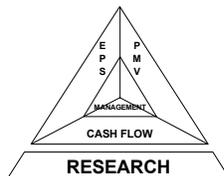


One Corporate Center
Rye, NY 10580-1435
Tel. (914) 921-5020
Fax (914) 921-5158
www.gabelli.com



Gabelli Funds, LLC

Gabelli Mutual Funds Regulatory Update #3

FOR IMMEDIATE RELEASE

Rye, NY

October 11, 2004

Contact:

Douglas R. Jamieson

914-921-5020

Last year on November 19, 2003, we issued "update #2" on the status of the inquiry initiated by the New York Attorney General's Office (NYAG) and related inquiry by the Securities and Exchange Commission (SEC).

We are providing this update today to clarify any misinformation that may have resulted from inaccurate statements recently made in the electronic media.

As part of our ongoing business dynamics, Gabelli Dividend and Income Trust (NYSE: GDV) filed a red herring for \$300 million of preferred shares, consisting of \$80 million of fixed rate and \$220 million of floating rate, which was successfully placed by the Fund's underwriters.

Consistent with Gabelli Asset Management's (NYSE: GBL) previous Form 10-K disclosure statements, the Advisor indicated in the GDV prospectus that it had received requests for information from the SEC and New York Attorney General's Office (NYAG) regarding improper trading in mutual fund shares as part of an industry-wide inquiry.

In GBL's December 31, 2003 Form 10-K filed March 15, 2004, we stated that "We received information requests from the SEC and a subpoena from the NYAG in connection with their inquiries" and "Since our internal review and requests from regulators are ongoing, we can make no assurances additional information will not become available..." As part of a follow up to their initial request, the SEC asked for additional information in August in the form of a subpoena.

Our industry operates in a fish bowl. We will continue to fully disclose all material information in our regular filings and news releases.

Please visit our website at www.gabelli.com for previously posted news releases and disclosure.

Gabelli Asset Management Inc. (NYSE: GBL - News), through its subsidiaries, manages approximately \$27 billion in assets of mutual funds and closed-end funds (Gabelli Funds LLC), partnerships (Alternative Investment Group) and private advisory accounts (GAMCO).

Special Note Regarding Forward-looking Information

Our disclosure in this press release may contain some forward-looking statements. Forward-looking statements give our current expectations or forecasts of future events. You can identify these statements because they do not relate strictly to historical or current facts. They use words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," and other words and terms of similar meaning. They also appear in any discussion of future operating or financial performance. In particular, these include statements relating to future actions, future performance of our products, expenses, the outcome of any legal proceedings, and financial results. Although we believe that we are basing our expectations and beliefs on reasonable assumptions within the bounds of what we currently know about our business and operations, there can be no assurance that our actual results will not differ materially from what we expect or believe. Some of the factors that could cause our actual results to differ from our expectations or beliefs include, without limitation: the adverse effect from a decline in the securities markets; a decline in the performance of our products; a general downturn in the economy; changes in government policy or regulation; changes in our ability to attract or retain key employees; and unforeseen costs and other effects related to legal proceedings or investigations of governmental and self-regulatory organizations. We also direct your attention to any more specific discussions of risk contained in our Form 10-K and other public filings. We are providing these statements as permitted by the Private Litigation Reform Act of 1995. We do not undertake to update publicly any forward-looking statements if we subsequently learn that we are unlikely to achieve our expectations or if we receive any additional information relating to the subject matters of our forward-looking statements.