

Dividend and Income Fund Announces New Record Date for Rights Offering

NEW YORK, NY – November 1, 2011 -- Dividend and Income Fund, Inc. (NYSE: DNI) (NAV: XDNIX) (the “Fund”) announced today a new record date for its non-transferable rights offering (the “Rights Offering”) of shares of its common stock (the “Shares”).

The new record date for the Rights Offering is currently expected to be November 14, 2011. The proposed subscription period is currently anticipated to commence if and when the registration statement filed with the SEC for the Rights Offering becomes effective, and expire on December 23, 2011, unless extended by the Fund (the “Expiration Date”). A definitive announcement of the Rights Offering’s commencement, subscription period, and the record date will be made through a prospectus. The final terms and dates of the Rights Offering may be different from those discussed in this announcement.

The Board of Directors has determined that it would be in the best interests of the Fund and its stockholders to increase the assets of the Fund and that the Rights Offering is currently an effective and efficient way to raise additional assets for the Fund. The Rights Offering is expected to provide stockholders with the opportunity to purchase additional Shares at a price below both market and net asset value (“NAV”) without paying any commissions.

Subject to the registration statement for the Rights Offering becoming effective under the Securities Act of 1933, as amended, the Fund will issue non-transferable rights (the “Rights”) to its record date stockholders. Each record date stockholder will receive one Right for each outstanding Share owned on the record date rounded up to the nearest number of Rights evenly divisible by three. The Rights entitle each holder to purchase one new Share for each three Rights held, plus, in certain circumstances, additional new Shares pursuant to an over-subscription privilege. Fractional Shares will not be issued. The new Shares issued in the Rights Offering also will be listed on the New York Stock Exchange (the “NYSE”) under the symbol “DNI.”

The subscription price will be determined on the Expiration Date based on a formula equal to 95% of the lower of (a) the Fund’s NAV per Share or (b) the market price per Share. For this purpose, the NAV per Share will be determined as of the Expiration Date, and the market price per Share will be the average of the volume weighted average sales price of a Share on the NYSE on the Expiration Date and the four preceding trading days.

Pursuant to an over-subscription privilege, record date stockholders who exercise all Rights issued to them will be entitled, subject to certain limitations and a pro-rata allotment, to subscribe for additional Shares not subscribed for by other holders of Rights. In addition, the Fund may, at the discretion of its Board of Directors, issue additional Shares (up to an amount equal to 25% of the Shares to be issued assuming all Rights are exercised) to satisfy over-subscription requests.

The Fund expects to mail subscription forms and a copy of the prospectus for this Rights Offering to record date stockholders within the United States shortly following the record

date. To exercise their Rights, stockholders who hold their shares through a broker, custodian, or trust company, should contact such entity to forward their instructions to exercise their Rights on their behalf. Stockholders who do not hold shares through a broker, custodian, or trust company, should forward their instructions to exercise their Rights by completing the subscription form and delivering it to the subscription agent for the Rights Offering, together with their payment, at one of the locations indicated on the subscription form or in the prospectus.

The information agent for the Rights Offering is The Altman Group. For further information regarding the Rights Offering, or to obtain a prospectus, when available, stockholders should call their brokers or nominees or The Altman Group toll free at 1-877-732-3616.

The Fund is a diversified, closed end investment company. The Fund's primary investment objective is to seek high current income. Capital appreciation is a secondary objective. Bexil Advisers LLC is the Fund's investment manager. Investors should consider the Fund's investment objectives, strategies, risks, and expenses carefully before investing. This information, and other information concerning the Fund, can be found on file with the U.S. Securities and Exchange Commission. An investor should carefully read the registration statement before investing.

Shares of closed end investment companies frequently trade at a discount from their NAVs. The market price of the Shares is determined by a number of factors, several of which are beyond the control of the Fund. Therefore, the Fund cannot predict whether its Shares will trade at, below, or above their NAV.

A registration statement relating to these securities has been filed with the U.S. Securities and Exchange Commission but has not yet become effective. The information in the registration statement is not complete and may be changed. The Shares may not be sold nor may offers be accepted prior to the time the registration statement becomes effective. This announcement is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state or other jurisdiction where the offer or sale is not permitted.

Safe Harbor Note

This release contains certain "forward looking statements" made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Fund, which may cause the Fund's actual results to be materially different from those expressed or implied by such statements. The forward looking statements made herein are only made as of the date of this announcement, and the Fund undertakes no obligation to publicly update such forward looking statements to reflect subsequent events or circumstances.

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