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**Delaware VIP<sup>®</sup> Trust**

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**Delaware VIP International Value Equity Series**

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**Annual Report**

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December 31, 2008

## Delaware VIP® Trust — Delaware VIP International Value Equity Series

During the fiscal period that ended Dec. 31, 2008, the global economic environment became increasingly dire as markets around the world responded to the credit crisis unfolding in the United States. For the 12-month period ended Dec. 31, 2008, Delaware VIP International Value Equity Series Standard class shares returned -42.42%, while Service Class shares returned -42.67% (both figures reflect returns with dividends reinvested). This performance was slightly better than that of its benchmark index, the MSCI EAFE Index (net), which returned -43.38% during the same time frame.

As the situation worsened, most economic sectors lost value. This was especially true for cyclical sectors such as consumer discretionary stocks and industrials, where earnings tend to rise and fall along with changes in economic activity. Overall, global stock prices fell by almost one-half in emerging markets and developed markets. At the same time, oil and other commodity prices rose sharply, peaking at more than \$140 per barrel in July, and then falling to less than \$40 in December.

In contrast, traditionally defensive sectors such as healthcare and consumer staples fared better relative to the index but nevertheless produced negative returns. Specifically, these stocks tend to be less sensitive to a weakening economy and were therefore favored by investors, many of whom became increasingly nervous amid rising market volatility.

Given the turmoil in the global financial system, financial stocks around the world were hit particularly hard and might have fared even worse if not for the massive capital infusions provided by fiscal and monetary authorities around the world.

Several factors had a positive effect on the Series' performance when holdings and sector returns were compared to the benchmark index. For instance, we were significantly underexposed to financial stocks. In fact, we grew more underweight as the period progressed and sold some positions we believed to be more vulnerable. An overweight in healthcare also helped relative returns, with all of our holdings in this particular group outperforming the index.

The Series saw relative strength from certain holdings in the telecommunication services sector that held up better than their peers in the sector, especially from a position in Chunghwa Telecom. This communications services provider's stock declined but performed better than some of its peers due in part to the company's long-term strong status in the Taiwanese market as well as its extremely strong financial position. Our stocks in the information technology sector also fared better as a group than those in the benchmark, with our shares in Canadian technology outsourcing company CGI Group outperforming the group. We believe investors favored the company for its solid cash position and steady profitability, helping it fare better than other technology stocks in a declining market. One of the Series' better overall individual performers was Japanese retailer Don Quijote, the leading low-cost retailer in the country, which is in, in our opinion, a resilient niche of what is largely a deteriorating economy.

In a market that declined significantly, no industry sectors were spared, so general weakness was widespread. Our holdings in consumer staples, for instance, detracted from the Series' results relative to the benchmark. In this group, diversified German retail giant Metro was among the worst individual performers, and we believe potential investors worried that the company's business could be hurt by a decline in consumer spending. Despite a helpful underweight in financials, a position in diversified financial company ING hurt the Series. We maintained this holding because we continued to have confidence in the company's performance potential and competitive strength.

Our weakest overall performer was Petroleum Geo-Services, a Norwegian company that does seismic mapping for integrated and independent oil producers. As the price of oil plummeted in the summer, we believe the market became concerned that new energy exploration investments would decline and cut into the business of Petroleum Geo-Services. We have sold all shares in this stock. Another individual disappointment was Japan's Round One, a leading Japanese bowling and amusement facility company that was hurt by weaker consumer spending. We have kept shares of Round One and believe its dominant market position will enhance its potential for improved future performance.

Regardless of the market environment, we tend to look for the same types of stocks — companies that we believe are distinguished by strong competitive and financial positions and currently out of favor with investors, often excessively so. Ideally, we want to own companies with a market position that is secure enough they can outperform their rivals in difficult economic times. Identifying these types of companies with an attractive price and with the potential for long-term outperformance is at the core of our investment process.

Recognizing that investors' risk tolerance had declined substantially, we chose to meticulously re-evaluate the assumptions underlying every stock in the Series, and to sell those we no longer felt comfortable holding. Given the difficult credit environment, for example, we paid even closer attention to the financial strength of the companies whose stocks we held in the Series, culling companies with excessive debt loads and therefore the potential for deterioration in their future earnings prospects. With the proceeds of these stock sales, we actively reinvested in market leaders that had low share prices, but continued to provide stable earnings and cash flow streams.

The views expressed are current as of the date of this report and are subject to change.  
Data for this portfolio management review were provided by Bloomberg unless otherwise noted.

## Delaware VIP® International Value Equity Series (continued)

The performance data quoted represent past performance; past performance does not guarantee future results. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please obtain the performance data for the most recent month end by calling the number noted in the introductory section of this report on the page related to this Series.

You should consider the investment objectives, risks, charges, and expenses of the investment company carefully before investing. The Delaware VIP International Value Equity Series prospectus contains this and other important information about the Series. To obtain a prospectus, contact the company noted on the page related to this Series in the introductory section of this report, either by phone or through the company Web site. We advise you to read the prospectus carefully before you invest or send money.

### Delaware VIP International Value Equity Series

#### Average annual total returns

For periods ended Dec. 31, 2008

	1 year	3 years	5 years	10 years	Lifetime
Standard Class shares (commenced operations on Oct. 29, 1992)	-42.42%	-9.19%	+0.58%	+2.99%	+6.02%
Service Class shares (commenced operations on May 1, 2000)	-42.67%	-9.48%	+0.29%	n/a	+2.22%

As described in the Series' most recent prospectus, the net expense ratio for Service Class shares of the Series was 1.24%, while total operating expenses for Standard Class and Service Class shares were 0.99% and 1.29%, respectively. The management fee for Standard Class and Service Class shares was 0.85%.

Earnings from a variable annuity or variable life investment compound tax-free until withdrawal, and as a result, no adjustments were made for income taxes.

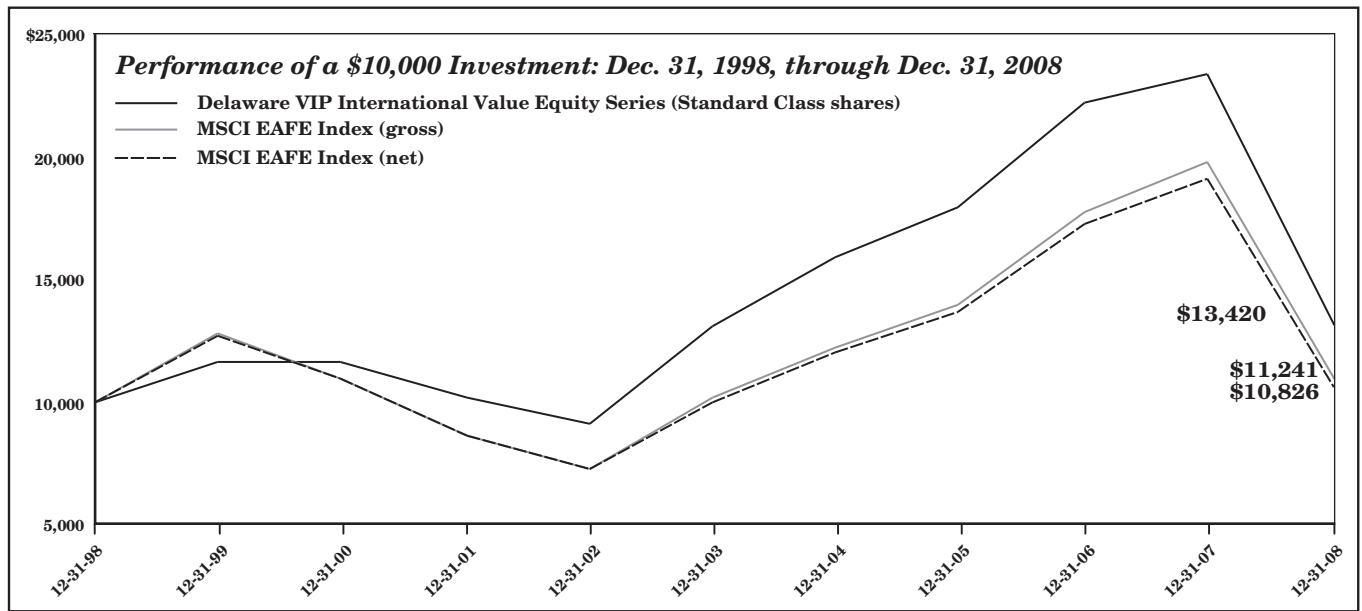
Expense limitations were in effect for all classes during certain periods shown in the Series performance chart above and in the Performance of a \$10,000 Investment chart on the next page.

Performance data do not reflect insurance fees related to a variable annuity or variable life investment or the deferred sales charge that would apply to certain withdrawals of investments held for fewer than eight years. Performance shown here would have been reduced if such fees were included and the expense limitation removed. For more information about fees, consult your variable annuity or variable life prospectus.

Investments in variable products involve risk. Foreign investments are subject to risks not ordinarily associated with domestic investments, such as currency, economic and political risks, and different accounting standards. A value stock may not increase in price if other investors do not share the portfolio managers' perception of the company's value or if factors that would typically increase the price of the security do not occur. The Series will be particularly affected by declines in stock prices, which could be caused by a drop in the overall equity market or poor performance in specific companies or industries. Some portfolios offer more risk than others.

Please read both the contract and underlying prospectus for specific details regarding the product's risk profile.

## Delaware VIP® International Value Equity Series (continued)



The chart shows a \$10,000 investment in the Delaware VIP International Value equity Series Standard Class shares for the period from Dec. 31, 1998, through Dec. 31, 2008.

The chart also shows \$10,000 invested in the MSCI EAFE Index for the period from Dec. 31, 1998, through Dec. 31, 2008. The MSCI EAFE Index measures equity market performance across developed market countries in Europe, Australasia, and the Far East. Index “gross” return reflects the maximum possible dividend reinvestment. Index “net” return approximates the minimum possible dividend reinvestment, after deduction of withholding tax at the highest possible rate.

An index is unmanaged and does not reflect the costs of operating a mutual fund, such as the costs of buying, selling, and holding securities. You cannot invest directly in an index.

Performance of Service Class shares will vary due to different charges and expenses.

Past performance is not a guarantee of future results.

## Delaware VIP® Trust — Delaware VIP International Value Equity Series Disclosure of Series Expenses

For the Period July 1, 2008 to December 31, 2008

As a shareholder of the Series, you incur ongoing costs, including management fees; distribution and/or service (12b-1) fees; and other Series expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Series and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from July 1, 2008 to December 31, 2008.

### Actual Expenses

The first section of the table shown, “Actual Series Return,” provides information about actual account values and actual expenses. You may use the information in this section of the table, together with the amount you invested, to estimate the expenses that you paid over the period. 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 in the first section under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during the period.

### Hypothetical Example for Comparison Purposes

The second section of the table shown, “Hypothetical 5% Return,” provides information about hypothetical account values and hypothetical expenses based on the Series’ actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Series’ actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Series and other funds. To do so, compare the 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only. As a shareholder of the Series, you do not incur any transaction costs, such as sales charges (loads), redemption fees or exchange fees, but shareholders of other funds may incur such costs. Also, the fees related to the variable annuity investment or the deferred sales charge that could apply have not been included. Therefore, the second section of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. The Series’ actual expenses shown in the table reflect fee waivers in effect. The expenses shown in the table assume reinvestment of all dividends and distributions.

### Expense Analysis of an Investment of \$1,000

	Beginning Account Value 7/1/08	Ending Account Value 12/31/08	Annualized Expense Ratios	Expenses Paid During Period 7/1/08 to 12/31/08*
<b>Actual Series Return</b>				
Standard Class	\$1,000.00	\$ 672.50	1.03%	\$4.33
Service Class	1,000.00	670.50	1.28%	5.37
<b>Hypothetical 5% Return (5% return before expenses)</b>				
Standard Class	\$1,000.00	\$1,019.96	1.03%	\$5.23
Service Class	1,000.00	1,018.70	1.28%	6.50

\*“Expenses Paid During Period” are equal to the Series’ annualized expense ratio, multiplied by the average account value over the period, multiplied by 184/366 (to reflect the one-half year period).

## Delaware VIP® Trust — Delaware VIP International Value Equity Series Country and Sector Allocations

As of December 31, 2008

Sector designations may be different than the sector designations presented in other Series materials. The sector designations may also represent the investment manager's internal sector classifications, which may result in the sector designations for one Series being different than another Series' sector designations.

<b>Country</b>	<b>Percentage of Net Assets</b>
<b>Common Stock</b>	<b>98.80%</b>
Australia	6.15%
Canada	3.28%
Denmark	2.34%
Finland	2.59%
France	21.38%
Germany	9.44%
Hong Kong	0.50%
Italy	2.17%
Japan	14.71%
Netherlands	3.56%
Republic of Korea	2.13%
Singapore	1.47%
Sweden	3.98%
Switzerland	3.00%
Taiwan	2.91%
United Kingdom	18.15%
United States	1.04%
<b>Repurchase Agreement</b>	<b>1.95%</b>
<b>Securities Lending Collateral</b>	<b>11.37%</b>
<b>Total Value of Securities</b>	<b>112.12%</b>
<b>Obligation to Return Securities Lending Collateral</b>	<b>(12.15%)</b>
<b>Receivables and Other Assets Net of Liabilities</b>	<b>0.03%</b>
<b>Total Net Assets</b>	<b>100.00%</b>

<b>Sector</b>	<b>Percentage of Net Assets</b>
Consumer Discretionary	13.98%
Consumer Staples	9.25%
Energy	8.27%
Financials	9.39%
Health Care	12.97%
Industrials	15.02%
Information Technology	12.42%
Materials	3.31%
Telecommunication Services	10.69%
Utilities	3.50%
<b>Total</b>	<b>98.80%</b>

**Delaware VIP® Trust — Delaware VIP International Value Equity Series**  
**Statement of Net Assets**

December 31, 2008

	Number of Shares	Value (U.S. \$)		Number of Shares	Value (U.S. \$)
<b>COMMON STOCK-98.80%<sup>Δ</sup></b>			<b>COMMON STOCK (continued)</b>		
<b>Australia-6.15%</b>			<b>Singapore-1.47%</b>		
±Coca-Cola Amatil.....	418,544	\$ 2,744,195	±Singapore Airlines.....	137,000	\$ 1,083,702
±Telstra.....	656,728	<u>1,793,768</u>			<u>1,083,702</u>
		<b>4,537,963</b>	<b>Sweden-3.98%</b>		
<b>Canada-3.28%</b>			±*Ericsson Class B.....		
†CGI Group Class A.....	306,479	2,417,980	±Nordea Bank .....	176,062	1,668,213
		<u>2,417,980</u>			<u>1,267,869</u>
<b>Denmark-2.34%</b>			<b>Switzerland-3.00%</b>		
±Novo Nordisk Class B.....	33,224	1,722,266	±Novartis .....	44,323	2,213,417
		<u>1,722,266</u>			<u>2,213,417</u>
<b>Finland-2.59%</b>			<b>Taiwan-2.91%</b>		
±Nokia.....	120,987	1,907,932	Chunghwa Telecom ADR .....	137,482	2,144,719
		<u>1,907,932</u>			<u>2,144,719</u>
<b>France-21.38%</b>			<b>United Kingdom-18.15%</b>		
±*AXA.....	66,976	1,510,727	±AstraZeneca.....	51,213	2,126,546
±*Compagnie de Saint-Gobain.....	29,757	1,412,956	±BP.....	345,147	2,702,986
±France Telecom.....	68,634	1,922,444	±Greggs.....	19,605	992,475
±*Lafarge.....	15,748	967,918	±National Grid .....	256,319	2,572,643
±PPR.....	6,908	454,533	±Standard Chartered.....	74,740	962,390
±Publicis Groupe .....	40,221	1,043,138	±Tomkins .....	576,893	1,054,238
±Sanofi-Aventis .....	27,237	1,750,752	±Vodafone Group.....	949,765	1,973,934
±*Teleperformance.....	63,752	1,793,263	±*WPP Group.....	169,351	998,226
±Total.....	47,604	2,630,129			<u>13,383,438</u>
±Vallourec .....	6,042	690,362	<b>United States-1.04%</b>		
±Vivendi.....	48,400	1,585,327	†Transocean .....	16,300	770,175
		<u>15,761,549</u>			<u>770,175</u>
<b>Germany-9.44%</b>			<b>Total Common Stock</b>		
±Bayerische Motoren Werke.....	42,878	1,345,109	<b>(cost \$100,453,273) .....</b>		
±Deutsche Post.....	156,428	2,635,369			<u>72,849,009</u>
±Linde.....	17,213	1,471,188			
±Metro.....	37,627	1,512,167			
		<u>6,963,833</u>			
<b>Hong Kong-0.50%</b>			<b>REPURCHASE AGREEMENT** -1.95%</b>		
±*Techtron Industries.....	1,818,359	365,533	BNP Paribas 0.005%, dated 12/31/08, to		
		<u>365,533</u>	be repurchased on 1/2/09, repurchase		
<b>Italy-2.17%</b>			price \$1,437,000 (collateralized by U.S.		
±Parmalat.....	950,568	1,602,526	Government obligations, 10/22/09; with		
		<u>1,602,526</u>	market value \$1,467,188).....		
<b>Japan-14.71%</b>			\$1,437,000		
±Asahi Glass.....	129,000	734,732	<b>Total Repurchase Agreement</b>		
±Canon.....	51,680	1,636,105	<b>(cost \$1,437,000) .....</b>		
±*Don Quijote.....	65,400	1,302,796			<u>1,437,000</u>
±Mitsubishi UFJ Financial Group.....	368,235	2,312,498	<b>Total Value of Securities</b>		
±*NGK Spark Plug .....	125,000	1,003,428	<b>Before Securities Lending</b>		
±*Ono Pharmaceutical.....	32,700	1,701,093	<b>Collateral-100.75%</b>		
±*Round One.....	1,416	1,048,831	<b>(cost \$101,890,273) .....</b>		
±Toyota Motor .....	33,443	1,104,656			<u>74,286,009</u>
		<u>10,844,139</u>			
<b>Netherlands-3.56%</b>			<b>SECURITIES LENDING</b>		
±ING Groep CVA.....	88,484	978,649	<b>COLLATERAL***-11.37%</b>		
±Koninklijke Philips Electronics.....	82,585	1,645,460	Investment Companies		
		<u>2,624,109</u>	Mellon GSL DBT II Collateral Fund .....	8,638,648	8,370,331
<b>Republic of Korea-2.13%</b>			†Mellon GSL DBT II Liquidation Trust....	322,640	10,647
±Samsung Electronics.....	4,317	1,569,646	<b>Total Securities Lending Collateral</b>		
		<u>1,569,646</u>	<b>(cost \$8,961,288) .....</b>		
					<u>8,380,978</u>

**Delaware VIP® International Value Equity Series  
Statement of Net Assets (continued)**

TOTAL VALUE OF SECURITIES-112.12% (cost \$110,851,561) .....	\$ 82,666,987 <sup>^</sup>
OBLIGATION TO RETURN SECURITIES LENDING COLLATERAL <sup>***</sup> -(12.15%) .....	(8,961,288)
RECEIVABLES AND OTHER ASSETS NET OF LIABILITIES-0.03% .....	<u>24,337</u>
NET ASSETS APPLICABLE TO 9,654,855 SHARES OUTSTANDING-100.00% .....	<u>\$ 73,730,036</u>
NET ASSET VALUE-DELAWARE VIP INTERNATIONAL VALUE EQUITY SERIES STANDARD CLASS (\$73,712,418 / 9,652,543 Shares) ....	<u>\$7.64</u>
NET ASSET VALUE-DELAWARE VIP INTERNATIONAL VALUE EQUITY SERIES SERVICE CLASS (\$17,618 / 2,312 Shares) .....	<u>\$7.62</u>
<b>COMPONENTS OF NET ASSETS AT DECEMBER 31, 2008:</b>	
Shares of beneficial interest (unlimited authorization-no par) .....	\$118,982,606
Undistributed net investment income .....	2,752,001
Accumulated net realized loss on investments .....	(19,819,314)
Net unrealized depreciation of investments and foreign currencies .....	<u>(28,185,257)</u>
Total net assets .....	<u>\$ 73,730,036</u>

<sup>Δ</sup>Securities have been classified by country of origin. Classification by type of business has been presented on page 5 in "Country and sector allocations."

<sup>±</sup>Security is being fair valued based on international fair value pricing. At December 31, 2008, the aggregate amount of international fair value priced securities was \$66,467,304, which represented 90.15% of the Series' net assets. See Note 1 in "Notes to Financial Statements."

<sup>=</sup>Security is being fair valued in accordance with the Series' fair valuation policy. At December 31, 2008, the aggregate amount of fair valued securities was \$1,048,831, which represented 1.42% of the Series' net assets. See Note 1 in "Notes to Financial Statements."

<sup>†</sup>Non-income producing security.

\*Fully or partially on loan.

\*\*See Note 1 in "Notes to Financial Statements."

\*\*\*See Note 9 in "Notes to Financial Statements."

<sup>^</sup>Includes \$8,217,360 of securities loaned.

**Summary of Abbreviations:**

ADR - American Depositary Receipts

CVA - Dutch Certificate

See accompanying notes

**Delaware VIP® Trust —  
Delaware VIP International Value Equity Series  
Statement of Operations**

Year Ended December 31, 2008

**INVESTMENT INCOME:**

Dividends.....	\$ 4,497,565
Securities lending income.....	225,630
Interest .....	33,723
Foreign tax withheld.....	<u>(383,041)</u>
	<u>4,373,877</u>

**EXPENSES:**

Management fees .....	971,663
Custodian fees .....	80,038
Accounting and administration expenses.....	45,725
Reports and statements to shareholders .....	31,271
Audit and tax.....	18,369
Legal fees .....	15,298
Dividend disbursing and transfer agent fees and expenses .....	14,592
Trustees' fees .....	6,718
Pricing fees .....	5,074
Insurance fees .....	2,921
Consulting fees.....	1,509
Dues and services.....	1,381
Trustees' expenses .....	435
Distribution expenses – Service Class.....	393
Registration fees .....	<u>230</u>
	1,195,617
Less management fees absorbed or waived.....	(8,058)
Less waiver of distribution expenses – Service Class .....	(65)
Less expense paid indirectly.....	<u>(1,076)</u>
Total operating expenses .....	<u>1,186,418</u>

**NET INVESTMENT INCOME.....** 3,187,459

**NET REALIZED AND UNREALIZED LOSS ON  
INVESTMENTS AND FOREIGN CURRENCIES:**

Net realized loss on:	
Investments.....	(19,358,072)
Foreign currencies .....	<u>(429,156)</u>
Net realized loss.....	<u>(19,787,228)</u>
Net change in unrealized appreciation/depreciation of investments and foreign currencies.....	<u>(43,258,358)</u>

**NET REALIZED AND UNREALIZED LOSS ON  
INVESTMENTS AND FOREIGN CURRENCIES .....**

(63,045,586)

**NET DECREASE IN NET ASSETS RESULTING  
FROM OPERATIONS.....**

\$(59,858,127)

See accompanying notes

**Delaware VIP Trust —  
Delaware VIP International Value Equity Series  
Statements of Changes in Net Assets**

	Year Ended	
	12/31/08	12/31/07
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:</b>		
Net investment income.....	\$ 3,187,459	\$ 2,830,064
Net realized gain (loss) on investments and foreign currencies .....	(19,787,228)	9,464,771
Net change in unrealized appreciation/ depreciation of investments and foreign currencies .....	<u>(43,258,358)</u>	<u>(3,269,329)</u>
Net increase (decrease) in net assets resulting from operations .....	<u>(59,858,127)</u>	<u>9,025,506</u>
<b>DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS FROM:</b>		
Net investment income:		
Standard Class.....	(2,740,721)	(3,694,827)
Service Class .....	(2,558)	(3,271)
Net realized gain on investments:		
Standard Class.....	(10,032,456)	(65,626,826)
Service Class .....	<u>(10,984)</u>	<u>(64,716)</u>
	<u>(12,786,719)</u>	<u>(69,389,640)</u>
<b>CAPITAL SHARE TRANSACTIONS:</b>		
Proceeds from shares sold:		
Standard Class.....	3,040,855	2,885,952
Service Class .....	8,082	130,583
Net asset value of shares issued upon reinvestment of dividends and distributions:		
Standard Class.....	12,773,177	69,321,653
Service Class .....	<u>13,542</u>	<u>67,987</u>
	<u>15,835,656</u>	<u>72,406,175</u>
Cost of shares repurchased:		
Standard Class.....	(23,233,738)	(31,233,434)
Service Class .....	<u>(98,506)</u>	<u>(13,734)</u>
	<u>(23,332,244)</u>	<u>(31,247,168)</u>
Increase (decrease) in net assets derived from capital share transactions .....	<u>(7,496,588)</u>	<u>41,159,007</u>
<b>NET DECREASE IN NET ASSETS.....</b>	<u>(80,141,434)</u>	<u>(19,205,127)</u>
<b>NET ASSETS:</b>		
Beginning of year .....	<u>153,871,470</u>	<u>173,076,597</u>
End of year (including undistributed net investment income of \$2,752,001 and \$2,732,837, respectively) .....	<u>\$ 73,730,036</u>	<u>\$153,871,470</u>

See accompanying notes

## Delaware VIP® Trust — Delaware VIP International Value Equity Series Financial Highlights

Selected data for each share of the Series outstanding throughout each period were as follows:

	Delaware VIP International Value Equity Series Standard Class				
	Year Ended				
	12/31/08	12/31/07	12/31/06	12/31/05	12/31/04
Net asset value, beginning of period.....	\$ 14.700	\$ 23.100	\$ 20.380	\$ 18.550	\$ 15.660
<b>Income (loss) from investment operations:</b>					
Net investment income <sup>1</sup> .....	0.306	0.273	0.512	0.496	0.396
Net realized and unrealized gain (loss) on investments and foreign currencies.....	(6.103)	0.858	4.043	1.838	2.920
Total from investment operations.....	(5.797)	1.131	4.555	2.334	3.316
<b>Less dividends and distributions from:</b>					
Net investment income.....	(0.271)	(0.508)	(0.616)	(0.291)	(0.426)
Net realized gain on investments.....	(0.992)	(9.023)	(1.219)	(0.213)	—
Total dividends and distributions.....	(1.263)	(9.531)	(1.835)	(0.504)	(0.426)
Net asset value, end of period.....	\$ 7.640	\$ 14.700	\$ 23.100	\$ 20.380	\$ 18.550
Total return <sup>2</sup> .....	(42.42%)	5.24%	23.59%	12.87%	21.79%
<b>Ratios and supplemental data:</b>					
Net assets, end of period (000 omitted).....	\$ 73,712	\$153,691	\$173,017	\$161,293	\$164,544
Ratio of expenses to average net assets.....	1.04%	0.99%	1.01%	1.00%	0.99%
Ratio of expenses to average net assets prior to fees waived and expenses paid indirectly.....	1.05%	0.99%	1.01%	1.02%	0.99%
Ratio of net investment income to average net assets.....	2.79%	1.66%	2.44%	2.63%	2.46%
Ratio of net investment income to average net assets prior to fees waived and expenses paid indirectly.....	2.78%	1.66%	2.44%	2.61%	2.46%
Portfolio turnover.....	35%	21%	114%	8%	10%

<sup>1</sup>The average shares outstanding method has been applied for per share information.

<sup>2</sup>Total investment return is based on the change in net asset value of a share during the period and assumes reinvestment of dividends and distributions at net asset value. Total investment return reflects a waiver by the manager, as applicable. Performance would have been lower had the waiver not been in effect.

See accompanying notes

## Delaware VIP® International Value Equity Series Financial Highlights (continued)

Selected data for each share of the Series outstanding throughout each period were as follows:

	Delaware VIP International Value Equity Series Service Class				
	Year Ended				
	12/31/08	12/31/07	12/31/06	12/31/05	12/31/04
Net asset value, beginning of period.....	\$ 14.660	\$ 23.050	\$ 20.350	\$ 18.520	\$ 15.650
<b>Income (loss) from investment operations:</b>					
Net investment income <sup>1</sup> .....	0.279	0.233	0.459	0.449	0.356
Net realized and unrealized gain (loss) on investments and foreign currencies.....	(6.096)	0.856	4.029	1.845	2.911
Total from investment operations.....	(5.817)	1.089	4.488	2.294	3.267
<b>Less dividends and distributions from:</b>					
Net investment income.....	(0.231)	(0.456)	(0.569)	(0.251)	(0.397)
Net realized gain on investments.....	(0.992)	(9.023)	(1.219)	(0.213)	—
Total dividends and distributions.....	(1.223)	(9.479)	(1.788)	(0.464)	(0.397)
Net asset value, end of period.....	\$ 7.620	\$ 14.660	\$ 23.050	\$ 20.350	\$ 18.520
Total return <sup>2</sup> .....	(42.67%)	4.98%	23.24%	12.65%	21.44%
<b>Ratios and supplemental data:</b>					
Net assets, end of period (000 omitted).....	\$ 18	\$ 180	\$ 60	\$ 62	\$ 95
Ratio of expenses to average net assets.....	1.29%	1.24%	1.26%	1.25%	1.24%
Ratio of expenses to average net assets prior to fees waived and expenses paid indirectly.....	1.35%	1.29%	1.31%	1.32%	1.29%
Ratio of net investment income to average net assets.....	2.54%	1.41%	2.19%	2.38%	2.21%
Ratio of net investment income to average net assets prior to fees waived and expenses paid indirectly.....	2.48%	1.36%	2.14%	2.31%	2.16%
Portfolio turnover.....	35%	21%	114%	8%	10%

<sup>1</sup>The average shares outstanding method has been applied for per share information.

<sup>2</sup>Total investment return is based on the change in net asset value of a share during the period and assumes reinvestment of dividends and distributions at net asset value. Total investment return reflects a waiver by the manager and distributor, as applicable. Performance would have been lower had the waiver not been in effect.

See accompanying notes

# Delaware VIP® Trust — Delaware VIP International Value Equity Series

## Notes to Financial Statements

December 31, 2008

Delaware VIP Trust (Trust) is organized as a Delaware statutory trust and offers 14 series: Delaware VIP Balanced Series, Delaware VIP Capital Reserves Series, Delaware VIP Cash Reserve Series, Delaware VIP Diversified Income Series, Delaware VIP Emerging Markets Series, Delaware VIP Growth Opportunities Series, Delaware VIP High Yield Series, Delaware VIP International Value Equity Series, Delaware VIP REIT Series, Delaware VIP Select Growth Series, Delaware VIP Small Cap Value Series, Delaware VIP Trend Series, Delaware VIP U.S. Growth Series and Delaware VIP Value Series. These financial statements and the related notes pertain to Delaware VIP International Value Equity Series (Series). The Trust is an open-end investment company. The Series is considered diversified under the Investment Company Act of 1940, as amended, and offers Standard Class and Service Class shares. The Standard Class shares do not carry a 12b-1 fee and the Service Class shares carry a 12b-1 fee. The shares of the Series are sold only to separate accounts of life insurance companies.

The investment objective of the Series is to seek long-term growth without undue risk to principal.

### 1. Significant Accounting Policies

The following accounting policies are in accordance with U.S. generally accepted accounting principles and are consistently followed by the Series.

*Security Valuation*—Equity securities, except those traded on the Nasdaq Stock Market, Inc. (Nasdaq), are valued at the last quoted sales price as of the time of the regular close of the New York Stock Exchange (NYSE) on the valuation date. Securities traded on the Nasdaq are valued in accordance with the Nasdaq Official Closing Price, which may not be the last sales price. If on a particular day an equity security does not trade, then the mean between the bid and ask prices will be used. Securities listed on a foreign exchange are valued at the last quoted sales price on the valuation date. Short-term debt securities having less than 60 days to maturity are valued at amortized cost, which approximates market value. Investment companies are valued at net asset value per share. Foreign currency exchange contracts are valued at the mean between the bid and asked prices. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available. Generally, other securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith under the direction of the Series' Board of Trustees (Board). In determining whether market quotations are readily available or fair valuation will be used, various factors will be taken into consideration, such as market closures or suspension of trading in a security. The Series may use fair value pricing more frequently for securities traded primarily in non-U.S. markets because, among other things, most foreign markets close well before the Series values its securities at 4:00 p.m. Eastern Time. The earlier close of these foreign markets gives rise to the possibility that significant events, including broad market moves, government actions or pronouncements, aftermarket trading or news events, may have occurred in the interim. To account for this, the Series may frequently value foreign securities using fair value prices based on third-party vendor modeling tools (international fair value pricing).

*Federal Income Taxes*—The Series intends to continue to qualify for federal income tax purposes as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended, and make the requisite distributions to shareholders. Accordingly, no provision for federal income taxes has been made in the financial statements.

The Series evaluates tax positions taken or expected to be taken in the course of preparing the Series' tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. The Series did not record any tax benefit or expense in the current period.

*Class Accounting*—Investment income, common expenses and realized and unrealized gain (loss) on investments are allocated to the classes of the Series on the basis of daily net assets of each class. Distribution expenses relating to a specific class are charged directly to that class.

*Repurchase Agreements*—The Series may invest in a pooled cash account along with other members of the Delaware Investments® Family of Funds pursuant to an exemptive order issued by the Securities and Exchange Commission. The aggregate daily balance of the pooled cash account is invested in repurchase agreements secured by obligations of the U.S. government. The respective collateral is held by the Series' custodian bank until the maturity of the respective repurchase agreements. Each repurchase agreement is at least 102% collateralized. However, in the event of default or bankruptcy by the counterparty to the agreement, realization of the collateral may be subject to legal proceedings.

*Foreign Currency Transactions*—Transactions denominated in foreign currencies are recorded at the prevailing exchange rates on the valuation date. The value of all assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the exchange rate of such currencies against the U.S. dollar daily. Transaction gains or losses resulting from changes in exchange rates during the reporting period or upon settlement of the foreign currency transaction are reported in operations for the current period. The Series does not isolate that portion of realized gains and losses on investments which are due to changes in foreign exchange rates from that which are due to changes in market prices. The Series reports certain foreign currency related transactions as components of realized gains (losses) for financial reporting purposes, whereas such components are treated as ordinary income (loss) for federal income tax purposes.

*Use of Estimates*—The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Other*—Expenses directly attributable to the Series are charged directly to the Series. Other expenses common to various funds within the Delaware Investments Family of Funds are generally allocated amongst such funds on the basis of average net assets. Management fees and some other expenses are paid monthly. Security transactions are recorded on the date the securities are purchased or sold (trade date) for financial reporting purposes. Costs used in calculating realized gains and losses on the sale of investment securities are those of the specific securities sold. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis. Foreign dividends are also recorded on the ex-dividend date or as soon after the ex-dividend date that the Series is aware of such dividends, net of all non-rebatable tax withholdings. Withholding taxes on foreign dividends have been recorded in accordance with the Series' understanding of the applicable country's tax rules and rates.

The Series declares and pays dividends from net investment income and distributions from net realized gain on investments, if any, following the close of the fiscal year.

The Series may receive earnings credits from its custodian when positive cash balances are maintained, which are used to offset custody fees. The expense paid under this arrangement is included in custodian fees on the Statement of Operations with the corresponding expense offset shown as "expense paid indirectly."

## Delaware VIP® International Value Equity Series Notes to Financial Statements (continued)

### 2. Investment Management, Administration Agreements and Other Transactions with Affiliates

In accordance with the terms of its investment management agreement, the Series pays Delaware Management Company (DMC), a series of Delaware Management Business Trust and the investment manager, an annual fee which is calculated daily at the rate of 0.85% on the first \$500 million of average daily net assets of the Series, 0.80% on the next \$500 million, 0.75% on the next \$1.5 billion, and 0.70% on average daily net assets in excess of \$2.5 billion.

Effective May 1, 2008, DMC has contractually agreed to waive that portion, if any, of its management fee and reimburse the Series to the extent necessary to ensure that total annual operating expenses (excluding any 12b-1 plan expenses, taxes, interest, inverse floater program expenses, brokerage fees, certain insurance costs, and non-routine expenses or costs including, but not limited to, those relating to reorganizations, litigation, conducting shareholder meetings, and liquidations (collectively, "non-routine expenses")) does not exceed 1.01% of average daily net assets of the Series through April 30, 2009. For purposes of this waiver and reimbursement, non-routine expenses may also include such additional costs and expenses, as may be agreed upon from time to time by the Series' Board and DMC. This expense waiver and reimbursement applies only to expenses paid directly by the Series.

Delaware Service Company, Inc. (DSC), an affiliate of DMC, provides fund accounting and financial administration oversight services to the Series. For these services, the Series pays DSC fees based on the aggregate daily net assets of the Delaware Investments® Family of Funds at the following annual rate: 0.0050% of the first \$30 billion; 0.0045% of the next \$10 billion; 0.0040% of the next \$10 billion; and 0.0025% of aggregate average daily net assets in excess of \$50 billion. The fees payable to DSC under the service agreement described above are allocated among all funds in the Delaware Investments Family of Funds on a relative net asset value basis. For the year ended December 31, 2008, the Series was charged \$5,716 for these services.

DSC also provides dividend disbursing and transfer agency services. The Series pays DSC a monthly fee based on the number of shareholder accounts for dividend disbursing and transfer agent services.

Pursuant to a distribution agreement and distribution plan, the Series pays Delaware Distributors, L.P. (DDL), the distributor and an affiliate of DMC, an annual distribution and service fee not to exceed 0.30% of the average daily net assets of the Service Class shares. DDL has contracted to waive distribution and service fees through April 30, 2009 in order to prevent distribution and service fees of the Service Class shares from exceeding 0.25% of average daily net assets. Standard Class shares pay no distribution and service expenses.

At December 31, 2008, the Series had liabilities payable to affiliates as follows:

<u>Investment Management Fee Payable to DMC</u>	<u>Dividend Disbursing Transfer Agent and Fund Accounting Oversight Fees and Other Expenses Payable to DSC</u>	<u>Distribution Fee Payable to DDL</u>	<u>Other Expenses Payable to DMC and Affiliates*</u>
\$66,714	\$1,485	\$16	\$3,185

\*DMC, as part of its administrative services, pays operating expenses on behalf of the Series and is reimbursed on a periodic basis. Such expenses include items such as printing of shareholder reports, fees for audit, legal and tax services, custodian fees and trustees' fees.

As provided in the investment management agreement, the Series bears the cost of certain legal and tax services, including internal legal and tax services provided to the Series by DMC and/or its affiliates' employees. For the year ended December 31, 2008, the Series was charged \$7,864 for internal legal and tax services provided by DMC and/or its affiliates' employees.

Trustees' fees include expenses accrued by the Series for each Trustee's retainer and meeting fees. Certain officers of DMC, DSC and DDL are officers and/or Trustees of the Trust. These officers and Trustees are paid no compensation by the Series.

### 3. Investments

For the six months ended December 31, 2008, the Series made purchases and sales of investment securities other than short-term investments as follows:

Purchases	\$39,240,155
Sales	55,997,852

At December 31, 2008, the cost of investments and unrealized appreciation (depreciation) for federal income tax purposes for the Series were as follows:

<u>Cost of Investments</u>	<u>Aggregate Unrealized Appreciation</u>	<u>Aggregate Unrealized Depreciation</u>	<u>Net Unrealized Depreciation</u>
\$111,330,640	\$3,374,965	\$(32,038,618)	\$(28,663,653)

## Delaware VIP® International Value Equity Series Notes to Financial Statements (continued)

### 3. Investments (continued)

Effective January 1, 2008, the Series adopted Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 defines fair value as the price that the Series would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. FAS 157 also establishes a framework for measuring fair value and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available under the circumstances. The Series' investment in its entirety is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three-tier hierarchy of inputs is summarized below.

Level 1 – inputs are quoted prices in active markets

Level 2 – inputs that are observable, directly or indirectly

Level 3 – inputs are unobservable and reflect assumptions on the part of the reporting entity

The following table summarizes the valuation of the Series' investments by the FAS 157 fair value hierarchy levels as of December 31, 2008:

	<u>Securities</u>
Level 1 .....	\$ 6,769,874
Level 2 .....	74,837,635
Level 3 .....	1,059,478
Total .....	<u>\$82,666,987</u>

As a result of utilizing international fair value pricing at December 31, 2008, the majority of the portfolio was categorized as level 2 in the FAS 157 hierarchy.

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

	<u>Securities</u>
Balance as of 12/31/2007 .....	\$ 1,191,955
Net realized gain (loss) .....	21,794
Net change in unrealized appreciation/depreciation .....	(2,912,816)
Net purchases, sales, and settlements .....	(717,993)
Net transfers in and/or out of Level 3 .....	3,476,538
Balance as of 12/31/08 .....	<u>\$ 1,059,478</u>

Net change in unrealized appreciation/depreciation from investments still held as of 12/31/08 .....	\$ 2,417,060
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### 4. Dividend and Distribution Information

Income and long-term capital gain distributions are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles. Additionally, distributions from net gains on foreign currency transactions and net short-term gains on sales of investment securities are treated as ordinary income for federal income tax purposes. The tax character of dividends and distributions paid during the years ended December 31, 2008 and 2007 was as follows:

	<u>Year Ended 12/31/08</u>	<u>Year Ended 12/31/07</u>
Ordinary income .....	\$ 5,279,879	\$ 4,884,812
Long-term capital gain .....	7,506,840	64,504,828
Total .....	<u>\$12,786,719</u>	<u>\$69,389,640</u>

### 5. Components of Net Assets on a Tax Basis

As of December 31, 2008, the components of net assets on a tax basis were as follows:

Shares of beneficial interest .....	\$ 118,982,606
Undistributed ordinary income .....	2,818,951
Post-October losses .....	(6,586,521)
Post-October currency losses .....	(66,950)
Capital loss carryforwards .....	(12,753,714)
Unrealized depreciation of investments and foreign currencies .....	<u>(28,664,336)</u>
Net assets .....	<u>\$ 73,730,036</u>

## Delaware VIP® International Value Equity Series Notes to Financial Statements (continued)

### 5. Components of Net Assets on a Tax Basis (continued)

The differences between book basis and tax basis components of net assets are primarily attributable to tax deferral of losses on wash sales.

Post-October losses represent losses realized on investment and foreign currency transactions from November 1, 2008 through December 31, 2008 that, in accordance with federal income tax regulations, the Series has elected to defer and treat as having arisen in the following year.

For financial reporting purposes, capital accounts are adjusted to reflect the tax character of permanent book/tax differences. Reclassifications are primarily due to tax treatment of gain (loss) on foreign currency transactions and dividends and distributions. Results of operations and net assets were not affected by these reclassifications. For the year ended December 31, 2008, the Series recorded the following reclassifications:

<b>Undistributed Net Investment Income</b>	<b>Accumulated Net Realized Gain (Loss)</b>
<u>\$(425,016)</u>	<u>\$425,016</u>

For federal income tax purposes, capital loss carryforwards may be carried forward and applied against future capital gains. Capital loss carryforwards remaining at December 31, 2008 will expire as follows: \$12,753,714 expires in 2016.

### 6. Capital Shares

Transactions in capital shares were as follows:

	<b>Year Ended 12/31/08</b>	<b>Year Ended 12/31/07</b>
Shares sold:		
Standard Class .....	268,376	118,564
Service Class .....	744	5,928
Shares issued upon reinvestment of dividends and distributions:		
Standard Class .....	1,090,792	4,754,572
Service Class .....	1,157	4,666
	<u>1,361,069</u>	<u>4,883,730</u>
Shares repurchased:		
Standard Class .....	(2,161,739)	(1,907,104)
Service Class .....	(11,916)	(842)
	<u>(2,173,655)</u>	<u>(1,907,946)</u>
Net increase (decrease) .....	<u>(812,586)</u>	<u>2,975,784</u>

### 7. Line of Credit

The Series, along with certain other funds in the Delaware Investments® Family of Funds (Participants), was a participant in a \$225,000,000 revolving line of credit with The Bank of New York Mellon (BNY Mellon) to be used for temporary or emergency purposes as an additional source of liquidity to fund redemptions of investor shares. Under the agreement, Participants were charged an annual commitment fee, which was allocated across the Participants on the basis of each Participant's allocation of the entire facility. The Participants were permitted to borrow up to a maximum of one third of their net assets under the agreement. The agreement expired on November 18, 2008.

Effective as of November 18, 2008, the Series, along with the other Participants entered into an amendment to the agreement with BNY Mellon for a \$35,000,000 revolving line of credit. The agreement, as amended, is to be used as described above and operates in substantially the same manner as the original agreement. The agreement, as amended, expires on November 17, 2009. The Series had no amounts outstanding as of December 31, 2008, or at any time during the year then ended.

### 8. Foreign Currency Exchange Contracts

The Series may enter into foreign currency exchange contracts as a way of managing foreign exchange rate risk. The Series may enter into these contracts to fix the U.S. dollar value of a security that it has agreed to buy or sell for the period between the date the trade was entered into and the date the security is delivered and paid for. The Series may also use these contracts to hedge the U.S. dollar value of securities it already owns that are denominated in foreign currencies. The change in value is recorded as an unrealized gain or loss. When the contract is closed, a realized gain or loss is recorded 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.

The use of foreign currency exchange contracts does not eliminate fluctuations in the underlying prices of the securities, but does establish a rate of exchange that can be achieved in the future. Although foreign currency exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency increase. In addition, the Series could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. There were no foreign currency exchange contracts outstanding at December 31, 2008.

## Delaware VIP® International Value Equity Series Notes to Financial Statements (continued)

### 9. Securities Lending

The Series, along with other funds in the Delaware Investments® Family of Funds, may lend its securities pursuant to a security lending agreement (Lending Agreement) with BNY Mellon. With respect to each loan, if the aggregate market value of securities collateral held plus cash collateral received on any business day is less than the aggregate market value of the securities which are the subject of such loan, the borrower will be notified to provide additional collateral not less than the applicable collateral requirements. Cash collateral received is generally invested in the Mellon GSL DBT II Collateral Fund (Collective Trust) established by BNY Mellon for the purpose of investment on behalf of clients participating in its securities lending programs. The Collective Trust invests in fixed income securities, with a weighted average maturity not to exceed 90 days, rated in one of the top three tiers by Standard & Poor's Ratings Group or Moody's Investors Service, Inc. or repurchase agreements collateralized by such securities. The Collective Trust seeks to maintain a net asset value per unit of \$1.00, but there can be no assurance that it will be able to do so. The Series may incur investment losses as a result of investing securities lending collateral in the Collective Trust. This could occur if an investment in the Collective Trust defaulted or if it were necessary to liquidate assets in the Collective Trust to meet returns on outstanding security loans at a time when the Collective Trust's net asset value per unit was less than \$1.00. Under those circumstances, the Series may not receive an amount from the Collective Trust that is equal in amount to the collateral the Series would be required to return to the borrower of the securities and the Series would be required to make up for this shortfall. During the fiscal period ended December 31, 2008, BNY Mellon transferred certain distressed securities from the Collective Trust into the Mellon GSL DBT II Liquidation Trust. The Series can also accept U.S. government securities and letters of credit (non-cash collateral) in connection with securities loans. In the event of default or bankruptcy by the lending agent, realization and/or retention of the collateral may be subject to legal proceedings. In the event the borrower fails to return loaned securities and the collateral received is insufficient to cover the value of the loaned securities and provided such collateral shortfall is not the result of investment losses, the lending agent has agreed to pay the amount of the shortfall to the Series, or at the discretion of the lending agent, replace the loaned securities. The Series continues to record dividends or interest, as applicable, on the securities loaned and is subject to change in value of the securities loaned that may occur during the term of the loan. The Series has the right under the Lending Agreement to recover the securities from the borrower on demand. With respect to security loans collateralized by non-cash collateral, the Series receives loan premiums paid by the borrower. With respect to security loans collateralized by cash collateral, the earnings from the collateral investments are shared among the Series, the security lending agent and the borrower. The Series records security lending income net of allocations to the security lending agent and the borrower.

At December 31, 2008, the value of the securities on loan was \$8,217,360, for which the Series received collateral, comprised of non-cash collateral valued at \$44,831, and cash collateral of \$8,961,288. Investments purchased with cash collateral are presented on the Statement of net assets under the caption "Securities Lending Collateral."

### 10. Credit and Market Risk

Some countries in which the Series may invest require governmental approval for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors. In addition, if there is deterioration in a country's balance of payments or for other reasons, a country may impose temporary restrictions on foreign capital remittances abroad.

The securities exchanges of certain foreign markets are substantially smaller, less liquid, and more volatile than the major securities markets in the United States. Consequently, acquisition and disposition of securities by the Series may be inhibited. In addition, a significant portion of the aggregate market value of equity securities listed on the major securities exchanges in emerging markets are held by a smaller number of investors. This may limit the number of shares available for acquisition or disposition by the Series.

The Series may invest up to 10% of its net assets in illiquid securities, which may include securities with contractual restrictions on resale, securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended, and other securities which may not be readily marketable. The relative illiquidity of these securities may impair the Series from disposing of them in a timely manner and at a fair price when it is necessary or desirable to do so. While maintaining oversight, the Series' Board has delegated to DMC the day-to-day functions of determining whether individual securities are liquid for purposes of the Series' limitation on investments in illiquid assets. Securities eligible for resale pursuant to Rule 144A, which are determined to be liquid, are not subject to the Series' limit on investments in illiquid securities. As of December 31, 2008, there were no Rule 144A securities and no securities have been determined to be illiquid under the Series' Liquidity Procedures.

### 11. Contractual Obligations

The Series enters into contracts in the normal course of business that contain a variety of indemnifications. The Series' maximum exposure under these arrangements is unknown. However, the Series has not had prior claims or losses pursuant to these contracts. Management has reviewed the Series' existing contracts and expects the risk of loss to be remote.

### 12. Tax Information (Unaudited)

For the fiscal year ended December 31, 2008, the Series designates distributions paid during the year as follows:

(A) Long-Term Capital Gain Distributions (Tax Basis)	(B) Ordinary Income Distributions (Tax Basis)	Total Distributions (Tax Basis)
59%	41%	100%

(A) and (B) are based on a percentage of the Series' total distributions.

The Series intends to pass through foreign tax credits in the maximum amount of \$219,978. The gross foreign source income earned during the fiscal year 2008 by the Series was \$4,167,275.

## Delaware VIP® Trust — Delaware VIP International Value Equity Series Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees  
Delaware VIP Trust—Delaware VIP International Value Equity Series

We have audited the accompanying statement of net assets of the Delaware VIP International Value Equity Series (one of the series constituting Delaware VIP Trust) (the “Series”) as of December 31, 2008, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Series’ management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Series’ internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Series’ internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2008, by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Delaware VIP International Value Equity Series of Delaware VIP Trust at December 31, 2008, 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 its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

*Ernst + Young LLP*

Philadelphia, Pennsylvania  
February 13, 2009

The Series files its complete schedule of portfolio holdings with the Securities and Exchange Commission (Commission) for the first and third quarters of each fiscal year on Form N-Q. The Series’ Forms N-Q, as well as a description of the policies and procedures that the Series uses to determine how to vote proxies (if any) relating to portfolio securities is available without charge (i) upon request, by calling 800 523-1918; and (ii) on the Commission’s website at <http://www.sec.gov>. In addition, a description of the policies and procedures that the Series uses to determine how to vote proxies (if any) relating to portfolio securities is available without charge on the Delaware Investments® Funds’ Web site at <http://www.delawareinvestments.com>. The Series’ Forms N-Q may be reviewed and copied at the Commission’s Public Reference Room in Washington, DC; information on the operation of the Public Reference Room may be obtained by calling 800 SEC-0330.

Information (if any) regarding how the Series voted proxies relating to portfolio securities during the most recently disclosed 12-month period ended June 30 is available without charge (i) through the Delaware Investments Funds’ Web site at <http://www.delawareinvestments.com>; and (ii) on the Commission’s website at <http://www.sec.gov>.

# Delaware Investments<sup>®</sup> Family of Funds

## BOARD OF TRUSTEES/DIRECTORS AND OFFICERS ADDENDUM

A mutual fund is governed by a Board of Trustees/Directors ("Trustees"), which has oversight responsibility for the management of a fund's business affairs. Trustees establish procedures and oversee and review the performance of the investment manager, the distributor, and others who perform services for the fund. The independent fund trustees, in particular, are advocates for shareholder interests. Each trustee has served in that capacity since he or she was elected to or appointed to the Board of Trustees, and will continue to serve until his or her retirement or the election of a new trustee in his or her place. The following is a list of the Trustees and Officers with certain background and related information.

Name, Address, and Birth Date	Position(s) Held with Fund(s)	Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee or Officer	Other Directorships Held by Trustee or Officer
<b>INTERESTED TRUSTEES</b>					
<b>Patrick P. Coyne</b> <sup>1</sup> 2005 Market Street Philadelphia, PA 19103  April 1963	Chairman, President, Chief Executive Officer, and Trustee	Chairman and Trustee since August 16, 2006  President and Chief Executive Officer since August 1, 2006	Patrick P. Coyne has served in various executive capacities at different times at Delaware Investments. <sup>2</sup>	85	Director — Kaydon Corp.  Board of Governors Member — Investment Company Institute (ICI) (2007 – present)  Member of Investment Committee — Cradle of Liberty Council, BSA (November 2007 – present)  Finance Committee Member — St. John Vianney Roman Catholic Church (2007 – present)
<b>INDEPENDENT TRUSTEES</b>					
<b>Thomas L. Bennett</b> 2005 Market Street Philadelphia, PA 19103  October 1947	Trustee	Since March 2005	Private Investor — (March 2004 – Present)  Investment Manager — Morgan Stanley & Co. (January 1984 – March 2004)	85	Director — Bryn Mawr Bank Corp. (BMTc) (April 2007 — Present)  Chairman of Investment Committee — Pennsylvania Academy of Fine Arts (2007 – present)  Trustee (2004 – present)  Investment Committee and Governance Committee Member — Pennsylvania Horticulture Society (February 2006 – present)

Name, Address, and Birth Date	Position(s) Held with Fund(s)	Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee or Officer	Other Directorships Held by Trustee or Officer
<b>INDEPENDENT TRUSTEES</b> (CONTINUED)					
<b>John A. Fry</b> 2005 Market Street Philadelphia, PA 19103  May 1960	Trustee	Since January 2001	President – Franklin & Marshall College (June 2002 – Present)  Executive Vice President – University of Pennsylvania (April 1995 – June 2002)	85	Director – Community Health Systems
<b>Anthony D. Knerr</b> 2005 Market Street Philadelphia, PA 19103  December 1938	Trustee	Since April 1990	Founder and Managing Director – Anthony Knerr & Associates (Strategic Consulting) (1990 – Present)	85	None
<b>Lucinda S. Landreth</b> 2005 Market Street Philadelphia, PA 19103  June 1947	Trustee	Since March 2005	Chief Investment Officer – Assurant, Inc. (Insurance) (2002 – 2004)	85	None
<b>Ann R. Leven</b> 2005 Market Street Philadelphia, PA 19103  November 1940	Trustee	Since October 1989	Consultant – ARL Associates (Financial Planning) (1983 – Present)	85	Director and Audit Committee Chairperson – Systemax, Inc.
<b>Thomas F. Madison</b> 2005 Market Street Philadelphia, PA 19103  February 1936	Trustee	Since May 1997 <sup>3</sup>	President and Chief Executive Officer – MLM Partners, Inc. (Small Business Investing and Consulting) (January 1993 – Present)	85	Director and Chair of Compensation Committee and Governance Committee Member – CenterPoint Energy  Lead Director and Chair of Audit and Governance Committees, Member of Compensation Committee – Digital River, Inc.  Director and Chair of Governance Committee, Audit Committee Member – Rimage Corporation  Director and Chair of the Compensation Committee – Spanlink Communications  Lead Director and Chair of Compensation and Governance Committees – Valmont Industries, Inc.
<b>Janet L. Yeomans</b> 2005 Market Street Philadelphia, PA 19103  July 1948	Trustee	Since April 1999	Vice President and Treasurer (January 2006 – Present) Vice President – Mergers & Acquisitions (January 2003 – January 2006), and Vice President 3M Corporation	85	None
<b>J. Richard Zecher</b> 2005 Market Street Philadelphia, PA 19103  July 1940	Trustee	Since March 2005	Founder – Investor Analytics (Risk Management) (May 1999 – Present)  Founder – Sutton Asset Management (Hedge Fund) (September 1996 – Present)	85	Director and Audit Committee Member – Investor Analytics

Name, Address, and Birth Date	Position(s) Held with Fund(s)	Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee or Officer	Other Directorships Held by Trustee or Officer
<b>OFFICERS</b>					
<b>David F. Connor</b> 2005 Market Street Philadelphia, PA 19103  December 1963	Vice President, Deputy General Counsel, and Secretary	Vice President since September 2000 and Secretary since October 2005	David F. Connor has served as Vice President and Deputy General Counsel of Delaware Investments since 2000.	85	None <sup>4</sup>
<b>Daniel V. Geatens</b> 2005 Market Street Philadelphia, PA 19103  October 1972	Vice President and Treasurer	Treasurer since October 2007	Daniel V. Geatens has served in various capacities at different times at Delaware Investments.	85	None <sup>4</sup>
<b>David P. O'Connor</b> 2005 Market Street Philadelphia, PA 19103  February 1966	Senior Vice President, General Counsel, and Chief Legal Officer	Senior Vice President, General Counsel, and Chief Legal Officer since October 2005	David P. O'Connor has served in various capacities at different times at Delaware Investments.	85	None <sup>4</sup>
<b>Richard Salus</b> 2005 Market Street Philadelphia, PA 19103  October 1963	Senior Vice President and Chief Financial Officer	Chief Financial Officer since November 2006	Richard Salus has served in various executive capacities at different times at Delaware Investments.	85	None <sup>4</sup>

<sup>1</sup>Patrick P. Coyne is considered to be an "Interested Trustee" because he is an executive officer of the Fund's(s') investment advisor.

<sup>2</sup>Delaware Investments is the marketing name for Delaware Management Holdings, Inc. and its subsidiaries, including the Fund's(s') investment advisor, principal underwriter, and its transfer agent.

<sup>3</sup>In 1997, several funds managed by Voyager Fund Managers, Inc. (the "Voyager Funds") were incorporated into the Delaware Investments® Family of Funds. Mr. Madison served as a director of the Voyager Funds from 1993 until 1997.

<sup>4</sup>David F. Connor, Daniel V. Geatens, David P. O'Connor, and Richard Salus serve in similar capacities for the six portfolios of the Optimum Fund Trust, which have the same investment advisor, principal underwriter, and transfer agent of the Fund(s).

The Statement of Additional Information for the Fund(s) includes additional information about the Trustees and Officers and is available, without charge, upon request by calling 800 523-1918.