|--------|----------|--------|---------|
| Blue Chip Value Fund | NAV | 12.81% | 24.04% | (4.35%) | 2.13% | 9.24% |
| Blue Chip Value Fund | Market Price | 32.21% | 33.00% | (1.09%) | 4.25% | 9.98% |
| S&P 500 Index | | 14.72% | 24.39% | (10.13%) | 1.00% | 10.05% |

Past performance is no guarantee of future results. Share prices will fluctuate, so that shares 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. 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.

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Market Price Performance History Since Inception (04/15/87) through September 30, 2003

[The following table was depicted as a Line Graph in the Printed Material]

| Qtr Ends | Adj. Mkt Price | Act. Mkt Price | Annual Distr. Totals |
|------------------------|----------------|----------------|----------------------|
| 04/01/1987 (Inception) | \$ 10.00 | \$ 10.00 | |
| 06/87 | \$ 9.50 | \$ 9.50 | |
| 09/87 | \$ 7.80 | \$ 7.75 | |
| 12/87 | \$ 5.58 | \$ 5.50 | 0.11 |
| 3/88 | \$ 5.87 | \$ 5.75 | |
| 6/88 | \$ 6.31 | \$ 6.13 | |
| 9/88 | \$ 6.10 | \$ 5.88 | |
| 12/88 | \$ 6.28 | \$ 6.00 | 0.19 |
| 3/89 | \$ 6.73 | \$ 6.25 | |
| 6/89 | \$ 7.62 | \$ 6.88 | |
| 9/89 | \$ 8.54 | \$ 7.50 | |
| 12/89 | \$ 8.20 | \$ 7.00 | 0.78 |
| 3/90 | \$ 8.13 | \$ 6.75 | |
| 6/90 | \$ 8.21 | \$ 6.63 | |
| 9/90 | \$ 6.86 | \$ 5.38 | |
| 12/90 | \$ 7.86 | \$ 6.00 | 0.75 |
| 3/91 | \$ 9.28 | \$ 6.88 | |

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| | | | |
|------------------------------|----------|----------|------|
| 6/91 | \$ 9.88 | \$ 7.13 | |
| 9/91 | \$ 10.49 | \$ 7.38 | |
| 12/91 | \$ 11.40 | \$ 7.63 | 0.96 |
| 3/92 | \$ 11.77 | \$ 7.88 | |
| 6/92 | \$ 12.07 | \$ 7.88 | |
| 9/92 | \$ 12.18 | \$ 7.75 | |
| 12/92 | \$ 12.81 | \$ 7.75 | 0.77 |
| 03/93 | \$ 13.64 | \$ 8.25 | |
| 06/93 | \$ 13.78 | \$ 8.13 | |
| 09/93 (Rights Offering) | \$ 14.51 | \$ 8.25 | |
| 12/93 | \$ 14.57 | \$ 7.88 | 0.80 |
| 03/94 | \$ 14.10 | \$ 7.63 | |
| 06/94 | \$ 12.54 | \$ 6.75 | |
| 09/94 | \$ 12.83 | \$ 6.88 | |
| 12/94 | \$ 12.65 | \$ 6.13 | 0.75 |
| 03/95 | \$ 13.68 | \$ 6.63 | |
| 06/95 | \$ 14.78 | \$ 7.13 | |
| 09/95 | \$ 15.88 | \$ 7.63 | |
| 12/95 | \$ 17.91 | \$ 7.63 | 1.08 |
| 03/96 | \$ 19.09 | \$ 8.13 | |
| 06/96 | \$ 20.04 | \$ 8.50 | |
| Sep-96 | \$ 21.89 | \$ 9.25 | |
| Dec-96 | \$ 24.98 | \$ 9.25 | 1.35 |
| 3/1/1997 (Rights Offering) | \$ 22.92 | \$ 8.38 | |
| Jun-97 | \$ 27.37 | \$ 9.75 | |
| Sep-97 | \$ 31.13 | \$ 10.81 | |
| Dec-97 | \$ 35.11 | \$ 10.94 | 1.57 |
| Mar-98 | \$ 38.12 | \$ 11.88 | |
| Jun-98 | \$ 37.19 | \$ 11.31 | |
| Sep-98 | \$ 30.52 | \$ 9.06 | |
| Dec-98 | \$ 35.58 | \$ 9.75 | 1.13 |
| Mar-99 | \$ 35.12 | \$ 9.63 | |
| Jun-99 | \$ 37.90 | \$ 10.13 | |
| Sep-99 | \$ 35.79 | \$ 9.31 | |
| Dec-99 | \$ 37.95 | \$ 8.69 | 1.68 |
| Mar-00 | \$ 36.04 | \$ 8.25 | |
| Jun-00 | \$ 37.62 | \$ 8.38 | |
| Sep-00 | \$ 38.84 | \$ 8.44 | |
| Dec-00 | \$ 36.75 | \$ 7.55 | 0.89 |
| Mar-01 | \$ 34.06 | \$ 6.79 | |
| Jun-01 | \$ 41.48 | \$ 8.05 | |
| Sep-01 | \$ 37.75 | \$ 7.14 | |
| Dec-01 | \$ 41.92 | \$ 7.56 | 0.74 |
| 03/31/2002 - Rights Offering | \$ 39.16 | \$ 7.02 | |
| Jun-02 | \$ 34.89 | \$ 6.10 | |
| Sep-02 | \$ 28.26 | \$ 4.80 | |
| Dec-02 | \$ 28.43 | \$ 4.59 | 0.56 |
| Mar-03 | \$ 27.31 | \$ 4.41 | |
| Jun-03 | \$ 36.60 | \$ 5.77 | |
| Sep-03 | \$ 37.59 | \$ 5.79 | 0.24 |

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 shares may be worth more or less than its original cost when sold.

- (1) Reflects the cumulative total return of an investment made by a stockholder who purchased one share at inception (\$10.00 IPO) and then reinvested all annual distributions as indicated, and fully participated in primary subscriptions of rights offerings.
- (2) Reflects the actual market price of one share as it has traded on the

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NYSE.

- (3) Annual distribution totals represent actual amounts. Please note the distribution total for 2003 is for nine months ended September 30, 2003. The Fund currently pays 2.5% of its net asset value quarterly; however this policy may be changed at the discretion of the Fund's Board of Directors.

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BLUE CHIP VALUE FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES
September 30, 2003 (Unaudited)

ASSETS

| | |
|---------------------------------|----------------|
| Investments at market value | \$ 139,827,801 |
| (identified cost \$134,440,313) | |
| Dividends receivable | 138,393 |
| Interest receivable | 2,617 |
| Other assets | 38,768 |
| | ----- |
| TOTAL ASSETS | 140,007,579 |
| | ----- |

LIABILITIES

| | |
|--|---------|
| Payable for securities purchased | 17,935 |
| Advisory fee payable | 71,236 |
| Administration fee payable | 7,671 |
| Accrued expenses and other liabilities | 43,386 |
| | ----- |
| TOTAL LIABILITIES | 140,228 |
| | ----- |

| | |
|------------|----------------|
| NET ASSETS | \$ 139,867,351 |
| | ===== |

COMPOSITION OF NET ASSETS

| | |
|--|----------------|
| Capital stock, at par | \$ 267,721 |
| Paid-in-capital | 158,852,707 |
| Undistributed net investment income | 67,701 |
| Accumulated net realized loss | (18,500,665) |
| Net unrealized appreciation on investments | 5,387,488 |
| Undesignated distributions | (6,207,601) |
| | ----- |
| | \$ 139,867,351 |
| | ===== |

SHARES OF COMMON STOCK

| | |
|---|------------|
| OUTSTANDING (100,000,000 shares authorized at \$0.01 par value) | 26,772,138 |
| | ===== |

| | |
|---------------------------|---------|
| Net asset value per share | \$ 5.22 |
| | ===== |

See accompanying notes to financial statements.

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BLUE CHIP VALUE FUND, INC.

STATEMENT OF OPERATIONS

For the Nine Months Ended September 30, 2003 (Unaudited)

| | | |
|---|--------------|---------------|
| INCOME | | |
| Dividends | \$ 1,297,669 | |
| Interest | 38,728 | |
| | ----- | |
| TOTAL INCOME | | \$ 1,336,397 |
| | | ----- |
| EXPENSES | | |
| Investment advisory fee (Note 3) | 606,477 | |
| Administrative services fee (Note 3) | 68,542 | |
| Legal fees | 121,250 | |
| Stockholder reporting | 105,750 | |
| Transfer agent fees | 55,552 | |
| Directors' fees | 53,866 | |
| NYSE listing fees | 29,652 | |
| Audit and tax preparation fees | 18,331 | |
| Insurance and fidelity bond | 8,243 | |
| Custodian fees | 7,218 | |
| Other | 6,428 | |
| | ----- | |
| TOTAL EXPENSES | | 1,081,309 |
| | | ----- |
| NET INVESTMENT INCOME | | 255,088 |
| | | ----- |
| REALIZED AND UNREALIZED | | |
| GAIN/(LOSS) ON INVESTMENTS | | |
| Net realized loss on investments | | (2,110,682) |
| Change in net unrealized appreciation or depreciation of investments | | 18,138,759 |
| | | ----- |
| NET GAIN ON INVESTMENTS | | 16,028,077 |
| | | ----- |
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS | | \$ 16,283,165 |
| | | ===== |

See accompanying notes to financial statements.

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BLUE CHIP VALUE FUND, INC.

STATEMENTS OF CHANGES IN NET ASSETS

| | For the Nine Months Ended September 30, 2003 (1) | For the Year Ended December 31, 2002 |
|---|---|---|
| | ----- | ----- |
| Increase/(decrease) in net assets from operations: | | |
| Net investment income | \$ 255,088 | \$ 930,340 |
| Net realized loss from securities transactions | (2,110,682) | (16,214,221) |

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| | | |
|---|----------------|----------------|
| Change in net unrealized appreciation or depreciation of investments | 18,138,759 | (21,320,777) |
| | ----- | ----- |
| | 16,283,165 | (36,604,658) |
| | ----- | ----- |
| Decrease in net assets from distributions to stockholders from: | | |
| Net investment income | (187,387) | (930,340) |
| Return of capital | 0 | (13,857,137) |
| Undesignated (Note 1) | (6,207,601) | 0 |
| | ----- | ----- |
| | (6,394,988) | (14,787,477) |
| | ----- | ----- |
| Increase in net assets from common stock transactions: | | |
| Proceeds from the sale of 0 and 5,262,771 shares respectively, net of offering expenses (Note 4) | 0 | 32,797,247 |
| Net asset value of common stock issued to stockholders from reinvestment of dividends (251,588 and 295,323 shares issued, respectively) | 1,266,264 | 1,790,086 |
| | ----- | ----- |
| | 1,266,264 | 34,587,333 |
| | ----- | ----- |
| NET INCREASE/(DECREASE) IN NET ASSETS | 11,154,441 | (16,804,802) |
| NET ASSETS | | |
| Beginning of period | 128,712,910 | 145,517,712 |
| | ----- | ----- |
| End of period (including \$67,701 and \$0 of undistributed net investment income, respectively) | \$ 139,867,351 | \$ 128,712,910 |
| | ===== | ===== |

See accompanying notes to financial statements.

(1) Unaudited.

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BLUE CHIP VALUE FUND, INC.

FINANCIAL HIGHLIGHTS

Per Share Data
(for a share outstanding throughout each period)

For the Nine
Months Ended
September 30,
2003 (1)

| | |
|---------------------------------------|---------|
| Net asset value - beginning of period | \$ 4.85 |
| Investment operations | |
| Net investment income | 0.01 |

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| | |
|---|---------|
| Net gain (loss) on investments | 0.60 |
| | ----- |
| Total from investment operations | 0.61 |
| | ----- |
| Distributions | |
| From net investment income | (0.01) |
| From net realized gains on investments | -- |
| Return of capital | -- |
| Undesignated | (0.23) |
| | ----- |
| Total distributions | (0.24) |
| | ----- |
| Capital Share Transactions | |
| Dilutive effects of rights offerings | -- |
| Offering costs charged to paid in capital | -- |
| | ----- |
| Total capital share transactions | -- |
| | ----- |
| Net asset value, end of period | \$ 5.22 |
| | ===== |
| Per share market value, end of period | \$ 5.79 |
| | ===== |

Total investment return(2) based on:

| | |
|-----------------|-------|
| Net Asset Value | 12.8% |
| Market Value | 32.2% |

Ratios/Supplemental data:

| | |
|--|------------|
| Ratios of expenses to average net assets | 1.10%* |
| Ratio of net investment income to average net assets | 0.26%* |
| Ratio of total distributions to average net assets | 4.84% |
| Portfolio turnover rate(3) | 34.70% |
| Net assets - end of period (in thousands) | \$ 139,867 |

See accompanying notes to financial statements.

* Annualized.

(1) Unaudited.

(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. 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

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For the year ended December 31,

| 2002 | 2001 | 2000 | 1999 | 1998 |
|---------|---------|---------|----------|---------|
| \$ 6.94 | \$ 8.17 | \$ 9.09 | \$ 10.25 | \$ 9.76 |
| 0.04 | 0.04 | 0.05 | 0.03 | 0.05 |
| (1.40) | (0.29) | (0.08) | 0.49 | 1.62 |

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| | | | | |
|------------|------------|------------|------------|------------|
| (1.36) | (0.25) | (0.03) | 0.52 | 1.67 |
| (0.04) | (0.04) | (0.05) | (0.03) | (0.05) |
| -- | (0.36) | (0.84) | (1.65) | (1.08) |
| (0.52) | (0.34) | -- | -- | -- |
| -- | -- | -- | -- | -- |
| (0.56) | (0.74) | (0.89) | (1.68) | (1.13) |
| (0.16) | (0.23) | -- | -- | (0.04) |
| (0.01) | (0.01) | -- | -- | (0.01) |
| (0.17) | (0.24) | -- | -- | (0.05) |
| \$ 4.85 | \$ 6.94 | \$ 8.17 | \$ 9.09 | \$ 10.25 |
| \$ 4.59 | \$ 7.56 | \$ 7.55 | \$ 8.69 | \$ 9.75 |
| (20.6%) | (3.0%) | 0.2% | 6.2% | 17.6% |
| (32.2%) | 14.1% | (3.2%) | 6.7% | 1.3% |
| 0.93% | 0.91% | 0.88% | 0.85% | 0.94% |
| 0.64% | 0.56% | 0.63% | 0.32% | 0.56% |
| 10.15% | 10.21% | 10.46% | 16.86% | 11.62% |
| 65.86% | 73.30% | 127.55% | 54.24% | 76.02% |
| \$ 128,713 | \$ 145,517 | \$ 140,863 | \$ 153,002 | \$ 171,512 |

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.

- (3) A portfolio turnover rate is the percentage computed by taking the lesser of purchases or sales of portfolio securities (excluding short-term investments) for a 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 nine months ended September 30, 2003 were \$44,123,272 and \$49,863,395, respectively.

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BLUE CHIP VALUE FUND, INC.

STATEMENT OF INVESTMENTS
September 30, 2003 (Unaudited)

| | Shares | Cost | Market Value |
|--------------------------|--------|--------------|--------------|
| COMMON STOCKS - 97.23% | | | |
| BASIC MATERIALS - 2.81% | | | |
| Forestry & Paper - 2.81% | | | |
| Bowater Inc. | 93,500 | \$ 4,423,466 | \$ 3,932,610 |
| TOTAL BASIC MATERIALS | | 4,423,466 | 3,932,610 |

CAPITAL GOODS - 5.86%

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| | | | |
|--------------------------------------|---------|------------|------------|
| Aerospace & Defense - 2.83% | | | |
| General Dynamics Corp. | 27,300 | 2,114,555 | 2,131,038 |
| Raytheon Co. | 65,100 | 2,261,445 | 1,822,800 |
| | | 4,376,000 | 3,953,838 |
| Electrical Equipment - 3.03% | | | |
| Parker Hannifin Corp. | 94,800 | 4,519,195 | 4,237,560 |
| TOTAL CAPITAL GOODS | | 8,895,195 | 8,191,398 |
| ----- | | | |
| COMMERCIAL SERVICES - 1.95% | | | |
| Business Products & Services - 1.95% | | | |
| Accenture Ltd.* | 122,200 | 2,485,833 | 2,729,948 |
| TOTAL COMMERCIAL SERVICES | | 2,485,833 | 2,729,948 |
| ----- | | | |
| COMMUNICATIONS - 3.88% | | | |
| Telecomm Service Providers - 3.88% | | | |
| ALLTEL Corp. | 66,100 | 3,347,105 | 3,063,074 |
| BellSouth Corp. | 99,800 | 3,723,366 | 2,363,264 |
| | | 7,070,471 | 5,426,338 |
| TOTAL COMMUNICATIONS | | 7,070,471 | 5,426,338 |
| ----- | | | |
| CONSUMER CYCLICAL - 12.01% | | | |
| Clothing & Accessories - 2.38% | | | |
| TJX Companies Inc. | 171,300 | 2,590,532 | 3,326,646 |
| General Merchandise - 2.51% | | | |
| Target Corp. | 93,300 | 3,209,526 | 3,510,879 |
| Hotels & Gaming - 2.89% | | | |
| Starwood Hotels & Resorts Inc. | 116,300 | 3,572,776 | 4,047,240 |
| Publishing & Media - 4.23% | | | |
| Dow Jones & Company Inc. | 49,000 | 2,633,334 | 2,320,150 |
| Viacom Inc. - Class B | 58,800 | 2,889,801 | 2,252,040 |
| Walt Disney Co. | 66,800 | 1,393,508 | 1,347,356 |
| | | 6,916,643 | 5,919,546 |
| TOTAL CONSUMER CYCLICAL | | 16,289,477 | 16,804,311 |
| ----- | | | |

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| | Shares | Cost | Market Value |
|--------------------------------------|---------|--------------|--------------|
| CONSUMER STAPLES - 6.66% | | | |
| Food & Agricultural Products - 6.66% | | | |
| Bunge Ltd. | 123,800 | \$ 2,963,252 | \$ 3,404,500 |
| Kraft Foods Inc. | 83,500 | 2,627,196 | 2,463,250 |
| Tyson Foods Inc. | 244,200 | 2,850,205 | 3,450,546 |
| | | 8,440,653 | 9,318,296 |
| TOTAL CONSUMER STAPLES | | 8,440,653 | 9,318,296 |
| ----- | | | |

ENERGY - 7.09%
Exploration & Production - 2.31%

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| | | | |
|-------------------------|---------|------------|-----------|
| Devon Energy Corp. | 67,112 | 3,235,880 | 3,234,147 |
| Integrated Oils - 2.72% | | | |
| ConocoPhillips | 69,519 | 3,961,319 | 3,806,165 |
| Oil Services - 2.06% | | | |
| Transocean Inc.* | 144,100 | 3,157,137 | 2,882,000 |
| TOTAL ENERGY | | 10,354,336 | 9,922,312 |

FINANCIALS - 21.39%

Insurance & Real Estate Brokers - 2.16%

| | | | |
|---------------------------------------|---------|-----------|-----------|
| Willis Group | | | |
| Holdings Ltd. | 98,200 | 2,818,448 | 3,019,650 |
| Integrated Financial Services - 2.85% | | | |
| Citigroup Inc. | 87,500 | 3,751,033 | 3,982,125 |
| Money Center Banks - 0.98% | | | |
| Bank of America Corp. | 17,600 | 1,191,759 | 1,373,504 |
| Property Casualty Insurance - 10.18% | | | |
| Allstate Corp. | 68,300 | 2,455,296 | 2,494,999 |
| AMBAC Financial | | | |
| Group Inc. | 46,200 | 2,518,371 | 2,956,800 |
| American | | | |
| International Group | 45,600 | 2,943,285 | 2,631,120 |
| Radian Group Inc. | 76,400 | 2,671,676 | 3,392,160 |
| Travelers Property and | | | |
| Casualty Corp. | 173,800 | 2,512,932 | 2,759,944 |

13,101,560 14,235,023

Regional Banks - 1.02%

| | | | |
|---------------------------------------|--------|-----------|-----------|
| SouthTrust Corp. | 48,500 | 1,134,258 | 1,425,415 |
| Securities & Asset Management - 2.00% | | | |
| Goldman Sachs Group Inc. | 13,600 | 919,330 | 1,141,040 |
| Lehman Brothers | | | |
| Holdings Inc. | 24,000 | 1,379,233 | 1,657,920 |

2,298,563 2,798,960

Specialty Finance - 2.20%

| | | | |
|------------------|--------|------------|------------|
| Freddie Mac | 58,900 | 3,619,267 | 3,083,415 |
| TOTAL FINANCIALS | | 27,914,888 | 29,918,092 |

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| | Shares | Cost | Market Value |
|-------------------------------|---------|--------------|--------------|
| | ----- | ----- | ----- |
| MEDICAL - HEALTHCARE - 18.31% | | | |
| Healthcare Services - 6.76% | | | |
| Aetna Inc. | 74,300 | \$ 3,500,712 | \$ 4,534,529 |
| Caremark RX Inc.* | 60,100 | 1,393,635 | 1,358,260 |
| Omnicare Inc. | 98,819 | 2,408,500 | 3,563,413 |
| | | ----- | ----- |
| | | 7,302,847 | 9,456,202 |
| Pharmaceuticals - 11.55% | | | |
| Bristol-Myers Squibb Co. | 86,380 | 3,495,709 | 2,216,511 |
| King | | | |
| Pharmaceuticals Inc.* | 183,300 | 2,314,437 | 2,776,995 |
| Mylan Laboratories Inc. | 93,600 | 2,713,945 | 3,617,640 |
| Pfizer Inc. | 154,560 | 4,311,411 | 4,695,533 |
| Wyeth | 61,600 | 2,181,344 | 2,839,760 |
| | | ----- | ----- |
| | | 15,016,846 | 16,146,439 |

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| | | | |
|-------------------------------|--|------------|------------|
| TOTAL MEDICAL - HEALTHCARE | | 22,319,693 | 25,602,641 |
|-------------------------------|--|------------|------------|

| | | | |
|---|---------|------------|------------|
| TECHNOLOGY - 14.32% | | | |
| Computer Software - 3.26% | | | |
| Microsoft Corp. | 164,200 | 5,018,589 | 4,563,118 |
| Electronic Equipment - 0.95% | | | |
| American Power Conversion | 77,200 | 985,354 | 1,323,208 |
| IT Services - 1.90% | | | |
| Computer Sciences Corp.* | 70,800 | 2,914,653 | 2,659,956 |
| Semiconductors - 5.91% | | | |
| Intel Corp. | 138,700 | 3,415,270 | 3,815,637 |
| National Semiconductor Corp.* | 67,500 | 1,278,794 | 2,179,575 |
| Xilinx Inc.* | 79,500 | 2,117,355 | 2,266,545 |
| | | 6,811,419 | 8,261,757 |
| Technology Resellers - Distributors - 2.30% | | | |
| Tech Data Corp.* | 104,200 | 2,822,347 | 3,214,570 |
| TOTAL TECHNOLOGY | | 18,552,362 | 20,022,609 |

| | | | |
|------------------------|--------|-----------|-----------|
| TRANSPORTATION - 1.83% | | | |
| Railroads - 1.83% | | | |
| Union Pacific Corp. | 44,000 | 2,552,640 | 2,559,480 |
| TOTAL TRANSPORTATION | | 2,552,640 | 2,559,480 |

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| | Shares | Cost | Market Value |
|----------------------------------|--------|--------------|--------------|
| UTILITIES - 1.12% | | | |
| Electric - Gas Utilities - 1.12% | | | |
| Exelon Corp. | 24,600 | \$ 1,303,633 | \$ 1,562,100 |
| TOTAL UTILITIES | | 1,303,633 | 1,562,100 |
| TOTAL COMMON STOCKS | | 130,602,647 | 135,990,135 |

| | | | |
|--|--|-----------|-----------|
| SHORT-TERM INVESTMENTS - 2.74% | | | |
| Goldman Sachs Financial Square Prime Obligations Fund - FST Shares | | 3,837,666 | 3,837,666 |
| TOTAL SHORT-TERM INVESTMENTS | | 3,837,666 | 3,837,666 |

| | | | |
|--|---------|-------------|---------------|
| TOTAL INVESTMENTS | 99.97% | 134,440,313 | 139,827,801 |
| Other Assets in Excess of Liabilities | 0.03% | | 39,550 |
| NET ASSETS | 100.00% | | \$139,867,351 |

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* Denotes non-income producing security.

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BLUE CHIP VALUE FUND, INC.

NOTES TO FINANCIAL STATEMENTS
September 30, 2003 (Unaudited)

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"), currently 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.

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 first-in, first-out 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.

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The Fund had available for federal income tax purposes unused capital loss carryovers of approximately \$15,485,000, which will expire in 2010.

The Fund intends to elect to defer to its fiscal year ending December 31, 2003, approximately \$468,000 of losses recognized during the period November 1, 2002 to December 31, 2002, which will expire in 2011 if unutilized.

The tax character of the distributions paid was as follows:

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| | Nine Months Ended September 30, 2003 | Year Ended December 31, 2002 |
|--------------------------|--|------------------------------------|
| Distributions paid from: | | |
| Ordinary income | \$ 187,387 | \$ 930,340 |
| Long-term capital gain | 0 | 0 |
| Undesignated | 6,207,601 | 0 |
| Return of capital | 0 | 13,857,137 |
| Total | \$ 6,394,988 | \$14,787,477 |

As of September 30, 2003, the components of distributable earnings on a tax basis were as follows:

| | |
|-------------------------------------|-----------------|
| Undistributed net investment income | \$ 67,701 |
| Accumulated net realized loss | (18,063,111) |
| Net unrealized appreciation | 4,949,934 |
| Undesignated distributions | (6,207,601) |
| Total | \$ (19,253,077) |

The difference between book basis and tax basis is attributable to the tax deferral of losses on wash sales.

Distributions to Stockholders - Distributions to stockholders are recorded on the ex-dividend date. Distributions are classified to conform to the tax reporting requirements of the Internal Revenue Code. If the Fund's total distributions for the year (exclusive of long-term capital gains dividends) exceed its net investment income and short-term capital gains for such year, all or a portion of such undesignated distributions may constitute a non-taxable return of capital. Management currently believes it is likely that all of the undesignated portion will be a non-taxable return of capital, however the actual determination of the source of the undesignated distributions can be made only at year-end.

The Fund distributes at least 2.5% of its net asset value quarterly to its stockholders.

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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 September 30, 2003:

| | |
|--|---------------|
| Gross appreciation (excess of value over tax cost) | \$ 13,759,923 |
| Gross depreciation (excess of tax cost over value) | (8,809,989) |
| Net unrealized appreciation | \$ 4,949,934 |

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Cost of investments for income tax purposes \$ 134,877,867
=====

3. INVESTMENT ADVISORY AND
ADMINISTRATION SERVICES

The Fund has an Investment Advisory Agreement with Denver Investment Advisors LLC ("DIA"), whereby a management fee is paid to DIA 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 directors of the Fund are also officers of DIA.

Effective September 1, 1999, ALPS Mutual Funds Services, Inc. ("ALPS") and DIA entered into an Administrative Agreement to 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 DIA, respectively, of 0.08% 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. The administrative services fee is paid monthly.

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4. SUBSEQUENT EVENTS

The Fund declared a distribution of \$0.13 per share on October 1, 2003. The distribution was payable October 24, 2003, to stockholders of record on October 10, 2003. Of the total distribution, approximately \$0.0025 represents net investment income and the remaining portion is currently undesignated until the actual determination of the source can be made at year-end.

The Fund entered into a \$15 million secured credit line with Custodial Trust Company, a banking unit of Bear Stearns, on November 20, 2003. The interest rate on the line of credit, which will be reset every 30 days, will be 30-day LIBOR plus 100 basis points. The Fund may repay the loan at any time without prepayment penalties, and the lender may call the loan at its discretion.

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BOARD OF DIRECTORS

Kenneth V. Penland, Chairman
Todger Anderson, Director
Robert J. Greenebaum, Director
Lee W. Mather, Jr, Director
Gary P. McDaniel, Director
Richard C. Schulte, Director
Roberta M. Wilson, Director

OFFICERS

Kenneth V. Penland, Chairman
Todger Anderson, President
Mark M. Adelman, Vice President
W. Bruce McConnel, Secretary

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Jasper R. Frontz, Treasurer

Investment Adviser/Co-Administrator
Denver Investment Advisors LLC
1225 17th Street, 26th Floor
Denver, CO 80202
(303) 312-5100

Stockholder Relations
Margaret R. Jurado
(800) 624-4190 (303) 312-5100
e-mail: blu@denveria.com

Custodian
Bank of New York
One Wall Street
New York, NY 10286

Co-Administrator
ALPS Mutual Funds Services, Inc.
1625 Broadway, Suite 2200
Denver, CO 80202

Transfer Agent
Dividend Reinvestment Plan Agent
(Questions regarding your Account)
Mellon Investor Services, LLC
Overpeck Centre
85 Challenger Road
Ridgefield Park, NJ 07660
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www.melloninvestor.com

NYSE Symbol--BLU

[LOGO]
BlueChip

Blue Chip
Value Fund

www.blu.com
