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BLACKROCK MUNIHOLDINGS FUND INC  
Form N-CSRS  
January 09, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES

Investment Company Act file number 811-08181

Name of Fund: BlackRock MuniHoldings Fund, Inc. (MHD)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Donald C. Burke, Chief Executive  
Officer, BlackRock MuniHoldings Fund, Inc., 800 Scudders Mill Road,  
Plainsboro, NJ, 08536. Mailing address: P.O. Box 9011, Princeton, NJ,  
08543-9011

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 04/30/2008

Date of reporting period: 05/01/2007 - 10/31/2007

Item 1 - Report to Stockholders

EQUITIES    FIXED INCOME    REAL ESTATE    LIQUIDITY    ALTERNATIVES  
BLACKROCK SOLUTIONS

Semi-Annual Report

OCTOBER 31, 2007    (UNAUDITED)

BlackRock MuniHoldings Fund, Inc. (MHD)  
BlackRock MuniHoldings Insured Fund, Inc. (MUS)

(BLACKROCK logo)

NOT FDIC INSURED  
MAY LOSE VALUE  
NO BANK GUARANTEE

This report, including the financial information herein, is transmitted to shareholders of BlackRock MuniHoldings Fund, Inc. and BlackRock MuniHoldings Insured Fund, Inc. for their information. This is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Funds have leveraged their Common Stock and intend to remain leveraged by issuing Preferred Stock to provide the

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Common Stock shareholders with potentially higher rates of return. Leverage creates risks for Common Stock shareholders, including the likelihood of greater volatility of net asset value and market price of shares of the Common Stock, and the risk that fluctuations in the short-term dividend rates of the Preferred Stock may affect the yield to Common Stock shareholders. Statements and other information herein are as dated and are subject to change.

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling toll-free 1-800-441-7762; (2) on [www.blackrock.com](http://www.blackrock.com); and (3) on the Securities and Exchange Commission's Web site at <http://www.sec.gov>. Information about how the Funds vote proxies relating to securities held in the Funds' portfolios during the most recent 12-month period ended June 30 is available (1) at [www.blackrock.com](http://www.blackrock.com) and (2) on the Securities and Exchange Commission's Web site at <http://www.sec.gov>.

BlackRock MuniHoldings Fund, Inc.  
BlackRock MuniHoldings Insured Fund, Inc.  
P.O. Box 9011  
Princeton, NJ 08543-9011

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OCTOBER 31, 2007

A Letter to Shareholders

Dear Shareholder

The October reporting period was fairly tumultuous for financial markets, but culminated in positive performance for most major benchmarks:

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Total Returns as of October 31, 2007	6-month
U.S. equities (S&P 500 Index)	+5.49%
Small cap U.S. equities (Russell 2000 Index)	+2.25%
International equities (MSCI Europe, Australasia, Far East Index)	+8.19%
Fixed income (Lehman Brothers U.S. Aggregate Bond Index)	+2.68%
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	+1.30%
High yield bonds (Lehman Brothers U.S. Corporate High Yield 2% Issuer Cap Index)	-0.07%

Past performance is no guarantee of future results. Index performance shown for illustrative purposes only. You cannot invest directly in an index.

Subprime mortgage woes dominated headlines for much of 2007, but intensified in the summer and fall, spawning a widespread liquidity and credit crisis with ramifications across global markets. The Federal Reserve Board (the "Fed") and other countries' central banks stepped in to inject liquidity into the markets and bolster investor confidence. The Fed cut the federal funds rate by 0.50% in September and another 0.25% on the final day of the reporting period, bringing its target rate to 4.50%. In taking action, the central bankers, who had long deemed themselves inflation fighters, were seeking to stem the fallout from the credit crunch and forestall a wider economic unraveling. By period-end, the Fed had cited the risks between slower economic growth and faster inflation as equally balanced.

Amid the volatility throughout the past year, equity markets have displayed surprising resilience. Most recently, the credit turmoil dampened corporate merger-and-acquisition (M&A) activity, a key source of strength for equity markets. Still, market fundamentals have held firm, dividend payouts and share buybacks have continued to grow, and valuations remain attractive. These tailwinds generally have prevailed over the headwinds created by the slowing U.S. economy, troubled housing market and, recently, a more difficult corporate earnings backdrop. International markets fared even better than U.S. equities, benefiting from robust M&A activity and generally stronger economies.

In fixed income markets, mixed economic signals and the credit woes resulted in a flight to quality. At the height of the uncertainty, investors shunned bonds associated with the housing and credit markets in favor of higher-quality Treasury issues. The yield on 10-year Treasury issues, which touched 5.30% in June (its highest level in five years), fell to 4.48% by period-end, while prices correspondingly rose. The tax-exempt bond market has been challenged by a combination of record-setting supply year-to-date, economic uncertainty and concerns around the credit worthiness of bond insurers. This has brought municipal bond prices to relatively attractive levels and, as such, demand generally has remained firm.

As you navigate market volatility, we encourage you to review your investment goals with your financial professional and to make portfolio changes, as needed. For more market insight and commentary from BlackRock investment professionals, we invite you to visit [www.blackrock.com/funds](http://www.blackrock.com/funds). As always, we thank you for entrusting BlackRock with your investment assets, and we look forward to continuing to serve you in the months and years ahead.

Sincerely,

/s/ Robert C. Doll, Jr.

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 Robert C. Doll, Jr.  
 Vice Chairman, BlackRock, Inc.

/s/ Peter J. Hayes  
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Peter J. Hayes  
 Managing Director, BlackRock, Inc.

THIS PAGE NOT PART OF YOUR FUND REPORT

Fund Summary as of October 31, 2007 BlackRock MuniHoldings Fund, Inc.

## Investment Objective

BlackRock MuniHoldings Fund, Inc. (MHD) seeks to provide shareholders with current income exempt from federal income taxes by investing primarily in a portfolio of long-term, investment grade municipal obligations the interest on which, in the opinion of bond counsel to the issuer, is exempt from federal income taxes.

## Fund Information

Symbol on New York Stock Exchange	MHD
Initial Offering Date	May 2, 1997
Yield on Closing Market Price as of October 31, 2007 (\$14.77)*	5.77%
Tax Equivalent Yield**	8.88%
Current Monthly Distribution per share of Common Stock***	\$.071
Current Annualized Distribution per share of Common Stock***	\$.852
Leverage as of October 31, 2007****	35.81%

\* Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.  
 Past performance does not guarantee future results.

\*\* Tax equivalent yield assumes the maximum federal tax rate of 35%.

\*\*\* The distribution is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain at fiscal year end.

\*\*\*\* As a percentage of managed assets, which is the total assets of the Fund (including any assets attributable to Auction Market Preferred Stock that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage).

The table below summarizes the changes in the Fund's market price and net asset value per share:

	10/31/07	4/30/07	Change	High	Low
Market Price	\$14.77	\$16.49	(10.43%)	\$16.68	\$14.42
Net Asset Value	\$16.09	\$16.51	(2.54%)	\$16.53	\$15.63

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The following charts show the portfolio composition and credit quality allocations of the Fund's long-term investments:

### Portfolio Composition

### Credit Quality Allocations\*

Sector	10/31/07	4/30/07
Industrial & Pollution Control	19%	19%
Hospital	18	19
City, County & State	14	14
Sales Tax	13	10
Transportation	9	11
Education	9	10
Power	6	3
Tobacco	4	6
Housing	4	4
Lease Revenue	3	3
Water & Sewer	1	1

Credit Rating	10/31/07	4/30/07
AAA/Aaa	35%	37%
AA/Aa	12	10
A/A	18	16
BBB/Baa	13	15
BB/Ba	1	1
B/B	1	1
CCC/Caa	2	2
NR (Not Rated)	18	18

\* Using the higher of S&P's or Moody's ratings.

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Fund Summary as of October 31, 2007 BlackRock MuniHoldings Insured Fund, Inc.

### Investment Objective

BlackRock MuniHoldings Insured Fund, Inc. (MUS) seeks to provide shareholders with current income exempt from federal income taxes by investing primarily in a portfolio of long-term, investment grade municipal obligations the interest on which, in the opinion of bond counsel to the issuer, is exempt from federal income taxes. Under normal circumstances, the Fund also invests at least 80% of its total assets in municipal bonds that are covered by insurance.

### Fund Information

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Symbol on New York Stock Exchange	MUS
Initial Offering Date	May 1, 1998
Yield on Closing Market Price as of October 31, 2007 (\$12.14)*	4.79%
Tax Equivalent Yield**	7.37%
Current Monthly Distribution per share of Common Stock***	\$.0485
Current Annualized Distribution per share of Common Stock***	\$.582
Leverage as of October 31, 2007****	43.03%

\* Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.  
Past performance does not guarantee future results.

\*\* Tax equivalent yield assumes the maximum federal tax rate of 35%.

\*\*\* The distribution is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain at fiscal year end.

\*\*\*\* As a percentage of managed assets, which is the total assets of the Fund (including any assets attributable to Auction Market Preferred Stock that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage).

The table below summarizes the changes in the Fund's market price and net asset value per share:

	10/31/07	4/30/07	Change	High	Low
Market Price	\$12.14	\$13.13	(7.54%)	\$13.18	\$11.85
Net Asset Value	\$13.74	\$14.10	(2.55%)	\$14.11	\$13.25

The following charts show the portfolio composition and credit quality allocations of the Fund's long-term investments:

### Portfolio Composition

### Credit Quality Allocations\*

Sector	10/31/07	4/30/07
City, County & State	17%	23%
Sales Tax	15	17
Education	13	14
Hospital	11	6
Lease Revenue	10	10
Housing	9	7
Power	9	2
Transportation	9	10
Industrial & Pollution Control	4	6
Water & Sewer	2	2
Resource Recovery	1	1
Tobacco	0	2

Credit Rating	10/31/07	4/30/07
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AAA/Aaa	90%	89%
AA/Aa	2	4
A/A	5	3
BBB/Baa	3	4

\* Using the higher of S&P's or Moody's ratings.

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### The Benefits and Risks of Leveraging

The Funds utilize leverage to seek to enhance the yield and net asset value of their Common Stock. However, these objectives cannot be achieved in all interest rate environments. To leverage, each Fund issues Preferred Stock, which pays dividends at prevailing short-term interest rates, and invests the proceeds in long-term municipal bonds. The interest earned on these investments is paid to Common Stock shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share net asset value of each Fund's Common Stock. However, in order to benefit Common Stock shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. At the same time, a period of generally declining interest rates will benefit Common Stock shareholders. If either of these conditions change, then the risks of leveraging will begin to outweigh the benefits.

To illustrate these concepts, assume a fund's Common Stock capitalization of \$100 million and the issuance of Preferred Stock for an additional \$50 million, creating a total value of \$150 million available for investment in long-term municipal bonds. If prevailing short-term interest rates are approximately 3% and long-term interest rates are approximately 6%, the yield curve has a strongly positive slope. The fund pays dividends on the \$50 million of Preferred Stock based on the lower short-term interest rates. At the same time, the fund's total portfolio of \$150 million earns the income based on long-term interest rates.

In this case, the dividends paid to Preferred Stock shareholders are significantly lower than the income earned on the fund's long-term investments, and therefore the Common Stock shareholders are the beneficiaries of the incremental yield. However, if short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental yield pickup on the Common Stock will be reduced or eliminated completely. At the same time, the market value on the fund's Common Stock (that is, its price as listed on the New York Stock Exchange), may, as a result, decline. Furthermore, if long-term interest rates rise, the Common Stock's net asset value will reflect the full decline in the price of the portfolio's investments, since the value of the fund's Preferred Stock does not fluctuate. In addition to the decline in net asset value, the market value of the fund's Common Stock may also decline.

As of October 31, 2007, BlackRock MuniHoldings Fund, Inc. and BlackRock MuniHoldings Insured Fund, Inc. had leverage amounts, due to Auction Market Preferred Stock, of 35.81% and 43.03% of total net assets, respectively, before the deduction of Preferred Stock.

As a part of their investment strategy, the Funds may invest in certain securities whose potential income return is inversely related to changes in a

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floating interest rate ("inverse floaters"). In general, income on inverse floaters will decrease when short-term interest rates increase and increase when short-term interest rates decrease. Investments in inverse floaters may be characterized as derivative securities and may subject the Funds to the risks of reduced or eliminated interest payments and losses of invested principal. In addition, inverse floaters have the effect of providing investment leverage and, as a result, the market value of such securities will generally be more volatile than that of fixed-rate, tax-exempt securities. To the extent the Funds invest in inverse floaters, the market value of each Fund's portfolio and the net asset value of each Fund's shares may also be more volatile than if the Funds did not invest in these securities. (See Note 1(c) to Financial Statements for details of municipal bonds held in trust.)

### Swap Agreements

The Funds may invest in swap agreements, which are over-the-counter contracts in which one party agrees to make periodic payments based on the change in market value of a specified bond, basket of bonds, or index in return for periodic payments based on a fixed or variable interest rate or the change in market value of a different bond, basket of bonds or index. Swap agreements may be used to obtain exposure to a bond or market without owning or taking physical custody of securities. Swap agreements involve the risk that the party with whom each Fund has entered into a swap will default on its obligation to pay the Fund and the risk that the Fund will not be able to meet its obligations to pay the other party to the agreement.

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### Schedule of Investments as of October 31, 2007 (Unaudited)

BlackRock MuniHoldings Fund, Inc. (In Thousands)

Face Amount	Municipal Bonds	Value
Alabama--2.9%		
\$ 1,750	Camden, Alabama, IDB, Exempt Facilities Revenue Bonds (Weyerhaeuser Company), Series A, 6.125% due 12/01/2024	\$ 1,868
4,550	Jefferson County, Alabama, Limited Obligation School Warrants, Series A, 5% due 1/01/2024	4,698
Arizona--6.6%		
900	Maricopa County, Arizona, IDA, Education Revenue Bonds (Arizona Charter Schools Project 1), Series A: 6.50% due 7/01/2012	898
2,200	6.75% due 7/01/2029	2,141
2,215	Phoenix, Arizona, IDA, Airport Facility, Revenue Refunding Bonds (America West Airlines Inc. Project), AMT, 6.30% due 4/01/2023	2,220
1,000	Pinal County, Arizona, COP, 5% due 12/01/2029	1,002
3,505	Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds: 5% due 12/01/2032	3,383



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4,905	5% due 12/01/2037	4,692
510	Show Low, Arizona, Improvement District Number 5, Special Assessment Bonds, 6.375% due 1/01/2015	516
Arkansas--0.9%		
2,000	University of Arkansas, University Construction Revenue Bonds (UAMS Campus), Series B, 5% due 11/01/2023 (d)	2,088
California--17.0%		
875	Agua Caliente Band of Cahuilla Indians, California, Casino Revenue Bonds, 5.60% due 7/01/2013	899
2,965	California Infrastructure and Economic Development Bank, Insured Revenue Bonds (Rand Corporation), Series A, 5.50% due 4/01/2012 (a) (f)	3,138
6,800	California State Public Works Board, Lease Revenue Bonds (Department of Corrections), Series C, 5.25% due 6/01/2028	7,019
California State, GO (f):		
300	5.50% due 4/01/2014	334
2,100	5.50% due 4/01/2014	2,338
100	5.50% due 4/01/2014	111
3,955	California State, GO, Refunding, 5% due 6/01/2032	4,017
3,870	California Statewide Communities Development Authority, Health Facility Revenue Bonds (Memorial Health Services), Series A, 6% due 10/01/2023	4,123
2,000	East Side Union High School District, California, Santa Clara County, GO (Election of 2002), Series D, 5% due 8/01/2021 (g)	2,109
1,165	Golden State Tobacco Securitization Corporation of California, Tobacco Settlement Revenue Bonds, Series A-3, 7.875% due 6/01/2013 (f)	1,412
Face		
Amount	Municipal Bonds	Value
California (concluded)		
	Montebello, California, Unified School District, GO (b) (m):	
\$ 2,405	5.61% due 8/01/2022	\$ 1,240
2,455	5.61% due 8/01/2023	1,198
2,095	Oceanside, California, Unified School District, GO (Election of 2000), Series C, 5.25% due 8/01/2032 (d)	2,202
3,490	Sequoia, California, Unified High School District, GO, Refunding, Series B, 5.50% due 7/01/2035 (c)	3,785
1,000	Sunnyvale, California, School District, GO (Election of 2004), Series A, 5% due 9/01/2026 (c)	1,046
2,915	Tustin, California, Unified School District, Senior Lien Special Tax Bonds (Community Facilities District Number 97-1), Series A, 5% due 9/01/2032 (c)	2,976
Colorado--1.7%		
2,645	Elk Valley, Colorado, Public Improvement Revenue Bonds (Public Improvement Fee), Series A, 7.35% due 9/01/2031	2,752

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1,000	Plaza Metropolitan District Number 1, Colorado, Tax Allocation Revenue Bonds (Public Improvement Fees), 8.125% due 12/01/2025	985
Connecticut--2.4%		
2,165	Connecticut State Development Authority, Airport Facility Revenue Bonds (Learjet Inc. Project), AMT, 7.95% due 4/01/2026	2,515
2,735	Connecticut State Development Authority, IDR (AFCO Cargo BDL-LLC Project), AMT, 8% due 4/01/2030	2,908
Florida--7.7%		
3,190	Hillsborough County, Florida, IDA, Hospital Revenue Bonds (H. Lee Moffitt Cancer Center Project), Series A, 5.25% due 7/01/2037	3,216
2,340	Miami-Dade County, Florida, Subordinate Special Obligation Revenue Bonds, Series A, 5.24% due 10/01/2037 (d) (m)	501
	Midtown Miami, Florida, Community Development District, Special Assessment Revenue Bonds:	
2,250	Series A, 6.25% due 5/01/2037	2,205
2,550	Series B, 6.50% due 5/01/2037	2,567
3,225	Orange County, Florida, Health Facilities Authority, Hospital Revenue Bonds (Orlando Regional Healthcare), 6% due 12/01/2012 (f)	3,578
2,095	Orlando, Florida, Greater Orlando Aviation Authority, Airport Facilities Revenue Bonds (JetBlue Airways Corp.), AMT, 6.50% due 11/15/2036	2,126
800	Orlando, Florida, Urban Community Development District, Capital Improvement Special Assessment Bonds, Series A, 6.95% due 5/01/2033	842

### Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedule of Investments, we have abbreviated the names and descriptions of many of the securities according to the list below and at right.

AMT	Alternative Minimum Tax (subject to)
COP	Certificates of Participation
DRIVERS	Derivative Inverse Tax-Exempt Receipts
EDA	Economic Development Authority
GO	General Obligation Bonds
HDA	Housing Development Authority
HFA	Housing Finance Agency
IDA	Industrial Development Authority
IDB	Industrial Development Board
IDR	Industrial Development Revenue Bonds
M/F	Multi-Family
PCR	Pollution Control Revenue Bonds
S/F	Single-Family
VRDN	Variable Rate Demand Notes

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### Schedule of Investments (continued)

BlackRock MuniHoldings Fund, Inc.			(In Thousands)
Face Amount	Municipal Bonds		Value
Florida (concluded)			
\$ 725	Palm Coast Park Community Development District, Florida, Special Assessment Revenue Bonds, 5.70% due 5/01/2037	\$ 655	
1,615	Preserve at Wilderness Lake, Florida, Community Development District, Capital Improvement Bonds, Series A, 5.90% due 5/01/2034	1,581	
Georgia--2.9%			
1,750	Atlanta, Georgia, Tax Allocation Bonds (Atlantic Station Project), 7.90% due 12/01/2011 (f)	2,051	
	Atlanta, Georgia, Tax Allocation Refunding Bonds (Atlantic Station Project) (e):		
1,000	5.25% due 12/01/2020	1,080	
2,000	5.25% due 12/01/2021	2,152	
1,000	5.25% due 12/01/2022	1,074	
Illinois--3.0%			
1,200	Chicago, Illinois, Special Assessment Bonds (Lake Shore East), 6.75% due 12/01/2032	1,260	
4,000	Illinois HDA, Homeowner Mortgage Revenue Bonds, AMT, Sub-Series C-2, 5.35% due 2/01/2027	4,050	
700	Illinois State Finance Authority Revenue Bonds (Landing At Plymouth Place Project), Series A, 6% due 5/15/2025	712	
625	Naperville, Illinois, IDR (General Motors Corporation), Refunding, VRDN, 6.50% due 12/01/2012 (i)	625	
Indiana--2.4%			
7,645	Allen County, Indiana, Redevelopment District Tax Increment Revenue Bonds (General Motors Development Area), 7% due 5/15/2008 (f) (m)	5,340	
Kentucky--1.3%			
2,000	Louisville and Jefferson Counties, Kentucky, Metropolitan Sewer District, Sewer and Drain System Revenue Bonds, Series A, 5.50% due 5/15/2034 (d)	2,129	
800	Public Energy Authority of Kentucky, Inc., Gas Supply Revenue Bonds (BP Corporation of North America), VRDN, Series A, 3.54% due 8/01/2016 (i)	800	
Louisiana--4.3%			
4,115	Louisiana Public Facilities Authority, Hospital Revenue Bonds (Franciscan Missionaries of Our Lady Health System, Inc.), Series A, 5.25% due 8/15/2036	4,172	
1,750	New Orleans, Louisiana, Financing Authority Revenue		

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		Bonds (Xavier University of Louisiana Project), 5.30% due 6/01/2026 (d)	1,815
3,540		New Orleans, Louisiana, GO (Public Improvements), 5% due 10/01/2033 (d)	3,626
Maryland--3.0%			
1,870		Anne Arundel County, Maryland, Special Obligation Revenue Bonds (Arundel Mills Project), 7.10% due 7/01/2009 (f)	2,009
1,760		Maryland State Economic Development Corporation, Student Housing Revenue Bonds (University of Maryland College Park Project), 6% due 6/01/2013 (f)	1,976
2,750		Maryland State Energy Financing Administration, Limited Obligation Revenue Bonds (Cogeneration-AES Warrior Run), AMT, 7.40% due 9/01/2019	2,757
	Face Amount	Municipal Bonds	Value
Massachusetts--3.6%			
\$ 5,000		Massachusetts State School Building Authority, Dedicated Sales Tax Revenue Bonds, Series A, 5% due 8/15/2030 (c)	\$ 5,189
2,900		Massachusetts State, HFA, Housing Revenue Bonds, AMT, Series A, 5.25% due 12/01/2048	2,903
Michigan--2.6%			
1,400		Flint, Michigan, Hospital Building Authority, Revenue Refunding Bonds (Hurley Medical Center), Series A, 6% due 7/01/2020 (e)	1,477
3,000		Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Detroit Edison Company Pollution Control Project), AMT, Series B, 5.65% due 9/01/2029	3,081
1,300		Michigan State Strategic Fund, PCR (General Motors Corporation Project), VRDN, 7% due 12/01/2008 (i)	1,300
Minnesota--1.7%			
3,499		Minneapolis, Minnesota, Community Development Agency, Supported Development Revenue Refunding Bonds, Series G-3, 5.45% due 12/01/2011 (f)	3,753
Mississippi--5.5%			
7,675		Claiborne County, Mississippi, PCR, Refunding (System Energy Resources Inc. Project), 6.20% due 2/01/2026	7,707
2,500		Mississippi Business Finance Corporation, Mississippi, PCR, Refunding (System Energy Resources Inc. Project), 5.90% due 5/01/2022	2,528
1,000		Mississippi Development Bank, Special Obligation Revenue Refunding Bonds (Gulfport Water and Sewer System Project) (c): 5.25% due 7/01/2017	1,097
810		5.25% due 7/01/2019	881

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Missouri--1.4%

1,915	Fenton, Missouri, Tax Increment Revenue Refunding and Improvement Bonds (Gravois Bluffs), 7% due 10/01/2011 (f)	2,172
1,000	Missouri State Development Finance Board, Infrastructure Facilities Revenue Refunding Bonds (Branson), Series A, 5.50% due 12/01/2032	1,007

New Jersey--12.9%

New Jersey EDA, Cigarette Tax Revenue Bonds:		
5,385	5.75% due 6/15/2029	5,641
2,280	5.75% due 6/15/2034	2,396
New Jersey EDA, Retirement Community Revenue Bonds (f):		
1,475	(Cedar Crest Village Inc. Facility), Series A, 7.25% due 11/15/2011	1,684
2,600	(Seabrook Village Inc.), Series A, 8.25% due 11/15/2010	2,975
1,965	New Jersey EDA, School Facilities Construction Revenue Bonds, Series O, 5.125% due 3/01/2030	2,045
New Jersey EDA, Special Facility Revenue Bonds (Continental Airlines Inc. Project), AMT:		
2,950	6.25% due 9/15/2029	2,982
1,000	6.625% due 9/15/2012	1,032

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Schedule of Investments (continued)

BlackRock MuniHoldings Fund, Inc. (In Thousands)

Face Amount	Municipal Bonds	Value
New Jersey (concluded)		
\$ 3,325	New Jersey Health Care Facilities Financing Authority Revenue Bonds (South Jersey Hospital), 6% due 7/01/2012 (f)	\$ 3,656
3,500	New Jersey State Turnpike Authority, Turnpike Revenue Bonds, Series C, 5% due 1/01/2030 (c)	3,630
2,315	Tobacco Settlement Financing Corporation of New Jersey, Asset-Backed Revenue Bonds, 7% due 6/01/2013 (f)	2,706
New Mexico--0.9%		
2,000	Farmington, New Mexico, PCR, Refunding (Public Service Company of New Mexico--San Juan Project), Series A, 6.30% due 12/01/2016	2,044
New York--12.4%		
1,155	Dutchess County, New York, IDA, Civic Facility Revenue Refunding Bonds (Saint Francis Hospital), Series A,	

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	7.50% due 3/01/2029	1,253
535	New York City, New York, City IDA, Civic Facility Revenue Bonds, Series C, 6.80% due 6/01/2028	573
	New York City, New York, City IDA, Special Facility Revenue Bonds (Continental Airlines Inc. Project), AMT:	
725	8% due 11/01/2012	774
725	8.375% due 11/01/2016	780
9,115	New York City, New York, Sales Tax Asset Receivable Corporation Revenue Bonds, Series A, 5% due 10/15/2020 (d)	9,675
3,680	New York State Dormitory Authority Revenue Bonds (School Districts Financing Program), Series D, 5.25% due 10/01/2023 (d)	3,912
	Tobacco Settlement Financing Corporation of New York Revenue Bonds:	
3,150	Series A-1, 5.50% due 6/01/2018	3,357
3,500	Series C-1, 5.50% due 6/01/2017	3,689
1,400	Series C-1, 5.50% due 6/01/2022	1,492
2,080	Westchester County, New York, IDA, Continuing Care Retirement, Mortgage Revenue Bonds (Kendal on Hudson Project), Series A, 6.50% due 1/01/2034	2,164
Pennsylvania--5.8%		
1,700	Bucks County, Pennsylvania, IDA, Retirement Community Revenue Bonds (Ann's Choice Inc.), Series A, 6.25% due 1/01/2035	1,743
3,500	Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Bonds (National Gypsum Company), AMT, Series B, 6.125% due 11/01/2027	3,559
725	Philadelphia, Pennsylvania, Authority for IDR, Commercial Development, 7.75% due 12/01/2017	726
	Philadelphia, Pennsylvania, Authority for Industrial Development, Senior Living Revenue Bonds:	
1,105	(Arbor House Inc. Project), Series E, 6.10% due 7/01/2033	1,141
1,245	(Saligman House Project), Series C, 6.10% due 7/01/2033	1,285
Face		
Amount	Municipal Bonds	Value
Pennsylvania (concluded)		
\$ 300	Philadelphia, Pennsylvania, Hospitals and Higher Education Facilities Authority, Hospital Revenue Refunding Bonds (Children's Hospital Project), VRDN, Series A, 3.48% due 2/15/2014 (i)	\$ 300
3,500	Sayre, Pennsylvania, Health Care Facilities Authority, Revenue Bonds (Guthrie Healthcare System), Series B, 7.125% due 12/01/2011 (f)	4,195
Rhode Island--1.4%		
2,820	Rhode Island State Health and Educational Building Corporation, Hospital Financing Revenue Bonds (Lifespan Obligation Group), 6.50% due 8/15/2012 (f)	3,178
South Carolina--1.5%		

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3,020	Medical University Hospital Authority, South Carolina, Hospital Facilities Revenue Refunding Bonds, Series A, 6.375% due 8/15/2012 (f)	3,387
South Dakota--0.8%		
1,825	South Dakota State Health and Educational Facilities Authority Revenue Bonds (Sanford Health), 5% due 11/01/2040	1,827
Tennessee--6.6%		
4,030	Hardeman County, Tennessee, Correctional Facilities Corporation Revenue Bonds, 7.75% due 8/01/2017	4,114
	Shelby County, Tennessee, Health, Educational and Housing Facility Board, Hospital Revenue Refunding Bonds:	
4,575	(Methodist Healthcare), 6.50% due 9/01/2012 (f)	5,172
2,250	(Saint Jude Children's Research Hospital), 5% due 7/01/2031	2,277
3,160	Tennessee Educational Loan Revenue Bonds (Educational Funding South Inc.), AMT, Senior Series B, 6.20% due 12/01/2021	3,166
Texas--13.6%		
4,000	Austin, Texas, Convention Center Revenue Bonds (Convention Enterprises Inc.), First Tier, Series A, 6.70% due 1/01/2011 (f)	4,379
300	Bell County, Texas, Health Facilities Development Corporation, Hospital Revenue Bonds (Scott & White Memorial Hospital), VRDN, Series B-1, 3.55% due 8/15/2029 (d) (i)	300
2,340	Brazos River Authority, Texas, Revenue Refunding Bonds (Reliant Energy Inc. Project), Series B, 7.75% due 12/01/2018	2,420
3,655	Brazos River, Texas, Harbor Navigation District, Brazoria County Environmental Revenue Refunding Bonds (Dow Chemical Company Project), AMT, Series A-7, 6.625% due 5/15/2033	3,898
1,800	Houston, Texas, Health Facilities Development Corporation, Retirement Facility Revenue Bonds (Buckingham Senior Living Community), Series A, 7.125% due 2/15/2014 (f)	2,149
3,000	Lower Colorado River Authority, Texas, PCR (Samsung Austin Semiconductor), AMT, 6.375% due 4/01/2027	3,049

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OCTOBER 31, 2007

Schedule of Investments (continued)

BlackRock MuniHoldings Fund, Inc. (In Thousands)

Face Amount	Municipal Bonds	Value
Texas (concluded)		

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\$ 1,485	Matagorda County, Texas, Navigation District Number 1, Revenue Refunding Bonds (Reliant Energy Inc.), Series C, 8% due 5/01/2029	\$ 1,532
200	North Central Texas, Health Facility Development Corporation Revenue Bonds (Methodist Hospitals-Dallas), VRDN, Series B, 3.55% due 10/01/2015 (d) (i)	200
1,425	Port Corpus Christi, Texas, Individual Development Corporation, Environmental Facilities Revenue Bonds (Citgo Petroleum Corporation Project), AMT, 8.25% due 11/01/2031	1,457
	SA Energy Acquisition Public Facilities Corporation, Texas, Gas Supply Revenue Bonds:	
2,425	5.50% due 8/01/2023	2,526
1,100	5.50% due 8/01/2024	1,144
1,120	5.50% due 8/01/2025	1,163
3,225	Texas State Department of Housing and Community Affairs, Residential Mortgage Revenue Bonds, AMT, Series A, 5.70% due 1/01/2033 (j)	3,274
2,770	Texas State Department of Housing and Community Affairs, Residential Mortgage Revenue Refunding Bonds, AMT, Series B, 5.25% due 7/01/2022 (j)	2,853
Vermont--1.1%		
2,370	Vermont Educational and Health Buildings Financing Agency, Revenue Bonds (Developmental and Mental Health), Series A, 6% due 6/15/2017	2,487
Virginia--3.7%		
1,150	Chesterfield County, Virginia, IDA, PCR (Virginia Electric and Power Company), Series A, 5.875% due 6/01/2017	1,220
3,000	Fairfax County, Virginia, EDA, Resource Recovery Revenue Refunding Bonds, AMT, Series A, 6.10% due 2/01/2011 (a)	3,217
1,800	Pocahontas Parkway Association, Virginia, Toll Road Revenue Bonds, Senior Series B, 8.40% due 8/15/2008 (f) (m)	522
3,035	Tobacco Settlement Financing Corporation of Virginia, Asset-Backed Revenue Bonds, 5.625% due 6/01/2015 (f)	3,399
Washington--0.6%		
1,340	Seattle, Washington, Housing Authority Revenue Bonds (Replacement Housing Project), 6.125% due 12/01/2032	1,355
Wisconsin--1.2%		
	Wisconsin State Health and Educational Facilities Authority Revenue Bonds:	
825	(New Castle Place Project), Series A, 7% due 12/01/2031	845
1,755	(SynergyHealth Inc.), 6% due 11/15/2032	1,820
Puerto Rico--2.1%		
2,060	Puerto Rico Industrial, Medical and Environmental Pollution Control Facilities Financing Authority, Special Facilities Revenue Bonds (American	



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	Airlines Inc.), Series A, 6.45% due 12/01/2025	2,069
19,236	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Refunding Bonds, Series A, 5.06% due 8/01/2047 (a) (m)	2,623
Face Amount	Municipal Bonds	Value
U.S. Virgin Islands--1.6%		
\$ 3,460	Virgin Islands Government Refinery Facilities, Revenue Refunding Bonds (Hovenssa Coker Project), AMT, 6.50% due 7/01/2021	\$ 3,672
	Total Municipal Bonds (Cost--\$292,603)--137.1%	306,710
Municipal Bonds Held in Trust (h)		
California--5.6%		
6,810	California Pollution Control Financing Authority, PCR, Refunding (Pacific Gas and Electric), AMT, Series A, 5.35%, due 12/01/2016 (d)	7,157
5,210	San Jose, California, Airport Revenue Refunding Bonds, Series A, 5.50% due 3/01/2032 (a)	5,514
Maryland--5.1%		
10,835	Baltimore, Maryland, Convention Center Hotel Revenue Bonds, Senior Series A, 5.25% due 9/01/2039 (g)	11,357
New York--2.0%		
4,240	New York City, New York, Sales Tax Asset Receivable Corporation Revenue Bonds, Series A, 5.25% due 10/15/2027 (a)	4,503
South Carolina--5.3%		
11,600	South Carolina State Ports Authority, Ports Revenue Bonds, AMT, 5.30% due 7/01/2026 (c)	11,790
Texas--5.5%		
11,760	Harris County, Texas, Toll Road Revenue Refunding Bonds, Senior Lien, Series A, 5.25% due 8/15/2035 (c)	12,319
	Total Municipal Bonds Held in Trust (Cost--\$53,013)--23.5%	52,640
Shares Held	Short-Term Securities	
9	Merrill Lynch Institutional Tax-Exempt Fund, 3.43% (k) (l)	9

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Total Short-Term Securities (Cost--\$9)--0.0%	9
Total Investments (Cost--\$345,625*)--160.6%	359,359
Other Assets Less Liabilities--6.6%	14,837
Liability for Trust Certificates, Including Interest Expense Payable--(11.3%)	(25,454)
Preferred Stock, at Redemption Value--(55.9%)	(125,040)
	-----
Net Assets Applicable to Common Stock--100.0%	\$ 223,702 =====

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Schedule of Investments (concluded)

BlackRock MuniHoldings Fund, Inc. (In Thousands)

\* The cost and unrealized appreciation (depreciation) of investments as of October 31, 2007, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$	320,193
		=====
Gross unrealized appreciation	\$	15,228
Gross unrealized depreciation		(1,290)
		-----
Net unrealized appreciation	\$	13,938
		=====

- (a) AMBAC Insured.
- (b) FGIC Insured.
- (c) FSA Insured.
- (d) MBIA Insured.
- (e) ACA Insured.
- (f) Prerefunded.
- (g) XL Capital Insured.
- (h) Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund may have acquired the residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1(c) to Financial Statements for details of municipal bonds held in trust.
- (i) Security may have a maturity of more than one year at time of issuance, but has variable rate and demand features that qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based upon prevailing market rates.
- (j) FNMA/GNMA Collateralized.

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- (k) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Dividend Income
Merrill Lynch Institutional Tax-Exempt Fund	--	--++

++ Amount is less than \$1,000.

- (l) Represents the current yield as of October 31, 2007.

- (m) Represents a zero coupon bond; the interest rate shown reflects the effective yield at the time of purchase.

See Notes to Financial Statements.

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OCTOBER 31, 2007

Schedule of Investments as of October 31, 2007 (Unaudited)

BlackRock MuniHoldings Insured Fund, Inc. (In Thousands)

Face Amount	Municipal Bonds	Value
Alabama--1.3%		
\$ 2,170	Jefferson County, Alabama, Limited Obligation School Warrants, Series A, 5.50% due 1/01/2022	\$ 2,324
Arizona--1.1%		
2,100	Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, 5% due 12/01/2037	2,009
California--26.7%		
2,000	California State Public Works Board, Lease Revenue Bonds (Department of General Services--Capitol East End Complex), Series A, 5% due 12/01/2027 (a)	2,080
1,300	California State, GO, 5.50% due 4/01/2014 (f)	1,448
5,955	California State, Various Purpose, GO, 5.25% due 12/01/2022 (d)	6,325
	East Side Union High School District, California, Santa Clara County, GO (Election of 2002):	
1,800	Series B, 5% due 8/01/2027 (b)	1,871
5,155	Series D, 5% due 8/01/2029 (g)	5,359
2,565	Modesto, California, Schools Infrastructure Financing Agency, Special Tax Bonds, 5.50% due 9/01/2036 (a)	2,714
1,265	San Jose, California, GO (Libraries, Parks and Public Safety Projects), 5% due 9/01/2030 (e)	1,305
	San Pablo, California, Joint Powers Financing Authority, Tax Allocation Revenue Refunding Bonds (e)(q):	
2,635	5.66% due 12/01/2024	1,110

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2,355	5.66% due 12/01/2025	935
2,355	5.66% due 12/01/2026	886
4,265	Santa Ana, California, Unified School District, GO, 5% due 8/01/2032 (e)	4,363
3,145	Sequoia, California, Unified High School District, GO, Refunding, Series B, 5.50% due 7/01/2035 (d)	3,411
4,540	Stockton, California, Public Financing Revenue Bonds (Redevelopment Projects), Series A, 5.25% due 9/01/2031 (h)	4,575
	Tustin, California, Unified School District, Senior Lien Special Tax Bonds (Community Facilities District Number 97-1), Series A (d):	
2,180	5% due 9/01/2032	2,226
2,800	5% due 9/01/2038	2,854
2,000	University of California Revenue Bonds (Multiple Purpose Projects), Series Q, 5% due 9/01/2022 (d)	2,088
3,480	West Contra Costa, California, Unified School District, GO, Series C, 5% due 8/01/2021 (b)	3,654
Colorado--6.4%		
10,620	Aurora, Colorado, COP, 5.75% due 12/01/2010 (a)(f)	11,321
Connecticut--0.1%		
200	Connecticut State Health and Educational Facilities Authority Revenue Bonds (Quinnipiac University), VRDN, Series F, 4.60% due 7/01/2031 (h)(i)	200
Face		
Amount	Municipal Bonds	Value
District of Columbia - 0.9%		
\$ 1,500	District of Columbia, Deed Tax Revenue Bonds (Housing Production Trust Fund--New Communities Project), Series A, 5% due 6/01/2032 (e)	\$ 1,557
Florida - 23.8%		
1,470	Broward County, Florida, HFA, S/F Mortgage Revenue Refunding Bonds, AMT, Series E, 5.90% due 10/01/2039 (n)(o)	1,559
2,100	Hillsborough County, Florida, HFA, S/F Mortgage Revenue Bonds, AMT, Series 1, 5.375% due 10/01/2049 (n)(o)	2,226
3,300	Hillsborough County, Florida, IDA, Hospital Revenue Bonds (H. Lee Moffitt Cancer Center Project), Series A, 5.25% due 7/01/2037	3,327
4,515	Jacksonville, Florida, Health Facilities Authority, Hospital Revenue Bonds (Baptist Medical Center Project), 5% due 8/15/2037 (d)	4,602
2,500	Lee County, Florida, HFA, S/F Mortgage Revenue Bonds (Multi-County Program), AMT, Series A-2, 6% due 9/01/2040 (n)(o)	2,717
	Lee Memorial Health System, Florida, Hospital Revenue Bonds, Series A:	
1,060	5% due 4/01/2032	1,062
3,000	5% due 4/01/2032 (a)	3,070
7,225	Miami-Dade County, Florida, Aviation Revenue Refunding Bonds (Miami International Airport), AMT, Series A, 5%	

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	due 10/01/2040 (g)	7,234
2,225	Miami-Dade County, Florida, Subordinate Special Obligation Revenue Bonds, Series A, 5.24% due 10/01/2037 (e) (q)	476
1,000	Okaloosa County, Florida, Water and Sewer Revenue Refunding Bonds, 5% due 7/01/2036 (d)	1,030
1,500	Orange County, Florida, School Board, COP, Series A, 5% due 8/01/2032 (b)	1,542
3,850	Pasco County, Florida, Half-Cent Sales Tax Revenue Bonds, 5.125% due 12/01/2028 (a)	3,983
4,295	Saint Petersburg, Florida, Public Utilities Revenue Refunding Bonds, 5% due 10/01/2035 (e)	4,411
2,275	South Florida Water Management District, COP, 5% due 10/01/2036 (a)	2,327
	University of North Florida Financing Corporation, Capital Improvement Revenue Bonds (Housing Project) (b):	
1,210	5% due 11/01/2032	1,254
1,290	5% due 11/01/2037	1,325
Georgia--2.4%		
4,000	Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 10/01/2034 (d)	4,189
Illinois--7.5%		
7,965	Chicago, Illinois, GO, Series A, 6% due 7/01/2010 (b) (f)	8,553
4,500	Illinois State, GO, First Series, 6% due 1/01/2018 (b)	4,712
45	Lake, Cook, Kane and McHenry Counties, Illinois, Community Unit School District Number 220, GO, 5.75% due 12/01/2019 (b)	48

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OCTOBER 31, 2007

Schedule of Investments (continued)

BlackRock MuniHoldings Insured Fund, Inc. (In Thousands)

Face Amount	Municipal Bonds	Value
Indiana--3.5%		
\$ 6,000	Indiana Municipal Power Agency, Power Supply System Revenue Bonds, Series A, 5% due 1/01/2042 (e)	\$ 6,141
Louisiana--3.9%		
6,650	Louisiana State, Gas and Fuels Tax Revenue Bonds, Series A, 5% due 5/01/2041 (b)	6,831
Massachusetts--11.6%		
3,375	Massachusetts Bay Transportation Authority, Sales Tax Revenue Refunding Bonds, Senior Series A, 5% due 7/01/2035	3,407
5,600	Massachusetts State Health and Educational Facilities	

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	Authority Revenue Bonds (Lahey Clinic Medical Center), Series D, 5.25% due 8/15/2037	5,685
8,000	Massachusetts State School Building Authority, Dedicated Sales Tax Revenue Bonds, Series A, 5% due 8/15/2030 (d)	8,302
565	Massachusetts State, HFA, Housing Development Revenue Refunding Bonds, AMT, Series A, 5.15% due 6/01/2011 (e)	574
2,440	Massachusetts State, HFA, Rental Housing Mortgage Revenue Bonds, AMT, Series C, 5.50% due 7/01/2032 (d)	2,536
Michigan--2.3%		
2,035	Boyne City, Michigan, Public School District, GO, 5.75% due 5/01/2009 (b) (f)	2,103
	Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (g):	
400	DRIVERS, AMT, Series 858Z, 7.161% due 12/01/2011 (j)	434
1,500	(Detroit Edison Company Pollution Control Project), AMT, Series B, 5.65% due 9/01/2029	1,554
Minnesota--2.4%		
4,015	Sauk Rapids, Minnesota, Independent School District Number 47, GO, Series A, 5.65% due 2/01/2019 (e)	4,268
Missouri--5.2%		
2,000	Cape Girardeau, Missouri, School District Number 063, GO (Missouri Direct Deposit Program), 5.50% due 3/01/2018 (b)	2,081
	Mehlville, Missouri, School District Number R-9, COP, Series A (d):	
1,925	5.50% due 3/01/2014	2,039
2,175	5.50% due 3/01/2015	2,304
1,170	5.50% due 3/01/2016	1,239
1,500	5.50% due 3/01/2017	1,584
Nebraska--1.8%		
2,000	Omaha Convention Hotel Corporation, Nebraska, Convention Center Revenue Bonds, First Tier, Series A, 5.50% due 4/01/2012 (a) (f)	2,159
1,000	Scotts Bluff County, Nebraska, Hospital Authority Number 1, Hospital Revenue Refunding Bonds (Regional West Medical Center Project), VRDN, 5.50% due 12/01/2028 (h) (i)	1,000
Face		
Amount	Municipal Bonds	Value
New Jersey--13.7%		
	New Jersey EDA, Cigarette Tax Revenue Bonds:	
\$ 1,800	5.625% due 6/15/2018	\$ 1,822
5,295	5.75% due 6/15/2029	5,546
3,800	5.75% due 6/15/2034 (1)	4,128
6,700	New Jersey EDA, Motor Vehicle Surcharge Revenue	

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	Bonds, Series A, 5.25% due 7/01/2033 (e)	7,037
5,500	New Jersey State Turnpike Authority, Turnpike Revenue Bonds, Series C, 5% due 1/01/2030 (d)	5,704
New Mexico--2.0%		
3,325	New Mexico Finance Authority, Senior Lien State Transportation Revenue Bonds, Series A, 5.125% due 6/15/2018 (e)	3,550
New York--16.4%		
10,000	Nassau Health Care Corporation, New York, Health System Revenue Bonds, 5.75% due 8/01/2009 (d) (f)	10,584
4,000	New York City, New York, GO, Series E, 5% due 11/01/2017 (d)	4,283
	New York City, New York, Sales Tax Asset Receivable Corporation Revenue Bonds, Series A (a):	
4,000	5% due 10/15/2032	4,155
4,095	5.25% due 10/15/2027	4,349
3,505	New York State Dormitory Authority Revenue Bonds (School Districts Financing Program), Series D, 5.25% due 10/01/2023 (e)	3,726
1,800	New York State Dormitory Authority, Non-State Supported Debt Revenue Bonds (New York University), Series A, 5% due 7/01/2032 (a)	1,875
Ohio--0.3%		
600	Trumbull County, Ohio, Health Care Facilities Revenue Bonds (Shepherd of the Valley), VRDN, 5.10% due 10/01/2031 (h) (i)	600
Oregon--0.8%		
1,400	Portland, Oregon, Urban Renewal and Redevelopment Tax Allocation Bonds (Oregon Convention Center), Series A, 5.75% due 6/15/2015 (a)	1,488
Pennsylvania--3.8%		
3,900	Pennsylvania State Higher Educational Facilities Authority, State System of Higher Education Revenue Bonds, Series O, 5.125% due 6/15/2024 (a)	3,904
2,615	Pittsburgh, Pennsylvania, GO, Series C, 5.25% due 9/01/2017 (d)	2,864
Rhode Island--4.7%		
5,000	Providence, Rhode Island, Redevelopment Agency Revenue Refunding Bonds (Public Safety and Municipal Buildings), Series A, 5.75% due 4/01/2010 (a) (f)	5,312
2,870	Rhode Island State Health and Educational Building Corporation Revenue Bonds (Rhode Island School of Design), Series D, 5.50% due 8/15/2031 (g)	3,055

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Schedule of Investments (continued)

		BlackRock MuniHoldings Insured Fund, Inc.	(In Thousands)
Face Amount	Municipal Bonds		Value
South Carolina--8.6%			
\$ 1,525	Medical University Hospital Authority, South Carolina, Hospital Facilities Revenue Refunding Bonds, Series A, 5.25% due 2/15/2025 (c) (e)	\$ 1,602	
3,400	South Carolina Jobs EDA, Hospital Revenue Bonds (Oconee Memorial Hospital Project), VRDN, Series A, 6% due 10/01/2036 (h) (i)	3,400	
10,000	South Carolina State Public Service Authority, Revenue Refunding Bonds, Series A, 5% due 1/01/2042 (a)	10,296	
Tennessee--2.9%			
600	Sevier County, Tennessee, Public Building Authority, Local Government Public Improvement Revenue Bonds, VRDN, Series IV-E-5, 3.57% due 6/01/2020 (a) (i)	600	
	Tennessee HDA, Revenue Refunding Bonds (Homeownership Program), AMT, Series A (d):		
2,355	5.25% due 7/01/2022	2,384	
2,165	5.35% due 1/01/2026	2,189	
Texas--3.1%			
2,651	Houston, Texas, Community College System, Participation Interests, COP (Alief Center Project), 5.75% due 8/15/2022 (e)	2,739	
2,700	Tarrant County, Texas, Health Facilities Development Corporation, Hospital Revenue Refunding Bonds (Cumberland Rest, Inc. Project), VRDN, Series, 4.95% due 8/15/2032 (h) (i)	2,700	
Virginia--0.9%			
1,500	Virginia State, HDA, Commonwealth Mortgage Revenue Bonds, Series H, Sub-Series H-1, 5.35% due 7/01/2031 (e)	1,533	
Washington--4.9%			
4,000	Bellevue, Washington, GO, Refunding, 5.50% due 12/01/2039 (e)	4,305	
2,310	Chelan County, Washington, Public Utility District Number 001, Consolidated Revenue Bonds (Chelan Hydro System), AMT, Series A, 5.45% due 7/01/2037 (a)	2,376	
1,810	Snohomish County, Washington, Public Utility District Number 001, Electric Revenue Bonds, 5.50% due 12/01/2022 (d)	1,939	
West Virginia--2.9%			
5,000	West Virginia State Housing Development Fund, Housing Finance Revenue Refunding Bonds,		



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Series D, 5.20% due 11/01/2021 (e) 5,112

Wisconsin--0.3%

500 Wisconsin State Health and Educational Facilities  
Authority Revenue Bonds (Blood Center of Southeastern  
Wisconsin Project), 5.50% due 6/01/2024 511

Face Amount	Municipal Bonds	Value
----------------	-----------------	-------

Puerto Rico--2.0%

\$ 605	Puerto Rico Commonwealth, Public Improvement, GO, Refunding, Series B, 5.25% due 7/01/2032	\$ 624
1,000	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series TT, 5% due 7/01/2037	1,015
1,870	Puerto Rico Public Buildings Authority, Government Facilities Revenue Refunding Bonds, Series D, 5.25% due 7/01/2036	1,906
	Total Municipal Bonds (Cost--\$291,586)--168.2%	297,716

Municipal Bonds Held in Trust (p)

Arkansas--4.3%

7,420	Arkansas State Development Finance Authority, M/F Mortgage Revenue Refunding Bonds, Series C, 5.35% due 12/01/2035 (c) (e)	7,578
-------	--	-------

Illinois--2.6%

4,300	Chicago, Illinois, O'Hare International Airport Revenue Bonds, Third Lien, AMT, Series B-2, 6%, due 1/01/2027 (e) (g)	4,657
-------	---	-------

Michigan--2.8%

	Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Detroit Edison Company Pollution Control Project), AMT (g):	
1,200	Series A, 5.50%, due 6/01/2030	1,251
3,500	Series C, 5.65%, due 9/01/2029	3,625

Texas--4.7%

8,000	Dallas-Fort Worth, Texas, International Airport Revenue Bonds, AMT, Series A, 5.50% due 11/01/2033 (e)	8,306
	Total Municipal Bonds Held in Trust (Cost--\$25,879)--14.4%	25,417

Shares Held	Short-Term Securities
----------------	-----------------------

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21	Merrill Lynch Institutional Tax-Exempt Fund, 3.43% (k) (m)	21
	Total Short-Term Securities (Cost--\$21)--0.0%	21
	Total Investments (Cost--\$317,486*)--182.6%	323,154
	Other Assets Less Liabilities--0.1%	290
	Liability for Trust Certificates, Including Interest Expense Payable--(7.0%)	(12,394)
	Preferred Stock, at Redemption Value--(75.7%)	(134,052)
		-----
	Net Assets Applicable to Common Stock--100.0%	\$ 176,998
		=====

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Schedule of Investments (concluded)

BlackRock MuniHoldings Insured Fund, Inc. (In Thousands)

\* The cost and unrealized appreciation (depreciation) of investments as of October 31, 2007, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$	305,416
		=====
Gross unrealized appreciation	\$	6,238
Gross unrealized depreciation		(710)
		-----
Net unrealized appreciation	\$	5,528
		=====

- (a) AMBAC Insured.
- (b) FGIC Insured.
- (c) FHA Insured.
- (d) FSA Insured.
- (e) MBIA Insured.
- (f) Prerefunded.
- (g) XL Capital Insured.
- (h) Radian Insured.
- (i) Security may have a maturity of more than one year at time of issuance, but has variable rate and demand features that qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based upon prevailing market rates.
- (j) The rate disclosed is that currently in effect. This rate changes periodically and inversely based upon prevailing market rates.

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- (k) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Dividend Income
Merrill Lynch Institutional Tax-Exempt Fund	--	---+

++ Amount is less than \$1,000.

- (l) Assured Guaranty Insured.
- (m) Represents the current yield as of October 31, 2007.
- (n) FHLMC Collateralized.
- (o) FNMA/GNMA Collateralized.
- (p) Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund may have acquired the residual interest certificates. These securities serve as a collateral in financing transaction. See Note 1(c) to Financial Statements for details of municipal bonds held in trust.
- (q) Represents a zero coupon bond; the interest rate shown reflects the effective yield at the time of purchase.

See Notes to Financial Statements.

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Statements of Net Assets

As of October 31, 2007 (Unaudited)

Assets

Investments in unaffiliated securities, at value\* \$  
 Investments in affiliated securities, at value\*\*  
 Cash  
 Receivable for securities sold  
 Interest receivable  
 Prepaid expenses and other assets

--  
--

Total assets

Liabilities

Trust certificates  
 Payable for securities purchased

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Interest expense payable  
Payable to investment adviser  
Payable to other affiliates  
Dividends payable to shareholders  
Accrued expenses and other liabilities

Total liabilities

Preferred Stock

Preferred Stock, at redemption value, par value \$.10 per share\*\*\* of AMPS+++  
at \$25,000 per share liquidation preference

Net Assets Applicable to Common Stock

Net assets applicable to Common Stock

Net Assets Consist of

Undistributed investment income--net  
Accumulated realized capital gains (losses)--net  
Unrealized appreciation--net

Total accumulated earnings (losses)--net

Common Stock, par value \$.10 per share++  
Paid-in capital in excess of par

Net Assets

Net asset value per share of Common Stock

Market price

\* Identified cost of unaffiliated securities

\*\* Identified cost of affiliated securities

\*\*\* Preferred Stock authorized, issued and outstanding:  
Series A Shares

Series B Shares

Series C Shares

++ Common Stock issued and outstanding

+++ Auction Market Preferred Stock.

See Notes to Financial Statements.

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## Statements of Operations

For the Six Months Ended October 31, 2007 (Unaudited)

### Investment Income

Interest and amortization of premium and discount earned  
Dividends from affiliates

Total income

### Expenses

Investment advisory fees  
Interest expense and fees  
Commission fees  
Accounting services  
Professional fees  
Transfer agent fees  
Directors' fees and expenses  
Printing and shareholder reports  
Custodian fees  
Pricing fees  
Listing fees  
Other

Total expenses before waiver and/or reimbursement  
Waiver and/or reimbursement of expenses

Total expenses after waiver and/or reimbursement

Investment income--net

### Realized and Unrealized Gain (Loss)--Net

Realized gain (loss) on:

Investments--net  
Forward interest rate swaps--net

Total realized gain (loss)--net

Change in unrealized appreciation/depreciation on:

Investments--net  
Forward interest rate swaps--net

Total change in unrealized appreciation/depreciation--net

Total realized and unrealized loss--net

Dividends to Preferred Stock Shareholders

Investment income--net

Net Increase (Decrease) in Net Assets Resulting from Operations

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See Notes to Financial Statements.

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## Statements of Changes in Net Assets

BlackRock MuniHoldings Fund, Inc.		
	For the Six Months Ended October 31, 2007 (Unaudited)	For the Year Ended April 30, 2007
Increase (Decrease) in Net Assets:		
Operations		
Investment income--net	\$ 8,050,346	\$ 16,239,704
Realized gain (loss)--net	228,646	1,240,725
Change in unrealized appreciation/depreciation--net	(5,865,345)	4,521,157
Dividends to Preferred Stock shareholders	(2,314,383)	(4,394,391)
	-----	-----
Net increase (decrease) in net assets resulting from operations	99,264	17,607,195
	-----	-----
Dividends to Common Stock Shareholders		
Investment income--net	(5,923,592)	(12,475,627)
	-----	-----
Stock Transactions		
Value of shares issued to Common Stock shareholders in reinvestment of dividends	149,627	587,176
	-----	-----
Net Assets Applicable to Common Stock		
Total increase (decrease) in net assets applicable to Common Stock	(5,674,701)	5,718,744
Beginning of period	229,376,346	223,657,602
	-----	-----
End of period*	\$ 223,701,645	\$ 229,376,346
	=====	=====
* Undistributed investment income--net	\$ 1,590,320	\$ 1,777,949
	=====	=====

See Notes to Financial Statements.

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## Financial Highlights

	For the Six Months Ended October 31, 2007 (Unaudited)	2007	For the Year 2006	
The following per share data and ratios have been derived from information provided in the financial statements.				
Per Share Operating Performance				
Net asset value, beginning of period	\$ 16.51	\$ 16.14	\$ 16.31	\$
Investment income--net++++	.58	1.17	1.16	
Realized and unrealized gain (loss)--net	(.40)	.42	--+++++	
Less dividends to Preferred Stock shareholders from investment income--net	(.17)	(.32)	(.23)	
Total from investment operations	.01	1.27	.93	
Less dividends to Common Stock shareholders from investment income--net	(.43)	(.90)	(1.08)	
Offering and underwriting costs resulting from the issuance of Preferred Stock	--	--	(.02)	
Net asset value, end of period	\$ 16.09	\$ 16.51	\$ 16.14	\$
Market price per share, end of period	\$ 14.77	\$ 16.49	\$ 16.20	\$
Total Investment Return++				
Based on net asset value per share	.19%+++++	8.06%	5.69%	
Based on market price per share	(7.92%)+++++	7.52%	7.34%	
Ratios Based on Average Net Assets Applicable to Common Stock				
Total expenses, net of reimbursement and excluding interest expense and fees*	1.19%+++	1.17%	1.15%	
Total expenses, net of reimbursement*	1.60%+++	1.54%	1.30%	
Total expenses*	1.60%+++	1.54%	1.30%	
Total investment income--net*	7.12%+++	7.14%	7.15%	
Amount of dividends to Preferred Stock shareholders	2.05%+++	1.93%	1.45%	
Investment income to Common Stock shareholders--net	5.08%+++	5.20%	5.70%	
Supplemental Data				
Net assets applicable to Common Stock, end of period (in thousands)	\$ 223,702	\$ 229,376	\$ 223,658	\$
Preferred Stock outstanding at liquidation preference, end of period (in thousands)	\$ 125,000	\$ 125,000	\$ 125,000	\$
Portfolio turnover	10%	20%	45%	

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Leverage

Asset coverage per \$1,000

=====

\$	2,790	\$	2,835	\$	2,789	\$
=====		=====		=====		=====

\* Do not reflect the effect of dividends to Preferred Stock shareholders.

++ Total investment returns based on market value, which can be significantly greater on net asset value, may result in substantially different returns. Total investment returns effects of sales charges.

++++ Based on average shares outstanding.

+++++ Amount is less than \$(.01).

+++ Annualized.

+++++ Aggregate total investment return.

See Notes to Financial Statements.

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Financial Highlights

BlackRock

The following per share data and ratios have been derived from information provided in the financial statements.

For the Six Months Ended October 31, 2007 (Unaudited)	2007	For the Year 2006
--	------	----------------------

Per Share Operating Performance

Net asset value, beginning of period	\$	14.10	\$	13.80	\$	14.44	\$
	-----		-----		-----		-----
Investment income--net***		.56		.93		.97	
Realized and unrealized gain (loss)--net		(.43)		.36		(.50)	
Less dividends to Preferred Stock shareholders from investment income--net		(.19)		(.36)		(.28)	
	-----		-----		-----		-----
Total from investment operations		(.06)		.93		.19	
	-----		-----		-----		-----
Less dividends to Common Stock shareholders from investment income--net		(.30)		(.63)		(.83)	
	-----		-----		-----		-----
Net asset value, end of period	\$	13.74	\$	14.10	\$	13.80	\$
	=====		=====		=====		=====
Market price per share, end of period	\$	12.14	\$	13.13	\$	13.10	\$
	=====		=====		=====		=====
 Total Investment Return**							
Based on net asset value per share		(.18%)++++		7.29%		1.46%	
	=====		=====	=====		=====	
Based on market price per share		(5.29%)++++		5.25%		1.51%	



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	=====	=====	=====	=====
Ratios Based on Average Net Assets Applicable to Common Stock				
Total expenses, net of waiver and/or reimbursement and excluding interest expense and fees*	1.27% <sup>++</sup>	1.23%	1.24%	
Total expenses, net of waiver and/or reimbursement*	1.59% <sup>++</sup>	1.56%	1.54%	
Total expenses*	1.71% <sup>++</sup>	1.67%	1.65%	
Total investment income--net*	8.11% <sup>++</sup>	6.62%	6.87%	
Amount of dividends to Preferred Stock shareholders	2.81% <sup>++</sup>	2.59%	2.00%	
Investment income to Common Stock shareholders--net	5.30% <sup>++</sup>	4.03%	4.87%	
Supplemental Data				
Net assets applicable to Common Stock, end of period (in thousands)	\$ 176,998	\$ 181,640	\$ 177,790	\$
Preferred Stock outstanding at liquidation preference, end of period (in thousands)	\$ 134,000	\$ 134,000	\$ 134,000	\$
Portfolio turnover	28%	29%	59%	
Leverage				
Asset coverage per \$1,000	\$ 2,321	\$ 2,356	\$ 2,327	\$

\* Do not reflect the effect of dividends to Preferred Stock shareholders.

\*\* Total investment returns based on market value, which can be significantly greater or net asset value, may result in substantially different returns. Total investment return effects of sales charges.

\*\*\* Based on average shares outstanding.

<sup>++</sup> Annualized.

<sup>+++</sup> Aggregate total investment return.

See Notes to Financial Statements.

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Notes to Financial Statements (Unaudited)

1. Significant Accounting Policies:

BlackRock MuniHoldings Fund, Inc. and BlackRock MuniHoldings Insured Fund, Inc. (the "Funds" or individually as the "Fund") are registered under the Investment Company Act of 1940, as amended, as non-diversified, closed-end

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management investment companies. The Funds' financial statements are prepared in conformity with U.S. generally accepted accounting principles, which may require the use of management accruals and estimates. Actual results may differ from these estimates. These unaudited financial statements reflect all adjustments, which are, in the opinion of management, necessary to present a fair statement of the results for the interim period. All such adjustments are of a normal, recurring nature. The Funds determine and make available for publication the net asset values of their Common Stock on a daily basis. The Funds' Common Stock shares are listed on the New York Stock Exchange under the symbols MHD and MUS, respectively. The following is a summary of significant accounting policies followed by the Funds.

(a) Valuation of investments--Municipal bonds are traded primarily in the over-the-counter ("OTC") markets and are valued at the last available bid price in the OTC market or on the basis of values as obtained by a pricing service. Pricing services use valuation matrixes that incorporate both dealer-supplied valuations and valuation models. The procedures of the pricing service and its valuations are reviewed by the officers of the Funds under the general direction of the respective Board of Directors. Such valuations and procedures are reviewed periodically by the Board of Directors of the Funds. Financial futures contracts and options thereon, which are traded on exchanges, are valued at their closing prices as of the close of such exchanges. Effective September 4, 2007, exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade and previously were valued at the last sales price as of the close of options trading on the applicable exchanges. Options traded in the OTC market are valued at the last asked price (options written) or the last bid price (options purchased). Swap agreements are valued by quoted fair values received daily by the Funds' pricing service. Investments in open-end investment companies are valued at their net asset value each business day. Securities and other assets for which market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Boards of Directors of the Funds.

(b) Derivative financial instruments--Each Fund may engage in various portfolio investment strategies both to increase the return of the Fund and to hedge, or protect, its exposure to interest rate movements and movements in the securities markets. Losses may arise due to changes in the value of the contract due to an unfavorable change in the price of the underlying security or index or if the counterparty does not perform under the contract. The counterparty for certain instruments may pledge cash or securities as collateral.

\* Financial futures contracts--Each Fund may purchase or sell financial futures contracts and options on such financial futures contracts. Financial futures contracts are contracts for delayed delivery of securities at a specific future date and at a specific price or yield. Upon entering into a contract, the Fund deposits, and maintains as collateral, such initial margin as required by the exchange on which the transaction is effected. Pursuant to the contract, the Fund agrees to receive from, or pay to the broker, an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

\* Options--Each Fund may write covered call options and purchase call and put options. When the Fund writes an option, an amount equal to the premium received by the Fund is reflected as an asset and an equivalent liability. The amount of the liability is subsequently marked-to-market to reflect the current market value of the option written. When a security is purchased or sold through an exercise of an option, the related premium paid (or received)

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is added to (or deducted from) the basis of the security acquired or deducted from (or added to) the proceeds of the security sold. When an option expires (or the Fund enters into a closing transaction), the Fund realizes a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premium paid or received).

Written and purchased options are non-income producing investments.

\* Forward interest rate swaps--Each Fund may enter into forward interest rate swaps. In a forward interest rate swap, the Fund and the counterparty agree to make periodic net payments on a specified notional contract amount, commencing on a specified future effective date, unless terminated earlier. When the agreement is closed, the Fund records a realized gain or loss in an amount equal to the value of the agreement.

\* Swaps--Each Fund may enter into swap agreements, which are OTC contracts in which the Fund and a counterparty agree to make periodic net payments on a specified notional amount. The net payments can be made for a set period of time or may be triggered by a predetermined credit event. The net periodic payments may be based on a fixed or variable interest rate; the change in market value of a specified security, basket of securities, or index; or the return generated by a security. These periodic payments received or made by the Fund are recorded in the accompanying Statements of Operations as realized gains or losses, respectively. Gains or losses are also realized upon termination of the swap agreements. Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). Risks include changes in the returns of the underlying instruments, failure of the counterparties to perform under the contracts' terms and the possible lack of liquidity with respect to the swap agreements.

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Notes to Financial Statements (continued)

(c) Municipal bonds held in trust--Certain Funds invest in leveraged residual certificates ("TOB Residuals") issued by tender option bond trusts ("TOBs"). A TOB is established by a third party sponsor forming a special purpose entity, into which a Fund, or an agent on behalf of the Fund, transfers municipal securities. A TOB typically issues two classes of beneficial interests: short-term floating rate certificates, which are sold to third party investors, and residual certificates, which are generally issued to the Fund which made the transfer or to affiliates of the Fund. Each Fund transfers of the municipal securities to a TOB do not qualify for sale treatment under Statement of Financial Accounting Standards No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" ("FAS 140"), therefore the municipal securities deposited into a TOB are presented in the Funds' schedules of investments and the proceeds from the transactions are reported as liability for trust certificates of the Funds. Similarly, proceeds from residual certificates issued to affiliates, if any, from the transaction are included in the liability for trust certificates. Interest income from the underlying security is recorded by the Funds on an accrual basis. Interest expense incurred on the secured borrowing and other expenses related to remarketing, administration and trustee services to a TOB are reported as expenses of a Fund. The floating rate certificates have interest rates that generally reset weekly and their holders have the option to tender certificates to the TOB for redemption at par at each reset date. The residual

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interests held by the Funds include the right of the Funds (1) to cause the holders of a proportional share of floating rate certificates to tender their certificates at par, and (2) to transfer a corresponding share of the municipal securities from the TOB to the Funds. At October 31, 2007, the aggregate value of the underlying municipal securities transferred to TOBs and the related liability for trust certificates were:

	Liability for Trust Certificates	Range of Interest Rates	Underlying Municipal Bonds Transferred to TOBs
BlackRock MuniHoldings Fund, Inc.	\$25,227,500	3.704%-- 3.801%	\$52,640,265
BlackRock MuniHoldings Insured Fund, Inc.	\$12,210,000	3.776%-- 3.806%	\$25,416,859

Financial transactions executed through TOBs generally will under perform the market for fixed rate municipal bonds in a rising interest rate environment, but tend to outperform the market for fixed rate bonds when interest rates decline or remain relatively stable. Should short-term interest rates rise, the Funds' investments in TOB Residuals likely will adversely affect the Funds' investment income--net and distributions to shareholders. Fluctuations in the market value of municipal securities deposited into the TOB may adversely affect the Funds' net asset values per share.

While the Funds' investment policies and restrictions expressly permit investments in inverse floating rate securities such as TOB Residuals, they generally do not allow the Funds to borrow money for purposes of making investments. Fund management believes that the Funds' restrictions on borrowings do not apply to the liabilities for trust certificates reflected as a result of the Funds' investment in TOB Residuals.

(d) Security transactions and investment income--Security transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on security transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Interest income is recognized on the accrual basis. The Funds amortize all premiums and discounts on debt securities.

(e) Dividends and distributions--Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates.

(f) Income taxes--It is each Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

(g) Recent accounting pronouncements--Effective June 29, 2007, the Funds implemented Financial Accounting Standards Board ("FASB") Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes--an interpretation of FASB Statement No. 109." FIN 48 prescribes the minimum recognition threshold a tax position must meet in connection with accounting for uncertainties in income tax positions taken or expected to be taken by an entity, including investment companies, before being measured and recognized in the financial statements. Management has evaluated the application of FIN 48 to the Funds, and has determined that the adoption of FIN 48 does not have a material impact on the Funds' financial statements. The Funds file U.S. and

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various state tax returns. No income tax returns are currently under examination. The statute of limitations on the Funds' tax returns remains open for the years ended April 30, 2004 through April 30, 2007.

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### Notes to Financial Statements (continued)

In September 2006, Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"), was issued and is effective for fiscal years beginning after November 15, 2007. FAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. At this time, management is evaluating the implications of FAS 157 and its impact on each of the Funds' financial statements, if any, has not been determined.

In addition, in February 2007, FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("FAS 159"), which is effective for fiscal years beginning after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of FAS 157. FAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. FAS 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. At this time, management is evaluating the implications of FAS 159 and its impact on each of the Funds' financial statements, if any, has not been determined.

#### 2. Investment Advisory Agreement and Transactions with Affiliates:

Each Fund has entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the "Manager"), an indirect, wholly owned subsidiary of BlackRock Inc. Merrill Lynch & Co., Inc. ("Merrill Lynch") and The PNC Financial Services Group, Inc. are the principal owners of BlackRock, Inc.

The Manager is responsible for the management of each Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of each Fund. For such services, each Fund pays a monthly fee at an annual rate of .55% of the Fund's average daily net assets, including proceeds from the issuance of Preferred Stock. The Manager has agreed to reimburse its management fee by the amount of management fees each Fund pays to the Manager indirectly through its investment in the Merrill Lynch Institutional Tax-Exempt Fund. The reimbursements for the six months ended October 31, 2007 were as follows:

	Reimbursement by the Manager
BlackRock MuniHoldings Fund, Inc.	\$ 9
BlackRock MuniHoldings Insured Fund, Inc.	\$ 21

In addition, the Manager has agreed to waive its management fee based on the proceeds of Preferred Stock that exceeds 35% of each Fund's total net assets.

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The waivers for the six months ended October 31, 2007 were as follows:

	Fees Waived by the Manager
BlackRock MuniHoldings Fund, Inc.	\$ --
BlackRock MuniHoldings Insured Fund, Inc.	\$ 107,354

In addition, the Manager has entered into separate sub-advisory agreements with BlackRock Investment Management, LLC, an affiliate of the Manager, with respect to each Fund, under which the Manager pays the sub-adviser for services it provides a monthly fee at an annual rate equal to a percentage of the management fee paid by each Fund to the Manager.

The Funds reimbursed the Manager for certain accounting services. The reimbursements for the six months ended October 31, 2007 were as follows:

Fund	Reimbursement to the Manager
BlackRock MuniHoldings Fund, Inc.	\$ 3,014
BlackRock MuniHoldings Insured Fund, Inc.	\$ 2,754

Certain officers and/or directors of the Funds are officers and/or directors of BlackRock, Inc. or its affiliates.

### 3. Investments:

Purchases and sales of investments, excluding short-term securities, for the six months ended October 31, 2007 were as follows:

	Total Purchases	Total Sales
BlackRock MuniHoldings Fund, Inc.	\$37,239,299	\$44,130,919
BlackRock MuniHoldings Insured Fund, Inc.	\$90,625,096	\$99,228,887

### 4. Stock Transactions:

Each Fund is authorized to issue 200,000,000 shares of stock, including Preferred Stock, par value \$.10 per share, all of which were initially classified as Common Stock. Each Board of Directors is authorized, however, to reclassify any unissued shares of stock without approval of holders of Common Stock.

#### Common Stock

BlackRock MuniHoldings Fund, Inc.

Shares issued and outstanding during the six months ended October 31, 2007 and during the year ended April 30, 2007 increased by 9,125 and 35,650, respectively, as a result of dividend reinvestment.

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Notes to Financial Statements (concluded)

BlackRock MuniHoldings Insured Fund, Inc.

Shares issued and outstanding during the six months ended October 31, 2007 and during the year ended April 30, 2007 remained constant.

Preferred Stock

Auction Market Preferred Stock are shares of Preferred Stock of the Funds, with a par value of \$.10 per share and a liquidation preference of \$25,000 per share, plus accrued and unpaid dividends that entitle their holders to receive cash dividends at an annual rate that may vary for the successive dividend periods. The yields in effect at October 31, 2007 were as follows:

	BlackRock MuniHoldings Fund, Inc.	BlackRock MuniHoldings Insured Fund, Inc.
Series A	3.50%	3.55%
Series B	3.55%	3.45%
Series C	3.55%	--

Each Fund pays commissions to certain broker-dealers at the end of each auction at an annual rate ranging from .25% to .375%, calculated on the proceeds of each auction. For the six months ended October 31, 2007, Merrill Lynch, Pierce, Fenner & Smith Incorporated, a wholly owned subsidiary of Merrill Lynch, earned commissions as follows:

	Commissions
BlackRock MuniHoldings Fund, Inc.	\$64,063
BlackRock MuniHoldings Insured Fund, Inc.	\$75,697

## 5. Capital Loss Carryforward:

On April 30, 2007, BlackRock MuniHoldings Insured Fund, Inc. had a net capital loss carryforward of \$18,093,121, of which \$8,509,208 expires in 2008 and \$9,583,913 expires in 2009. This amount will be available to offset like amounts of any future taxable gains.

## 6. Subsequent Event:

Each Fund paid a tax-exempt income dividend to holders of Common Stock in the amounts of \$.071000 and \$.048500 per share relating to BlackRock MuniHoldings Fund, Inc. and BlackRock MuniHoldings Insured Fund, Inc., respectively, on December 3, 2007 to shareholders of record on November 15, 2007.

Officers and Directors as of October 31, 2007

Robert C. Doll, Jr., Fund President and Director  
Ronald W. Forbes, Director

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Cynthia A. Montgomery, Director  
Jean Margo Reid, Director  
Roscoe S. Suddarth, Director  
Richard R. West, Director  
Donald C. Burke, Vice President and Treasurer  
Karen Clark, Chief Compliance Officer  
Howard Surloff, Secretary

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

### Transfer Agents

Common Stock:  
The Bank of New York Mellon  
101 Barclay Street--11 East  
New York, NY 10286

Preferred Stock:  
The Bank of New York Mellon  
101 Barclay Street--7 West  
New York, NY 10286

Accounting Agent  
State Street Bank and  
Trust Company  
Princeton, NJ 08540

Independent Registered Public  
Accounting Firm  
Deloitte & Touche LLP  
Princeton, NJ 08540

Legal Counsel  
Sidley Austin LLP  
New York, NY 10019

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### Additional Information

#### Proxy Results

BlackRock MuniHoldings Fund, Inc.

During the six-month period ended October 31, 2007, the Common Stock and Auction Market Preferred Stock (Series A-C) shareholders of BlackRock MuniHoldings Fund, Inc. voted on the following proposal, which was approved at an annual shareholders' meeting on August 16, 2007. This proposal was part of the reorganization of the Fund's Board of Directors to take effect on or about



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November 1, 2007. A description of the proposal and number of shares voted are as follows:

		Shares Voted For
To elect the Fund's Directors:	G. Nicholas Beckwith, III	12,886,357
	Richard E. Cavanagh	12,889,538
	Richard S. Davis	12,889,534
	Kent Dixon	12,882,622
	Kathleen F. Feldstein	12,888,926
	James T. Flynn	12,890,303
	Henry Gabbay	12,885,034
	Jerrold B. Harris	12,886,357
	R. Glenn Hubbard	12,889,538
	Karen P. Robards	12,889,035
	Robert S. Salomon, Jr.	12,897,147

During the six-month period ended October 31, 2007, the Auction Market Preferred Stock shareholders (Series A-C) of BlackRock MuniHoldings Fund, Inc. voted on the following proposal, which was approved at an annual shareholders' meeting on August 16, 2007. This proposal was part of the reorganization of the Fund's Board of Directors to take effect on or about November 1, 2007. A description of the proposal and number of shares voted for each Director are as follows:

		Shares Voted For
To elect the Fund's Directors:	Frank J. Fabozzi and W. Carl Kester	4,236

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Additional Information (continued)

Proxy Results

BlackRock MuniHoldings Insured Fund, Inc.

During the six-month period ended October 31, 2007, the Common Stock and Auction Market Preferred Stock (Series A&B) shareholders of BlackRock MuniHoldings Insured Fund, Inc. voted on the following proposal, which was approved at an annual shareholders' meeting on August 16, 2007. This proposal was part of the reorganization of the Fund's Board of Directors to take effect on or about November 1, 2007. A description of the proposal and number of shares voted are as follows:

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		Shares Voted For
To elect the Fund's Directors:	G. Nicholas Beckwith, III	11,247,765
	Richard E. Cavanagh	11,247,476
	Richard S. Davis	11,248,595
	Kent Dixon	11,245,005
	Kathleen F. Feldstein	11,249,229