

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

GABELLI DIVIDEND & INCOME TRUST
Form N-CSRS
September 06, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21423

The Gabelli Dividend & Income Trust

(Exact name of registrant as specified in charter)

One Corporate Center
Rye, New York 10580-1422

(Address of principal executive offices) (Zip code)

Bruce N. Alpert
Gabelli Funds, LLC
One Corporate Center
Rye, New York 10580-1422

(Name and address of agent for service)

registrant's telephone number, including area code: 1-800-422-3554

Date of fiscal year end: December 31

Date of reporting period: June 30, 2007

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

The Report to Shareholders is attached herewith.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

[LOGO OMITTED]
 THE GABELLI
 DIVIDEND &
 INCOME TRUST

THE GABELLI DIVIDEND & INCOME TRUST

Semi-Annual Report
 June 30, 2007

TO OUR SHAREHOLDERS,

The Gabelli Dividend & Income Trust's (the "Fund") net asset value ("NAV") total return was 8.50% during the first half of 2007, compared with gains of 6.96% and 8.79% for the Standard & Poor's ("S&P") 500 Index and the Dow Jones Industrial Average, respectively. The Fund's NAV total return outperformed the benchmark S&P 500 Index for this period, as well as for each of the longer-term intervals shown in the comparative results table. The total return for the Fund's publicly traded shares was 6.99% during the first half of the year. On June 30, 2007, the Fund's NAV was \$25.01, while the price of the publicly traded shares closed at \$22.34 on the New York Stock Exchange.

Enclosed are the financial statements and the investment portfolio as of June 30, 2007.

COMPARATIVE RESULTS

 AVERAGE ANNUAL RETURNS THROUGH JUNE 30, 2007 (A)

	Year to Date -----	1 Year -----	3 Year -----	Si Ince (1/ -----
GABELLI DIVIDEND & INCOME TRUST				
NAV TOTAL RETURN (B)	8.50%	22.03%	16.68%	14
INVESTMENT TOTAL RETURN (C)	6.99	29.63	16.42	10
S&P 500 Index	6.96	20.57	11.67	12
Dow Jones Industrial Average	8.79	22.98	11.26	11
Nasdaq Composite Index	7.78	19.85	8.33	8

(a) REPRESENT PAST PERFORMANCE AND DO NOT GUARANTEE FUTURE RESULTS. INVESTMENT RETURNS AND THE PRINCIPAL VALUE OF AN INVESTMENT WILL FLUCTUATE. WHEN SHARES ARE SOLD, THEY MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA PRESENTED. VISIT WWW.GABELLI.COM FOR PERFORMANCE INFORMATION AS OF THE MOST RECENT MONTH END. PERFORMANCE RETURNS FOR PERIODS LESS THAN ONE YEAR ARE NOT ANNUALIZED. INVESTORS SHOULD CAREFULLY CONSIDER THE INVESTMENT OBJECTIVES, RISKS, CHARGES, AND EXPENSES OF THE FUND BEFORE INVESTING. THE DOW JONES INDUSTRIAL AVERAGE IS AN UNMANAGED INDEX OF 30 LARGE CAPITALIZATION STOCKS. THE S&P 500 AND THE NASDAQ COMPOSITE INDICES ARE UNMANAGED INDICATORS OF STOCK MARKET PERFORMANCE. DIVIDENDS ARE CONSIDERED REINVESTED EXCEPT FOR THE NASDAQ COMPOSITE INDEX. YOU CANNOT INVEST

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

DIRECTLY IN AN INDEX.

- (b) TOTAL RETURNS AND AVERAGE ANNUAL RETURNS REFLECT CHANGES IN NAV PER SHARE AND REINVESTMENT OF DISTRIBUTIONS AT NAV ON THE EX-DIVIDEND DATE AND ARE NET OF EXPENSES. SINCE INCEPTION RETURN IS BASED ON AN INITIAL NAV OF \$19.06.
- (c) TOTAL RETURNS AND AVERAGE ANNUAL RETURNS REFLECT CHANGES IN CLOSING MARKET VALUES ON THE NEW YORK STOCK EXCHANGE AND REINVESTMENT OF DISTRIBUTIONS. SINCE INCEPTION RETURN IS BASED ON AN INITIAL OFFERING PRICE OF \$20.00.

We have separated the portfolio managers' commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio managers' commentary is unrestricted. The financial statements and investment portfolio are mailed separately from the commentary. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com/funds.

THE GABELLI DIVIDEND & INCOME TRUST SUMMARY OF PORTFOLIO HOLDINGS (UNAUDITED)

The following table presents portfolio holdings as a percent of total investments as of June 30, 2007:

LONG POSITIONS

Financial Services	16.9%
Energy and Utilities: Oil	11.5%
Energy and Utilities: Integrated	9.2%
Telecommunications	7.5%
Food and Beverage	7.2%
Energy and Utilities: Electric	4.5%
Repurchase Agreements	4.3%
Diversified Industrial	4.3%
Energy and Utilities: Natural Gas	3.6%
Consumer Products	3.3%
Health Care	3.3%
Energy and Utilities: Services	2.5%
Equipment and Supplies	1.9%
Cable and Satellite	1.9%
Broadcasting	1.8%
Retail	1.7%
Specialty Chemicals	1.3%
Building and Construction	1.3%
Hotels and Gaming	1.3%
Aerospace	1.2%
Electronics	1.1%
Automotive: Parts and Accessories	0.8%
Entertainment	0.8%
Business Services	0.7%
Environmental Services	0.7%
Transportation	0.7%
Metals and Mining	0.6%
Publishing	0.6%
Automotive	0.5%
Communications Equipment	0.4%
Wireless Communications	0.4%
U.S. Treasury Bills	0.3%
Machinery	0.3%
Energy and Utilities	0.3%

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

Paper and Forest Products	0.3%
Energy and Utilities: Water	0.3%
Aviation: Parts and Services	0.2%
Commercial Services	0.2%
Agriculture	0.1%
Real Estate Investment Trusts	0.1%
Computer Software & Services	0.1%
Real Estate	0.0%
Manufactured Housing and Recreational Vehicles	0.0%
Restaurants	0.0%

	100.0%
	=====

SHORT POSITIONS

Financial Services	(0.4)%
	=====

THE FUND FILES A COMPLETE SCHEDULE OF PORTFOLIO HOLDINGS WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") FOR THE FIRST AND THIRD QUARTERS OF EACH FISCAL YEAR ON FORM N-Q, THE LAST OF WHICH WAS FILED FOR THE QUARTER ENDED MARCH 31, 2007. SHAREHOLDERS MAY OBTAIN THIS INFORMATION AT WWW.GABELLI.COM OR BY CALLING THE FUND AT 800-GABELLI (800-422-3554). THE FUND'S FORM N-Q IS AVAILABLE ON THE SEC'S WEBSITE AT WWW.SEC.GOV AND MAY ALSO BE REVIEWED AND COPIED AT THE SEC'S PUBLIC REFERENCE ROOM IN WASHINGTON, DC. INFORMATION ON THE OPERATION OF THE PUBLIC REFERENCE ROOM MAY BE OBTAINED BY CALLING 1-800-SEC-0330.

PROXY VOTING

The Fund files Form N-PX with its complete proxy voting record for the 12 months ended June 30th, no later than August 31st of each year. A description of the Fund's proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at www.sec.gov.

SHAREHOLDER MEETING - MAY 14, 2007 - FINAL RESULTS

The Annual Meeting of Shareholders was held on May 14, 2007 at the Greenwich Library in Greenwich, Connecticut. At that meeting, common and preferred shareholders, voting together as a single class, elected Mario J. Gabelli, Mario d'Urso, and Michael J. Melarkey as Trustees of the Fund. A total of 73,704,730 votes, 73,980,910 votes, and 73,603,111 votes were cast in favor of each Trustee and a total of 1,209,512 votes, 933,332 votes, and 1,311,131 votes were withheld for each Trustee, respectively.

Anthony J. Colavita, James P. Conn, Frank J. Fahrenkopf, Jr., Salvatore M. Salibello, Edward T. Tokar, Anthonie C. van Ekris, and Salvatore J. Zizza continue to serve in their capacities as Trustees of the Fund.

We thank you for your participation and appreciate your continued support.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

SHARES -----		COST -----	VALUE -----
	COMMON STOCKS -- 92.4%		
	AEROSPACE -- 1.2%		
10,000	Goodrich Corp.	\$ 281,823	\$ 595,600
60,000	Kaman Corp.	1,070,150	1,871,400
100,000	Rockwell Automation Inc.	6,039,691	6,944,000
2,000,000	Rolls-Royce Group plc+	14,847,047	21,627,377
118,400,000	Rolls-Royce Group plc, Cl. B	231,987	242,516
		-----	-----
		22,470,698	31,280,893
		-----	-----
	AGRICULTURE -- 0.1%		
90,000	Archer-Daniels- Midland Co.	1,972,035	2,978,100
		-----	-----
	AUTOMOTIVE -- 0.5%		
28,000	Copart Inc.+	826,882	856,520
300,000	General Motors Corp.	9,482,613	11,340,000
10,000	Navistar International Corp.+ .	228,717	660,000
		-----	-----
		10,538,212	12,856,520
		-----	-----
	AUTOMOTIVE: PARTS AND ACCESSORIES -- 0.8%		
100,000	Dana Corp.+	289,799	202,000
390,000	Genuine Parts Co.	13,190,936	19,344,000
		-----	-----
		13,480,735	19,546,000
		-----	-----
	AVIATION: PARTS AND SERVICES -- 0.2%		
50,200	Sequa Corp., Cl. A+	3,653,269	5,622,400
		-----	-----
	BROADCASTING -- 1.3%		
850,000	Clear Channel Communications Inc.	31,194,415	32,147,000
		-----	-----
	BUILDING AND CONSTRUCTION -- 1.3%		
10,000	Florida Rock Industries Inc. ..	669,746	675,000
15,000	Layne Christensen Co.+	449,560	614,250
1,844,704	Rinker Group Ltd	28,877,740	29,464,700
47,000	Rinker Group Ltd., ADR	3,716,432	3,741,200
		-----	-----
		33,713,478	34,495,150
		-----	-----
	BUSINESS SERVICES -- 0.7%		
15,000	Alliance Data Systems Corp.+	1,173,209	1,159,200
10,000	CDW Corp.+	852,015	849,700
500,000	First Data Corp.	16,270,735	16,335,000
		-----	-----
		18,295,959	18,343,900
		-----	-----
	CABLE AND SATELLITE -- 1.9%		
600,000	Cablevision Systems Corp., Cl. A+	18,455,073	21,714,000
14,200	Cogeco Inc.	276,997	530,676
230,000	EchoStar Communications Corp., Cl. A+	6,826,542	9,975,100
81,734	Liberty Global Inc., Cl. A+ ...	1,686,985	3,354,363

MARKET

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

SHARES -----		COST -----	VALUE -----
34,318	Liberty Global Inc., Cl. C+ ...	\$ 760,276	\$ 1,348,697
250,000	Rogers Communications Inc., Cl. B	3,160,032	10,622,500
30,000	The DIRECTV Group Inc.+	469,613	693,300
		-----	-----
		31,635,518	48,238,636
		-----	-----
	COMMERCIAL SERVICES -- 0.2%		
140,000	PHH Corp.+	4,320,252	4,369,400
		-----	-----
	COMMUNICATIONS EQUIPMENT -- 0.0%		
20,000	Thomas & Betts Corp.+	629,282	1,160,000
		-----	-----
	COMPUTER SOFTWARE AND SERVICES -- 0.1%		
50,000	Covansys Corp.+	1,684,031	1,696,500
		-----	-----
	CONSUMER PRODUCTS -- 3.3%		
275,000	Alberto-Culver Co.	9,198,976	6,523,000
400,000	Altadis SA	26,685,352	26,635,988
10,000	Altria Group Inc.	373,512	701,400
120,000	Avon Products Inc.	3,524,773	4,410,000
40,000	Eastman Kodak Co.	912,574	1,113,200
44,000	Fortune Brands Inc.	3,616,470	3,624,280
55,000	Hanesbrands Inc.+	1,344,318	1,486,650
84,000	Harman International Industries Inc.	10,139,911	9,811,200
3,000	Herbalife Ltd.	113,380	118,950
1,000	Kimberly-Clark Corp.	53,184	66,890
60,000	Mattel Inc.	1,009,842	1,517,400
2,000	Oakley Inc.	56,883	56,800
175,000	Procter & Gamble Co.	9,719,121	10,708,250
1,000,000	Swedish Match AB	12,209,126	19,373,611
		-----	-----
		78,957,422	86,147,619
		-----	-----
	DIVERSIFIED INDUSTRIAL -- 3.9%		
153,000	Bouygues SA	5,319,385	12,878,216
230,000	Cooper Industries Ltd., Cl. A	7,420,937	13,130,700
500,000	General Electric Co.	16,320,036	19,140,000
275,000	Honeywell International Inc. ..	9,524,517	15,477,000
100,000	ITT Corp.	4,506,935	6,828,000
2,000	Pentair Inc.	63,318	77,140
1,000	Textron Inc.	51,500	110,110
1,051,000	Tomkins plc	5,080,148	5,487,370
760,000	Tyco International Ltd.	24,704,447	25,680,400
129,900	WHX Corp.+	1,279,961	1,104,150
		-----	-----
		74,271,184	99,913,086
		-----	-----
	ELECTRONICS -- 1.1%		
5,000	Color Kinetics Inc.+	166,962	167,050
1,075,000	Intel Corp.	22,362,894	25,542,000
280,000	Trans-Lux Corp.+	2,037,979	1,738,800
		-----	-----
		24,567,835	27,447,850
		-----	-----

See accompanying notes to financial statements.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2007 (UNAUDITED)

SHARES -----		COST -----	MARKET VALUE -----
	COMMON STOCKS (CONTINUED)		
	ENERGY AND UTILITIES: ELECTRIC -- 4.5%		
30,000	Allegheny Energy Inc.+	\$ 438,040	\$ 1,552,200
105,000	ALLETE Inc.	3,452,097	4,940,250
280,000	American Electric Power Co. Inc.	8,755,206	12,611,200
425,000	DPL Inc.	8,553,078	12,044,500
17,500	DTE Energy Co.	667,957	843,850
273,000	Electric Power Development Co. Ltd.	6,654,195	10,864,568
220,000	FPL Group Inc.	7,596,481	12,482,800
590,000	Great Plains Energy Inc.	18,068,826	17,180,800
370,000	Integrays Energy Group Inc.	17,973,626	18,770,100
150,000	Pepco Holdings Inc.	2,892,851	4,230,000
240,000	Pinnacle West Capital Corp. ...	9,369,027	9,564,000
110,000	The Southern Co.	3,184,128	3,771,900
255,000	Unisource Energy Corp.	6,714,681	8,386,950
		----- 94,320,193	----- 117,243,118
	ENERGY AND UTILITIES: INTEGRATED -- 9.2%		
12,000	Alliant Energy Corp.	305,115	466,200
150,000	Ameren Corp.	6,831,599	7,351,500
2,000,000	Aquila Inc.+	8,464,295	8,180,000
50,000	Avista Corp.	926,534	1,077,500
15,000	Black Hills Corp.	492,427	596,250
33,000	CH Energy Group Inc.	1,524,587	1,484,010
108,000	Chubu Electric Power Co. Inc.	2,458,019	2,868,305
275,000	CONSOL Energy Inc.	9,393,433	12,680,250
200,000	Consolidated Edison Inc.	8,201,972	9,024,000
20,000	Dominion Resources Inc.	1,455,866	1,726,200
205,000	Duke Energy Corp.	2,873,955	3,751,500
430,000	Edison SpA	1,002,090	1,388,035
300,000	El Paso Corp.	3,557,045	5,169,000
20,000	Endesa SA	1,093,963	1,088,448
300,000	Enel SpA	2,324,318	3,238,140
47,000	Enel SpA, ADR	1,839,336	2,523,900
144,000	Energy East Corp.	3,285,119	3,756,960
168,000	FirstEnergy Corp.	5,939,877	10,874,640
150,000	Hawaiian Electric Industries Inc.	3,585,226	3,553,500
250,000	Hera SpA	552,073	1,048,081
121,500	Hokkaido Electric Power Co. Inc.	2,282,208	2,639,695
121,500	Hokuriku Electric Power Co.	2,131,359	2,353,523
114,958	Iberdrola SA, ADR	5,733,530	6,447,799
80,500	Korea Electric Power Corp., ADR	1,181,180	1,762,950
121,500	Kyushu Electric Power Co. Inc.	2,374,466	3,187,371

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

SHARES		COST	MARKET VALUE
-----		-----	-----
21,000	Maine & Maritimes Corp.+	\$ 594,461	\$ 563,850
75,300	MGE Energy Inc.	2,445,126	2,460,051
35,102	National Grid plc, ADR	1,588,562	2,589,826
255,000	NiSource Inc.	5,329,541	5,281,050
600,000	NSTAR	14,329,143	19,470,000
481,000	OGE Energy Corp.	11,581,024	17,628,650
34,000	Ormat Technologies Inc.	510,000	1,281,120
330,000	Progress Energy Inc.	14,816,426	15,044,700
160,000	Public Service Enterprise Group Inc.	9,827,650	14,044,800
121,500	Shikoku Electric Power Co. Inc.	2,264,565	2,866,660
15,000	TECO Energy Inc.	255,758	257,700
121,500	The Chugoku Electric Power Co. Inc.	2,194,052	2,407,797
35,000	The Empire District Electric Co.	777,222	782,950
121,500	The Kansai Electric Power Co. Inc.	2,333,021	2,876,528
108,000	The Tokyo Electric Power Co. Inc.	2,545,172	3,473,543
121,500	Tohoku Electric Power Co. Inc.	2,112,763	2,728,508
320,000	TXU Corp.	21,322,941	21,536,000
205,000	Vectren Corp.	5,572,873	5,520,650
470,000	Westar Energy Inc.	9,309,271	11,411,600
85,000	Wisconsin Energy Corp.	2,690,561	3,759,550
230,000	Xcel Energy Inc.	3,927,605	4,708,100
		-----	-----
		196,137,329	238,931,390
		-----	-----
	ENERGY AND UTILITIES: NATURAL GAS -- 3.6%		
8,000	AGL Resources Inc.	217,299	323,840
70,000	Atmos Energy Corp.	1,744,791	2,104,200
20,000	Delta Natural Gas Co. Inc.	504,315	517,000
6,000	Energen Corp.	124,550	329,640
500,000	KeySpan Corp.	18,605,417	20,990,000
20,000	Kinder Morgan Energy Partners LP	824,553	1,103,800
350,000	National Fuel Gas Co.	9,372,113	15,158,500
210,000	Nicor Inc.	7,147,795	9,013,200
220,000	ONEOK Inc.	5,480,182	11,090,200
300,000	SEMCO Energy Inc.+	1,686,087	2,331,000
200,000	Sempra Energy	5,955,980	11,846,000
30,000	South Jersey Industries Inc. ..	657,687	1,061,400
70,000	Southern Union Co.	1,656,784	2,281,300
150,000	Southwest Gas Corp.	3,610,578	5,071,500
340,000	Spectra Energy Corp.	6,763,930	8,826,400
60,000	The Laclede Group Inc.	1,690,312	1,912,800
		-----	-----
		66,042,373	93,960,780
		-----	-----

See accompanying notes to financial statements.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

THE GABELLI DIVIDEND & INCOME TRUST
 SCHEDULE OF INVESTMENTS (CONTINUED)
 JUNE 30, 2007 (UNAUDITED)

SHARES -----		COST -----	MARKET VALUE -----
	COMMON STOCKS (CONTINUED)		
	ENERGY AND UTILITIES: OIL -- 11.5%		
20,000	Anadarko Petroleum Corp.	\$ 650,810	\$ 1,039,800
40,000	Apache Corp.	1,905,219	3,263,600
46,900	BG Group plc, ADR	1,893,244	3,835,951
160,000	BP plc, ADR	7,479,063	11,542,400
40,000	Cameron International Corp.+	1,103,787	2,858,800
140,000	Chesapeake Energy Corp.	2,429,835	4,844,000
319,000	Chevron Corp.	18,574,583	26,872,560
1,000	Cimarex Energy Co.	28,300	39,410
417,000	ConocoPhillips	21,122,661	32,734,500
78,000	Devon Energy Corp.	3,448,499	6,106,620
185,000	Eni SpA, ADR	6,769,273	13,384,750
225,000	Exxon Mobil Corp.	10,427,149	18,873,000
65,000	Hanover Compressor Co.+	1,177,222	1,550,253
30,000	Hess Corp.	830,468	1,768,800
580,000	Marathon Oil Corp.	18,953,248	34,776,800
145,000	Murphy Oil Corp.	7,348,500	8,618,800
4,000	Nabors Industries Ltd.+	97,350	133,520
1,000	Niko Resources Ltd.	57,456	91,058
5,000	Noble Corp.	254,820	487,600
370,000	Occidental Petroleum Corp.	13,217,802	21,415,600
14,000	Oceaneering International Inc.+	390,875	736,960
30,000	PetroChina Co. Ltd., ADR	2,256,659	4,460,400
280,000	Repsol YPF SA, ADR	5,930,532	10,836,000
200,000	Royal Dutch Shell plc, Cl. A, ADR	9,567,840	16,240,000
900,000	Statoil ASA, ADR	12,881,531	27,909,000
200,000	Sunoco Inc.	10,648,405	15,936,000
200,000	Total SA, ADR	8,718,885	16,196,000
90,000	Transocean Inc.+	5,288,878	9,538,200
		-----	-----
		173,452,894	296,090,382
		-----	-----
	ENERGY AND UTILITIES: SERVICES -- 2.5%		
135,000	ABB Ltd., ADR	1,474,605	3,051,000
20,000	Baker Hughes Inc.	759,763	1,682,600
268,000	Diamond Offshore Drilling Inc.	15,280,436	27,218,080
640,000	Halliburton Co.	17,703,558	22,080,000
120,000	Schlumberger Ltd.	3,977,835	10,192,800
		-----	-----
		39,196,197	64,224,480
		-----	-----
	ENERGY AND UTILITIES: WATER -- 0.3%		
11,000	American States Water Co.	273,608	391,270
53,333	Aqua America Inc.	873,085	1,199,459
6,000	Artesian Resources Corp., Cl. A	113,635	115,200
3,000	California Water Service Group	94,710	112,470

MARKET

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

SHARES		COST	VALUE
11,500	Connecticut Water Service Inc.	\$ 276,036	\$ 280,255
1,000	Consolidated Water Co. Ltd.	26,770	29,310
6,000	Middlesex Water Co.	111,082	115,260
21,466	Pennichuck Corp.	417,620	542,017
82,000	SJW Corp.	1,384,964	2,730,600
16,800	Southwest Water Co.	192,169	214,536
5,000	Suez SA	156,718	287,406
168,000	Suez SA, Strips+	0	2,274
36,000	United Utilities plc, ADR	774,333	1,024,920
9,000	York Water Co.	115,031	159,750
		4,809,761	7,204,727
	ENTERTAINMENT -- 0.6%		
8,000	Grupo Televisa SA, ADR	79,516	220,880
300,000	Time Warner Inc.	5,098,815	6,312,000
200,000	Vivendi	6,289,470	8,637,748
		11,467,801	15,170,628
	ENVIRONMENTAL SERVICES -- 0.7%		
100,000	Allied Waste Industries Inc.+	1,033,110	1,346,000
1,000	Hyflux Ltd.	1,686	1,914
12,375	Veolia Environnement	395,937	971,945
409,000	Waste Management Inc.	14,415,746	15,971,450
		15,846,479	18,291,309
	EQUIPMENT AND SUPPLIES -- 1.9%		
110,000	CIRCOR International Inc.	2,003,636	4,447,300
30,000	Lufkin Industries Inc.	513,283	1,936,500
60,000	Mueller Industries Inc.	2,463,788	2,066,400
420,000	RPC Inc.	1,866,263	7,156,800
225,000	Tenaris SA, ADR	10,713,441	11,016,000
300,000	Weatherford International Ltd.+	12,987,048	16,572,000
300,000	Xerox Corp.+	4,332,751	5,544,000
		34,880,210	48,739,000
	FINANCIAL SERVICES -- 16.6%		
80,000	A.G. Edwards Inc.	7,009,049	6,764,000
100,000	ABN AMRO Holding NV	4,890,466	4,608,513
35,000	ABN AMRO Holding NV, ADR	1,699,766	1,607,200
40,000	AFLAC Inc.	2,098,398	2,056,000
180,000	AllianceBernstein Holding LP	10,531,935	15,676,200
380,000	American Express Co.	16,989,679	23,248,400
300,000	American International Group Inc.	18,347,321	21,009,000
55,000	Ameriprise Financial Inc.	2,162,745	3,496,350

See accompanying notes to financial statements.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2007 (UNAUDITED)

SHARES -----		COST -----	MARKET VALUE -----
	COMMON STOCKS (CONTINUED)		
	FINANCIAL SERVICES (CONTINUED)		
42,000	Astoria Financial Corp.	\$ 1,263,649	\$ 1,051,680
370,000	Bank of America Corp.	17,293,298	18,089,300
5,000	BlackRock Inc.	387,461	782,950
90,000	Capital One Financial Corp. ...	6,889,337	7,059,600
30,000	CIGNA Corp.	1,637,940	1,566,600
40,000	CIT Group Inc.	2,209,847	2,193,200
800,000	Citigroup Inc.	40,141,795	41,032,000
230,000	Commerce Bancorp Inc.	7,705,490	8,507,700
60,000	Compass Bancshares Inc.	4,171,094	4,138,800
30,000	Deutsche Bank AG	2,456,595	4,342,200
9,500	Discover Financial Services+	284,435	270,750
120,000	Fannie Mae	6,492,036	7,839,600
48,909	Fidelity National Financial Inc., Cl. A	981,053	1,159,143
21,496	Fidelity National Information Services Inc. ...	749,854	1,166,803
160,000	Fifth Third Bancorp	7,054,543	6,363,200
100,000	First Horizon National Corp.	4,259,774	3,900,000
60,000	First Republic Bank	3,230,408	3,219,600
52,100	Flushing Financial Corp.	963,908	836,726
27,000	Hartford Financial Services Group Inc.	1,748,090	2,659,770
40,000	Hudson City Bancorp Inc.	544,050	488,800
1,000	Internationals Exchange Holdings Inc.	65,732	65,350
470,000	JPMorgan Chase & Co.	16,947,592	22,771,500
50,000	Legg Mason Inc.	4,462,207	4,919,000
10,000	Lehman Brothers Holdings Inc.	648,864	745,200
100,000	Marshall & Ilsley Corp.	4,831,076	4,763,000
122,000	Merrill Lynch & Co. Inc.	8,318,909	10,196,760
266,000	Morgan Stanley	18,585,864	22,312,080
64,000	National Australia Bank Ltd., ADR	7,456,729	11,136,429
190,000	New York Community Bancorp Inc.	3,648,851	3,233,800
80,000	NewAlliance Bancshares Inc.	1,234,701	1,177,600
210,000	Nuveen Investments Inc., Cl. A	13,254,460	13,051,500
200,000	PNC Financial Services Group Inc.	10,703,980	14,316,000
305,000	Popular Inc.	6,541,535	4,901,350
220,000	Regions Financial Corp.	7,211,658	7,282,000
100,000	SLM Corp.	5,426,047	5,758,000
560,220	Sovereign Bancorp Inc.	12,929,655	11,843,051
44,050	Sterling Bancorp	824,926	706,122
SHARES		COST	MARKET VALUE

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

-----		-----	-----
100,000	T. Rowe Price Group Inc.	\$ 3,368,235	\$ 5,189,000
60,000	The Allstate Corp.	3,220,720	3,690,600
350,000	The Bank of New York Co. Inc.	11,338,881	14,504,000
4,000	The Progressive Corp.	89,520	95,720
290,000	The Travelers Companies Inc.	10,913,064	15,515,000
5,000	Unitrin Inc.	187,486	245,900
15,974	Valley National Bancorp	378,551	359,255
250,000	Wachovia Corp.	12,026,881	12,812,500
400,000	Waddell & Reed Financial Inc., Cl. A	8,823,625	10,404,000
10,000	Washington Mutual Inc.	391,600	426,400
3,500	Webster Financial Corp.	155,536	149,345
450,000	Wells Fargo & Co.	13,331,455	15,826,500
85,200	Wilmington Trust Corp.	3,043,530	3,536,652
167,000	Zions Bancorporation	11,735,797	12,843,970
		-----	-----
		376,291,683	429,911,669
		-----	-----
	FOOD AND BEVERAGE -- 7.2%		
170,000	Anheuser-Busch Companies Inc.	7,796,934	8,867,200
229,200	Cadbury Schweppes plc, ADR	11,274,498	12,445,560
45,000	Campbell Soup Co.	1,354,288	1,746,450
80,000	China Mengniu Dairy Co. Ltd.	271,367	275,731
185,000	ConAgra Foods Inc.	4,599,660	4,969,100
900,000	Davide Campari- Milano SpA	9,199,133	9,446,437
7,000	Dean Foods Co.	327,445	223,090
300,000	General Mills Inc.	14,568,199	17,526,000
360,000	Groupe Danone	19,389,974	29,244,366
100,000	H.J. Heinz Co.	3,521,143	4,747,000
140,000	ITO EN Ltd.	4,626,406	4,605,076
1,000	Kellogg Co.	35,550	51,790
160,000	Kikkoman Corp.	2,198,949	2,380,670
350,000	Kraft Foods Inc., Cl. A	10,695,400	12,337,500
100,000	Morinaga Milk Industry Co. Ltd.	431,707	402,843
250,000	Nissin Food Products Co. Ltd.	8,733,847	8,385,787
500,000	Parmalat SpA	1,885,518	2,124,924
339,450	Parmalat SpA, GDR (a)	981,615	1,439,505
343,700	PepsiAmericas Inc.	7,116,399	8,441,272
20,000	PepsiCo Inc.	1,220,070	1,297,000
1,500	Pernod-Ricard SA	305,601	332,848
2,500	Remy Cointreau SA	173,912	187,623
1,100,000	Sara Lee Corp.	18,633,132	19,140,000
290,000	The Coca-Cola Co.	12,717,402	15,169,900
100,000	The Hershey Co.	5,333,855	5,062,000

See accompanying notes to financial statements.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

SHARES -----		COST -----	MARKET VALUE -----
	COMMON STOCKS (CONTINUED)		
	FOOD AND BEVERAGE (CONTINUED)		
62,000	Wm. Wrigley Jr. Co.	\$ 2,976,799	\$ 3,429,220
3,000	Wm. Wrigley Jr. Co., Cl. B	167,630	165,000
450,000	YAKULT HONSHA Co. Ltd.	12,437,775	11,403,046
		-----	-----
		162,974,208	185,846,938
		-----	-----
	HEALTH CARE -- 3.3%		
4,000	Advanced Medical Optics Inc.+	138,875	139,520
1,000	Bausch & Lomb Inc.	66,686	69,440
100,000	Biomet Inc.	4,549,060	4,572,000
115,000	Bristol-Myers Squibb Co.	2,789,992	3,629,400
175,000	Eli Lilly & Co.	9,922,089	9,779,000
10,000	Genesis HealthCare Corp.+	665,838	684,200
10,000	Health Management Associates Inc., Cl. A	208,993	113,600
90,000	IMS Health Inc.	2,258,034	2,891,700
220,000	Merck & Co. Inc.	8,376,601	10,956,000
140,000	Owens & Minor Inc.	4,250,284	4,891,600
900,000	Pfizer Inc.	25,071,358	23,013,000
200,000	Sierra Health Services Inc.+ ..	8,288,034	8,316,000
42,000	St. Jude Medical Inc.+	1,810,813	1,742,580
60,000	Triad Hospitals Inc.+	2,966,837	3,225,600
1,500	Ventana Medical Systems Inc.+	114,633	115,905
130,000	Wyeth	6,096,113	7,454,200
45,000	Zimmer Holdings Inc.+	2,850,572	3,820,050
		-----	-----
		80,424,812	85,413,795
		-----	-----
	HOTELS AND GAMING -- 1.3%		
22,000	Boyd Gaming Corp.	1,097,278	1,082,180
90,000	Harrah's Entertainment Inc. ...	7,090,379	7,673,400
450,000	Hilton Hotels Corp.	13,987,173	15,061,500
705,882	Ladbrokes plc	9,246,474	6,137,735
45,000	Pinnacle Entertainment Inc.+	1,423,938	1,266,750
30,000	Station Casinos Inc.	2,622,475	2,604,000
		-----	-----
		35,467,717	33,825,565
		-----	-----
	MACHINERY -- 0.3%		
150,000	CNH Global NV	2,953,367	7,663,500
50,000	Intermec Inc.+	1,146,944	1,265,500
		-----	-----
		4,100,311	8,929,000
		-----	-----
	MANUFACTURED HOUSING AND RECREATIONAL VEHICLES -- 0.0%		
4,000	Skyline Corp.	141,027	120,040
		-----	-----
SHARES -----		COST -----	MARKET VALUE -----

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

METALS AND MINING -- 0.6%		
25,000	Alcan Inc.	\$ 2,018,987 \$ 2,032,500
50,000	Alcoa Inc.	1,527,886 2,026,500
10,000	Alliance Holdings GP LP	230,523 297,600
20,000	Arch Coal Inc.	314,774 696,000
8,000	BHP Billiton Ltd., ADR	217,549 478,000
3,000	Fording Canadian Coal Trust	32,950 98,460
100,000	Freeport-McMoRan Copper & Gold Inc.	3,495,728 8,282,000
10,000	Massey Energy Co.	235,475 266,500
25,000	Peabody Energy Corp.	353,789 1,209,500
1,000	Rio Tinto plc, ADR	127,360 306,120
3,000	Westmoreland Coal Co.+	52,605 82,050

		8,607,626 15,775,230

PAPER AND FOREST PRODUCTS -- 0.3%		
200,000	International Paper Co.	6,863,452 7,810,000

PUBLISHING -- 0.6%		
215,000	Dow Jones & Co. Inc.	10,051,108 12,351,750
38,500	Idearc Inc.	1,111,123 1,360,205
59,000	Tribune Co.	1,861,450 1,734,600

		13,023,681 15,446,555

REAL ESTATE -- 0.0%		
18,000	Brookfield Asset Management Inc., Cl. A	186,196 718,200

REAL ESTATE INVESTMENT TRUSTS -- 0.1%		
110,000	Equity Inns Inc.	2,502,850 2,464,000
30,000	Winston Hotels Inc.	433,995 450,000

		2,936,845 2,914,000

RESTAURANTS -- 0.0%		
1,000	Smith & Wollensky Restaurant Group Inc.+	9,798 10,860

RETAIL -- 1.7%		
170,000	CVS Caremark Corp.	6,340,378 6,196,500
500,000	Dollar General Corp.	10,721,440 10,960,000
142,000	Ingles Markets Inc., Cl. A	1,615,209 4,891,900
410,000	Safeway Inc.	8,674,488 13,952,300
22,000	Saks Inc.	395,507 469,700
310,000	Sally Beauty Holdings Inc.+	3,837,420 2,790,000
80,000	SUPERVALU Inc.	2,385,810 3,705,600

		33,970,252 42,966,000

SPECIALTY CHEMICALS -- 1.3%		
5,000	Arkema, ADR+	269,656 327,441
140,000	Ashland Inc.	8,906,221 8,953,000

See accompanying notes to financial statements.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

THE GABELLI DIVIDEND & INCOME TRUST
 SCHEDULE OF INVESTMENTS (CONTINUED)
 JUNE 30, 2007 (UNAUDITED)

SHARES/ UNITS -----		COST ----	MARKET VALUE -----
	COMMON STOCKS (CONTINUED)		
	SPECIALTY CHEMICALS (CONTINUED)		
140,000	E.I. du Pont de Nemours & Co.	\$ 5,905,751	\$ 7,117,600
230,000	Ferro Corp.	4,473,023	5,733,900
3,000	Huntsman Corp.	72,780	72,930
100,000	Olin Corp.	1,826,861	2,100,000
225,000	The Dow Chemical Co.	9,192,760	9,949,500
18,146	Tronox Inc., Cl. B	186,196	254,951
		-----	-----
		30,833,248	34,509,322
		-----	-----
	TELECOMMUNICATIONS -- 6.7%		
230,000	Alltel Corp.	15,670,905	15,536,500
400,000	AT&T Inc.	9,394,488	16,600,000
800,000	Avaya Inc.+	13,728,000	13,472,000
700,000	BCE Inc.	16,860,723	26,453,000
47,125	Bell Aliant Regional Communications Income Fund+ (a) (b)	1,278,068	1,386,889
71,000	BT Group plc, ADR	2,221,635	4,727,180
2,000	CenturyTel Inc.	58,989	98,100
50,000	Compania de Telecomunicaciones de Chile SA, ADR	607,686	475,500
300,000	Deutsche Telekom AG, ADR	5,460,643	5,523,000
30,000	Embarq Corp.	1,238,482	1,901,100
55,000	France Telecom SA, ADR	1,338,443	1,511,400
210,000	Hellenic Telecommunications Organization SA, ADR	1,644,219	3,265,500
250,000	Portugal Telecom SGPS SA	2,985,981	3,461,460
50,000	Portugal Telecom SGPS SA, ADR	637,465	694,500
70,000	Qwest Communications International Inc.+	205,742	679,000
840,000	Sprint Nextel Corp.	16,438,020	17,396,400
15,000	Telecom Corp. of New Zealand Ltd., ADR	383,908	418,800
200,000	Telecom Italia SpA, ADR	5,741,078	5,492,000
26,000	Telefonica SA, ADR	1,107,367	1,735,760
207,000	Telefonos de Mexico SAB de CV, Cl. L, ADR	3,416,166	7,843,230
130,000	Telstra Corp. Ltd., ADR	2,392,135	2,531,204
76,100	TELUS Corp., Non-Voting, ADR	1,574,712	4,489,095
760,000	Verizon Communications Inc.	26,511,422	31,289,200
200,000	Vodafone Group plc, ADR	5,412,380	6,726,000
		-----	-----
		136,308,657	173,706,818
		-----	-----
SHARES		COST	MARKET VALUE

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

-----		-----	-----
	TRANSPORTATION -- 0.6%		
3,000	EGL Inc.+	\$ 107,313	\$ 139,440
10,000	Florida East Coast Industries Inc.	838,645	829,800
4,000	Frontline Ltd.	137,211	183,400
255,000	GATX Corp.	7,608,244	12,558,764
24,000	Golden Ocean Group Ltd.	14,400	78,346
3,000	Ship Finance International Ltd.	66,356	89,040
30,000	Teekay Corp.	1,007,822	1,737,300
		-----	-----
		9,779,991	15,616,090
		-----	-----
	WIRELESS COMMUNICATIONS -- 0.4%		
7,000	Crown Castle International Corp.+	113,182	253,890
110,000	United States Cellular Corp.+	5,022,195	9,966,000
3,000	Vimpel-Communications, ADR	91,155	316,080
		-----	-----
		5,226,532	10,535,970
		-----	-----
	TOTAL COMMON STOCKS	1,894,683,598	2,390,154,920
		-----	-----
	CONVERTIBLE PREFERRED STOCKS -- 1.6%		
	AEROSPACE -- 0.0%		
8,200	Northrop Grumman Corp., 7.000% Cv. Pfd., Ser. B	983,758	1,184,080
		-----	-----
	AUTOMOTIVE -- 0.0%		
15,000	General Motors Corp., 4.500% Cv. Pfd., Ser. A	389,485	328,650
		-----	-----
	BROADCASTING -- 0.0%		
20,460	Emmis Communications Corp., 6.250% Cv. Pfd., Ser. A	960,081	863,003
		-----	-----
	BUILDING AND CONSTRUCTION -- 0.0%		
200	Fleetwood Capital Trust, 6.000% Cv. Pfd.	6,210	6,350
		-----	-----
	DIVERSIFIED INDUSTRIAL -- 0.4%		
178,400	Owens-Illinois Inc., 4.750% Cv. Pfd.	5,926,959	7,537,400
80,000	Smurfit-Stone Container Corp., 7.000% Cv. Pfd., Ser. A	1,996,123	1,876,000
		-----	-----
		7,923,082	9,413,400
		-----	-----

See accompanying notes to financial statements.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

SHARES -----		COST -----	MARKET VALUE -----
	CONVERTIBLE PREFERRED STOCKS (CONTINUED)		
	ENERGY AND UTILITIES -- 0.3%		
5,000	Chesapeake Energy Corp., 5.000% Cv. Pfd. (a)	\$ 512,500	\$ 728,750
20,000	CMS Energy Corp., 4.500% Cv. Pfd., Ser. B	1,069,062	1,822,500
130,000	El Paso Energy Capital Trust I, 4.750% Cv. Pfd., Ser. C	4,680,219	5,480,800
		-----	-----
		6,261,781	8,032,050
		-----	-----
	ENTERTAINMENT -- 0.1%		
84,800	Six Flags Inc., 7.250% Cv. Pfd., Ser. B	2,007,467	2,030,960
		-----	-----
	FINANCIAL SERVICES -- 0.3%		
1,500	Doral Financial Corp., 4.750% Cv. Pfd.	207,335	202,500
137,000	Newell Financial Trust I, 5.250% Cv. Pfd.	6,428,812	6,747,250
		-----	-----
		6,636,147	6,949,750
		-----	-----
	HEALTH CARE -- 0.0%		
12,000	Omnicare Inc., 4.000% Cv. Pfd., Ser. B	705,608	598,500
		-----	-----
	TELECOMMUNICATIONS -- 0.4%		
50,000	Cincinnati Bell Inc., 6.750% Cv. Pfd., Ser. B	2,118,418	2,392,500
120,000	Crown Castle International Corp., 6.250% Cv. Pfd.	5,522,500	6,840,000
		-----	-----
		7,640,918	9,232,500
		-----	-----
	TRANSPORTATION -- 0.1%		
1,500	GATX Corp., \$2.50 Cv. Pfd.	199,475	363,953
982	Kansas City Southern, 4.250% Cv. Pfd.	551,884	1,262,940
		-----	-----
		751,359	1,626,893
		-----	-----
	TOTAL CONVERTIBLE PREFERRED STOCKS		
		34,265,896	40,266,136
		-----	-----
PRINCIPAL AMOUNT -----			
	CONVERTIBLE CORPORATE BONDS -- 1.4%		
	AUTOMOTIVE: PARTS AND ACCESSORIES -- 0.0%		
\$ 500,000	Standard Motor Products Inc., Sub. Deb. Cv., 6.750%, 07/15/09	488,292	478,750
		-----	-----
PRINCIPAL			MARKET

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

AMOUNT -----		COST -----	VALUE -----
	BROADCASTING -- 0.5%		
\$ 100,000	Lin Television Corp., Sub. Deb. Cv., 2.500%, 05/15/33	\$ 91,717	\$ 97,500
13,000,000	Sinclair Broadcast Group Inc., Sub. Deb. Cv., 6.000%, 09/15/12	11,012,714	12,545,000
		-----	-----
		11,104,431	12,642,500
		-----	-----
	COMMUNICATIONS EQUIPMENT -- 0.4%		
10,000,000	Agere Systems Inc., Sub. Deb. Cv., 6.500%, 12/15/09	10,047,088	10,212,500
		-----	-----
	ENTERTAINMENT -- 0.1%		
1,500,000	The Walt Disney Co., Cv., 2.125%, 04/15/23	1,508,081	1,803,750
		-----	-----
	FINANCIAL SERVICES -- 0.0%		
250,000	AON Corp., Deb. Cv., 3.500%, 11/15/12	257,088	497,812
		-----	-----
	REAL ESTATE -- 0.0%		
100,000	Palm Harbor Homes Inc., Cv., 3.250%, 05/15/24	84,877	86,875
1,000,000	3.250%, 05/15/24 (a)	974,162	868,750
		-----	-----
		1,059,039	955,625
		-----	-----
	TELECOMMUNICATIONS -- 0.4%		
10,000,000	Nortel Networks Corp., Cv., 4.250%, 09/01/08	9,832,798	9,912,500
		-----	-----
	TOTAL CONVERTIBLE CORPORATE BONDS	34,296,817	36,503,437
		-----	-----
	SHARES -----		
	WARRANTS -- 0.0%		
	FOOD AND BEVERAGE -- 0.0%		
650	Parmalat SpA, GDR, expire 12/31/15+ (a) (b) (c) ..	0	1,608
		-----	-----
	PRINCIPAL AMOUNT -----		
	SHORT-TERM OBLIGATIONS -- 4.6%		
	REPURCHASE AGREEMENTS -- 4.3%		
\$55,460,000	Barclays Capital Inc., 4.250%, dated 06/29/07, due 07/02/07, proceeds at maturity, \$55,479,642 (d) ...	55,460,000	55,460,000

See accompanying notes to financial statements.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

valued securities amounted to \$1,388,497 or 0.05% of total investments.
(c) At June 30, 2007, the Fund held investments in restricted and illiquid securities amounting to \$1,608 or 0.00% of total investments, which were valued under methods approved by the Board, as follows:

ACQUISITION SHARES	ISSUER	ACQUISITION DATE	ACQUISITION COST	06/30/07 CARRYING VALUE PER UNIT
-----	-----	-----	-----	-----
650	Parmalat SpA, GDR warrants expire 12/31/15 ..	11/09/05	\$0.00	\$2.4738

(d) Collateralized by \$43,190,000 U.S. Treasury Bond, 8.125%, due 08/15/21, market value \$56,569,200.

(e) Collateralized by \$58,094,000 U.S. Treasury Notes, 3.125%, due 04/15/09, market value \$56,569,033.

W/I When Issued.

+ Non-income producing security.

++ Represents annualized yield at date of purchase.

ADR American Depository Receipt

GDR Global Depository Receipt

	% OF MARKET VALUE	MARKET VALUE
	-----	-----
GEOGRAPHIC DIVERSIFICATION		
North America	78.8%	\$2,039,424,553
Europe	13.3	343,173,162
Latin America	3.3	85,049,607
Japan	2.4	63,443,919
Asia/Pacific	2.2	55,732,897
	-----	-----
Total Investments	100.0%	\$2,586,824,138
	=====	=====

See accompanying notes to financial statements.

10

THE GABELLI DIVIDEND & INCOME TRUST

STATEMENT OF ASSETS AND LIABILITIES

JUNE 30, 2007 (UNAUDITED)

ASSETS:

Investments, at value (cost \$1,972,225,348)	\$ 2,475,905,138
Repurchase agreements, at value (cost \$110,919,000)	110,919,000
Foreign currency, at value (cost \$207,363)	202,440
Deposit at broker	8,239,005
Cash	9,825,389
Receivable for investments sold	3,513,920
Unrealized appreciation on swap contracts	3,030,858
Dividends and interest receivable	4,666,581
Prepaid expense	36,760

TOTAL ASSETS	2,616,339,091

LIABILITIES:

Securities sold short (proceeds \$9,824,509)	9,105,810
--	-----------

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

Payable for investments purchased	2,981,661
Distributions payable	344,906
Payable for investment advisory fees	4,288,888
Payable for payroll expenses	10,427
Payable for accounting fees	3,872
Other accrued expenses	488,970

TOTAL LIABILITIES	17,224,534

PREFERRED STOCK:	
Series A Cumulative Preferred Stock (5.875%, \$25 liquidation value, \$0.001 par value, 3,200,000 shares authorized with 3,200,000 shares issued and outstanding)	80,000,000
Series B Cumulative Preferred Stock (Auction Market, \$25,000 liquidation value, \$0.001 par value, 4,000 shares authorized with 4,000 shares issued and outstanding)	100,000,000
Series C Cumulative Preferred Stock (Auction Market, \$25,000 liquidation value, \$0.001 par value, 4,800 shares authorized with 4,800 shares issued and outstanding)	120,000,000
Series D Cumulative Preferred Stock (6.00%, \$25 liquidation value, \$0.001 par value, 2,600,000 shares authorized with 2,600,000 shares issued and outstanding)	65,000,000
Series E Cumulative Preferred Stock (Auction Rate, \$25,000 liquidation value, \$0.001 par value, 5,400 shares authorized with 5,400 shares issued and outstanding)	135,000,000

TOTAL PREFERRED STOCK	500,000,000

NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 2,099,114,557
	=====
NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS CONSIST OF:	
Paid-in capital, at \$0.001 par value	\$ 1,543,032,693
Accumulated net investment income	16,446,114
Accumulated net realized gain on investments, written options, swap contracts, securities sold short, and foreign currency transactions	32,215,571
Net unrealized appreciation on investments	503,679,790
Net unrealized appreciation on swap contracts	3,030,858
Net unrealized appreciation on securities sold short	718,699
Net unrealized depreciation on foreign currency translations	(9,168)

NET ASSETS	\$ 2,099,114,557
	=====
NET ASSET VALUE PER COMMON SHARE (\$2,099,114,557 / 83,929,070 shares outstanding; unlimited number of shares authorized)	
	\$25.01
	=====

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2007 (UNAUDITED)

INVESTMENT INCOME:	
Dividends (net of foreign taxes of \$1,060,612)	\$ 32,977,391
Interest	7,104,168

TOTAL INVESTMENT INCOME	40,081,559

EXPENSES:	
Investment advisory fees	12,693,284
Auction agent fees	450,336
Shareholder communications expenses	277,993
Custodian fees	160,049
Payroll expenses	130,049
Trustees' fees	85,434
Legal and audit fees	48,330
Accounting fees	22,621
Shareholder services fees	19,204
Interest expense	6,648
Miscellaneous expenses	180,117

TOTAL EXPENSES	14,074,065
Less: Custodian fee credits	(87,634)

NET EXPENSES	13,986,431

NET INVESTMENT INCOME	26,095,128

NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, WRITTEN OPTIONS, SWAP CONTRACTS, SECURITIES SOLD SHORT, AND FOREIGN CURRENCY:	
Net realized gain on investments	75,048,313
Net realized gain on written options	384,353
Net realized gain on swap contracts	1,546,427
Net realized loss on foreign currency transactions	(24,482)

Net realized gain on investments, written options, swap contracts, and foreign currency transactions	76,954,611

Net change in unrealized appreciation/depreciation:	
on investments	75,599,301
on written options	220,307
on swap contracts	(124,451)
on securities sold short	718,699
on foreign currency translations	(7,949)

Net change in unrealized appreciation/ depreciation on investments, written options, swap contracts, securities sold short, and foreign currency translations	76,405,907

NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, WRITTEN OPTIONS, SWAP CONTRACTS, SECURITIES SOLD SHORT, AND FOREIGN CURRENCY	
	153,360,518

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	
	179,455,646

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

Total Distributions to Preferred	
Stock Shareholders	(13,372,396)
Recapture of gain on sale of Fund	
shares by an affiliate	4,338

NET INCREASE IN NET ASSETS ATTRIBUTABLE TO	
COMMON SHAREHOLDERS RESULTING	
FROM OPERATIONS	\$ 166,087,588
	=====

See accompanying notes to financial statements.

11

THE GABELLI DIVIDEND & INCOME TRUST

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS

	SIX MONTHS JUNE 30, (UNAUDITED)

OPERATIONS:	
Net investment income	\$ 26,0
Net realized gain on investments, written options, swap contracts, and foreign currency transactions	76,9
Net change in unrealized appreciation/depreciation on investments, written options, swap contracts, securities sold short, and foreign currency translations.	76,4

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	179,4

DISTRIBUTIONS TO PREFERRED SHAREHOLDERS:	
Net investment income	(4,4
Net realized short-term gain on investments, written options, swap contracts, and foreign currency transactions	(1,8
Net realized long-term gain on investments, written options, swap contracts, futures contracts, securities sold short, and foreign currency transactions.	(7,1

TOTAL DISTRIBUTIONS TO PREFERRED SHAREHOLDERS	(13,3

NET INCREASE IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS RESULTING FROM OPERATIONS	166,0

DISTRIBUTIONS TO COMMON SHAREHOLDERS:	
Net investment income	(17,2
Net realized short-term gain on investments, written options, swap contracts, and foreign currency transactions	(7,0
Net realized long-term gain on investments, written options, swap contracts, futures contracts, securities sold short, and foreign currency transactions.	(27,7

TOTAL DISTRIBUTIONS TO COMMON SHAREHOLDERS	(52,0

FUND SHARE TRANSACTIONS:	
Net decrease from repurchase of common shares	(9
Recapture of gain on sale of Fund shares by an affiliate	
Offering costs for preferred shares charged to paid-in capital	

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

NET DECREASE IN NET ASSETS FROM FUND SHARE TRANSACTIONS	(9)
NET INCREASE IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS	113,0
NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS:	
Beginning of period	1,986,0
End of period (including undistributed net investment income of \$16,446,114 and \$12,027,863, respectively)	\$ 2,099,1

 * Based on fiscal year to date book income. Amounts are subject to change and recharacterization at fiscal year end.

See accompanying notes to financial statements.

12

THE GABELLI DIVIDEND & INCOME TRUST NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

1. ORGANIZATION. The Gabelli Dividend & Income Trust (the "Fund") is a non-diversified closed-end management investment company organized as a Delaware statutory trust on November 18, 2003 and registered under the Investment Company Act of 1940, as amended (the "1940 Act"). Investment operations commenced on November 28, 2003.

The Fund's investment objective is to provide a high level of total return on its assets with an emphasis on dividends and income. The Fund will attempt to achieve its investment objective by investing, under normal market conditions, at least 80% of its assets in dividend paying securities (such as common and preferred stock) or other income producing securities (such as fixed income debt securities and securities that are convertible into equity securities).

2. SIGNIFICANT ACCOUNTING POLICIES. The preparation of financial statements in accordance with United States ("U.S.") generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

SECURITY VALUATION. Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Trustees (the "Board") so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the "Adviser").

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market but prior to the close of business on the day the securities are being valued.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

Debt instruments with remaining maturities of 60 days or less that are not credit impaired are valued at amortized cost, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities will be fair valued as determined by the Board. Debt instruments having a maturity greater than 60 days for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons to the valuation and changes in valuation of similar securities, including a comparison of foreign securities to the equivalent U.S. dollar value ADR securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

In September 2006, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards ("SFAS") 157, Fair Value Measurements, which clarifies the definition of fair value and requires companies to expand their disclosure about the use of fair value to measure assets and liabilities in interim and annual periods subsequent to initial recognition. Adoption of SFAS 157 requires the use of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim

13

THE GABELLI DIVIDEND & INCOME TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

periods within those fiscal years. At this time, management is in the process of reviewing the requirements of SFAS 157 against its current valuation policies to determine future applicability.

REPURCHASE AGREEMENTS. The Fund may enter into repurchase agreements with primary government securities dealers recognized by the Federal Reserve Board, with member banks of the Federal Reserve System, or with other brokers or dealers that meet credit guidelines established by the Adviser and reviewed by the Board. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Fund's holding period. The Fund will always receive and maintain securities as collateral whose market value, including accrued interest, will be at least equal to 102% of the dollar amount invested by the Fund in each agreement. The Fund will make payment for such securities only upon physical delivery or upon evidence of book entry transfer of the collateral to the account of the custodian. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to maintain the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited. At June 30, 2007, the Fund had investments of \$110,919,000 in repurchase agreements.

OPTIONS. The Fund may purchase or write call or put options on securities or indices. As a writer of put options, the Fund receives a premium at the

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

outset and then bears the risk of unfavorable changes in the price of the financial instrument underlying the option. The Fund would incur a loss if the price of the underlying financial instrument decreases between the date the option is written and the date on which the option is terminated. The Fund would realize a gain, to the extent of the premium, if the price of the financial instrument increases between those dates.

As a purchaser of put options, the Fund pays a premium for the right to sell to the seller of the put option the underlying security at a specified price. The seller of the put has the obligation to purchase the underlying security upon exercise at the exercise price. If the price of the underlying security declines, the Fund would realize a gain upon sale or exercise. If the price of the underlying security increases or stays the same, the Fund would realize a loss upon sale or at expiration date, but only to the extent of the premium paid.

In the case of call options, these exercise prices are referred to as "in-the-money," "at-the-money," and "out-of-the-money," respectively. The Fund may write (a) in-the-money call options when the Adviser expects that the price of the underlying security will remain stable or decline moderately during the option period, (b) covered at-the-money call options when the Adviser expects that the price of the underlying security will remain stable or advance moderately during the option period, and (c) out-of-the-money call options when the Adviser expects that the premiums received from writing the call option will be greater than the appreciation in the price of the underlying security above the exercise price. By writing a call option, the Fund limits its opportunity to profit from any increase in the market value of the underlying security above the exercise price of the option. Out-of-the-money, at-the-money, and in-the-money put options (the reverse of call options as to the relation of exercise price to market price) may be utilized in the same market environments that such call options are used in equivalent transactions. At June 30, 2007, the Fund had no investments in options.

SWAP AGREEMENTS. The Fund may enter into interest rate swap or cap transactions. The use of swaps and caps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio transactions. Swap agreements may involve, to varying degrees, elements of market and counterparty risk, and exposure to loss in excess of the related amounts reflected in the Statement of Assets and Liabilities. In an interest rate swap, the Fund would agree to pay to the other party to the interest rate swap (which is known as the "counterparty")

14

THE GABELLI DIVIDEND & INCOME TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

periodically a fixed rate payment in exchange for the counterparty agreeing to pay to the Fund periodically a variable rate payment that is intended to approximate the Fund's variable rate payment obligation on Series B Preferred Stock. In an interest rate cap, the Fund would pay a premium to the counterparty and, to the extent that a specified variable rate index exceeds a predetermined fixed rate, would receive from that counterparty payments of the difference based on the notional amount of such cap. Interest rate swap and cap transactions introduce additional risk because the Fund would remain obligated to pay preferred stock dividends when due in accordance with the Articles Supplementary even if the counterparty defaulted.

The Fund has entered into an interest rate swap agreement with Citibank N.A. Under the agreement the Fund receives a floating rate of interest and pays a respective fixed rate of interest on the nominal value of the swap. Details of

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

the swap at June 30, 2007 are as follows:

NOTIONAL AMOUNT	FIXED RATE	FLOATING RATE* (RATE RESET MONTHLY)	TERMINATION DATE	NET UNREALIZED APPRECIATION
\$100,000,000	4.01%	5.32%	June 2, 2010	\$3,523,982

* Based on Libor (London Interbank Offered Rate).

The Fund may enter into equity swap transactions. The use of equity swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In an equity swap, a set of future cash flows are exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock.

The Fund has entered into equity swap agreements with Bear, Stearns International Limited. Details of the swaps at June 30, 2007 are as follows:

NOTIONAL AMOUNT	EQUITY SECURITY RECEIVED	INTEREST RATE/ EQUITY SECURITY PAID
	Market Value	Overnight LIBOR plus
	Appreciation on:	Market Value Depreciation on:
\$4,462,994 (200,000 Shares)	Alliance Boots plc	Alliance Boots plc
4,742,004 (344,000 Shares)	Cadbury Schweppes plc	Cadbury Schweppes plc
18,893,965 (1,500,000 Shares)	Imperial Chemical Industries plc	Imperial Chemical Industries plc
2,127,433 (100,000 Shares)	Hanson plc	Hanson plc

If there is a default by the counterparty to a swap contract, the Fund will be limited to contractual remedies pursuant to the agreements related to the transaction. There is no assurance that the swap contract counterparties will be able to meet their obligations pursuant to a swap contract or that, in the event of default, the Fund will succeed in pursuing contractual remedies. The Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to a swap contract. The creditworthiness of the swap contract counterparties is closely monitored in order to minimize this risk. Depending on the general state of short-term interest rates and the returns on the Fund's portfolio securities at that point in time, such a default could negatively affect the Fund's ability to make dividend payments. In addition, at the time an equity swap or an interest rate swap or cap transaction reaches its scheduled termination date, there is a risk that the Fund will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction. If this occurs, it could have a negative impact on the Fund's ability to make dividend payments.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

market and counterparty risk in excess of the amount recognized in the Statement of Assets and Liabilities.

Unrealized gains related to swaps are reported as an asset and unrealized losses are reported as a liability in the Statement of Assets and Liabilities. The change in value of swaps, including the accrual of periodic amounts of interest to be paid or received on swaps are reported as unrealized gains or losses in the Statement of Operations. A realized gain or loss is recorded upon payment or receipt of a periodic payment or termination of swap agreements.

FUTURES CONTRACTS. The Fund may engage in futures contracts for the purpose of hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase. Upon entering into a futures contract, the Fund is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the "initial margin". Subsequent payments ("variation margin") are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract, which are included in unrealized appreciation/depreciation on investments and futures contracts. The Fund recognizes a realized gain or loss when the contract is closed.

There are several risks in connection with the use of futures contracts as a hedging instrument. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market. At June 30, 2007, there were no open futures contracts.

SECURITIES SOLD SHORT. The Fund may enter into short sale transactions. Short selling involves selling securities that may or may not be owned and, at times, borrowing the same securities for delivery to the purchaser, with an obligation to replace such borrowed securities at a later date. The proceeds received from short sales are recorded as liabilities and the Fund records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of an open short position on the day of determination. The Fund records a realized gain or loss when the short position is closed out. By entering into a short sale, the Fund bears the market risk of an unfavorable change in the price of the security sold short. Dividends on short sales are recorded as an expense by the Fund on the ex-dividend date and interest expense is recorded on the accrual basis. Securities sold short at June 30, 2007 are reported within the Schedule of Investments.

FORWARD FOREIGN EXCHANGE CONTRACTS. The Fund may engage in forward foreign exchange contracts for hedging a specific transaction with respect to either the currency in which the transaction is denominated or another currency as deemed appropriate by the Adviser. Forward foreign exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is included in unrealized appreciation/depreciation on investments and foreign currency translations. When the contract is closed, the Fund records a realized gain or loss 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 forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Fund's portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign 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 Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. At June 30, 2007, there were no open forward foreign exchange contracts.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

FOREIGN CURRENCY TRANSLATIONS. The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at the current exchange rates. Purchases and sales of investment securities, income, and expenses are translated at the exchange rate prevailing on the respective dates

16

THE GABELLI DIVIDEND & INCOME TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

of such transactions. Unrealized gains and losses that result from changes in foreign exchange rates and/or changes in market prices of securities have been included in unrealized appreciation/depreciation on investments and foreign currency translations. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions, and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

FOREIGN SECURITIES. The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the ability to repatriate funds, less complete financial information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. issuers.

FOREIGN TAXES. The Fund may be subject to foreign taxes on income, gains on investments, or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

RESTRICTED AND ILLIQUID SECURITIES. The Fund is not subject to an independent limitation on the amount it may invest in securities for which the markets are illiquid. Illiquid securities include securities the disposition of which is subject to substantial legal or contractual restrictions. The sale of illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity.

SECURITIES TRANSACTIONS AND INVESTMENT INCOME. Securities transactions are accounted for on the trade date with realized gain or loss on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on the accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method. Dividend income is recorded on the ex-dividend date except for certain dividends which are recorded as soon as the

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

Fund is informed of the dividend.

CUSTODIAN FEE CREDITS AND INTEREST EXPENSE. When cash balances are maintained in the custody account, the Fund receives credits which are used to offset custodian fees. The gross expenses paid under the custody arrangement are included in custodian fees in the Statement of Operations with the corresponding expense offset, if any, shown as "custodian fee credits". When cash balances are overdrawn, the Fund is charged an overdraft fee of 2.00% above the Federal Funds rate on outstanding balances. This amount, if any, would be shown as "interest expense" in the Statement of Operations.

DISTRIBUTIONS TO SHAREHOLDERS. Distributions to common shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under U.S. generally accepted accounting principles. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions

17

THE GABELLI DIVIDEND & INCOME TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

made by the Fund. Distributions from net investment income include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. These reclassifications have no impact on the NAV of the Fund.

Distributions to shareholders of the Fund's 5.875% Series A Cumulative Preferred Stock, Series B Auction Market Cumulative Preferred Stock, Series C Auction Market Cumulative Preferred Stock, 6.00% Series D Cumulative Preferred Stock, and Series E Auction Rate Cumulative Preferred Stock ("Cumulative Preferred Stock") are recorded on a daily basis and are determined as described in Note 5.

The tax character of distributions paid during the year ended December 31, 2006 was as follows:

	COMMON -----	PREFERRED -----
DISTRIBUTIONS PAID FROM:		
Ordinary income (inclusive of short-term capital gains)	\$ 71,341,776	\$14,347,465
Net long-term capital gains	58,199,561	11,704,448
	-----	-----
Total distributions paid	\$129,541,337	\$26,051,913
	=====	=====

PROVISION FOR INCOME TAXES. The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

As of December 31, 2006, the components of accumulated earnings/(losses) on

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

a tax basis were as follows:

Net unrealized appreciation on investments, written options, foreign currency, and swap contracts	\$431,173,223
Post-October currency loss deferral	(449,565)
Undistributed ordinary income	11,337,666
Other temporary differences	(1,545)

Total	\$442,059,779
	=====

The following summarizes the tax cost of investments, written options, swap contracts, and the related unrealized appreciation/(depreciation) at June 30, 2007:

	COST/ PROCEEDS	GROSS UNREALIZED APPRECIATION	GROSS UNREALIZED DEPRECIATION	NET UNREALIZED APPRECIATION
	-----	-----	-----	-----
Investments	\$2,084,983,118	\$525,098,625	\$(23,257,605)	\$501,841,020
Swap contracts	--	3,625,900	(595,042)	3,030,858
Short sales	(9,824,509)	718,699	--	718,699
	-----	-----	-----	-----
	\$2,075,158,609	\$529,443,224	\$(23,852,647)	\$505,590,577
	=====	=====	=====	=====

In July 2006, the FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109" ("the Interpretation"). The Interpretation established for all entities, including pass-through entities such as the Fund, a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and required certain expanded tax disclosures. The Interpretation was implemented by the Fund on June 29, 2007 and applied to all open tax years as of the effective date. Management has evaluated the application of the Interpretation to the Fund, and the adoption of the Interpretation had no impact on the amounts reported in the financial statements.

18

THE GABELLI DIVIDEND & INCOME TRUST
NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

3. AGREEMENTS AND TRANSACTIONS WITH AFFILIATES. The Fund has entered into an investment advisory agreement (the "Advisory Agreement") with the Adviser which provides that the Fund will pay the Adviser a fee, computed weekly and paid monthly, equal on an annual basis to 1.00% of the value of the Fund's average weekly net assets including the liquidation value of the preferred stock. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio and oversees the administration of all aspects of the Fund's business and affairs. The Adviser has agreed to reduce the management fee on the incremental assets attributable to the Cumulative Preferred Stock if the total return of the NAV of the common shares of the Fund, including distributions and advisory fee subject to reduction, does not exceed the stated dividend rate or corresponding swap rate of each particular series of the Cumulative Preferred Stock for the fiscal year.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

The Fund's total return on the NAV of the common shares is monitored on a monthly basis to assess whether the total return on the NAV of the common shares exceeds the stated dividend rate or corresponding swap rate of each particular series of Cumulative Preferred Stock for the period. For the six months ended June 30, 2007, the Fund's total return on the NAV of the common shares exceeded the stated dividend rate or corresponding swap rate of all outstanding Preferred Stock. Thus, management fees were accrued on these assets.

During the six months ended June 30, 2007, the Fund paid brokerage commissions of \$756,778 to Gabelli & Company, Inc. ("Gabelli & Company"), an affiliate of the Adviser.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement between the Fund and the Adviser. During the six months ended June 30, 2007, the Fund paid or accrued \$22,621 to the Adviser in connection with the cost of computing the Fund's NAV.

The Fund is assuming its portion of the allocated cost of the Gabelli Funds' Chief Compliance Officer in the amount of \$19,708 for the six months ended June 30, 2007, which is included in payroll expenses in the Statement of Operations.

As per the approval of the Board, the Fund compensates officers of the Fund that are employed by the Fund and are not employed by the Adviser (although the officers may receive incentive-based variable compensation from affiliates of the Adviser). For the six months ended June 30, 2007, the Fund paid or accrued \$110,341, which is included in payroll expenses in the Statement of Operations.

The Fund recaptured a gain of \$4,338 on the sale of its shares by an affiliate of the Adviser.

The Fund pays each Trustee that is not considered to be an affiliated person an annual retainer of \$12,000 plus \$1,500 for each Board meeting attended in person and \$500 per telephonic meeting, and they are reimbursed for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$1,000 per meeting attended. In addition, the Audit Committee Chairman receives an annual fee of \$3,000, the Proxy Voting Committee Chairman receives an annual fee of \$1,500, and the Nominating Committee Chairman receives an annual fee of \$2,000. Trustees who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

4. PORTFOLIO SECURITIES. Purchases and proceeds from the sales of securities for the six months ended June 30, 2007, other than short-term and U.S Government securities, aggregated \$939,187,337 and \$462,095,228, respectively.

19

THE GABELLI DIVIDEND & INCOME TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

Option contracts written by the Fund during the six months ended June 30, 2007 were as follows:

	NUMBER OF CONTRACTS	PREMIUMS
Options outstanding at December 31, 2006 ...	5,544	\$ 1,898,621
Options written	364	76,346
Options exercised	(3,833)	(1,590,614)
Options expired	(2,075)	(384,353)

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

Options outstanding at June 30, 2007	----- --	----- \$	----- --
	=====		=====

5. CAPITAL. The Fund is authorized to issue an unlimited number of common shares of beneficial interest (par value \$0.001). The Board has authorized the repurchase of its shares on the open market when the shares are trading at a discount of 7.5% or more (or such other percentage as the Board may determine from time to time) from the NAV of the shares. During the six months ended June 30, 2007, the Fund repurchased 44,100 shares of beneficial interest in the open market at a cost of \$992,992 and an average discount of approximately 11.24% from its NAV. All shares of beneficial interest repurchased have been retired.

Transactions in shares of beneficial interest were as follows:

	SIX MONTHS ENDED JUNE 30, 2007 (UNAUDITED)		YEAR ENDED DECEMBER 31, 2006	
	SHARES	AMOUNT	SHARES	AMOUNT
Net decrease from				
repurchase of common shares	(44,100)	\$(992,992)	(340,235)	\$(6,491,041)

The Fund's Declaration of Trust, as amended, authorizes the issuance of an unlimited number of shares of \$0.001 par value Cumulative Preferred Stock. The Cumulative Preferred Stock is senior to the common shares and results in the financial leveraging of the common shares. Such leveraging tends to magnify both the risks and opportunities to common shareholders. Dividends on shares of the Cumulative Preferred Stock are cumulative. The Fund is required by the 1940 Act and by the Statements of Preferences to meet certain asset coverage tests with respect to the Cumulative Preferred Stock. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, the 5.875% Series A, Series B Auction Market, Series C Auction Market, 6.00% Series D, and Series E Auction Rate Cumulative Preferred Stock at redemption prices of \$25, \$25,000, \$25,000, \$25, and \$25,000, respectively, per share plus an amount equal to the accumulated and unpaid dividends whether or not declared on such shares in order to meet these requirements. Additionally, failure to meet the foregoing asset coverage requirements could restrict the Fund's ability to pay dividends to common shareholders and could lead to sales of portfolio securities at inopportune times. The income received on the Fund's assets may vary in a manner unrelated to the fixed and variable rates, which could have either a beneficial or detrimental impact on net investment income and gains available to common shareholders.

On October 12, 2004, the Fund received net proceeds of \$77,280,971 (after underwriting discounts of \$2,520,000 and offering expenses of \$199,029) from the public offering of 3,200,000 shares of 5.875% Series A Cumulative Preferred Stock. Commencing October 12, 2009 and thereafter, the Fund, at its option, may redeem the 5.875% Series A Cumulative Preferred Stock in whole or in part at the redemption price at any time. The Board has authorized the repurchase of Series A Cumulative Preferred Stock in the open market at prices less than the \$25 liquidation value per share. During the six months ended June 30, 2007, the Fund did not repurchase any shares of 5.875% Series A Cumulative Preferred Stock. At June 30, 2007, 3,200,000 shares of 5.875% Series A Cumulative Preferred Stock were outstanding and accrued dividends amounted to \$78,334.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

THE GABELLI DIVIDEND & INCOME TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

On October 12, 2004, the Fund received net proceeds of \$217,488,958 (after underwriting discounts of \$2,200,000 and offering expenses of \$311,042) from the public offering of 4,000 shares of Series B and 4,800 shares of Series C Auction Market Cumulative Preferred Stock, respectively. The dividend rate, as set by the auction process, which is generally held every seven days, is expected to vary with short-term interest rates. The dividend rates of Series B Auction Market Cumulative Preferred Stock ranged from 4.70% to 5.31% during the six months ended June 30, 2007. The dividend rates of Series C Auction Market Cumulative Preferred Stock ranged from 4.70% to 5.27% during the six months ended June 30, 2007. Existing shareholders may submit an order to hold, bid, or sell such shares on each auction date. Series B and C Auction Market Cumulative Preferred Stock shareholders may also trade shares in the secondary market. The Fund, at its option, may redeem the Series B and C Auction Market Cumulative Preferred Stock in whole or in part at the redemption price at any time. During the six months ended June 30, 2007, the Fund did not redeem any shares of Series B and C Auction Market Cumulative Preferred Stock. At June 30, 2007, 4,000 and 4,800 shares of the Series B and C Auction Market Cumulative Preferred Stock were outstanding with an annualized dividend rate of 5.20% and 5.21% per share and accrued dividends amounted to \$72,222 and \$52,100, respectively.

On November 3, 2005, the Fund received net proceeds of \$62,617,239 (after underwriting discounts of \$2,047,500 and offering expenses of \$335,261) from the public offering of 2,600,000 shares of 6.00% Series D Cumulative Preferred Stock. Commencing November 3, 2010 and thereafter, the Fund, at its option, may redeem the 6.00% Series D Cumulative Preferred Stock in whole or in part at the redemption price at any time. The Board has authorized the repurchase of Series D Cumulative Preferred Stock in the open market at prices less than the \$25 liquidation value per share. During the six months ended June 30, 2007, the Fund did not repurchase any shares of 6.00% Series D Cumulative Preferred Stock. At June 30, 2007, 2,600,000 shares of 6.00% Series D Cumulative Preferred Stock were outstanding and accrued dividends amounted to \$65,000.

On November 3, 2005, the Fund received net proceeds of \$133,379,387 (after underwriting discounts of \$1,350,000 and offering expenses of \$270,613) from the public offering of 5,400 shares of Series E Auction Rate Cumulative Preferred Stock. The dividend rate, as set by the auction process, which is generally held every seven days, is expected to vary with short-term interest rates. The dividend rates of Series E Auction Rate Cumulative Preferred Stock ranged from 4.50% to 5.29% during the six months ended June 30, 2007. Existing shareholders may submit an order to hold, bid, or sell such shares on each auction date. Series E Auction Rate Preferred Stock shareholders may also trade shares in the secondary market. The Fund, at its option, may redeem the Series E Auction Rate Preferred Stock in whole or in part at the redemption price at any time. During the six months ended June 30, 2007, the Fund did not redeem any shares of Series E Auction Rate Preferred Stock. At June 30, 2007, 5,400 shares of Series E Auction Rate Preferred Stock were outstanding with an annualized dividend rate of 5.15% and accrued dividends amounted to \$77,250.

The holders of Cumulative Preferred Stock generally are entitled to one vote per share held on each matter submitted to a vote of shareholders of the Fund and will vote together with holders of common shares as a single class. The holders of Cumulative Preferred Stock voting together as a single class also have the right currently to elect two Trustees and under certain circumstances are entitled to elect a majority of the Board of Trustees. In addition, the affirmative vote of a majority of the votes entitled to be cast by holders of all outstanding shares of the preferred stock, voting as a single class, will be required to approve any plan of reorganization adversely affecting the preferred

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

stock, and the approval of two-thirds of each class, voting separately, of the Fund's outstanding voting stock must approve the conversion of the Fund from a closed-end to an open-end investment company. The approval of a majority (as defined in the 1940 Act) of the outstanding preferred stock and a majority (as defined in the 1940 Act) of the Fund's outstanding voting securities are required to approve certain other actions, including changes in the Fund's investment objectives or fundamental investment policies.

21

THE GABELLI DIVIDEND & INCOME TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

6. INDEMNIFICATIONS. The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

7. OTHER MATTERS. The Adviser and/or affiliates received subpoenas from the Attorney General of the State of New York and the SEC requesting information on mutual fund share trading practices involving certain funds managed by the Adviser. GAMCO Investors, Inc. ("GAMCO"), the Adviser's parent company, responded to these requests for documents and testimony. In June 2006, GAMCO began discussions with the SEC regarding a possible resolution of their inquiry. In February 2007, the Adviser made an offer of settlement to the staff of the SEC for communication to the Commission for its consideration to resolve this matter. This offer of settlement is subject to agreement regarding the specific language of the SEC's administrative order and other settlement documents. On a separate matter, in September 2005, the Adviser was informed by the staff of the SEC that the staff may recommend to the Commission that an administrative remedy and a monetary penalty be sought from the Adviser in connection with the actions of two of seven closed-end funds managed by the Adviser relating to Section 19(a) and Rule 19a-1 of the 1940 Act. These provisions require registered investment companies to provide written statements to shareholders when a dividend is made from a source other than net investment income. While the two closed-end funds sent annual statements and provided other materials containing this information, the funds did not send written statements to shareholders with each distribution in 2002 and 2003. The Adviser believes that all of the funds are now in compliance. The Adviser believes that these matters would have no effect on the Fund or any material adverse effect on the Adviser or its ability to manage the Fund. The staff's notice to the Adviser did not relate to the Fund.

22

THE GABELLI DIVIDEND & INCOME TRUST FINANCIAL HIGHLIGHTS

SELECTED DATA FOR A SHARE OF BENEFICIAL INTEREST OUTSTANDING THROUGHOUT EACH PERIOD:	SIX MONTHS ENDED JUNE 30, 2007 (UNAUDITED)	YEAR ENDED DECEMBER 31, 2006	2005	2004
	-----	-----	-----	-----
OPERATING PERFORMANCE:				
Net asset value, beginning of period	\$ 23.65	\$ 20.62	\$ 20.12	\$ 19.85
Net investment income	0.31	0.87	0.55	0.45
Net realized and unrealized gain on investments, written options, swap contracts,				

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

securities sold short, and foreign currency transactions	1.83	4.00	1.33	
Total from investment operations	2.14	4.87	1.88	
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS: (A)				
Net investment income	(0.05) (d)	(0.12)	(0.06)	
Net realized gain on investments	(0.11) (d)	(0.19)	(0.10)	
Total distributions to preferred stock shareholders	(0.16)	(0.31)	(0.16)	
NET INCREASE IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS RESULTING FROM OPERATIONS				
	1.98	4.56	1.72	
DISTRIBUTIONS TO COMMON SHAREHOLDERS:				
Net investment income	(0.21) (d)	(0.61)	(0.48)	
Net realized gain on investments	(0.41) (d)	(0.93)	(0.72)	
Return of capital	--	--	--	
Total distributions to common shareholders	(0.62)	(1.54)	(1.20)	
FUND SHARE TRANSACTIONS:				
Decrease in net asset value from common share transactions	--	--	--	
Increase in net asset value from repurchase of common shares	0.00 (e)	0.01	0.02	
Recapture of gain on sale of Fund shares by an affiliate	0.00 (e)	--	--	
Offering costs for common shares charged to paid-in capital	--	--	--	
Offering costs for preferred shares charged to paid-in capital	--	(0.00) (e)	(0.04)	
Total from fund share transactions	0.00 (e)	0.01	(0.02)	
NET ASSET VALUE ATTRIBUTABLE TO COMMON SHAREHOLDERS, END OF PERIOD				
	\$ 25.01	\$ 23.65	\$ 20.62	\$
NAV total return +	8.79%	24.09%	9.47%	
Market value, end of period	\$ 22.34	\$ 21.47	\$ 17.62	\$
Investment total return ++	6.99%	31.82%	4.85%	

See accompanying notes to financial statements.

23

THE GABELLI DIVIDEND & INCOME TRUST
FINANCIAL HIGHLIGHTS (CONTINUED)

SELECTED DATA FOR A SHARE OF BENEFICIAL INTEREST OUTSTANDING THROUGHOUT EACH PERIOD:	SIX MONTHS ENDED	YEAR ENDED DECEMBER 31,		
	JUNE 30, 2007	2006	2005	2004
	(UNAUDITED)			

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

RATIOS AND SUPPLEMENTAL DATA:

Net assets including liquidation value of preferred shares, end of period (in 000's)	\$2,599,115	\$2,486,081	\$2,238,155	\$2,000,000
Net assets attributable to common shares, end of period (in 000's)	\$2,099,115	\$1,986,081	\$1,738,155	\$1,700,000
Ratio of net investment income to average net assets attributable to common shares before preferred share distributions	2.56% (f)	3.91%	2.75%	
Ratio of operating expenses to average net assets attributable to common shares net of advisory fee reduction, if any	1.38% (f) (g)	1.41% (g)	1.33% (g)	
Ratio of operating expenses to average net assets including liquidation value of preferred shares net of advisory fee reduction, if any	1.11% (f) (g)	1.11% (g)	1.12% (g)	
Portfolio turnover rate	20.1%	28.8%	25.6%	
5.875% CUMULATIVE PREFERRED STOCK				
Liquidation value, end of period (in 000's)	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
Total shares outstanding (in 000's)	3,200	3,200	3,200	3,200
Liquidation preference per share	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Average market value (b)	\$ 24.39	\$ 23.86	\$ 24.82	\$ 24.82
Asset coverage per share	\$ 129.96	\$ 124.30	\$ 111.91	\$ 111.91
AUCTION MARKET SERIES B CUMULATIVE PREFERRED STOCK				
Liquidation value, end of period (in 000's)	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Total shares outstanding (in 000's)	4	4	4	4
Liquidation preference per share	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Average market value (b)	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Asset coverage per share	\$ 129,956	\$ 124,304	\$ 111,908	\$ 111,908
AUCTION MARKET SERIES C CUMULATIVE PREFERRED STOCK				
Liquidation value, end of period (in 000's)	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
Total shares outstanding (in 000's)	5	5	5	5
Liquidation preference per share	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Average market value (b)	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Asset coverage per share	\$ 129,956	\$ 124,304	\$ 111,908	\$ 111,908
6.00% CUMULATIVE PREFERRED STOCK				
Liquidation value, end of period (in 000's)	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000
Total shares outstanding (in 000's)	2,600	2,600	2,600	2,600
Liquidation preference per share	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Average market value (b)	\$ 24.92	\$ 24.37	\$ 24.72	\$ 24.72
Asset coverage per share	\$ 129.96	\$ 124.30	\$ 111.91	\$ 111.91
AUCTION RATE SERIES E CUMULATIVE PREFERRED STOCK				
Liquidation value, end of period (in 000's)	\$ 135,000	\$ 135,000	\$ 135,000	\$ 135,000
Total shares outstanding (in 000's)	5	5	5	5
Liquidation preference per share	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Average market value (b)	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Asset coverage per share	\$ 129,956	\$ 124,304	\$ 111,908	\$ 111,908
ASSET COVERAGE (C)	520%	497%	448%	

(a) Calculated based upon average common shares outstanding on the record dates throughout the year.

(b) Based on weekly prices.

(c) Asset coverage is calculated by combining all series of preferred stock.

(d) Based on fiscal year to date book income. Amounts are subject to change and recharacterization at fiscal year end.

(e) Amount represents less than \$0.005 per share.

(f) Annualized.

(g) The ratios do not include a reduction of expenses for custodian fee credits on cash balances maintained with the custodian. Including such custodian

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

fee credits for the six months ended June 30, 2007, the ratios of operating expenses to average net assets attributable to common stock net of fee reduction would have been 1.37% and the ratios of operating expenses to average net assets including liquidation value of preferred shares net of fee reduction would have been 1.10%. Custodian fee credits for the fiscal years ended December 31, 2006 and 2005 were minimal.

- (h) The Gabelli Dividend & Income Trust commenced investment operations on November 28, 2003.
- (i) The beginning NAV includes a \$0.04 reduction for costs associated with the initial public offering.
- * Based on net asset value per share at commencement of operations of \$19.06 per share.
- ** Based on market value per share at initial public offering of \$20.00 per share.
- + Based on net asset value per share, adjusted for reinvestment of distributions at prices obtained under the Fund's dividend reinvestment plan. Total return for periods of less than one year are not annualized.
- ++ Based on market value per share, adjusted for reinvestment of distributions at prices obtained under the Fund's dividend reinvestment plan. Total return for periods of less than one year are not annualized.

See accompanying notes to financial statements.

24

AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS

ENROLLMENT IN THE PLAN

It is the policy of The Gabelli Dividend & Income Trust (the "Fund") to automatically reinvest dividends payable to common shareholders. As a "registered" shareholder you automatically become a participant in the Fund's Automatic Dividend Reinvestment Plan (the "Plan"). The Plan authorizes the Fund to issue shares of common stock to participants upon an income dividend or a capital gains distribution regardless of whether the shares are trading at a discount or a premium to net asset value. All distributions to shareholders whose shares are registered in their own names will be automatically reinvested pursuant to the Plan in additional shares of the Fund. Plan participants may send their stock certificates to Computershare Trust Company, N.A. ("Computershare") to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distributions in cash must submit this request in writing to:

The Gabelli Dividend & Income Trust
c/o Computershare
P.O. Box 43010
Providence, RI 02940-3010

Shareholders requesting this cash election must include the shareholder's name and address as they appear on the share certificate. Shareholders with additional questions regarding the Plan or requesting a copy of the terms of the Plan may contact Computershare at (800) 336-6983.

If your shares are held in the name of a broker, bank, or nominee, you should contact such institution. If such institution is not participating in the Plan, your account will be credited with a cash dividend. In order to participate in the Plan through such institution, it may be necessary for you to have your shares taken out of "street name" and re-registered in your own name. Once registered in your own name your distributions will be automatically reinvested. Certain brokers participate in the Plan. Shareholders holding shares

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

in "street name" at participating institutions will have dividends automatically reinvested. Shareholders wishing a cash dividend at such institution must contact their broker to make this change.

The number of shares of common stock distributed to participants in the Plan in lieu of cash dividends is determined in the following manner. Under the Plan, whenever the market price of the Fund's common stock is equal to or exceeds net asset value at the time shares are valued for purposes of determining the number of shares equivalent to the cash dividends or capital gains distribution, participants are issued shares of common stock valued at the greater of (i) the net asset value as most recently determined or (ii) 95% of the then current market price of the Fund's common stock. The valuation date is the dividend or distribution payment date or, if that date is not a New York Stock Exchange ("NYSE") trading day, the next trading day. If the net asset value of the common stock at the time of valuation exceeds the market price of the common stock, participants will receive shares from the Fund valued at market price. If the Fund should declare a dividend or capital gains distribution payable only in cash, Computershare will buy shares of common stock in the open market, or on the NYSE or elsewhere, for the participants' accounts, except that Computershare will endeavor to terminate purchases in the open market and cause the Fund to issue shares at net asset value if, following the commencement of such purchases, the market value of the common stock exceeds the then current net asset value.

The automatic reinvestment of dividends and capital gains distributions will not relieve participants of any income tax which may be payable on such distributions. A participant in the Plan will be treated for federal income tax purposes as having received, on a dividend payment date, a dividend or distribution in an amount equal to the cash the participant could have received instead of shares.

25

VOLUNTARY CASH PURCHASE PLAN

The Voluntary Cash Purchase Plan is yet another vehicle for our shareholders to increase their investment in the Fund. In order to participate in the Voluntary Cash Purchase Plan, shareholders must have their shares registered in their own name.

Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to Computershare for investments in the Fund's common shares at the then current market price. Shareholders may send an amount from \$250 to \$10,000. Computershare will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. Computershare will charge each shareholder who participates \$0.75, plus a pro rata share of the brokerage commissions. Brokerage charges for such purchases are expected to be less than the usual brokerage charge for such transactions. It is suggested that any voluntary cash payments be sent to Computershare, P.O. Box 43010, Providence, RI 02940-3010 such that Computershare receives such payments approximately 10 days before the 1st and 15th of the month. Funds not received at least five days before the investment date shall be held for investment until the next purchase date. A payment may be withdrawn without charge if notice is received by Computershare at least 48 hours before such payment is to be invested.

SHAREHOLDERS WISHING TO LIQUIDATE SHARES HELD AT COMPUTERSHARE must do so in writing or by telephone. Please submit your request to the above mentioned address or telephone number. Include in your request your name, address, and account number. The cost to liquidate shares is \$2.50 per transaction as well as the brokerage commission incurred. Brokerage charges are expected to be less

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

than the usual brokerage charge for such transactions.

For more information regarding the Automatic Dividend Reinvestment Plan and Voluntary Cash Purchase Plan, brochures are available by calling (914) 921-5070 or by writing directly to the Fund.

The Fund reserves the right to amend or terminate the Plan as applied to any voluntary cash payments made and any dividend or distribution paid subsequent to written notice of the change sent to the members of the Plan at least 90 days before the record date for such dividend or distribution. The Plan also may be amended or terminated by Computershare on at least 90 days written notice to participants in the Plan.

26

TRUSTEES AND OFFICERS
THE GABELLI DIVIDEND & INCOME TRUST
ONE CORPORATE CENTER, RYE, NY 10580-1422

TRUSTEES

Mario J. Gabelli, CFA
CHAIRMAN & CHIEF EXECUTIVE OFFICER,
GAMCO INVESTORS, INC.

Anthony J. Colavita
ATTORNEY-AT-LAW,
ANTHONY J. COLAVITA, P.C.

James P. Conn
FORMER MANAGING DIRECTOR &
CHIEF INVESTMENT OFFICER,
FINANCIAL SECURITY ASSURANCE HOLDINGS LTD.

Mario d'Urso
CHAIRMAN, MITTEL CAPITAL MARKETS SPA

Frank J. Fahrenkopf, Jr.
PRESIDENT & CHIEF EXECUTIVE OFFICER,
AMERICAN GAMING ASSOCIATION

Michael J. Melarkey
ATTORNEY-AT-LAW,
AVANSINO, MELARKEY, KNOBEL & MULLIGAN

Salvatore M. Salibello
CERTIFIED PUBLIC ACCOUNTANT,
SALIBELLO & BRODER, LLP

Edward T. Tokar
SENIOR MANAGING DIRECTOR,
BEACON TRUST COMPANY

Anthonie C. van Ekris
CHAIRMAN, BALMAC INTERNATIONAL, INC.

Salvatore J. Zizza
CHAIRMAN, ZIZZA & CO., LTD.

OFFICERS

Bruce N. Alpert
PRESIDENT

Carter W. Austin
VICE PRESIDENT

Peter D. Goldstein
CHIEF COMPLIANCE OFFICER

James E. McKee
SECRETARY

Agnes Mullady
TREASURER

INVESTMENT ADVISER
Gabelli Funds, LLC
One Corporate Center
Rye, New York 10580-1422

CUSTODIAN
State Street Bank and Trust Company

COUNSEL
Skadden, Arps, Slate, Meagher & Flom, LLP

TRANSFER AGENT AND REGISTRAR
Computershare Trust Company, N.A.

STOCK EXCHANGE LISTING

	Common	5.875
	-----	-----
NYSE-Symbol:	GDV	GDV P
Shares Outstanding:	83,929,070	3,200,

The Net Asset Value per share appears in the Publicly Traded Funds column, under

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

the heading "General Equity Funds," in Monday's The Wall Street Journal. It is also listed in Barron's Mutual Funds/Closed End Funds section under the heading "General Equity Funds."

The Net Asset Value per share may be obtained each day by calling (914) 921-5070 or visiting www.gabelli.com.

For general information about the Gabelli Funds, call 800-GABELLI (800-422-3554), fax us at 914-921-5118, visit Gabelli Funds' Internet homepage at: WWW.GABELLI.COM or e-mail us at: closedend@gabelli.com

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may, from time to time, purchase its common shares in the open market when the Fund's shares are trading at a discount of 7.5% or more from the net asset value of the shares. The Fund may also, from time to time, purchase its Series A and Series D Cumulative Preferred Shares in the open market when the shares are trading at a discount to the Liquidation Value of \$25.00.

THE GABELLI DIVIDEND & INCOME TRUST
ONE CORPORATE CENTER
RYE, NY 10580-1422
(914) 921-5070
WWW.GABELLI.COM

SEMI-ANNUAL REPORT
JUNE 30, 2007

GDV Q2/2007

ITEM 2. CODE OF ETHICS.

Not applicable.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

ITEM 6. SCHEDULE OF INVESTMENTS.

Schedule of Investments in securities of unaffiliated issuers as of the close of the reporting period is included as part of the report to shareholders filed under Item 1 of this form.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

There has been no change, as of the date of this filing, in any of the portfolio managers identified in response to paragraph (a)(1) of this Item in the registrant's most recently filed annual report on Form N-CSR.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

REGISTRANT PURCHASES OF EQUITY SECURITIES

PERIOD	(A) TOTAL NUMBER OF SHARES (OR UNITS) PURCHASED	(B) AVERAGE PRICE PAID PER SHARE (OR UNIT)	(C) TOTAL NUMBER OF SHARES (OR UNITS) PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS	(D) APPROXIMATE NUMBER OF SHARES BEING PURCHASED
Month #1 01/01/07 through 01/31/07	Common - N/A Preferred Series A - N/A Preferred Series D - N/A	Common - N/A Preferred Series A - N/A Preferred Series D - N/A	Common - N/A Preferred Series A - N/A Preferred Series D - N/A	Common - N/A Preferred Series A - N/A Preferred Series D - N/A
Month #2 02/01/07 through 02/28/07	Common - N/A Preferred Series A - N/A Preferred Series D - N/A	Common - N/A Preferred Series A - N/A Preferred Series D - N/A	Common - N/A Preferred Series A - N/A Preferred Series D - N/A	Common - N/A Preferred Series A - N/A Preferred Series D - N/A
Month #3 03/01/07 through 03/31/07	Common - N/A Preferred Series A - N/A Preferred Series D - N/A	Common - N/A Preferred Series A - N/A Preferred Series D - N/A	Common - N/A Preferred Series A - N/A Preferred Series D - N/A	Common - N/A Preferred Series A - N/A Preferred Series D - N/A
Month #4	Common - N/A	Common - N/A	Common - N/A	Common - N/A

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

04/01/07 through 04/30/07	Preferred Series A - N/A	Preferred Series A - N/A	Preferred Series A - N/A	Preferred Series A - N/A	Preferred Series A - N/A
	Preferred Series D - N/A	Preferred Series D - N/A	Preferred Series D - N/A	Preferred Series D - N/A	Preferred Series D - N/A
Month #5 05/01/07 through 05/31/07	Common - 20,000	Common - \$20.6225	Common - 20,000	Common - 20,000	Common - 20,000
	Preferred Series A - N/A	Preferred Series A - N/A	Preferred Series A - N/A	Preferred Series A - N/A	Preferred Series A - N/A
	Preferred Series D - N/A	Preferred Series D - N/A	Preferred Series D - N/A	Preferred Series D - N/A	Preferred Series D - N/A
Month #6 06/01/07 through 06/30/07	Common - 24,100	Common - \$22.4125	Common - 24,100	Common - 24,100	Common - 24,100
	Preferred Series A - N/A	Preferred Series A - N/A	Preferred Series A - N/A	Preferred Series A - N/A	Preferred Series A - N/A
	Preferred Series D - N/A	Preferred Series D - N/A	Preferred Series D - N/A	Preferred Series D - N/A	Preferred Series D - N/A
Total	Common - 44,100	Common - \$22.5168	Common - 44,100	Common - 44,100	Common - 44,100
	Preferred Series A - N/A	Preferred Series A - N/A	Preferred Series A - N/A	Preferred Series A - N/A	Preferred Series A - N/A
	Preferred Series D - N/A	Preferred Series D - N/A	Preferred Series D - N/A	Preferred Series D - N/A	Preferred Series D - N/A

Footnote columns (c) and (d) of the table, by disclosing the following information in the aggregate for all plans or programs publicly announced:

- The date each plan or program was announced - The notice of the potential repurchase of common and preferred shares occurs quarterly in the Fund's quarterly report in accordance with Section 23(c) of the Investment Company Act of 1940, as amended.
- The dollar amount (or share or unit amount) approved - Any or all common shares outstanding may be repurchased when the Fund's common shares are trading at a discount of 7.5% or more from the net asset value of the shares. Any or all preferred shares outstanding may be repurchased when the Fund's preferred shares are trading at a discount to the liquidation value of \$25.00.
- The expiration date (if any) of each plan or program - The Fund's repurchase plans are ongoing.
- Each plan or program that has expired during the period covered by the table - The Fund's repurchase plans are ongoing.
- Each plan or program the registrant has determined to terminate prior to expiration, or under which the registrant does not intend to make further purchases. - The Fund's repurchase plans are ongoing.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which the shareholders may recommend nominees to the registrant's Board of Trustees, where those changes were implemented after the registrant last provided disclosure in response to the requirements of Item 407(c)(2)(iv) of Regulation S-K (17 CFR 229.407) (as required by Item 22(b)(15) of Schedule 14A (17 CFR 240.14a-101)), or this Item.

ITEM 11. CONTROLS AND PROCEDURES.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).

- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

- (a) (1) Not applicable.
- (a) (2) Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.
- (a) (3) Not applicable.
- (b) Certifications pursuant to Rule 30a-2(b) under the 1940 Act and Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(registrant) The Gabelli Dividend & Income Trust

By (Signature and Title)* /s/ Bruce N. Alpert

Bruce N. Alpert, Principal Executive Officer

Date August 31, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* /s/ Bruce N. Alpert

Bruce N. Alpert, Principal Executive Officer

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

Date August 31, 2007

By (Signature and Title)* /s/ Agnes Mullady

Agnes Mullady,
Principal Financial Officer and Treasurer

Date August 31, 2007

* Print the name and title of each signing officer under his or her signature.