

GILAT SATELLITE NETWORKS LTD

Form 6-K

May 17, 2010

FORM 6 – K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report on Foreign Issuer

Pursuant to Rule 13a – 16 or 15d – 16
of the Securities Exchange Act of 1934

For the Month of May 2010

Gilat Satellite Networks Ltd.
(Translation of Registrant’s Name into English)

Gilat House, Yegia Kapayim Street
Daniv Park, Kiryat Arye, Petah Tikva, Israel
(Address of Principal Corporate Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If “Yes” is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

Attached hereto is the script related to Registrant's conference call held on May 11, 2010 after the announcement of Registrant's results for the quarter ending March 31, 2010.

This report on Form 6-K is being incorporated by reference into the Registration Statement on Form F-3 (Registration No. 333-160683) and the Registration Statements on Form S-8 (Registration Nos. 333- 158476, 333-96630, 333-132649, 333-123410, 333-113932, 333-08826, 333-10092, 333-12466 and 333-12988).

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Gilat Satellite Networks Ltd.
(Registrant)

Dated May 17, 2010

By: /s/ Rachel Prishkolnik
Rachel Prishkolnik
Corporate Secretary

CONFERENCE CALL SCRIPT - Gilat Satellite Networks
May 2010

Tom Watts

Good morning and good afternoon. Thank you for joining us today for Gilat's first quarter 2010 results conference call.

A recording of the call will be available beginning at approximately 12:00 PM Eastern Time, today, May 11th, 2010 until May 13th, 2010 at 12:00 PM. Our earnings press release and website provide details on accessing the archived call.

Investors are urged to read the forward-looking statements in our earnings release, which say that statements made on this earnings call which are not historical facts may be deemed forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All forward-looking statements, including statements regarding future financial operating results involve risks, uncertainties and contingencies, many of which are beyond the control of Gilat and which may cause actual results to differ materially from anticipated results. Gilat is under no obligation to update or alter our forward-looking statements whether as a result of new information, future events or otherwise and we expressly disclaim any obligation to do so. More detailed information about risk factors can be found in our reports filed with the Securities & Exchange Commission.

That said, on the call this morning is Amiram Levinberg, Gilat's Chairman of the Board and Chief Executive Officer and Ari Krashin, Chief Financial Officer. Amiram please go ahead.

Amiram

Thank you, Tom. Good day everyone.

I would like to begin today's call with a snapshot of our first quarter results, followed by a more detailed review of our business during the quarter. Following the quarterly review, Ari will take you through the detailed financial results. We will then open the call for questions.

In the first quarter, revenues increased slightly compared to the previous quarter and we finished the quarter with a small profit. Revenues declined compared to the comparable quarter in 2009 though we experienced stronger bookings compared to the first quarter of 2009.

The quarter was highlighted by a definitive agreement we entered into to acquire Raysat Antenna Systems. For those of you not familiar with Raysat Antenna Systems, this is a leading vendor of low profile two-way antenna solutions for satellite communications on the move. The antennas are typically used by government agencies at various levels such as for emergency response, military units, and homeland security and for commercial applications such as uploading video for Satellite News Gathering. The acquisition is expected to close at the beginning of the third quarter, subject to regulatory approvals and other customary closing conditions. This move represents an important milestone in our strategy to enter the military and defense markets, for both the US DOD as well as for International defense agencies.

This quarter, we also announced organizational changes which reflect a decision to unify some of the business units of the company, in order to better leverage our internal synergies. We have combined the Gilat corporate business unit with our equipment business Gilat Network Systems (GNS), and with the Spacenet Rural business unit to create a stronger, more integrated entity. Our U.S.-based business Spacenet Inc. will continue to operate as a wholly owned subsidiary.

As part of these changes, Jaron Lotan, joined us to serve as our Chief Operating Officer. Jaron oversees our day to day business, and is responsible for activities such as Sales, Operations, and Customers Services, while I am directing and overseeing the Company's long term strategy and corporate functions.

Jaron brings to Gilat extensive management experience with NASDAQ companies, including having served as President and CEO for Tecnomatix, which ultimately became part of Siemens AG, and having held several executive positions at Orbotech (ORBK).

I wish Jaron all the very best in his new position

During the quarter we announced several new projects and activities in Africa, Asia and in the Americas, for a variety of applications, including enterprise, gaming, government and defense applications.

Significant from a humanitarian aspect is that Spacenet donated emergency communications to the International Red Cross as part of Relief Efforts in Haiti. The contribution helped disaster recovery efforts by enabling reliable and secure communications to the affected zones. We are proud to be able to provide help in times of need during recovery from this terrible tragedy. For those of you with the presentation in front of you, you can see the photo of one of the sites in the midst of the destruction and rubble, which captures the environment in which we operated in Haiti.

Moving to the financial indicators summary slide, revenues for the first quarter of 2010 were \$57.1 million – a decline compared to the first quarter of 2009. Despite this, we were able to increase our Gross Margin this quarter to 34.3% compared to 29.6% in the first quarter of 2009. As part of our planned investment in future growth drivers, we also increased our R&D in the quarter, leaving our profitability at breakeven.

Ari will discuss the Q1 2010 results in more detail later in the call.

Getting into a little more detail on the business this quarter, I would like to begin with a more detailed description of the acquisition we announced in March. In line with our strategy to enter new military and defense markets, we signed a definitive agreement to acquire Raysat Antenna Systems, a market leader of Satellite Communications On The Move antenna solutions.

Raysat Antenna Systems provides low profile and light-weight antennas, as well as complete system solutions, to the rapidly growing Satcom On The Move market. These antennas are critical in meeting the stringent requirements of the U.S. DoD, which is already a customer of Raysat Antenna Systems. The product portfolio includes different size antennas to meet varying customer requirements.

Raysat Antenna Systems has a diverse global customer base which includes defense agencies, as well as civil and homeland security users, including emergency first responders, police departments as well as state and local government agencies. We are very excited about this acquisition and expect it to continue to expand our penetration

of the defense and government sectors.

4

As part of the Raysat Antenna Systems deal, we also entered into a definitive agreement to acquire from its sister company, Raysat, a Research and Development center in Bulgaria in addition to certain Intellectual Property Rights.

The R&D center will continue to focus on the development of State-of-the-Art low-profile antenna systems for Ku, Ka and X bands for the Satcom On The Move market and has a world-leading low-profile antenna design team of over 60 skilled engineers.

The aggregate consideration for the acquisitions is approximately \$30 million in cash. The acquisitions are not expected to have a significant effect on Gilat's 2010 outlook with respect to earnings and the transactions are pending certain closing conditions. Both acquisitions are expected to close in the third quarter of 2010.

Upon completion of the acquisition of Raysat Antenna Systems, the U.S. operations will operate under Spacenet Integrated Government Solutions (SIGS) and the international business will operate within Gilat's worldwide operations. As a reminder we established SIGS during 2009 to provide fully integrated end-to-end communications solutions for Defense, Intelligence, Homeland Security, Public Safety, Federal and Civilian Government agencies.

Moving to the Gilat business, this quarter Spacenet continued to see business activity for emergency response applications, in Haiti and in the US. We also continued to expand our services to government customers at the municipal, state and federal level.

Many of these government bodies require communication facilities for emergency response or for remote regions with no broadband connectivity.

During the quarter, Spacenet successfully rolled out several thousand lottery terminals for the South Carolina lottery. Spacenet saw new activity in the gaming, enterprise and energy industries despite the fact that market conditions in the US continue to be challenging.

I would like to take this opportunity to welcome David Kagan who has joined Spacenet as their Senior Vice President of Business Development. In this new role, he has the responsibility of overseeing initiatives which will support Spacenet's long term growth and strategic planning.

Dave has more than 25 years of experience with a broad background in management, business and finance. Previous to Spacenet, Kagan served as President and Chief Executive Officer of Maritime Telecommunications Network, Inc. (MTN) where he led the company through five ownership changes and grew the revenue and profitability of the business substantially during his 12 year tenure at MTN.

I would like to wish Dave all the very best in his new position.

Moving to our international operations, we announced several deals during the quarter, including three in the African market.

ETC, Ethiopia's national telecom operator, chose Gilat to provide a network that will cover hundreds of sites and will provide an upgrade to ETC's existing Gilat VSAT network. The new network will enable ETC to deliver advanced broadband services, which include video and data-centric applications, to meet the growing demands of its enterprise and government customers. ETC will also deploy VSATs at remote community centers nationwide to provide citizens with toll-quality telephony and reliable broadband internet access as part of its Universal Service Obligation.

We also expanded our footprint in West Africa with the award of a multi-million dollar contract to deploy a broadband satellite network which will be used for gaming and lottery services. The network will serve an initial 2,500 sites in several countries in West Africa, including, the Ivory Coast, DRC and Senegal. As the pioneer in providing networks for the lottery and gaming market, we have vast experience in providing reliable and efficient solutions for this sector.

Also serving the West African market, we delivered a SkyEdge II network to Satcom Systems. The SkyEdge II hub is located in Germany and the VSATs will be deployed in West Africa, enabling high quality broadband Internet connectivity to small and medium enterprises in the region.

In central Asia, our long-standing customer, ASTEL, one of Kazakhstan's leading telecommunications operators, is deploying a SkyEdge II network which includes two SkyEdge II satellite hub stations and several hundred SkyEdge II Access VSATs, in addition to Gilat NetEdge Gateways. The VSAT network will deliver a wide range of interactive data applications, including VoIP, video conferencing and virtual private networks. NetEdge is our solution for multi-star requirements, such as small private enterprise networks and for cellular backhaul.

During the quarter, we announced two homeland security projects in Latin America.

The first project is a multi-million dollar contract to deliver a turnkey broadband communications solution for an army in a Latin American country. The new network will be used for border control applications. For this project, we are providing a broadband satellite network solution based on the SkyEdge II high performance platform to enable the delivery of high-speed data, video and voice applications that will serve the military's different units. We are also supplying additional equipment as part of the turnkey project, including solar panel energy solutions.

The second project was awarded to us by Brazil's Amazonian Protection System, SIPAM.

SIPAM has chosen to modernize its communications network by deploying a Gilat SkyEdge II network at more than 1,000 sites. SIPAM operates a sophisticated network of cartography and telemetry systems that provide information to help manage weather forecasting, security and other public services in the remote Amazonian region. Among the institutions that will benefit from the advanced network are the Armed Forces, Federal Police, and several ministries such as the Environment, Justice, Development, and Agrarian Reform.

The network will also offer more security to communities that live in isolation, the indigenous tribes, and the border crossings.

That concludes our business overview. Now I would like to turn the call over to Ari Krashin, our CFO, who will review the financials. Ari?

Speaker: Ari Krashin

Thank you Amiram. Our revenues for the first quarter of 2010 were \$57.1 million, compared to \$60.8 million in the first quarter of 2009.

In comparison to the previous quarter, we had a slight increase in revenues, which is attributed mainly to the higher level of bookings during the fourth quarter of 2009 and higher level of revenues from our international business mainly in Latin America and Asia, offsetting the decrease in revenues from Colombia.

Our gross margin this quarter was approximately 34%, compared to approximately 30% in the first quarter of 2009. As we mention from time to time, our gross margin is affected quarter-to-quarter by the regions in which we operate and the type of deals we consummate. The improvement in our gross margin this quarter was attributed mainly to the increase in revenues from our international operations which typically carry higher margins than Spacenet.

Gross R&D expenses were \$4.7 million this quarter compared to \$4 million in the same quarter of 2009. The increase in the R&D expenses is in line with our strategy and efforts to develop new products for new markets. We believe that the R&D gross expenses will increase gradually throughout 2010.

This quarter, we incurred over \$350 thousand dollars of legal and professional fees in connection with the definitive agreement we signed both with RaySat Antenna Systems and RaySat Bulgaria.

These expenses are included in our General and Administrative expenses and as such negatively impact our operating income this quarter.

GAAP operating income for the quarter was about break even, similar to the first quarter of 2009. We were able to maintain the same level of operating income, despite the above mentioned legal expenses, mainly due to the improvement in our gross margin. Non-GAAP operating income was approximately \$0.4 million in the first quarter of 2010 compared to \$0.3 million in the comparable quarter of 2009.

Our GAAP net income for the quarter was \$0.6 million dollars, or 2 cents per diluted share, compared to \$0.2 million or 1 cent per diluted share in the same quarter of 2009. On a Non-GAAP basis, net income for the quarter was \$1 million dollars, or 2 cents per diluted share, compared to \$0.5 million or 1 cent per diluted share in the same quarter of 2009.

Our financial position continues to be strong as our cash and cash equivalents, and marketable securities amounted to \$144.8 million at the end of the quarter with a low level of debt in the amount of \$29.8 million.

Our trade receivables at the end of the quarter were \$54.3 million representing DSO of 86 days, which is in line with our expectations and is considered to be relatively average in the industry.

Our shareholder's equity at the end of the quarter totaled \$233.2 million.

Now I'd like to turn the call back to Amiram.

Amiram ?

Thank you Ari.

To summarize our call, while we had a year over year decline in revenues this quarter we were able to offset the decline through an increase in gross margins. We were also able to proceed with our plan of increased R&D and investment in the future, while still maintaining breakeven profitability. We finished the quarter with a sequential increase in revenues compared to the fourth quarter of 2009.

We recently announced several organizational changes which we believe will help us toward our goals of strengthening our market position, increasing market share and entering new markets.

The quarter was highlighted by signing the definitive agreement to acquire Raysat Antenna Systems. This acquisition is part of our focus on the defense and military markets and we hope to be able to close it by the beginning of the third quarter.

We also look forward to broadening our scope in these markets by investing in additional opportunities as they arise, and we continue to have a strong balance sheet to finance M&A activity which supports our strategy.

That concludes our review. We would now like to open the floor for questions. Last quarter we had a technical problem that prevented the listeners from asking questions. I apologize for this and I hope that this time it will work well.

QUESTION AND ANSWER

Operator

(Operator Instructions). Jonathan Ho, William Blair.

John Widemuir - William Blair & Company - Analyst

Yes, this is John Widemuir for Jonathan this morning. We have a few questions on the RaySat acquisition. Can you talk a little bit about the size of that market and the potential impact on growth?

Amiram Levinberg - Gilat Satellite Networks Ltd - Chairman of the Board and CEO

Hi, Jonathan. I thought for a moment (multiple speakers) -- excuse me? (multiple speakers) Jonathan, it's you, right?

John Widemuir - William Blair & Company - Analyst

This is John Widemuir -- I work with Jonathan. I'm on the call for him this morning. Yes.

Amiram Levinberg - Gilat Satellite Networks Ltd - Chairman of the Board and CEO

8

Okay, hi. (multiple speakers) Yes, you know, generally speaking, Com on the Move had developed itself predominantly in the L-band frequency band for a long time, and Inmarsat has done great in this area. So, in terms of thousands of terminals of Com on the Move that are using these services, and there's also DoD usage by tens of thousands of these kinds of terminals, but these are predominantly narrowband in nature.

As people have the idea to expand into more services on the move, people decided to start using the higher frequency band satellites for this application, and specifically, X-band, KU-band and even KA-band. And this is a technology in infancy at this point. There's a very big hype. Quite many companies are producing products and developing technologies. However, the total volume of this market at this point in time is still small. So it should be a rapidly growing market, but at this point of time, it's still small.

In this specific market, RaySat Antenna System is focused on the low-profile antenna -- obviously, different from the, if you like, from a dish that you deploy on the roof of a vehicle, which usually is fairly high-profile in nature. And these are the caps you see from time to time on vehicles. And in this specific niche, actually RaySat Antenna Systems is probably the leading provider at this point in time, but as I've said before, it's a very infant (sic) market yet.

John Widemuir - William Blair & Company - Analyst

Okay, thank you. Do you anticipate -- can you talk to someone about level of expenses that you might incur going forward as you try to address this market?

Amiram Levinberg - Gilat Satellite Networks Ltd - Chairman of the Board and CEO

Generally speaking, we said at the end of last year when we published Q4, that we will invest more in R&D in order for us to go into the defense, military and DoD market. And we have started doing that.

With regard specifically to RaySat Antenna Systems, I think that generally speaking, this is a company that kind of carries its own expenses. So in that sense, it is fairly mutual from a bottom-line standpoint when the deal would be closed and we have them as part of our numbers.

John Widemuir - William Blair & Company - Analyst

Okay, great. Thanks. And switching gears somewhat, can you talk about your pipeline relative to your rural projects regarding a Universal Service Fund?

Amiram Levinberg - Gilat Satellite Networks Ltd - Chairman of the Board and CEO

What? Sorry?

John Widemuir - William Blair & Company - Analyst

The pipeline of your rural projects that use Universal Service Fund.

Amiram Levinberg - Gilat Satellite Networks Ltd - Chairman of the Board and CEO

9

I don't think that we distinguish it this way. We've published the backlog when we published Q4; that hasn't changed. And obviously, the backlog we have published includes everything, including these projects as well.

John Widemuir - William Blair & Company - Analyst

Okay. And one last question. Can you give any more color on your update on the Colombian operations? Thank you.

Amiram Levinberg - Gilat Satellite Networks Ltd - Chairman of the Board and CEO

On the Colombian operations, we have signed yet another extension agreement with the government. This extension agreement with the government means that we continue these preparations, and the new agreement -- have we published the size of this extension? (multiple speakers) I think we did. It's about \$12 million and -- to be implemented during 2010.

So -- and the new agreement is actually changing some of the telecenters from one type to another type; reducing some telephony sites; adding some other telecenters; but basically, it is the same services that will be -- now be extended into 2010.

John Widemuir - William Blair & Company - Analyst

Okay, great. Thank you very much.

Operator

(Operator Instructions). There are no further questions at this time. Before I ask Mr. Levinberg to go ahead with his closing statement, I would like to remind participants that a replay of this call is scheduled to begin two hours after the conference. In the US, please call 1-888-254-7270. In Israel, please call 03-925-5936. Internationally, please call 9-723-925-5936. Additionally, a replay of this call will also be available on the Company's website, www.gilat.com.

Mr. Levinberg, would you like to make your concluding statement?

Amiram Levinberg - Gilat Satellite Networks Ltd - Chairman of the Board and CEO

Yes. We'd just like to thank you all for joining us for this quarter's call. Good day and good bye.

Operator

Thank you. This concludes Gilat's first quarter 2010 results conference call. Thank you for your participation. You may go ahead and disconnect.

MON SHARES (83,829,070 common shares outstanding) \$ 1,975,830,828 ===== NET ASSET VALUE PER COMMON SHARE (\$1,975,830,828 / 83,829,070 shares outstanding) \$ 23.57
===== See accompanying notes to financial statements. 7 THE GABELLI DIVIDEND & INCOME TRUST SCHEDULE OF INVESTMENTS (CONTINUED) DECEMBER 31, 2007 ----- (a) Security considered an affiliated holding because the Fund owns at least 5% of its outstanding shares. (b) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2007, the market value of Rule 144A securities amounted to \$3,298,763 or 0.13% of total investments. Except as noted in (c), these securities are liquid. (c) At December 31, 2007, the Fund held investments in restricted and illiquid securities amounting to \$1,321,249 or 0.05% of total investments, which were valued under methods approved by the Board of Trustees as follows: 12/31/07 ACQUISITION ACQUISITION ACQUISITION CARRYING VALUE SHARES ISSUER DATE COST PER UNIT ----- 339,450 Parmalat SpA, GDR 12/02/03 \$ 981,615 \$ 3.8891 650 Parmalat SpA, GDR warrants expire 12/31/15 11/09/05 -- 1.6831 (d) Security fair valued under procedures established by the Board of Trustees. The procedures may include reviewing available financial information about the issuer and reviewing the valuation of comparable securities and other factors on a regular basis. At December 31, 2007, the market value of fair valued securities amounted to \$1,387,983 or 0.06% of total investments. + Non-income producing security. ++ Represents annualized yield at date of purchase. ADR American Depository Receipt GDR Global Depository Receipt % OF MARKET MARKET VALUE VALUE ----- GEOGRAPHIC DIVERSIFICATION North America 78.4% \$ 1,944,109,818 Europe 15.5 384,446,081 Latin America 2.8 69,076,096 Japan 2.5 62,147,487 Asia/Pacific 0.8 19,660,712 ----- 100.0% \$ 2,479,440,194 ===== See accompanying notes to financial statements. 8 THE GABELLI DIVIDEND & INCOME TRUST STATEMENT OF ASSETS AND LIABILITIES DECEMBER 31, 2007 ASSETS: Investments, at value (cost \$2,040,940,094) \$2,477,559,234 Investments in affiliates, at value (cost \$2,108,099) 1,880,960 Cash 538,829 Foreign currency, at value (cost \$53) 53 Receivable for investments sold 2,187,911 Dividends and interest receivable 3,021,035 Prepaid expense 67,801 ----- TOTAL ASSETS 2,485,255,823 ----- LIABILITIES: Payable for investments purchased 537,562 Distributions payable 421,166 Payable for investment advisory fees 6,703,965 Payable for payroll expenses 118,319 Payable for accounting fees 11,251 Unrealized depreciation on swap contracts 1,247,597 Other accrued expenses 385,135 ----- TOTAL LIABILITIES 9,424,995 ----- PREFERRED SHARES: Series A Cumulative Preferred Shares (5.875%, \$25 liquidation value, \$0.001 par value, 3,200,000 shares authorized with 3,200,000 shares issued and outstanding) 80,000,000 Series B Cumulative Preferred Shares (Auction Market, \$25,000 liquidation value, \$0.001 par value, 4,000 shares authorized with 4,000 shares issued and outstanding) 100,000,000 Series C Cumulative Preferred Shares (Auction Market, \$25,000 liquidation value, \$0.001 par value, 4,800 shares authorized with 4,800 shares issued and outstanding) 120,000,000 Series D Cumulative Preferred Shares (6.00%, \$25 liquidation value, \$0.001 par value, 2,600,000 shares authorized with 2,600,000 shares issued and outstanding) 65,000,000 Series E Cumulative Preferred Shares (Auction Rate, \$25,000 liquidation value, \$0.001 par value, 5,400 shares authorized with 5,400 shares issued and outstanding) 135,000,000 ----- TOTAL PREFERRED SHARES 500,000,000 ----- NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS \$1,975,830,828 ===== NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS CONSIST OF: Paid-in capital, at \$0.001 par value \$1,540,876,648 Accumulated net investment income 1,741,110 Accumulated distributions in excess of net realized gain on investments, written options, swap contracts, and foreign currency transactions (1,935,749) Net unrealized appreciation on investments 436,392,001 Net unrealized depreciation on swap contracts

Edgar Filing: GILAT SATELLITE NETWORKS LTD - Form 6-K

(1,247,597) Net unrealized appreciation on foreign currency translations 4,415 -----
NET ASSETS \$1,975,830,828 ===== NET ASSET VALUE PER
COMMON SHARE (\$1,975,830,828 / 83,829,070 shares outstanding; unlimited number of shares authorized)
..... \$ 23.57 ===== STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER
31, 2007 INVESTMENT INCOME: Dividends (net of foreign taxes of \$1,427,478) \$ 60,983,665 Interest
..... 11,397,454 ----- TOTAL INVESTMENT INCOME
72,381,119 ----- EXPENSES: Investment advisory fees 25,456,085 Auction agent fees
..... 900,666 Shareholder communications expenses 559,489 Custodian fees
..... 308,103 Payroll expenses 346,692 Trustees' fees
..... 172,531 Legal and audit fees 87,450 Accounting fees
..... 45,000 Shareholder services fees 38,548 Interest expense
..... 6,840 Miscellaneous expenses 309,466 ----- TOTAL
EXPENSES 28,230,870 Less: Custodian fee credits (136,994)
----- NET EXPENSES 28,093,876 ----- NET INVESTMENT INCOME
..... 44,287,243 ----- NET REALIZED AND UNREALIZED GAIN (LOSS) ON
INVESTMENTS, WRITTEN OPTIONS, SWAP CONTRACTS, AND FOREIGN CURRENCY: Net realized gain on
investments 107,494,194 Net realized gain on written options 384,353 Net realized
gain on swap contracts 3,457,594 Net realized loss on foreign currency transactions (132,244)
----- Net realized gain on investments, written options, swap contracts, and foreign currency transactions
111,203,897 ----- Net change in unrealized appreciation/depreciation: on investments
..... 8,311,512 on written options 220,307 on swap contracts
..... (4,402,906) on foreign currency translations 5,634 ----- Net change in
unrealized appreciation/depreciation on investments, written options, swap contracts, and foreign currency translations
..... 4,134,547 ----- NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS,
WRITTEN OPTIONS, SWAP CONTRACTS, AND FOREIGN CURRENCY 115,338,444
----- NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS 159,625,687 -----
Total Distributions to Preferred Shareholders (27,515,708) ----- NET INCREASE IN NET ASSETS
ATTRIBUTABLE TO COMMON SHAREHOLDERS RESULTING FROM OPERATIONS \$
132,109,979 ===== See accompanying notes to financial statements. 9 THE GABELLI DIVIDEND &
INCOME TRUST STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO COMMON
SHAREHOLDERS YEAR ENDED YEAR ENDED DECEMBER 31, 2007 DECEMBER 31, 2006 -----
----- OPERATIONS: Net investment income \$ 44,287,243 \$
72,921,975 Net realized gain on investments, written options, swap contracts, and foreign currency transactions
..... 111,203,897 93,722,202 Net change in unrealized appreciation/depreciation on
investments, written options, swap contracts, and foreign currency translations 4,134,547
243,496,939 ----- NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS
..... 159,625,687 410,141,116 ----- DISTRIBUTIONS TO PREFERRED
SHAREHOLDERS: Net investment income (8,447,993) (10,255,572) Net
realized short-term gain on investments, written options, swap contracts, and foreign currency transactions
..... (3,890,830) (4,091,893) Net realized long-term gains on investments, written
options, swap contracts, and foreign currency transactions (15,176,885) (11,704,448)
----- TOTAL DISTRIBUTIONS TO PREFERRED SHAREHOLDERS
(27,515,708) (26,051,913) ----- NET INCREASE IN NET ASSETS ATTRIBUTABLE TO
COMMON SHAREHOLDERS RESULTING FROM OPERATIONS
132,109,979 384,089,203 ----- DISTRIBUTIONS TO COMMON SHAREHOLDERS: Net
investment income (42,713,304) (50,995,124) Net realized short-term gain on
investments, written options, swap contracts, and foreign currency transactions
(19,699,634) (20,346,652) Net realized long-term gain on investments, written options, swap contracts, and foreign
currency transactions (76,860,455) (58,199,561) ----- TOTAL
DISTRIBUTIONS TO COMMON SHAREHOLDERS (139,273,393) (129,541,337)
----- FUND SHARE TRANSACTIONS: Net decrease from repurchase of common shares

.....	(3,091,222)	(6,491,041)	Recapture of gain on sale of Fund shares by an affiliate
.....	4,338	--	Offering costs for preferred shares charged to paid-in capital
-----			NET DECREASE IN NET ASSETS FROM FUND SHARE TRANSACTIONS
.....	(3,086,884)	(6,621,915)	----- NET INCREASE (DECREASE) IN NET
ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS	(10,250,298)	247,925,951	NET ASSETS
ATTRIBUTABLE TO COMMON SHAREHOLDERS: Beginning of period			
1,986,081,126	1,738,155,175	-----	End of period (including undistributed net investment income
of \$1,741,110 and \$12,027,863, respectively)			\$ 1,975,830,828
			\$ 1,986,081,126

===== See accompanying notes to financial statements. 10 THE GABELLI DIVIDEND & INCOME TRUST NOTES TO FINANCIAL STATEMENTS 1. ORGANIZATION. The Gabelli Dividend & Income Trust (the "Fund") is a non-diversified closed-end management investment company organized as a Delaware statutory trust on November 18, 2003 and registered under the Investment Company Act of 1940, as amended (the "1940 Act"). Investment operations commenced on November 28, 2003. The Fund's investment objective is to provide a high level of total return on its assets with an emphasis on dividends and income. The Fund will attempt to achieve its investment objective by investing, under normal market conditions, at least 80% of its assets in dividend paying securities (such as common and preferred stock) or other income producing securities (such as fixed income debt securities and securities that are convertible into equity securities). 2. SIGNIFICANT ACCOUNTING POLICIES. The preparation of financial statements in accordance with United States ("U.S.") generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. SECURITY VALUATION. Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Trustees (the "Board") so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the "Adviser"). Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of 60 days or less that are not credit impaired are valued at amortized cost, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities will be fair valued as determined by the Board. Debt instruments having a maturity greater than 60 days for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded. Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons to the valuation and changes in valuation of similar securities, including a comparison of foreign securities to the equivalent U.S. dollar value ADR securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security. In September 2006, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards ("SFAS") 157, Fair Value Measurements, which clarifies the definition of fair value and requires companies to expand their disclosure about the use of fair value to measure assets and liabilities in interim and annual periods subsequent to initial recognition. Adoption of SFAS 157 requires the use of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. At this time, management is in the

process of reviewing the requirements of SFAS 157 against its current valuation policies to determine future applicability.

REPURCHASE AGREEMENTS. The Fund may enter into repurchase agreements with primary government securities dealers recognized by the Federal Reserve Board, with member banks of the Federal Reserve System, or with other brokers or dealers that meet credit guidelines established by the Adviser and reviewed by the Board. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Fund's holding period. The Fund will always receive and maintain securities as collateral whose market value, including accrued interest, will be at least equal to 102% of the dollar amount invested by the Fund in each agreement. The Fund will make payment for such securities only upon physical delivery or upon evidence of book entry transfer of the collateral to the account of the custodian. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to maintain the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited. At December 31, 2007, there were no open repurchase agreements.

11 THE GABELLI DIVIDEND & INCOME TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) OPTIONS. The Fund may purchase or write call or put options on securities or indices. As a writer of put options, the Fund receives a premium at the outset and then bears the risk of unfavorable changes in the price of the financial instrument underlying the option. The Fund would incur a loss if the price of the underlying financial instrument decreases between the date the option is written and the date on which the option is terminated. The Fund would realize a gain, to the extent of the premium, if the price of the financial instrument increases between those dates. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether there has been a realized gain or loss. If a put option is exercised, the premium reduces the cost basis of the security. As a purchaser of put options, the Fund pays a premium for the right to sell to the seller of the put option the underlying security at a specified price. The seller of the put has the obligation to purchase the underlying security upon exercise at the exercise price. If the price of the underlying security declines, the Fund would realize a gain upon sale or exercise. If the price of the underlying security increases or stays the same, the Fund would realize a loss upon sale or at expiration date, but only to the extent of the premium paid. In the case of call options, these exercise prices are referred to as "in-the-money," "at-the-money," and "out-of-the-money," respectively. The Fund may write (a) in-the-money call options when the Adviser expects that the price of the underlying security will remain stable or decline during the option period, (b) covered at-the-money call options when the Adviser expects that the price of the underlying security will remain stable, decline or advance moderately during the option period, and (c) out-of-the-money call options when the Adviser expects that the premiums received from writing the call option will be greater than the appreciation in the price of the underlying security above the exercise price. By writing a call option, the Fund limits its opportunity to profit from any increase in the market value of the underlying security above the exercise price of the option. Out-of-the-money, at-the-money, and in-the-money put options (the reverse of call options as to the relation of exercise price to market price) may be utilized in the same market environments that such call options are used in equivalent transactions. At December 31, 2007, the Fund had no investments in options.

SWAP AGREEMENTS. The Fund may enter into equity swap and interest rate swap or cap transactions. The use of swaps and caps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio transactions. Swap agreements may involve, to varying degrees, elements of market and counterparty risk, and exposure to loss in excess of the related amounts reflected in the Statement of Assets and Liabilities. In an interest rate swap, the Fund would agree to pay to the other party to the interest rate swap (which is known as the "counterparty") periodically a fixed rate payment in exchange for the counterparty agreeing to pay to the Fund periodically a variable rate payment that is intended to approximate the Fund's variable rate payment obligation on Series B Preferred Shares. In an interest rate cap, the Fund would pay a premium to the counterparty and, to the extent that a specified variable rate index exceeds a predetermined fixed rate, would receive from that counterparty payments of the difference based on the notional amount of such cap. In an equity swap, a set of future cash flows are exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Swap and cap transactions introduce additional risk because the Fund would remain obligated to pay preferred share dividends when due in accordance with the Statement of Preferences even if

the counterparty defaulted. The Fund has entered into an interest rate swap agreement with Citibank N.A. Under the agreement the Fund receives a variable rate of interest and pays a respective fixed rate of interest on the nominal value of the swap. Details of the swap at December 31, 2007 are as follows: NOTIONAL VARIABLE RATE*

TERMINATION NET UNREALIZED AMOUNT FIXED RATE (RATE RESET MONTHLY) DATE
DEPRECIATION -----

----- \$100,000,000 4.01% 5.225% 06/02/10 \$(378,356) ----- * Based on one month LIBOR (London Interbank Offered Rate). The Fund has entered into equity swap agreements with Bear, Stearns International Limited. Details of the swaps at December 31, 2007 are as follows: NOTIONAL EQUITY SECURITY INTEREST RATE/
TERMINATION NET UNREALIZED AMOUNT RECEIVED EQUITY SECURITY PAID DATE

DEPRECIATION ----- Market Value
Overnight LIBOR plus 40 bps plus Appreciation on: Market Value Depreciation on: \$ 4,136,800 (320,000 Shares)
Cadbury Schweppes plc Cadbury Schweppes plc 02/15/08 \$(188,873) 24,623,128 (1,800,000 Shares) Imperial
Chemical Industries plc Imperial Chemical Industries plc 05/15/08 (680,368) ----- \$(869,241) =====

If there is a default by the counterparty to a swap contract, the Fund will be limited to contractual remedies pursuant to the agreements related to the transaction. There is no assurance that the swap contract counterparties will be able to meet their obligations pursuant to a swap contract or that, in the event of default, the Fund will succeed in pursuing contractual remedies. The Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to a swap contract. The creditworthiness of the swap contract counterparties is closely monitored in order to minimize this risk. Depending on the general state of short-term interest rates and the returns on the Fund's portfolio securities at that point in time, such a default could 12 THE GABELLI DIVIDEND & INCOME TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) negatively affect the Fund's ability to make dividend payments. In addition, at the time an equity swap or an interest rate swap or cap transaction reaches its scheduled termination date, there is a risk that the Fund will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction. If this occurs, it could have a negative impact on the Fund's ability to make dividend payments. The use of derivative instruments involves, to varying degrees, elements of market and counterparty 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 in the Statement of Assets and Liabilities. The change in value of swaps, including the accrual of periodic amounts of interest to be paid or received on swaps, is reported as unrealized gains or losses in the Statement of Operations. A realized gain or loss is recorded upon payment or receipt of a periodic payment or termination of swap agreements. FUTURES CONTRACTS. The Fund may engage in futures contracts for the purpose of hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase. Upon entering into a futures contract, the Fund is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the "initial margin." Subsequent payments ("variation margin") are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract, which are included in unrealized appreciation/depreciation on investments and futures contracts. The Fund recognizes a realized gain or loss when the contract is closed. There are several risks in connection with the use of futures contracts as a hedging instrument. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market. At December 31, 2007, there were no open futures contracts. SECURITIES SOLD SHORT. The Fund may enter into short sale transactions. Short selling involves selling securities that may or may not be owned and, at times, borrowing the same securities for delivery to the purchaser, with an obligation to replace such borrowed securities at a later date. The proceeds received from short sales are recorded as liabilities and the Fund records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of an open short position on the day of determination. The Fund records a realized gain or loss when the short position is closed out. By entering into a short sale, the Fund bears the market risk of an unfavorable change in the price of the security sold short. Dividends on short sales are recorded as an expense by the Fund on the ex-dividend date and interest expense is recorded on the accrual basis. At December 31, 2007, there were no open securities sold short. FORWARD FOREIGN EXCHANGE CONTRACTS. The Fund may engage in forward foreign exchange contracts for hedging a specific transaction with respect to either the currency in which the transaction is denominated or another currency as deemed appropriate by

the Adviser. Forward foreign exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is included in unrealized appreciation/depreciation on investments and foreign currency translations. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Fund's portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency increase. In addition, the Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. At December 31, 2007, there were no open forward foreign exchange contracts.

FOREIGN CURRENCY TRANSLATIONS. The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at the current exchange rates. Purchases and sales of investment securities, income, and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses that result from changes in foreign exchange rates and/or changes in market prices of securities have been included in unrealized appreciation/depreciation on investments and foreign currency translations. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions, and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

FOREIGN SECURITIES. The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the ability to repatriate funds, less complete financial information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. issuers.

13 THE GABELLI DIVIDEND & INCOME TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOREIGN TAXES. The Fund may be subject to foreign taxes on income, gains on investments, or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

RESTRICTED AND ILLIQUID SECURITIES. The Fund is not subject to an independent limitation on the amount it may invest in securities for which the markets are illiquid. Illiquid securities include securities the disposition of which is subject to substantial legal or contractual restrictions. The sale of illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity.

SECURITIES TRANSACTIONS AND INVESTMENT INCOME. Securities transactions are accounted for on the trade date with realized gain or loss on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on the accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method. Dividend income is recorded on the ex-dividend date except for certain dividends which are recorded as soon as the Fund is informed of the dividend.

CUSTODIAN FEE CREDITS AND INTEREST EXPENSE. When cash balances are maintained in the custody account, the Fund receives credits which are used to offset custodian fees. The gross expenses paid under the custody arrangement are included in custodian fees in the Statement of Operations with the corresponding expense offset, if any, shown as "custodian fee credits." When cash balances are overdrawn, the Fund is charged an overdraft fee of 2.00% above the federal funds rate on outstanding balances. This amount, if any, would be shown as "interest expense" in the Statement of Operations.

DISTRIBUTIONS TO SHAREHOLDERS. Distributions to common shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under U.S. generally accepted

accounting principles. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences for the fiscal year ended December 31, 2007 were primarily attributable to REITS, foreign currency transactions, investments in swaps, reclass of distributions and hybrids. These reclassifications have no impact on the NAV of the Fund. For the fiscal year ended December 31, 2007, reclassifications were made to decrease accumulated net investment income by \$3,412,699 and to decrease accumulated distributions in excess of net realized gain on investments, swap contracts, options, and foreign currency transactions by \$3,470,514, with an offsetting adjustment to paid-in capital. Distributions to shareholders of the Fund's 5.875% Series A Cumulative Preferred Shares, Series B Auction Market Cumulative Preferred Shares, Series C Auction Market Cumulative Preferred Shares, 6.00% Series D Cumulative Preferred Shares, and Series E Auction Rate Cumulative Preferred Shares ("Cumulative Preferred Shares") are recorded on a daily basis and are determined as described in Note 5. The tax character of distributions paid during the fiscal years ended December 31, 2007 and December 31, 2006 was as follows: YEAR ENDED YEAR ENDED DECEMBER 31, 2007 DECEMBER 31, 2006

	COMMON PREFERRED	COMMON PREFERRED
DISTRIBUTIONS PAID FROM: Ordinary income (inclusive of short-term capital gains)	\$ 62,419,734	\$ 12,332,027
Net long-term capital gains	\$ 71,341,776	\$ 14,347,465
Total distributions paid	\$ 139,273,393	\$ 27,515,708
	\$ 129,541,337	\$ 26,051,913

=====
 ===== PROVISION FOR INCOME TAXES. The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required. At December 31, 2007, the difference between book basis and tax basis unrealized appreciation was primarily due to deferral of losses from wash sales for tax purposes, basis adjustments on investments in partnerships, and basis adjustments due to income accruals on hybrid securities. 14 THE GABELLI DIVIDEND & INCOME TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) As of December 31, 2007, the components of accumulated earnings (losses) on a tax basis were as follows: Undistributed ordinary income

Undistributed ordinary income	\$ 38,659	Undistributed long-term capital gains	3,892,810	Net unrealized appreciation on investments, swap contracts, and foreign currency transactions	430,529,603	Post-October currency loss deferral	(99,471)	Other temporary differences*	592,579	Total	\$434,954,180
-------------------------------------	-----------	---	-----------	---	-------------	---	----------	------------------------------------	---------	-------------	---------------

=====
 ===== FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109" (the "Interpretation") established a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether the Fund is taxable in a particular jurisdiction) and required certain expanded tax disclosures. The Fund has adopted the Interpretation for all open tax years and it had no impact on the amounts reported in the financial statements. 3. AGREEMENTS AND TRANSACTIONS WITH AFFILIATES. The Fund has entered into an investment advisory agreement (the "Advisory Agreement") with the Adviser which provides that the Fund will pay the Adviser a fee, computed weekly and paid monthly, equal on an annual basis to 1.00% of the value of the Fund's average weekly net assets including the liquidation value of preferred shares. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio and oversees the administration of all aspects of the Fund's business and affairs. The Adviser has agreed to reduce the management fee on the incremental assets attributable to the Preferred

Shares if the total return of the NAV of the common shares of the Fund, including distributions and advisory fee subject to reduction, does not exceed the stated dividend rate or corresponding swap rate of each particular series of the Preferred Shares for the fiscal year. The Fund's total return on the NAV of the common shares is monitored on a monthly basis to assess whether the total return on the NAV of the common shares exceeds the stated dividend rate or corresponding swap rate of each particular series of Preferred Shares for the period. For the fiscal year ended December 31, 2007, the Fund's total return on the NAV of the common shares exceeded the stated dividend rate or corresponding swap rate of all outstanding preferred shares. Thus, management fees were accrued on these assets. During the fiscal year ended December 31, 2007, the Fund paid brokerage commissions on security trades of \$1,183,791 to Gabelli & Company, Inc. ("Gabelli & Company"), an affiliate of the Adviser. The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement between the Fund and the Adviser. During the fiscal year ended December 31, 2007, the Fund paid or accrued \$45,000 to the Adviser in connection with the cost of computing the Fund's NAV. As per the approval of the Board, the Fund compensates officers of the Fund, who are employed by the Fund and are not employed by the Adviser (although the officers may receive incentive based variable compensation from affiliates of the Adviser) and pays its allocated portion of the cost of the Fund's Chief Compliance Officer. For the fiscal year ended December 31, 2007, the Fund paid or accrued \$346,692, which is included in payroll expenses in the Statement of Operations. During the year ended December 31, 2007, the Fund recaptured a gain of \$4,338 on the sale of its shares by an affiliate of the Adviser. The Fund pays each Trustee who is not considered to be an affiliated person an annual retainer of \$12,000 plus \$1,500 for each Board meeting attended in person and \$500 per telephonic meeting, and they are reimbursed for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$1,000 per meeting attended. In addition, the Audit Committee Chairman receives an annual fee of \$3,000, the Proxy Voting Committee Chairman receives an annual fee of \$1,500, and the Nominating Committee Chairman receives an annual fee of \$2,000. Trustees who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund. 15 THE GABELLI DIVIDEND & INCOME TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) 4.

PORTFOLIO SECURITIES. Purchases and proceeds from the sales of securities for the fiscal year ended December 31, 2007, other than short-term and U.S Government securities, aggregated \$1,358,563,428 and \$790,935,110, respectively. Option contracts written by the Fund during the fiscal year ended December 31, 2007 were as follows:

NUMBER OF CONTRACTS	PREMIUMS	Options outstanding at December 31, 2006 ...	5,544	\$	1,898,621
Options written	364	76,346	Options expired	(2,075)	(384,353)
Options exercised	(3,833)	(1,590,614)	Options outstanding at December 31, 2007 ...	--	--

5. CAPITAL. The Fund is authorized to issue an unlimited number of common shares of beneficial interest (par value \$0.001). The Board has authorized the repurchase of its shares on the open market when the shares are trading at a discount of 7.5% or more (or such other percentage as the Board may determine from time to time) from the NAV of the shares. During the fiscal years ended December 31, 2007 and December 31, 2006, the Fund repurchased 144,100 and 340,235 shares of beneficial interest in the open market at a cost of \$3,091,222 and \$6,491,041 and an average discount of approximately 13.45% and 13.99%, respectively, from its NAV. All shares of beneficial interest repurchased have been retired. Transactions in shares of beneficial interest were as follows:

YEAR ENDED	YEAR ENDED	DECEMBER 31, 2007	DECEMBER 31, 2006
------------	------------	-------------------	-------------------

Shares	Amount	Shares	Amount	Net decrease from repurchase of common shares
.....	(144,100)	.....	\$(3,091,222)	(340,235) \$(6,491,041)

The Fund's Declaration of Trust, as amended, authorizes the issuance of an unlimited number of shares of \$0.001 par value Cumulative Preferred Shares. The Cumulative Preferred Shares is senior to the common shares and results in the financial leveraging of the common shares. Such leveraging tends to magnify both the risks and opportunities to common shareholders. Dividends on shares of the Cumulative Preferred Shares are cumulative. The Fund is required by the 1940 Act and by the Statements of Preferences to meet certain asset coverage tests with respect to the Cumulative Preferred Shares. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, the 5.875% Series A, Series B Auction Market, Series C Auction Market, 6.00% Series D, and Series E Auction Rate Cumulative Preferred Shares at redemption prices of \$25, \$25,000, \$25,000, \$25, and \$25,000, respectively, per share plus an amount equal to the accumulated and unpaid dividends whether or not declared on such shares in order to meet these requirements. Additionally, failure to meet the foregoing asset coverage requirements could restrict the Fund's ability to pay dividends to common shareholders and could lead to sales of portfolio securities at inopportune

times. The income received on the Fund's assets may vary in a manner unrelated to the fixed and variable rates, which could have either a beneficial or detrimental impact on net investment income and gains available to common shareholders. On October 12, 2004, the Fund received net proceeds of \$77,280,971 (after underwriting discounts of \$2,520,000 and offering expenses of \$199,029) from the public offering of 3,200,000 shares of 5.875% Series A Cumulative Preferred Shares. Commencing October 12, 2009 and thereafter, the Fund, at its option, may redeem the 5.875% Series A Cumulative Preferred Shares in whole or in part at the redemption price at any time. The Board has authorized the repurchase of Series A Cumulative Preferred Shares in the open market at prices less than the \$25 liquidation value per share. During the fiscal year ended December 31, 2007, the Fund did not repurchase any shares of 5.875% Series A Cumulative Preferred Shares. At December 31, 2007, 3,200,000 shares of 5.875% Series A Cumulative Preferred Shares were outstanding and accrued dividends amounted to \$78,333. On October 12, 2004, the Fund received net proceeds of \$217,488,958 (after underwriting discounts of \$2,200,000 and offering expenses of \$311,042) from the public offering of 4,000 shares of Series B and 4,800 shares of Series C Auction Market Cumulative Preferred Shares, respectively. The dividend rate, as set by the auction process, which is generally held every seven days, is expected to vary with short-term interest rates. If the number of Series B or Series C Auction Market Cumulative Preferred Shares subject to bid orders by potential holders is less than the number of Series B or Series C Auction Market Cumulative Preferred Shares subject to sell orders, then the auction is considered to be a failed auction, and the dividend rate will be the maximum rate. In that event, holders that have submitted sell orders may not be able to sell any or all of the Series B or Series C Auction Market Cumulative Preferred Shares for which they have submitted sell orders. The current maximum rate for both Series B and Series C Auction Market Cumulative Preferred Shares is 125% of the seven day Telerate/British Bankers Association LIBOR on the day of such auction. The dividend rates of Series B Auction Market Cumulative Preferred Shares ranged from 4.70% to 6.50% during the fiscal year ended December 31, 2007. The dividend rates of Series C Auction Market Cumulative Preferred Shares ranged from 4.70% to 6.30% during the fiscal year ended December 31, 2007. Existing shareholders may submit an order to hold, bid, or sell such shares on each auction date. Series B and C Auction Market Cumulative Preferred Shares shareholders may also trade shares in the secondary market. The Fund, at its option, may redeem the Series B and C Auction Market Cumulative Preferred Shares in whole or in part at the redemption price at any time. During the fiscal year ended December 31, 2007, the Fund did not redeem any shares of Series B and C Auction Market Cumulative Preferred Shares. At December 31, 2007, 4,000 and 4,800 shares of the Series B and C Auction 16 THE GABELLI DIVIDEND & INCOME TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) Market Cumulative Preferred Shares were outstanding with an annualized dividend rate of 5.30% and 6.00% per share and accrued dividends amounted to \$88,333 and \$80,000, respectively. On November 3, 2005, the Fund received net proceeds of \$62,617,239 (after underwriting discounts of \$2,047,500 and offering expenses of \$335,261) from the public offering of 2,600,000 shares of 6.00% Series D Cumulative Preferred Shares. Commencing November 3, 2010 and thereafter, the Fund, at its option, may redeem the 6.00% Series D Cumulative Preferred Shares in whole or in part at the redemption price at any time. The Board has authorized the repurchase of Series D Cumulative Preferred Shares in the open market at prices less than the \$25 liquidation value per share. During the fiscal year ended December 31, 2007, the Fund did not repurchase any shares of 6.00% Series D Cumulative Preferred Shares. At December 31, 2007, 2,600,000 shares of 6.00% Series D Cumulative Preferred Shares were outstanding and accrued dividends amounted to \$65,000. On November 3, 2005, the Fund received net proceeds of \$133,379,387 (after underwriting discounts of \$1,350,000 and offering expenses of \$270,613) from the public offering of 5,400 shares of Series E Auction Rate Cumulative Preferred Shares. The dividend rate, as set by the auction process, which is generally held every seven days, is expected to vary with short-term interest rates. If the number of Series E Auction Rate Cumulative Preferred Shares subject to bid orders by potential holders is less than the number of Series E Auction Rate Cumulative Preferred Shares subject to sell orders, then the auction is considered to be a failed auction, and the dividend rate will be the maximum rate. In that event, holders that have submitted sell orders may not be able to sell any or all of the Series E Auction Rate Cumulative Preferred Shares for which they have submitted sell orders. The current maximum rate is 150% of the seven day Telerate/British Bankers Association LIBOR on the day of such auction. The dividend rates of Series E Auction Rate Cumulative Preferred Shares ranged from 4.50% to 6.40% during the fiscal year ended December 31, 2007. Existing shareholders may submit an order to hold, bid, or sell such shares on each auction date. Series E Auction Rate Preferred Shares shareholders may also trade shares in the secondary market. The Fund, at its option, may redeem the Series E Auction Rate Preferred Shares in whole or in part

at the redemption price at any time. During the fiscal year ended December 31, 2007, the Fund did not redeem any shares of Series E Auction Rate Preferred Shares. At December 31, 2007, 5,400 shares of Series E Auction Rate Cumulative Preferred Shares were outstanding with an annualized dividend rate of 5.84% and accrued dividends amounted to \$109,500. The holders of Cumulative Preferred Shares generally are entitled to one vote per share held on each matter submitted to a vote of shareholders of the Fund and will vote together with holders of common shares as a single class. The holders of Cumulative Preferred Shares voting together as a single class also have the right currently to elect two Trustees and under certain circumstances are entitled to elect a majority of the Board of Trustees. In addition, the affirmative vote of a majority of the votes entitled to be cast by holders of all outstanding shares of the preferred stock, voting as a single class, will be required to approve any plan of reorganization adversely affecting the preferred stock, and the approval of two-thirds of each class, voting separately, of the Fund's outstanding voting stock must approve the conversion of the Fund from a closed-end to an open-end investment company. The approval of a majority (as defined in the 1940 Act) of the outstanding preferred stock and a majority (as defined in the 1940 Act) of the Fund's outstanding voting securities are required to approve certain other actions, including changes in the Fund's investment objectives or fundamental investment policies.

6. TRANSACTIONS IN SECURITIES OF AFFILIATED ISSUERS. The 1940 Act defines affiliated issuers as those in which the Fund's holdings of an issuer represent 5% or more of the outstanding voting securities of the issuer. A summary of the Fund's transactions in the securities of this issuer during the fiscal year ended December 31, 2007 is set forth below:

PERCENT NET CHANGE IN VALUE AT OWNED OF BEGINNING	ENDING UNREALIZED DECEMBER 31,	SHARES	SHARES
SHARES DEPRECIATION 2007	OUTSTANDING	-----	-----
293,900	\$(227,139)	\$1,880,960	14.55%

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

8. OTHER MATTERS. The Adviser and/or affiliates received subpoenas from the Attorney General of the State of New York and the SEC requesting information on mutual fund share trading practices involving certain funds managed by the Adviser. GAMCO Investors, Inc. ("GAMCO"), the Adviser's parent company, responded to these requests for documents and testimony. In June 2006, GAMCO began discussions with the SEC regarding a possible resolution of their inquiry. In February 2007, the Adviser made an offer of settlement to the staff of the SEC for communication to the Commission for its consideration to resolve this matter. This offer of settlement is subject to agreement regarding the specific language of the SEC's administrative order and other settlement documents. On a separate matter, in September 2005, the Adviser was informed by the staff of the SEC that the staff may recommend to the Commission that an administrative remedy and a monetary penalty be sought from the Adviser in connection with the actions of two of nine closed-end funds managed by the Adviser relating to Section 19(a) and Rule 19a-1 of the 1940 Act. These provisions require registered investment companies to provide written statements to shareholders when a dividend is made from a source other than net investment income. While the two closed-end funds sent annual statements and provided other materials containing this information, the funds did not send written statements to shareholders with each distribution in 2002 and 2003. The Adviser believes that all of the funds are now in compliance. The Adviser believes that these matters would have no effect on the Fund or any material adverse effect on the Adviser or its ability to manage the Fund. The staff's notice to the Adviser did not relate to the Fund.

17 THE GABELLI DIVIDEND & INCOME TRUST FINANCIAL HIGHLIGHTS SELECTED DATA FOR A SHARE OF BENEFICIAL INTEREST OUTSTANDING THROUGHOUT EACH PERIOD: YEAR ENDED DECEMBER 31, ----- PERIOD ENDED 2007 2006 2005 2004 DECEMBER 31, 2003 (f) -----

OPERATING PERFORMANCE: Net asset value, beginning of period	-----	-----	-----	-----	-----	-----	-----
\$ 23.65	\$ 20.62	\$ 20.12	\$ 19.26	\$ 19.06(g)	-----	-----	-----
-----	-----	-----	-----	-----	-----	-----	-----
Net investment income	0.53	0.87	0.55	0.40	--	Net realized and unrealized gain on investments, written options, swap contracts, securities sold short, and foreign currency transactions	1.37 4.00 1.33 1.80 0.20
-----	-----	-----	-----	-----	-----	-----	-----
Total from investment operations	1.90	4.87	1.88	2.20	0.20	-----	-----
-----	-----	-----	-----	-----	-----	-----	-----
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS: (a) Net investment income	(0.10)	(0.12)	(0.06)	(0.01)	--	Net realized gain on investments	(0.23) (0.19)
-----	-----	-----	-----	-----	-----	-----	-----
Total distributions to preferred shareholders	(0.10)	(0.01)	-----	-----	-----	-----	(0.33) (0.31)
-----	-----	-----	-----	-----	-----	-----	-----
NET INCREASE IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS RESULTING FROM OPERATIONS	1.57	4.56	1.72	2.18	--	-----	-----

Edgar Filing: GILAT SATELLITE NETWORKS LTD - Form 6-K

----- DISTRIBUTIONS TO COMMON SHAREHOLDERS: Net investment income									
.....	(0.51)	(0.61)	(0.48)	(0.39)	--	Net realized gain on investments	.....	(1.15)	(0.93)
(0.72)	(0.24)	--	Return of capital	.....	--	--	(0.57)	--	Total
distributions to common shareholders (1.66) (1.54) (1.20) (1.20) ----- FUND									
SHARE TRANSACTIONS: Decrease in net asset value from common share transactions --									
--	--	(0.05)	--	Increase in net asset value from repurchase of common shares	.....	0.01	0.01		
0.02	--	--	Offering costs for common shares charged to paid-in capital	.....	--	--	(0.01)	--	
Offering costs for preferred shares charged to paid-in capital -- (0.00)(e) (0.04) (0.06) --									
----- Total from fund share transactions 0.01 0.01 (0.02) (0.12) -----									
----- NET ASSET VALUE ATTRIBUTABLE TO COMMON SHAREHOLDERS, END OF									
PERIOD	.....	\$ 23.57	\$ 23.65	\$ 20.62	\$ 20.12	\$ 19.26	=====	=====	=====
=====	=====	NAV total return +		.....	7.75%	24.09%	9.47%	11.56%	1.0%*
=====	=====	Market value, end of period		.....	\$ 20.68	\$ 21.47	\$ 17.62	\$	
17.95	\$ 20.00	=====	=====	=====	=====	=====	=====	=====	Investment total return ++
4.14%	31.82%	4.85%	(4.15)%	0.0%**	=====	=====	=====	=====	See accompanying
notes to financial statements. 18 THE GABELLI DIVIDEND & INCOME TRUST FINANCIAL HIGHLIGHTS									
(CONTINUED) SELECTED DATA FOR A SHARE OF BENEFICIAL INTEREST OUTSTANDING									
THROUGHOUT EACH PERIOD: YEAR ENDED DECEMBER 31,									
----- PERIOD ENDED 2007 2006 2005 2004 DECEMBER 31, 2003 (f)									
----- RATIOS AND SUPPLEMENTAL DATA: Net assets									
including liquidation value of preferred shares, end of period (in 000's) \$ 2,475,831 \$ 2,486,081									
\$2,238,155	\$2,006,703	--	Net assets attributable to common shares, end of period (in 000's).....	\$ 1,975,831	\$				
1,986,081	\$1,738,155	\$1,706,703	\$ 1,451,650	Ratio of net investment income to average net assets attributable to					
common shares before preferred share distributions 2.17% 3.91% 2.75% 2.17% (0.04%)(h) Ratio of									
operating expenses to average net assets attributable to common shares net of advisory fee reduction, if any									
.....	1.38%(d)	1.41%(d)	1.33%(d)	1.12%	1.38%(h)	Ratio of operating expenses to average net assets			
including liquidation value of preferred shares net of advisory fee reduction, if any 1.11%(d) 1.11%(d)									
1.12%(d)	1.07%	--	Portfolio turnover rate	.....	33.8%	28.8%	25.6%	33.3%	0.4%
5.875% SERIES A									
CUMULATIVE PREFERRED SHARES Liquidation value, end of period (in 000's) \$ 80,000 \$									
80,000	\$ 80,000	\$ 80,000	--	Total shares outstanding (in 000's)	3,200	3,200	3,200	3,200	--
Liquidation preference per share \$ 25.00 \$ 25.00 \$ 25.00 \$ 25.00 -- Average market value (b) \$ 23.52 \$ 23.86									
\$ 24.82	\$ 24.68	--	Asset coverage per share	.....	\$ 123.79	\$ 124.30	\$ 111.91	\$ 167.23	--
AUCTION MARKET SERIES B CUMULATIVE PREFERRED SHARES Liquidation value, end of period (in 000's) \$									
100,000	\$ 100,000	\$ 100,000	\$ 100,000	--	Total shares outstanding (in 000's)	4	4	4	--
Liquidation preference per share \$ 25,000 \$ 25,000 \$ 25,000 \$ 25,000 -- Average market value (b) \$ 25,000 \$ 25,000 \$									
25,000	\$ 25,000	--	Asset coverage per share	.....	\$ 123,792	\$ 124,304	\$ 111,908	\$ 167,225	--
AUCTION MARKET SERIES C CUMULATIVE PREFERRED SHARES Liquidation value, end of period (in 000's)									
.....	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	--	Total shares outstanding (in 000's)	5	5	5
Liquidation preference per share \$ 25,000 \$ 25,000 \$ 25,000 \$ 25,000 -- Average market value (b)									
\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	--	Asset coverage per share	.....	\$ 123,792	\$ 124,304	\$ 111,908
\$ 167,225 -- 6.00% SERIES D CUMULATIVE PREFERRED SHARES Liquidation value, end of period (in 000's)									
.....	\$ 65,000	\$ 65,000	\$ 65,000	--	Total shares outstanding (in 000's)	2,600	2,600	2,600	--
Liquidation preference per share \$ 25.00 \$ 25.00 \$ 25.00 -- Average market value (b) \$ 24.41 \$									
24.37	\$ 24.72	--	Asset coverage per share	.....	\$ 123.79	\$ 124.30	\$ 111.91	--	--
AUCTION RATE SERIES E CUMULATIVE PREFERRED SHARES Liquidation value, end of period (in 000's) \$ 135,000 \$									
135,000	\$ 135,000	--	Total shares outstanding (in 000's)	5	5	5	--	--	Liquidation preference per share
..... \$ 25,000 \$ 25,000 \$ 25,000 -- Average market value (b) \$ 25,000 \$ 25,000 \$ 25,000 -- Asset coverage									
per share \$ 123,792 \$ 124,304 \$ 111,908 -- ASSET COVERAGE (c) 495% 497%									
448% 669% -- ----- + Based on net asset value per share, adjusted for reinvestment of distributions at prices									
obtained under the Fund's dividend reinvestment plan. Total return for periods of less than one year are not									
annualized. ++ Based on market value per share, adjusted for reinvestment of distributions at prices obtained under the									

Fund's dividend reinvestment plan. Total return for periods of less than one year are not annualized. * 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. (a) Calculated based upon average common shares outstanding on the record dates throughout the year. (b) Based on weekly prices. (c) Asset coverage is calculated by combining all series of preferred shares. (d) The ratios do not include a reduction of expenses for custodian fee credits on cash balances maintained with the custodian. Including such custodian fee credits for the fiscal year ended December 31, 2007, the ratios of operating expenses to average net assets attributable to common shares net of fee reduction would have been 1.37% and the ratios of operating expenses to average net assets including liquidation value of preferred shares net of fee reduction would have been 1.10%. Custodian fee credits for the fiscal years ended December 31, 2006 and 2005 were minimal. (e) Amount represents less than \$0.005 per share. (f) The Gabelli Dividend & Income Trust commenced investment operations on November 28, 2003. (g) The beginning NAV includes a \$0.04 reduction for costs associated with the initial public offering. (h) Annualized. See accompanying notes to financial statements.

19 THE GABELLI DIVIDEND & INCOME TRUST REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM To the Board of Trustees and Shareholders of The Gabelli Dividend & Income Trust: In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of The Gabelli Dividend & Income Trust (hereafter referred to as the "Trust") at December 31, 2007, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2007 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion. PricewaterhouseCoopers LLP New York, New York February 29, 2008

20 THE GABELLI DIVIDEND & INCOME TRUST ADDITIONAL FUND INFORMATION (UNAUDITED) The business and affairs of the Fund are managed under the direction of the Fund's Board of Trustees. Information pertaining to the Trustees and officers of the Fund is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Trustees and is available, without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The Gabelli Dividend & Income Trust at One Corporate Center, Rye, NY 10580-1422. NUMBER OF TERM OF FUNDS IN FUND NAME, POSITION(S) OFFICE AND COMPLEX ADDRESS(1) LENGTH OF OVERSEEN BY PRINCIPAL OCCUPATION(S) OTHER DIRECTORSHIPS AND AGE TIME SERVED(2) TRUSTEE DURING PAST FIVE YEARS HELD BY TRUSTEE(4) -----

----- INTERESTED TRUSTEES(3): MARIO J. GABELLI Since 2003*** 26 Chairman and Chief Executive Officer Director of Morgan Group Trustee and of GAMCO Investors, Inc. and Chief Holdings, Inc. (holding Chief Investment Officer Investment Officer - Value Portfolios company); Chairman of the Age: 65 of Gabelli Funds, LLC and GAMCO Asset Board of LICT Corp. Management Inc.; Director/Trustee or (multimedia and Chief Investment Officer of other communication services registered investment companies company) in the Gabelli/GAMCO Funds complex; Chairman and Chief Executive Officer of GGCP, Inc. SALVATORE M. SALIBELLO Since 2003** 3 Certified Public Accountant and -- Trustee Managing Partner of the public Age: 62 accounting firm Salibello & Broder LLP since 1978 EDWARD T. TOKAR Since 2003** 2 Senior Managing Director of Beacon Trustee, LEVCO Series Trust; Trustee Trust Company (trust services) Director of DB Hedge Strategies Age: 60 since 2004; Chief Executive Officer Fund LLC; Director of the of Allied Capital Management LLC Topiary Benefit Plan Investor (1977-2004); Vice President of Fund LLC (financial services) Honeywell International Inc. (1977-2004) INDEPENDENT TRUSTEES(5): ANTHONY J. COLAVITA Since 2003* 35 Partner in the law firm of -- Trustee Anthony J. Colavita, P.C. Age: 72 JAMES P. CONN Since 2003** 16 Former Managing Director and

Edgar Filing: GILAT SATELLITE NETWORKS LTD - Form 6-K

Chief -- Trustee Investment Officer of Financial Age: 69 Security Assurance Holdings Ltd. (insurance holding company) (1992-1998) MARIO D'URSO Since 2003*** 4 Chairman of Mittel Capital Markets -- Trustee S.p.A. since 2001; Senator in the Age: 67 Italian Parliament (1996-2001) FRANK J. FAHRENKOPF, JR. Since 2003* 5 President and Chief Executive Officer -- Trustee of the American Gaming Association; Age: 68 Co-Chairman of the Commission on Presidential Debates; Former Chairman of the Republican National Committee (1983-1989) MICHAEL J. MELARKEY Since 2003*** 4 Partner in the law firm of Avansino, Director of Southwest Gas Trustee Melarkey, Knobel & Mulligan Corporation (natural gas Age: 58 utility) ANTHONIE C. VAN EKRIS Since 2003* 19 Chairman of BALMAC International, -- Trustee Inc. (commodities and futures Age: 73 trading) SALVATORE J. ZIZZA Since 2003* 26 Chairman of Zizza & Co., Ltd. Director of Hollis-Eden Trustee (consulting) Pharmaceuticals (biotechnology) Age: 62 and Earl Scheib, Inc. (automotive services) 21 THE GABELLI DIVIDEND & INCOME TRUST ADDITIONAL FUND INFORMATION (CONTINUED) (UNAUDITED) TERM OF OFFICE AND NAME, POSITION(S) LENGTH OF ADDRESS(1) TIME PRINCIPAL OCCUPATION(S) AND AGE SERVED(2) DURING PAST FIVE YEARS -----

----- OFFICERS: BRUCE N. ALPERT Since 2003 Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since President 1988 and an officer of most of the registered investment companies in the Gabelli/GAMCO Age: 56 Funds complex. Director and President of Gabelli Advisers, Inc. since 1998 CARTER W. AUSTIN Since 2003 Vice President of The Gabelli Equity Trust since 2000, The Gabelli Global Gold, Vice President Natural Resources & Income Trust since 2005, The Gabelli Global Deal Fund since 2006, and Age: 41 The Gabelli Healthcare & Wellness(Rx) Trust since 2007; Vice President of Gabelli Funds, LLC since 1996 PETER D. GOLDSTEIN Since 2004 Director of Regulatory Affairs at GAMCO Investors, Inc. since 2004; Chief Compliance Chief Compliance Officer Officer of all of the registered investment companies in the Gabelli/GAMCO Funds Age: 54 complex; Vice President of Goldman Sachs Asset Management from 2000 through 2004 JAMES E. MCKEE Since 2003 Vice President, General Counsel, and Secretary of GAMCO Investors, Inc. (since 1999) Secretary and GAMCO Asset Management Inc. (since 1993); Secretary of all of the registered Age: 44 investment companies in the Gabelli/GAMCO Funds complex AGNES MULLADY Since 2006 Vice President of Gabelli Funds, LLC since 2007; Officer of all of the registered Treasurer investment companies in the Gabelli/GAMCO Funds complex; Senior Vice President of U.S. Age: 49 Trust Company, N.A. and Treasurer and Chief Financial Officer of Excelsior Funds from 2004 through 2005; Chief Financial Officer of AMIC Distribution Partners from 2002 through 2004; Controller of Reserve Management Corporation and Reserve Partners, Inc. and Treasurer of Reserve Funds from 2000 through 2002 ----- (1) Address: One Corporate Center, Rye, NY 10580-1422, unless otherwise noted. (2) The Fund's Board of Trustees is divided into three classes, each class having a term of three years. Each year the term of office of one class expires and the successor or successors elected to such class serve for a three year term. The three year term for each class expires as follows: * - Term expires at the Fund's 2008 Annual Meeting of Shareholders or until their successors are duly elected and qualified. ** - Term expires at the Fund's 2009 Annual Meeting of Shareholders or until their successors are duly elected and qualified. *** - Term expires at the Fund's 2010 Annual Meeting of Shareholders or until their successors are duly elected and qualified. Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified. (3) "Interested person" of the Fund, as defined in the 1940 Act. Mr. Gabelli is an "interested person" of the Fund as a result of his employment as an officer of the Adviser. Mr. Gabelli is also a registered representative of an affiliated broker-dealer. Mr. Tokar is an "interested person" as a result of his son's employment by an affiliate of the Adviser. Mr. Salibello may be considered an "interested person" of the Fund as a result of being a partner in an accounting firm that provides professional services to affiliates of the Adviser. (4) This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended (i.e. public companies) or other investment companies registered under the 1940 Act. (5) Trustees who are not interested persons are considered "Independent" Trustees. CERTIFICATIONS The Fund's Chief Executive Officer has certified to the New York Stock Exchange ("NYSE") that, as of June 13, 2007, he was not aware of any violation by the Fund of applicable NYSE corporate governance listing standards. The Fund reports to the SEC on Form N-CSR which contains certifications by the Fund's principal executive officer and principal financial officer that relate to the Fund's disclosure in such reports and that are required by Rule 30a-2(a) under the 1940 Act. 22 THE GABELLI DIVIDEND & INCOME TRUST INCOME TAX INFORMATION (UNAUDITED) DECEMBER 31, 2007 CASH DIVIDENDS AND DISTRIBUTIONS TOTAL AMOUNT ORDINARY

LONG-TERM DIVIDEND PAYABLE RECORD PAID INVESTMENT CAPITAL REINVESTMENT DATE
 DATE PER SHARE (a) INCOME (a) GAINS (a) PRICE -----
 COMMON SHARES 01/25/07 01/17/07 \$0.10000 \$0.08890 \$0.01110 \$21.0284 02/22/07 02/13/07 0.10000 0.05450
 0.04550 21.7244 03/26/07 03/16/07 0.11000 0.04530 0.06470 21.4510 04/24/07 04/16/07 0.10000 0.04110 0.05890
 22.2116 05/24/07 05/16/07 0.10000 0.04110 0.05890 22.5069 06/25/07 06/15/07 0.11000 0.04530 0.06470 22.1204
 07/25/07 07/17/07 0.10000 0.04110 0.05890 21.4287 08/27/07 08/17/07 0.10000 0.04110 0.05890 20.7886 09/24/07
 09/14/07 0.11000 0.04530 0.06470 21.5805 10/25/07 10/17/07 0.10000 0.04110 0.05890 21.7684 11/26/07 11/15/07
 0.10000 0.04110 0.05890 20.3747 12/17/07 12/12/07 0.53000 0.21800 0.31200 20.3636 -----
 \$1.66000 \$0.74390 \$0.91610 5.875% SERIES A PREFERRED SHARES 03/26/07 03/19/07 \$0.36719 \$0.20516
 \$0.16203 06/26/07 06/19/07 0.36719 0.15106 0.21612 09/26/07 09/19/07 0.36719 0.15106 0.21612 12/26/07
 12/18/07 0.36719 0.15106 0.21612 ----- \$1.46875 \$0.65835 \$0.81040 6.00% SERIES D
 PREFERRED SHARES 03/26/07 03/19/07 \$0.37500 \$0.20950 \$0.16550 06/26/07 06/19/07 0.37500 0.15430 0.22070
 09/26/07 09/19/07 0.37500 0.15430 0.22070 12/26/07 12/18/07 0.37500 0.15430 0.22070 -----
 \$1.50000 \$0.67240 \$0.82760 SERIES B AND C AUCTION MARKET AND SERIES E AUCTION RATE
 PREFERRED SHARES The Series B Auction Market Preferred Shares, Series C Auction Market Preferred Shares,
 and Series E Auction Rate Preferred Shares pay dividends weekly based on a rate set at auction, usually held every
 seven days. The percentage of 2007 distributions derived from long-term capital gains for the Series B Auction
 Market Preferred Shares, Series C Auction Market Preferred Shares, and Series E Auction Rate Preferred Shares was
 55.16%, 55.14%, and 55.15%, respectively. A Form 1099-DIV has been mailed to all shareholders of record for the
 distributions mentioned above, setting forth specific amounts to be included in the 2007 tax returns. Ordinary income
 distributions include net investment income and realized net short-term capital gains. Ordinary income is reported in
 box 1a of Form 1099-DIV. Capital gain distributions are reported in box 2 of Form 1099-DIV. The long-term gain
 distribution for the fiscal year ended December 31, 2007 is \$92,632,038, or the maximum allowable. 23 THE
 GABELLI DIVIDEND & INCOME TRUST INCOME TAX INFORMATION (CONTINUED) (UNAUDITED)
 DECEMBER 31, 2007 CORPORATE DIVIDENDS RECEIVED DEDUCTION, QUALIFIED DIVIDEND
 INCOME, AND U.S. GOVERNMENT SECURITIES INCOME The Fund paid to common, 5.875% Series A, and
 6.00% Series D preferred shareholders ordinary income dividends of \$0.7439, \$0.6583, and \$0.6724 per share,
 respectively, in 2007. The Fund paid weekly distributions to Series B, C, and E preferred shareholders at varying rates
 throughout the year, including ordinary income dividends totaling \$604.6950, \$598.6147, and \$595.2829 per share,
 respectively, in 2007. For the year ended December 31, 2007, 75.99% of the ordinary dividend qualified for the
 dividends received deduction available to corporations, and 93.51% of the ordinary income distribution was qualified
 dividend income. The percentage of ordinary income dividends paid by the Fund during 2007 derived from U.S.
 Treasury Securities was 0.44%. Such income is exempt from state and local tax in all states. However, many states,
 including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund
 has invested at least 50% of its assets at the end of each quarter of the Fund's fiscal year in U.S. Government
 Securities. The Fund did not meet this strict requirement in 2007. The percentage of net assets of U.S. Treasury
 Securities held as of December 31, 2007 was 6.90%. HISTORICAL DISTRIBUTION SUMMARY SHORT-TERM
 LONG-TERM ADJUSTMENT INVESTMENT CAPITAL CAPITAL RETURN OF TOTAL TO INCOME (b)
 GAINS (b) GAINS CAPITAL (c) DISTRIBUTIONS (a) COST BASIS (d) -----
 ----- COMMON SHARES 2007 \$ 0.50910 \$ 0.23480 \$ 0.91610 -- \$ 1.66000 --
 2006 0.60798 0.24082 0.69120 -- 1.54000 -- 2005 0.45996 0.08568 0.65436 -- 1.20000 --
 2004 0.40005 0.10023 0.13893 \$0.56079 1.20000 \$0.56079 5.875% PREFERRED SHARES 2007
 \$ 0.45059 \$ 0.20776 \$ 0.81040 -- \$ 1.46875 -- 2006 0.57983 0.22967 0.65925 -- 1.46875 --
 2005 0.56290 0.10493 0.80092 -- 1.46875 -- 2004 0.19150 0.04798 0.06651 -- 0.30599 --
 6.00% PREFERRED SHARES 2007 \$ 0.46020 \$ 0.21220 \$ 0.82760 -- \$ 1.50000 -- 2006
 0.59215 0.23457 0.67328 -- 1.50000 -- 2005 0.08620 0.01610 0.12270 -- 0.22500 -- AUCTION
 MARKET/RATE PREFERRED SHARES 2007 Class B Shares ... \$414.02782 \$190.66719 \$743.74499 --
 \$1,348.44000 -- 2007 Class C Shares ... 409.97064 188.64406 735.87530 -- 1,334.49000 -- 2007 Class E Shares ...
 407.63287 187.65002 731.97711 -- 1,327.26000 -- 2006 Class B Shares ... 484.90820 192.07260 551.32920 --
 1228.31000 -- 2006 Class C Shares ... 484.32800 191.84250 550.66950 -- 1226.84000 -- 2006 Class E Shares ...
 483.94880 191.69260 550.23860 -- 1225.88000 -- 2005 Class B Shares ... 320.22640 59.69220 455.63150 --

835.55000 -- 2005 Class C Shares ... 324.19300 60.43160 461.27540 -- 845.90000 -- 2005 Class E Shares ... 67.54440
 12.59070 96.10490 -- 176.24000 -- 2004 Class B Shares ... 68.71140 17.21520 23.86340 -- 109.80000 -- 2004 Class C
 Shares ... 70.77030 17.73100 24.57840 -- 113.10000 -- ----- (a) Total amounts may differ due to rounding. (b)
 Taxable as ordinary income for Federal tax purposes. (c) Non-taxable. (d) Decrease in cost basis. 24 THE GABELLI
 DIVIDEND & INCOME TRUST ANNUAL APPROVAL OF CONTINUANCE OF INVESTMENT ADVISORY
 AGREEMENT (UNAUDITED) During the six months ended December 31, 2007, the Board of Trustees of the Trust
 approved the continuation of the investment advisory agreement with the Adviser for the Trust on the basis of the
 recommendation by the trustees (the "Independent Board Members") who are not "interested persons" of the Trust.
 The following paragraphs summarize the material information and factors considered by the Independent Board
 Members as well as their conclusions relative to such factors. NATURE, EXTENT, AND QUALITY OF SERVICES.
 The Independent Board Members considered information regarding the portfolio managers, the depth of the analyst
 pool available to the Adviser and the portfolio managers, the scope of administrative, shareholder, and other services
 supervised or provided by the Adviser, and the absence of significant service problems reported to the Board. The
 Independent Board Members noted the experience, length of service, and reputation of the portfolio managers. THE
 PERFORMANCE OF THE FUND AND OF THE ADVISER. The Independent Board Members reviewed the
 performance of the Fund since inception against a peer group of all leveraged closed-end value funds prepared by
 Lipper. The Board Members noted the Fund's excellent performance for the one year period, two year period, and
 since inception relative to the Fund's initial goal of earning at least 9%. The Board Members also noted that the
 performance was slightly below average in comparison to the Lipper universe. THE COST OF THE ADVISORY
 SERVICES AND THE PROFITS TO THE ADVISER AND ITS AFFILIATES FROM THE RELATIONSHIP WITH
 THE FUND. The Independent Board Members reviewed summary data regarding the profitability of the Fund to the
 Adviser. THE EXTENT TO WHICH ECONOMIES OF SCALE WILL BE REALIZED AS THE FUND GROWS
 AND WHETHER FEE LEVELS REFLECT THOSE ECONOMIES OF SCALE. The Independent Board Members
 noted that the Fund was a closed-end fund trading at a discount to net asset value and accordingly unlikely to achieve
 growth of the type that might lead to economies of scale that the shareholders would not participate in. The
 Independent Board Members noted that the investment management fee schedule for the Fund does not take into
 account any potential economies of scale that may develop. OTHER FACTORS. The Independent Board Members
 compared the expense ratios of the investment management fee, other expenses, and total expenses of the Fund to
 similar expense ratios of the Lipper peer group of leveraged closed-end value funds and noted that the Adviser's
 management fee includes substantially all administrative services of the Fund as well as investment advisory services.
 The Board noted that the Fund was larger than average within the peer group and that its expense ratios were also
 slightly above average. The Board Members also noted that the management fee structure was the same as that in
 effect for most of the Gabelli funds. The Board Members were presented with, but did not attach significance to,
 information comparing the management fee to the fee for other types of accounts managed by an affiliate of the
 Adviser. CONCLUSIONS. The Independent Board Members concluded that the Fund enjoyed highly experienced
 portfolio management services, good ancillary services, and a favorable performance record. The Independent Board
 Members also concluded that the Fund's expense ratios and the profitability to the Adviser of managing the Fund were
 reasonable, and that economies of scale were not a significant factor in their thinking. The Board Members did not
 view the potential profitability of ancillary services as material to their decision. On the basis of the foregoing and
 without assigning particular weight to any single conclusion, the Independent Board Members determined to
 recommend continuation of the Advisory Agreement to the full Board of Board Members. 25 AUTOMATIC
 DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS ENROLLMENT IN THE PLAN
 It is the policy of The Gabelli Dividend & Income Trust (the "Fund") to automatically reinvest dividends payable to
 common shareholders. As a "registered" shareholder you automatically become a participant in the Fund's Automatic
 Dividend Reinvestment Plan (the "Plan"). The Plan authorizes the Fund to credit common shares to participants upon
 an income dividend or a capital gains distribution regardless of whether the shares are trading at a discount or a
 premium to net asset value. All distributions to shareholders whose shares are registered in their own names will be
 automatically reinvested pursuant to the Plan in additional shares of the Fund. Plan participants may send their
 common shares certificates to Computershare Trust Company, N.A. ("Computershare") to be held in their dividend
 reinvestment account. Registered shareholders wishing to receive their distributions in cash must submit this request
 in writing to: The Gabelli Dividend & Income Trust c/o Computershare P.O. Box 43010 Providence, RI 02940-3010

Shareholders requesting this cash election must include the shareholder's name and address as they appear on the share certificate. Shareholders with additional questions regarding the Plan or requesting a copy of the terms of the Plan may contact Computershare at (800) 336-6983. If your shares are held in the name of a broker, bank, or nominee, you should contact such institution. If such institution is not participating in the Plan, your account will be credited with a cash dividend. In order to participate in the Plan through such institution, it may be necessary for you to have your shares taken out of "street name" and re-registered in your own name. Once registered in your own name your distributions will be automatically reinvested. Certain brokers participate in the Plan. Shareholders holding shares in "street name" at participating institutions will have dividends automatically reinvested. Shareholders wishing a cash dividend at such institution must contact their broker to make this change. The number of shares of common shares distributed to participants in the Plan in lieu of cash dividends is determined in the following manner. Under the Plan, whenever the market price of the Fund's common shares is equal to or exceeds net asset value at the time shares are valued for purposes of determining the number of shares equivalent to the cash dividends or capital gains distribution, participants are issued shares of common shares valued at the greater of (i) the net asset value as most recently determined or (ii) 95% of the then current market price of the Fund's common shares. The valuation date is the dividend or distribution payment date or, if that date is not a New York Stock Exchange ("NYSE") trading day, the next trading day. If the net asset value of the common shares at the time of valuation exceeds the market price of the common shares, participants will receive shares from the Fund valued at market price. If the Fund should declare a dividend or capital gains distribution payable only in cash, Computershare will buy shares of common shares in the open market, or on the NYSE or elsewhere, for the participants' accounts, except that Computershare will endeavor to terminate purchases in the open market and cause the Fund to issue shares at net asset value if, following the commencement of such purchases, the market value of the common shares exceeds the then current net asset value. The automatic reinvestment of dividends and capital gains distributions will not relieve participants of any income tax which may be payable on such distributions. A participant in the Plan will be treated for federal income tax purposes as having received, on a dividend payment date, a dividend or distribution in an amount equal to the cash the participant could have received instead of shares.

VOLUNTARY CASH PURCHASE PLAN The Voluntary Cash Purchase Plan is yet another vehicle for our shareholders to increase their investment in the Fund. In order to participate in the Voluntary Cash Purchase Plan, shareholders must have their shares registered in their own name. Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to Computershare for investments in the Fund's common shares at the then current market price. Shareholders may send an amount from \$250 to \$10,000. Computershare will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. Computershare will charge each shareholder who participates \$0.75, plus a pro rata share of the brokerage commissions. Brokerage charges for such purchases are expected to be less than the usual brokerage charge for such transactions. It is suggested that any voluntary cash payments be sent to Computershare, P.O. Box 43010, Providence, RI 02940-3010 such that Computershare receives such payments approximately 10 days before the 1st and 15th of the month. Funds not received at least five days before the investment date shall be held for investment until the next purchase date. A payment may be withdrawn without charge if notice is received by Computershare at least 48 hours before such payment is to be invested.

SHAREHOLDERS WISHING TO LIQUIDATE SHARES HELD AT COMPUTERSHARE must do so in writing or by telephone. Please submit your request to the above mentioned address or telephone number. Include in your request your name, address, and account number. The cost to liquidate shares is \$2.50 per transaction as well as the brokerage commission incurred. Brokerage charges are expected to be less than the usual brokerage charge for such transactions. For more information regarding the Automatic Dividend Reinvestment Plan and Voluntary Cash Purchase Plan, brochures are available by calling (914) 921-5070 or by writing directly to the Fund. The Fund reserves the right to amend or terminate the Plan as applied to any voluntary cash payments made and any dividend or distribution paid subsequent to written notice of the change sent to the members of the Plan at least 90 days before the record date for such dividend or distribution. The Plan also may be amended or terminated by Computershare on at least 90 days written notice to participants in the Plan.

----- The Annual Meeting of The Gabelli Dividend & Income Trust's shareholders will be held on Monday, May 19, 2008 at the Greenwich Library in Greenwich, Connecticut.

----- 26 TRUSTEES AND OFFICERS THE GABELLI DIVIDEND & INCOME TRUST ONE CORPORATE CENTER, RYE, NY 10580-1422 TRUSTEES OFFICERS Mario J. Gabelli, CFA Bruce N. Alpert CHAIRMAN & CHIEF EXECUTIVE OFFICER, PRESIDENT GAMCO INVESTORS, INC.

Carter W. Austin Anthony J. Colavita VICE PRESIDENT ATTORNEY-AT-LAW, ANTHONY J. COLAVITA, P.C. Peter D. Goldstein CHIEF COMPLIANCE OFFICER James P. Conn FORMER MANAGING DIRECTOR & James E. McKee CHIEF INVESTMENT OFFICER, SECRETARY FINANCIAL SECURITY ASSURANCE HOLDINGS LTD. Agnes Mullady Mario d'Urso TREASURER CHAIRMAN, MITTEL CAPITAL MARKETS SPA INVESTMENT ADVISER Frank J. Fahrenkopf, Jr. Gabelli Funds, LLC PRESIDENT & CHIEF EXECUTIVE OFFICER, One Corporate Center AMERICAN GAMING ASSOCIATION Rye, New York 10580-1422 Michael J. Melarkey CUSTODIAN ATTORNEY-AT-LAW, State Street Bank and Trust Company AVANSINO, MELARKEY, KNOBEL & MULLIGAN COUNSEL Salvatore M. Salibello Skadden, Arps, Slate, Meagher & Flom LLP CERTIFIED PUBLIC ACCOUNTANT, SALIBELLO & BRODER, LLP TRANSFER AGENT AND REGISTRAR Computershare Trust Company, N.A. Edward T. Tokar SENIOR MANAGING DIRECTOR, STOCK EXCHANGE LISTING BEACON TRUST COMPANY 5.875% 6.00% Common Preferred Preferred Anthonie C. van Ekris
----- CHAIRMAN, BALMAC INTERNATIONAL, INC. NYSE-Symbol: GDV GDV PrA GDV PrD Shares Outstanding: 83,829,070 3,200,000 2,600,000 Salvatore J. Zizza CHAIRMAN, ZIZZA & CO., LTD. The Net Asset Value per share appears in the Publicly Traded Funds column, under the heading "General Equity Funds," in Monday's The Wall Street Journal. It is also listed in Barron's Mutual Funds/Closed End Funds section under the heading "General Equity Funds." The Net Asset Value per share may be obtained each day by calling (914) 921-5070 or visiting www.gabelli.com. ----- For general information about the Gabelli Funds, call 800-GABELLI (800-422-3554), fax us at 914-921-5118, visit Gabelli Funds' Internet homepage at: WWW.GABELLI.COM, or e-mail us at: closedend@gabelli.com

----- Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may, from time to time, purchase its common shares in the open market when the Fund's shares are trading at a discount of 7.5% or more from the net asset value of the shares. The Fund may also, from time to time, purchase its Cumulative Preferred Shares in the open market when the shares are trading at a discount to liquidation value.

----- THE GABELLI DIVIDEND & INCOME TRUST ONE CORPORATE CENTER, RYE, NY 10580-1422 PHONE: 800-GABELLI (800-422-3554) FAX: 914-921-5118 INTERNET: WWW.GABELLI.COM E-MAIL: CLOSEDEND@GABELLI.COM GDV Q4/2007

----- ITEM 2. CODE OF ETHICS. (a) The registrant, as of the end of the period covered by this report, has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party. (c) There have been no amendments, during the period covered by this report, to a provision of the code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party, and that relates to any element of the code of ethics description. (d) The registrant has not granted any waivers, including an implicit waiver, from a provision of the code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party, that relates to one or more of the items set forth in paragraph (b) of this item's instructions. ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT. As of the end of the period covered by the report, the registrant's Board of Trustees has determined that Salvatore J. Zizza is qualified to serve as an audit committee financial expert serving on its audit committee and that he is "independent," as defined by Item 3 of Form N-CSR. ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES. AUDIT FEES (a) The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years are \$50,700 in 2006 and \$53,250 in 2007. AUDIT-RELATED FEES (b) The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the registrant's financial statements and are not reported under paragraph (a) of this Item are \$13,800 in 2006 and \$6,300 in 2007. Audit-related fees represent services provided in the preparation of

Preferred Shares Reports. TAX FEES (c) The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning are \$3,100 in 2006 and \$4,350 in 2007. Tax fees represent tax compliance services provided in connection with the review of the Registrant's tax returns. ALL OTHER FEES (d) The aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported in paragraphs (a) through (c) of this Item are \$0 in 2006 and \$0 in 2007. (e)(1) Disclose the audit committee's pre-approval policies and procedures described in paragraph (c)(7) of Rule 2-01 of Regulation S-X. Pre-Approval Policies and Procedures. The Audit Committee ("Committee") of the registrant is responsible for pre-approving (i) all audit and permissible non-audit services to be provided by the independent registered public accounting firm to the registrant and (ii) all permissible non-audit services to be provided by the independent registered public accounting firm to the Adviser, Gabelli Funds, LLC, and any affiliate of Gabelli Funds, LLC ("Gabelli") that provides services to the registrant (a "Covered Services Provider") if the independent registered public accounting firm's engagement related directly to the operations and financial reporting of the registrant. The Committee may delegate its responsibility to pre-approve any such audit and permissible non-audit services to the Chairperson of the Committee, and the Chairperson must report to the Committee, at its next regularly scheduled meeting after the Chairperson's pre-approval of such services, his or her decision(s). The Committee may also establish detailed pre-approval policies and procedures for pre-approval of such services in accordance with applicable laws, including the delegation of some or all of the Committee's pre-approval responsibilities to the other persons (other than Gabelli or the registrant's officers). Pre-approval by the Committee of any permissible non-audit services is not required so long as: (i) the permissible non-audit services were not recognized by the registrant at the time of the engagement to be non-audit services; and (ii) such services are promptly brought to the attention of the Committee and approved by the Committee or Chairperson prior to the completion of the audit. (e)(2) The percentage of services described in each of paragraphs (b) through (d) of this Item that were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X are as follows: (b) 100% (c) 100% (d) Not applicable (f) The percentage of hours expended on the principal accountant's engagement to audit the registrant's financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees was zero percent (0%). (g) The aggregate non-audit fees billed by the registrant's accountant for services rendered to the registrant, and rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant for each of the last two fiscal years of the registrant was \$0 in 2006 and \$0 in 2007. (h) The registrant's audit committee of the board of directors has considered whether the provision of non-audit services that were rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence. ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS. The registrant has a separately designated audit committee consisting of the following members: Frank J. Fahrenkopf, Jr., Anthonie C. van Ekris and Salvatore J. Zizza. 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. The Proxy Voting Policies are attached herewith. THE VOTING OF PROXIES ON BEHALF OF CLIENTS Rules 204(4)-2 and 204-2 under the Investment Advisers Act of 1940 and Rule 30b1-4 under the Investment Company Act of 1940 require investment advisers to adopt written policies and procedures governing the voting of proxies on behalf of their clients. These procedures will be used by GAMCO Asset Management Inc., Gabelli Funds, LLC, Gabelli Securities, Inc., and Teton Advisors, Inc. (collectively, the "Advisers") to determine how to vote proxies relating to portfolio securities held by their clients, including the procedures that the Advisers use when a vote presents a conflict between the interests of the shareholders of an investment company managed by one of the Advisers, on the one hand, and those of the Advisers; the principal underwriter; or any affiliated person of the investment company, the Advisers, or the principal underwriter. These procedures will not apply where the Advisers do not have voting discretion or where the Advisers have agreed to with a client to vote the client's proxies in

accordance with specific guidelines or procedures supplied by the client (to the extent permitted by ERISA). I. PROXY VOTING COMMITTEE The Proxy Voting Committee was originally formed in April 1989 for the purpose of formulating guidelines and reviewing proxy statements within the parameters set by the substantive proxy voting guidelines originally published in 1988 and updated periodically, a copy of which are appended as Exhibit A. The Committee will include representatives of Research, Administration, Legal, and the Advisers. Additional or replacement members of the Committee will be nominated by the Chairman and voted upon by the entire Committee. Meetings are held as needed basis to form views on the manner in which the Advisers should vote proxies on behalf of their clients. In general, the Director of Proxy Voting Services, using the Proxy Guidelines, recommendations of Institutional Shareholder Corporate Governance Service ("ISS"), other third-party services and the analysts of Gabelli & Company, Inc., will determine how to vote on each issue. For non-controversial matters, the Director of Proxy Voting Services may vote the proxy if the vote is (1) consistent with the recommendations of the issuer's Board of Directors and not contrary to the Proxy Guidelines; (2) consistent with the recommendations of the issuer's Board of Directors and is a non-controversial issue not covered by the Proxy Guidelines; or (3) the vote is contrary to the recommendations of the Board of Directors but is consistent with the Proxy Guidelines. In those instances, the Director of Proxy Voting Services or the Chairman of the Committee may sign and date the proxy statement indicating how each issue will be voted. All matters identified by the Chairman of the Committee, the Director of Proxy Voting Services or the Legal Department as controversial, taking into account the recommendations of ISS or other third party services and the analysts of Gabelli & Company, Inc., will be presented to the Proxy Voting Committee. If the Chairman of the Committee, the Director of Proxy Voting Services or the Legal Department has identified the matter as one that (1) is controversial; (2) would benefit from deliberation by the Proxy Voting Committee; or (3) may give rise to a conflict of interest between the Advisers and their clients, the Chairman of the Committee will initially determine what vote to recommend that the Advisers should cast and the matter will go before the Committee. A. CONFLICTS OF INTEREST. The Advisers have implemented these proxy voting procedures in order to prevent conflicts of interest from influencing their proxy voting decisions. By following the Proxy Guidelines, as well as the recommendations of ISS, other third-party services and the analysts of Gabelli & Company, the Advisers are able to avoid, wherever possible, the influence of potential conflicts of interest. Nevertheless, circumstances may arise in which one or more of the Advisers are faced with a conflict of interest or the appearance of a conflict of interest in connection with its vote. In general, a conflict of interest may arise when an Adviser knowingly does business with an issuer, and may appear to have a material conflict between its own interests and the interests of the shareholders of an investment company managed by one of the Advisers regarding how the proxy is to be voted. A conflict also may exist when an Adviser has actual knowledge of a material business arrangement between an issuer and an affiliate of the Adviser. In practical terms, a conflict of interest may arise, for example, when a proxy is voted for a company that is a client of one of the Advisers, such as GAMCO Asset Management Inc. A conflict also may arise when a client of one of the Advisers has made a shareholder proposal in a proxy to be voted upon by one or more of the Advisers. The Director of Proxy Voting Services, together with the Legal Department, will scrutinize all proxies for these or other situations that may give rise to a conflict of interest with respect to the voting of proxies. B. OPERATION OF PROXY VOTING COMMITTEE For matters submitted to the Committee, each member of the Committee will receive, prior to the meeting, a copy of the proxy statement, any relevant third party research, a summary of any views provided by the Chief Investment Officer and any recommendations by Gabelli & Company, Inc. analysts. The Chief Investment Officer or the Gabelli & Company, Inc. analysts may be invited to present their viewpoints. If the Director of Proxy Voting Services or the Legal Department believe that the matter before the committee is one with respect to which a conflict of interest may exist between the Advisers and their clients, counsel will provide an opinion to the Committee concerning the conflict. If the matter is one in which the interests of the clients of one or more of Advisers may diverge, counsel will so advise and the Committee may make different recommendations as to different clients. For any matters where the recommendation may trigger appraisal rights, counsel will provide an opinion concerning the likely risks and merits of such an appraisal action. Each matter submitted to the Committee will be determined by the vote of a majority of the members present at the meeting. Should the vote concerning one or more recommendations be tied in a vote of the Committee, the Chairman of the Committee will cast the deciding vote. The Committee will notify the proxy department of its decisions and the proxies will be voted accordingly. Although the Proxy Guidelines express the normal preferences for the voting of any shares not covered by a contrary investment guideline provided by the client, the Committee is

not bound by the preferences set forth in the Proxy Guidelines and will review each matter on its own merits. Written minutes of all Proxy Voting Committee meetings will be maintained. The Advisers subscribe to ISS, which supplies current information on companies, matters being voted on, regulations, trends in proxy voting and information on corporate governance issues. If the vote cast either by the analyst or as a result of the deliberations of the Proxy Voting Committee runs contrary to the recommendation of the Board of Directors of the issuer, the matter will be referred to legal counsel to determine whether an amendment to the most recently filed Schedule 13D is appropriate.

II. SOCIAL ISSUES AND OTHER CLIENT GUIDELINES If a client has provided special instructions relating to the voting of proxies, they should be noted in the client's account file and forwarded to the proxy department. This is the responsibility of the investment professional or sales assistant for the client. In accordance with Department of Labor guidelines, the Advisers' policy is to vote on behalf of ERISA accounts in the best interest of the plan participants with regard to social issues that carry an economic impact. Where an account is not governed by ERISA, the Advisers will vote shares held on behalf of the client in a manner consistent with any individual investment/voting guidelines provided by the client. Otherwise the Advisers will abstain with respect to those shares.

III. CLIENT RETENTION OF VOTING RIGHTS If a client chooses to retain the right to vote proxies or if there is any change in voting authority, the following should be notified by the investment professional or sales assistant for the client. - Operations - Legal Department - Proxy Department - Investment professional assigned to the account In the event that the Board of Directors (or a Committee thereof) of one or more of the investment companies managed by one of the Advisers has retained direct voting control over any security, the Proxy Voting Department will provide each Board Member (or Committee member) with a copy of the proxy statement together with any other relevant information including recommendations of ISS or other third-party services.

IV. VOTING RECORDS The Proxy Voting Department will retain a record of matters voted upon by the Advisers for their clients. The Advisers will supply information on how an account voted its proxies upon request. A letter is sent to the custodians for all clients for which the Advisers have voting responsibility instructing them to forward all proxy materials to: [Adviser name] Attn: Proxy Voting Department One Corporate Center Rye, New York 10580-1433 The sales assistant sends the letters to the custodians along with the trading/DTC instructions. Proxy voting records will be retained in compliance with Rule 204-2 under the Investment Advisers Act.

V. VOTING PROCEDURES

1. Custodian banks, outside brokerage firms and clearing firms are responsible for forwarding proxies directly to the Advisers. Proxies are received in one of two forms: o Shareholder Vote Authorization Forms ("VAFs") - Issued by Broadridge Financial Solutions, Inc. ("Broadridge") VAFs must be voted through the issuing institution causing a time lag. Broadridge is an outside service contracted by the various institutions to issue proxy materials. o Proxy cards which may be voted directly.
2. Upon receipt of the proxy, the number of shares each form represents is logged into the proxy system according to security.
3. In the case of a discrepancy such as an incorrect number of shares, an improperly signed or dated card, wrong class of security, etc., the issuing custodian is notified by phone. A corrected proxy is requested. Any arrangements are made to insure that a proper proxy is received in time to be voted (overnight delivery, fax, etc.). When securities are out on loan on record date, the custodian is requested to supply written verification.
4. Upon receipt of instructions from the proxy committee (see Administrative), the votes are cast and recorded for each account on an individual basis. Records have been maintained on the Proxy Edge system. The system is backed up regularly. Proxy Edge records include: Security Name and Cusip Number Date and Type of Meeting (Annual, Special, Contest) Client Name Adviser or Fund Account Number Directors' Recommendation How GAMCO voted for the client on each issue
5. VAFs are kept alphabetically by security. Records for the current proxy season are located in the Proxy Voting Department office. In preparation for the upcoming season, files are transferred to an offsite storage facility during January/February.
6. Shareholder Vote Authorization Forms issued by Broadridge are always sent directly to a specific individual at Broadridge.
7. If a proxy card or VAF is received too late to be voted in the conventional matter, every attempt is made to vote on one of the following manners: o VAFs can be faxed to Broadridge up until the time of the meeting. This is followed up by mailing the original form. o When a solicitor has been retained, the solicitor is called. At the solicitor's direction, the proxy is faxed.
8. In the case of a proxy contest, records are maintained for each opposing entity.
9. Voting in Person a) At times it may be necessary to vote the shares in person. In this case, a "legal proxy" is obtained in the following manner: o Banks and brokerage firms using the services at Broadridge: The back of the VAF is stamped indicating that we wish to vote in person. The forms are then sent overnight to Broadridge. Broadridge issues individual legal proxies and sends them back via overnight (or the Adviser can pay messenger charges). A lead-time of at least two weeks prior to the meeting is needed to do this. Alternatively, the procedures

detailed below for banks not using Broadridge may be implemented. o Banks and brokerage firms issuing proxies directly: The bank is called and/or faxed and a legal proxy is requested. All legal proxies should appoint: "REPRESENTATIVE OF [ADVISER NAME] WITH FULL POWER OF SUBSTITUTION." b) The legal proxies are given to the person attending the meeting along with the following supplemental material: o A limited Power of Attorney appointing the attendee an Adviser representative. o A list of all shares being voted by custodian only. Client names and account numbers are not included. This list must be presented, along with the proxies, to the Inspectors of Elections and/or tabulator at least one-half hour prior to the scheduled start of the meeting. The tabulator must "qualify" the votes (i.e. determine if the vote have previously been cast, if the votes have been rescinded, etc. vote have previously been cast, etc.). o A sample ERISA and Individual contract. o A sample of the annual authorization to vote proxies form. o A copy of our most recent Schedule 13D filing (if applicable).

APPENDIX A PROXY GUIDELINES PROXY VOTING GUIDELINES GENERAL POLICY STATEMENT It is the policy of GAMCO INVESTORS, INC. to vote in the best economic interests of our clients. As we state in our Magna Carta of Shareholders Rights, established in May 1988, we are neither FOR nor AGAINST management. We are for shareholders. At our first proxy committee meeting in 1989, it was decided that each proxy statement should be evaluated on its own merits within the framework first established by our Magna Carta of Shareholders Rights. The attached guidelines serve to enhance that broad framework. We do not consider any issue routine. We take into consideration all of our research on the company, its directors, and their short and long-term goals for the company. In cases where issues that we generally do not approve of are combined with other issues, the negative aspects of the issues will be factored into the evaluation of the overall proposals but will not necessitate a vote in opposition to the overall proposals.

BOARD OF DIRECTORS The advisers do not consider the election of the Board of Directors a routine issue. Each slate of directors is evaluated on a case-by-case basis. Factors taken into consideration include: o Historical responsiveness to shareholders This may include such areas as: -Paying greenmail -Failure to adopt shareholder resolutions receiving a majority of shareholder votes o Qualifications o Nominating committee in place o Number of outside directors on the board o Attendance at meetings o Overall performance

SELECTION OF AUDITORS In general, we support the Board of Directors' recommendation for auditors.

BLANK CHECK PREFERRED STOCK We oppose the issuance of blank check preferred stock. Blank check preferred stock allows the company to issue stock and establish dividends, voting rights, etc. without further shareholder approval.

CLASSIFIED BOARD A classified board is one where the directors are divided into classes with overlapping terms. A different class is elected at each annual meeting. While a classified board promotes continuity of directors facilitating long range planning, we feel directors should be accountable to shareholders on an annual basis. We will look at this proposal on a case-by-case basis taking into consideration the board's historical responsiveness to the rights of shareholders. Where a classified board is in place we will generally not support attempts to change to an annually elected board. When an annually elected board is in place, we generally will not support attempts to classify the board.

INCREASE AUTHORIZED COMMON STOCK The request to increase the amount of outstanding shares is considered on a case-by-case basis. Factors taken into consideration include: o Future use of additional shares -Stock split -Stock option or other executive compensation plan -Finance growth of company/strengthen balance sheet -Aid in restructuring -Improve credit rating -Implement a poison pill or other takeover defense o Amount of stock currently authorized but not yet issued or reserved for stock option plans o Amount of additional stock to be authorized and its dilutive effect We will support this proposal if a detailed and verifiable plan for the use of the additional shares is contained in the proxy statement.

CONFIDENTIAL BALLOT We support the idea that a shareholder's identity and vote should be treated with confidentiality. However, we look at this issue on a case-by-case basis. In order to promote confidentiality in the voting process, we endorse the use of independent Inspectors of Election.

CUMULATIVE VOTING In general, we support cumulative voting. Cumulative voting is a process by which a shareholder may multiply the number of directors being elected by the number of shares held on record date and cast the total number for one candidate or allocate the voting among two or more candidates. Where cumulative voting is in place, we will vote against any proposal to rescind this shareholder right. Cumulative voting may result in a minority block of stock gaining representation on the board. When a proposal is made to institute cumulative voting, the proposal will be reviewed on a case-by-case basis. While we feel that each board member should represent all shareholders, cumulative voting provides minority shareholders an opportunity to have their views represented.

DIRECTOR LIABILITY AND INDEMNIFICATION We support efforts to attract the best possible directors by limiting the liability and increasing the indemnification of directors, except in the case of insider dealing.

EQUAL

ACCESS TO THE PROXY The SEC's rules provide for shareholder resolutions. However, the resolutions are limited in scope and there is a 500 word limit on proponents' written arguments. Management has no such limitations. While we support equal access to the proxy, we would look at such variables as length of time required to respond, percentage of ownership, etc. **FAIR PRICE PROVISIONS** Charter provisions requiring a bidder to pay all shareholders a fair price are intended to prevent two-tier tender offers that may be abusive. Typically, these provisions do not apply to board-approved transactions. We support fair price provisions because we feel all shareholders should be entitled to receive the same benefits. Reviewed on a case-by-case basis. **GOLDEN PARACHUTES** Golden parachutes are severance payments to top executives who are terminated or demoted after a takeover. We support any proposal that would assure management of its own welfare so that they may continue to make decisions in the best interest of the company and shareholders even if the decision results in them losing their job. We do not, however, support excessive golden parachutes. Therefore, each proposal will be decided on a case-by-case basis. **NOTE: CONGRESS HAS IMPOSED A TAX ON ANY PARACHUTE THAT IS MORE THAN THREE TIMES THE EXECUTIVE'S AVERAGE ANNUAL COMPENSATION.** **ANTI-GREENMAIL PROPOSALS** We do not support greenmail. An offer extended to one shareholder should be extended to all shareholders equally across the board. **LIMIT SHAREHOLDERS' RIGHTS TO CALL SPECIAL MEETINGS** We support the right of shareholders to call a special meeting. **CONSIDERATION OF NONFINANCIAL EFFECTS OF A MERGER** This proposal releases the directors from only looking at the financial effects of a merger and allows them the opportunity to consider the merger's effects on employees, the community, and consumers. As a fiduciary, we are obligated to vote in the best economic interests of our clients. In general, this proposal does not allow us to do that. Therefore, we generally cannot support this proposal. Reviewed on a case-by-case basis. **MERGERS, BUYOUTS, SPIN-OFFS, RESTRUCTURINGS** Each of the above is considered on a case-by-case basis. According to the Department of Labor, we are not required to vote for a proposal simply because the offering price is at a premium to the current market price. We may take into consideration the long term interests of the shareholders. **MILITARY ISSUES** Shareholder proposals regarding military production must be evaluated on a purely economic set of criteria for our ERISA clients. As such, decisions will be made on a case-by-case basis. In voting on this proposal for our non-ERISA clients, we will vote according to the client's direction when applicable. Where no direction has been given, we will vote in the best economic interests of our clients. It is not our duty to impose our social judgment on others. **NORTHERN IRELAND** Shareholder proposals requesting the signing of the MacBride principles for the purpose of countering the discrimination of Catholics in hiring practices must be evaluated on a purely economic set of criteria for our ERISA clients. As such, decisions will be made on a case-by-case basis. In voting on this proposal for our non-ERISA clients, we will vote according to client direction when applicable. Where no direction has been given, we will vote in the best economic interests of our clients. It is not our duty to impose our social judgment on others. **OPT OUT OF STATE ANTI-TAKEOVER LAW** This shareholder proposal requests that a company opt out of the coverage of the state's takeover statutes. Example: Delaware law requires that a buyer must acquire at least 85% of the company's stock before the buyer can exercise control unless the board approves. We consider this on a case-by-case basis. Our decision will be based on the following: o State of Incorporation o Management history of responsiveness to shareholders o Other mitigating factors **POISON PILL** In general, we do not endorse poison pills. In certain cases where management has a history of being responsive to the needs of shareholders and the stock is very liquid, we will reconsider this position. **REINCORPORATION** Generally, we support reincorporation for well-defined business reasons. We oppose reincorporation if proposed solely for the purpose of reincorporating in a state with more stringent anti-takeover statutes that may negatively impact the value of the stock. **STOCK OPTION PLANS** Stock option plans are an excellent way to attract, hold and motivate directors and employees. However, each stock option plan must be evaluated on its own merits, taking into consideration the following: o Dilution of voting power or earnings per share by more than 10% o Kind of stock to be awarded, to whom, when and how much o Method of payment o Amount of stock already authorized but not yet issued under existing stock option plans **SUPERMAJORITY VOTE REQUIREMENTS** Supermajority vote requirements in a company's charter or bylaws require a level of voting approval in excess of a simple majority of the outstanding shares. In general, we oppose supermajority-voting requirements. Supermajority requirements often exceed the average level of shareholder participation. We support proposals' approvals by a simple majority of the shares voting. **LIMIT SHAREHOLDERS RIGHT TO ACT BY WRITTEN CONSENT** Written consent allows shareholders to initiate and carry on a shareholder action without having to wait until the next annual meeting or to call a special meeting. It permits action to be taken by the written

consent of the same percentage of the shares that would be required to effect proposed action at a shareholder meeting. Reviewed on a case-by-case basis. **ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.** **PORTFOLIO MANAGERS** Mr. Mario J. Gabelli, CFA, is primarily responsible for the day-to-day management of The Gabelli Dividend & Income Trust, (the Trust). Mr. Gabelli has served as Chairman, Chief Executive Officer, and Chief Investment Officer -Value Portfolios of GAMCO Investors, Inc. and its affiliates since their organization. Additionally, Barbara G. Marcin serves as Senior Portfolio Manager for the Trust. Ms. Marcin joined GAMCO Investors, Inc. in 1999 to manage larger capitalization value style portfolios.

MANAGEMENT OF OTHER ACCOUNTS The table below shows the number of other accounts managed by the Portfolio Managers and the total assets in each of the following categories: registered investment companies, other paid investment vehicles and other accounts. For each category, the table also shows the number of accounts and the total assets in the accounts with respect to which the advisory fee is based on account performance.

Accounts	Name of Portfolio	Total where	Advisory where	Advisory Manager	Type of	No. of	Total
Fee is Based on	Fee is Based	Team	Member	Accounts	Managed	Assets	Performance
Registered	Investment Companies:	Other Pooled	Investment Vehicles:	Other Accounts:			
1. Mario J. Gabelli	Registered 23 \$13.4B	6 \$3.1B	Investment Companies:	-----			
	-----	Other Pooled 12 \$269.6M	11 \$188.6M	Investment Vehicles:			
	-----	-----	-----	Other Accounts:			
	1991 \$10.6B	6 \$1.6B	-----	-----			
2. Barbara G. Marcin	Registered 3 \$70M	0 \$0	Investment Companies:	-----			
	-----	-----	Other Pooled 1 \$6.4M	1 \$6.4M	Investment Vehicles:		
	-----	-----	-----	Other Accounts:	21		
	\$137.7M	0 \$0	-----	-----			

POTENTIAL CONFLICTS OF INTEREST As reflected above, the Portfolio Managers manage accounts in addition to the Trust. Actual or apparent conflicts of interest may arise when a Portfolio Manager also has day-to-day management responsibilities with respect to one or more other accounts. These potential conflicts include:

ALLOCATION OF LIMITED TIME AND ATTENTION. As indicated above, the Portfolio Managers manage multiple accounts. As a result, he/she will not be able to devote all of their time to the management of the Trust. The Portfolio Managers, therefore, may not be able to formulate as complete a strategy or identify equally attractive investment opportunities for each of those accounts as might be the case if he/she were to devote all of their attention to the management of only the Trust. **ALLOCATION OF LIMITED INVESTMENT OPPORTUNITIES.** As indicated above, the Portfolio Managers manage managed accounts with investment strategies and/or policies that are similar to the Trust. In these cases, if the Portfolio Manager identifies an investment opportunity that may be suitable for multiple accounts, a Fund may not be able to take full advantage of that opportunity because the opportunity may be allocated among all or many of these accounts or other accounts managed primarily by other Portfolio Managers of the Adviser, and their affiliates. In addition, in the event a Portfolio Manager determines to purchase a security for more than one account in an aggregate amount that may influence the market price of the security, accounts that purchased or sold the security first may receive a more favorable price than accounts that made subsequent transactions. **SELECTION OF BROKER/DEALERS.** Because of Mr. Gabelli's position with the Distributor and his indirect majority ownership interest in the Distributor, he may have an incentive to use the Distributor to execute portfolio transactions for a Fund. **PURSUIT OF DIFFERING STRATEGIES.** At times, the Portfolio Managers may determine that an investment opportunity may be appropriate for only some of the accounts for which he/she exercises investment responsibility, or may decide that certain of the funds or accounts should take differing positions with respect to a particular security. In these cases, the Portfolio Manager may execute differing or opposite transactions for one or more accounts which may affect the market price of the security or the execution of the transaction, or both, to the detriment of one or more other accounts. **VARIATION IN COMPENSATION.** A conflict of interest may arise where the financial or other benefits available to the Portfolio Manager differs among the accounts that he/she manages. If the structure of the Adviser's management fee or the Portfolio Manager's compensation differs among accounts (such as where certain accounts pay higher management fees or performance-based management fees), the Portfolio Manager may be motivated to favor certain accounts over others. The Portfolio Manager also may be motivated to favor accounts in which they have an investment interest, or in which the Adviser, or their affiliates have

investment interests. Similarly, the desire to maintain assets under management or to enhance a Portfolio Manager's performance record or to derive other rewards, financial or otherwise, could influence the Portfolio Manager in affording preferential treatment to those accounts that could most significantly benefit the Portfolio Manager. For example, as reflected above, if the Portfolio Manager manages accounts which have performance fee arrangements, certain portions of his/her compensation will depend on the achievement of performance milestones on those accounts. The Portfolio Manager could be incented to afford preferential treatment to those accounts and thereby be subject to a potential conflict of interest. The Adviser, and the Funds have adopted compliance policies and procedures that are designed to address the various conflicts of interest that may arise for the Adviser and their staff members. However, there is no guarantee that such policies and procedures will be able to detect and prevent every situation in which an actual or potential conflict may arise.

COMPENSATION STRUCTURE FOR MARIO J. GABELLI Mr. Gabelli receives incentive-based variable compensation based on a percentage of net revenues received by the Adviser for managing the Trust. Net revenues are determined by deducting from gross investment management fees the firm's expenses (other than Mr. Gabelli's compensation) allocable to this Trust. Five closed-end registered investment companies (including this Trust) managed by Mr. Gabelli have arrangements whereby the Adviser will only receive its investment advisory fee attributable to the liquidation value of outstanding preferred stock (and Mr. Gabelli would only receive his percentage of such advisory fee) if certain performance levels are met. Additionally, he receives similar incentive based variable compensation for managing other accounts within the firm and its affiliates. This method of compensation is based on the premise that superior long-term performance in managing a portfolio should be rewarded with higher compensation as a result of growth of assets through appreciation and net investment activity. The level of compensation is not determined with specific reference to the performance of any account against any specific benchmark. One of the other registered investment companies managed by Mr. Gabelli has a performance (fulcrum) fee arrangement for which his compensation is adjusted up or down based on the performance of the investment company relative to an index. Mr. Gabelli manages other accounts with performance fees. Compensation for managing these accounts has two components. One component is based on a percentage of net revenues to the investment adviser for managing the account. The second component is based on absolute performance of the account, with respect to which a percentage of such performance fee is paid to Mr. Gabelli. As an executive officer of the Adviser's parent company, GBL, Mr. Gabelli also receives ten percent of the net operating profits of the parent company. He receives no base salary, no annual bonus, and no stock options.

COMPENSATION STRUCTURE FOR BARBARA G. MARCIN The compensation of Ms. Marcin for the Trust is structured to enable the Adviser to attract and retain highly qualified professionals in a competitive environment. The Portfolio Manager receives a compensation package that includes a minimum draw or base salary, equity-based incentive compensation via awards of stock options, and incentive based variable compensation based on a percentage of net revenue received by the Adviser for managing the Trust to the extent that the amount exceeds a minimum level of compensation. Net revenues are determined by deducting from gross investment management fees certain of the firm's expenses (other than the Portfolio Managers' compensation) allocable to the Trust (the incentive-based variable compensation for managing other accounts is also based on a percentage of net revenues to the investment adviser for managing the account). This method of compensation is based on the premise that superior long-term performance in managing a portfolio should be rewarded with higher compensation as a result of growth of assets through appreciation and net investment activity. The level of equity-based incentive and incentive-based variable compensation is based on an evaluation by the Adviser's parent, GBL, of quantitative and qualitative performance evaluation criteria. This evaluation takes into account, in a broad sense, the performance of the accounts managed by the Portfolio Manager, but the level of compensation is not determined with specific reference to the performance of any account against any specific benchmark. Generally, greater consideration is given to the performance of larger accounts and to longer term performance over smaller accounts and short-term performance.

OWNERSHIP OF SHARES IN THE FUND Mario Gabelli and Barbara Marcin owned \$1,000,000 and \$0 of shares, respectively, of the Trust as of December 31, 2007. (B) Not applicable.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS. REGISTRANT PURCHASES OF EQUITY SECURITIES =====

=====

(C) TOTAL NUMBER OF (D) MAXIMUM NUMBER (OR SHARES (OR UNITS) APPROXIMATE DOLLAR VALUE) OF (A) TOTAL NUMBER OF PURCHASED AS PART OF SHARES (OR UNITS) THAT MAY

Edgar Filing: GILAT SATELLITE NETWORKS LTD - Form 6-K

SHARES (OR UNITS) (B) AVERAGE PRICE PAID PER PUBLICLY ANNOUNCED PLANS YET BE PURCHASED UNDER THE PERIOD PURCHASED SHARE (OR UNIT) OR PROGRAMS PLANS OR PROGRAMS =====

===== Month #1 Common - 20,000
 Common - \$22.4823 Common - 20,000 Common - 83,929,070 - 07/01/07 20,000 = 83,909,070 through Preferred Series A - N/A Preferred Series A - N/A Preferred Series A - N/A 07/31/07 Preferred Series A - 3,200,000 Preferred Series D - N/A Preferred Series D - N/A Preferred Series D - N/A Preferred Series D - 2,600,000 =====

===== Month #2 Common - 20,500 Common - \$18.5480 Common - 20,500
 Common - 83,909,070 - 08/01/07 20,500 = 83,888,570 through Preferred Series A - N/A Preferred Series A - N/A Preferred Series A - N/A 08/31/07 Preferred Series A - 3,200,000 Preferred Series D - N/A Preferred Series D - N/A Preferred Series D - N/A Preferred Series D - 2,600,000 =====

===== Month #3 Common - N/A Common - N/A Common - N/A Common - 83,888,570 09/01/07 through Preferred Series A - N/A Preferred Series A - N/A Preferred Series A - N/A Preferred Series A - 3,200,000 09/30/07 Preferred Series D - N/A Preferred Series D - N/A Preferred Series D - N/A Preferred Series D - 2,600,000 =====

===== Month #4 Common - 35,000 Common - \$21.8751 Common - 35,000
 Common - 83,888,570 - 35,000 10/01/07 = 83,853,570 through Preferred Series A - N/A Preferred Series A - N/A Preferred Series A - N/A 10/31/07 Preferred Series A - 3,200,000 Preferred Series D - N/A Preferred Series D - N/A Preferred Series D - N/A Preferred Series D - 2,600,000 =====

===== Month #5 Common - 24,500 Common - \$20.5193 Common - 24,500 Common - 83,853,570 - 24,500 11/01/07 = 83,829,070 through Preferred Series A - N/A Preferred Series A - N/A Preferred Series A - N/A 11/30/07 Preferred Series A - 3,200,000 Preferred Series D - N/A Preferred Series D - N/A Preferred Series D - N/A Preferred Series D - 2,600,000 =====

===== Month #6 Common - N/A Common - N/A Common - N/A Common - 83,829,070 12/01/07 through Preferred Series A - N/A Preferred Series A - N/A Preferred Series A - N/A Preferred Series A - 3,200,000 12/31/07 Preferred Series D - N/A Preferred Series D - N/A Preferred Series D - N/A Preferred Series D - 2,600,000 =====

===== Total Common - 100,000 Common - \$20.9823 Common - 100,000 N/A Preferred Series A - N/A Preferred Series A - N/A Preferred Series A - N/A Preferred Series D - N/A Preferred Series D - N/A Preferred Series D - N/A =====

===== Footnote columns (c) and (d) of the table, by disclosing the following information in the aggregate for all plans or programs publicly announced: 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 407(c)(2)(iv) of Regulation S-K (17 CFR 229.407) (as required by Item 22(b)(15) of Schedule 14A (17 CFR 240.14a-101)), or this Item. ITEM 11. CONTROLS AND PROCEDURES. (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's

disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)). (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the registrant's second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting. ITEM 12. EXHIBITS. (a)(1) Code of ethics, or any amendment thereto, that is the subject of disclosure required by Item 2 is attached hereto. (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 03/07/08 ----- Pursuant to the
requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been
signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. By
(Signature and Title)* /s/ Bruce N. Alpert ----- Bruce N. Alpert, Principal
Executive Officer Date 03/07/08 ----- By (Signature and
Title)* /s/ Agnes Mullady ----- Agnes Mullady, Principal Financial Officer
and Treasurer Date 03/07/08 ----- * Print the name and title
of each signing officer under his or her signature.