

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

GABELLI DIVIDEND & INCOME TRUST

Form N-CSRS

September 05, 2008

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, 2008

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

(THE GABELLI DIVIDEND & INCOME TRUST LOGO)

THE GABELLI DIVIDEND & INCOME TRUST

Semi-Annual Report
June 30, 2008

TO OUR SHAREHOLDERS,

The Gabelli Dividend & Income Trust's (the "Fund") net asset value ("NAV") total return fell 9.83% during the first half of 2008, compared with declines of 11.90% and 13.29% 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 declined 11.78% during the first half of the year. On June 30, 2008, the Fund's NAV was \$20.65, while the price of the publicly traded shares closed at \$17.65 on the New York Stock Exchange.

Enclosed are the financial statements and the investment portfolio as of June 30, 2008.

COMPARATIVE RESULTS

AVERAGE ANNUAL RETURNS THROUGH JUNE 30, 2008 (a)

	Quarter	Year to Date	1 Year	3 Year	Since Inception (11/28/03)
	-----	-----	-----	-----	-----
GABELLI DIVIDEND & INCOME TRUST					
NAV TOTAL RETURN (b)	1.64%	(9.83)%	(11.34)%	7.06%	8.36%
INVESTMENT TOTAL RETURN (c)	0.85	(11.78)	(14.18)	5.88	4.36
S&P 500 Index	(2.72)	(11.90)	(13.11)	4.40	6.19
Dow Jones Industrial Average ..	(6.84)	(13.29)	(13.27)	5.81	5.71
Nasdaq Composite Index	0.61	(13.55)	(11.92)	3.69	3.48

- (a) RETURNS 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 DIRECTLY IN AN INDEX.
- (b) TOTAL RETURNS AND AVERAGE ANNUAL RETURNS REFLECT CHANGES IN THE 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.

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

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, 2008:

Energy and Utilities: Oil	13.9%
Financial Services	12.0%
Energy and Utilities: Integrated	10.2%
Food and Beverage	9.0%
Telecommunications	6.1%
U.S. Government Obligations	5.4%
Energy and Utilities: Electric	4.7%
Energy and Utilities: Services	3.9%
Energy and Utilities: Natural Gas	3.8%
Diversified Industrial	3.2%
Health Care	3.0%
Consumer Products	2.7%
Retail	2.2%
Cable and Satellite	2.1%
Equipment and Supplies	1.9%
Computer Software and Services	1.5%
Business Services	1.4%
Specialty Chemicals	1.4%
Electronics	1.3%
Aerospace	1.3%
Entertainment	1.1%
Metals and Mining	1.1%
Broadcasting	1.0%
Environmental Services	0.7%
Automotive: Parts and Accessories	0.7%
Energy and Utilities: Water	0.7%
Transportation	0.7%
Publishing	0.5%
Communications Equipment	0.5%
Paper and Forest Products	0.4%
Energy and Utilities	0.4%
Wireless Communications	0.3%
Machinery	0.3%
Hotels and Gaming	0.3%
Automotive	0.2%
Agriculture	0.1%
Real Estate	0.0%
Building and Construction	0.0%
Manufactured Housing and Recreational Vehicles	0.0%

	100.0%
	=====

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

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, 2008. 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 19, 2008 - FINAL RESULTS

The Gabelli Dividend and Income Trust's Annual Meeting of Shareholders was held on May 19, 2008 at the Greenwich Library in Greenwich, Connecticut. At that meeting, common and preferred shareholders, voting together as a single class, elected Frank J. Fahrenkopf, Jr., Anthonie C. van Ekris, and Salvatore J. Zizza as Trustees of the Fund. A total of 82,983,876 votes, 83,197,588 votes, and 83,232,462 votes were cast in favor of each Trustee and a total of 3,063,006 votes, 2,849,293 votes, and 2,814,419 votes were withheld for each Trustee, respectively. In addition, preferred shareholders, voting as a separate class, elected Anthony J. Colavita as a Trustee of the Fund. A total of 5,342,596 votes were cast in favor of this Trustee and 114,319 votes were withheld for this Trustee.

Mario J. Gabelli, James P. Conn, Mario d'Urso, Michael J. Melarkey, Salvatore M. Salibello, and Edward T. Tokar continue to serve in their capacities as Trustees of the Fund.

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

2

THE GABELLI DIVIDEND & INCOME TRUST SCHEDULE OF INVESTMENTS JUNE 30, 2008 (UNAUDITED)

SHARES		COST	MARKET VALUE
	COMMON STOCKS -- 92.2%		
	AEROSPACE -- 1.3%		
30,000	Boeing Co.	\$ 2,416,336	\$ 1,971,600
50,000	DRS Technologies Inc.	3,930,175	3,936,000
10,000	Goodrich Corp.	281,823	474,600
55,000	Kaman Corp.	1,006,361	1,251,800

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

	Multimedia SGPS SA	346,144	292,730
7,042	Zon Multimedia Servicos de Telecomunicacoes e Multimedia SGPS SA, ADR	126,328	58,582
		-----	-----
		43,208,409	46,896,922
		-----	-----
	COMMUNICATIONS EQUIPMENT -- 0.0%		
15,000	Thomas & Betts Corp.+	471,961	567,750
		-----	-----
	COMPUTER SOFTWARE AND SERVICES -- 1.5%		
1,050,000	Electronic Data Systems Corp.	25,664,554	25,872,000
170,000	Metavante Technologies Inc.+	4,099,177	3,845,400
25,000	Microsoft Corp.	712,562	687,750
2,000	NDS Group plc, ADR+	119,072	118,400
100,000	Yahoo! Inc.+	2,796,559	2,066,000
		-----	-----
		33,391,924	32,589,550
		-----	-----
	CONSUMER PRODUCTS -- 2.7%		
200,000	Alberto-Culver Co.	6,685,102	5,254,000
25,000	Altria Group Inc.	433,289	514,000
75,000	Avon Products Inc.	2,016,912	2,701,500
100,000	Eastman Kodak Co.	1,730,994	1,443,000
40,000	Fortune Brands Inc.	3,173,363	2,496,400
40,000	Hanesbrands Inc.+	955,063	1,085,600
78,000	Harman International Industries Inc.	4,774,569	3,228,420
150,000	Kimberly-Clark Corp.	10,201,219	8,967,000
60,000	Mattel Inc.	1,009,842	1,027,200
25,000	Philip Morris International Inc.	1,011,008	1,234,750
175,000	Procter & Gamble Co.	9,719,121	10,641,750
1,020,000	Swedish Match AB	12,706,962	20,916,736
		-----	-----
		54,417,444	59,510,356
		-----	-----
	DIVERSIFIED INDUSTRIAL -- 3.2%		
148,000	Bouygues SA	5,149,282	9,824,102
208,000	Cooper Industries Ltd., Cl. A	6,808,802	8,216,000
500,000	General Electric Co.	16,320,036	13,345,000
275,000	Honeywell International Inc.	9,662,370	13,827,000

See accompanying notes to financial statements.

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

SHARES		COST	VALUE
-----		-----	-----
	COMMON STOCKS (CONTINUED)		
	DIVERSIFIED INDUSTRIAL (CONTINUED)		
100,000	ITT Corp.	\$ 4,506,935	\$ 6,333,000
164,000	Owens-Illinois Inc.+	5,740,858	6,837,160
2,000	Pentair Inc.	63,318	70,040
2,000	Textron Inc.	51,500	95,860
1,051,000	Tomkins plc	5,080,148	3,161,059
205,000	Tyco International Ltd.	10,024,801	8,208,200
129,000	WHX Corp.+	1,268,830	192,210
		-----	-----
		64,676,880	70,109,631
		-----	-----
	ELECTRONICS -- 1.3%		
1,000,000	Intel Corp.	20,787,583	21,480,000
190,000	Tyco Electronics Ltd.	7,149,330	6,805,800
		-----	-----
		27,936,913	28,285,800
		-----	-----
	ENERGY AND UTILITIES: ELECTRIC -- 4.7%		
30,000	Allegheny Energy Inc.	438,040	1,503,300
85,000	ALLETE Inc.	2,788,153	3,570,000
250,000	American Electric Power Co. Inc.	7,904,906	10,057,500
720	Brookfield Infrastructure Partners LP	15,120	14,112
410,000	DPL Inc.	8,260,319	10,815,800
20,000	Edison International	977,494	1,027,600
270,000	Electric Power Development Co. Ltd.	6,584,683	10,018,364
220,000	FPL Group Inc.	7,596,481	14,427,600
525,000	Great Plains Energy Inc.	16,005,205	13,272,000
370,000	Integrays Energy Group Inc.	17,973,625	18,807,100
120,000	Pepco Holdings Inc.	2,291,425	3,078,000
240,000	Pinnacle West Capital Corp.	9,369,027	7,384,800
100,000	Southern Co.	2,893,572	3,492,000
225,000	Unisource Energy Corp.	5,702,134	6,977,250
		-----	-----
		88,800,184	104,445,426
		-----	-----
	ENERGY AND UTILITIES: INTEGRATED -- 10.2%		
12,000	Alliant Energy Corp.	305,115	411,120
140,000	Ameren Corp.	6,365,276	5,912,200
3,267,500	Aquila Inc.+	13,375,090	12,318,475
50,000	Avista Corp.	926,534	1,073,000
15,000	Black Hills Corp.	492,427	480,900
40,000	CH Energy Group Inc.	1,728,883	1,422,800
108,000	Chubu Electric Power Co. Inc.	2,458,019	2,634,270
150,000	CONSOL Energy Inc.	6,316,307	16,855,500
200,000	Consolidated Edison Inc.	8,201,972	7,818,000
50,000	Dominion Resources Inc.	2,212,881	2,374,500
200,000	Duke Energy Corp.	2,816,130	3,476,000
430,000	Edison SpA	1,002,090	960,686
		-----	-----
			MARKET
SHARES		COST	VALUE
-----		-----	-----

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

430,400	El Paso Corp.	\$ 5,669,770	\$ 9,356,896
80,000	Endesa SA	3,636,234	3,897,094
300,000	Enel SpA	2,324,318	2,852,914
47,000	Enel SpA, ADR	1,839,336	2,239,143
160,000	Energy East Corp.	3,650,404	3,955,200
20,000	Exelon Corp.	1,598,996	1,799,200
162,000	FirstEnergy Corp.	5,730,248	13,337,460
150,000	Hawaiian Electric Industries Inc. ..	3,585,226	3,709,500
250,000	Hera SpA	552,073	1,021,428
121,500	Hokkaido Electric Power Co. Inc. ...	2,282,208	2,471,536
121,500	Hokuriku Electric Power Co.	2,131,359	2,889,179
10,000	Iberdrola SA	156,751	133,986
100,000	Iberdrola SA, ADR	4,987,500	5,363,160
85,000	Korea Electric Power Corp., ADR	1,253,867	1,235,050
121,500	Kyushu Electric Power Co. Inc.	2,374,466	2,540,189
22,000	Maine & Maritimes Corp.+	626,971	932,800
80,000	MGE Energy Inc.	2,605,047	2,609,600
35,102	National Grid plc, ADR	1,588,562	2,315,679
255,000	NiSource Inc.	5,329,542	4,569,600
600,000	NSTAR	14,329,143	20,292,000
440,000	OGE Energy Corp.	10,589,559	13,952,400
30,000	Ormat Technologies Inc.	484,088	1,475,400
320,000	Progress Energy Inc.	14,361,775	13,385,600
300,000	Public Service Enterprise Group Inc.	9,183,315	13,779,000
121,500	Shikoku Electric Power Co. Inc.	2,264,565	3,341,150
15,000	TECO Energy Inc.	255,758	322,350
121,500	The Chugoku Electric Power Co. Inc.	2,194,052	2,591,680
45,000	The Empire District Electric Co. ...	998,787	834,300
121,500	The Kansai Electric Power Co. Inc.	2,333,021	2,843,410
108,000	The Tokyo Electric Power Co. Inc. ..	2,545,172	2,776,663
121,500	Tohoku Electric Power Co. Inc.	2,112,763	2,643,170
205,000	Vectren Corp.	5,572,873	6,398,050
470,000	Westar Energy Inc.	9,309,271	10,109,700
85,000	Wisconsin Energy Corp.	2,690,561	3,843,700
200,000	Xcel Energy Inc.	3,389,999	4,014,000
		-----	-----
		180,738,304	225,569,638
		-----	-----

See accompanying notes to financial statements.

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2008 (UNAUDITED)

SHARES	COST	MARKET VALUE
-----	-----	-----
COMMON STOCKS (CONTINUED)		

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

ENERGY AND UTILITIES: NATURAL GAS -- 3.8%			
8,000	AGL Resources Inc.	\$ 217,299	\$ 276,640
50,000	Atmos Energy Corp.	1,251,665	1,378,500
20,000	Delta Natural Gas Co. Inc.	504,315	522,400
6,000	Energen Corp.	124,550	468,180
2,000	EnergySouth Inc.	99,088	98,120
20,000	Kinder Morgan Energy Partners LP ...	824,553	1,114,600
350,000	National Fuel Gas Co.	9,372,113	20,818,000
210,000	Nicor Inc.	7,147,795	8,943,900
220,000	ONEOK Inc.	5,480,182	10,742,600
200,000	Sempra Energy	5,955,980	11,290,000
35,000	South Jersey Industries Inc.	839,202	1,307,600
90,000	Southern Union Co.	2,154,284	2,431,800
190,000	Southwest Gas Corp.	4,719,351	5,648,700
600,000	Spectra Energy Corp.	13,375,657	17,244,000
60,000	The Laclede Group Inc.	1,690,312	2,422,200
		-----	-----
		53,756,346	84,707,240
		-----	-----

ENERGY AND UTILITIES: OIL -- 13.9%			
20,000	Anadarko Petroleum Corp.	650,810	1,496,800
39,000	Apache Corp.	1,861,319	5,421,000
45,000	BG Group plc, ADR	1,819,092	5,852,587
160,000	BP plc, ADR	7,479,063	11,131,200
80,000	Cameron International Corp.+	1,103,787	4,428,000
85,000	Chesapeake Energy Corp.	1,519,622	5,606,600
243,000	Chevron Corp.	14,531,853	24,088,590
1,000	Cimarex Energy Co.	28,300	69,670
330,000	ConocoPhillips	17,735,510	31,148,700
78,000	Devon Energy Corp.	3,448,499	9,372,480
170,000	Eni SpA, ADR	6,249,080	12,619,100
210,000	Exxon Mobil Corp.	9,845,136	18,507,300
30,000	Hess Corp.	830,468	3,785,700
475,000	Marathon Oil Corp.	16,752,703	24,638,250
145,000	Murphy Oil Corp.	7,348,500	14,217,250
4,000	Nabors Industries Ltd.+	97,350	196,920
1,000	Niko Resources Ltd.	57,456	95,852
10,000	Noble Corp.	254,820	649,600
295,000	Occidental Petroleum Corp.	11,115,782	26,508,700
30,000	Oceaneering International Inc.+	1,368,819	2,311,500
18,000	PetroChina Co. Ltd., ADR	1,359,633	2,319,480
30,000	Petroleo Brasileiro SA, ADR	1,735,716	2,124,900
270,000	Repsol YPF SA, ADR	5,719,267	10,602,900
210,000	Rowan Companies Inc.	7,973,762	9,817,500
200,000	Royal Dutch Shell plc, Cl. A, ADR ..	9,567,840	16,342,000

SHARES		COST	MARKET VALUE
-----		-----	-----
845,000	StatoilHydro ASA, ADR	\$ 12,183,860	\$ 31,586,100
180,000	Sunoco Inc.	9,558,099	7,324,200
460,000	Synenco Energy Inc., Cl. A+	4,110,623	4,055,507
190,000	Total SA, ADR	8,319,782	16,201,300
45,000	Transocean Inc.+	3,943,035	6,857,550
		-----	-----
		168,569,586	309,377,236
		-----	-----

ENERGY AND UTILITIES: SERVICES -- 3.9%

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

120,000	ABB Ltd., ADR+	1,310,760	3,398,400
20,000	Baker Hughes Inc.	759,763	1,746,800
110,000	Diamond Offshore Drilling Inc.	6,139,336	15,305,400
19,500	Exterran Holdings Inc.+	1,085,163	1,394,055
590,000	Halliburton Co.	16,271,870	31,311,300
120,000	Schlumberger Ltd.	3,977,835	12,891,600
421,000	Weatherford International Ltd.+	9,154,820	20,877,390
		-----	-----
		38,699,547	86,924,945
		-----	-----
	ENERGY AND UTILITIES: WATER -- 0.7%		
11,000	American States Water Co.	273,608	384,340
340,000	American Water Works Co. Inc.+	7,310,000	7,541,200
61,333	Aqua America Inc.	1,025,610	979,488
6,000	Artesian Resources Corp., Cl. A	113,635	110,340
3,000	California Water Service Group	94,710	98,310
11,500	Connecticut Water Service Inc.	276,036	257,600
1,000	Consolidated Water Co. Ltd.	26,770	19,800
6,000	Middlesex Water Co.	111,082	99,540
60,000	Pennichuck Corp.	1,362,461	1,389,000
82,000	SJW Corp.	1,384,964	2,164,800
16,800	Southwest Water Co.	192,169	168,336
5,000	Suez SA	156,718	341,814
168,000	Suez SA, Strips+	0	2,645
36,000	United Utilities plc, ADR	774,333	983,700
9,000	York Water Co.	115,031	131,130
		-----	-----
		13,217,127	14,672,043
		-----	-----
	ENTERTAINMENT -- 1.1%		
8,000	Grupo Televisa SA, ADR	79,516	188,960
365,000	Take-Two Interactive Software Inc.+	9,465,699	9,333,050
500,000	Time Warner Inc.	8,094,238	7,400,000
200,000	Vivendi	6,351,618	7,588,878
		-----	-----
		23,991,071	24,510,888
		-----	-----

See accompanying notes to financial statements.

5

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2008 (UNAUDITED)

SHARES		COST	MARKET VALUE
-----		-----	-----
	COMMON STOCKS (CONTINUED)		
	ENVIRONMENTAL SERVICES -- 0.7%		
1,000	Hyflux Ltd.	\$ 1,686	\$ 2,198
12,375	Veolia Environnement	395,937	694,211
420,000	Waste Management Inc.	14,809,006	15,838,200
		-----	-----

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

		15,206,629	16,534,609
		-----	-----
	EQUIPMENT AND SUPPLIES -- 1.9%		
102,000	CIRCOR International Inc.	1,858,755	4,996,980
30,000	Lufkin Industries Inc.	513,283	2,498,400
60,000	Mueller Industries Inc.	2,463,788	1,932,000
420,000	RPC Inc.	1,866,263	7,056,000
256,000	Tenaris SA, ADR	12,024,132	19,072,000
425,000	Xerox Corp.	6,424,873	5,763,000
		-----	-----
		25,151,094	41,318,380
		-----	-----
	FINANCIAL SERVICES -- 11.7%		
70,000	Aflac Inc.	3,867,534	4,396,000
230,000	AllianceBernstein Holding LP	14,110,132	12,576,400
440,000	American Express Co.	19,643,120	16,574,800
100,000	American International Group Inc. ..	5,503,953	2,646,000
8,000	AON Corp.	173,453	367,520
80,000	Astoria Financial Corp.	2,005,945	1,606,400
200,000	Bank of America Corp.	9,136,940	4,774,000
4,000	BlackRock Inc.	315,074	708,000
130,000	Capital One Financial Corp.	6,927,309	4,941,300
260,000	CIT Group Inc.	4,144,077	1,770,600
400,000	Citigroup Inc.	17,903,679	6,704,000
10,000	CME Group Inc.	4,370,188	3,831,900
100,000	Deutsche Bank AG	9,913,140	8,535,000
600,000	Discover Financial Services	11,478,600	7,902,000
390,000	Federal National Mortgage Association	12,084,263	7,608,900
78,909	Fidelity National Financial Inc., Cl. A	1,529,570	994,253
70,000	Flushing Financial Corp.	1,253,654	1,326,500
40,000	Freddie Mac	1,206,051	656,000
60,000	Hilb Rogal & Hobbs Co.	2,659,564	2,607,600
160,000	HSBC Holdings plc, ADR	13,671,864	12,272,000
80,000	Hudson City Bancorp Inc.	1,230,390	1,334,400
75,000	Invesco Ltd.	1,926,864	1,798,500
420,000	JPMorgan Chase & Co.	15,189,246	14,410,200
100,000	Legg Mason Inc.	6,209,542	4,357,000
25,000	Lehman Brothers Holdings Inc.	1,016,339	495,250
15,000	M&T Bank Corp.	1,137,745	1,058,100

SHARES		COST	MARKET VALUE
-----		-----	-----
180,000	Marshall & Ilsley Corp.	\$ 6,151,668	\$ 2,759,400
272,000	Merrill Lynch & Co. Inc.	17,251,736	8,625,120
150,000	Moody's Corp.	5,484,660	5,166,000
185,000	National Australia Bank Ltd., ADR ..	4,372,323	4,704,661
200,000	New York Community Bancorp Inc.	3,836,177	3,568,000
270,000	NewAlliance Bancshares Inc.	3,899,679	3,369,600
220,000	PNC Financial Services Group Inc. ..	11,891,734	12,562,000
180,000	Popular Inc.	3,455,808	1,186,200
100,000	Regions Financial Corp.	3,406,286	1,091,000
90,000	SAFECO Corp.	6,016,507	6,044,400
285,000	SLM Corp.+	9,144,554	5,514,750
500,000	Sovereign Bancorp Inc.	8,593,512	3,680,000
80,050	Sterling Bancorp	1,304,876	956,598

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

120,000	T. Rowe Price Group Inc.	4,290,139	6,776,400
80,000	The Allstate Corp.	4,076,646	3,647,200
325,000	The Bank of New York Mellon Corp. ..	11,168,893	12,294,750
48,000	The Blackstone Group LP	1,037,780	874,080
290,000	The Travelers Companies Inc.	10,913,064	12,586,000
32,522	Valley National Bancorp	712,688	512,872
500,000	Wachovia Corp.	19,563,400	7,765,000
400,000	Waddell & Reed Financial Inc., Cl. A	8,823,625	14,004,000
15,000	Webster Financial Corp.	469,832	279,000
560,000	Wells Fargo & Co.	16,614,113	13,300,000
130,000	Wilmington Trust Corp.	4,474,468	3,437,200
		-----	-----
		335,562,404	260,956,854
		-----	-----
	FOOD AND BEVERAGE -- 9.0%		
177,000	Anheuser-Busch Companies Inc.	8,275,157	10,995,240
175,000	Cadbury plc, ADR	9,520,442	8,806,000
80,000	Campbell Soup Co.	2,470,209	2,676,800
130,000	China Mengniu Dairy Co. Ltd.	422,055	368,463
220,000	ConAgra Foods Inc.	5,404,997	4,241,600
960,000	Davide Campari-Milano SpA	9,710,824	8,025,947
168,000	Dr. Pepper Snapple Group Inc.+	4,835,755	3,524,640
290,000	General Mills Inc.	14,133,198	17,623,300
270,000	Groupe Danone	14,818,114	18,959,599
100,000	H.J. Heinz Co.	3,521,143	4,785,000
200,000	ITO EN Ltd.	4,905,490	3,149,221
50,000	ITO EN Ltd., Preference	1,116,348	532,090

See accompanying notes to financial statements.

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2008 (UNAUDITED)

SHARES		COST	MARKET VALUE
-----		-----	-----
	COMMON STOCKS (CONTINUED)		
	FOOD AND BEVERAGE (CONTINUED)		
1,000	Kellogg Co.	\$ 35,550	\$ 48,020
210,000	Kikkoman Corp.	2,822,445	2,565,052
400,000	Kraft Foods Inc., Cl. A	12,241,858	11,380,000
160,000	Morinaga Milk Industry Co. Ltd.	659,734	415,878
270,000	Nissin Food Products Co. Ltd.	9,337,512	9,052,126
500,000	Parmalat SpA	1,885,518	1,306,799
339,450	Parmalat SpA, GDR (b) (c)	981,615	887,798
320,000	PepsiAmericas Inc.	6,616,558	6,329,600
47,000	Pernod-Ricard SA	5,249,770	4,828,463
6,000	Remy Cointreau SA	422,183	328,085
1,200,000	Sara Lee Corp.	20,004,342	14,700,000
300,000	The Coca-Cola Co.	13,301,591	15,594,000

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

2,000	Rio Tinto plc, ADR	563,767	990,000
3,000	Westmoreland Coal Co.+	52,605	63,330
		-----	-----
		11,520,268	23,642,590
		-----	-----
	PAPER AND FOREST PRODUCTS -- 0.4%		
400,000	International Paper Co.	12,450,227	9,320,000
		-----	-----
	PUBLISHING -- 0.5%		
35,000	Idearc Inc.	138,481	82,250
1,873,750	Il Sole 24 Ore	15,671,047	10,937,633
		-----	-----
		15,809,528	11,019,883
		-----	-----
	REAL ESTATE -- 0.0%		
18,000	Brookfield Asset Management Inc., Cl. A	186,196	585,720
		-----	-----
	RETAIL -- 2.0%		
210,000	CVS Caremark Corp.	7,892,649	8,309,700
142,000	Ingles Markets Inc., Cl. A	1,615,209	3,312,860
410,000	Safeway Inc.	8,674,488	11,705,500
22,000	Saks Inc.+	360,087	241,560
310,000	Sally Beauty Holdings Inc.+	3,837,420	2,002,600
85,000	SUPERVALU Inc.	2,526,712	2,625,650
95,000	The Great Atlantic & Pacific Tea Co. Inc.+	2,840,954	2,167,900
360,000	Walgreen Co.	14,183,090	11,703,600
74,000	Whole Foods Market Inc.	2,902,875	1,753,060
		-----	-----
		44,833,484	43,822,430
		-----	-----

See accompanying notes to financial statements.

7

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2008 (UNAUDITED)

SHARES		COST	MARKET VALUE
-----		-----	-----
	COMMON STOCKS (CONTINUED)		
	SPECIALTY CHEMICALS -- 1.4%		
5,000	Arkema, ADR+	\$ 269,656	\$ 282,811
125,000	Ashland Inc.	7,939,090	6,025,000
170,000	E.I. du Pont de Nemours & Co.	7,402,747	7,291,300
260,000	Ferro Corp.	4,980,743	4,877,600
100,000	Olin Corp.	1,826,861	2,618,000
260,000	The Dow Chemical Co.	10,489,368	9,076,600
15,000	Tronox Inc., Cl. B	155,144	45,300
		-----	-----
		33,063,609	30,216,611

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

SHARES		COST	MARKET VALUE
TELECOMMUNICATIONS -- 5.7%			
570,000	AT&T Inc.	15,544,153	19,203,300
400,000	BCE Inc.	9,661,171	13,924,000
47,125	Bell Aliant Regional Communications Income Fund+ (b) (d)	1,278,068	1,370,395
71,000	BT Group plc, ADR	2,221,635	2,820,830
37,000	CenturyTel Inc.	1,298,775	1,316,830
50,000	Compania de Telecomunicaciones de Chile SA, ADR	607,686	288,000
625,000	Deutsche Telekom AG, ADR	11,730,650	10,231,250
25,000	Embarq Corp.	1,080,206	1,181,750
24,959	FairPoint Communications Inc.	230,292	179,954
55,000	France Telecom SA, ADR	1,338,443	1,629,650
210,000	Hellenic Telecommunications Organization SA, ADR	1,644,219	2,499,000
215,000	Portugal Telecom SGPS SA	2,574,406	2,440,643
200,000	Qwest Communications International Inc.	1,181,992	786,000
900,000	Sprint Nextel Corp.	17,041,482	8,550,000
20,000	Telecom Corp. of New Zealand Ltd., ADR	312,271	270,200
190,000	Telecom Italia SpA, ADR	5,432,036	3,792,400
16,000	Telefonica SA, ADR	683,716	1,273,280
196,000	Telefonos de Mexico SAB de CV, Cl. L, ADR	1,903,750	4,641,280
196,000	Telmex Internacional SAB de CV, ADR+	1,322,945	3,155,600
130,000	Telstra Corp. Ltd., ADR	2,392,135	2,644,785
76,100	TELUS Corp., Non-Voting, ADR	1,574,712	3,069,113
1,000,000	Verizon Communications Inc.	36,248,381	35,400,000
190,000	Vodafone Group plc, ADR	\$ 5,193,922	\$ 5,597,400
		122,497,046	126,265,660
TRANSPORTATION -- 0.6%			
3,000	Frontline Ltd.	105,687	209,340
250,000	GATX Corp.	7,479,104	11,082,500
24,000	Golden Ocean Group Ltd.	14,400	143,485
3,000	Ship Finance International Ltd.	66,356	88,590
22,000	Teekay Corp.	794,715	993,960
		8,460,262	12,517,875
WIRELESS COMMUNICATIONS -- 0.3%			
5,000	Crown Castle International Corp.+ ..	80,650	193,650
111,030	United States Cellular Corp.+	5,129,256	6,278,746
14,000	Vimpel-Communications, ADR	85,375	415,520
		5,295,281	6,887,916
TOTAL COMMON STOCKS		1,823,382,802	2,044,241,596

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

	CONVERTIBLE PREFERRED STOCKS -- 1.2%		
	AGRICULTURE -- 0.0%		
3,000	Archer-Daniels-Midland Co., 6.250% Cv. Pfd.	133,615	131,520
		-----	-----
	BROADCASTING -- 0.0%		
20,460	Emmis Communications Corp., 6.250% Cv. Pfd., Ser. A	960,081	511,500
		-----	-----
	BUILDING AND CONSTRUCTION -- 0.0%		
200	Fleetwood Capital Trust, 6.000% Cv. Pfd.	6,210	3,600
		-----	-----
	DIVERSIFIED INDUSTRIAL -- 0.0%		
38,000	Smurfit-Stone Container Corp., 7.000% Cv. Pfd., Ser. A	952,374	665,000
		-----	-----
	ENERGY AND UTILITIES -- 0.4%		
5,000	Chesapeake Energy Corp., 5.000% Cv. Pfd. (b)	512,500	901,875
20,000	CMS Energy Corp., 4.500% Cv. Pfd., Ser. B	1,069,063	1,564,800
129,000	El Paso Energy Capital Trust I, 4.750% Cv. Pfd.	4,649,004	5,289,000
		-----	-----
		6,230,567	7,755,675
		-----	-----

See accompanying notes to financial statements.

8

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2008 (UNAUDITED)

SHARES		COST	MARKET VALUE
-----		-----	-----
	CONVERTIBLE PREFERRED STOCKS (CONTINUED)		
	ENTERTAINMENT -- 0.0%		
30,000	Six Flags Inc., 7.250% Cv. Pfd.	\$ 687,488	\$ 280,500
		-----	-----
	FINANCIAL SERVICES -- 0.3%		
1,500	Doral Financial Corp., 4.750% Cv. Pfd.	207,335	183,842
112,000	Newell Financial Trust I, 5.250% Cv. Pfd.	5,269,687	5,068,000
		-----	-----
		5,477,022	5,251,842
		-----	-----
	HEALTH CARE -- 0.0%		
8,000	Omnicare Inc., 4.000% Cv. Pfd., Ser. B	437,647	310,880
		-----	-----

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

SHARES			

	WARRANTS -- 0.0%		
	FOOD AND BEVERAGE -- 0.0%		
650	Parmalat SpA, GDR, expire 12/31/15+ (b) (c) (d)	0	1,075
		-----	-----
PRINCIPAL AMOUNT			

	U.S. GOVERNMENT OBLIGATIONS -- 5.4%		
	U.S. TREASURY BILLS -- 4.9%		
\$107,564,000	U.S. Treasury Bills, 1.200% to 2.038%+, 07/03/08 to 11/28/08	107,316,751	107,301,680
		-----	-----
	U.S. TREASURY NOTES -- 0.5%		
11,360,000	U.S. Treasury Note, 5.000%, 07/31/08	11,386,777	11,386,777
		-----	-----
	TOTAL U.S. GOVERNMENT OBLIGATIONS ..	118,703,528	118,688,457
		-----	-----
	TOTAL INVESTMENTS -- 100.0%	\$1,993,293,269	2,216,446,193
		=====	
	OTHER ASSETS AND LIABILITIES (NET)		14,079,883
	PREFERRED SHARES		
	(5,814,200 preferred shares outstanding)		(500,000,000)

	NET ASSETS -- COMMON SHARES		
	(83,792,037 common shares outstanding)		\$1,730,526,076
			=====
	NET ASSET VALUE PER COMMON SHARE		
	(\$1,730,526,076 / 83,792,037 shares outstanding)		\$ 20.65
			=====

-
- (a) Security considered an affiliated holding because the Fund owns at least 5% of its outstanding shares.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2008, the market value of Rule 144A securities amounted to \$3,161,143 or 0.14% of total investments. Except as noted in (c), these securities are liquid.

See accompanying notes to financial statements.

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

9

THE GABELLI DIVIDEND & INCOME TRUST
 SCHEDULE OF INVESTMENTS (CONTINUED)
 JUNE 30, 2008 (UNAUDITED)

(c) At June 30, 2008, the Fund held investments in restricted and illiquid securities amounting to \$888,873 or 0.04% of total investments, which were valued under methods approved by the Board of Trustees as follows:

ACQUISITION SHARES	ISSUER	ACQUISITION DATE	ACQUISITION COST	06/30/08 CARRYING VALUE PER UNIT
339,450	Parmalat SpA, GDR	12/02/03	\$ 981,615	\$ 2.6154
650	Parmalat SpA, GDR warrants expire 12/31/15	11/09/05	--	1.6538

(d) Security fair valued under procedures established by the Board of Trustees. The procedures may include reviewing available financial information about the company and reviewing the valuation of comparable securities and other factors on a regular basis. At June 30, 2008, the market value of fair valued securities amounted to \$1,371,470 or 0.06% of total investments.

+ Non-income producing security.

++ Represents annualized yield at date of purchase.

ADR American Depositary Receipt

GDR Global Depositary Receipt

GEOGRAPHIC DIVERSIFICATION	% OF MARKET VALUE	MARKET VALUE
North America	78.5%	\$1,739,450,659
Europe	14.4	320,208,005
Latin America	3.6	80,378,041
Japan	2.9	63,557,635
Asia/Pacific	0.6	12,851,853
Total Investments	100.0%	\$2,216,446,193

See accompanying notes to financial statements.

10

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

THE GABELLI DIVIDEND & INCOME TRUST

STATEMENT OF ASSETS AND LIABILITIES JUNE 30, 2008 (UNAUDITED)

ASSETS:

Investments, at value (cost \$1,991,267,469)	\$2,215,428,833
Investments in affiliates, at value (cost \$2,025,800)	1,017,360
Foreign currency, at value (cost \$152,515)	152,459
Deposit at broker	3,679
Cash	934
Receivable for investments sold	14,296,856
Dividends and interest receivable	4,113,086
Deferred offering expense	73,650
Prepaid expense	30,966

TOTAL ASSETS	2,235,117,823

LIABILITIES:

Unrealized depreciation on swap contracts	1,250,946
Payable for investments purchased	843,803
Distributions payable	316,209
Payable for investment advisory fees	1,483,743
Payable for payroll expenses	149,976
Payable for accounting fees	3,751
Payable for auction agent fees	317,640
Other accrued expenses	225,679

TOTAL LIABILITIES	4,591,747

PREFERRED SHARES:

Series A Cumulative Preferred Shares (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 Shares (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 Shares (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 Shares (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 Shares (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 SHARES	500,000,000

NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS \$1,730,526,076

NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS CONSIST OF:

Paid-in capital, at \$0.001 par value.....	\$1,510,573,268
Accumulated distributions in excess of net realized gain on investments, swap contracts, and foreign currency transactions	(1,935,749)
Net unrealized appreciation on investments	223,152,924
Net unrealized depreciation on swap contracts	(1,250,946)
Net unrealized depreciation on foreign currency translations	(13,421)

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

NET ASSETS	\$1,730,526,076 =====
NET ASSET VALUE PER COMMON SHARE	
(\$1,730,526,076 / 83,792,037 shares outstanding; unlimited number of shares authorized)	
	\$ 20.65 =====

STATEMENT OF OPERATIONS FOR THE PERIOD ENDED JUNE 30, 2008 (UNAUDITED)

INVESTMENT INCOME:	
Dividends (net of foreign taxes of \$1,306,190)	\$ 33,211,077
Interest	2,556,924 -----
TOTAL INVESTMENT INCOME	35,768,001 -----
EXPENSES:	
Investment advisory fees	11,454,499
Auction agent fees	450,376
Shareholder communications expenses	297,454
Custodian fees	145,116
Payroll expenses	140,873
Trustees' fees	86,244
Legal and audit fees	57,085
Shareholder services fees	22,798
Accounting fees	22,500
Interest expense	2,332
Miscellaneous expenses	123,641 -----
TOTAL EXPENSES	12,802,918
LESS:	
Advisory fee reduction	(2,486,339)
Custodian fee credits	(5,810) -----
NET EXPENSES	10,310,769 -----
NET INVESTMENT INCOME	25,457,232 -----
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, SWAP CONTRACTS, AND FOREIGN CURRENCY:	
Net realized gain on investments - unaffiliated	8,597,581
Net realized loss on investments - affiliated	(41,666)
Net realized loss on swap contracts	(1,479,905)
Net realized gain on foreign currency transactions	18,774 -----
Net realized gain on investments, written options, swap contracts, and foreign currency transactions	7,094,784 -----
Net change in unrealized appreciation/depreciation:	
on investments	(213,239,077)
on swap contracts	(3,349)
on foreign currency translations	(17,836) -----
Net change in unrealized appreciation/depreciation on investments, swap contracts, and foreign currency translations	(213,260,262) -----
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, SWAP CONTRACTS, AND FOREIGN CURRENCY	(206,165,478)

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

NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	(180,708,246)
Total Distributions to Preferred Shareholders	(11,924,398)
NET DECREASE IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS RESULTING FROM OPERATIONS	\$ (192,632,644)

See accompanying notes to financial statements.

11

THE GABELLI DIVIDEND & INCOME TRUST

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS

	SIX M
	JUN
	(U

OPERATIONS:	
Net investment income	\$
Net realized gain on investments, swap contracts, and foreign currency transactions ..	
Net change in unrealized appreciation/depreciation on investments, swap contracts, and foreign currency translations	(2

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	(1

DISTRIBUTIONS TO PREFERRED SHAREHOLDERS:	
Net investment income	
Net realized short-term gain on investments, swap contracts, and foreign currency transactions	
Net realized long-term gains on investments, swap contracts, and foreign currency transactions	

TOTAL DISTRIBUTIONS TO PREFERRED SHAREHOLDERS	(

NET INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS RESULTING FROM OPERATIONS	(1

DISTRIBUTIONS TO COMMON SHAREHOLDERS:	
Net investment income	(
Net realized short-term gain on investments, swap contracts, and foreign currency transactions	
Net realized long-term gain on investments, swap contracts, and foreign currency transactions	
Return of capital	(

TOTAL DISTRIBUTIONS TO COMMON SHAREHOLDERS	(

FUND SHARE TRANSACTIONS:	
Net decrease from repurchase of common shares	
Recapture of gain on sale of Fund shares by an affiliate	

NET DECREASE IN NET ASSETS FROM FUND SHARE TRANSACTIONS	

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

NET DECREASE IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS	(2)
NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS:	
Beginning of period	1,9
End of period (including undistributed net investment income of \$1,963,521 and \$1,741,110, respectively)	\$1,7

* 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
FINANCIAL HIGHLIGHTS

	SIX MONTHS ENDED	YEAR ENDED DECEMBER		
	JUNE 30, 2008 (UNAUDITED)	2007	2006	2005
SELECTED DATA FOR A SHARE OF BENEFICIAL INTEREST OUTSTANDING THROUGHOUT EACH PERIOD:				
OPERATING PERFORMANCE:				
Net asset value, beginning of period	\$ 23.57	\$23.65	\$20.62	\$20.62
Net investment income	0.31	0.53	0.87	0.87
Net realized and unrealized gain (loss) on investments, written options, swap contracts, securities sold short, and foreign currency transactions	(2.46)	1.37	4.00	1.37
Total from investment operations	(2.15)	1.90	4.87	1.90
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS: (a)				
Net investment income	(0.12)***	(0.10)	(0.12)	(0.12)
Net realized gain on investments	(0.03)***	(0.23)	(0.19)	(0.19)
Total distributions to preferred shareholders ..	(0.15)	(0.33)	(0.31)	(0.31)
NET INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS RESULTING FROM OPERATIONS				
	(2.30)	1.57	4.56	1.57
DISTRIBUTIONS TO COMMON SHAREHOLDERS:				
Net investment income	(0.21)***	(0.51)	(0.61)	(0.61)
Net realized gain on investments	(0.06)***	(1.15)	(0.93)	(0.93)
Return of capital	(0.35)***	--	--	--
Total distributions to common shareholders	(0.62)	(1.66)	(1.54)	(1.54)
FUND SHARE TRANSACTIONS:				

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

Decrease in net asset value from common share transactions	--	--	--	
Increase in net asset value from repurchase of common shares	0.00 (d)	0.01	0.01	0.
Offering costs for common shares charged to paid-in capital	--	--	--	
Offering costs for preferred shares charged to paid-in capital	--	--	(0.00) (d)	(0.)
	-----	-----	-----	-----
Total from fund share transactions	0.00	0.01	0.01	(0.)
	-----	-----	-----	-----
NET ASSET VALUE ATTRIBUTABLE TO COMMON SHAREHOLDERS, END OF PERIOD	\$ 20.65	\$23.57	\$23.65	\$20.
	=====	=====	=====	=====
NAV total return +	(9.44)%	7.75%	24.09%	9.
	=====	=====	=====	=====
Market value, end of period	\$ 17.65	\$20.68	\$21.47	\$17.
	=====	=====	=====	=====
Investment total return ++	(11.78)%	4.14%	31.82%	4.
	=====	=====	=====	=====

See accompanying notes to financial statements.

13

THE GABELLI DIVIDEND & INCOME TRUST
FINANCIAL HIGHLIGHTS (CONTINUED)

	SIX MONTHS ENDED JUNE 30, 2008 (UNAUDITED)	YEAR ENDED DECEMBER 31		
		2007	2006	2005
	-----	-----	-----	-----
SELECTED DATA FOR A SHARE OF BENEFICIAL INTEREST OUTSTANDING THROUGHOUT EACH PERIOD:				
RATIOS AND SUPPLEMENTAL DATA:				
Net assets including liquidation value of preferred shares, end of period (in 000's).....	\$2,230,526	\$2,475,831	\$2,486,081	\$2,238,000
Net assets attributable to common shares, end of period (in 000's).....	\$1,730,526	\$1,975,831	\$1,986,081	\$1,738,000
Ratio of net investment income to average net assets attributable to common shares before preferred share distributions..	2.83% (e)	2.17%	3.91%	2.83%
Ratio of operating expenses to average net assets attributable to common shares net of advisory fee reduction, if any.....	1.15% (e) (f)	1.38% (f)	1.41% (f)	1.15%
Ratio of operating expenses to average net assets including liquidation value of preferred				

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

shares net of advisory fee reduction, if any.....	0.90% (e) (f)	1.11% (f)	1.11% (f)	1
Portfolio turnover rate +++.....	17.9%	33.8%	28.8%	2
5.875% SERIES A CUMULATIVE PREFERRED SHARES				
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).....	\$ 23.56	\$ 23.52	\$ 23.86	\$ 24.00
Asset coverage per share.....	\$ 111.53	\$ 123.79	\$ 124.30	\$ 111.53
SERIES B AUCTION MARKET CUMULATIVE PREFERRED SHARES				
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.....	\$ 111,526	\$ 123,792	\$ 124,304	\$ 111,526
SERIES C AUCTION MARKET CUMULATIVE PREFERRED SHARES				
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.....	\$ 111,526	\$ 123,792	\$ 124,304	\$ 111,526
6.00% SERIES D CUMULATIVE PREFERRED SHARES				
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).....	\$ 25.09	\$ 24.41	\$ 24.37	\$ 24.00
Asset coverage per share.....	\$ 111.53	\$ 123.79	\$ 124.30	\$ 111.53
SERIES E AUCTION RATE CUMULATIVE PREFERRED SHARES				
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.....	\$ 111,526	\$ 123,792	\$ 124,304	\$ 111,526
ASSET COVERAGE (C).....	446%	495%	497%	

 + 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 a period of less than one year is 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 a period of less than one year is not annualized.

+++ Effective in 2008, a change in accounting policy was adopted with regard to the calculation of the portfolio turnover rate. Had this policy been

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

adopted retroactively, the portfolio turnover rate for the fiscal years ended December 31, 2007, 2006, 2005, and 2004 would have been 58.0%, 30.8%, 39.5%, and 48.7%, respectively. The portfolio turnover rate for the period ended December 31, 2003 would have been as shown.

- * 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 fiscal year to date book income. Amounts are subject to change and recharacterization at fiscal year end.
- (a) Calculated based upon average common shares outstanding on the record dates throughout the period.
- (b) Based on weekly prices.
- (c) Asset coverage is calculated by combining all series of preferred shares.
- (d) Amount represents less than \$0.005 per share.
- (e) Annualized.
- (f) The ratios do not include a reduction of expenses for custodian fee credits on cash balances maintained with the custodian. Including such custodian fee credits for the fiscal year ended December 31, 2007, the ratios of operating expenses to average net assets attributable to common shares 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%. For the six months ended June 30, 2008 and fiscal years ended December 31, 2006 and 2005, the effect of the custodian fee credits was minimal.
- (g) The Gabelli Dividend & Income Trust commenced investment operations on November 28, 2003.
- (h) The beginning NAV includes a \$0.04 reduction for costs associated with the initial public offering.

See accompanying notes to financial statements.

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).

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

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. 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.

On January 1, 2008, the Fund adopted Statement of Financial Accounting Standard No. 157, "Fair Value Measurements" ("SFAS 157") that clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosures about the use of fair value measurements. The three levels of the fair value hierarchy under SFAS 157 are described below:

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

- Level 1 - quoted prices in active markets for identical securities;
- Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and
- Level 3 - significant unobservable inputs (including the Fund's determinations as to the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of inputs used to value the Fund's net assets as of June 30, 2008 is as follows:

VALUATION INPUTS	INVESTMENTS IN SECURITIES (MARKET VALUE)	OTHER FINANCIAL INSTRUMENTS (UNREALIZED DEPRECIATION) *
Level 1 - Quoted Prices	\$2,068,833,486	--
Level 2 - Other Significant Observable Inputs	147,612,707	\$(1,250,946)
Total	\$2,216,446,193	\$(1,250,946)

* Other financial instruments are derivative instruments not reflected in the Schedule of Investments, such as futures, forwards, and swaps which are valued at the unrealized appreciation/depreciation on the investment.

In March 2008, The Financial Accounting Standards Board (The "FASB") issued Statement of Financial Accounting Standard No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("SFAS 161") that is effective for fiscal years beginning after November 15, 2008. SFAS 161 is intended to improve financial reporting for derivative instruments by requiring enhanced disclosure that enables investors to understand how and why an entity uses derivatives, how derivatives are accounted for, and how derivative instruments affect an entity's results of operations and financial position. Management is currently evaluating the implications of SFAS 161 on the Fund's financial statement disclosures.

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

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

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, 2008, there were no open 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 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. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether there has been a realized gain or loss. If a put option is exercised, the premium reduces the cost basis of the security.

16

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

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 the 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 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, decline 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, 2008, the Fund had no investments in options.

SWAP AGREEMENTS. The Fund may enter into equity, contract for difference, and 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") 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 Shares. In an interest rate cap, the Fund would pay a premium

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

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. In a 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. Swap and cap transactions introduce additional risk because the Fund would remain obligated to pay preferred share dividends when due in accordance with the Statement of Preferences even if the counterparty defaulted. 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 a swap or a 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.

17

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

The use of derivative instruments involves, to varying degrees, elements of market and counterparty risk in excess of the amount recognized below.

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, is 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.

The Fund has entered into an interest rate swap agreement with Citibank N.A. Under the agreement the Fund receives a variable rate of interest and pays a respective fixed rate of interest on the nominal value of the swap. Details of the swap at June 30, 2008 are as follows:

NOTIONAL AMOUNT	FIXED RATE	FLOATING RATE* (RATE RESET MONTHLY)	TERMINATION DATE	NET UNREALIZED DEPRECIATION
-----	-----	-----	-----	-----
\$100,000,000	4.01%	2.45938%	06/02/10	\$(1,205,009)

* Based on Libor (London Interbank Offered Rate).

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

The Fund has entered into a contract for difference swap agreement with Bear, Stearns International Limited. Details of the swap at June 30, 2008 are as follows:

NOTIONAL AMOUNT	EQUITY SECURITY RECEIVED	INTEREST RATE/ EQUITY SECURITY PAID	TERMINATION DATE
\$2,623,129 (204,800 shares)	Market Value Appreciation on: Cadbury plc	Overnight LIBOR plus 40 bps plus Market Value Depreciation on: Cadbury plc	02/16/09

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, 2008, 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. At June 30, 2008, there were no open securities sold short.

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

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

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

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, 2008, there were no open forward foreign exchange contracts.

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 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.

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

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 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 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 Shares, Series B Auction Market Cumulative Preferred Shares, Series C Auction Market Cumulative Preferred Shares, 6.00% Series D Cumulative Preferred Shares, and Series E Auction Rate Cumulative Preferred Shares ("Cumulative Preferred Shares") are recorded on a daily basis and are determined as described in Note 5.

The tax character of distributions paid during the fiscal year ended December 31, 2007 was as follows:

	COMMON	PREFERRED
	-----	-----
DISTRIBUTIONS PAID FROM:		
Ordinary income		
(inclusive of short-term capital gains) ..	\$ 62,419,734	\$12,332,027
Net long-term capital gains	76,853,659	15,183,681
	-----	-----
Total distributions paid	\$139,273,393	\$27,515,708
	=====	=====

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

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, 2007, the components of accumulated earnings/(losses) on a tax basis were as follows:

Undistributed ordinary income	\$ 38,659
Undistributed long-term capital gains	3,892,810
Net unrealized appreciation on investments, swap contracts, and foreign currency transactions	430,529,603
Post-October currency loss deferral	(99,471)
Other temporary differences*	592,579

Total	\$434,954,180
	=====

* Other temporary differences are primarily due to investments in swaps.

20

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

The following summarizes the tax cost of investments, written options, swap contracts, and the related unrealized appreciation/(depreciation) at June 30, 2008:

	COST	GROSS UNREALIZED APPRECIATION	GROSS UNREALIZED DEPRECIATION	NET UNREALIZED APPRECIATION/ DEPRECIATION
	-----	-----	-----	-----
Investments	\$2,003,880,478	\$428,746,073	\$ (216,180,358)	\$212,565,715
Swap contracts ..	--	--	(1,250,946)	(1,250,946)
	-----	-----	-----	-----
	\$2,003,880,478	\$428,746,073	\$ (217,431,304)	\$211,314,769
	=====	=====	=====	=====

FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109" (the "Interpretation") established a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether the Fund is taxable in a particular jurisdiction) and required certain expanded tax disclosures.

For the six months ended June 30, 2008, the Fund did not have any liability for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expenses in the Statement of Operations. The Fund is not subject to examination by U.S. federal

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

tax authorities for tax years before 2004 and by state tax authorities for tax years before 2003.

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 preferred shares. 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 Preferred Shares 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 Preferred Shares for the fiscal year.

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 Preferred Shares for the period. For the six months ended June 30, 2008, the Fund's total return on the NAV of the common shares did not exceed the stated dividend rate or corresponding swap rate on any of the outstanding Preferred Shares. Thus, management fees with respect to the liquidation value of the preferred share assets were reduced by \$2,486,339.

During the six months ended June 30, 2008, the Fund paid brokerage commissions on security trades of \$385,467 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, 2008, the Fund paid or accrued \$22,500 to the Adviser in connection with the cost of computing the Fund's NAV.

As per the approval of the Board, the Fund compensates officers of the Fund, who 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) and pays its allocated portion of the cost of the Fund's Chief Compliance Officer. For the six months ended June 30, 2008, the Fund paid or accrued \$140,873, which is included in payroll expenses in the Statement of Operations.

21

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

The Fund pays each Trustee who 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, the Nominating Committee Chairman receives an annual fee of \$2,000, and the Lead Trustee receives an annual fee of \$1,000. Trustees who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

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

4. PORTFOLIO SECURITIES. Purchases and proceeds from the sales of securities for the six months ended June 30, 2008, other than short-term securities and U.S Government obligations, aggregated \$381,976,941 and \$395,367,642, respectively.

Purchases and sales of U.S. Government obligations for the six months ended June 30, 2008, other than short-term obligations, aggregated \$11,516,200 and \$0, respectively.

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, 2008, the Fund repurchased 37,033 shares of beneficial interest in the open market at a cost of \$714,945 and an average discount of approximately 13.10% 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, 2008 (UNAUDITED)		YEAR ENDED DECEMBER 31, 2007	
	SHARES	AMOUNT	SHARES	AMOUNT
Net decrease from repurchase of common shares	(37,033)	\$ (714,945)	(144,100)	\$ (3,091,222)

The Fund's Declaration of Trust, as amended, authorizes the issuance of an unlimited number of shares of \$0.001 par value Cumulative Preferred Shares. The Cumulative Preferred Shares 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 Shares 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 Shares. 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 Shares 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.

At the Fund's August 15, 2007 Board meeting, the Board approved the filing of a shelf registration with the SEC which will give the Fund the ability to offer additional preferred shares. The shelf registration was declared effective by the SEC on June 17, 2008.

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 \$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 Shares. Commencing October 12, 2009 and thereafter, the Fund, at its option, may redeem the 5.875% Series A Cumulative Preferred Shares in whole or in part at the redemption price at any time. The Board has authorized the repurchase of Series A Cumulative Preferred Shares in the open market at prices less than the \$25 liquidation value per share. During the six months ended June 30, 2008, the Fund did not repurchase any shares of 5.875% Series A Cumulative Preferred Shares. At June 30, 2008, 3,200,000 shares of 5.875% Series A Cumulative Preferred Shares were outstanding and accrued dividends amounted to \$65,278.

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 Shares, 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. If the number of Series B or Series C Auction Market Cumulative Preferred Shares subject to bid orders by potential holders is less than the number of Series B or Series C Auction Market Cumulative Preferred Shares subject to sell orders, then the auction is considered to be a failed auction, and the dividend rate will be the maximum rate. In that event, holders that have submitted sell orders may not be able to sell any or all of the Series B or Series C Auction Market Cumulative Preferred Shares for which they have submitted sell orders. The current maximum rate for both Series B and Series C Auction Market Cumulative Preferred Shares is 125 basis points greater than the seven day Telerate/British Bankers Association LIBOR on the day of such auction. The dividend rates of Series B Auction Market Cumulative Preferred Shares ranged from 3.880% to 5.250% during the six months ended June 30, 2008. The dividend rates of Series C Auction Market Cumulative Preferred Shares ranged from 2.296% to 4.498% during the six months ended June 30, 2008. 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 Shares 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 Shares in whole or in part at the redemption price at any time. During the six months ended June 30, 2008, the Fund did not redeem any shares of Series B and C Auction Market Cumulative Preferred Shares. At June 30, 2008, 4,000 and 4,800 shares of the Series B and C Auction Market Cumulative Preferred Shares were outstanding with an annualized dividend rate of 3.941% and 3.953% per share and accrued dividends amounted to \$65,683 and \$52,706, 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 Shares. Commencing November 3, 2010 and thereafter, the Fund, at its option, may redeem the 6.00% Series D Cumulative Preferred Shares in whole or in part at the redemption price at any time. The Board has authorized the repurchase of Series D Cumulative Preferred Shares in the open market at prices less than the \$25 liquidation value per share. During the six months ended June 30, 2008, the Fund did not repurchase any shares of 6.00% Series D Cumulative Preferred Shares. At June 30, 2008, 2,600,000 shares of 6.00% Series D Cumulative Preferred Shares were outstanding and accrued dividends amounted to \$54,167.

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

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

Shares. 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. If the number of Series E Auction Rate Cumulative Preferred Shares subject to bid orders by potential holders is less than the number of Series E Auction Rate Cumulative Preferred Shares subject to sell orders, then the auction is considered to be a failed auction, and the dividend rate will be the maximum rate. In that event,

23

THE GABELLI DIVIDEND & INCOME TRUST

NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

holders that have submitted sell orders may not be able to sell any or all of the Series E Auction Rate Cumulative Preferred Shares for which they have submitted sell orders. The current maximum rate is 150 basis points greater than the seven day Telerate/British Bankers Association LIBOR on the day of such auction. The dividend rates of Series E Auction Rate Cumulative Preferred Shares ranged from 3.454% to 5.960% during the six months ended June 30, 2008. Existing shareholders may submit an order to hold, bid, or sell such shares on each auction date. Series E Auction Rate Preferred Shares shareholders may also trade shares in the secondary market. The Fund, at its option, may redeem the Series E Auction Rate Preferred Shares in whole or in part at the redemption price at any time. During the six months ended June 30, 2008, the Fund did not redeem any shares of Series E Auction Rate Preferred Shares. At June 30, 2008, 5,400 shares of Series E Auction Rate Cumulative Preferred Shares were outstanding with an annualized dividend rate of 4.180% and accrued dividends amounted to \$78,375.

The holders of Cumulative Preferred Shares 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 Shares 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 Shares, voting as a single class, will be required to approve any plan of reorganization adversely affecting the Preferred Shares, 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 Shares 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.

6. TRANSACTIONS IN SECURITIES OF AFFILIATED ISSUERS. The 1940 Act defines affiliated issuers as those in which the Fund's holdings of an issuer represent 5% or more of the outstanding voting securities of the issuer. A summary of the Fund's transactions in the securities of this issuer during the six months ended June 30, 2008 is set forth below:

BEGINNING SHARES	SHARES SOLD	ENDING SHARES	NET CHANGE IN UNREALIZED DEPRECIATION	VALUE AT JUNE 30, 2008	PERCENT OWNED OF SHARES OUTSTANDING
-----	-----	-----	-----	-----	-----

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

Trans-Lux Corp.	293,900	(11,300)	282,600	\$ (739,635)	\$1,017,360	13.99%
----------------------	---------	----------	---------	--------------	-------------	--------

7. 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.

8. OTHER MATTERS. On April 24, 2008, the Adviser entered into an administrative settlement with the SEC to resolve the SEC's inquiry regarding prior frequent trading activity in shares of the GAMCO Global Growth Fund (the "Global Growth Fund") by one investor who was banned from the Global Growth Fund in August 2002. In the settlement, the SEC found that the Adviser had violated Section 206(2) of the Investment Advisers Act, Section 17(d) of the 1940 Act and Rule 17d-1 thereunder, and had aided and abetted and caused violations of Section 12(d) (1) (B) (i) of the 1940 Act. Under the terms of the settlement, the Adviser, while neither admitting nor denying the SEC's findings and allegations, agreed, among other things, to pay the previously reserved total of \$16 million (including a \$5 million penalty), of which at least \$11 million will be distributed to shareholders of the Global Growth Fund in accordance with a plan to be developed by an independent distribution consultant and approved by the independent directors of the Global Growth Fund and the staff of the SEC, and to cease and desist from future violations of the above referenced federal securities laws. The settlement will

24

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

not have a material adverse impact on the Adviser or its ability to fulfill its obligations under the Advisory Agreement. On the same day, the SEC filed a civil action against the Executive Vice President and Chief Operating Officer of the Adviser, alleging violations of certain federal securities laws arising from the same matter. The officer is also an officer of the Global Growth Fund and other funds in the Gabelli/GAMCO fund complex. The officer denies the allegations and is continuing in his positions with the Adviser and the funds. The Adviser currently expects that any resolution of the action against the officer will not have a material adverse impact on the Adviser or its ability to fulfill its obligations under the Advisory Agreement.

On a separate matter, in August 2008, the Adviser made an offer to the staff of the SEC to settle a previously disclosed matter concerning compliance with Section 19(a) and Rule 19a-1 of the 1940 Act by two closed-end funds managed by the Adviser. These provisions require registered investment companies to provide written statements to shareholders when a distribution is made in the nature of a dividend from a source other than net investment income. While the two funds sent annual statements and provided other materials containing this information, the funds did not send the notices required by Rule 19a-1 to shareholders with each distribution in 2002 and 2003. The Adviser believes that the funds have been in compliance with Rule 19a-1 since that time. The Adviser believes that the settlement would have no effect on the funds or any material adverse effect on the Adviser or its ability to manage the funds. This offer of settlement is subject to final agreement regarding the specific language of the SEC's administrative order and other settlement documents and approval by the SEC.

25

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

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 credit common shares 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 common shares 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 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 shares 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 shares 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 shares 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 shares. 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 shares at the time of valuation exceeds the market price of the common shares, 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 shares 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 shares exceeds the then current net asset value.

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

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.

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 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,

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

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
FORMER ITALIAN SENATOR

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

Agnes Mullady
TREASURER AND SECRETARY

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

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

Computershare Trust Company, N.A.

STOCK EXCHANGE LISTING

	Common	5.875% Preferred	6.00% Preferred
	-----	-----	-----
NYSE-Symbol:	GDV	GDV PrA	GDV PrD
Shares Outstanding:	83,792,037	3,200,000	2,600,000

The Net Asset Value per share appears in the Publicly Traded Funds column, under 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 preferred shares in the open market when the preferred shares are trading at a discount to the liquidation value.

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

SEMI ANNUAL REPORT
JUNE 30, 2008

GDV Q2/2008

ITEM 2. CODE OF ETHICS.

Not applicable.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

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

Not applicable.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

ITEM 6. INVESTMENTS.

(a) 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.

(b) Not applicable.

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 01/01/08 through 01/31/08	Common - 7,033 Preferred Series A - N/A Preferred Series D - N/A	Common - \$19.7795 Preferred Series A - N/A Preferred Series D - N/A	Common - 7,033 Preferred Series A - N/A Preferred Series D - N/A	Common - 83,8 Preferred Series A - Preferred Series D -
Month #2 02/01/08 through 02/28/08	Common - 20,000 Preferred Series A - N/A Preferred Series D - N/A	Common - \$19.1000 Preferred Series A - N/A Preferred Series D - N/A	Common - 20,000 Preferred Series A - N/A Preferred Series D - N/A	Common - 83,8 Preferred Series A - Preferred Series D -

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

Month #	Common	Preferred Series A	Preferred Series D	Common	Preferred Series A	Preferred Series D
Month #3 03/01/08 through 03/31/08	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 04/01/08 through 04/30/08	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 #5 05/01/08 through 05/31/08	Common - 10,000	Preferred Series A - N/A	Preferred Series D - N/A	Common - \$19.3221	Preferred Series A - N/A	Preferred Series D - N/A
Month #6 06/01/08 through 06/30/08	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
Total	Common - 37,033	Preferred Series A - N/A	Preferred Series D - N/A	Common - \$19.3090	Preferred Series A - 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.

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

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.

- (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

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

Date 9/3/08

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

Date 9/3/08

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

Agnes Mullady,
Principal Financial Officer and Treasurer

Date 9/3/08

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