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# The Gabelli Utility Trust

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## PRESS RELEASE

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### **GABELLI UTILITY TRUST CONTINUES MONTHLY DISTRIBUTIONS, DECLARING DISTRIBUTIONS OF \$0.05 PER SHARE**

**Rye, NY** -- The Board of Trustees of The Gabelli Utility Trust (NYSE:GUT) (the "Fund") approved the continuation of its policy of paying fixed monthly cash distributions. Upon review of the Fund's income, return, and current market conditions, the Board of Trustees declared cash distributions of \$0.05 per share for each of July, August and September 2012.

The distribution for July 2012 will be payable on July 24, 2012 to common shareholders of record on July 17, 2012.

The distribution for August 2012 will be payable on August 24, 2012 to common shareholders of record on August 17, 2012.

The distribution for September 2012 will be payable on September 21, 2012 to common shareholders of record on September 14, 2012.

The Board of Trustees will continue to review the monthly cash distribution amount for future periods, taking into consideration the Fund's income, return, and current market conditions. The Fund's shares are currently trading at a significant premium to net asset value. The Board of Trustees believes that the premium at which the Fund shares trade relative to net asset value is not likely to be sustainable. Shareholders participating in the Fund's dividend reinvestment plan should note that at the current market price, the reinvestment of distributions occurs at a premium to net asset value.

Each quarter, the Board of Trustees reviews the amount of any potential distribution and the income, capital gain, or capital available. The Fund's distribution policy is subject to modification by the Board of Trustees at any time. The Gabelli Utility Trust has paid a distribution to shareholders every month since October 1999.

The distribution rate should not be considered the dividend yield or total return on an investment in the Fund.

A portion of the distribution may be treated as long-term capital gain and qualified dividend income for individuals, each subject to the maximum federal income tax rate, which is currently 15% in taxable accounts for individuals. If the Fund does not generate sufficient earnings (dividends and interest income and realized net capital gain) equal to or in excess of the aggregate distributions paid by the Fund in a given year, then the amount distributed in excess of the Fund's earnings would be deemed a return of capital. Since this would be considered a return of a portion of a shareholder's original investment, it is generally not taxable and is treated as a reduction in the shareholder's cost basis. Under federal tax regulations, some or all of the return of capital distributed by the Fund may be taxable as ordinary income in certain circumstances. This may occur when the Fund has a capital loss carry forward, net capital gains are realized in a fiscal year, and distributions are made in excess of investment company taxable income.

Long-term capital gains, qualified dividend income, ordinary income, and paid-in capital, if any, will be allocated on a pro-rata basis to all distributions to common shareholders for the year. Based on the accounting records of the Fund as of May 16, 2012, each of the distributions to common shareholders paid in 2012 would include approximately 20% from net investment income, 38% from net capital gains and 42% from paid-in capital on a book basis. The estimated components of each distribution are updated and provided to shareholders of record in a notice accompanying the distribution and are available on our website ([www.gabelli.com](http://www.gabelli.com)). The final determination of the sources of all distributions in 2012 will be made after year end and can vary from the monthly estimates. All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2012 distributions in early 2013 via Form 1099-DIV.

It should be noted that the Fund's total assets include capital from preferred shares issued in prior years. Gabelli Funds, LLC (the "Investment Adviser") does not receive a management fee on the incremental assets attributable to the Fund's outstanding preferred shares unless the total return of the net asset value of the common shares during the year, including distributions and management fee subject to reduction, exceeds the stated dividend rate or corresponding swap rate of each particular series of preferred shares for the fiscal year.

The Gabelli Utility Trust is a non-diversified, closed-end management investment company with \$222 million in total net assets whose primary investment objective is to seek long-term growth of capital and income by investing primarily in utility companies involved in the generation and distribution of electricity, gas, and water. The Investment Adviser is a subsidiary of GAMCO Investors, Inc. (NYSE:GBL), which is a publicly traded NYSE listed company.