

**THE GABELLI DIVIDEND & INCOME TRUST
ISSUES 5.875% SERIES A CUMULATIVE PREFERRED SHARES AND
SERIES B AND SERIES C AUCTION MARKET PREFERRED SHARES**

FOR IMMEDIATE RELEASE

Rye, NY
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NYSE - GDV
CUSIP 36242H104

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The Gabelli Dividend & Income Trust (NYSE:GDV) is pleased to announce the completion of an offering of three series of Preferred Shares valued at a total of \$300 million. The issuance consists of \$80 million of 5.875% Series A Cumulative Preferred Shares, \$100 million of Series B Auction Market Preferred Shares and \$120 million of Series C Auction Market Preferred Shares. The proceeds raised will be used for investment purposes.

The 5.875% Series A Cumulative Preferred Shares are rated "Aaa" by Moody's Investors Service, Inc. The 5.875% Series A Cumulative Preferred Shares are perpetual, non-callable for five years and were issued at \$25 per share. Distributions will be paid quarterly beginning on December 27, 2004. The 5.875% Series A Cumulative Preferred Shares will begin trading on the New York Stock Exchange under the symbol "GDV Pr A" on October 15, 2004.

The Series B and Series C Auction Market Preferred Shares are rated "Aaa" by Moody's Investors Service, Inc. and "AAA" by Standard & Poor's Ratings Services. The Series B and Series C Auction Market Preferred Shares are perpetual and generally are callable at any time without premium. The initial dividend rate for the Series B Auction Market Preferred Shares will be 1.85% for the period ending October 19, 2004. The initial dividend rate for the Series C Auction Market Preferred Shares will be 1.85% for the period ending October 21, 2004. The dividend rates for subsequent periods will be determined by an auction process.

The Board of Trustees shares the Investment Adviser's view that the issuance of the preferred shares is designed to benefit the common shareholders. To the extent that, following investment of the proceeds, the Fund earns in excess of the dividend rate on the preferred shares, additional value will thereby be created for its common shareholders.

It should be noted that the Investment Adviser will not receive a management fee on the incremental assets raised unless the total return of the Fund to common shareholders during the year exceeds the dividend rate of the preferred shares, including the costs of any interest rate swap agreement the Fund may enter into to protect against short-term interest rate increases. The Investment Adviser believes this fee arrangement is in the best interests of all shareholders.

Merrill Lynch & Co., Citigroup, A.G. Edwards and Gabelli & Company, Inc. served as underwriters for the offering, which closed on October 12, 2004.

The Gabelli Dividend & Income Trust is a closed-end, non-diversified management investment company with \$1.9 billion in total assets, after giving effect to the issuance of the preferred shares. The Fund's primary investment objective is to provide a high level of total return with an emphasis on dividends and income. The Fund is managed by Gabelli Funds, LLC, a subsidiary of Gabelli Asset Management Inc. (NYSE:GBL), which is a publicly traded NYSE listed company.