

ATTENTION: IMPORTANT TAX INFORMATION!
2007 DISTRIBUTION ALLOCATIONS
Series C Auction Market Preferred Shares

To All Shareholders:

Set forth below is the allocation of net investment income, short-term capital gains and long-term capital gains for the 2007 distributions of the Series C Auction Market Preferred Shares of **The Gabelli Dividend & Income Trust**.

Please contact Carter Austin at (914) 921-5070 with any inquiries.

SOURCE	PERCENTAGES		
	Auction Dates of 01/04/07 01/25/07	Auction Date of 02/01/07	All Other Distributions
Net Investment Income (a)	88.9240%	39.5904%	25.8141%
Short-Term Capital Gains (a)	0.0000%	12.0527%	15.3265%
Long-Term Capital Gains (b)	11.0760%	48.3569%	58.8594%
TOTAL	100.0000%	100.0000%	100.0000%

Ordinary Dividends and Capital Gains:

93.51% of the ordinary income (net investment income and short-term capital gains) paid by the Fund in 2007 was classified as "Qualified Dividends" subject to a maximum Federal tax rate of 15% for individual taxable accounts (or 5% depending on an individual's tax bracket). Ordinary income is reported in box 1a and qualified income is reported in box 1b of Form 1099-DIV. Capital gain distributions are subject to a maximum Federal tax rate of 15% for individual taxable accounts (or 5% depending on an individual's tax bracket). Capital gain distributions are reported in box 2a of Form 1099-DIV.

Corporate Dividends Received Deduction and U.S. Government Securities Income:

The percentage of the ordinary income paid by the Fund in 2007 that qualifies for the dividends received deduction available to corporations is 75.99%. The percentage of the ordinary income paid by the Fund in 2007 that was derived from U.S. Government Securities was 0.44%. The percentage of U.S. Government Securities held by the Fund as of December 31, 2007 was 6.90%. (c)

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- (a) Distributions from net investment income and short-term capital gains are taxable as ordinary income and will appear on Form 1099-DIV under Total ordinary dividends in box 1a.
 - (b) Taxable as long-term capital gains reportable in column (f), line 13 on Form 1040, Schedule D. Since there were no retained capital gains in 2007, Form 2439 will not be necessary.
 - (c) Certain states require that 50% of the Fund's portfolio be invested in U.S. Government Securities at the end of each calendar quarter to allow "pass-through" treatment of income derived from U.S. Government Securities. The Trust did not meet this strict requirement in 2007.