

Dividend and Income Fund Announces Rights Offering Details

NEW YORK, NY – January 3, 2012 – Dividend and Income Fund, Inc. (NYSE: DNI) (NAV: XDNIX) (the “Fund”) announced today that the Fund has issued 7,099,952 shares of common stock pursuant to its recently completed non-transferable rights offering. Because sufficient primary subscription shares were not available to honor all over-subscription requests, the Fund, pursuant to the Prospectus and at the discretion of its Board of Directors, increased the number of shares subject to subscription by an additional 1,419,952 new shares, to cover such over-subscription requests. The available shares were allocated pro rata among those who over-subscribed based on the number of shares owned by them on the record date, November 14, 2011. Confirmation statements are being mailed today and refunds for overpayments will be mailed shortly.

Total net proceeds of the rights offering are estimated at approximately \$22.2 million, after deduction for estimated offering expenses. Net proceeds were calculated based on a share subscription price of \$3.18, which equals 95% of \$3.35, the average of the volume weighted average sales price of a share on the New York Stock Exchange on December 23, 2011, the expiration date of the right offering period, and the four preceding trading days.

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 and at www.dividendandincomefund.com. An investor should carefully read the registration statement before investing.

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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