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GABELLI DIVIDEND & INCOME TRUST
Form N-CSRS
September 08, 2004

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, 2004

Date of reporting period: June 30, 2004

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.

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ITEM 1. REPORTS TO STOCKHOLDERS.

The Report to Shareholders is attached herewith.

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

SEMI-ANNUAL REPORT
June 30, 2004

GDV PQ2/04

[LOGO]
THE GABELLI
DIVIDEND &
INCOME TRUST

THE GABELLI DIVIDEND & INCOME TRUST

Semi-Annual Report
June 30, 2004

TO OUR SHAREHOLDERS,

The Gabelli Dividend & Income Trust's ("the Trust") total return during the second quarter was 0.1% on a net asset value ("NAV") basis, compared to a 1.7% gain for the Standard & Poor's ("S&P") 500 Index. Year to date through June 30, 2004, the Trust's total return was 1.4% on an NAV basis versus a 3.4% gain for the S&P 500 Index. The Trust's market price declined 7.7% during the second quarter and 10.2% for the first half of 2004. The Trust's market price on June 30, 2004 was \$17.39, which equates to an 8.1% discount to its NAV of \$18.93. At the close of the second quarter, we had invested 74% of the Trust's assets in common stocks, preferred stocks and corporate bonds, with the balance of 26% in cash equivalents.

Enclosed are the financial statements and the investment portfolio as of June 30, 2004.

SHAREHOLDER MEETING -- MAY 10, 2004 -- FINAL RESULTS

The Annual Meeting of Shareholders was held on May 10, 2004 at the Greenwich Public Library in Greenwich, Connecticut. At that meeting, common shareholders voting as a single class elected Mario J. Gabelli, Mario d'Urso and Michael J. Melarkey as Trustees of the Trust. There were 81,405,796 votes, 81,363,900 votes and 81,402,083 votes cast in favor of each Trustee and 982,474 votes, 1,024,370 votes and 986,187 votes were withheld for each Trustee, respectively.

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

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Trust.

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

 We have separated the portfolio manager's commentary from the financial statements and investment portfolio due to new 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.

 A description of the Trust's proxy voting policies and procedures and how the Trust voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, 2004 are available (i) without charge, upon request, by calling 800-GABELLI (800-422-3554); (ii) by writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; and (iii) on the Securities and Exchange Commission's website at www.sec.gov.

THE GABELLI DIVIDEND & INCOME TRUST
 PORTFOLIO OF INVESTMENTS
 JUNE 30, 2004 (UNAUDITED)

SHARES		COST
	COMMON STOCKS -- 68.5%	
	AEROSPACE -- 0.7%	
12,000	Goodrich Corp.	\$ 336,523
850,000	Titan Corp.+	17,505,895
		17,842,418
	AUTOMOTIVE -- 1.7%	
555,200	Dana Corp.	11,323,289
50,000	General Motors Corp.	2,359,932
350,000	Genuine Parts Co.	11,536,889
		25,220,110
	BROADCASTING -- 0.1%	
30,000	Grupo Televisa SA, ADR	1,316,516
12,000	Liberty Corp.	585,559
		1,902,075
	BUSINESS SERVICES -- 0.1%	
40,000	Kroll Inc.+	1,468,837
	CONSUMER PRODUCTS -- 1.3%	
20,000	Altria Group Inc.	1,027,149
100,000	Eastman Kodak Co.	2,584,519
40,000	Gallaher Group plc, ADR	1,968,423

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1,000	Kimberly-Clark Corp.	54,269
99,500	Procter & Gamble Co.	5,148,936
273,800	UST Inc.	9,958,167

		20,741,463

	DIVERSIFIED INDUSTRIAL -- 2.2%	
200,000	Bouygues SA	6,825,795
9,000	Brascan Corp., Cl. A	210,697
16,000	Cooper Industries Ltd., Cl. A	895,875
230,000	Dow Chemical Co.	9,240,880
270,000	General Electric Co.	8,401,589
205,000	Honeywell International Inc.	6,723,319
100,000	Sonoco Products Co.	2,400,642
1,000	Textron Inc.	51,500

		34,750,297

	ENERGY AND UTILITIES: INTEGRATED -- 16.5%	
12,000	ALLETE Inc.	410,955
10,000	Alliant Energy Corp.	250,267
440,000	Ameren Corp.	19,834,894
300,000	American Electric Power Co. Inc.	8,872,293
20,000	Avista Corp.	343,413
12,000	Burlington Resources Inc.	417,740
17,000	Central Vermont Public Service Corp.	332,857
19,000	CH Energy Group Inc.	906,192
10,000	Chubu Electric Power Co. Inc.	213,256
12,000	Chugoku Electric Power Co. Inc.	209,309
310,000	Cinergy Corp.	11,727,396
20,000	Cleco Corp.	349,431
230,000	CONSOL Energy Inc.	5,333,755
290,000	Consolidated Edison Inc.	12,053,721
2,000	Dominion Resources Inc.	126,277
376,500	DPL Inc.	7,248,858
17,500	DTE Energy Co.	667,957
325,000	Duke Energy Corp.	6,249,958
285,000	Duquesne Light Holdings Inc.	5,104,464
1,500	Empire District Electric Co.	31,213
30,000	Enel SpA, ADR	1,164,121
145,100	Energy East Corp.	3,292,295
173,100	FirstEnergy Corp.	6,043,125
78,000	FPL Group Inc.	4,949,739
550,000	Great Plains Energy Inc.	17,018,921
130,000	Hawaiian Electric Industries Inc.	3,002,034
10,000	Hera SpA	21,354
12,000	Hokkaido Electric Power Co. Inc.	212,211
12,000	Hokuriku Electric Power Co.	202,214
12,000	Kansai Electric Power Co. Inc.	217,794
12,000	Kyushu Electric Power Co. Inc.	221,253
4,000	Maine & Maritimes Corp.	128,278

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40,000	National Grid Transco plc, ADR	1,588,564
240,000	NiSource Inc.	5,015,789
265,000	NSTAR	12,603,697
510,000	OGE Energy Corp.	12,280,693
557,000	Pepco Holdings Inc.	10,492,679
220,000	Pinnacle West Capital Corp.	8,566,123
320,000	Progress Energy Inc.	14,384,854
251,000	Public Service Enterprise Group Inc.	10,641,689
170,000	Scottish Power plc, ADR	4,881,173
12,000	Shikoku Electric Power Co. Inc.	210,360
450,000	Southern Co.	13,262,037
2,000	TECO Energy Inc.	27,648
12,000	Tohoku Electric Power Co. Inc.	201,568

See accompanying notes to financial statements.

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THE GABELLI DIVIDEND & INCOME TRUST
PORTFOLIO OF INVESTMENTS (CONTINUED)
JUNE 30, 2004 (UNAUDITED)

SHARES		COST
-----		-----
	COMMON STOCKS (CONTINUED)	
	ENERGY AND UTILITIES: INTEGRATED (CONTINUED)	
10,000	Tokyo Electric Power Co. Inc.	\$ 227,460
1,000	TXU Corp.	28,289
610,800	Unisource Energy Corp. 15,032,028	15,178,380
350,000	Westar Energy Inc.	6,688,493
50,000	Wisconsin Energy Corp.	1,549,654
150,000	WPS Resources Corp.	6,859,067
1,250,000	Xcel Energy Inc.	21,418,131

		263,117,541

	ENERGY AND UTILITIES: NATURAL GAS -- 3.7%	
15,000	AGL Resources Inc.	414,386
20,000	Atmos Energy Corp.	491,816
3,000	Energen Corp.	124,550
447,000	KeySpan Corp.	16,221,023
22,000	Kinder Morgan Energy Partners LP	910,803
15,000	Laclede Group Inc.	413,864
300,000	National Fuel Gas Co.	7,226,378
215,000	Nicor Inc.	7,320,919
220,000	ONEOK Inc.	4,679,265
250,000	Peoples Energy Corp.	10,457,701
232,000	SEMCO Energy Inc.	1,328,548
211,300	Sempra Energy	6,081,369

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12,000	South Jersey Industries Inc.	497,736
19,000	Southwest Gas Corp.	446,190
49,200	Vectren Corp.	1,194,154
13,632	Western Gas Resources Inc.	335,755
		58,144,457
	ENERGY AND UTILITIES: OIL -- 9.3%	
1,000	Amerada Hess Corp.	65,905
6,000	Anadarko Petroleum Corp.	325,515
28,000	Apache Corp.	1,167,116
12,000	Baker Hughes Inc.	431,183
150,000	BP plc, ADR	6,894,243
150,000	ChevronTexaco Corp.	12,027,641
1,000	Cimarex Energy Co.+	28,300
210,000	ConocoPhillips	12,638,305
3,000	Devon Energy Corp.	182,520
300,000	Diamond Offshore Drilling Inc.	6,478,892
75,000	Eni SpA, ADR	6,854,713
190,000	Exxon Mobil Corp.	7,612,848
152,000	Halliburton Co.	4,438,269
212,300	Kerr-McGee Corp.	9,798,336
283,000	Marathon Oil Corp.	8,736,356
30,000	Murphy Oil Corp.	1,942,620
85,000	Nabors Industries Ltd.+	3,696,719
190,000	Occidental Petroleum Corp	7,528,943
300,000	Repsol YPF SA, ADR	6,299,340
160,000	Royal Dutch Petroleum Co.	7,585,140
40,000	Schlumberger Ltd.	2,128,651
945,000	Statoil ASA, ADR	10,531,040
100,000	Sunoco Inc.	4,897,834
100,000	Total SA, ADR	8,864,810
		131,155,239
	ENERGY AND UTILITIES: WATER -- 0.1%	
3,000	American States Water Co.	69,243
38,000	Aqua America Inc.	812,206
1,500	Artesian Resources Corp., Cl. A	41,584
2,000	California Water Service Group	57,970
1,000	Connecticut Water Service Inc.	26,688
2,000	Middlesex Water Co.	40,085
2,200	Pennichuck Corp.	59,981
14,000	SJW Corp.	476,487
3,000	Southwest Water Co.	38,059
22,000	United Utilities plc, ADR	429,085
3,000	York Water Co.	58,950
		2,110,338
	ENTERTAINMENT -- 0.6%	
400,000	The Walt Disney Co.	9,232,656
	Equipment and Supplies -- 2.1%	
350,000	CNH Global NV	6,922,214
370,000	Deere & Co.	25,563,057
10,500	Lufkin Industries Inc.	332,178

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44,000	RPC Inc.	636,343
5,000	Weatherford International Ltd.+	207,060

		33,660,852

	FINANCIAL SERVICES -- 12.1%	
300,000	Alliance Capital Management Holding LP	10,119,503
235,000	American Express Co.	11,691,402
80,000	American International Group Inc.	5,569,228
255,000	Bank of America Corp.	19,574,268
361,400	Bank of New York Co. Inc.	11,720,504
199,000	Bank One Corp.	9,701,087
200,000	Charter One Financial Inc.	8,781,400
340,000	Citigroup Inc.	16,810,830
25,000	Deutsche Bank AG, ADR	2,065,488

See accompanying notes to financial statements.

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THE GABELLI DIVIDEND & INCOME TRUST
PORTFOLIO OF INVESTMENTS (CONTINUED)
JUNE 30, 2004 (UNAUDITED)

SHARES		COST
-----		-----
	COMMON STOCKS (CONTINUED)	
	FINANCIAL SERVICES (CONTINUED)	
31,000	Eaton Vance Corp.	\$ 1,183,077
240,000	JP Morgan Chase & Co.	8,605,807
530,000	KeyCorp	15,953,881
900	Lloyds TSB Group plc, ADR	27,756
209,300	MONY Group Inc.+	6,509,870
20,000	Morgan Stanley	1,059,080
30,000	North Fork Bancorporation Inc.	1,096,516
238,500	PNC Financial Services Group	12,797,327
1,000	Progressive Corp.	89,520
210,000	St. Paul Travelers Companies Inc.	8,399,839
10,000	Sterling Bancorp	275,190
50,000	T. Rowe Price Group Inc.	2,455,119
20,000	Unitrin Inc.	762,845
265,000	Wachovia Corp.	12,292,962
210,000	Waddell & Reed Financial Inc., Cl. A	4,944,481
260,000	Washington Mutual Inc.	10,553,406
93,400	Waypoint Financial Corp.	2,482,979
3,500	Webster Financial Corp.	155,536
130,000	Wells Fargo & Co.	7,427,111
72,500	Wilmington Trust Corp.	2,609,287

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		195,715,299

	FOOD AND BEVERAGE -- 3.5%	
400,000	Archer-Daniels-	
	Midland Co.	6,603,428
45,000	Coca-Cola Co.	2,278,905
120,000	ConAgra Foods Inc.	3,217,583
400,200	Dreyer's Grand Ice Cream	
	Holdings Inc., Cl. A	30,994,261
50,000	Heinz (H.J.) Co.	1,822,252
1,000	Kellogg Co.	35,550
250,000	Sara Lee Corp.	5,562,239
90,000	Wrigley (Wm.) Jr. Co.	5,049,681

		55,563,899

	HEALTH CARE -- 2.1%	
150,000	Bristol-Myers Squibb Co.	3,745,475
100,000	CIMA Labs Inc.+	3,340,370
70,000	Eli Lilly & Co.	4,821,972
30,000	Johnson & Johnson	1,518,214
150,000	Merck & Co. Inc.	6,680,261
61,000	Owens & Minor Inc.	1,524,529
40,000	Oxford Health Plans Inc.	2,192,770
260,000	Pfizer Inc.	9,026,009

		32,849,600

	HOTELS AND GAMING -- 1.3%	
1,000,000	Hilton Group plc	4,259,668
500,000	Hilton Hotels Corp.	8,538,103
91,400	Mandalay Resort Group	6,193,180

		18,990,951

	METALS AND MINING -- 0.3%	
10,000	Arch Coal Inc.	314,774
3,000	Fording Canadian	
	Coal Trust	112,385
125,000	Freeport-McMoRan	
	Copper & Gold Inc.,	
	Cl. B	4,615,644
10,000	Massey Energy Co.	235,475
5,000	Peabody Energy Corp.	234,935
3,000	Westmoreland Coal Co.+	52,605

		5,565,818

	REAL ESTATE INVESTMENT TRUSTS -- 0.3%	
37,500	Catellus Development	
	Corp	849,675
140,000	Keystone Property Trust	3,342,600

		4,192,275

	RETAIL -- 1.1%	
250,000	Albertson's Inc.	5,748,440
130,000	Blockbuster Inc., Cl. A	1,965,296
49,600	Ingles Markets Inc., Cl. A	549,795
300,000	Safeway Inc.+	6,711,464
50,000	Saks Inc.+	829,848

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		----- 15,804,843 -----
	SATELLITE -- 0.0%	
20,000	PanAmSat Corp.+	460,252 -----
	SPECIALTY CHEMICALS -- 1.0%	
65,000	Ashland Inc.	2,781,776
225,000	E.I. du Pont de Nemours and Co.	9,942,700
140,000	Olin Corp.	2,582,194 -----
		15,306,670 -----
	TELECOMMUNICATIONS -- 6.1%	
42,000	ALLTEL Corp.	2,091,522
550,000	AT&T Corp.	10,399,722
800,000	BCE Inc.	17,612,964
200,000	BellSouth Corp.	5,333,936
74,000	BT Group plc, ADR	2,312,412
180,000	CenturyTel Inc.	5,307,733

See accompanying notes to financial statements.

THE GABELLI DIVIDEND & INCOME TRUST
PORTFOLIO OF INVESTMENTS (CONTINUED)
JUNE 30, 2004 (UNAUDITED)

SHARES		COST
-----		-----
	COMMON STOCKS (CONTINUED)	
	TELECOMMUNICATIONS (CONTINUED)	
20,000	Compania de Telecomunicaciones de Chile SA, ADR	\$ 235,616
14,675	Crown Castle International Corp.+	198,319
80,000	Deutsche Telekom AG, ADR+	1,415,732
50,000	France Telecom SA, ADR	1,219,023
240,000	Hellenic Telecommunications Organization SA, ADR	1,884,444
100,000	Manitoba Telecom Services Inc.	3,413,530
150,000	Qwest Communications International Inc.+	554,860
300,000	SBC Communications Inc.	7,416,654
850,000	Sprint Corp.	15,268,415
307,000	TDC A/S, ADR	5,394,086
12,000	Telecom Corp. of New Zealand Ltd., ADR	322,396
30,000	Telecom Italia SpA, ADR	935,236
20,000	Telefonica SA, ADR	913,342

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143,524	Telefonos de Mexico SA de CV, Cl. L, ADR	4,843,123
160,000	Telstra Corp. Ltd., ADR	2,939,066
160,000	TELUS Corp., Non- Voting, ADR	2,942,901
320,000	Verizon Communications Inc.	10,911,182

		103,866,214

	TRANSPORTATION -- 0.2%	
10,000	Frontline Ltd.	255,550
2,500	Ship Finance International Ltd.	35,187
61,400	Teekay Shipping Corp.	1,601,611

		1,892,348

	WIRELESS COMMUNICATIONS -- 2.1%	
2,300,000	AT&T Wireless Services Inc.+	31,867,194
31,800	Rogers Wireless Communications Inc., Cl. B+	840,250

		32,707,444

	TOTAL COMMON STOCKS	1,082,261,896

	PREFERRED STOCKS -- 0.1%	
	CLOSED END FUNDS -- 0.1%	
75,000	General American Investors Co. Inc., 5.950% Cumulative Pfd.	1,860,400

	CONVERTIBLE PREFERRED STOCKS -- 4.5%	
	AEROSPACE -- 0.1%	
8,315	Northrop Grumman Corp., 7.000% Cv. Pfd., Ser. B	997,555

	AUTOMOTIVE -- 0.1%	
25,000	General Motors Corp., 4.500% Cv. Pfd., Ser. A	645,050

	AVIATION: PARTS AND SERVICES -- 0.0%	
6,500	Sequa Corp., \$5.00 Cv. Pfd.	591,440

	BROADCASTING -- 0.7%	
268,000	Sinclair Broadcast Group Inc., 6.000% Cv. Pfd., Ser. D	12,510,660

	BUILDING AND CONSTRUCTION -- 0.0%	
200	Fleetwood Capital Trust, 6.000% Cv. Pfd.+	6,210

	BUSINESS SERVICES -- 0.0%	
7,200	Allied Waste Industries Inc., 6.250% Cv. Pfd.	506,554

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	CONSUMER PRODUCTS -- 0.4%	
138,900	Newell Financial Trust, 5.250% Cv. Pfd.	6,516,450

	DIVERSIFIED INDUSTRIAL -- 0.5%	
179,400	Owens-Illinois Inc., 4.750% Cv. Pfd.	5,956,159
80,502	Smurfit-Stone Container Corp., 7.000% Cv. Pfd., Ser. A	2,008,346
1,000	US Steel Corp., 7.000% Cv. Pfd., Ser. B	88,510

		8,053,015

	ENERGY AND UTILITIES: ELECTRIC -- 0.5%	
160,600	Calpine Capital Trust, 5.750% Cv. Pfd.	7,981,200

	ENERGY AND UTILITIES: INTEGRATED -- 0.1%	
9,750	Arch Coal Inc., 5.000% Cv. Pfd.	733,750

See accompanying notes to financial statements.

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THE GABELLI DIVIDEND & INCOME TRUST
PORTFOLIO OF INVESTMENTS (CONTINUED)
JUNE 30, 2004 (UNAUDITED)

SHARES		COST
-----		-----
	CONVERTIBLE PREFERRED STOCKS (CONTINUED)	
	ENERGY AND UTILITIES: INTEGRATED (CONTINUED)	
20,000	CMS Energy Corp., 4.500% Cv. Pfd. (a)	\$ 1,069,062

		1,802,812

	ENERGY AND UTILITIES: OIL -- 0.5%	
	Chesapeake Energy Corp.,	
20,000	5.000% Cv. Pfd.	2,193,750
1,000	6.750% Cv. Pfd.	85,050
2,700	6.000% Cv. Pfd.	194,400
130,000	El Paso Corp., 4.750% Cv. Pfd.	4,680,219
39,615	Hanover Compressor Co., 7.250% Cv. Pfd.	1,980,375

		9,133,794

	ENTERTAINMENT -- 0.2%	
160,000	Six Flags Inc., 7.250% Cv. Pfd.	3,740,806

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	Financial Services -- 0.6%	
3,920	Doral Financial Corp., 4.750% Cv. Pfd. (a)	1,029,000
232,600	National Australia Bank Ltd., 7.875% Cv. Pfd., Ser. UNIT	8,875,235
5,100	United Fire & Casualty Co., 6.375% Cv. Pfd., Ser. A	152,000

		10,056,235

	HEALTH CARE -- 0.2%	
57,436	McKesson Financing Trust, 5.000% Cv. Pfd.	2,888,529
10,000	Omnicare Inc., 4.000% Cv. Pfd.	605,400

		3,493,929

	METALS AND MINING -- 0.1%	
6,000	Phelps Dodge Corp., 6.750% Cv. Pfd.	1,002,916

	REAL ESTATE -- 0.0%	
2,100	Equity Office Properties Trust, 5.250% Cv. Pfd., Ser. B	104,120

	TELECOMMUNICATIONS -- 0.5%	
35,100	Cincinnati Bell Inc., 6.750% Cv. Pfd., Ser. B	1,503,978
121,000	Crown Castle International Corp., 6.250% Cv. Pfd.	\$ 5,568,000
17,460	Emmis Communications Corp., 6.250% Cv. Pfd., Ser. A	828,081

		7,900,059

	TRANSPORTATION -- 0.0%	
800	GATX Corp., \$2.50 Cv. Pfd.	109,840
982	Kansas City Southern, 4.250% Cv. Pfd.	551,884

		661,724

	TOTAL CONVERTIBLE PREFERRED STOCKS	75,704,529

	PRINCIPAL AMOUNT -----	
	CONVERTIBLE CORPORATE BONDS -- 0.7%	
	AEROSPACE -- 0.1%	
\$ 650,000	GenCorp Inc., Sub. Deb. Cv., 5.750%, 04/15/07	639,728

	AGRICULTURE -- 0.1%	
750,000	Bunge Ltd. Financial	

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	Corp., Cv., 3.750%, 11/15/22	812,506

	AUTOMOTIVE: PARTS AND ACCESSORIES -- 0.0%	
500,000	Standard Motor Products Inc., Sub. Deb. Cv., 6.750%, 07/15/09	474,130

	ELECTRONICS -- 0.2%	
650,000	Agere Systems Inc., Sub. Deb. Cv., 6.500%, 12/15/09	873,065
950,000	Trans-Lux Corp., Sub. Deb. Cv., 8.250%, 03/01/12	945,647
2,000,000	Trans-Lux Corp., Sub. Deb. Cv., 7.500%, 12/01/06	2,011,026

		3,829,738

	ENTERTAINMENT -- 0.0%	
287,000	The Walt Disney Co., Cv., 2.125%, 04/15/23	298,257

See accompanying notes to financial statements.

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THE GABELLI DIVIDEND & INCOME TRUST
PORTFOLIO OF INVESTMENTS (CONTINUED)
JUNE 30, 2004 (UNAUDITED)

PRINCIPAL AMOUNT		COST
-----		-----
	CONVERTIBLE CORPORATE BONDS (CONTINUED)	
	EQUIPMENT AND SUPPLIES -- 0.0%	
\$ 300,000	Robbins & Myers Inc., Sub. Deb. Cv., 8.000%, 01/31/08	\$ 317,337

	FINANCIAL SERVICES -- 0.0%	
250,000	AON Corp., Sub. Deb. Cv., 3.500%, 11/15/12	294,047

	FOOD AND BEVERAGE -- 0.0%	
2,300,000	Parmalat Soparfi SA, Sub. Deb. Cv., 6.125%, 05/23/32+ (b)	1,715,396

	HEALTH CARE -- 0.0%	
300,000	Quest Diagnostics Inc., Sub. Deb. Cv.,	

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	1.750%, 11/30/21	306,907

900,000	REAL ESTATE -- 0.1% Palm Harbor Homes Inc., Cv., 3.250%, 05/15/24 (a)	877,016

375,000	RETAIL -- 0.0% School Specialty Inc., Sub. Deb. Cv., 6.000%, 08/01/08	391,753

2,700,000	TRANSPORTATION -- 0.2% GATX Corp., Cv., 7.500%, 02/01/07	3,114,013

	TOTAL CONVERTIBLE CORPORATE BONDS	13,070,828

1,000,000	CORPORATE BONDS -- 0.1% DIVERSIFIED INDUSTRIAL -- 0.1% WHX Corp., 10.500%, 04/15/05	937,070

224,008,000	U.S. GOVERNMENT OBLIGATIONS -- 13.8% U.S. Treasury Bills, 0.933% to 1.297%+, 07/01/04 to 10/14/04	223,665,327

\$100,000,000	SHORT-TERM OBLIGATIONS -- 12.3% REPURCHASE AGREEMENTS -- 12.3% ABN Amro, 1.250%, dated 06/30/04, due 07/01/04, proceeds at maturity, \$100,003,472 (c)	\$ 100,000,000
100,000,000	State Street Bank & Trust Co., 1.180%, dated 06/30/04, due 07/01/04, proceeds at maturity, \$100,003,278 (d)	100,000,000

	TOTAL SHORT-TERM OBLIGATIONS	200,000,000

	TOTAL INVESTMENTS -- 100.0%	\$1,597,500,050
	=====	
	LIABILITIES IN EXCESS OF OTHER ASSETS	
	NET ASSETS -- COMMON STOCK (84,994,505 common shares outstanding)	
	NET ASSET VALUE PER COMMON SHARE (\$1,608,572,253 / 84,994,505 shares outstanding)	

	For Federal tax purposes: Aggregate cost	

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Gross unrealized appreciation

Gross unrealized depreciation

Net unrealized appreciation

-
- (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, 2004, the Rule 144A securities are considered liquid and the market value amounted to \$3,031,920 or 0.19% of total net assets.
- (b) Security in default.
- (c) Collateralized by U.S. Treasury Notes, 5.250% to 8.125%, due 08/15/21 to 11/15/28, market value \$102,001,941.
- (d) Collateralized by U.S. Treasury Note, 7.250%, due 08/15/22, market value \$102,001,623.
- + Non-income producing security.
- ++ Represents annualized yield at date of purchase.
- ADR - American Depository Receipt.

See accompanying notes to financial statements.

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THE GABELLI DIVIDEND & INCOME TRUST

STATEMENT OF ASSETS AND LIABILITIES JUNE 30, 2004 (UNAUDITED)

ASSETS:	
Investments, at value (cost \$1,397,500,050)	\$ 1,421,114,554
Repurchase agreements, at value (cost \$200,000,000)	200,000,000
Cash and foreign currency, at value (cost \$2,074,978)	2,082,168
Receivable for investments sold	10,624,116
Dividends and interest receivable	2,637,121
Other assets	26,226
TOTAL ASSETS	1,636,484,185
LIABILITIES:	
Dividends payable	4,407,834
Payable for investments purchased	21,327,866
Payable for investment advisory fees	1,322,834
Other accrued expenses and liabilities	853,398
TOTAL LIABILITIES	27,911,932
NET ASSETS applicable to 84,994,505 shares outstanding	\$ 1,608,572,253
NET ASSETS CONSIST OF:	
Shares of beneficial interest, at par value	\$ 84,995

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Additional paid-in capital	1,619,984,954
Accumulated distributions in excess of net investment income	(35,110,919)
Net unrealized appreciation on investments and foreign currency transactions	23,613,223

TOTAL NET ASSETS	\$ 1,608,572,253
	=====
NET ASSET VALUE	
(\$1,608,572,253 / 84,994,505 shares outstanding; unlimited number of shares authorized of \$0.001 par value)	\$18.93
	=====

STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2004 (UNAUDITED)

INVESTMENT INCOME:	
Dividends (net of foreign taxes of \$384,347)	\$ 17,032,540
Interest	3,210,784

TOTAL INVESTMENT INCOME	20,243,324

EXPENSES:	
Investment advisory fees	8,074,514
Shareholder communications expenses	248,636
Shareholder services fees	93,772
Payroll	92,710
Trustees' fees	82,760
Legal and audit fees	76,101
Custodian fees	41,733
Miscellaneous expenses	78,833

TOTAL EXPENSES	8,789,059

NET INVESTMENT INCOME	11,454,265

NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS:	
Net realized gain on investments	4,460,909
Net realized gain on foreign currency transactions	741

Net realized gain on investments and foreign currency transactions	4,461,650

Net change in unrealized appreciation/depreciation on investments and foreign currency transactions	8,447,341

NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS	12,908,991

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 24,363,256
	=====

See accompanying notes to financial statements.

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STATEMENT OF CHANGES IN NET ASSETS

	SIX M JUN (U -----
OPERATIONS:	
Net investment income/(loss)	\$
Net realized gain on investments and foreign currency transactions	
Net change in unrealized appreciation on investments and foreign currency transactions	-----
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	-----
DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS:	
Net investment income	
Net realized short-term gain on investments and foreign currency transactions	
Return of capital	-----
TOTAL DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS	-----
TRUST SHARE TRANSACTIONS:	
Net increase in net assets from common shares issued in offering	
Net decrease from repurchase of common stock	
Offering costs for offering of common shares charged to paid-in capital	-----
NET INCREASE IN NET ASSETS FROM TRUST SHARE TRANSACTIONS	-----
NET INCREASE IN NET ASSETS	-----
NET ASSETS:	
Beginning of period	1,
End of period	\$ 1, =====

(a) The Gabelli Dividend & Income Trust commenced investment operations on November 28, 2003.

* Based on current earnings and subject to change and recharacterization at fiscal year end.

See accompanying notes to financial statements.

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

1. ORGANIZATION. The Gabelli Dividend & Income Trust (the "Trust") is a closed-end, non-diversified 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.

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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, 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 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 official 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 of Trustees. Under the terms of a typical repurchase agreement, a Trust takes possession of an underlying debt obligation subject to an obligation of the

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seller to repurchase, and a Trust to resell, the obligation at an agreed-upon price and time, thereby determining the yield during a Trust's holding period. A 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 a 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

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

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 or stays the same 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 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) 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 plus the appreciation in market price of the underlying security up to the exercise price will be greater than the appreciation in the price of the underlying security alone. In these circumstances, if the market price of the underlying security declines and the security is sold at this lower price, the amount of any realized loss will be offset wholly or in part by the premium received. 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.

The option activity for the Trust for the six months ended June 30, 2004 was as follows:

	NUMBER OF CONTRACTS	PREMIUMS
--	------------------------	----------

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	-----	-----
Call options written during the period	5	\$ 295
Call options exercised during the period	(5)	(295)
	-----	-----
Call options outstanding at June 30, 2004 ...	--	--
	=====	=====

FOREIGN CURRENCY TRANSACTIONS. 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 transactions. 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.

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 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 accounting principles generally accepted in the United States. These differences are primarily due to differing treatments of income and gains on various investment securities held by the Trust, timing differences and differing characterization of distributions made by the Trust.

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

For the year ended December 31, 2003, reclassifications were made to increase accumulated net investment loss for \$49,373 and to decrease accumulated net realized gain on investments for \$5,613, with an offsetting adjustment to additional paid-in capital.

PROVISION FOR INCOME TAXES. The Trust intends to qualify and elect to be treated 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

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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, 2003, the components of accumulated earnings/(losses) on a tax basis were as follows:

Accumulated net gains on investments	\$	11,507
Net unrealized appreciation on investments		15,160,655
Net unrealized appreciation on foreign currency transactions		4,809

Total accumulated gain		\$15,176,971
		=====

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 on the first business day of each month a fee for the previous month equal on an annual basis to 1.00% of the value of the Trust's average weekly net assets. 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.

During the six months ended June 30, 2004, Gabelli & Company, Inc. received \$1,267,222 in brokerage commissions as a result of executing agency transactions in portfolio securities on behalf of the Trust.

The cost of calculating the Trust's net asset value per share is a Trust expense pursuant to the Investment Advisory Agreement between the Trust and the Adviser. During the six months ended June 30, 2004, the Trust reimbursed the Adviser \$17,400 in connection with the cost of computing the Trust's net asset value.

4. PORTFOLIO SECURITIES. Cost of purchases and proceeds from sales of securities, other than short-term securities, for the six months ended June 30, 2004 aggregated \$804,148,561 and \$105,013,125, respectively.

5. CAPITAL. The Trust is authorized to issue an unlimited number of common shares of beneficial interest, par value \$.001 per share. The Board of Trustees of the Trust 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 of Trustees may determine from time to time) from the net asset value of the shares. During the six months ended June 30, 2004, the Trust repurchased 68,700 shares of beneficial interest in the open market at a cost of \$1,190,979 and an average discount of approximately 8.48% 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, 2004		
	(UNAUDITED)		
	-----	-----	-----
	SHARES	AMOUNT	SHA
	-----	-----	-----
Initial seed capital, November 18, 2003	--	--	
Shares issued in offering	9,700,000	\$ 184,787,473	75,

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Shares repurchased	(68,700)	(1,190,979)	
	-----	-----	---
Net increase	9,631,300	\$ 183,596,494	75,
	=====	=====	===

(a) The Gabelli Dividend & Income Trust commenced investment operations on November 28, 2003.

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

6. OTHER MATTERS. On October 7, 2003, the Fund's Adviser received a subpoena from the Attorney General of the State of New York requesting information on mutual fund shares trading practices. The Adviser has also received requests for information from the SEC regarding mutual fund trading practices and valuation of portfolio securities. The Adviser has responded to the requests. The Fund does not believe that these matters will have a material adverse effect on the Fund'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.

FINANCIAL HIGHLIGHTS

SELECTED DATA FOR A DIVIDEND & INCOME TRUST SHARE OF BENEFICIAL INTEREST OUTSTANDING THROUGHOUT EACH PERIOD:

	SIX MONTHS END JUNE 30, 2004 (UNAUDITED)

OPERATING PERFORMANCE:	
Net asset value, beginning of period	\$ 19.26

Net investment income (loss)	0.14
Net realized and unrealized gain on investments	0.16

Total from investment operations	0.30

DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS:	
Net investment income	(0.14)
Net realized gain on investments	(0.05)
Return of capital	(0.41)

Total distributions to common stock shareholders	(0.60)

CAPITAL SHARE TRANSACTIONS:	
Decrease in net asset value from common stock share transactions	(0.02)
Offering costs for common shares charged to paid-in capital	(0.01)

	(0.03)

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Net Asset Value, end of period	\$	18.93
<hr style="border-top: 1px solid black;"/>		
Net asset value total return*		1.4
<hr style="border-top: 1px solid black;"/>		
Market value, end of period	\$	17.39
<hr style="border-top: 1px solid black;"/>		
Total investment return**		(10.2)
<hr style="border-top: 1px solid black;"/>		
RATIOS TO AVERAGE NET ASSETS AND SUPPLEMENTAL DATA:		
Net assets, end of period (in 000's)	\$	1,608,572
Ratio of net investment income (loss) to average net assets		1.41
Ratio of operating expenses to average net assets		1.09
Portfolio turnover rate		11.3

- (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.
- * Based on net asset value per share at commencement of operations of \$19.06 per share. Total return for the period of less than one year is not annualized.
- ** Based on market value per share at initial public offering of \$20.00 per share. Total return for the period of less than one year is not annualized.
- *** Based on current earnings and subject to change and recharacterization at fiscal year end.

See accompanying notes to financial statements.

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AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLAN

ENROLLMENT IN THE PLAN

It is the Policy of The Gabelli Dividend & Income Trust ("Dividend & Income Trust") to automatically reinvest dividends. As a "registered" shareholder you automatically become a participant in the Dividend & Income Trust's Automatic Dividend Reinvestment Plan (the "Plan"). The Plan authorizes the Dividend & Income 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 Dividend & Income 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

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c/o EquiServe
P.O. Box 43011
Providence, RI 02940-3011

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.

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 shares of Common Stock distributed to participants in the Plan in lieu of cash dividends is determined in the following manner. Under the Plan, whenever the market price of the Dividend & Income Trust's Common Stock is equal to or exceeds net asset value at the time shares are valued for purposes of determining the number of shares equivalent to the cash dividends or capital gains distribution, participants are issued shares of Common Stock valued at the greater of (i) the net asset value as most recently determined or (ii) 95% of the then current market price of the Dividend & Income Trust's Common Stock. 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 Stock at the time of valuation exceeds the market price of the Common Stock, participants will receive shares from the Dividend & Income Trust valued at market price. If the Dividend & Income Trust should declare a dividend or capital gains distribution payable only in cash, EquiServe will buy Common Stock 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 Dividend & Income Trust to issue shares at net asset value if, following the commencement of such purchases, the market value of the Common Stock exceeds the then current net asset value.

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

The Dividend & Income 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.

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VOLUNTARY CASH PURCHASE PLAN

The Voluntary Cash Purchase Plan is yet another vehicle for our shareholders to increase their investment in the Dividend & Income Trust. 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 EquiServe for investments in the Dividend & Income 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 43011, Providence, RI 02940-3011 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 Dividend & Income 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 INVESTMENT OFFICER,
GABELLI ASSET MANAGEMENT INC.

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

James P. Conn
FORMER MANAGING DIRECTOR AND 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

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CERTIFIED PUBLIC ACCOUNTANT,
SALIBELLO & BRODER

Edward T. Tokar
SENIOR MANAGING DIRECTOR, BEACON TRUST COMPANY

Anthonie C. van Ekris
MANAGING DIRECTOR, BALMAC INTERNATIONAL, INC.

Salvatore J. Zizza
CHAIRMAN, HALLMARK ELECTRICAL SUPPLIES CORP.

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James E. McKee
SECRETARY

Richard C. Sell, Jr.
TREASURER

INVESTMENT ADVISER
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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

NYSE-Symbol:	GDV
Shares Outstanding:	84,994,505

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

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 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 to time, purchase its 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.

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

Not applicable.

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

Not applicable.

ITEM 8. 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 PERCENTAGE OF TOTAL PURCHASES

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Month #1 01/01/04 through 01/31/04	Common - N/A Preferred - N/A	Common - N/A Preferred - N/A	Common - N/A Preferred - N/A	Common Preferred
Month #2 02/01/04 through 02/29/04	Common - N/A Preferred - N/A	Common - N/A Preferred - N/A	Common - N/A Preferred - N/A	Common Preferred
Month #3 03/01/04 through 03/31/04	Common - N/A Preferred - N/A	Common - N/A Preferred - N/A	Common - N/A Preferred - N/A	Common Preferred
Month #4 04/01/04 through 04/30/04	Common purchased by an affiliate - 162,600 Preferred - N/A	Common purchased by an affiliate - \$18.6306 Preferred - N/A	Common - N/A Preferred - N/A	Common Preferred
Month #5 05/01/04 through 05/31/04	Common purchased by an affiliate - 100,000 Preferred - N/A	Common purchased by an affiliate - \$17.0518 Preferred - N/A	Common - N/A Preferred - N/A	Common Preferred
Month #6 06/01/04 through 06/30/04	Common - 68,700 Preferred - N/A	Common - \$17.3355 Preferred - N/A	Common - 68,700 Preferred - N/A	Common 84,994 Preferred
Total	Common - 68,700 Common purchased by an affiliate - 262,600 Preferred - N/A	Common - \$17.3355 Common purchased by an affiliate - \$18.0294 Preferred - N/A	Common - 68,700 Preferred - N/A	N/A

a. The date each plan or program was announced - The notice of the potential repurchase of common 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.

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 9. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

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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 10. 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 last fiscal half-year (the registrant's second fiscal half-year in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 11. 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(a) 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

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Date September 7, 2004

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, 2004

By (Signature and Title)* /s/ RICHARD C. SELL, JR.

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

Date September 7, 2004

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