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GABELLI DIVIDEND & INCOME TRUST
Form N-CSRS
September 08, 2005

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, 2005

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, 450 Fifth Street, NW, Washington, DC 20549-0609. 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.

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 THE GABELLI
 DIVIDEND &
 INCOME TRUST

THE GABELLI DIVIDEND & INCOME TRUST

Semi-Annual Report
 June 30, 2005

TO OUR SHAREHOLDERS,

The Gabelli Dividend & Income Trust's ("the Trust") total return during the second quarter was 3.6% on a net asset value ("NAV") basis, compared to a 1.4% gain for the Standard & Poor's ("S&P") 500 Index. Year to date through June 30, 2005, the Trust's total return was 4.7% on an NAV basis versus a 0.8% decline for the S&P 500 Index. The Trust's market price rose 5.5% during the second quarter and 7.0% for the first half of 2005. The Trust's market price on June 30, 2005 was \$18.58, which equates to an 9.1% discount to its NAV of \$20.44.

Enclosed are the financial statements and the investment portfolio as of June 30, 2005.

COMPARATIVE RESULTS

 AVERAGE ANNUAL RETURNS THROUGH JUNE 30, 2005 (A)

	Quarter -----	Year to Date ----
GABELLI DIVIDEND & INCOME TRUST NAV RETURN (B)	3.64%	4.68%
GABELLI DIVIDEND & INCOME TRUST INVESTMENT RETURN (C)	5.45	6.99
S&P 500 Index	1.37	(0.81)
Dow Jones Industrial Average	(1.62)	(3.50)
Nasdaq Composite Index	2.89	(5.45)

- (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. INVESTORS SHOULD CONSIDER THE INVESTMENT OBJECTIVES, RISKS AND CHARGES AND EXPENSES OF THE FUND CAREFULLY BEFORE INVESTING. PERFORMANCE FIGURES FOR PERIODS LESS THAN ONE YEAR ARE NOT ANNUALIZED. 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.
- (b) TOTAL RETURNS AND AVERAGE ANNUAL RETURNS REFLECT CHANGES IN NAV, REINVESTMENT OF DISTRIBUTIONS AT NAV ON THE EX-DIVIDEND DATE AND ARE NET OF EXPENSES. SINCE INCEPTION RETURN BASED ON AN INITIAL NAV OF \$19.06.

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(c) TOTAL RETURNS AND AVERAGE ANNUAL RETURNS REFLECT CHANGES IN CLOSING MARKET VALUES ON THE NEW YORK STOCK EXCHANGE AND REINVESTMENT OF DISTRIBUTIONS ON THE PAYABLE DATE. SINCE INCEPTION RETURN BASED ON AN INITIAL OFFERING PRICE OF \$20.00.

We have separated the portfolio manager's 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 manager's commentary is unrestricted. The financial statements and investment portfolio are mailed separately. 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:

Financial Services	13.1%
U.S. Government Obligations	12.5%
Energy and Utilities: Oil	12.2%
Energy and Utilities: Integrated	11.8%
Repurchase Agreements	8.6%
Telecommunications	6.4%
Energy and Utilities: Electric	6.2%
Energy and Utilities: Natural Gas	3.6%
Food and Beverage	3.5%
Diversified Industrial	2.9%
Health Care	2.2%
Entertainment	1.7%
Consumer Products	1.4%
Automotive: Parts and Accessories	1.3%
Retail	1.3%
Specialty Chemicals	1.2%
Machinery	1.1%
Cable and Satellite	1.1%
Broadcasting	1.0%
Transportation	0.9%
Hotels and Gaming	0.8%
Energy and Utilities	0.6%
Agriculture	0.6%
Computer Software and Services	0.6%
Aerospace	0.6%
Equipment and Supplies	0.6%
Metals and Mining	0.5%
Wireless Communications	0.3%
Communications Equipment	0.3%
Energy and Utilities: Water	0.3%
Real Estate Investment Trusts	0.2%
Business Services	0.2%
Publishing	0.2%
Aviation: Parts and Services	0.1%
Closed-End Funds	0.1%

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100.0%
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THE GABELLI DIVIDEND & INCOME TRUST (THE "FUND") FILES A COMPLETE SCHEDULE OF PORTFOLIO HOLDINGS WITH 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, 2005. 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 COMMISSION'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 and procedures are available without charge, upon request, (i) by calling 800-GABELLI (800-422-3554); (ii) by writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; and (iii) by visiting the Securities and Exchange Commission's website at www.sec.gov.

SHAREHOLDER MEETING -- MAY 9, 2005 -- FINAL RESULTS

The Annual Meeting of Shareholders was held on May 9, 2005 at the Hyatt Regency in Old 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 Trust. There were 85,563,542 votes, 85,642,850 votes and 85,663,733 votes cast in favor of each Trustee and 1,382,981 votes, 1,303,673 votes and 1,282,790 votes were withheld for each Trustee, respectively. In addition, preferred shareholders voting as a single class elected Anthony J. Colavita and James R. Conn as Trustees of the Trust. There were 3,135,151 and 3,134,216 votes cast in favor of each Trustee and 38,079 and 39,104 votes were withheld for each Trustee, respectively.

Mario J. Gabelli, Mario d'Urso, Michael J. Melarkey, Karl Otto Pohl, Salvatore M. Salibello and Edward T. Tokar continue to serve in their capacities as Trustees of the Trust.

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

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THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS
JUNE 30, 2005 (UNAUDITED)

SHARES		COST	MARKET VALUE
-----		-----	-----
	COMMON STOCKS -- 74.3%		
	AEROSPACE -- 0.4%		
10,000	Goodrich Corp.	\$ 281,823	\$ 409,600
30,000	Kaman Corp., Cl. A	382,348	541,200
350,000	Titan Corp.+	6,788,991	7,959,000
		-----	-----
		7,453,162	8,909,800
		-----	-----

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AGRICULTURE -- 0.5%			
490,000	Archer-Daniels-Midland Co.	8,062,273	10,476,200
AUTOMOTIVE: PARTS AND ACCESSORIES -- 1.3%			
490,000	Dana Corp.	9,868,146	7,354,900
455,000	Genuine Parts Co.	15,537,978	18,695,950
		25,406,124	26,050,850
BROADCASTING -- 0.5%			
280,000	Clear Channel Communications Inc.	8,766,852	8,660,400
20,000	Liberty Corp.	923,714	736,200
		9,690,566	9,396,600
CABLE AND SATELLITE -- 1.1%			
14,200	Cogeco Inc.	276,997	311,306
100,000	DIRECTV Group Inc.+	1,745,733	1,550,000
295,000	EchoStar Communications Corp., Cl. A	9,030,542	8,894,250
90,001	Liberty Global Inc., Cl. A+	3,598,648	4,200,333
210,000	Rogers Communications Inc., Cl. B	4,780,833	6,904,800
		19,432,753	21,860,689
COMMUNICATIONS EQUIPMENT -- 0.0%			
20,000	Thomas & Betts Corp.+	629,282	564,800
COMPUTER SOFTWARE AND SERVICES -- 0.6%			
50,000	Ask Jeeves Inc.+	1,429,605	1,509,500
250,000	Storage Technology Corp.+	9,103,515	9,072,500
25,000	SunGard Data Systems Inc.+	861,210	879,250
		11,394,330	11,461,250
CONSUMER PRODUCTS -- 1.4%			
15,000	Altria Group Inc.	750,667	969,900
19,000	Avon Products Inc.	698,781	719,150
30,000	Eastman Kodak Co.	766,883	805,500
135,000	Gallaher Group plc, ADR ..	6,687,854	8,005,500
70,000	Gillette Co.	3,459,076	3,544,100
1,000	Kimberly-Clark Corp.	53,184	62,590
30,000	Maytag Corp.	471,625	469,800
90,000	Procter & Gamble Co.	4,748,057	4,747,500
719,500	Swedish Match AB	7,274,631	8,174,200
		24,910,758	27,498,240
MARKET VALUE			
SHARES	COST	MARKET VALUE	
DIVERSIFIED INDUSTRIAL -- 2.4%			
250,000	Bouygues SA \$	7,681,198	\$ 10,364,983
130,000	Cooper Industries Ltd., Cl. A	8,067,358	8,307,000
350,000	General Electric Co.	11,076,517	12,127,500
200,000	Honeywell International Inc.	6,549,070	7,326,000
30,000	ITT Industries Inc.	2,489,631	2,928,900
100,000	Sonoco Products Co.	2,400,642	2,650,000

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1,000	Textron Inc.	51,500	75,850
1,051,000	Tomkins plc	5,080,148	4,924,237
24,000	Tomkins plc, ADR	472,419	456,480
		-----	-----
		43,868,483	49,160,950
		-----	-----
	ENERGY AND UTILITIES: ELECTRIC -- 6.2%		
30,000	Allegheny Energy Inc.+ ...	438,040	756,600
120,000	ALLETE Inc.	3,983,448	5,988,000
305,000	American Electric Power Co. Inc.	9,047,393	11,245,350
20,000	Cleco Corp.	349,431	431,400
377,000	DPL Inc.	7,269,715	10,348,650
17,500	DTE Energy Co.	667,957	818,475
270,000	Duquesne Light Holdings Inc.	4,812,167	5,043,600
237,000	Electric Power Development Co. Ltd. ...	6,918,340	6,859,345
210,000	FPL Group Inc.	7,085,085	8,832,600
610,000	Great Plains Energy Inc. .	18,714,180	19,452,900
600,000	Pepco Holdings Inc.	11,391,942	14,364,000
220,000	Pinnacle West Capital Corp.	8,566,123	9,779,000
500,000	Southern Co.	14,779,215	17,335,000
500,000	Unisource Energy Corp. ...	12,298,314	15,375,000
		-----	-----
		106,321,350	126,629,920
		-----	-----
	ENERGY AND UTILITIES: INTEGRATED -- 11.8%		
12,000	Alliant Energy Corp.	305,115	337,800
410,000	Ameren Corp.	18,428,777	22,673,000
35,000	Avista Corp.	610,184	650,650
11,000	Black Hills Corp.	335,198	405,350
22,800	Central Vermont Public Service Corp.	446,712	421,800
32,100	CH Energy Group Inc.	1,481,792	1,561,023
108,000	Chubu Electric Power Co. Inc.	2,458,019	2,590,208
121,500	Chugoku Electric Power Co. Inc.	2,194,052	2,371,720
330,000	Cinergy Corp.	12,511,142	14,790,600
167,000	CONSOL Energy Inc.	3,852,748	8,947,860
200,000	Consolidated Edison Inc.	8,201,972	9,368,000
4,000	Dominion Resources Inc. ..	271,053	293,560
200,000	Duke Energy Corp.	4,255,621	5,946,000
430,000	Edison SpA+	1,002,090	957,475
150,000	El Paso Corp.	1,485,360	1,728,000

See accompanying notes to financial statements.

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2005 (UNAUDITED)

SHARES	COST	MARKET VALUE
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COMMON STOCKS (CONTINUED)
ENERGY AND UTILITIES: INTEGRATED (CONTINUED)

6,500	Empire District		
	Electric Co.	\$ 144,112	\$ 155,740
300,000	Enel SpA	2,324,318	2,613,936
47,000	Enel SpA, ADR	1,839,336	2,040,270
139,500	Energy East Corp.	3,166,127	4,042,710
220,000	FirstEnergy Corp.	7,886,725	10,584,200
130,000	Hawaiian Electric		
	Industries Inc.	3,045,840	3,485,300
250,000	Hera SpA	552,073	696,596
121,500	Hokkaido Electric		
	Power Co. Inc.	2,282,208	2,486,746
121,500	Hokuriku Electric		
	Power Co.	2,131,359	2,316,946
121,500	Kansai Electric		
	Power Co. Inc.	2,333,021	2,442,927
69,500	Korea Electric Power		
	Corp., ADR	995,325	1,089,065
121,500	Kyushu Electric		
	Power Co. Inc.	2,374,466	2,640,114
25,000	Maine & Maritimes Corp. ..	746,488	612,500
4,000	MGE Energy Inc.	132,594	145,520
40,000	National Grid		
	Transco plc, ADR	1,588,564	1,950,800
260,000	NiSource Inc.	5,433,717	6,429,800
600,000	NSTAR	14,242,809	18,498,000
500,000	OGE Energy Corp.	12,037,779	14,470,000
60,000	Ormat Technologies Inc. ..	900,000	1,146,000
330,000	Progress Energy Inc.	14,816,426	14,929,200
310,000	Public Service Enterprise		
	Group Inc.	13,620,343	18,854,200
220,000	Scottish Power plc,		
	ADR	6,417,661	7,832,000
121,500	Shikoku Electric		
	Power Co. Inc.	2,264,565	2,421,017
2,000	TECO Energy Inc.	27,648	37,820
121,500	Tohoku Electric		
	Power Co. Inc.	2,112,763	2,590,817
108,000	Tokyo Electric		
	Power Co. Inc.	2,545,172	2,575,602
1,000	TXU Corp.	28,289	83,090
60,000	Vectren Corp.	1,483,577	1,723,800
450,000	Westar Energy Inc.	8,854,560	10,813,500
90,000	Wisconsin Energy Corp. ...	2,844,518	3,510,000
150,000	WPS Resources Corp.	6,859,066	8,437,500
800,000	Xcel Energy Inc.	13,706,887	15,616,000
		-----	-----
		197,578,171	240,314,762
		-----	-----

			MARKET
SHARES		COST	VALUE
-----		-----	-----
	ENERGY AND UTILITIES: NATURAL GAS -- 3.6%		
8,500	AGL Resources Inc.	\$ 231,031	\$ 328,525
100,000	Atmos Energy Corp.	2,487,349	2,880,000
14,800	Delta Natural Gas Co. Inc.	374,076	382,728
6,000	Energen Corp.	124,550	210,300
380,000	KeySpan Corp.	13,740,598	15,466,000
20,000	Kinder Morgan Energy		

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	Partners LP	824,553	1,018,400
50,000	Laclede Group Inc.	1,380,807	1,588,000
300,000	National Fuel Gas Co.	7,226,378	8,673,000
215,000	Nicor Inc.	7,320,919	8,851,550
220,000	ONEOK Inc.	4,686,840	7,183,000
250,000	Peoples Energy Corp.	10,457,700	10,865,000
300,000	SEMCO Energy Inc.+	1,686,087	1,797,000
200,000	Sempra Energy	5,764,549	8,262,000
12,000	South Jersey Industries Inc.	497,736	733,440
20,000	Southern Union Co.+	457,198	491,000
167,800	Southwest Gas Corp.	4,009,556	4,280,578
		-----	-----
		61,269,927	73,010,521
		-----	-----
	ENERGY AND UTILITIES: OIL -- 12.2%		
10,000	Amerada Hess Corp.	830,468	1,065,100
7,000	Anadarko Petroleum Corp.	391,850	575,050
38,000	Apache Corp.	1,678,926	2,454,800
20,000	Baker Hughes Inc.	759,763	1,023,200
26,900	BG Group plc, ADR	1,049,832	1,119,040
160,000	BP plc, ADR	7,479,063	9,980,800
80,000	Burlington Resources Inc.	3,248,465	4,419,200
5,000	Chesapeake Energy Corp. ..	65,489	114,000
150,000	Chevron Corp.	7,889,415	8,388,000
1,000	Cimarex Energy Co.+	28,300	38,910
420,000	ConocoPhillips	15,095,391	24,145,800
20,000	Cooper Cameron Corp.+	1,103,787	1,241,000
60,000	Devon Energy Corp.	2,266,223	3,040,800
290,000	Diamond Offshore		
	Drilling Inc.	6,904,634	15,494,700
75,000	Eni SpA, ADR	6,854,713	9,615,000
225,000	Exxon Mobil Corp.	10,427,149	12,930,750
200,000	Halliburton Co.	5,839,449	9,564,000
140,000	Kaneb Services LLC	6,027,731	6,059,200
89,994	Kerr-McGee Corp.	4,654,992	6,867,442
283,000	Marathon Oil Corp.	8,736,357	15,103,710
200,000	Murphy Oil Corp.	7,688,489	10,446,000
2,000	Nabors Industries Ltd.+ ..	97,350	121,240
5,000	Noble Corp.	254,820	307,550
190,000	Occidental Petroleum Corp.	9,068,488	14,616,700
10,000	PetroChina Co. Ltd., ADR	647,279	734,500
500	PetroKazakhstan Inc.,		
	Cl. A	18,675	18,290
54,000	Premcor Inc.	3,702,949	4,005,720

See accompanying notes to financial statements.

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THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2005 (UNAUDITED)

SHARES	COST	MARKET VALUE
-----	-----	-----
COMMON STOCKS (CONTINUED)		
ENERGY AND UTILITIES: OIL (CONTINUED)		

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	Group Inc.	17,423,364	16,558,500
120,000	AmSouth Bancorporation ...	2,973,948	3,120,000
510,000	Bank of America Corp.	20,565,031	23,261,100
361,400	Bank of New York Co. Inc.	11,720,504	10,401,092
3,000	BlackRock, Inc., Cl. A ...	217,161	241,350
420,000	Citigroup Inc.	20,378,842	19,416,600
100,000	Commercial Federal Corp.	3,392,200	3,368,000
30,000	Deutsche Bank AG, ADR	2,456,595	2,337,000
100,200	Fidelity National Financial Inc.	4,276,588	3,576,138
145,000	Fifth Third Bancorp	6,516,066	5,975,450
100,000	First Horizon National Corp.	4,259,774	4,220,000
30,000	Flushing Financial Corp. .	580,605	552,000
27,000	Hartford Financial Services Group Inc.	1,748,090	2,019,060
55,000	Hibernia Corp., Cl. A	1,766,289	1,824,900
60,000	Janus Capital Group Inc.	896,299	902,400
510,000	JPMorgan Chase & Co.	18,568,142	18,013,200
50,000	KeyCorp	1,418,288	1,657,500
380,000	MBNA Corp.	10,017,562	9,940,800
15,000	Merrill Lynch & Co. Inc.	833,066	825,150
135,000	Morgan Stanley	6,866,538	7,083,450
180,000	New York Community Bancorp Inc.	3,510,993	3,261,600
4,000	NewAlliance Bancshares Inc.	59,954	56,200
30,000	North Fork Bancorporation Inc.	729,176	842,700
230,000	PNC Financial Services Group Inc.	12,320,902	12,525,800
130,000	Popular Inc.	3,082,073	3,274,700
1,000	Progressive Corp.	89,520	98,810
289,010	Sovereign Bancorp Inc. ...	6,349,625	6,456,484
293,800	St. Paul Travelers Companies Inc.	11,055,903	11,613,914
15,000	Sterling Bancorp	341,301	320,250
60,000	T. Rowe Price Group Inc.	3,056,819	3,756,000
6,334	United Fire & Casualty Co.	151,995	281,356
5,000	Unitrin Inc.	187,486	245,500
14,490	Valley National Bancorp ..	378,581	338,776
245,000	Wachovia Corp.	11,347,420	12,152,000

See accompanying notes to financial statements.

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THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2005 (UNAUDITED)

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

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290,300	Waddell & Reed Financial Inc., Cl. A	\$ 6,628,048	\$ 5,370,550
32,000	Washington Mutual Inc. ...	1,266,593	1,302,080
3,500	Webster Financial Corp. ..	155,536	163,415
130,000	Wells Fargo & Co.	7,427,111	8,005,400
100,000	Wilmington Trust Corp. ...	3,578,188	3,601,000
87,300	Zions Bancorporation	5,691,463	6,419,169
		-----	-----
		244,685,898	251,368,594
		-----	-----
	FOOD AND BEVERAGE -- 3.5%		
120,000	Anheuser-Busch Companies Inc.	5,621,318	5,490,000
20,000	Campbell Soup Co.	564,258	615,400
150,000	Coca-Cola Co.	6,659,079	6,262,500
180,000	ConAgra Foods Inc.	4,818,670	4,168,800
450,000	Dreyer's Grand Ice Cream Holdings Inc., Cl. A ...	34,980,592	36,630,000
165,000	General Mills Inc.	7,568,765	7,720,350
80,000	Heinz (H.J.) Co.	2,950,151	2,833,600
1,000	Kellogg Co.	35,550	44,440
35,000	Kraft Foods Inc., Cl. A ..	1,114,741	1,113,350
290,000	Sara Lee Corp.	6,455,319	5,744,900
1,000	Wrigley (Wm.) Jr. Co.	55,998	68,840
		-----	-----
		70,824,441	70,692,180
		-----	-----
	HEALTH CARE -- 2.2%		
145,000	Bristol-Myers Squibb Co.	3,552,525	3,622,100
150,000	Eli Lilly & Co.	9,066,485	8,356,500
160,000	Eon Labs Inc.+	4,850,300	4,902,400
220,000	Merck & Co. Inc.	8,376,601	6,776,000
50,000	Owens & Minor Inc.	1,240,047	1,617,500
585,000	Pfizer Inc.	17,779,446	16,134,300
85,000	Renal Care Group Inc.+ ...	3,908,289	3,918,500
10,000	Wyeth	398,480	445,000
		-----	-----
		49,172,173	45,772,300
		-----	-----
	HOTELS AND GAMING -- 0.8%		
2,000,000	Hilton Group plc	9,246,478	10,257,465
250,000	Hilton Hotels Corp.	4,259,449	5,962,500
		-----	-----
		13,505,927	16,219,965
		-----	-----
	MACHINERY -- 1.1%		
350,000	CNH Global NV	6,922,214	6,611,500
235,000	Deere & Co.	15,857,224	15,390,150
		-----	-----
		22,779,438	22,001,650
		-----	-----
	METALS AND MINING -- 0.4%		
10,000	Arch Coal Inc.	314,774	544,700
6,000	BHP Billiton Ltd., ADR ...	161,066	163,800
	SHARES	COST	MARKET VALUE
	-----	-----	-----
1,000	Fording Canadian Coal Trust	\$ 32,950	\$ 92,200
120,000	Freeport-McMoRan Copper		

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	& Gold Inc., Cl. B	4,389,476	4,492,800
24,000	Inco Ltd.	911,698	906,000
10,000	Massey Energy Co.	235,475	377,200
12,000	Peabody Energy Corp.	291,734	624,480
1,000	Rio Tinto plc, ADR	127,360	121,920
3,000	Westmoreland Coal Co.+ ...	52,605	61,740
		-----	-----
		6,517,138	7,384,840
		-----	-----
	PUBLISHING -- 0.2%		
200,000	Reader's Digest Association Inc.	2,978,081	3,300,000
		-----	-----
	REAL ESTATE -- 0.0%		
8,000	Brascan Corp., Cl. A	186,196	305,280
		-----	-----
	REAL ESTATE INVESTMENT TRUSTS -- 0.2%		
152,000	Catellus Development Corp	5,023,200	4,985,600
		-----	-----
	RETAIL -- 1.3%		
515,000	Albertson's Inc.	11,858,900	10,650,200
165,300	Ingles Markets Inc., Cl. A	1,871,885	2,276,181
17,500	Neiman Marcus Group Inc., Cl. B	1,690,180	1,692,250
550,000	Safeway Inc.	11,783,291	12,424,500
		-----	-----
		27,204,256	27,043,131
		-----	-----
	SPECIALTY CHEMICALS -- 1.2%		
65,000	Ashland Inc.	2,904,580	4,671,550
145,200	Dow Chemical Co.	5,775,117	6,465,756
215,000	E.I. du Pont de Nemours and Co.	9,586,273	9,247,150
200,000	Ferro Corp.	3,966,201	3,972,000
40,000	Olin Corp.	701,828	729,600
		-----	-----
		22,933,999	25,086,056
		-----	-----
	TELECOMMUNICATIONS -- 5.9%		
900,000	AT&T Corp.	17,011,477	17,136,000
650,000	BCE Inc.	14,200,755	15,392,000
205,000	BellSouth Corp.	5,462,246	5,446,850
74,000	BT Group plc, ADR	2,312,412	3,078,400
30,000	CenturyTel Inc.	881,776	1,038,900
155,000	Citizens Communications Co	2,101,394	2,083,200
15,000	Commonwealth Telephone Enterprises Inc.	753,222	628,650
50,000	Compania de Telecomunicaciones de Chile SA, ADR	607,686	508,500

See accompanying notes to financial statements.

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JUNE 30, 2005 (UNAUDITED)

SHARES		COST	MARKET VALUE
-----		-----	-----
COMMON STOCKS (CONTINUED)			
TELECOMMUNICATIONS (CONTINUED)			
100,000	Deutsche Telekom AG, ADR	\$ 1,796,995	\$ 1,842,000
55,000	France Telecom SA, ADR ...	1,338,443	1,602,700
220,000	Hellenic Telecommunications Organization SA, ADR+ ..	1,724,294	2,123,000
15,000	Manitoba Telecom Services Inc.	506,117	571,743
250,000	MCI Inc.	6,045,123	6,427,500
225,000	Qwest Communications International Inc.+	775,852	834,750
300,000	SBC Communications Inc. ..	7,416,654	7,125,000
840,000	Sprint Corp.	15,078,016	21,075,600
345,000	TDC A/S, ADR	6,016,102	7,386,450
12,000	Telecom Corp. of New Zealand Ltd., ADR	322,396	403,080
42,000	Telecom Italia SpA, ADR ..	1,285,636	1,315,020
26,000	Telefonica SA, ADR	1,107,367	1,271,400
290,000	Telefonos de Mexico SA de CV, Cl. L, ADR	4,796,770	5,478,100
160,000	Telstra Corp. Ltd., ADR ..	2,939,066	3,096,000
130,000	TELUS Corp., Non-Voting ..	2,381,462	4,435,582
300,000	Verizon Communications Inc	10,168,118	10,365,000
		-----	-----
		107,029,379	120,665,425
		-----	-----
TRANSPORTATION -- 0.7%			
8,000	Frontline Ltd.	238,294	321,920
210,000	GATX Corp.	5,512,154	7,245,000
24,000	Golden Ocean Group Ltd.+ .	14,400	15,610
98,200	Overnite Corp.	4,188,124	4,220,636
6,000	Ship Finance International Ltd.	122,491	113,460
42,000	Teekay Shipping Corp.	1,312,136	1,843,800
		-----	-----
		11,387,599	13,760,426
		-----	-----
WIRELESS COMMUNICATIONS -- 0.3%			
18,598	Crown Castle International Corp.+ ...	297,598	377,911
120,000	O2 plc+	265,967	292,943
110,000	United States Cellular Corp.+	5,022,195	5,493,400
3,000	Vimpel-Communications, ADR+	91,155	102,090
		-----	-----
		5,676,915	6,266,344
		-----	-----
TOTAL COMMON STOCKS			
		1,321,111,642	1,512,919,530
		-----	-----
SHARES		COST	MARKET VALUE

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	PREFERRED STOCKS -- 0.1%		
	CLOSED-END FUNDS -- 0.1%		
69,100	General American Investors Co. Inc., 5.950% Cumulative Pfd., Ser. B	\$ 1,712,369	\$ 1,733,719
	CONVERTIBLE PREFERRED STOCKS -- 2.9%		
	AEROSPACE -- 0.1%		
5,000	Coltec Capital Trust, 5.250% Cv. Pfd.	245,475	248,750
8,315	Northrop Grumman Corp., 7.000% Cv. Pfd., Ser. B	997,555	1,039,375
		1,243,030	1,288,125
	AUTOMOTIVE -- 0.0%		
20,000	General Motors Corp., 4.500% Cv. Pfd., Ser. A	518,910	486,400
	AVIATION: PARTS AND SERVICES -- 0.1%		
28,000	Sequa Corp., \$5.00 Cv. Pfd.	2,618,490	2,744,000
	BROADCASTING -- 0.0%		
20,460	Emmis Communications Corp., 6.250% Cv. Pfd., Ser. A	960,081	855,842
	BUILDING AND CONSTRUCTION -- 0.0%		
200	Fleetwood Capital Trust, 6.000% Cv. Pfd.+	6,210	9,600
	BUSINESS SERVICES -- 0.1%		
30,000	Allied Waste Industries Inc., 6.250% Cv. Pfd.	1,631,522	1,382,100
	DIVERSIFIED INDUSTRIAL -- 0.5%		
179,400	Owens-Illinois Inc., 4.750% Cv. Pfd.	5,956,159	7,269,288
80,502	Smurfit-Stone Container Corp., 7.000% Cv. Pfd., Ser. A	2,008,346	1,865,231
1,000	U.S. Steel Corp., 7.000% Cv. Pfd., Ser. B	88,510	110,935
		8,053,015	9,245,454
	ENERGY AND UTILITIES -- 0.6%		
	Chesapeake Energy Corp.,		
5,000	5.000% Cv. Pfd. (a)	512,500	575,000
20,000	5.000% Cv. Pfd.	2,193,750	2,967,400
2,700	6.000% Cv. Pfd.	194,400	310,500
20,000	CMS Energy Corp., 4.500% Cv. Pfd., Ser. B	1,069,062	1,592,500
130,000	El Paso Corp. Capital Trust I, 4.750% Cv. Pfd., Ser. C	4,680,219	4,946,500

See accompanying notes to financial statements.

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THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2005 (UNAUDITED)

SHARES		COST	MARKET VALUE
-----		-----	-----
	CONVERTIBLE PREFERRED STOCKS (CONTINUED)		
	ENERGY AND UTILITIES (CONTINUED)		
40,000	Hanover Compressor Capital Trust, 7.250% Cv. Pfd.	\$ 1,999,453	\$ 1,910,000
		-----	-----
		10,649,384	12,301,900
		-----	-----
	ENTERTAINMENT -- 0.2%		
164,000	Six Flags Inc., 7.250% Cv. Pfd., Ser. B	3,804,043	3,335,760
		-----	-----
	FINANCIAL SERVICES -- 0.8%		
5,920	Doral Financial Corp., 4.750% Cv. Pfd. (a)	1,313,670	964,960
215,000	National Australia Bank Ltd., 7.875% Cv. Pfd.	8,179,114	8,385,000
138,900	Newell Financial Trust, 5.250% Cv. Pfd.	6,516,450	6,042,150
		-----	-----
		16,009,234	15,392,110
		-----	-----
	HEALTH CARE -- 0.0%		
10,000	Omnicare Inc., 4.000% Cv. Pfd., Ser. B	605,400	580,000
		-----	-----
	METALS AND MINING -- 0.1%		
9,750	Arch Coal Inc., 5.000% Cv. Pfd.	733,750	1,291,875
6,000	Phelps Dodge Corp., 6.750% Cv. Pfd.	1,002,916	1,177,500
		-----	-----
		1,736,666	2,469,375
		-----	-----
	REAL ESTATE INVESTMENT TRUSTS -- 0.0%		
2,100	Equity Office Properties Trust, 5.250% Cv. Pfd., Ser. B	104,120	107,583
		-----	-----
	TELECOMMUNICATIONS -- 0.4%		
39,500	Cincinnati Bell Inc., 6.750% Cv. Pfd., Ser. B	1,682,413	1,781,450
121,000	Crown Castle International Corp., 6.250% Cv. Pfd.+	5,568,000	5,853,375
		-----	-----
		7,250,413	7,634,825
		-----	-----
	TRANSPORTATION -- 0.0%		
1,500	GATX Corp., \$2.50 Cv. Pfd.	199,475	256,875
982	Kansas City Southern, 4.250% Cv. Pfd.	551,884	713,693

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		751,359	970,568

TOTAL CONVERTIBLE			
PREFERRED STOCKS			
		55,941,877	58,803,642

PRINCIPAL			MARKET
AMOUNT		COST	VALUE

	CONVERTIBLE CORPORATE BONDS -- 1.6%		
	AEROSPACE -- 0.1%		
\$ 1,000,000	GenCorp Inc., Sub. Deb. Cv., 5.750%, 04/15/07	\$ 991,378	\$ 1,107,500

	AGRICULTURE -- 0.1%		
600,000	Bunge Ltd. Financial Corp., Cv., 3.750%, 11/15/22	620,604	1,188,000

	AUTOMOTIVE: PARTS AND ACCESSORIES -- 0.0%		
500,000	Standard Motor Products Inc., Sub. Deb. Cv., 6.750%, 07/15/09	478,477	475,000

	BROADCASTING -- 0.5%		
13,240,000	Sinclair Broadcast Group Inc., Sub. Deb. Cv., 6.000%, 09/15/12	10,731,035	11,154,700

	BUSINESS SERVICES -- 0.1%		
	Trans-Lux Corp., Sub. Deb. Cv.,		
950,000	8.250%, 03/01/2012	946,705	954,750
2,000,000	7.500%, 12/01/2006	2,003,357	1,997,500

		2,950,062	2,952,250

	COMMUNICATIONS EQUIPMENT -- 0.3%		
3,600,000	Agere Systems Inc., Sub. Deb. Cv., 6.500%, 12/15/09	3,720,472	3,645,000
2,000,000	TriQuint Semiconductor Inc., Sub. Deb. Cv., 4.000%, 03/01/07	1,950,416	1,952,500

		5,670,888	5,597,500

	ENTERTAINMENT -- 0.1%		
1,000,000	The Walt Disney Co., Cv., 2.125%, 04/15/23	1,024,858	1,031,250

	EQUIPMENT AND SUPPLIES -- 0.1%		
1,000,000	Robbins & Myers Inc., Sub. Deb. Cv., 8.000%, 01/31/08	1,010,500	1,030,000

	FINANCIAL SERVICES -- 0.0%		
250,000	AON Corp., Deb. Cv., 3.500%, 11/15/12	281,580	313,438

	FOOD AND BEVERAGE -- 0.0%		
1,550,000	Parmalat Soparfi SA,		

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Sub. Deb. Cv., 6.125%, 05/23/32+ (b) ..	981,615	750,296
	-----	-----

See accompanying notes to financial statements.

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THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2005 (UNAUDITED)

PRINCIPAL AMOUNT		COST	MARKET VALUE
-----		-----	-----
	CONVERTIBLE CORPORATE BONDS (CONTINUED)		
	METALS AND MINING -- 0.0%		
\$ 400,000	Inco Ltd., Cv., Zero Coupon, 03/29/21 ..	\$ 405,729	\$ 404,000
		-----	-----
	REAL ESTATE -- 0.0%		
100,000	Palm Harbor Homes Inc., Cv., 3.250%, 05/15/2024	83,730	90,125
1,000,000	3.250%, 05/15/2024 (a) .	972,058	901,250
		-----	-----
		1,055,788	991,375
		-----	-----
	TELECOMMUNICATIONS -- 0.1%		
2,000,000	Nortel Networks Corp., Cv., 4.250%, 09/01/08	1,940,639	1,875,000
		-----	-----
	TRANSPORTATION -- 0.2%		
2,700,000	GATX Corp., Cv., 7.500%, 02/01/07	2,955,692	3,148,875
		-----	-----
	TOTAL CONVERTIBLE CORPORATE BONDS	31,098,845	32,019,184
		-----	-----
	CORPORATE BONDS -- 0.0%		
	DIVERSIFIED INDUSTRIAL -- 0.0%		
1,000,000	WHX Corp., 10.500%, 04/15/06 (b) ..	959,111	975,000
		-----	-----
	SHORT-TERM OBLIGATIONS -- 21.1%		
	REPURCHASE AGREEMENTS -- 8.6%		
100,000,000	ABN Amro, 2.650%, dated 06/30/05, due 07/01/05, proceeds at maturity, \$100,007,361 (c)	100,000,000	100,000,000
75,000,000	Barclays Capital Inc., 2.850%, dated 06/30/05, due 07/01/05, proceeds at maturity, \$75,005,938 (d)	75,000,000	75,000,000
		-----	-----
		175,000,000	175,000,000
		-----	-----

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PRINCIPAL AMOUNT -----	COST -----	MARKET VALUE -----
	U.S. GOVERNMENT OBLIGATIONS -- 12.5%	
\$255,606,000 U.S. Treasury Bills, 2.681% to 3.221%+, 07/07/05 to 10/20/05 ...	\$ 254,989,397	\$ 254,982,040
	-----	-----
TOTAL SHORT-TERM OBLIGATIONS	429,989,397	429,982,040
	-----	-----
TOTAL INVESTMENTS -- 100.0%	\$1,840,813,241	2,036,433,115
	=====	
LIABILITIES IN EXCESS OF OTHER ASSETS		(3,754,448)
PREFERRED STOCK (3,208,800 preferred shares outstanding)		(300,000,000)

NET ASSETS -- COMMON SHARES (84,777,505 common shares outstanding)		\$1,732,678,667
		=====
NET ASSET VALUE PER COMMON SHARE (\$1,732,678,667 / 84,777,505 shares outstanding)		\$20.44
		=====

-
- (a) 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, 2005, the Rule 144A securities are considered liquid and the market value amounted to \$2,441,210 or 0.12% of total investments.
- (b) Security in default.
- (c) Collateralized by U.S. Treasury Bonds, 5.250%, 7.500%, 8.000% and 8.125%, due 11/15/28, 11/15/24, 11/15/21 and 08/15/21, respectively, market values \$29,558,580, \$8,564,940, \$36,093,720 and \$27,782,760, respectively.
- (d) Collateralized by U.S. Treasury Bonds, 7.500%, due 11/15/24, market value \$76,500,000.
- + Non-income producing security.
- ++ Represents annualized yield at date of purchase.
- ADR American Depository Receipt

	% OF MARKET VALUE -----	MARKET VALUE -----
GEOGRAPHIC DIVERSIFICATION		
United States	89.7%	\$1,825,779,182
Europe	8.2	167,948,176
Latin America	0.4	7,923,870
Japan	1.4	29,295,442
Asia/Pacific	0.3	5,486,445
	-----	-----
Total Investments	100.0%	\$2,036,433,115
	=====	=====

See accompanying notes to financial statements.

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THE GABELLI DIVIDEND & INCOME TRUST

STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2005 (UNAUDITED)

ASSETS:

Investments, at value (cost \$1,665,813,241) ..	\$1,861,433,115
Repurchase agreements, at value (cost \$175,000,000)	175,000,000
Cash and foreign currency, at value (cost \$86,209)	84,224
Deposit at broker	133
Receivable for investments sold	11,335,010
Dividends and interest receivable	3,064,386
Unrealized appreciation on swap contracts ...	225,163
Other assets	32,535

TOTAL ASSETS	2,051,174,566

LIABILITIES:

Dividends payable	145,166
Payable for investments purchased	15,866,529
Payable for investment advisory fees	2,012,914
Payable for offering expenses	274,208
Other accrued expenses and liabilities	197,082

TOTAL LIABILITIES	18,495,899

PREFERRED STOCK:

Series A Cumulative Preferred Stock (5.875%, \$25 liquidation value, \$0.001 par value, 3,200,000 shares authorized with 3,200,000 shares issued and outstanding)	80,000,000
Series B Cumulative Preferred Stock (Auction Rate, \$25,000 liquidation value, \$0.001 par value, 4,000 shares authorized with 4,000 shares issued and outstanding)	100,000,000
Series C Cumulative Preferred Stock (Auction Rate, \$25,000 liquidation value, \$0.001 par value, 4,800 shares authorized with 4,800 shares issued and outstanding)	120,000,000

TOTAL PREFERRED STOCK	300,000,000

NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$1,732,678,667
	=====

NET ASSETS ATTRIBUTABLE TO COMMON

SHAREHOLDERS CONSIST OF:	
Shares of beneficial interest, at par value ..	\$ 84,778
Additional paid-in capital	1,537,497,494
Accumulated net realized loss on investments, options and foreign currency transactions ..	(734,730)
Net unrealized appreciation on investments and swap contracts	195,843,053
Net unrealized depreciation on foreign currency translations	(11,928)

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NET ASSETS	\$1,732,678,667 =====
NET ASSET VALUE PER COMMON SHARE:	
(\$1,732,678,667 / 84,777,505 shares outstanding; unlimited number of shares authorized of \$0.001 par value)	
	\$20.44 =====

STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2005 (UNAUDITED)

INVESTMENT INCOME:	
Dividends (net of foreign taxes of \$1,109,259)	\$27,119,796
Interest	6,673,353 -----
TOTAL INVESTMENT INCOME	33,793,149 -----
EXPENSES:	
Investment advisory fees	9,914,683
Shareholder communications expenses	223,790
Payroll expenses	114,217
Trustees' fees	91,342
Legal and audit fees	60,747
Custodian fees	73,545
Shareholder services fees	13,160
Miscellaneous expenses	403,653 -----
TOTAL EXPENSES	10,895,137
LESS:	
Advisory fee reduction	(892,603)
Custodian fee credits	(13,096) -----
TOTAL REDUCTIONS AND CREDITS	(905,699) -----
TOTAL NET EXPENSES	9,989,438 -----
NET INVESTMENT INCOME	23,803,711 -----
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, OPTIONS, SWAP CONTRACTS AND FOREIGN CURRENCY:	
Net realized gain on investments	7,326,304
Net realized gain on option contracts written	55,449
Net realized loss on foreign currency transactions	(27,452) -----
Net realized gain on investments, option contracts written and foreign currency transactions	7,354,301
Net change in unrealized appreciation/depreciation on investments, swap contracts and foreign currency translations	51,898,327 -----
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS, OPTIONS, SWAP CONTRACTS AND FOREIGN CURRENCY	59,252,628 -----
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	83,056,339
Total Distributions to Preferred Stock Shareholders	(5,469,829) -----
NET INCREASE IN NET ASSETS ATTRIBUTABLE TO	

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COMMON SHAREHOLDERS RESULTING
FROM OPERATIONS \$77,586,510
=====

See accompanying notes to financial statements.

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THE GABELLI DIVIDEND & INCOME TRUST

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS

	SIX MONTHS ENDED JUNE 30, 2005 (UNAUDITED) -----
OPERATIONS:	
Net investment income	\$ 23,803,711
Net realized gain on investments, options and foreign currency transactions	7,354,301
Net change in unrealized appreciation on investments, swap contracts and foreign currency translations	51,898,327

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	83,056,339

DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS:	
Net investment income	(4,178,772) *
Net realized short-term gain on investments, options and foreign currency transactions	(101,606) *
Net realized long-term gains on investments, options and foreign currency transactions	(1,189,451) *

TOTAL DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS	(5,469,829)

NET INCREASE IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS RESULTING FROM OPERATIONS	77,586,510

DISTRIBUTIONS TO COMMON SHAREHOLDERS:	
Net investment income	(19,624,939) *
Net realized short-term gain on investments, options and foreign currency transactions	(477,174) *
Net realized long-term gains on investments, options and foreign currency transactions	(5,586,070) *
Return of capital	(25,190,320) *

TOTAL DISTRIBUTIONS TO COMMON SHAREHOLDERS	(50,878,503)

TRUST SHARE TRANSACTIONS:	
Net increase in net assets from common shares issued in offering	--
Net decrease from repurchase of common stock	(732,684)
Offering costs for common shares charged to paid-in capital	--
Offering costs for preferred shares charged to paid-in capital	--

NET INCREASE (DECREASE) IN NET ASSETS FROM TRUST SHARE TRANSACTIONS	(732,684)

NET INCREASE IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS	25,975,323

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NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS:

Beginning of period	1,706,703,344

End of period	\$1,732,678,667
	=====

* Amounts are subject to change and recharacterization at fiscal year end.

See accompanying notes to financial statements.

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

1. ORGANIZATION. The Gabelli Dividend & Income Trust (the "Trust" or the "Fund") is a non-diversified closed-end management investment company organized under the laws of the State of Delaware and registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Trust sold 7,184 shares to Gabelli Funds, LLC (the "Adviser") for \$137,214 on November 18, 2003. Investment operations commenced on November 28, 2003. See Note 5 for share transactions.

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

2. SIGNIFICANT ACCOUNTING POLICIES. The preparation of financial statements in accordance with 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 the Adviser.

Portfolio securities primarily traded on foreign markets are generally valued at the preceding closing values of such securities on their respective exchanges or if after the close of the foreign markets, but prior to the close

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of business on the day the securities are being valued, market conditions change significantly, certain foreign securities may be fair valued pursuant to procedures established by the Board. Debt instruments that are not credit impaired with remaining maturities of 60 days or less 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 valued at their fair value 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 latest average of the 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 valued at their fair value as determined in good faith under procedures established by and under the general supervision of 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.

REPURCHASE AGREEMENTS. The Trust 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 Trust takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Trust to resell, the obligation at an agreed-upon price and time, thereby determining the yield during

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

the Trust's holding period. The Trust 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 Trust in each agreement. The Trust will make payment for such securities only upon physical delivery or upon evidence of book entry transfer of the collateral to the account of the custodian. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to maintain the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Trust may be delayed or limited.

OPTIONS. The Trust may purchase or write call or put options on securities or indices. As a writer of put options, the Trust 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 Trust 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 Trust would realize a gain, to the extent of the premium, if the price of the financial instrument increases between those dates.

As a purchaser of put options, the Trust pays a premium for the right to sell to the seller of the put option the underlying security at a specified

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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 Trust would realize a gain upon sale or exercise. If the price of the underlying security increases or stays the same, the Trust would realize a loss upon sale or at expiration date, but only to the extent of the premium paid.

In the case of call options, these exercise prices are referred to as "in-the-money," "at-the-money" and "out-of-the-money," respectively. The Trust may write (a) in-the-money call options when the Adviser expects that the price of the underlying security will remain stable or decline moderately during the option period, (b) covered at-the-money call options when the Adviser expects that the price of the underlying security will remain stable or advance moderately during the option period and (c) out-of-the-money call options when the Adviser expects that the premiums received from writing the call option will be greater than the appreciation in the price of the underlying security above the exercise price. By writing a call option, the Trust 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.

SWAP AGREEMENTS. The Trust may enter into interest rate swap or cap transactions. The use of interest rate swaps and caps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In an interest rate swap, the Trust 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 Trust periodically a variable rate payment that is intended to approximate the Trust's variable rate payment obligation on the Series B and Series C Preferred Stock. In an interest rate cap, the Trust would pay a premium to the counterparty and, to the extent that a specified variable rate index exceeds a predetermined fixed rate, would receive from the counterparty payments of the difference based on the notional amount of such cap. Interest rate swap and cap transactions introduce additional risk because the Trust would remain obligated to pay preferred stock dividends when due in accordance with the Articles Supplementary even if the counterparty defaulted. If there is a default by the counterparty to a swap contract, the Trust 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 the swap contracts or that, in the event of default, the Trust will succeed in pursuing contractual remedies. The Trust thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to the swap contracts. 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 Trust's portfolio securities at that point in time, such a default could negatively affect the Trust's ability

to make dividend payments for the Series B and Series C Preferred Stock. In addition, at the time an interest rate swap or cap transaction reaches its scheduled termination date, there is a risk that the Trust will not be able to obtain a replacement transaction or that the terms of the replacement will not

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be as favorable as on the expiring transaction. If this occurs, it could have a negative impact on the Trust's ability to make dividend payments on the Series B and Series C Preferred Stock.

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

Unrealized gains related to swaps are reported as an asset and unrealized losses are reported as a liability on 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. Swap agreements 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.

The Trust has entered into one interest rate swap agreement with Citibank N.A. Under the agreement the Trust 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, 2005 are as follows:

NOTIONAL AMOUNT -----	FIXED RATE -----	VARIABLE RATE* (RATE RESET MONTHLY) -----	TERMINATION DATE -----
\$100,000,000	4.01%	3.15%	June 2, 2010

*Based on Libor (London Interbank Offered Rate).

FUTURES CONTRACTS. The Trust 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. Such investments will only be made if they are economically appropriate to the reduction of risks involved in the management of the Trust's investments. Upon entering into a futures contract, the Trust 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 Trust each day, depending on the daily fluctuation of the value of the contract. The daily changes in the contract are included in unrealized appreciation/depreciation on investments and futures contracts. The Trust recognizes a realized gain or loss when the contract is closed. At June 30, 2005, there were no open futures contracts.

There are several risks in connection with the use of futures contracts as a hedging device. 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. These contracts may involve market risk in excess of the unrealized gain or loss reflected in the Statement of Assets and Liabilities. 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.

FORWARD FOREIGN EXCHANGE CONTRACTS. The Trust 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

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currency translations. When the contract is closed, the Trust 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.

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

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Trust'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. These contracts may involve market risk in excess of the unrealized gain or loss reflected in the Statement of Assets and Liabilities. In addition, the Trust could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. At June 30, 2005, there were no open forward foreign exchange contracts.

FOREIGN CURRENCY TRANSLATIONS. The books and records of the Trust are maintained in United States (U.S.) dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the exchange rates prevailing at the end of the period, and 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, which 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 Trust 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 Trust 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.

SECURITIES TRANSACTIONS AND INVESTMENT INCOME. Securities transactions are accounted for as of 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 as earned. Dividend income is recorded on the ex-dividend date.

DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS. Distributions to common shareholders are recorded on the ex-dividend date. Income distributions and capital gain distributions are determined in accordance with Federal income tax regulations, which may differ from that determined under U.S. generally accepted accounting principles. These differences are primarily due to differing

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treatments of income and gains on various investment securities held by the Trust, timing differences and differing characterizations of distributions made by the Trust.

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

For the year ended December 31, 2004, reclassifications were made to decrease accumulated net investment income by \$556,558 and to decrease accumulated net realized loss on investments, options and foreign currency transactions by \$556,558.

The tax character of distributions paid during the year ended December 31, 2004 was as follows:

	YEAR ENDED	
	DECEMBER 31, 2004	
	COMMON	PREFERRED
DISTRIBUTIONS PAID FROM:		
Ordinary income		
(inclusive of short term capital gains)	\$ 42,201,712	\$1,616,305
Net long term capital gains	11,550,650	442,384
Non-taxable return of capital	48,189,583	--
Total distributions paid	\$101,941,945	\$2,058,689
	=====	=====

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

PROVISION FOR INCOME TAXES. The Trust 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 Trust's policy 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.

Dividends and interest from non-U.S. sources received by the Trust are generally subject to non-U.S. withholding taxes at rates ranging up to 30%. Such withholding taxes may be reduced or eliminated under the terms of applicable U.S. income tax treaties, and the Trust intends to undertake any procedural steps required to claim the benefits of such treaties.

As of December 31, 2004, the components of accumulated earnings/(losses) on a tax basis were as follows:

Net unrealized appreciation on investments	\$143,293,748
Net unrealized appreciation on foreign currency	1,898
Other	(97,578)
Total	\$143,198,068
	=====

The following summarizes the tax cost of investments, swap contracts, foreign currency and related unrealized appreciation/depreciation at June 30, 2005:

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	COST	GROSS UNREALIZED APPRECIATION	GROSS UNREALIZED DEPRECIATION	NET UNREALIZED APPRECIATION (DEPRECIATION)
	----	-----	-----	-----
Investments	\$1,842,522,919	\$218,401,369	\$ (24,491,173)	\$193,910,196
Swap contracts	--	225,163	--	225,163
Foreign currency	56,838	--	(11,928)	(11,928)
		-----	-----	-----
		\$218,626,532	\$ (24,503,101)	\$194,123,431
		=====	=====	=====

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

The Trust's total return on the net asset value of the Common Shares is monitored on a monthly basis to assess whether the total return on the net asset value of the Common Shares exceeds the stated dividend rate of each particular series of Cumulative Preferred Stock for the period. For the six months ended June 30, 2005, the Trust's total return on the net asset value of the Common Shares exceeded the stated dividend rate or net swap expense of Series C Auction Market Cumulative Preferred Stock. Thus, management fees were accrued on these assets. The Trust's total return on the net asset value of the Common Shares did not exceed the stated dividend rate or net swap expense of 5.875% Series A Cumulative Preferred Stock and Series B Auction Market Cumulative Preferred Stock. Thus, management fees with respect to the liquidation value of those preferred stock assets in the amount of \$892,603 were not accrued.

During the six months ended June 30, 2005, Gabelli & Company, Inc. ("Gabelli & Company"), an affiliate of the Adviser, received \$391,100 in brokerage commissions as a result of executing agency transactions in portfolio securities on behalf of the Trust.

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

The cost of calculating the Trust's net asset value per share is a Trust expense pursuant to the Advisory Agreement. During the six months ended June 30, 2005, the Trust reimbursed the Adviser \$22,500 in connection with the cost of computing the Trust's net asset value, which is included in miscellaneous expenses in the Statement of Operations.

The Trust is assuming its portion of the allocated cost of the Gabelli

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Funds' Chief Compliance Officer in the amount of \$14,108 for the period of January 1, 2005 through June 30, 2005 which is included in payroll expenses in the Statement of Operations.

4. PORTFOLIO SECURITIES. Costs of purchases and proceeds from the sales of securities, other than short-term securities, for the six months ended June 30, 2005 aggregated \$286,675,741 and \$111,396,351, respectively.

Option contracts written for the Trust during the six months ended June 30, 2005 was as follows:

	NUMBER OF CONTRACTS	PREMIUMS
	-----	-----
Options outstanding at December 31, 2004	400	\$ 56,549
Options written	--	--
Options exercised	--	--
Options closed	(400)	(56,549)
	----	-----
Options outstanding at June 30, 2005	--	\$ --
	=====	=====

5. CAPITAL. The Declaration of Trust permits the Trust to issue an unlimited number of Common Shares of beneficial interest (par value \$.001). The Board of the Trust 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 net asset value of the shares. During the six months ended June 30, 2005, the Trust repurchased 40,000 shares of beneficial interest in the open market at a cost of \$732,684 and an average discount of approximately 10.39% from its net asset value. All shares of beneficial interest repurchased have been retired.

Transactions in shares of beneficial interest were as follows:

	SIX MONTHS ENDED JUNE 30, 2005 (UNAUDITED)		YEAR END DECEMBER
	Shares	Amount	Shares
	-----	-----	-----
Shares issued in offering	--	--	9,700,000
Shares repurchased	(40,000)	\$ (732,684)	(245,700)
	-----	-----	-----
Net increase	(40,000)	\$ (732,684)	9,454,300
	=====	=====	=====

The Trust's Declaration of Trust, as amended, authorize the issuance of an unlimited number of shares of \$0.001 par value Cumulative Preferred Stock. The Cumulative Preferred Stock is senior to the Common Shares and results in the financial leveraging of the Common Shares. Such leveraging tends to magnify both the risks and opportunities to common shareholders. Dividends on shares of the Cumulative Preferred Stock are cumulative. The Trust is required by the 1940 Act and by the Statements of Preferences to meet certain asset coverage tests with respect to the Cumulative Preferred Stock. If the Trust fails to meet these requirements and does not correct such failure, the Trust may be required to redeem, in part or in full, the 5.875% Series A, Series B Auction Market Cumulative Preferred Stock and Series C Auction Market Cumulative Preferred Stock at a redemption price of \$25, \$25,000, 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.

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

Additionally, failure to meet the foregoing asset coverage requirements could restrict the Trust's ability to pay dividends to common shareholders and could lead to sales of portfolio securities at inopportune times. The income received on the Trust's assets may vary in a manner unrelated to the fixed and variable rates, which could have either a beneficial or detrimental impact on net investment income and gains available to common shareholders.

On October 12, 2004, the Trust received net proceeds of \$77,255,000 (after underwriting discounts of \$2,520,000 and estimated offering expenses of \$225,000) from the public offering of 3,200,000 shares of 5.875% Series A Cumulative Preferred Stock. Commencing October 12, 2009 and thereafter, the Trust, at its option, may redeem the 5.875% Series A Cumulative Preferred Stock in whole or in part at the redemption price at any time. During the six months ended June 30, 2005, the Trust did not repurchase any shares of 5.875% Series A Cumulative Preferred Stock. At June 30, 2005, 3,200,000 shares of the 5.875% Series A Cumulative Preferred Stock were outstanding and accrued dividends amounted to \$52,222.

On October 12, 2004, the Trust received net proceeds of \$217,425,000 (after underwriting discounts of \$2,200,000 and estimated offering expenses of \$375,000) from the public offering of 4,000 shares of Series B and 4,800 shares of Series C Auction Market Cumulative Preferred Stock, respectively. The dividend rate, as set by the auction process, which is generally held every 7 days, is expected to vary with short-term interest rates. The dividend rates of Series B Auction Market Cumulative Preferred Stock ranged from 2.00% to 3.50% from January 1, 2005 through June 30, 2005. The dividend rates of Series C Auction Market Cumulative Preferred Stock ranged from 2.21% to 3.51% from January 1, 2005 through June 30, 2005. Existing shareholders may submit an order to hold, bid or sell such shares on each auction date. Series B and C Auction Market Cumulative Preferred Stock shareholders may also trade shares in the secondary market. The Trust, at its option, may redeem the Series B and C Auction Market Cumulative Preferred Stock in whole or in part at the redemption price at any time. During the six months ended June 30, 2005, the Trust did not redeem any shares of Series B and C Auction Market Cumulative Preferred Stock. At June 30, 2005, 4,000 and 4,800 shares of the Series B and C Auction Market Cumulative Preferred Stock were outstanding with an annualized dividend rate of 3.50% and 3.15% and accrued dividends amounted to \$19,444 and \$73,500, respectively.

The holders of Cumulative Preferred Stock have voting rights equivalent to those of the holders of common stock (one vote per share) and will vote together with holders of Common Shares as a single class. In addition, the 1940 Act requires that along with approval of a majority of the holders of Common Shares, approval of a majority of the holders of any outstanding shares of Cumulative Preferred Stock, voting separately as a class, would be required to: (a) adopt any plan of reorganization that would adversely affect the Cumulative Preferred Stock, and (b) take any action requiring a vote of security holders, including, among other things, changes in the Trust's subclassification as a closed-end investment company or changes in its fundamental investment restrictions.

6. OTHER MATTERS. The Adviser and/or affiliates have received subpoenas from the Attorney General of the State of New York and the SEC requesting information on mutual fund shares trading practices. Gabelli Asset Management Inc., the

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Adviser's parent company, is responding to these requests for documents and testimony. The Trust does not believe that these matters will have a material adverse effect on the Trust's financial position or the results of its operations.

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

8. SUBSEQUENT EVENT. The Trust filed a registration statement with the Securities and Exchange Commission for an offering of fixed rate and auction market preferred stock. The actual amount of capital to be raised, the dividend rate(s) and the timing of the offering have not been determined and will be announced at a later date. The proceeds raised will be used for investment purposes.

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THE GABELLI DIVIDEND & INCOME TRUST FINANCIAL HIGHLIGHTS

SELECTED DATA FOR A COMMON SHARE OF BENEFICIAL INTEREST OUTSTANDING THROUGHOUT EACH PERIOD:	SIX MONTHS ENDED JUNE 30, 2005 (UNAUDITED)	YEAR ENDED DECEMBER 31,
	-----	-----
OPERATING PERFORMANCE:		
Net asset value, beginning of period	\$ 20.12	\$ 19.26
	-----	-----
Net investment income	0.28	0.40
Net realized and unrealized gain on investments	0.69	1.80
	-----	-----
Total from investment operations	0.97	2.20
	-----	-----
DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS:		
Net investment income	(0.05) (g)	(0.01)
Net realized gain on investments	(0.01) (g)	(0.01)
	-----	-----
Total distributions to preferred stock shareholders	(0.06)	(0.02)
	-----	-----
NET INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS RESULTING FROM OPERATIONS	0.91	2.18
	-----	-----
DISTRIBUTIONS TO COMMON SHAREHOLDERS:		
Net investment income	(0.23) (g)	(0.39)
Net realized gain on investments	(0.07) (g)	(0.24)
Return of capital	(0.30) (g)	(0.57)
	-----	-----
Total distributions to common shareholders	(0.60)	(1.20)
	-----	-----
CAPITAL SHARE TRANSACTIONS:		
Increase (decrease) in net asset value from common share transactions	0.01	(0.05)
Offering costs for common shares charged to paid-in capital	--	(0.01)
Offering costs for preferred shares charged to paid-in capital	--	(0.06)
	-----	-----

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Total from capital share transactions	0.01	(0.12)
	-----	-----
NET ASSET VALUE ATTRIBUTABLE TO COMMON SHAREHOLDERS, END OF PERIOD	\$ 20.44	\$ 20.12
	=====	=====
Net asset value total return ***	4.68%	11.56%
	=====	=====
Market value, end of period	\$ 18.58	\$ 17.95
	=====	=====
Total investment return ****	6.99%	(4.15%)
	=====	=====

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THE GABELLI DIVIDEND & INCOME TRUST
FINANCIAL HIGHLIGHTS (CONTINUED)

SELECTED DATA FOR A COMMON SHARE OF
BENEFICIAL INTEREST OUTSTANDING
THROUGHOUT EACH PERIOD:

SIX MONTHS ENDED
JUNE 30, 2005
(UNAUDITED)

YEAR ENDED
DECEMBER 31,

RATIOS AND SUPPLEMENTAL DATA:

Net assets including liquidation value of preferred shares, end of period (in 000's)	\$2,032,679	\$2,006,703
Net assets attributable to common shares, end of period (in 000's)	\$1,732,679	\$1,706,703
Ratio of net investment income to average net assets attributable to common shares	2.82%(c)	2.17%
Ratio of operating expenses to average net assets attributable to common shares before fee reduction	1.29%(c)	1.12%
Ratio of operating expenses to average net assets attributable to common shares net of fee reduction (f)	1.19%(c)	1.12%
Ratio of operating expenses to average net assets including liquidation value of preferred shares before fee reduction	1.10%(c)	1.07%
Ratio of operating expenses to average net assets including liquidation value of preferred shares net of fee reduction (f)	1.01%(c)	1.07%
Portfolio turnover rate	7.3%	33.3%
5.875% CUMULATIVE PREFERRED STOCK SERIES A		
Liquidation value, end of period (in 000's)	\$ 80,000	\$ 80,000
Total shares outstanding (in 000's)	3,200	3,200
Liquidation preference per share	\$ 25.00	\$ 25.00
Average market value (d)	\$ 24.82	\$ 24.68
Asset coverage per share	\$ 169.39	\$ 167.23
AUCTION RATE SERIES B CUMULATIVE PREFERRED STOCK		
Liquidation value, end of period (in 000's)	\$ 100,000	\$ 100,000
Total shares outstanding (in 000's)	4	4
Liquidation preference per share	\$ 25,000	\$ 25,000
Average market value (d)	\$ 25,000	\$ 25,000
Asset coverage per share	\$ 169,390	\$ 167,225
AUCTION RATE SERIES C CUMULATIVE PREFERRED STOCK		
Liquidation value, end of period (in 000's)	\$ 120,000	\$ 120,000
Total shares outstanding (in 000's)	5	5
Liquidation preference per share	\$ 25,000	\$ 25,000

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Average market value (d)	\$ 25,000	\$ 25,000
Asset coverage per share	\$ 169,390	\$ 167,225
ASSET COVERAGE (E)	678%	669

- (a) The Gabelli Dividend & Income Trust commenced investment operations on November 28, 2003.
- (b) The beginning NAV includes a \$0.04 reduction for costs associated with the initial public offering.
- (c) Annualized.
- (d) Based on weekly prices.
- (e) Asset coverage is calculated by combining all series of preferred stock.
- (f) The ratios do not include a reduction of expenses for custodian fee credits on cash balances maintained with the custodian. For the six months ended June 30, 2005, the effect of the custodian fee credits was minimal.
- (g) Amounts are subject to change and recharacterization at fiscal year end.
- * Based on net asset value per share at commencement of operations of \$19.06 per share.
- ** Based on market value per share at initial public offering of \$20.00 per share.
- *** Based on net asset value per share, adjusted for reinvestment of distributions at net asset value on the ex-dividend date. Total return for periods of less than one year are not annualized.
- **** Based on market value per share, adjusted for reinvestment of distributions on the payment date. Total return for periods of less than one year are not annualized.

See accompanying notes to financial statements.

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AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS

ENROLLMENT IN THE PLAN

It is the Policy of The Gabelli Dividend & Income Trust ("Trust") to automatically reinvest dividends payable to common shareholders. As a "registered" shareholder you automatically become a participant in the Trust's Automatic Dividend Reinvestment Plan (the "Plan"). The Plan authorizes the Trust to issue 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 Trust. Plan participants may send their stock certificates to EquiServe Trust Company ("EquiServe") to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distribution in cash must submit this request in writing to:

The Gabelli Dividend & Income Trust
c/o EquiServe
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 EquiServe at (800) 336-6983.

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SHAREHOLDERS WISHING TO LIQUIDATE REINVESTED SHARES held at EquiServe 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.

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 dividends 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 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 Trust'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 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 Trust's Common Shares. The valuation date is the dividend or distribution payment date or, if that date is not a New York Stock Exchange 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 Common Shares from the Trust valued at market price. If the Trust should declare a dividend or capital gains distribution payable only in cash, EquiServe will buy Common Shares in the open market, or on the New York Stock Exchange or elsewhere, for the participants' accounts, except that EquiServe will endeavor to terminate purchases in the open market and cause the Trust 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.

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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.

The Trust 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 EquiServe on at least 90 days' written notice to participants in the Plan.

VOLUNTARY CASH PURCHASE PLAN

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

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Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to EquiServe for investments in the Trust's shares at the then current market price. Shareholders may send an amount from \$250 to \$10,000. EquiServe will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. EquiServe 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 EquiServe, P.O. Box 43010, Providence, RI 02940-3010 such that EquiServe 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 EquiServe at least 48 hours before such payment is to be invested.

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

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

TRUSTEES

Mario J. Gabelli, CFA
CHAIRMAN AND CHIEF EXECUTIVE OFFICER,
GABELLI ASSET MANAGEMENT INC.

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

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

Mario d'Urso
CHAIRMAN, MITTEL CAPITAL MARKETS SPA

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

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

Karl Otto Pohl
FORMER PRESIDENT, DEUTSCHE BUNDESBANK

Salvatore M. Salibello
CERTIFIED PUBLIC ACCOUNTANT,
SALIBELLO & BRODER

Edward T. Tokar

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SENIOR MANAGING DIRECTOR, BEACON TRUST COMPANY

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

Salvatore J. Zizza
CHAIRMAN, HALLMARK ELECTRICAL SUPPLIES CORP.

OFFICERS

Bruce N. Alpert
PRESIDENT

Carter W. Austin
VICE PRESIDENT

Peter D. Goldstein
CHIEF COMPLIANCE OFFICER

James E. McKee
SECRETARY

Richard C. Sell, Jr.
TREASURER

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

CUSTODIAN
State Street Bank and Trust Company

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

TRANSFER AGENT AND REGISTRAR
EquiServe Trust Company

STOCK EXCHANGE LISTING

	Common	5.875% Preferred
NYSE-Symbol:	GDV	GDV PrA
Shares Outstanding:	84,777,505	3,200,000

The Net Asset Value appears in the Publicly Traded Funds column, under the heading "General Equity Funds," in Sunday's The New York Times and 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 may be obtained each day by calling (914) 921-5071.

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 Dividend & Income Trust may, from time

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to time, purchase its common shares in the open market when the Dividend & Income Trust shares are trading at a discount of 7.5% or more from the net asset value of the shares. The Dividend & Income Trust may also, from time to time, purchase its Series A Cumulative Preferred Shares in the open market when the shares are trading at a discount to the Liquidation Value of \$25.00.

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

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ITEM 2. CODE OF ETHICS.

Not applicable.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

ITEM 6. SCHEDULE OF INVESTMENTS

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

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

Not applicable.

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

Not yet applicable.

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) APPROX SHARE YET B
Month #1 01/01/05 through 01/31/05	Common - N/A Preferred Series A - N/A	Common - N/A Preferred Series A - N/A	Common - N/A Preferred Series A - N/A	Comm Pref
Month #2 02/01/05 through 02/28/05	Common - 10,000 Preferred Series A - N/A	Common - \$18.2049 Preferred Series A - N/A	Common - 10,000 Preferred Series A - N/A	Comm 10,0 Pref
Month #3 03/01/05 through 03/31/05	Common - 20,000 Preferred Series A - N/A	Common - \$18.2995 Preferred Series A - N/A	Common - 20,000 Preferred Series A - N/A	Comm 20,0 Pref
Month #4 04/01/05 through 04/30/05	Common - N/A Preferred Series A - N/A	Common - N/A Preferred Series A - N/A	Common - N/A Preferred Series A - N/A	Comm Pref
Month #5 05/01/05 through 05/31/05	Common - N/A Preferred Series A - N/A	Common - N/A Preferred Series A - N/A	Common - N/A Preferred Series A - N/A	Comm Pref
Month #6 06/01/05 through 06/30/05	Common - 10,000 Preferred Series A - N/A	Common - \$18.4446 Preferred Series A - N/A	Common - 10,000 Preferred Series A - N/A	Comm 10,0 Pref
Total	Common - 40,000 Preferred Series A - N/A	Common - \$18.3171 Preferred Series A - N/A	Common - 40,000 Preferred Series A - N/A	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:

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- a. 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.
- b. 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.
- c. The expiration date (if any) of each plan or program - The Fund's repurchase plans are ongoing.
- d. Each plan or program that has expired during the period covered by the table - The Fund's repurchase plans are ongoing.
- e. Each plan or program the registrant has determined to terminate prior to expiration, or under which the registrant does not intend to make further purchases. - The Fund's repurchase plans are ongoing.

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

There have been no material changes to the procedures by which the shareholders may recommend nominees to the registrant's Board of Trustees, where those changes were implemented after the registrant last provided disclosure in response to the requirements of Item 7(d)(2)(ii)(G) 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.

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

SIGNATURES

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

(registrant) The Gabelli Dividend & Income Trust

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

Bruce N. Alpert, Principal Executive Officer

Date September 7, 2005

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 September 7, 2005

By (Signature and Title)* /s/ Richard C. Sell

Richard C. Sell, Jr., Principal Financial Officer
& Treasurer

Date September 7, 2005

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