

Dividend and Income Fund Announces Completion of Successful Rights Offering

NEW YORK, NY – December 27, 2011 – Dividend and Income Fund, Inc. (NYSE: DNI) (NAV: XDNIX) (the “Fund”) is pleased to announce today the completion of its non-transferable rights offering, which expired on Friday, December 23, 2011 (“Expiration Date”), at 5:00 p.m., ET. Based on preliminary results provided by the Fund’s subscription agent, the rights offering was oversubscribed. The Fund expects to announce the aggregate number of shares subscribed for and the total net proceeds to the Fund next week.

The subscription price was determined to be \$3.18, which was equal to 95% of the lower of (a) the Fund’s net asset value (“NAV”) per Share or (b) the market price per share. In accordance with the Prospectus, the NAV per share, determined as of the Expiration Date, was \$4.19, and the market price per share, \$3.35, was the average of the volume weighted average sales price of a share on the New York Stock Exchange on the Expiration Date and the four preceding trading days. It is anticipated that on or about the Confirmation Date of January 3, 2012, the subscription agent will send a confirmation showing (1) the number of shares purchased pursuant to the primary subscription; (2) the number of shares, if any, acquired pursuant to the over-subscription privilege; (3) the per share and total purchase price for the shares; and (4) any additional amount payable to the Fund by the exercising rights holder or any excess to be refunded by the Fund to the exercising rights holder, in each case based on the estimated subscription price.

The subscription price is lower than the original estimated subscription price of \$3.48. Under the Prospectus, if any exercising rights holder, if eligible, exercises such holder’s right to acquire shares pursuant to the over-subscription privilege, any excess payment that would otherwise be refunded to such holder will be applied by the Fund toward payment for shares acquired pursuant to the exercise of the over-subscription privilege. Any additional payment required from an exercising rights holder must be received by the subscription agent within ten (10) business days after the Confirmation Date. Any excess payment to be refunded by the Fund to an exercising rights holder will be mailed by the subscription agent to the rights holder, without interest, as promptly as practicable.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state, or an exemption therefrom. A prospectus containing further information regarding the Fund may be obtained by contacting the information agent for the Fund’s rights offering, The Altman Group, toll free at 1-877-732-3616. For further information regarding the rights offering, stockholders should call their brokers or nominees or The Altman Group.

The Fund is a diversified, closed end investment company. The Fund’s primary investment objective is to seek high current income. Capital appreciation is a secondary objective. Bexil Advisers LLC is the Fund’s investment manager. Investors should consider the Fund’s investment objectives, strategies, risks, and expenses carefully before investing. This

information, and other information concerning the Fund, can be found on file with the U.S. Securities and Exchange Commission and www.dividendandincomefund.com. An investor should carefully read the registration statement before investing.

Safe Harbor Note

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

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