The Gabelli Value Fund Inc.

Shareholder Commentary
December 31, 2009

Christopher Marangi

To Our Shareholders,

For the fourth quarter of 2009, the net asset value ("NAV") per Class A Share of The Gabelli Value Fund rose 7.49%, versus an increase of 6.04% for the Standard & Poor's (S&P) 500 Index. The Fund's annualized total returns for the one year, five year, ten year, fifteen year, and since inception periods were 41.4%, 0.1%, 2.0%, 9.5%, and 10.0%, respectively.

The Economy

One year ago, the demand shock triggered by the September 2008 collapse of Lehman Brothers had just begun to ripple through the economy. Visibility was limited and the near term bleak. The economy and the stock market were stuck in a negative feedback loop that was broken only when Federal Reserve Chairman Ben Bernanke pledged to stave off deflation by "starting the printing press." After bottoming at 666 on March 6, the S&P 500 staged a remarkable comeback, up 68% from this nadir.

As governments formulated their rescue attempts, we noted two risks to the economy: one – that governments would do too little, leading to systemic collapse and a deflationary downward spiral, or two – that they would do too much, igniting inflation. We see growing evidence, gathered by our research team on a company-by-company and industry-by-industry basis, that asset prices have stabilized and that growth is returning. With this backdrop, it appears that risk is weighted toward governments doing too much. Ben Bernanke may have proven himself the true "maestro" in providing the liquidity to prevent the economy from falling into the abyss, but withdrawing this liquidity without stalling the recovery may be a more demanding task. Likewise, policymakers in the U.S. and other developed economies are faced with rising entitlements and growing deficits and the unsavory alternatives, in an election year, of raising taxes and/or letting fiscal stimulus lapse.

Comparative Results

Average Annual Returns through December 31, 2009*

	Quarter	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception (9/29/89)
Gabelli Value Fund Class A	**7.49%**	**41.41%**	**(6.17)%**	**0.07%**	**2.00%**	**9.52%**	**9.95%**
S&P 500 Index	6.04	26.47	(5.62)	0.42	(0.95)	8.04	8.20
Dow Jones Industrial Average	8.09	22.74	(3.10)	1.97	1.33	9.28	9.57
Nasdaq Composite Index	6.64	46.72	(5.80)	(1.22)	(2.45)	7.64	8.05

The expense ratio in the current prospectus is 1.41% for the Fund's Class A Shares. The maximum sales charge for the Class A Shares is 5.75%.

* ***Returns represent past performance and do not guarantee future results.*** *Total returns and average annual returns reflect changes in share price and reinvestment of distributions and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the data presented. Visit www.gabelli.com for performance information as of the most recent month end. Returns exclude the effect of the maximum 5.75% sales charge at the beginning of the period which, if reflected, would have been lower.* ***Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.*** *See page 10 for further details about additional classes of shares. The Dow Jones Industrial Average is an unmanaged index of 30 large industrial stocks. The S&P 500 Index and the Nasdaq Composite Index are unmanaged indicators of stock market performance. Dividends are considered reinvested (except for the Nasdaq Composite Index). You cannot invest directly in an index.*

Barron's 2010 Roundtable

Mario Gabelli, our Chief Investment Officer, has appeared in the prestigious Barron's Roundtable discussion annually since 1980. Many of our readers enjoyed the inclusion of selected and edited comments from Barron's Roundtable in previous reports to shareholders. As is our custom, we are including selected comments of Mario Gabelli from Barron's 2010 Roundtable, published on January 18, 2010.

BARRON'S

ROUNDTABLE

MARIO GABELLI

Chairman and Chief Investment Officer – Value Portfolios

GAMCO Investors, Inc.

New Strategies For A New Era

Yes, times are tough, but opportunities remain for nimble investors. Where to put your money in 2010.

By Lauren R. Rublin

Barron's: What does all this mean for the stock market this year?

Gabelli: Today I heard that Job No. 1 for the President, which he ignored last year, is to create jobs. Three themes will influence the market outlook for 2010: Beijing, Ben, and Barack – the three Bs. The economy will be quite strong in the first quarter, and profits will be extraordinarily good, because companies haven't added extra workers. Stocks will have a few good months, and then we'll see what President Obama will do to prevent the Democrats from losing the midterm elections in a landslide. Will he propose another stimulus package? My sense is, he will.

Black: To the contrary. We had lunch in Boston a few weeks ago with [Speaker of the House of Representatives] Nancy Pelosi.

MacAllaster: What was first prize?

Black: She said there is no way Congress could pass a second stimulus bill.

Gabelli: So they'll put lipstick on it and call it something else.

Barron's: That's all fine, but if you buy a stock today, Mario, what can you expect by the end of the year?

Gabelli: You should be up 5% to 10% in the first half of the year. Then the market may have a major correction, and you could be up 5% for the full year. The first half of 2011 looks very challenging. Interest rates at some point will top 4%, and it's all about picking specific stocks.

We've had five waves of financial restructuring in this country in the past 50 years. The first one started in the 1960s, with the Charlie Bludhorns [head of the former Gulf+Western] building conglomerates. In the 1980s, Michael Milken facilitated the buying of companies for 10 cents on the dollar, and energized lazy assets. The 1990s saw telecom, media, and technology deals. Ten years ago, on the day of the Barron's Roundtable, **Time Warner** [TWX] and **AOL** [AOL] announced their huge merger. The fourth centered on the private-equity guys of three or four years ago, and this morning [Jan. 11] **Heineken** [HINKY] said it would buy the beer business of **Femsa** [FMX]. This underscores the beginning of the fifth wave. There will be an extraordinary number of transactions this year because companies want to grow.

Barron's: Mario, you're next.

Gabelli: President Obama's No. 1 job is to create jobs. That takes innovation, ideas, invention, and technology. I'll start with a tech company. It is more than 100 years old and has a business that is a great cash generator. It is based in the Buffalo, N.Y., area. About 75 years ago, diversification meant buying a million acres of land. A new technology has made that land extraordinarily valuable. A large portion of this acreage is in the Marcellus Field, and the company is **National Fuel Gas** [NFG]. It has 80 million shares outstanding, and the stock is at $50.

The new technology specializes in vertical drilling and fracturing of rock formations. The company has 727,000 utility customers, and a gas pipeline and storage business. It owns land mostly in Pennsylvania, including 620,000 acres on which it pays no royalties. NFG started drilling in these areas in the past two to three years. The utility, pipeline, midstream business and oil-and-gas properties not in the Marcellus are worth about $40 to $45 a share. You are creating the Marcellus acreage for $10 a share, or $800 million. That's about $1,200 an acre. If gas stays at $5 per thousand cubic feet, they will make a lot of money. They would break even around $3.50 per Mcf. At some point, the company should spin out its gas assets to shareholders. In addition it could monetize the pipeline business by creating a master limited partnership. Either way, with a $1.34 dividend and 2.6% yield, this is a wonderful play on technology uncovering a valuable asset.

Barron's: But "fracking" is a controversial technology.

Gabelli: If you are prudent, there is no reason not to allow the technology to be tested further.

It is time to look at the auto industry again. The strong could get stronger, and original equipment makers that supply the industry could benefit from the second and third tier suppliers going out of business. There are 800 million cars in the world, including 71 million in China and about 250 million in the U.S. This year, we estimate 11.5 million passenger vehicles will be sold in the U.S. and 10.2 million in China. In the U.S. there has been a substantial drawdown of cars on dealers' lots. OEMs will enjoy three or four years of steadily rising production globally. I am focusing on **Federal Mogul** [FDML]. The company was forced into bankruptcy proceedings related to an acquisition tainted by asbestos, and came out in December 2007. Carl Icahn owns 75 million of the 99.6 million shares.

Barron's: What does the stock sell for?

Gabelli: It is around $18. The market cap is $1.8 billion, and the company has about $2 billion of net debt. It can earn 90 cents a share this year, marching straight up to $3 by 2013. Revenue this year should be $5.6 billion, growing to $6.2 billion. Among other things, the company makes components for diesel engines.

Millicom International Cellular [MICC] is a cheap company that participates in the growth of emerging markets. It has about 29 million wireless customers in Central America, South America and Africa. It sold off its wireless business in Southeast Asia. The stock sells for $80, and there are 108 million shares. The company is controlled by **Kinnevik** [KINVB.Sweden], a Swedish concern. Millicom has a billion dollars of debt, and revenue is expected to be $3.5 billion this year. EBITDA [earnings before interest, taxes, depreciation, and amortization] is $1.6 billion. The company trades for 5.8 times EBITDA. Cash will build up dramatically in the next four or five years, because capital spending is flattening out. EBITDA could grow to $2.1 billion and earnings could grow to near $10 a share in 2013 from $6 this year.

Millicom has 11.2 million customers in Central America, out of an available population of 28 million. Its African markets have a population of 163 million, and it has nine million customers there. The potential for growth remains significant. At some point, a larger company could buy them, such as **MTN** [MTN.South Africa] or **Vivendi** [VIV.France]. One of Kinnevik's last surviving founders died. The company is controlled by his daughter, Christina Stenbeck, who is in her early 30s. She is very smart and aggressive, and something could happen.

Barron's: What is your next pick?

Gabelli: At the end of last year, the combined global market value of debt and equities was about $110 trillion. That is going to grow, and money managers will benefit.

I will focus on **Legg Mason** [LM]. At the end of November, it had $694 billion of assets under management. The peak was about $1 trillion. In the mutual funds business it has several brands. Some, like Royce, have done extremely well. Some are up and down. Legg Mason took a big hit in the fixed income business, but it has enough scale to overcome its challenges. The company had net operating losses, which helped recover taxes paid, and that helped its balance sheet. As of September 30, it had 163 million shares. The stock is $30, so that's a $5 billion market cap. Cash and debt are now about equal.

Legg Mason stock traded above $130 in 2006. Like the rest of us, Legg is worried about regulatory issues, but the company has great distribution and some terrific brands. Nelson Peltz owns 9.6 million shares and has a seat on the board.

MacAllaster: What are they going to earn this year?

Gabelli: Earnings could rise substantially for the year ended March, and could have a run rate of $1.20 a share, and grow 15% or 20% thereafter. Top-line organic growth is around 5% to 6%. Margins should expand as equities rise faster than fixed income in their asset mix. The stock is awfully vulnerable to a selloff in the market.

Schafer: It is a play on the market both ways.

Gabelli: My next pick is **Cablevision Systems** [CVC], based on Long Island. There are 300 million shares. The stock is $26, and has a $7.8 billion market cap. Debt is about $11 billion. The company is spinning off Madison Square Garden, which includes the Garden, the New York Knicks and Rangers, Radio City Music Hall, and other properties. The Garden is probably worth $3.5 billion, or $11 per

Mario Gabelli's Picks

Company	Ticker	1/8/10 Price
National Fuel Gas	NFG	$51.09
Federal Mogul	FDML	18.79
Millicom Intl Cellular	MICC	80.19
Legg Mason	LM	30.77
Cablevision Systems	CVC	26.28
Viacom	VIA/B	30.04
Griffon	GFF	12.60
Hawk	HWK	18.58

Source: Bloomberg

Cablevision share. It will trade around $6. Thus, you're creating Cablevision for $20 a share. The company could sell its networks, including American Movie Classics, for $4 billion. You're left with one of the best managed cable systems in the world.

Cable-related-business EBITDA for 2010 is $2.3 billion. Cablevision operates assets in the Bronx and parts of Brooklyn. **Time Warner Cable** [TWC] has Queens, Manhattan, Staten Island, and parts of Brooklyn. Eventually, they will sit down to merge their assets in New York City. Internet-enabled television was the hottest product at the Consumer Electronics Show. Cable is a way to participate in that.

My next idea is **Viacom** [VIA/B], run by Sumner Redstone.

Barron's: He's got a great record.

Gabelli: The stock is $30, and the market cap is $18 billion. The company has $6.6 billion of debt and sells for 7.5 times EBITDA and 12 times earnings. This is a cash generator, supported by advertising and subscription revenue. Redstone owns 41 million of the 52 million A shares, which have all the votes. The company could earn about $2.50 a share this year, and earnings per share could grow by at least 12% for the next four or five years. In part, advertising will come back. Cash should be $2 billion in five years. Viacom also owns Paramount, and there is a lot of consolidation going on in the movie business. Patience pays. You could double your money in four years.

Next, diapers. [Loud groans as Mario hands out packages of same.] There are 135 million babies born in the world every year, a number unlikely to grow in the next 40 years.

Seventy-five percent of those children don't use diapers, according to trade sources. The global market for diapers is $30 billion. In the U.S., it is $5 billion. But I'm not interested in kids. I'm interested in people over the age of 80. Incontinence grows with age. That market is $6.8 billion today, and growing. There are eight parts to a diaper, and **Griffon** [GFF] supplies two components. It has 58 million shares. The stock is $12.50, and the market cap, $725 million. The company has $141 million of net cash. It could earn about 60 cents a share for the year ending September 30, and that could double in the next three or four years. The company generates a lot of cash. It also has other businesses, including garage doors.

Barron's: That's synergy for you.

Gabelli: Why not? **Hillenbrand** [HI], which makes caskets, announced today it is buying a company that shreds rocks.

My last pick is **Hawk** [HWK], based in Cleveland. The co-founder and CEO, Ron Weinberg, was an investment banker. He put together an interesting company. It has eight million shares, trading at $18. Hawk has $77 million of cash and the same amount of debt. However, the cash earns 1% and the debt costs 8¾%. They can start calling it as early as November.

The company is a global leader in selling friction products used in brakes. It has some new products and technology. Revenue is expected to be $175 million for 2009, and could reach $200 million this year, though that is down from a previous level of $270 million. Earnings could go from 80 cents to $1.20 to $2 a share. Hawk could become a potential takeover target for other companies looking to grow.

Barron's: Thank you, Mario. ■

Mario J. Gabelli is the Chairman and Chief Investment Officer – Value Portfolios of GAMCO Investors, Inc. and Portfolio Manager of various investment products at the Firm. The securities mentioned in the article are not representative of any portfolio, and the views expressed are subject to change at any time. As of December 31, 2009, the Gabelli Value Fund held, as a percentage of its net assets, the following companies mentioned in this article: Time Warner Inc. 2.2%, AOL Inc. 0.1%, Femsa 1.1%, Kinnevik Investment 0.1%, Vivendi 1.9%, Time Warner Cable Inc. 0.1%, Griffon Corp. 0.2%, Millicom International Cellular 0.2%, Legg Mason 0.4%, Cablevision Systems Corp. 7.2%, and Viacom Inc. 6.0%.

A complete listing of the Fund's portfolio holdings as of December 31, 2009 and a current prospectus are available by calling the Fund at 800-GABELLI (800-422-3554) or by visiting our website at www.gabelli.com. ***Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.***

The views expressed in this article reflect those of the Portfolio Manager only through the date of the interview. Minor edits were made. The Portfolio Manager's views are subject to change at any time based on market and other conditions. Favorable earnings or EBITDA (earnings before interest, taxes, depreciation, and amortization) growth prospects do not necessarily translate into higher stock prices, but they do express a positive trend which we believe will develop over time. The information contained in this article is not an offer to sell or a solicitation to buy any security. No security or other product is offered or will be sold in any jurisdiction in which such offer or solicitation, purchase or sale would be unlawful under the securities, or other laws of the jurisdiction.

Ultimately, the discipline of the market will be felt. If central bankers and elected officials are unable to retrace their stimulus efforts with near-perfect precision, inflation will emerge, private borrowing will be crowded out and interest rates will rise, posing renewed risk to the economy in 2011. And higher interest rates and taxes and greater levels of government regulation have historically certainly not been recipes for rising stock market multiples. Thus we begin the year with a cautionary tone. We think near-term corporate profits will be robust and the economic rebound could exceed expectations, but we wonder how long the recovery will last before new signs of trouble emerge. We believe stock selection will become increasingly important in this market, especially as much of the "easy money" has already been made.

Deals, Deals, Deals – The Fifth Wave

As we wrote here last quarter, we believe a "Fifth Wave" of global takeovers is underway. Deals were done in the 1960s by conglomerates to offset economic cycles. In the 1980s deals were a way to energize lazy assets. The 1990s saw serial acquirers and a technology fueled boom. More recently, the M&A scene was dominated by private equity.

Today corporate buyers are using acquisitions to add global growth and scale. The strong are taking advantage of low valuations and excess corporate cash to get stronger. This thesis was highlighted by Kraft's unsolicited bid for Fund holding, Cadbury plc (0.1% of net assets as of December 31, 2009). After some textbook M&A tactics, Cadbury eventually agreed to a sweetened $20 billion offer from Kraft. In January 2010, Fund holding Broadview Security (0.4%), the second largest alarm monitoring company in the U.S., announced it had reached a definitive agreement to be acquired by market leader Tyco International (0.6%) for $42.50 per share. We identified Broadview as an acquisition candidate upon its spin-off from The Brink's Company in October 2008. We believe additional financial engineering (e.g. spin-offs) among companies in the Fund will facilitate further deal making in the future.

Investment Scorecard

The largest contributors to return in the fourth quarter included media stocks Liberty Entertainment (+15%), which completed its merger with DIRECTV (4.2%) on November 19, CBS (+22%) (2.6%), which continues to benefit from a cyclical uptick in advertising, Cablevision (+13%) (7.2%), and Viacom (+22%) (6.0%). American Express (+25%) (2.3%) and Corning Inc. (+30%) (1.4%) were also strong contributors in the quarter.

Detractors from performance were limited in the fourth quarter. They included international telecommunications and media company Vivendi SA (–3%) (1.9%), reflecting concerns about the French wireless market and the company use of cash; fluid control company, CIRCOR International (–9%) (1.0%); and newspaper publisher/broadcaster Media General (–5%) (1.0%), which had rebounded in the third quarter.

Let's Talk Stocks

The following are stock specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. For the following holdings, the share prices are stated in U.S. dollar equivalents as of December 31, 2009.

American Express Co. (2.3% of net assets as of December 31, 2009) (AXP - $40.52 - NYSE) is the largest closed-loop credit card company in the world. The company operates its eponymous premiere branded payment network and lends to its largely affluent customer base. American Express ended the third quarter with over 88 million cards in force and $52 billion in loans, while its customers charged nearly $450 billion of spending on their cards during the first nine months of 2009. The company's strong consumer brand has allowed American Express to enter the deposit gathering market as an alternate source of funding, while the company's affluent customers have begun to see slight improvements in spending. Longer-term, American Express should capitalize on its higher spending customer base and to continue to expand into other payment related businesses like corporate purchasing.

Diageo plc (2.8%) (DEO - $69.41 - NYSE) is the leading global spirits and wine company, with brands including Smirnoff, Johnny Walker, Ketel One, Captain Morgan, Crown Royal, J&B, Baileys, Tanqueray, and Jose Cuervo, as well as the Guinness beer brand. The company has a balanced geographic presence in both mature and emerging markets, and benefits from the consumer trend of seeking premium branded spirits. Management is a prudent steward of capital and has historically returned a significant amount of cash to shareholders through dividends and share repurchases. Despite the current economic headwinds, the company delivered organic operating profit growth of 4% in fiscal 2009, ended June 30, and expects low single digit operating profit growth in fiscal 2010. We believe that the company will deliver even stronger profit growth when the global economy begins to recover.

Gaylord Entertainment Co. (0.6%) (GET - $19.75 - NYSE) based in Nashville, TN, operates group meeting and conventions focused hotels in Nashville, TN, Orlando, FL, Dallas, TX, and Washington, DC. Gaylord also owns the Radisson Hotel Opryland, Ryman Auditorium, General Jackson Showboat, Gaylord Springs Golf Links, and WSM-AM Radio. Gaylord is the only publicly traded hospitality company with a primary focus on the MICE (Meetings, Incentives, Conferences, Events) segment of the lodging market, and has strong long term potential as a niche lodging company with high quality assets.

Newmont Mining (4.4%) (NEM - $47.31 - NYSE) is one of the largest gold producing companies in the world with mines on five continents. Newmont recently acquired 100% of the Boddington project in western Australia. Boddington is expected to be a low cost, long life asset, which will allow Newmont to grow to six million ounces of production by 2012. We believe that Newmont will generate significant cash flow in 2010 and beyond with gold at current prices.

Republic Services Inc. (1.9%) (RSG - $28.31 - NYSE) is the second largest non-hazardous waste collection and disposal company in the United States. The company collects waste for commercial, industrial, municipal, and residential customers throughout the country, and operates 199 landfills, 236 transfer stations, and 78 recycling facilities. Republic Services' recent acquisition of Allied Waste, previously the second largest solid waste company in the U.S., should yield over $175 million in synergies through adoption of best practices and enhanced growth from increased market share. This, combined with improved pricing power and cost management, should lead to significant cash flow growth as the company de-levers over the next three to five years.

Swedish Match AB (4.3%) (SWMA.SS - $21.93 - Stockholm Exchange) produces tobacco products that include snuff, chewing tobacco, cigars, and lights. The company has been benefiting from the growth of the smokeless tobacco market in both Scandinavia and the U.S., as public smoking bans and health concerns are driving consumers to seek alternative tobacco products to cigarettes. In response to excise tax increases in 2007 and 2008, the company raised prices in Sweden, demonstrating that it can utilize its pricing power in order to increase profits for its snuff division. In February 2009, Swedish Match created a joint venture with Philip Morris International in order to sell Swedish snus in markets around the world, taking advantage of Swedish Match's brands and production capabilities and Philip Morris International's distribution network. In September 2009, the company sold its South African pipe tobacco business to Philip Morris International for about 1.9 billion SEK, and is using most of the proceeds to repurchase shares. In January 2010, Swedish Match announced that it will combine its European and premium cigar portfolios with Scandinavian cigar and pipe tobacco company STG, creating a new company that will benefit from enhanced scale and synergies.

Time Warner Inc. (2.2%) (TWX - $29.14 - NYSE) is a global leader in media and entertainment, with interests in filmed entertainment (Warner Bros.), cable television programming (including HBO, CNN, TNT, TBS, and Cartoon), television production, and magazine publishing (e.g. Sports Illustrated, People, Time, Southern Living). In 2009, TWX spun off its interests in Time Warner Cable and AOL. The company is now a focused pure play content company whose strategy is to invest in its core brands, grow internationally, and repurchase stock.

United States Cellular Corp. (0.4%) (USM - $42.41 - NYSE), an 82% owned subsidiary of Telephone & Data Systems (2.7%), is the sixth largest wireless carrier in the United States, providing services to 6.1 million customers in markets covering 83 million POPs in 26 states. In the third quarter of 2009, the company reported meaningful sequential improvement in gross and net customer addition trends, as well as slightly better than expected revenues. Data revenues increased 34% from the third quarter level of 2009. While margins are unlikely to show meaningful expansion over the next few quarters due to increased equipment subsidies and a decline in roaming revenues, in the longer-term, lack of significant new market launches should contribute to margin expansion and increased free cash flow generation.

Conclusion

We think an environment in which generally flat market performance is punctuated by occasional corporate transactions is ideal for our Private Market Value (PMV) with a Catalyst™ investment approach. We first and foremost select stocks based on their fundamentals. We seek an adequate margin of safety and one or more catalysts that can surface the intrinsic value of a security. To the extent that a takeover provides that catalyst, it adds an extra element of return to the portfolio.

Sincerely,

Mario J. Gabelli, CFA
Portfolio Manager and
Chief Investment Officer – Value Portfolios

Christopher J. Marangi
Associate Portfolio Manager

January 29, 2010

Note: The views expressed in this Shareholder Commentary reflect those of the Portfolio Managers only through the end of the period stated in this Shareholder Commentary. The Portfolio Managers' views are subject to change at any time based on market and other conditions. The information in this Portfolio Managers' Shareholder Commentary represents the opinions of the individual Portfolio Managers and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. Views expressed are those of the Portfolio Managers and may differ from those of other portfolio managers or of the Firm as a whole. This Shareholder Commentary does not constitute an offer of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this Shareholder Commentary has been obtained from sources we believe to be reliable, but cannot be guaranteed.

Portfolio Manager Compensation

Mr. Gabelli's incentive-based, variable compensation structure and dollar amount have been fully disclosed each year since April of 2000 in GAMCO Investors, Inc.'s (NYSE: GBL) annual proxy statement. Mr. Gabelli receives no base salary, no annual bonus, and no options.

As founder and portfolio manager of The Gabelli Value Fund, Mr. Gabelli received $1,373,966 in calendar 2008. In 1989, the Fund's first year of operation starting in September, Mr. Gabelli received less than $3,200,000. As beneficial owner, he had $44,437 invested in The Gabelli Value Fund as of December 31, 2009, which includes the holdings of GBL and GGCP, Inc., GBL's parent holding company.

Minimum Initial Investment – $1,000

The Fund's minimum initial investment for regular accounts is $1,000. There are no subsequent investment minimums. No initial minimum is required for those establishing an Automatic Investment Plan Additionally, the Fund and other Gabelli/GAMCO Funds are available through the no-transaction fee programs at many major brokerage firms. The Fund imposes a 2% redemption fee on shares sold in seven days or less of a purchase. See the prospectus for more details.

www.gabelli.com

Please visit us on the Internet. Our homepage at www.gabelli.com contains information about GAMCO Investors, Inc., the Gabelli/GAMCO Mutual Funds, IRAs, 401(k)s, current and historical quarterly reports, closing prices, and other current news. We welcome your comments and questions via e-mail at info@gabelli.com.

You may sign up for our e-mail alerts at www.gabelli.com and receive early notice of quarterly report availability, news events, media sightings, and mutual fund prices and performance.

The Fund's daily net asset value is available in the financial press and each evening after 7:00 PM (Eastern Time) by calling 800-GABELLI (800-422-3554). The Fund's Nasdaq symbol is GABVX for Class A Shares. Please call us during the business day for further information.

e-delivery

We are pleased to offer electronic delivery of Gabelli fund documents. Direct shareholders of our open-end mutual funds can now elect to receive their Annual, Semiannual, and Quarterly Fund Reports, Manager Commentaries, and Prospectuses via e-delivery. For more information or to sign up for e-delivery, please visit our website at www.gabelli.com.

Top Ten Holdings **(Percent of Net Assets)**
December 31, 2009

Cablevision Systems Corp., Cl. A 7.1%	Telephone & Data Systems Inc. 3.6%
Viacom Inc., Cl. A 6.0%	Diageo plc, ADR 2.8%
Newmont Mining Corp. 4.4%	Barrick Gold Corp. 2.7%
Swedish Match AV 4.3%	CBS Corp., Cl. A 2.6%
The DIRECTV Group Inc. 4.2%	Honeywell International Inc. 2.5%

We have separated the portfolio manager's commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio manager's commentary is unrestricted. The financial statements and investment portfolio are mailed separately from the commentary. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com/funds.

The Gabelli Value Fund Average Annual Returns – December 31, 2009 (a)

	Class A Shares	Class B Shares	Class C Shares	Class I Shares
1 Year	41.41%	38.96%	39.03%	41.64%
	33.28(c)	33.96(d)	38.03(e)	
5 Year	0.07	(0.88)	(0.86)	0.17
	(1.11)(c)	(1.28)(d)	(0.86)	
10 Year	2.00	1.14	1.18	2.05
	1.39(c)	1.14	1.18	
Life of Fund (b)	9.95	9.50	9.51	9.98
	9.63(c)	9.50	9.51	
Current Expense Ratio	**1.41**	**2.16**	**2.16**	**1.16**
Maximum Sales Charge	**5.75**	**5.00**	**1.00**	**None**
Ticker Symbols	**GABVX**	**GVCBX**	**GVCCX**	**GVCIX**

(a) ***Returns represent past performance and do not guarantee future results.*** *Total returns and average annual returns reflect changes in share price and reinvestment of distributions and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end.* ***Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.***
The Class A Share NAVs per share are used to calculate performance for the periods prior to the issuance of Class B Shares and Class C Shares on March 15, 2000 and the Class I Shares on January 11, 2008. The actual performance of the Class B Shares and Class C Shares would have been lower due to the additional expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares.

(b) *From commencement of operations on September 29, 1989.*

(c) *The maximum sales charge on Class A Shares is 5.75%.*

(d) *Performance results include the deferred sales charges for the Class B Shares upon redemption at the end of the one year and five year periods of 5% and 2%, respectively, of the Fund's NAV per share at the time of purchase or sale, whichever is lower. Class B Shares are not available for new purchases.*

(e) *Performance results include the deferred sales charges for the Class C Shares upon redemption at the end of the one year period of 1% of the Fund's NAV per share at the time of purchase or sale, whichever is lower.*

GABELLI FAMILY OF FUNDS

VALUE

Gabelli Asset Fund
Seeks to invest primarily in a diversified portfolio of common stocks selling at significant discounts to their private market value. The Fund's primary objective is growth of capital. *(Multiclass)*
Portfolio Manager: Mario J. Gabelli, CFA

Gabelli Blue Chip Value Fund
Seeks long term growth of capital through investment primarily in the common stocks of established companies which are temporarily out of favor. The fund's objective is to identify a catalyst or sequence of events that will return the company to a higher value. *(Multiclass)*
Portfolio Manager: Barbara Marcin, CFA

GAMCO Westwood Equity Fund
Seeks to invest primarily in the common stock of well seasoned companies that have recently reported positive earnings surprises and are trading below Westwood's proprietary growth rate estimates. The Fund's primary objective is capital appreciation. *(Multiclass)* *Portfolio Manager: Susan M. Byrne*

FOCUSED VALUE

Gabelli Value Fund
Seeks to invest in securities of companies believed to be undervalued. The Fund's primary objective is long-term capital appreciation. *(Multiclass)*
Portfolio Manager: Mario J. Gabelli, CFA

SMALL CAP VALUE

Gabelli Small Cap Fund
Seeks to invest primarily in common stock of smaller companies (market capitalizations at the time of investment of $2 billion or less) believed to have rapid revenue and earnings growth potential. The Fund's primary objective is capital appreciation. *(Multiclass)*
Portfolio Manager: Mario J. Gabelli, CFA

GAMCO Westwood SmallCap Equity Fund
Seeks to invest primarily in smaller capitalization equity securities – market caps of $2.5 billion or less. The Fund's primary objective is long-term capital appreciation. *(Multiclass)*
Portfolio Manager: Nicholas F. Galluccio

Gabelli Woodland Small Cap Value Fund
Seeks to invest primarily in the common stocks of smaller companies (market capitalizations generally less than $3.0 billion) believed to be undervalued with shareholder oriented management teams that are employing strategies to grow the company's value. The Fund's primary objective is capital appreciation. *(Multiclass)* *Portfolio Manager: Elizabeth M. Lilly, CFA*

GROWTH

GAMCO Growth Fund
Seeks to invest primarily in large cap stocks believed to have favorable, yet undervalued, prospects for earnings growth. The Fund's primary objective is capital appreciation. *(Multiclass)*
Portfolio Manager: Howard F. Ward, CFA

GAMCO International Growth Fund
Seeks to invest in the equity securities of foreign issuers with long-term capital appreciation potential. The Fund offers investors global diversification. *(Multiclass)* *Portfolio Manager: Caesar Bryan*

AGGRESSIVE GROWTH

GAMCO Global Growth Fund
Seeks capital appreciation through a disciplined investment program focusing on the globalization and interactivity of the world's marketplace. The Fund invests in companies at the forefront of accelerated growth. The Fund's primary objective is capital appreciation. *(Multiclass)* *Team Managed*

MICRO-CAP

GAMCO Westwood Mighty Mites℠ Fund
Seeks to invest in micro-cap companies that have market capitalizations of $300 million or less. The Fund's primary objective is long-term capital appreciation. *(Multiclass)* *Team Managed*

EQUITY INCOME

Gabelli Equity Income Fund
Seeks to invest primarily in equity securities with above average market yields. The Fund pays monthly dividends and seeks a high level of total return with an emphasis on income. *(Multiclass)*
Portfolio Manager: Mario J. Gabelli, CFA

GAMCO Westwood Balanced Fund
Seeks to invest in a balanced and diversified portfolio of stocks and bonds. The Fund's primary objective is both capital appreciation and current income. *(Multiclass)*
Co-Portfolio Managers: Susan M. Byrne
Mark Freeman, CFA

GAMCO Westwood Income Fund
Seeks to provide a high level of current income as well as long-term capital appreciation by investing in income producing equity and fixed income securities. *(Multiclass)* *Portfolio Manager: Barbara Marcin, CFA*

SPECIALTY EQUITY

GAMCO Global Convertible Securities Fund
Seeks to invest principally in bonds and preferred stocks which are convertible into common stock of foreign and domestic companies. The Fund's primary objective is total return through a combination of current income and capital appreciation. *(Multiclass)*
Team Managed

GAMCO Global Opportunity Fund
Seeks to invest in common stock of companies which have rapid growth in revenues and earnings and potential for above average capital appreciation or are undervalued. The Fund's primary objective is capital appreciation. *(Multiclass)* *Team Managed*

Gabelli SRI Green Fund
Seeks to invest in common and preferred stocks meeting guidelines for social responsibility (avoiding defense contractors and manufacturers of alcohol, abortifacients, gaming, and tobacco products) and sustainability (companies engaged in climate change, energy security and independence, natural resource shortages, organic living, and urbanization). The Fund's primary objective is capital appreciation. *(Multiclass)*
Co-Portfolio Managers: Christopher C. Desmarais
John M. Segrich, CFA

SECTOR

GAMCO Global Telecommunications Fund
Seeks to invest in telecommunications companies throughout the world – targeting undervalued companies with strong earnings and cash flow dynamics. The Fund's primary objective is capital appreciation. *(Multiclass)* *Team Managed*

GAMCO Gold Fund
Seeks to invest in a global portfolio of equity securities of gold mining and related companies. The Fund's objective is long-term capital appreciation. Investment in gold stocks is considered speculative and is affected by a variety of worldwide economic, financial, and political factors. *(Multiclass)*
Portfolio Manager: Caesar Bryan

Gabelli Utilities Fund
Seeks to provide a high level of total return through a combination of capital appreciation and current income. *(Multiclass)* *Team Managed*

MERGER AND ARBITRAGE

Gabelli ABC Fund
Seeks to invest in securities with attractive opportunities for appreciation or investment income. The Fund's primary objective is total return in various market conditions without excessive risk of capital loss.
(No-load) *Portfolio Manager: Mario J. Gabelli, CFA*

Gabelli Enterprise Mergers and Acquisitions Fund
Seeks to invest in securities believed to be likely acquisition targets within 12–18 months or in arbitrage transactions of publicly announced mergers or other corporate reorganizations. The Fund's primary objective is capital appreciation. *(Multiclass)*
Portfolio Manager: Mario J. Gabelli, CFA

CONTRARIAN

GAMCO Mathers Fund
Seeks long-term capital appreciation in various market conditions without excessive risk of capital loss.
(No-load) *Portfolio Manager: Henry Van der Eb, CFA*

Comstock Capital Value Fund
Seeks capital appreciation and current income. The Fund may use either long or short positions to achieve its objective. *(Multiclass)*
Portfolio Manager: Martin Weiner, CFA

FIXED INCOME

GAMCO Westwood Intermediate Bond Fund
Seeks to invest in a diversified portfolio of bonds with various maturities. The Fund's primary objective is total return. *(Multiclass)*
Portfolio Manager: Mark Freeman, CFA

CASH MANAGEMENT-MONEY MARKET

Gabelli U.S. Treasury Money Market Fund
Seeks to invest exclusively in short-term U.S. Treasury securities. The Fund's primary objective is to provide high current income consistent with the preservation of principal and liquidity. *(No-load)*
Co-Portfolio Managers: Judith A. Raneri
Ronald S. Eaker

An investment in the above Money Market Fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any government agency. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the Fund.

The Funds may invest in foreign securities which involve risks not ordinarily associated with investments in domestic issues, including currency fluctuation, economic, and political risks.

*To receive a prospectus, call **800-GABELLI** (422-3554). Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.*

The Gabelli Value Fund Inc.
One Corporate Center
Rye, New York 10580-1422
800-GABELLI
800-422-3554
fax: 914-921-5118
website: www.gabelli.com
e-mail: info@gabelli.com
Net Asset Value per share available daily by calling
800-GABELLI after 7:00 P.M.

Custodian
The Bank of New York Mellon

Transfer Agent and Dividend Disbursing Agent
State Street Bank and Trust Company

Legal Counsel
Willkie Farr & Gallagher LLP

Distributor
Gabelli & Company, Inc.

GAB409Q409SC

The Gabelli Value Fund Inc.

SHAREHOLDER COMMENTARY
DECEMBER 31, 2009

The Gabelli Value Fund Inc.

Annual Report
December 31, 2009

Christopher Marangi

To Our Shareholders,

The Sarbanes-Oxley Act requires a fund's principal executive and financial officers to certify the entire contents of the semi-annual and annual shareholder reports in a filing with the Securities and Exchange Commission ("SEC") on Form N-CSR. This certification would cover the portfolio manager's commentary and subjective opinions if they are attached to or a part of the financial statements. Many of these comments and opinions would be difficult or impossible to certify.

Because we do not want our portfolio managers to eliminate their opinions and/or restrict their commentary to historical facts, we have separated their commentary from the financial statements and investment portfolio and have sent it to you separately. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com/funds.

Enclosed are the audited financial statements including the investment portfolio as of December 31, 2009 with a description of factors that affected the performance during the past year.

Performance Discussion (Unaudited)

In 2009, The Gabelli Value Fund (the "Fund") (Class A) net asset value ("NAV") per share rose 41.41% compared with a gain of 26.47% for the S&P 500 Index.

One year ago, the demand shock triggered by the September 2008 collapse of Lehman Brothers had just begun to ripple through the economy. Visibility was limited and the near term bleak. The economy and the stock market were stuck in a negative feedback loop that was broken only when Federal Reserve Chairman Ben Bernanke pledged to stave off deflation by "starting the printing press." After bottoming at 666 on March 6, the S&P 500 staged a remarkable comeback, up 68% from this nadir.

As governments formulated their rescue attempts, we noted two risks to the economy: one, that governments would do too little, leading to systemic collapse and a deflationary downward spiral, or two, that they would do too much, igniting inflation. We see growing evidence on a company by company and industry by industry basis that asset prices have stabilized and that growth is returning. With this backdrop, it appears that risk is weighted toward governments doing too much. Ben Bernanke may have proven himself the true "maestro" in providing the liquidity to prevent the economy from falling into the abyss, but withdrawing this liquidity without stalling the recovery may be a more demanding task.

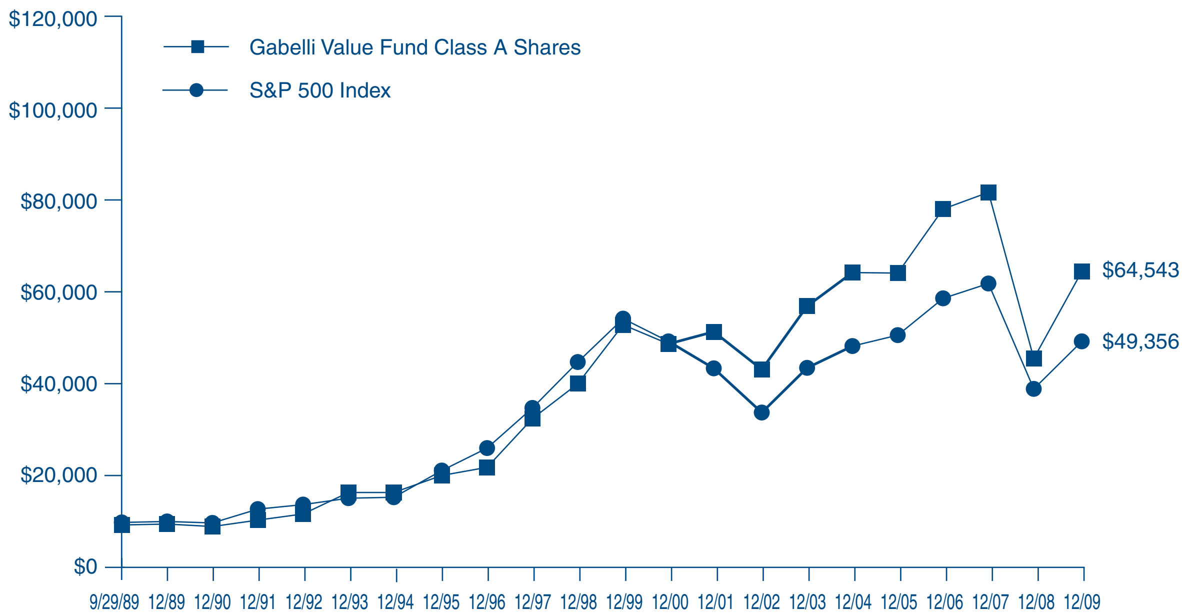
Selected holdings that contributed positively to performance in 2009 were Vivendi (1.8% of net assets as of December 31, 2009), ConocoPhillips (1.4%), and CIRCOR International Inc. (1.0%). Some of our weaker performing stocks during the year were American Express Co. (2.3%), Liberty Media Corp. (1.0%), and Media General Inc. (1.0%).

Sincerely yours,

Bruce N. Alpert
President

February 19, 2010

COMPARISON OF CHANGE IN VALUE OF A $10,000 INVESTMENT IN THE GABELLI VALUE FUND CLASS A SHARES AND THE S&P 500 INDEX (Unaudited)



Past performance is not predictive of future results. The performance tables and graph do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

Comparative Results

Average Annual Returns through December 31, 2009 (a) (Unaudited)

	Quarter	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception (9/29/89)
Gabelli Value Fund Class A	7.49%	41.41%	(6.17)%	0.07%	2.00%	9.52%	9.95%
	1.31(b)	33.28(b)	(8.01)(b)	(1.11)(b)	1.39(b)	9.08(b)	9.63(b)
S&P 500 Index	6.04	26.47	(5.62)	0.42	(0.95)	8.04	8.20
Dow Jones Industrial Average	8.09	22.74	(3.10)	1.97	1.33	9.28	9.57
Nasdaq Composite Index	6.64	46.72	(5.80)	(1.22)	(2.45)	7.64	8.05
Class B	7.23	40.28	(6.89)	(0.69)	1.24	8.90	9.55
	2.23(c)	35.28(c)	(7.83)(c)	(1.09)(c)	1.24	8.90	9.55
Class C	7.31	40.35	(6.84)	(0.67)	1.27	8.93	9.57
	6.31(d)	39.35(d)	(6.84)	(0.67)	1.27	8.93	9.57
Class I	7.55	41.64	(6.02)	0.17	2.05	9.55	9.98

In the current prospectus, the expense ratios for Class A, B, C, and I Shares are 1.41%, 2.16%, 2.16%, and 1.16%, respectively. See page 11 for the expense ratios for the year ended December 31, 2009. Class I Shares have no sales charge. The maximum sales charge for Class A, B, and C Shares is 5.75%, 5.00%, and 1.00%, respectively.

(a) ***Returns represent past performance and do not guarantee future results.*** *Total returns and average annual returns reflect changes in share price and reinvestment of distributions and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end.* ***Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing.***

The Class A Shares NAVs per share are used to calculate performance for the periods prior to the issuance of Class B Shares and Class C Shares on March 15, 2000 and the Class I Shares on January 11, 2008. The actual performance of the Class B Shares and Class C Shares would have been lower due to the additional expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares. The S&P 500 Index is an unmanaged indicator of stock market performance. The Dow Jones Industrial Average is an unmanaged index of 30 large industrial stocks and the Nasdaq Composite Index is an unmanaged indicator of stock market performance. Dividends are considered reinvested. You cannot invest directly in an index.

(b) *The maximum sales charge on Class A Shares is 5.75%.*

(c) *Performance results include the deferred sales charges for the Class B Shares upon redemption at the end of the quarter, one year, three year, and five year periods of 5%, 5%, 3%, and 2%, respectively, of the Fund's NAV per share at the time of purchase or sale, whichever is lower. Class B Shares are not available for new purchases.*

(d) *Performance results include the deferred sales charges for the Class C Shares upon redemption at the end of the quarter and one year periods of 1% of the Fund's NAV per share at the time of purchase or sale, whichever is lower.*

The Gabelli Value Fund Inc.
Disclosure of Fund Expenses (Unaudited)
For the Six Month Period from July 1, 2009 through December 31, 2009 **Expense Table**

We believe it is important for you to understand the impact of fees and expenses regarding your investment. All mutual funds have operating expenses. As a shareholder of a fund, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a fund's gross income, directly reduce the investment return of a fund. When a fund's expenses are expressed as a percentage of its average net assets, this figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with those of other mutual funds. The examples are based on an investment of $1,000 made at the beginning of the period shown and held for the entire period.

The Expense Table below illustrates your Fund's costs in two ways:

Actual Fund Return: This section provides information about actual account values and actual expenses. You may use this section to help you to estimate the actual expenses that you paid over the period after any fee waivers and expense reimbursements. The "Ending Account Value" shown is derived from the Fund's **actual** return during the past six months, and the "Expenses Paid During Period" shows the dollar amount that would have been paid by an investor who started with $1,000 in the Fund. You may use this information, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number given for your Fund under the heading "Expenses Paid During Period" to estimate the expenses you paid during this period.

Hypothetical 5% Return: This section provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio. It assumes a hypothetical annualized return of 5% before expenses during the period shown. In this case – because the hypothetical return used is **not** the Fund's actual return – the results do not apply to your investment and you cannot use the hypothetical account value and expense to estimate the actual ending account balance or expenses you paid for the period. This example is useful in making comparisons of the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees, if any, which are described in the Prospectus. If these costs were applied to your account, your costs would be higher. Therefore, the 5% hypothetical return is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. The "Annualized Expense Ratio" represents the actual expenses for the last six months and may be different from the expense ratio in the Financial Highlights which is for the year ended December 31, 2009.

	Beginning Account Value 07/01/09	Ending Account Value 12/31/09	Annualized Expense Ratio	Expenses Paid During Period*
The Gabelli Value Fund Inc.				
Actual Fund Return				
Class A	$1,000.00	$1,300.00	1.48%	$ 8.58
Class B	$1,000.00	$1,283.60	2.23%	$12.84
Class C	$1,000.00	$1,284.40	2.23%	$12.84
Class I	$1,000.00	$1,302.00	1.24%	$ 7.19
Hypothetical 5% Return				
Class A	$1,000.00	$1,017.74	1.48%	$ 7.53
Class B	$1,000.00	$1,013.96	2.23%	$11.32
Class C	$1,000.00	$1,013.96	2.23%	$11.32
Class I	$1,000.00	$1,018.95	1.24%	$ 6.31

* Expenses are equal to the Fund's annualized expense ratio for the last six months multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year, then divided by 365.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total net assets as of December 31, 2009:

The Gabelli Value Fund

Cable and Satellite	17.0%
Entertainment	13.6%
Metals and Mining	8.0%
Food and Beverage	6.1%
Diversified Industrial	6.1%
Consumer Products	5.7%
Telecommunications	5.0%
Financial Services	4.4%
Broadcasting	4.1%
Equipment and Supplies	3.7%
Electronics	3.4%
Publishing	2.7%
Environmental Services	2.5%
Energy and Utilities	2.4%
Consumer Services	1.8%
Aerospace	1.7%
Automotive: Parts and Accessories	1.6%
Communications Equipment	1.5%
Machinery	1.5%
Business Services	1.2%
Hotels and Gaming	1.1%
Retail	1.0%
Aviation: Parts and Services	0.9%
Real Estate	0.8%
Specialty Chemicals	0.6%
Wireless Communications	0.5%
Health Care	0.3%
Agriculture	0.3%
Computer Software and Services	0.3%
Automotive	0.2%
U.S.Treasury Note	0.2%
Educational Services	0.1%
Other Assets and Liabilities (Net)	(0.3)%
	100.0%

The Fund files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q, the last of which was filed for the quarter ended September 30, 2009. Shareholders may obtain this information at www.gabelli.com or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at www.sec.gov and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the 12 months ended June 30th, no later than August 31st of each year. A description of the Fund's proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at www.sec.gov.

The Gabelli Value Fund Inc.
Schedule of Investments — December 31, 2009

Shares		Cost	Market Value
	COMMON STOCKS — 100.1%		
	Aerospace — 1.7%		
1,000,000	Rolls-Royce Group plc†	$ 7,007,796	$ 7,809,471
60,000,000	Rolls-Royce Group plc, Cl. C†	98,018	96,912
		7,105,814	7,906,383
	Agriculture — 0.3%		
41,000	Archer-Daniels-Midland Co.	1,089,381	1,283,710
500	The Mosaic Co.	8,345	29,865
		1,097,726	1,313,575
	Automotive — 0.2%		
20,000	Navistar International Corp.†	668,627	773,000
	Automotive: Parts and Accessories — 1.6%		
38,000	China Yuchai International Ltd.	300,576	560,120
180,000	Genuine Parts Co.	4,713,289	6,832,800
		5,013,865	7,392,920
	Aviation: Parts and Services — 0.9%		
110,000	BBA Aviation plc	218,145	291,381
40,000	Curtiss-Wright Corp.	730,684	1,252,800
365,000	GenCorp Inc.†	3,112,583	2,555,000
		4,061,412	4,099,181
	Broadcasting — 4.1%		
845,000	CBS Corp., Cl. A, Voting	15,779,059	11,872,250
198,000	Liberty Media Corp. - Capital, Cl. A†	2,052,311	4,728,240
52,700	Liberty Media - Starz, Cl. A†	798,438	2,432,105
		18,629,808	19,032,595
	Business Services — 1.2%		
30,000	Akamai Technologies Inc.†	709,917	759,900
35,300	Ascent Media Corp., Cl. A†	912,006	901,209
14,000	Broadridge Financial Solutions Inc.	164,276	315,840
82,000	Clear Channel Outdoor Holdings Inc., Cl. A†	607,546	851,980
33,750	Fidelity National Information Services Inc.	593,230	791,100
39,000	Intermec Inc.†	819,623	501,540
9,000	Monster Worldwide Inc.†	137,950	156,600
140,000	SearchMedia Holdings Ltd.†	1,110,797	1,023,400
10,000	The Brink's Co.	278,306	243,400
		5,333,651	5,544,969
	Cable and Satellite — 17.0%		
130,000	Adelphia Communications Corp., Cl. A† (a)	91,925	0
130,000	Adelphia Communications Corp., Cl. A, Escrow† (a)	0	0
130,000	Adelphia Recovery Trust†	0	1,300
1,287,000	Cablevision Systems Corp., Cl. A	$ 3,677,130	$ 33,230,340
50,000	Comcast Corp., Cl. A, Special	892,159	800,500
589,023	DIRECTV, Cl. A†	8,874,831	19,643,904
105,000	DISH Network Corp., Cl. A	2,061,557	2,180,850
49,000	EchoStar Corp., Cl. A†	1,244,899	986,860
235,000	Liberty Global Inc., Cl. A†	4,265,484	5,148,850
370,000	Rogers Communications Inc., Cl. B	1,468,508	11,470,000
128,000	Scripps Networks Interactive Inc., Cl. A	4,080,001	5,312,000
6,000	Time Warner Cable Inc.	250,110	248,340
		26,906,604	79,022,944
	Communications Equipment — 1.5%		
14,000	Alcatel-Lucent, ADR†	106,855	46,480
344,000	Corning Inc.	3,181,536	6,642,640
23,000	Motorola Inc.†	160,464	178,480
		3,448,855	6,867,600
	Computer Software and Services — 0.3%		
8,000	Alibaba.com Ltd.	14,075	18,572
24,001	AOL Inc.†	516,593	558,743
36,000	Yahoo! Inc.†	907,516	604,080
		1,438,184	1,181,395
	Consumer Products — 5.7%		
58,000	Energizer Holdings Inc.†	1,360,690	3,554,240
567	Givaudan SA	161,240	452,756
1,000	National Presto Industries Inc.	29,828	109,230
87,000	Pactiv Corp.†	774,432	2,100,180
920,000	Swedish Match AB	12,688,311	20,175,410
2,000	Wolverine World Wide Inc.	19,468	54,440
		15,033,969	26,446,256
	Consumer Services — 1.8%		
50,000	Brink's Home Security Holdings Inc.†	1,174,456	1,632,000
18,500	IAC/InterActiveCorp.†	320,426	378,880
222,000	Liberty Media Corp. - Interactive, Cl. A†	3,713,095	2,406,480
165,000	Rollins Inc.	829,471	3,181,200
60,000	TiVo Inc.†	498,491	610,800
		6,535,939	8,209,360
	Diversified Industrial — 6.1%		
42,000	Ampco-Pittsburgh Corp.	210,015	1,324,260
11,000	Cooper Industries plc	368,317	469,040
168,000	Crane Co.	4,391,944	5,144,160
67,837	Griffon Corp.†	625,755	828,968
298,000	Honeywell International Inc.	8,604,319	11,681,600

See accompanying notes to financial statements.

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Diversified Industrial (Continued)		
116,000	ITT Corp.	$ 4,906,736	$ 5,769,840
200,000	Katy Industries Inc.†	1,264,172	350,000
78,000	Tyco International Ltd.	3,564,973	2,783,040
		23,936,231	28,350,908
	Educational Services — 0.1%		
5,000	ITT Educational Services Inc.†	457,086	479,800
	Electronics — 3.4%		
6,000	LoJack Corp.†	30,334	24,240
190,000	LSI Corp.†	1,111,340	1,141,900
20,000	Rovi Corp.†	319,293	637,400
195,000	Texas Instruments Inc.	4,775,927	5,081,700
4,000	Thermo Fisher Scientific Inc.†	92,199	190,760
195,000	Thomas & Betts Corp.†	3,722,479	6,979,050
75,000	Tyco Electronics Ltd.	2,463,930	1,841,250
		12,515,502	15,896,300
	Energy and Utilities — 2.4%		
3,000	Allegheny Energy Inc.	37,046	70,440
12,000	Chevron Corp.	723,710	923,880
129,000	ConocoPhillips	3,478,503	6,588,030
7,000	FPL Group Inc.	327,976	369,740
5,420	Mirant Corp.†	25,619	82,763
200,000	Mirant Corp., Escrow† (a)	0	0
85,000	Northeast Utilities	1,641,209	2,192,150
35,000	Southwest Gas Corp.	869,427	998,550
		7,103,490	11,225,553
	Entertainment — 13.6%		
12,000	Cedar Fair LP	134,620	136,920
8,570	Chestnut Hill Ventures† (a)	233,241	289,066
188,000	Discovery Communications Inc., Cl. A†	2,779,534	5,765,960
184,000	Discovery Communications Inc., Cl. C†	1,931,388	4,879,680
65,000	Dover Motorsports Inc.	315,664	135,850
266,000	Grupo Televisa SA, ADR	2,422,178	5,522,160
353,001	Time Warner Inc.	9,844,367	10,286,449
882,000	Viacom Inc., Cl. A†	25,997,794	27,783,000
288,001	Vivendi	4,213,527	8,585,491
		47,872,313	63,384,576
	Environmental Services — 2.5%		
310,000	Republic Services Inc.	3,951,153	8,776,100
85,000	Waste Management Inc.	2,278,583	2,873,850
		6,229,736	11,649,950
	Equipment and Supplies — 3.7%		
183,000	CIRCOR International Inc.	2,148,764	4,607,940
72,500	Flowserve Corp.	1,131,840	6,853,425
87,000	Gerber Scientific Inc.†	623,133	439,350
92,000	GrafTech International Ltd.†	$ 1,065,137	$ 1,430,600
130,000	Watts Water Technologies Inc., Cl. A	1,845,247	4,019,600
		6,814,121	17,350,915
	Financial Services — 4.4%		
262,000	American Express Co.	7,121,651	10,616,240
2,000	Ameriprise Financial Inc.	70,862	77,640
28,000	Artio Global Investors Inc.†	725,480	713,720
26,000	Deutsche Bank AG	1,500,517	1,843,660
91,000	H&R Block Inc.	1,676,525	2,058,420
20,000	Interactive Brokers Group Inc., Cl. A†	386,998	354,400
11,038	JPMorgan Chase & Co.	324,057	459,954
38,000	Kinnevik Investment AB, Cl. B	571,762	568,302
67,000	Legg Mason Inc.	1,875,041	2,020,720
25,000	SLM Corp.†	549,268	281,750
24,000	The Bank of New York Mellon Corp.	680,984	671,280
35,000	Wells Fargo & Co.	957,259	944,650
		16,440,404	20,610,736
	Food and Beverage — 6.1%		
9,000	Cadbury plc, ADR	410,040	462,510
33,000	Constellation Brands Inc., Cl. A†	531,239	525,690
8,000	Corn Products International Inc.	98,620	233,840
45,000	Davide Campari - Milano SpA	439,326	470,598
30,000	Del Monte Foods Co.	227,523	340,200
185,000	Diageo plc, ADR	7,128,710	12,840,850
45,000	Dr. Pepper Snapple Group Inc.	1,109,304	1,273,500
8,000	Flowers Foods Inc.	43,372	190,080
108,000	Fomento Economico Mexicano SAB de CV, ADR	1,315,201	5,171,040
35,000	H.J. Heinz Co.	1,177,350	1,496,600
12,000	Kellogg Co.	554,827	638,400
25,000	Kerry Group plc, Cl. A	290,481	787,018
45,000	PepsiAmericas Inc.	622,913	1,316,700
18,000	Pernod-Ricard SA	1,540,990	1,545,909
14,000	Remy Cointreau SA	831,862	714,581
11,000	The Hershey Co.	422,427	393,690
		16,744,185	28,401,206
	Health Care — 0.3%		
4,000	Chemed Corp.	125,792	191,880
14,000	Covidien plc	579,724	670,460
16,000	Mead Johnson Nutrition Co., Cl. A	447,778	699,200
		1,153,294	1,561,540

See accompanying notes to financial statements.

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Hotels and Gaming — 1.1%		
50,000	Dover Downs Gaming & Entertainment Inc.	$ 307,267	$ 189,000
145,000	Gaylord Entertainment Co.†	3,990,984	2,863,750
480,000	Ladbrokes plc	3,505,374	1,066,029
35,000	Las Vegas Sands Corp.†	190,994	522,900
36,000	MGM Mirage†	419,883	328,320
		8,414,502	4,969,999
	Machinery — 1.5%		
78,000	CNH Global NV†	1,393,880	1,948,440
66,000	Deere & Co.	1,384,349	3,569,940
42,000	Zebra Technologies Corp., Cl. A†	1,202,881	1,191,120
		3,981,110	6,709,500
	Metals and Mining — 8.0%		
319,000	Barrick Gold Corp.	5,818,519	12,562,220
31,000	Freeport-McMoRan Copper & Gold Inc.†	1,017,332	2,488,990
98,000	Kinross Gold Corp.	808,548	1,803,200
428,000	Newmont Mining Corp.	8,123,744	20,248,680
		15,768,143	37,103,090
	Publishing — 2.7%		
569,000	Media General Inc., Cl. A†	10,644,741	4,460,960
53,000	Meredith Corp.	1,068,357	1,635,050
478,000	News Corp., Cl. A	7,172,326	6,543,820
1	The E.W. Scripps Co., Cl. A†	11	7
		18,885,435	12,639,837
	Real Estate — 0.8%		
133,600	Griffin Land & Nurseries Inc.	1,586,869	3,891,768
	Retail — 1.0%		
54,000	HSN Inc.†	656,088	1,090,260
50,000	Ingles Markets Inc., Cl. A	572,181	756,500
105,000	Safeway Inc.	2,125,134	2,235,450
14,000	Walgreen Co.	466,433	514,080
		3,819,836	4,596,290
	Specialty Chemicals — 0.6%		
210,000	Ferro Corp.	3,019,955	1,730,400
6,000	FMC Corp.	256,939	334,560
15,000	International Flavors & Fragrances Inc.	660,566	617,100
3,000	Monsanto Co.	127,974	245,250
		4,065,434	2,927,310
	Telecommunications — 5.0%		
590,000	Cincinnati Bell Inc.†	2,111,268	2,035,500
64,000	RCN Corp.†	366,567	694,400
995,000	Sprint Nextel Corp.†	$ 9,770,202	$ 3,641,700
375,000	Telephone & Data Systems Inc.	8,131,775	12,720,000
134,000	Telephone & Data Systems Inc., Special	2,990,890	4,046,800
		23,370,702	23,138,400
	Wireless Communications — 0.5%		
10,000	Millicom International Cellular SA	723,656	737,700
40,000	United States Cellular Corp.†	1,880,524	1,696,400
		2,604,180	2,434,100
	TOTAL COMMON STOCKS	317,037,027	465,111,956
	WARRANTS — 0.0%		
	Business Services — 0.0%		
30,000	SearchMedia Holdings Ltd., expire 11/19/11†	78,265	67,200
	Energy and Utilities — 0.0%		
17,405	Mirant Corp., Ser. A, expire 01/03/11†	35,380	8,354
	TOTAL WARRANTS	113,645	75,554
Principal Amount			
	U.S. GOVERNMENT OBLIGATIONS — 0.2%		
$745,000	U.S. Treasury Note, 4.125%, 08/15/10	762,964	762,665
	TOTAL INVESTMENTS — 100.3%	$ 317,913,636	465,950,175
	Other Assets and Liabilities (Net) — (0.3)%		(1,274,060)
	NET ASSETS — 100.0%		$464,676,115

(a) Security fair valued under procedures established by the Board of Directors. The procedures may include reviewing available financial information about the company and reviewing valuation of comparable securities and other factors on a regular basis. At December 31, 2009, the market value of fair valued securities amounted to $289,066 or 0.06% of net assets.

† Non-income producing security.

ADR American Depositary Receipt

See accompanying notes to financial statements.

The Gabelli Value Fund Inc.

Statement of Assets and Liabilities
December 31, 2009

Assets:	
Investments, at value (cost $317,913,636)	$465,950,175
Receivable for investments sold	370,140
Receivable for Fund shares sold	140,211
Dividends and interest receivable	442,996
Prepaid expenses	44,660
Total Assets	466,948,182
Liabilities:	
Payable to custodian	235
Payable for investments purchased	265,468
Payable for Fund shares redeemed	1,041,313
Payable for investment advisory fees	398,490
Payable for distribution fees	105,226
Payable for accounting fees	11,250
Payable for shareholder services fees	272,800
Other accrued expenses	177,285
Total Liabilities	2,272,067
Net Assets applicable to 37,010,438 shares outstanding	$464,676,115
Net Assets Consist of:	
Paid-in capital	$324,633,109
Undistributed net investment income	9,547
Accumulated net realized loss on investments and foreign currency transactions	(8,003,150)
Net unrealized appreciation on investments	148,036,539
Net unrealized appreciation on foreign currency translations	70
Net Assets	$464,676,115
Shares of Capital Stock:	
Class A:	
Net Asset Value and redemption price per share ($449,864,696 ÷ 35,753,686 shares outstanding, at $0.001 par value; 100,000,000 shares authorized)	$12.58
Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price)	$13.35
Class B:	
Net Asset Value and offering price per share ($3,850,073 ÷ 336,314 shares outstanding, at $0.001 par value; 100,000,000 shares authorized)	$11.45(a)
Class C:	
Net Asset Value and offering price per share ($6,313,961 ÷ 550,564 shares outstanding, at $0.001 par value; 50,000,000 shares authorized)	$11.47(a)
Class I:	
Net Asset Value, offering, and redemption price per share ($4,647,385 ÷ 369,874 shares outstanding, at $0.001 par value; 50,000,000 shares authorized)	$12.56

(a) Redemption price varies based on the length of time held.

Statement of Operations
For the Year Ended December 31, 2009

Investment Income:	
Dividends (net of foreign taxes of $222,677)	$ 7,469,678
Interest	662
Total Investment Income	7,470,340
Expenses:	
Investment advisory fees	3,984,454
Distribution fees – Class A	961,720
Distribution fees – Class B	39,494
Distribution fees – Class C	57,035
Shareholder services fees	548,381
Shareholder communications expenses	168,787
Legal and audit fees	81,789
Directors' fees	69,621
Custodian fees	51,400
Registration expenses	46,944
Accounting fees	45,000
Interest expense	1,561
Miscellaneous expenses	50,912
Total Expenses	6,107,098
Less:	
Advisory fee reduction on unsupervised assets (Note 4)	(893)
Net Expenses	6,106,205
Net Investment Income	1,364,135
Net Realized and Unrealized Gain on Investments and Foreign Currency:	
Net realized gain on investments	3,719,140
Net realized gain on foreign currency transactions	15,165
Net realized gain on investments and foreign currency transactions	3,734,305
Net change in unrealized appreciation:	
on investments	135,855,271
on foreign currency translations	197
Net change in unrealized appreciation on investments and foreign currency translations	135,855,468
Net Realized and Unrealized Gain on Investments and Foreign Currency	139,589,773
Net Increase in Net Assets Resulting from Operations	$140,953,908

See accompanying notes to financial statements.

The Gabelli Value Fund Inc.

Statement of Changes in Net Assets

	Year Ended December 31, 2009	Year Ended December 31, 2008
Operations:		
Net investment income	$ 1,364,135	$ 1,604,541
Net realized gain on investments and foreign currency transactions	3,734,305	269,015
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	135,855,468	(337,654,021)
Net Increase/(Decrease) in Net Assets Resulting from Operations	140,953,908	(335,780,465)
Distributions to Shareholders:		
Net investment income		
Class A	(1,357,710)	(1,532,510)
Class I	(24,144)	(29,462)
	(1,381,854)	(1,561,972)
Net realized gain		
Class A	(3,899,428)	(1,146,901)
Class B	(36,843)	(14,429)
Class C	(59,939)	(19,608)
Class I	(40,548)	(11,183)
	(4,036,758)	(1,192,121)
Return of capital		
Class A	—	(11,113,485)
Class B	—	(139,813)
Class C	—	(190,005)
Class I	—	(108,364)
	—	(11,551,667)
Total Distributions to Shareholders	(5,418,612)	(14,305,760)
Capital Share Transactions:		
Class A	(47,622,480)	(94,716,927)
Class B	(1,687,072)	(2,363,555)
Class C	(1,254,766)	(3,170,905)
Class I	(335,971)	4,331,144
Net Decrease in Net Assets from Capital Share Transactions	(50,900,289)	(95,920,243)
Redemption Fees	7,406	770
Net Increase/(Decrease) in Net Assets	84,642,413	(446,005,698)
Net Assets:		
Beginning of period	380,033,702	826,039,400
End of period (including undistributed net investment income of $0 and $0, respectively)	$464,676,115	$ 380,033,702

See accompanying notes to financial statements.

Financial Highlights

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

		Income from Investment Operations			Distributions								Ratios to Average Net Assets/ Supplemental Data		
Period Ended December 31	Net Asset Value, Beginning of Period	Net Investment Income (Loss)(a)	Net Realized and Unrealized Gain (Loss) on Investments	Total from Investment Operations	Net Investment Income	Net Realized Gain on Investments	Return of Capital	Total Distributions	Redemption Fees(a)(b)	Net Asset Value, End of Period	Total Return†	Net Assets End of Period (in 000's)	Net Investment Income (Loss)	Operating Expenses	Portfolio Turnover Rate††
Class A															
2009	$ 9.00	$ 0.04	$ 3.69	$ 3.73	$(0.04)	$(0.11)	—	$(0.15)	$0.00	$12.58	41.4%	$ 449,865	0.36%	1.52%(c)	5%
2008	16.78	0.04	(7.47)	(7.43)	(0.04)	(0.03)	$(0.28)	(0.35)	0.00	9.00	(44.2)	366,568	0.28	1.41(c)	4
2007	17.61	(0.04)	0.86	0.82	—	(1.65)	0.00(b)	(1.65)	0.00	16.78	4.6	800,586	(0.20)	1.39(c)	9
2006	18.11	0.03	3.92	3.95	(0.03)	(4.42)	—	(4.45)	0.00	17.61	21.7	860,789	0.14	1.41(c)	17
2005	19.49	0.02	(0.05)	(0.03)	(0.01)	(1.34)	—	(1.35)	0.00	18.11	(0.2)	1,063,137	0.08	1.40	3
Class B															
2009	$ 8.24	$(0.03)	$ 3.35	$ 3.32	—	$(0.11)	—	$(0.11)	$0.00	$11.45	40.3%	$ 3,850	(0.38)%	2.27%(c)	5%
2008	15.46	(0.06)	(6.85)	(6.91)	—	(0.03)	$(0.28)	(0.31)	0.00	8.24	(44.6)	4,252	(0.48)	2.16(c)	4
2007	16.46	(0.17)	0.82	0.65	—	(1.65)	0.00(b)	(1.65)	0.00	15.46	3.9	10,774	(0.95)	2.14(c)	9
2006	17.28	(0.10)	3.70	3.60	—	(4.42)	—	(4.42)	0.00	16.46	20.8	13,046	(0.53)	2.16(c)	17
2005	18.79	(0.12)	(0.05)	(0.17)	—	(1.34)	—	(1.34)	0.00	17.28	(0.9)	17,804	(0.67)	2.15	3
Class C															
2009	$ 8.25	$(0.04)	$ 3.37	$ 3.33	—	$(0.11)	—	$(0.11)	$0.00	$11.47	40.4%	$ 6,314	(0.39)%	2.27%(c)	5%
2008	15.48	(0.06)	(6.86)	(6.92)	—	(0.03)	$(0.28)	(0.31)	0.00	8.25	(44.6)	5,686	(0.47)	2.16(c)	4
2007	16.47	(0.17)	0.83	0.66	—	(1.65)	0.00(b)	(1.65)	0.00	15.48	4.0	14,679	(0.94)	2.14(c)	9
2006	17.29	(0.11)	3.71	3.60	—	(4.42)	—	(4.42)	0.00	16.47	20.7	14,704	(0.58)	2.16(c)	17
2005	18.80	(0.12)	(0.05)	(0.17)	—	(1.34)	—	(1.34)	0.00	17.29	(0.9)	14,003	(0.67)	2.15	3
Class I															
2009	$ 8.99	$ 0.06	$ 3.69	$ 3.75	$(0.07)	$(0.11)	—	$(0.18)	$0.00	$12.56	41.6%	$ 4,647	0.59%	1.27%(c)	5%
2008 (d)	15.87	0.08	(6.57)	(6.49)	(0.08)	(0.03)	$(0.28)	(0.39)	0.00	8.99	(40.8)	3,528	0.66(e)	1.16(c)(e)	4

† Total return represents aggregate total return of a hypothetical $1,000 investment at the beginning of the period and sold at the end of the period including reinvestment of distributions and does not reflect applicable sales charges. Total return for a period of less than one year is not annualized.

†† Effective in 2008, a change in accounting policy was adopted with regard to the calculation of the portfolio turnover rate to include cash proceeds due to mergers. Had this policy been adopted retroactively, the portfolio turnover rate for the years ended December 31, 2007, 2006, and 2005 would have been as shown.

(a) Per share amounts have been calculated using the average shares outstanding method.

(b) Amount represents less than $0.005 per share.

(c) The Fund incurred interest expense during the year ended December 31, 2006. If interest expense had not been incurred, the ratios of operating expenses to average net assets would have been 1.40% (Class A), and 2.15% (Class B and Class C), respectively. For the years ended December 31, 2009, 2008, and 2007, the effect of the interest expense was minimal.

(d) From the commencement of offering Class I Shares on January 11, 2008 through December 31, 2008.

(e) Annualized.

See accompanying notes to financial statements.

1. Organization. The Gabelli Value Fund Inc. (the "Fund") was organized on July 20, 1989 as a Maryland corporation. The Fund is a non-diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Fund's primary objective is long-term capital appreciation. The Fund commenced investment operations on September 29, 1989.

2. Significant Accounting Policies. The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") has become the exclusive reference of authoritative U.S. generally accepted accounting principles ("GAAP") recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the SEC under authority of federal laws are also sources of authoritative GAAP for SEC registrants. The ASC has superseded all existing non-SEC accounting and reporting standards. The Fund's financial statements are prepared in accordance with GAAP, which may require the use of management estimates and assumptions. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

Security Valuation. Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Directors (the "Board") so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the "Adviser").

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of sixty days or less that are not credit impaired are valued at amortized cost, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities will be fair valued as determined by the Board. Debt instruments having a maturity greater than sixty days for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S. dollar value ADR securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

The inputs and valuation techniques used to measure fair value of the Fund's investments are summarized into three levels as described in the hierarchy below:

- Level 1 – quoted prices in active markets for identical securities;
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and
- Level 3 – significant unobservable inputs (including the Fund's determinations as to the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments by inputs used to value the Fund's investments as of December 31, 2009 is as follows:

	Valuation Inputs			
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Total Market Value at 12/31/09
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
Aerospace	$ 7,809,471	$ 96,912	—	$ 7,906,383
Cable and Satellite	79,022,944	—	$ 0	79,022,944
Energy and Utilities	11,225,553	—	0	11,225,553
Entertainment	63,095,510	—	289,066	63,384,576
Other Industries(a)	303,572,500	—	—	303,572,500
Total Common Stocks	464,725,978	96,912	289,066	465,111,956
Warrants (a)	75,554	—	—	75,554
U.S. Government Obligations	—	762,665	—	762,665
TOTAL INVESTMENTS IN SECURITIES	$464,801,532	$859,577	$289,066	$465,950,175

(a) Please refer to the Schedule of Investments for the industry classifications of these portfolio holdings.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

	Balance as of 12/31/08	Accrued discounts/ (premiums)	Realized gain/ (loss)	Change in unrealized appreciation/ depreciation†	Net purchases/ (sales)	Transfers in and/or out of Level 3	Balance as of 12/31/09	Net change in unrealized appreciation/ depreciation during the period on Level 3 investments held at 12/31/09†
INVESTMENTS IN SECURITIES:								
ASSETS (Market Value):								
Common Stocks:								
Cable and Satellite	$ 0	$—	$—	$ —	$—	$—	$ 0	$ —
Energy and Utilities	0	—	—	—	—	—	0	—
Entertainment	288,638	—	—	428	—	—	289,066	428
Total Common Stocks	288,638	—	—	428	—	—	289,066	428
TOTAL INVESTMENTS IN SECURITIES	$288,638	$—	$—	$428	$—	$—	$289,066	$428

† Net change in unrealized appreciation/depreciation on investments is included in the related amounts in the Statement of Operations.

Derivative Financial Instruments.

The Fund may engage in various portfolio investment strategies by investing in a number of derivative financial instruments for the purpose of hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase. Investing in certain derivative financial instruments, including participation in the options, futures, or swap markets, entails certain execution, liquidity, hedging, tax, and securities, interest, credit, or currency market risks. Losses may arise if the Adviser's prediction of movements in the direction of the securities, foreign currency, and interest rate markets is inaccurate. Losses may also arise if the counterparty does not perform its duties under a contract, or that, in the event of default, the Fund may be delayed in or prevented from obtaining payments or other contractual remedies owed to it under derivative contracts. The creditworthiness of the counterparties is closely monitored in order to minimize these risks. Participation in derivative transactions involves investment risks, transaction costs, and potential losses to which the Fund would not be subject absent the use of these strategies. The consequences of these risks, transaction costs, and losses may have a negative impact on the Fund's ability to pay distributions.

Futures Contracts. The Fund may engage in futures contracts for the purpose of hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase. Upon entering into a futures contract, the Fund is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the "initial margin." Subsequent payments ("variation margin") are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract, which are included in unrealized appreciation/depreciation on investments and futures contracts. The Fund recognizes a realized gain or loss when the contract is closed.

There are several risks in connection with the use of futures contracts as a hedging instrument. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market. During the year ended December 31, 2009, the Fund had no investments in futures contracts.

Repurchase Agreements. The Fund may enter into repurchase agreements with primary government securities dealers recognized by the Federal Reserve Board, with member banks of the Federal Reserve System, or with other brokers or dealers that meet credit guidelines established by the Adviser and reviewed by the Board. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Fund's holding period. It is the policy of the Fund to always receive and maintain securities as collateral whose market value, including accrued interest, is at least equal to 102% of the dollar amount invested by the Fund in each agreement. The Fund will make payment for such securities only upon physical delivery or upon evidence of book entry transfer of the collateral to the account of the custodian. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to maintain the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited. At December 31, 2009, there were no open repurchase agreements.

Securities Sold Short. The Fund may enter into short sale transactions. Short selling involves selling securities that may or may not be owned and, at times, borrowing the same securities for delivery to the purchaser, with an obligation to replace such borrowed securities at a later date. The proceeds received from short sales are recorded as liabilities and the Fund records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of an open short position on the day of determination. The Fund records a realized gain or loss when the short position is closed out. By entering into a short sale, the Fund bears the market risk of an unfavorable change in the price of the security sold short. Dividends on short sales are recorded as an expense by the Fund on the ex-dividend date and interest expense is recorded on the accrual basis. The Fund did not hold any short positions as of December 31, 2009.

Foreign Currency Translations. The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at the current exchange rates. Purchases and sales of investment securities, income, and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses that result from changes in foreign exchange rates and/or changes in market prices of securities have been included in unrealized appreciation/depreciation on investments and foreign currency translations. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions, and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial trade date and subsequent sale trade date is included in realized gain/loss on investments.

Foreign Securities. The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the inability to repatriate funds, less complete financial information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. issuers.

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

Securities Transactions and Investment Income. Securities transactions are accounted for on the trade date with realized gain or loss on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on the accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method. Dividend income is recorded on the ex-dividend date except for certain dividends which are recorded as soon as the Fund is informed of the dividend.

Determination of Net Asset Value and Calculation of Expenses. Certain administrative expenses are common to, and allocated among, various affiliated funds. Such allocations are made on the basis of each fund's average net assets or other criteria directly affecting the expenses as determined by the Adviser pursuant to procedures established by the Board.

In calculating the NAV per share of each class, investment income, realized and unrealized gains and losses, redemption fees, and expenses other than class specific expenses are allocated daily to each class of shares based upon the proportion of net assets of each class at the beginning of each day. Distribution expenses are borne solely by the class incurring the expense.

Custodian Fee Credits and Interest Expense. When cash balances are maintained in the custody account, the Fund receives credits which are used to offset custodian fees. The gross expenses paid under the custody arrangement are included in custodian fees in the Statement of Operations with the corresponding expense offset, if any, shown as "custodian fee credits." When cash balances are overdrawn, the Fund is charged an overdraft fee equal to 2.00% above the federal funds rate on outstanding balances. This amount, if any, would be included in "interest expense" in the Statement of Operations.

Distributions to Shareholders. Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under U.S. generally accepted accounting principles. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences were primarily due to recharacterization of distributions. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2009, reclassifications were made to decrease accumulated distributions in excess of net investment loss by $27,266 and increase accumulated net realized loss on investments and foreign currency transactions by $27,266.

The tax character of distributions paid during the years ended December 31, 2009 and 2008 was as follows:

	Year Ended December 31, 2009	Year Ended December 31, 2008
Distributions paid from:		
Ordinary income	$1,369,755	$ 1,580,200
Net long-term capital gains	4,048,857	1,173,893
Return of capital	—	11,551,667
Total distributions paid	$5,418,612	$14,305,760

Provision for Income Taxes. The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

At December 31, 2009, the components of accumulated earnings/losses on tax basis were as follows:

Undistributed long-term gains	$ 422,048
Net unrealized appreciation on investments and foreign currency translations	139,620,958
Total	$140,043,006

At December 31, 2009, the difference between book basis and tax basis unrealized appreciation was primarily due to deferral of losses from wash sales for tax purposes and basis adjustments on partnership securities.

The following summarizes the tax cost of investments and the related unrealized appreciation/depreciation at December 31, 2009:

	Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation
Investments	$326,329,287	$176,605,000	$(36,984,112)	$139,620,888

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed to not meet the more-likely-than-not threshold. For the year ended December 31, 2009, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2009, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. Tax years ended December 31, 2007 through December 31, 2009, remain subject to examination by the Internal Revenue Service and state taxing authorities. On an ongoing basis, the Adviser will monitor its tax positions to determine if adjustments to this conclusion are necessary.

3. Investment Advisory Agreement and Other Transactions. The Fund has entered into an investment advisory agreement (the "Advisory Agreement") with the Adviser which provides that the Fund will pay the Adviser a fee, computed daily and paid monthly, at the annual rate of 1.00% of the value of its average daily net assets. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio, oversees the administration of all aspects of the Fund's business and affairs, and pays the compensation of all Officers and Directors of the Fund who are affiliated persons of the Adviser.

The Fund pays each Director who is not considered an affiliated person an annual retainer of $10,000 plus $1,000 for each Board meeting attended. Each Director is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive $500 per meeting attended, the Chairman of each committee receives $2,500 per year, and the Lead Director receives an annual fee of $1,000. A Director may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Directors who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

4. Advisory Fee Reduction on Unsupervised Assets. This reduction in the advisory fee paid to the Adviser relates to certain portfolio holdings, i.e., unsupervised assets, of the Fund with respect to which the Adviser has transferred dispositive and voting control to the Fund's Proxy Voting Committee. During 2009, the Fund's Proxy Voting Committee exercised control and discretion over all rights to vote or consent with respect to such securities and the Adviser reduced its fee with respect to such securities by $893.

5. Distribution Plan. The Fund's Board has adopted a distribution plan (the "Plan") for each class of shares, except for Class I Shares, pursuant to Rule 12b-1 under the 1940 Act. Gabelli & Company, Inc. ("Gabelli & Company"), an affiliate of the Adviser, serves as distributor of the Fund. Under the Class A, Class B, and Class C Share Plans, payments are authorized to Gabelli & Company at annual rates of 0.25%, 1.00%, and 1.00%, respectively, of the average daily net assets of those classes, the annual limitations under each Plan. Such payments are accrued daily and paid monthly.

6. Portfolio Securities. Purchases and sales of securities for the year ended December 31, 2009, other than short-term securities and U.S. Government obligations, aggregated $17,702,068 and $74,412,829, respectively.

Purchases of U.S. Government obligations for the year ended December 31, 2009, other than short-term obligations, aggregated $763,043.

7. Transactions with Affiliates. During the year ended December 31, 2009, the Fund paid brokerage commissions on security trades of $122,411 to Gabelli & Company. Additionally, Gabelli & Company informed the Fund that it retained $19,781 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement between the Fund and the Adviser. During the year ended December 31, 2009, the Fund paid or accrued $45,000 to the Adviser in connection with the cost of computing the Fund's NAV.

8. Capital Stock. The Fund offers four classes of shares – Class A Shares, Class B Shares, Class C Shares, and Class I Shares. Class I Shares are offered to foundations, endowments, institutions, and employee benefit plans without a sales charge. Class A Shares are subject to a maximum front-end sales charge of 5.75%. Class B Shares are subject to a contingent deferred sales charge ("CDSC") upon redemption within six years of purchase and automatically convert to Class A Shares approximately eight years after the original purchase. The applicable CDSC is equal to a declining percentage of the lesser of the NAV per share at the date of the original purchase or at the date of redemption, based on the length of time held. Class C Shares are subject to a 1.00% CDSC for one year after purchase. Class B Shares are available only through exchange of Class B Shares of other funds distributed by Gabelli & Company. Class I Shares were first issued on January 11, 2008.

The Fund imposes a redemption fee of 2.00% on all classes of shares that are redeemed or exchanged on or before the seventh day after the date of a purchase. The redemption fee is deducted from the proceeds otherwise payable to the redeeming shareholders and is retained by the Fund. The redemption fees retained by the Fund during the years ended December 31, 2009 and December 31, 2008 amounted to $7,406 and $770, respectively.

The redemption fee does not apply to redemptions of shares where (i) the shares were purchased through automatic reinvestment of distributions, (ii) the redemption was initiated by the Fund, (iii) the shares were purchased through programs that collect the redemption fee at the program level and remit them to the Fund, or (iv) the shares were purchased through programs that the Adviser determines to have appropriate anti-short-term trading policies in place or as to which the Adviser has received assurances that look-through redemption fee procedures or effective anti-short-term trading policies and procedures are in place.

Transactions in shares of capital stock were as follows:

	Year Ended December 31, 2009		Year Ended December 31, 2008*	
	Shares	Amount	Shares	Amount
Class A				
Shares sold	1,330,119	$ 13,802,526	836,334	$ 10,832,495
Shares issued upon reinvestment of distributions	382,008	4,851,497	1,502,488	12,830,294
Shares redeemed	(6,677,972)	(66,276,503)	(9,321,726)	(118,379,716)
Net decrease	(4,965,845)	$(47,622,480)	(6,982,904)	$ (94,716,927)
Class B				
Shares sold	58	$ 596	373	$ 2,915
Shares issued upon reinvestment of distributions	3,014	34,808	18,061	141,243
Shares redeemed	(182,748)	(1,722,476)	(199,368)	(2,507,713)
Net decrease	(179,676)	$ (1,687,072)	(180,934)	$ (2,363,555)
Class C				
Shares sold	29,220	$ 257,961	109,970	$ 1,374,663
Shares issued upon reinvestment of distributions	3,701	42,816	18,236	142,790
Shares redeemed	(171,558)	(1,555,543)	(387,461)	(4,688,358)
Net decrease	(138,637)	$ (1,254,766)	(259,255)	$ (3,170,905)
Class I				
Shares sold	181,265	$ 1,772,290	403,538	$ 4,453,263
Shares issued upon reinvestment of distributions	1,396	17,693	6,600	56,297
Shares redeemed	(205,306)	(2,125,954)	(17,619)	(178,416)
Net increase/(decrease)	(22,645)	$ (335,971)	392,519	$ 4,331,144

* From the commencement of offering Class I Shares on January 11, 2008

9. Indemnifications. The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

10. Other Matters. On April 24, 2008, the Adviser entered into an administrative settlement with the SEC to resolve the SEC's inquiry regarding prior frequent trading activity in shares of the GAMCO Global Growth Fund (the "Global Growth Fund") by one investor who was banned from the Global Growth Fund in August 2002. In the settlement, the SEC found that the Adviser had violated Section 206(2) of the Investment Advisers Act, Section 17(d) of the 1940 Act, and Rule 17d-1 thereunder, and had aided and abetted and caused violations of Section 12(d)(1)(B)(i) of the 1940 Act. Under the terms of the settlement, the Adviser, while neither admitting nor denying the SEC's findings and allegations, agreed, among other things, to pay the previously reserved total of $16 million (including a $5 million penalty), of which at least $11 million will be distributed to shareholders of the Global Growth Fund in accordance with a plan developed by an independent distribution consultant and approved by the independent directors of the Global Growth Fund and the staff of the SEC, and to cease and desist from future violations of the above referenced federal securities laws. The settlement will not have a material adverse impact on the Adviser or its ability to fulfill its obligations under the Advisory Agreement. On the same day, the SEC filed a civil action against the Executive Vice President and Chief Operating Officer of the Adviser, alleging violations of certain federal securities laws arising from the same matter. The officer is also an officer of the Global Growth Fund and other funds in the Gabelli/GAMCO fund complex including the Fund. The officer denies the allegations and is continuing in his positions with the Adviser and the funds. The Adviser currently expects that any resolution of the action against the officer will not have a material adverse impact on the Fund or the Adviser or its ability to fulfill its obligations under the Advisory Agreement.

11. Subsequent Events. Management has evaluated the impact on the Fund of events occurring subsequent to December 31, 2009 through February 25, 2010, the date the financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

The Gabelli Value Fund Inc.
Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
The Gabelli Value Fund Inc.:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of The Gabelli Value Fund Inc. (hereafter referred to as the "Fund") at December 31, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2009 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York
February 25, 2010

The business and affairs of the Fund are managed under the direction of the Fund's Board of Directors. Information pertaining to the Directors and officers of the Fund is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Directors and is available without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The Gabelli Value Fund Inc. at One Corporate Center, Rye, NY 10580-1422.

Name, Position(s) Address[1] and Age	Term of Office and Length of Time Served[2]	Number of Funds in Fund Complex Overseen by Director	Principal Occupation(s) During Past Five Years	Other Directorships Held by Director[4]
INTERESTED DIRECTORS[3]:				
Mario J. Gabelli Director and Chief Investment Officer Age: 67	Since 1989	26	Chairman and Chief Executive Officer of GAMCO Investors, Inc. and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/Trustee or Chief Investment Officer of other registered investment companies in the Gabelli/GAMCO Funds complex; Chairman and Chief Executive Officer of GGCP, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications)
INDEPENDENT DIRECTORS[5]:				
Anthony J. Colavita Director Age: 74	Since 1989	34	President of the law firm of Anthony J. Colavita, P.C.	—
Robert J. Morrissey Director Age: 70	Since 1989	6	Partner in the law firm of Morrissey, Hawkins & Lynch	—
Anthony R. Pustorino Director Age: 84	Since 1989	13	Certified Public Accountant; Professor Emeritus, Pace University	Director of The LGL Group, Inc. (diversified manufacturing)
Werner J. Roeder, MD Director Age: 69	Since 2001	22	Medical Director of Lawrence Hospital and practicing private physician	—

Name, Position(s) Address[1] and Age	Term of Office and Length of Time Served[2]	Principal Occupation(s) During Past Five Years
OFFICERS:		
Bruce N. Alpert President and Secretary Age: 58	Since 2003	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988 and an officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex. Director and President of Teton Advisors, Inc. 1998 through 2008; Chairman of Teton Advisors, Inc. since 2008; Senior Vice President of GAMCO Investors, Inc. since 2008
Agnes Mullady Treasurer Age: 51	Since 2006	Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex; Senior Vice President of U.S. Trust Company, N.A. and Treasurer and Chief Financial Officer of Excelsior Funds from 2004 through 2005
Peter D. Goldstein Chief Compliance Officer Age: 56	Since 2004	Director of Regulatory Affairs at GAMCO Investors, Inc. since 2004; Chief Compliance Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex

[1] Address: One Corporate Center, Rye, NY 10580-1422, unless otherwise noted.
[2] Each Director will hold office for an indefinite term until the earliest of (i) the next meeting of shareholders, if any, called for the purpose of considering the election or re-election of such Director and until the election and qualification of his or her successor, if any, elected at such meeting, or (ii) the date a Director resigns or retires, or a Director is removed by the Board of Directors or shareholders, in accordance with the Fund's By-Laws and Articles of Incorporation. Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified.
[3] "Interested person" of the Fund as defined in the 1940 Act. Mr. Gabelli is considered an "interested person" because of his affiliation with Gabelli Funds, LLC which acts as the Fund's investment adviser.
[4] This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended (i.e. public companies) or other investment companies registered under the 1940 Act.
[5] Directors who are not interested persons are considered "Independent" Directors.

2009 TAX NOTICE TO SHAREHOLDERS (Unaudited)

For the year ended December 31, 2009, the Fund paid to shareholders ordinary income distributions (comprised of net investment income) totaling $0.038 and $0.066 per share for Class A and Class I, respectively, and long-term capital gains totaling $4,048,857. The distribution of long-term capital gains has been designated as a capital gain dividend by the Fund's Board of Directors. For the year ended December 31, 2009, 100% of the ordinary income distribution qualifies for the dividends received deduction available to corporations. The Fund designates 100% of the ordinary income distribution as qualified dividend income pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003.

U.S. Government Income

The percentage of the ordinary income distribution paid by the Fund during 2009 which was derived from U.S. Treasury securities was 0.01%. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of the Fund's fiscal year in U.S. Government securities.The Gabelli Value Fund Inc. did not meet this strict requirement in 2009. The percentage of U.S. Government securities held as of December 31, 2009 was 0.16%. Due to the diversity in state and local tax law, it is recommended that you consult your personal tax adviser as to the applicability of the information provided to your specific situation.

All designations are based on financial information available as of the date of this annual report and, accordingly, are subject to change. For each item, it is the intention of the Fund to designate the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

The Gabelli Value Fund Inc.
One Corporate Center
Rye, New York 10580-1422
800-GABELLI
800-422-3554
fax: 914-921-5118
website: www.gabelli.com
e-mail: info@gabelli.com
Net Asset Value per share available daily by calling
800-GABELLI after 7:00 P.M.

This report is submitted for the general information of the shareholders of The Gabelli Value Fund Inc. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.

GAB409Q409SR

The Gabelli Value Fund Inc.

ANNUAL REPORT
DECEMBER 31, 2009