

DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC
Form N-CSR
January 28, 2011

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES

Investment Company Act file number: 811-07460

Exact name of registrant as specified in charter:
Delaware Investments® Dividend and Income Fund, Inc.

Address of principal executive offices:
2005 Market Street
Philadelphia, PA 19103

Name and address of agent for service:
David F. Connor, Esq.
2005 Market Street
Philadelphia, PA 19103

Registrant's telephone number, including area code: (800) 523-1918

Date of fiscal year end: November 30

Date of reporting period: November 30, 2010

Item 1. Reports to Stockholders

Annual Report

Delaware
Investments®
Dividend and
Income Fund, Inc.

November 30, 2010

The figures in the annual report for Delaware Investments Dividend and Income Fund, Inc. represent past results, which are not a guarantee of future results. A rise or fall in interest rates can have a significant impact on bond prices. Funds that invest in bonds can lose their value as interest rates rise.

Closed-end fund

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Unless otherwise noted, views expressed herein are current as of Nov. 30, 2010, and are subject to change.

Funds are not FDIC insured and are not guaranteed. It is possible to lose the principal amount invested.

Mutual fund advisory services are provided by Delaware Management Company, a series of Delaware Management Business Trust, which is a registered investment advisor. Delaware Investments, a member of Macquarie Group, refers to Delaware Management Holdings, Inc. and its subsidiaries. Macquarie Group refers to Macquarie Group Limited and its subsidiaries and affiliates worldwide.

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Portfolio management review

Delaware Investments® Dividend and Income Fund, Inc.

December 7, 2010

Performance preview (for the year ended Nov. 30, 2010)

| | | |
|---|---------------|---------|
| Delaware Investments Dividend and Income Fund, Inc. @ market price | 1-year return | +25.59% |
| Delaware Investments Dividend and Income Fund, Inc. @ NAV | 1-year return | +19.61% |
| Lipper Closed-end Income and Preferred Stock Funds Average @ market price | 1-year return | +30.93% |
| Lipper Closed-end Income and Preferred Stock Funds Average @ NAV | 1-year return | +22.10% |

Past performance does not guarantee future results.

For complete, annualized performance for Delaware Investments Dividend and Income Fund, Inc., please see the table on page 3.

Index performance returns do not reflect any management fees, transaction costs, or expenses. Indices are unmanaged and one cannot invest directly in an index.

Delaware Investments Dividend and Income Fund, Inc. returned +19.61% at net asset value and +25.59% at market price (both figures reflect all distributions reinvested) for the fiscal year ended Nov. 30, 2010. Complete annualized performance information for the Fund is shown in the table on page 3.

Relatively favorable market results, despite sovereign debt concerns

The S&P 500 Index, a measure of the broad stock market in the United States, experienced uneven performance during the past year. Despite its fluctuations, that index gained close to 10% for the 12-month period ended Nov. 30, 2010.

Equity-market volatility was precipitated by mounting fears about debt levels in European countries with the biggest financial challenges. The first concerns began in Greece in January 2010, as many investors became worried about the ability of the heavily indebted country to repay its financial obligations. Although the market resumed its upward momentum in early February, an even steeper decline in stock prices began in late April. The drop accelerated throughout the rest of the spring, as fears about Greece's financial situation increased and many investors began to question whether the problems could spread to other economically troubled European nations with outsized debt levels, such as Portugal, Italy, Ireland, and Spain. The European Union and International Monetary Fund eventually came to the Greek government's rescue, with a 110 billion euro (approximately \$140 billion) loan package designed to keep the government afloat while it implements a series of austerity programs.

Other factors also dampened financial markets during this time, including new economic data from the U.S. that seemed to indicate an increased potential for a stalled recovery, and the Chinese government's efforts to slow the pace of that country's fast-growing economy.

Beginning in early summer 2010, equities bounced back, enjoying strong gains between early July and early November, as fears about a return to recession in the U.S. eased and confidence in the strength of European banks grew. In the final month of the Fund's fiscal year, however, financial markets encountered renewed difficulties, with Ireland's government appearing to be on the brink of bankruptcy (source: Bloomberg). European monetary policy makers implemented emergency rescue measures in an effort to stave off the spread of this "contagion" to other challenged economies in the region.

Fixed income assets saw a generally positive backdrop during the fiscal year. Bonds were a key beneficiary of the Federal Reserve's efforts to stimulate economic growth by keeping interest rates down. The Fed sought to accomplish this goal through several rounds of quantitative easing, in which the U.S. central bank bought back debt securities in an attempt to generally drive down yields providing more economic stimulus, through lowered cost of credit.

Real estate investment trusts (REITs) also experienced a highly supportive environment during the annual period as credit was widely available and grew less expensive as the year went on. REITs often finance new investment and development projects through debt, and when credit is affordable, it can provide issuing companies such as REITs with increased financial flexibility. REITs rose more than 30% during the 12-month period ended Nov. 30, 2010, as measured by the FTSE NAREIT Equity REITs Index.

Unless otherwise noted, views expressed herein are current as of Nov. 30, 2010, and are subject to change.

Portfolio management review

Delaware Investments® Dividend and Income Fund, Inc.

Meanwhile, low interest rates led to healthy results from high yield bonds, as many investors seemed willing to take on additional credit risk in exchange for higher levels of income. As such, credit spreads narrowed throughout most of the period, extending a trend of the past several years. Credit spreads are the differences between yields of Treasury bonds and riskier securities of varying credit qualities, and they provide a measure of the market's outlook for riskier assets. The narrowing of credit spreads can generally be taken to signal a more normalized market environment. (Source: Barclays Capital.)

Fund positioning: An emphasis on credit

The Fund's primary investment objective is to seek high current income, with a secondary objective of capital appreciation. In managing the Fund, we pursue these goals by investing broadly in a range of income-generating securities. These include "core" fixed income holdings (such as Treasury and agency securities), as well as investment grade and high yield corporate bonds, convertible bonds, REITs, and large-cap value stocks.

With several notable exceptions, the Fund's positioning remained relatively stable throughout the fiscal year. As the Fund's fiscal year began, the Fund had a modest overweighting in credit-oriented investments. Credit exposure is most obvious in the fixed income asset class, but it also runs through a variety of other asset classes, including convertible bonds and REITs.

For much of the Fund's fiscal year, we felt that credit-oriented investments had good total-return characteristics, and emphasized high yield bonds in particular. At the end of the Fund's fiscal year, high yield bonds were the Fund's largest asset-class weighting at roughly 45% of the portfolio, up from 35% a year earlier. The increased allocation resulted partially from market movements, but also reflected additional investments in the asset class. We favored these securities for their attractive yields and because we felt that high yield bonds could be supported by increasingly favorable economic conditions. To a lesser extent, we looked to REITs because of their credit-sensitive nature. Over time, however, as REITs gained in value and as we anticipated less-favorable credit costs going forward, we were more cautious about adding to our holdings in the asset class.

At the same time, we generally maintained sizable positions in investments nearer the top of issuers' capital structures. In light of macroeconomic risks such as sovereign debt troubles in Europe and the potential for higher interest rates down the road, we felt it would be prudent to own defensive income-oriented investments that would likely be among the first to be paid back if the issuers encountered financial problems. This approach enabled us to still capture relatively attractive yields while maintaining what we believed to be greater downside protection by avoiding lower-credit-rated securities.

Our emphasis on credit was helpful for the Fund's performance until late in its fiscal year. When the Fed announced its second round of quantitative easing in October 2010, equity investors generally became more optimistic, and equities began outperforming (source: Bloomberg). The Fund had less exposure to stocks than to high yield and other more credit-sensitive investments. In hindsight, our decision to maintain an overweight position in high yield was too defensive and did not allow the Fund to take full advantage of the equity market rally.

A recent shift toward equities

As the Fund's fiscal year came to a close, we were gradually seeing more investment opportunities in stocks, so we began to shift the Fund's portfolio holdings in this direction. In our opinion, the U.S. economy appears to be slowly expanding, and credit-oriented securities, following a long run upward, have started to give back some of their gains. In this environment, we began favoring shares of large-cap companies with good cash flow and lower debt levels, because they are less credit sensitive and we believe they could benefit from an improving economy.

Performance summary

Delaware Investments® Dividend and Income Fund, Inc.

The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. Please obtain the performance data for the most recent month end by calling 800 523-1918.

Fund performance

Average annual total returns

| through Nov. 30, 2010 | 1 year | 5 years | 10 years | Lifetime |
|-----------------------|---------|---------|----------|----------|
| At market price | +25.59% | +1.85% | +6.46% | +6.96% |
| At net asset value | +19.61% | +2.01% | +6.89% | +7.46% |

Instances of high double-digit returns are unusual, cannot be sustained, and were primarily achieved during favorable market conditions.

Diversification may not protect against market risk.

Fixed income securities and bond funds can lose value, and investors can lose principal, as interest rates rise. They also may be affected by economic conditions that hinder an issuer's ability to make interest and principal payments on its debt.

The Fund may also be subject to prepayment risk, the risk that the principal of a fixed income security that is held by the Fund may be prepaid prior to maturity, potentially forcing the Fund to reinvest that money at a lower interest rate.

High yielding, noninvestment grade bonds (junk bonds) involve higher risk than investment grade bonds.

The Fund may invest in derivatives, which may involve additional expenses and are subject to risk, including the risk that an underlying security or securities index moves in the opposite direction from what the portfolio manager anticipated. A derivative transaction depends upon the counterparties' ability to fulfill their contractual obligations.

Narrowly focused investments may exhibit higher volatility than investments in multiple industry sectors. REIT investments are subject to many of the risks associated with direct real estate ownership, including changes in economic conditions, credit risk, and interest rate fluctuations.

The Fund borrows through a line of credit for purposes of leveraging. Leveraging may result in higher degrees of volatility because the Fund's net asset value could be subject to fluctuations in short-term interest rates and changes in market value of portfolio securities attributable to leverage.

The "Fund performance" table and the "Performance of a \$10,000 investment" graph do not reflect the deduction of taxes the shareholder would pay on Fund distributions or redemptions of Fund shares.

Returns reflect the reinvestment of all distributions. Dividends and distributions, if any, are assumed, for the purpose of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment policy. Shares of the Fund were initially offered with a sales charge of 6%. Performance since inception does not include the sales charge or any other brokerage commission for purchases made since inception. Past performance is not a guarantee of future results.

Fund basics

As of Nov. 30, 2010

Fund objectives

The Fund seeks to achieve high current income. Capital appreciation is a secondary objective.

Total Fund net assets

\$72 million

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Number of holdings

386

Fund start date

March 26, 1993

NYSE symbol

DDF

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Performance summary

Delaware Investments® Dividend and Income Fund, Inc.

Market price versus net asset value (see notes below)

Nov. 30, 2009, through Nov. 30, 2010

| | Starting value (Nov. 30, 2009) | Ending value (Nov. 30, 2010) |
|--|-----------------------------------|---------------------------------|
| — Delaware Investments Dividend and Income Fund, Inc. @ NAV | \$7.04 | \$7.68 |
| — Delaware Investments Dividend and Income Fund, Inc. @ Market Price | \$6.60 | \$7.56 |

Past performance is not a guarantee of future results.

Performance of a \$10,000 Investment

Average annual total returns from Nov. 30, 2000, through Nov. 30, 2010

| | Starting value (Nov. 30, 2000) | Ending value (Nov. 30, 2010) |
|---|-----------------------------------|---------------------------------|
| — Delaware Investments Dividend and Income Fund, Inc. @ NAV | \$10,000 | \$19,464 |
| — | | |
| — Delaware Investments Dividend and Income Fund, Inc. @ Market price | \$10,000 | \$18,733 |
| — Lipper Closed-end Income and Preferred Stock Funds Average @ Market price | \$10,000 | \$18,620 |
| — Lipper Closed-end Income and Preferred Stock Funds Average @ NAV | \$10,000 | \$15,937 |
| — | | |

The chart assumes \$10,000 invested in the Fund on Nov. 30, 2000, and includes the reinvestment of all distributions at market value. The chart assumes \$10,000 in the Lipper Closed-end Income and Preferred Stock Funds Average at market price and at NAV. Performance of the Fund and the Lipper class at market value is based on market performance during the period. Performance of the Fund and Lipper class at NAV is based on the fluctuations in NAV during the period. Delaware Investments Dividend and Income Fund, Inc. was initially offered with a sales charge of 6%. Performance shown in both charts above does not include fees, the initial sales charge, or any brokerage commissions for purchases. Investments in the Fund are not available at NAV.

The Lipper Closed-end Income and Preferred Stock Funds Average represents the average return of closed-end income and preferred stock mutual funds tracked by Lipper (source: Lipper).

The FTSE NAREIT Equity REITs Index, mentioned on page 1, measures the performance of all publicly traded real estate investment trusts traded on U.S. exchanges.

Market price is the price an investor would pay for shares of the Fund on the secondary market. NAV is the total value of one fund share, generally equal to a fund's net assets divided by the number of shares outstanding.

Past performance is not a guarantee of future results.

Security type and top 10 equity holdings

Delaware Investments® Dividend and Income Fund, Inc.

As of November 30, 2010

Sector designations may be different than the sector designations presented in other Fund materials. The sector designations may represent the investment manager's internal sector classifications, which may result in the sector designations for one fund being different than another fund's sector designations.

| Security Type | Percentage of Net Assets |
|----------------------------------|--------------------------|
| Common Stock | 67.25% |
| Consumer Discretionary | 3.00% |
| Consumer Staples | 7.44% |
| Diversified REITs | 1.23% |
| Energy | 8.38% |
| Financials | 7.54% |
| Healthcare | 9.24% |
| Healthcare REITs | 2.88% |
| Hotel REITs | 0.61% |
| Industrial REITs | 0.05% |
| Industrials | 3.06% |
| Information Technology | 5.86% |
| Mall REITs | 2.36% |
| Materials | 1.55% |
| Mortgage REITs | 0.41% |
| Multifamily REITs | 2.02% |
| Office REITs | 0.69% |
| Office/Industrial REITs | 0.75% |
| Real Estate Operating REITs | 0.44% |
| Self-Storage REIT | 0.69% |
| Shopping Center REITs | 0.87% |
| Single Tenant REIT | 0.24% |
| Specialty REITs | 0.74% |
| Telecommunications | 3.80% |
| Utilities | 3.40% |
| Convertible Preferred Stock | 2.14% |
| Convertible Bonds | 12.67% |
| Aerospace & Defense | 0.47% |
| Auto Parts & Equipment | 0.33% |
| Banking, Finance & Insurance | 0.51% |
| Basic Materials | 1.42% |
| Cable, Media & Publishing | 0.55% |
| Computers & Technology | 2.89% |
| Energy | 0.49% |
| Healthcare & Pharmaceuticals | 1.98% |
| Leisure, Lodging & Entertainment | 0.56% |
| Real Estate | 0.39% |
| Retail | 0.24% |
| Telecommunications | 2.12% |
| Transportation | 0.25% |
| Utilities | 0.47% |
| Corporate Bonds | 43.35% |
| Banking | 0.70% |
| Basic Industry | 4.27% |
| Brokerage | 0.45% |
| Capital Goods | 3.27% |
| Consumer Cyclical | 5.52% |
| Consumer Non-Cyclical | 3.67% |
| Energy | 4.54% |
| Finance & Investments | 2.33% |
| Media | 3.43% |
| Real Estate | 0.23% |

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| | |
|--|----------|
| Services Cyclical | 5.10% |
| Services Non-Cyclical | 2.13% |
| Technology & Electronics | 1.37% |
| Telecommunications | 5.15% |
| Utilities | 1.19% |
| Senior Secured Loans | 1.23% |
| Limited Partnership | 0.22% |
| Preferred Stock | 0.52% |
| Warrants | 0.00% |
| Discount Note | 0.42% |
| Securities Lending Collateral | 15.29% |
| Total Value of Securities | 143.09% |
| Obligation to Return Securities Lending Collateral | (15.51%) |
| Borrowing Under Line of Credit | (27.91%) |
| Receivables and Other Assets Net of Liabilities | 0.33% |
| Total Net Assets | 100.00% |

(continues) 5

Security type and top 10 equity holdings

Delaware Investments® Dividend and Income Fund, Inc.

Holdings are for informational purposes only and are subject to change at any time. They are not a recommendation to buy, sell, or hold any security.

| Top 10 Equity Holdings | Percentage of Net Assets |
|---------------------------------|--------------------------|
| National Oilwell Varco | 2.12% |
| Cardinal Health | 1.63% |
| ConocoPhillips | 1.62% |
| International Business Machines | 1.60% |
| Chevron | 1.59% |
| Verizon Communications | 1.58% |
| Baxter International | 1.58% |
| Progress Energy | 1.57% |
| Comcast Class A | 1.57% |
| Travelers | 1.56% |

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Statement of net assets

Delaware Investments® Dividend and Income Fund, Inc.
November 30, 2010

| | Number of Shares | Value |
|---------------------------------------|---------------------|-----------|
| Common Stock – 67.25% | | |
| Consumer Discretionary – 3.00% | | |
| = †Avado Brands | 1,390 | \$ 0 |
| Comcast Class A | 56,900 | 1,138,000 |
| †DIRECTV Class A | 1,550 | 64,372 |
| Lowe's | 42,800 | 971,560 |
| | | 2,173,932 |
| Consumer Staples – 7.44% | | |
| Archer-Daniels-Midland | 34,700 | 1,005,953 |
| CVS Caremark | 36,300 | 1,125,300 |
| Kimberly-Clark | 17,100 | 1,058,319 |
| Kraft Foods Class A | 37,000 | 1,119,250 |
| *Safeway | 47,100 | 1,082,829 |
| | | 5,391,651 |
| Diversified REITs – 1.23% | | |
| *DuPont Fabros Technology | 3,400 | 76,806 |
| *Investors Real Estate Trust | 10,300 | 91,155 |
| Lexington Realty Trust | 12,900 | 101,265 |
| Vornado Realty Trust | 7,665 | 625,311 |
| | | 894,537 |
| Energy – 8.38% | | |
| Chevron | 14,200 | 1,149,774 |
| ConocoPhillips | 19,500 | 1,173,315 |
| Marathon Oil | 32,500 | 1,087,775 |
| National Oilwell Varco | 25,100 | 1,538,378 |
| Williams | 49,200 | 1,122,252 |
| | | 6,071,494 |
| Financials – 7.54% | | |
| Allstate | 36,600 | 1,065,426 |
| Bank of New York Mellon | 38,300 | 1,033,717 |
| *Fifth Street Finance | 34,041 | 392,493 |
| Marsh & McLennan | 44,600 | 1,118,568 |
| Solar Capital | 30,561 | 717,572 |
| Travelers | 21,000 | 1,133,790 |
| | | 5,461,566 |
| Healthcare – 9.24% | | |
| *†Alliance HealthCare Services | 7,323 | 27,461 |
| Baxter International | 23,600 | 1,145,780 |
| Cardinal Health | 33,200 | 1,181,255 |
| Johnson & Johnson | 17,900 | 1,101,745 |
| Merck | 29,800 | 1,027,206 |

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| | | | |
|--------------------------------|--------------------------------------|---------|-----------|
| | †Mylan | 1 | 20 |
| | Pfizer | 69,189 | 1,127,089 |
| | Quest Diagnostics | 22,000 | 1,085,040 |
| | | | 6,695,596 |
| Healthcare REITs – 2.88% | | | |
| | Cogdell Spencer | 16,800 | 96,096 |
| | *HCP | 15,650 | 515,355 |
| | *Health Care REIT | 9,060 | 419,297 |
| | LTC Properties | 3,300 | 89,067 |
| | Nationwide Health Properties | 8,800 | 317,240 |
| | *Omega Healthcare Investors | 7,900 | 166,769 |
| | *Ventas | 9,375 | 480,656 |
| | | | 2,084,480 |
| Hotel REITs – 0.61% | | | |
| | DiamondRock Hospitality | 12,800 | 134,784 |
| | Host Hotels & Resorts | 18,688 | 307,978 |
| | | | 442,762 |
| Industrial REITs – 0.05% | | | |
| | AMB Property | 1,280 | 37,350 |
| | | | 37,350 |
| Industrials – 3.06% | | | |
| | †Delta Air Lines | 19 | 260 |
| | †Flextronics International | 4,400 | 31,900 |
| | *†Mobile Mini | 1,651 | 29,834 |
| | Northrop Grumman | 17,200 | 1,060,896 |
| | = †PT Holdings | 350 | 4 |
| | *Waste Management | 31,900 | 1,092,574 |
| | | | 2,215,468 |
| Information Technology – 5.86% | | | |
| | Intel | 47,800 | 1,009,536 |
| | International Business Machines | 8,200 | 1,159,972 |
| | †Motorola | 127,000 | 972,820 |
| | Xerox | 96,600 | 1,107,036 |
| | | | 4,249,364 |
| Mall REITs – 2.36% | | | |
| | General Growth Properties | 15,106 | 244,566 |
| | *Macerich | 5,026 | 232,905 |
| | Simon Property Group | 11,347 | 1,117,679 |
| | *Taubman Centers | 2,400 | 116,472 |
| | | | 1,711,622 |
| Materials – 1.55% | | | |
| | duPont (E.I.) deNemours | 24,000 | 1,127,760 |
| | | | 1,127,760 |
| Mortgage REITs – 0.41% | | | |
| | Chimera Investment | 23,800 | 95,200 |
| | Cypress Sharpridge Investments | 14,800 | 202,020 |
| | | | 297,220 |
| Multifamily REITs – 2.02% | | | |
| | Apartment Investment & Management | 7,968 | 192,188 |
| | Associated Estates Realty | 7,200 | 107,640 |

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| | | |
|--|--------|-----------|
| *BRE Properties | 4,600 | 198,122 |
| *Camden Property Trust | 3,450 | 176,192 |
| †Campus Crest Communities | 36,600 | 461,526 |
| *Equity Residential | 6,600 | 329,868 |
| | | 1,465,536 |
| Office REITs – 0.69% | | |
| *Boston Properties | 3,000 | 251,400 |
| Brandywine Realty Trust | 11,500 | 127,190 |
| *Government Properties Income Trust | 4,800 | 123,120 |
| | | 501,710 |
| Office/Industrial REITs – 0.75% | | |
| *Digital Realty Trust | 8,750 | 459,550 |
| Liberty Property Trust | 2,700 | 84,618 |
| | | 544,168 |

(continues) 7

Statement of net assets

Delaware Investments® Dividend and Income Fund, Inc.

| | Number of Shares | Value |
|---|---------------------|------------|
| Common Stock (continued) | | |
| Real Estate Operating REITs – 0.44% | | |
| †Howard Hughes | 1 | \$ 41 |
| *Starwood Property Trust | 16,000 | 319,360 |
| | | 319,401 |
| Self-Storage REIT – 0.69% | | |
| Public Storage | 5,150 | 497,490 |
| | | 497,490 |
| Shopping Center REITs – 0.87% | | |
| *Federal Realty Investment Trust | 300 | 23,217 |
| *Kimco Realty | 20,430 | 340,364 |
| Ramco-Gershenson Properties Trust | 15,600 | 179,400 |
| *Weingarten Realty Investors | 3,600 | 85,320 |
| | | 628,301 |
| Single Tenant REIT – 0.24% | | |
| *National Retail Properties | 6,700 | 174,267 |
| | | 174,267 |
| Specialty REITs – 0.74% | | |
| *Entertainment Properties Trust | 2,920 | 135,196 |
| *Plum Creek Timber | 6,885 | 248,135 |
| Potlatch | 4,825 | 152,856 |
| | | 536,187 |
| Telecommunications – 3.80% | | |
| AT&T | 39,600 | 1,100,484 |
| =†Century Communications | 500,000 | 0 |
| *France Telecom ADR | 6,000 | 122,460 |
| *Frontier Communications | 40,000 | 364,000 |
| †GeoEye | 550 | 21,923 |
| Verizon Communications | 35,800 | 1,145,958 |
| | | 2,754,825 |
| Utilities – 3.40% | | |
| American Water Works | 4,300 | 105,393 |
| Edison International | 30,300 | 1,119,282 |
| †Mirant | 189 | 1,875 |
| NorthWestern | 3,300 | 95,073 |
| Progress Energy | 26,100 | 1,140,309 |
| | | 2,461,932 |
| Total Common Stock (cost \$47,825,810) | | 48,738,619 |
| Convertible Preferred Stock – 2.14% | | |
| Banking, Finance & Insurance – 0.83% | | |
| Aspen Insurance Holdings 5.625% | | |

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| | | |
|---|-------|-----------|
| exercise price \$29.28, expiration date 12/31/49 | 8,800 | 485,651 |
| Citigroup 7.50% exercise price \$3.94, expiration date 12/15/12 | 900 | 112,500 |
| @†Fannie Mae 8.75% exercise price \$32.45, expiration date 5/13/11 | 3,500 | 1,575 |
| | | 599,726 |
| Consumer Discretionary – 0.01% | | |
| *General Motors 4.75% exercise price \$39.60, expiration date 12/1/13 | 109 | 5,526 |
| | | 5,526 |
| Energy – 0.71% | | |
| *†Apache 6.00% exercise price \$109.12, expiration 8/1/13 | 1,300 | 78,845 |
| El Paso Energy Capital Trust I 4.75% exercise price \$41.59, expiration date 3/31/28 | 5,250 | 205,538 |
| SandRidge Energy 8.50% exercise price \$8.01, expiration date 12/31/49 | 2,305 | 228,056 |
| | | 512,439 |
| Healthcare & Pharmaceuticals – 0.22% | | |
| HealthSouth 6.50% exercise price \$30.50, expiration date 12/31/49 | 180 | 163,170 |
| | | 163,170 |
| Telecommunications – 0.37% | | |
| Lucent Technologies Capital Trust I 7.75% exercise price \$24.80, expiration date 3/15/17 | 305 | 266,875 |
| | | 266,875 |
| Total Convertible Preferred Stock (cost \$1,651,732) | | |
| | | 1,547,736 |

Principal
Amount

| | | |
|---|-----------|---------|
| Convertible Bonds – 12.67% | | |
| Aerospace & Defense – 0.47% | | |
| AAR 1.75% exercise price \$29.43, expiration date 1/1/26 | \$ 66,000 | 69,465 |
| #144A 1.75% exercise price \$29.43, expiration date 1/1/26 | 260,000 | 273,650 |
| | | 343,115 |
| Auto Parts & Equipment – 0.33% | | |
| ArvinMeritor 4.00% exercise price \$26.73, expiration date 2/15/27 | 235,000 | 237,056 |
| | | 237,056 |
| Banking, Finance & Insurance – 0.51% | | |
| Jefferies Group 3.875% exercise price \$38.72, expiration date 11/1/29 | 149,000 | 153,098 |
| #SVB Financial Group 144A 3.875% exercise price | | |

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| | | |
|--|---------|-----------|
| \$53.04, expiration date 4/15/11 | 210,000 | 216,562 |
| | | 369,660 |
| Basic Materials – 1.42% | | |
| #Owens-Brockway Glass Container 144A 3.00% exercise price \$47.47, expiration date 5/28/15 | 335,000 | 329,138 |
| *Rayonier TRS Holdings 3.75% exercise price \$54.81, expiration date 10/15/12 | 345,000 | 377,774 |
| #Sino-Forest 144A 5.00% exercise price \$20.29, expiration date 8/1/13 | 255,000 | 319,069 |
| | | 1,025,981 |

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| | Principal Amount | Value |
|---|---------------------|------------|
| Convertible Bonds (continued) | | |
| Cable, Media & Publishing – 0.55% | | |
| General Cable 4.50% exercise price \$36.75, expiration date 11/15/29 | \$ 117,000 | \$ 134,111 |
| VeriSign 3.25% exercise price \$34.37, expiration date 8/15/37 | 235,000 | 268,194 |
| | | 402,305 |
| Computers & Technology – 2.89% | | |
| #Advanced Micro Devices 144A 6.00% exercise price \$28.08, expiration date 5/1/15 | 83,000 | 83,519 |
| Euronet Worldwide 3.50% exercise price \$40.48, expiration date 10/15/25 | 435,000 | 429,562 |
| Hutchinson Technology 3.25% exercise price \$36.43, expiration date 1/15/26 | 150,000 | 105,750 |
| *Intel 3.25% exercise price \$22.68, expiration date 8/1/39 | 124,000 | 151,435 |
| Linear Technology 3.00% exercise price \$45.36, expiration date 5/1/27 | 425,000 | 441,999 |
| Live Nation Entertainment 2.875% exercise price \$27.14, expiration date 7/15/27 | 413,000 | 368,603 |
| #Rovi 144A 2.625% exercise price \$47.36, expiration date 2/15/40 | 250,000 | 332,813 |
| SanDisk 1.00% exercise price \$82.35, expiration date 5/15/13 | 190,000 | 178,838 |
| | | 2,092,519 |
| Energy – 0.49% | | |
| Chesapeake Energy 2.25% exercise price \$85.89, expiration date 12/15/38 | 220,000 | 166,649 |
| *Peabody Energy 4.75% exercise price \$58.40, expiration date 12/15/41 | 50,000 | 62,688 |
| Transocean 1.625% exercise price \$168.61, expiration date 12/15/37 | 125,000 | 124,063 |
| | | 353,400 |
| Healthcare & Pharmaceuticals – 1.98% | | |
| Alere 3.00% exercise price \$43.98, expiration date 5/15/16 | 215,000 | 213,119 |
| Amgen 0.375% exercise price \$79.48, | | |

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| | | |
|---|---------|-----------|
| expiration date 2/1/13 | 270,000 | 270,337 |
| #144A 0.375% exercise price \$79.48, expiration date 2/1/13 | 165,000 | 165,206 |
| Hologic 2.00% exercise price \$38.59, expiration date 12/15/37 | 255,000 | 237,788 |
| LifePoint Hospitals 3.50% exercise price \$51.79, expiration date 5/14/14 | 266,000 | 268,993 |
| Medtronic 1.625% exercise price \$54.79, expiration date 4/15/13 | 275,000 | 276,718 |
| | | 1,432,161 |
| Leisure, Lodging & Entertainment – 0.56% | | |
| #Gaylord Entertainment 144A 3.75% exercise price \$27.25, expiration date 10/1/14 | 160,000 | 227,400 |
| *International Game Technology 3.25% exercise price \$19.97, expiration date 5/1/14 | 160,000 | 175,400 |
| | | 402,800 |
| Real Estate – 0.39% | | |
| #Digital Realty Trust 144A 5.50% exercise price \$42.49, expiration date 4/15/29 | 95,000 | 129,616 |
| #Lexington Realty Trust 144A 6.00% exercise price \$7.09, expiration date 1/15/30 | 123,000 | 149,598 |
| | | 279,214 |
| Retail – 0.24% | | |
| Pantry 3.00% exercise price \$50.09, expiration date 11/15/12 | 180,000 | 175,950 |
| | | 175,950 |
| Telecommunications – 2.12% | | |
| Alaska Communications System Group 5.75% exercise price \$12.90, expiration date 3/1/13 | 260,000 | 270,400 |
| #Ciena 144A 3.75% exercise price \$20.17, expiration date 10/15/18 | 137,000 | 139,569 |
| *Leap Wireless International 4.50% exercise price \$93.21, expiration date 7/15/14 | 307,000 | 278,603 |
| Level 3 Communications 5.25% exercise price \$3.98, expiration date 12/15/11 | 80,000 | 80,400 |
| *6.50% exercise price \$1.24, expiration date 10/1/16 | 120,000 | 131,550 |
| NII Holdings 3.125% exercise price \$118.32, expiration date 6/15/12 | 410,000 | 400,262 |
| SBA Communications 4.00% | | |

| | | |
|-------------------------|---------|-----------|
| exercise price \$30.38, | | |
| expiration date 10/1/14 | 165,000 | 239,456 |
| | | 1,540,240 |

(continues) 9

Statement of net assets

Delaware Investments® Dividend and Income Fund, Inc.

| | Principal Amount | Value |
|--|---------------------|------------|
| Convertible Bonds (continued) | | |
| Transportation – 0.25% | | |
| Bristow Group 3.00% exercise price \$77.34, expiration date 6/14/38 | \$ 185,000 | \$ 182,919 |
| | | 182,919 |
| Utilities – 0.47% | | |
| Dominion Resources 2.125% exercise price \$35.20, expiration date 12/15/23 | 290,000 | 344,013 |
| | | 344,013 |
| Total Convertible Bonds (cost \$8,359,502) | | 9,181,333 |
| Corporate Bonds – 43.35% | | |
| Banking – 0.70% | | |
| Fifth Third Capital Trust IV 6.50% 4/15/37 | 180,000 | 168,750 |
| *GMAC 8.00% 12/31/18 | 153,000 | 156,060 |
| #HBOS Capital Funding 144A 6.071% 6/29/49 | 205,000 | 180,913 |
| | | 505,723 |
| Basic Industry – 4.27% | | |
| AK Steel 7.625% 5/15/20 | 124,000 | 124,310 |
| #Algoma Acquisition 144A 9.875% 6/15/15 | 203,000 | 181,431 |
| *#Appleton Papers 144A 10.50% 6/15/15 | 124,000 | 122,140 |
| Century Aluminum 8.00% 5/15/14 | 125,150 | 130,625 |
| #Drummond 144A 9.00% 10/15/14 | 139,000 | 147,340 |
| #FMG Resources August 2006 144A 7.00% 11/1/15 | 175,000 | 178,063 |
| #Hexion US Finance 144A 9.00% 11/15/20 | 135,000 | 134,325 |
| *#Huntsman International 144A 8.625% 3/15/21 | 70,000 | 74,550 |
| International Coal Group 9.125% 4/1/18 | 144,000 | 156,240 |
| Lyondell Chemical 11.00% 5/1/18 | 144,000 | 160,920 |
| #MacDermid 144A 9.50% 4/15/17 | 235,000 | 247,337 |
| Millar Western Forest Products 7.75% 11/15/13 | 165,000 | 155,925 |
| Momentive Performance Materials | | |

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| | | |
|---------------------------------------|---------|-----------|
| 11.50% 12/1/16 | 155,000 | 163,525 |
| #144A 9.00% 1/15/21 | 105,000 | 104,738 |
| #Murray Energy 144A 10.25% 10/15/15 | 154,000 | 157,850 |
| Noranda Aluminum Acquisition | | |
| PIK 5.193% 5/15/15 | 151,982 | 135,264 |
| Novelis 7.25% 2/15/15 | 72,000 | 74,430 |
| #PE Paper Escrow 144A | | |
| 12.00% 8/1/14 | 96,000 | 110,566 |
| =@Port Townsend 7.32% 8/27/12 | 102,592 | 74,379 |
| Ryerson | | |
| •7.662% 11/1/14 | 95,000 | 89,063 |
| 12.00% 11/1/15 | 120,000 | 123,750 |
| *#Steel Dynamics 144A | | |
| 7.625% 3/15/20 | 110,000 | 118,250 |
| *Verso Paper Holdings | | |
| 11.375% 8/1/16 | 129,000 | 126,581 |
| | | 3,091,602 |
| Brokerage – 0.45% | | |
| E Trade Financial PIK | | |
| 12.50% 11/30/17 | 282,000 | 326,415 |
| | | 326,415 |
| Capital Goods – 3.27% | | |
| #Associated Materials 144A | | |
| 9.125% 11/1/17 | 125,000 | 127,813 |
| #Berry Plastics 144A 9.75% 1/15/21 | 160,000 | 154,000 |
| *#Cemex Espana Luxembourg 144A | | |
| 9.25% 5/12/20 | 74,000 | 70,670 |
| *#Cemex Finance 144A | | |
| 9.50% 12/14/16 | 150,000 | 150,750 |
| #DAE Aviation Holdings 144A | | |
| 11.25% 8/1/15 | 144,000 | 149,760 |
| #Graham Packaging/GPC Capital I | | |
| 144A 8.25% 10/1/18 | 150,000 | 153,000 |
| Intertape Polymer 8.50% 8/1/14 | 96,000 | 80,640 |
| *Manitowoc 9.50% 2/15/18 | 148,000 | 159,100 |
| *NXP BV/Funding 9.50% 10/15/15 | 243,000 | 249,682 |
| #Plastipak Holdings 144A | | |
| 10.625% 8/15/19 | 68,000 | 75,820 |
| Ply Gem Industries 13.125% 7/15/14 | 158,000 | 166,690 |
| #Polypore International 144A | | |
| 7.50% 11/15/17 | 165,000 | 167,888 |
| Pregis 12.375% 10/15/13 | 204,000 | 204,000 |
| *RBS Global/Rexnord 11.75% 8/1/16 | 150,000 | 159,000 |
| Susser Holdings/Finance 8.50% 5/15/16 | 134,000 | 142,710 |
| #Trimas 144A 9.75% 12/15/17 | 115,000 | 123,625 |
| #USG 144A 9.75% 8/1/14 | 33,000 | 34,815 |
| | | 2,369,963 |
| Consumer Cyclical – 5.52% | | |
| #Allison Transmission 144A | | |
| 11.00% 11/1/15 | 152,000 | 165,300 |
| American Axle & Manufacturing | | |

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| | | |
|------------------------------------|---------|---------|
| 7.875% 3/1/17 | 166,000 | 165,170 |
| ArvinMeritor | | |
| 8.125% 9/15/15 | 153,000 | 157,208 |
| 10.625% 3/15/18 | 81,000 | 91,328 |
| Beazer Homes USA | | |
| 8.125% 6/15/16 | 105,000 | 101,850 |
| *9.125% 6/15/18 | 48,000 | 46,320 |
| #144A 9.125% 5/15/19 | 105,000 | 99,225 |
| Burlington Coat Factory Investment | | |
| Holdings 14.50% 10/15/14 | 283,000 | 295,734 |
| *#CKE Restaurants 144A | | |
| 11.375% 7/15/18 | 150,000 | 160,500 |
| Dave & Buster's 11.00% 6/1/18 | 134,000 | 145,390 |

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| | Principal Amount | Value |
|--|---------------------|------------|
| Corporate Bonds (continued) | | |
| Consumer Cyclical (continued) | | |
| *#Dunkin Finance 144A 9.625% 12/1/18 | \$ 155,000 | \$ 156,744 |
| Express/Express Finance 8.75% 3/1/18 | 96,000 | 102,240 |
| *Ford Motor 7.45% 7/16/31 | 234,000 | 252,719 |
| Ford Motor Credit 12.00% 5/15/15 | 153,000 | 189,701 |
| *Goodyear Tire & Rubber 8.25% 8/15/20 | 70,000 | 70,700 |
| Interface 9.50% 2/1/14 | 15,000 | 15,488 |
| 11.375% 11/1/13 | 48,000 | 59,160 |
| #144A 7.625% 12/1/18 | 120,000 | 123,000 |
| K Hovnanian Enterprises 6.25% 1/15/15 | 120,000 | 88,500 |
| 7.50% 5/15/16 | 67,000 | 45,560 |
| Landry's Restaurants 11.625% 12/1/15 | 66,000 | 70,290 |
| #M/I Homes 144A 8.625% 11/15/18 | 255,000 | 255,318 |
| *#Marina District Finance 144A 9.875% 8/15/18 | 85,000 | 81,813 |
| #NBTY 144A 9.00% 10/1/18 | 215,000 | 226,825 |
| Norcraft Finance 10.50% 12/15/15 | 105,000 | 111,825 |
| Norcraft Holdings/Capital 9.75% 9/1/12 | 119,000 | 118,703 |
| *OSI Restaurant Partners 10.00% 6/15/15 | 151,000 | 156,285 |
| #Pinafore 144A 9.00% 10/1/18 | 175,000 | 185,500 |
| Quiksilver 6.875% 4/15/15 | 192,000 | 183,360 |
| Standard Pacific 10.75% 9/15/16 | 72,000 | 82,440 |
| | | 4,004,196 |
| Consumer Non-Cyclical – 3.67% | | |
| #Accellent 144A 10.00% 11/1/17 | 95,000 | 89,063 |
| Alere 9.00% 5/15/16 | 99,000 | 101,475 |
| Alliance One International 10.00% 7/15/16 | 113,000 | 118,650 |
| BioScrip 10.25% 10/1/15 | 125,000 | 128,594 |
| Cott Beverages 8.375% 11/15/17 | 86,000 | 91,805 |
| *Dean Foods 7.00% 6/1/16 | 131,000 | 120,848 |
| Diversey Holdings 10.50% 5/15/20 | 276,000 | 318,434 |
| #DJO Finance 144A 9.75% 10/15/17 | 195,000 | 196,462 |
| #Icon Health & Fitness 144A 11.875% 10/15/16 | 90,000 | 89,775 |
| #Lantheus Medical Imaging 144A 9.75% 5/15/17 | 105,000 | 109,200 |
| *LVB Acquisition 11.625% 10/15/17 | 134,000 | 148,405 |
| Pinnacle Foods Finance | | |

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| | | |
|------------------------------------|---------|-----------|
| 10.625% 4/1/17 | 70,000 | 74,813 |
| #Reynolds Group Issuer 144A | | |
| 9.00% 4/15/19 | 175,000 | 178,937 |
| Smithfield Foods 7.75% 7/1/17 | 119,000 | 120,785 |
| *Supervalu 8.00% 5/1/16 | 100,000 | 98,750 |
| Tops Markets 10.125% 10/15/15 | 79,000 | 84,530 |
| #Viking Acquisition 144A | | |
| 9.25% 11/1/18 | 175,000 | 175,438 |
| *#Visant 144A 10.00% 10/1/17 | 95,000 | 98,325 |
| #Viskase 144A 9.875% 1/15/18 | 158,000 | 164,320 |
| *Yankee Acquisition 9.75% 2/15/17 | 144,000 | 149,760 |
| | | 2,658,369 |
| Energy – 4.54% | | |
| #American Petroleum Tankers 144A | | |
| 10.25% 5/1/15 | 152,000 | 156,940 |
| Antero Resources Finance | | |
| 9.375% 12/1/17 | 110,000 | 113,850 |
| Aquilex Holdings/Finance | | |
| 11.125% 12/15/16 | 139,000 | 140,390 |
| *Chaparral Energy 8.50% 12/1/15 | 80,000 | 79,400 |
| *Chesapeake Energy 9.50% 2/15/15 | 109,000 | 122,625 |
| Complete Production Service | | |
| 8.00% 12/15/16 | 74,000 | 76,220 |
| Copano Energy Finance | | |
| 7.75% 6/1/18 | 100,000 | 100,500 |
| *Crosstex Energy/Finance | | |
| 8.875% 2/15/18 | 124,000 | 129,890 |
| Dynegy Holdings 7.75% 6/1/19 | 130,000 | 85,475 |
| El Paso | | |
| *6.875% 6/15/14 | 45,000 | 48,660 |
| 7.00% 6/15/17 | 49,000 | 51,873 |
| #El Paso Performance-Linked Trust | | |
| 144A 7.75% 7/15/11 | 31,000 | 31,999 |
| Global Geophysical Services | | |
| 10.50% 5/1/17 | 67,000 | 66,665 |
| Headwaters 11.375% 11/1/14 | 139,000 | 150,294 |
| #Helix Energy Solutions Group 144A | | |
| 9.50% 1/15/16 | 193,000 | 201,684 |
| #Hercules Offshore 144A | | |
| 10.50% 10/15/17 | 148,000 | 118,400 |
| #Hilcorp Energy I/Finance 144A | | |
| 8.00% 2/15/20 | 158,000 | 166,295 |
| Holly 9.875% 6/15/17 | 116,000 | 126,730 |
| *Key Energy Services | | |
| 8.375% 12/1/14 | 135,000 | 143,438 |
| #Linn Energy/Finance 144A | | |
| 8.625% 4/15/20 | 153,000 | 162,945 |
| *#NFR Energy/Finance 144A | | |
| 9.75% 2/15/17 | 144,000 | 142,920 |
| OPTI Canada | | |
| 7.875% 12/15/14 | 111,000 | 76,868 |

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| | | |
|---------------------------------|---------|-----------|
| 8.25% 12/15/14 | 213,000 | 149,100 |
| PetroHawk Energy 7.875% 6/1/15 | 144,000 | 149,040 |
| Petroleum Development | | |
| 12.00% 2/15/18 | 142,000 | 159,750 |
| Pioneer Drilling 9.875% 3/15/18 | 72,000 | 76,320 |
| Quicksilver Resources | | |
| 7.125% 4/1/16 | 109,000 | 105,730 |
| SandRidge Energy | | |
| *8.75% 1/15/20 | 30,000 | 30,450 |
| #144A 9.875% 5/15/16 | 118,000 | 122,720 |
| | | 3,287,171 |

(continues) 11

Statement of net assets

Delaware Investments® Dividend and Income Fund, Inc.

| | Principal Amount | Value |
|---|---------------------|------------|
| Corporate Bonds (continued) | | |
| Finance & Investments – 2.33% | | |
| American International Group 8.175% 5/15/58 | \$ 265,000 | \$ 272,288 |
| Genworth Financial 6.15% 11/15/66 | 326,000 | 251,020 |
| #Icahn Enterprises/Finance 144A 8.00% 1/15/18 | 70,000 | 69,475 |
| #LFC E-Capital Trust II 144A 6.25% 12/21/65 | 325,000 | 255,531 |
| #Liberty Mutual Group 144A 7.00% 3/15/37 | 195,000 | 176,951 |
| *Nuveen Investments 10.50% 11/15/15 | 494,000 | 494,617 |
| XL Capital 6.50% 12/29/49 | 200,000 | 172,500 |
| | | 1,692,382 |
| Media – 3.43% | | |
| #Affinion Group 144A 7.875% 12/15/18 | 210,000 | 194,775 |
| Cablevision Systems 8.00% 4/15/20 | 14,000 | 15,085 |
| | 62,000 | 67,735 |
| *#CCO Holdings/Capital 144A 7.875% 4/30/18 | 33,000 | 34,320 |
| | 43,000 | 45,365 |
| *#Charter Communications Operating 144A 10.875% 9/15/14 | 65,000 | 72,800 |
| #Columbus International 144A 11.50% 11/20/14 | 135,000 | 149,850 |
| GXS Worldwide 9.75% 6/15/15 | 164,000 | 162,770 |
| MDC Partners 11.00% 11/1/16 | 67,000 | 75,040 |
| #Nexstar/Mission Broadcasting 144A 8.875% 4/15/17 | 144,000 | 150,840 |
| Nielsen Finance *11.50% 5/1/16 | 24,000 | 27,480 |
| | 40,000 | 45,800 |
| #144A 7.75% 10/15/18 | 150,000 | 153,375 |
| #Sinclair Television Group 144A 9.25% 11/1/17 | 105,000 | 114,188 |
| #Sitel Finance 144A 11.50% 4/1/18 | 144,000 | 123,120 |
| Terremark Worldwide 12.00% 6/15/17 | 125,000 | 141,875 |
| #Univision Communications 144A | | |

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| | | |
|---------------------------------------|---------|-----------|
| 7.875% 11/1/20 | 165,000 | 169,538 |
| #UPC Holding 144A 9.875% 4/15/18 | 196,000 | 211,680 |
| #XM Satellite Radio 144A | | |
| 7.625% 11/1/18 | 150,000 | 150,000 |
| 13.00% 8/1/13 | 326,000 | 383,049 |
| | | 2,488,685 |
| Real Estate – 0.23% | | |
| *Felcor Lodging 10.00% 10/1/14 | 148,000 | 164,465 |
| | | 164,465 |
| Services Cyclical – 5.10% | | |
| #Ashtead Capital 144A | | |
| 9.00% 8/15/16 | 96,000 | 100,560 |
| Cardtronics 8.25% 9/1/18 | 75,000 | 78,750 |
| #Delta Air Lines 144A | | |
| 12.25% 3/15/15 | 134,000 | 152,090 |
| DryShips 5.00% 12/1/14 | 410,000 | 409,487 |
| #Equinox Holdings 144A | | |
| 9.50% 2/1/16 | 148,000 | 155,030 |
| *General Maritime | | |
| 12.00% 11/15/17 | 148,000 | 148,740 |
| *Harrah's Operating | | |
| 10.00% 12/15/18 | 317,000 | 269,449 |
| Kansas City Southern de Mexico | | |
| 8.00% 2/1/18 | 33,000 | 35,640 |
| #MCE Finance 144A | | |
| 10.25% 5/15/18 | 145,000 | 164,575 |
| MGM MIRAGE | | |
| *11.375% 3/1/18 | 394,000 | 407,789 |
| 13.00% 11/15/13 | 97,000 | 114,460 |
| *Mohegan Tribal Gaming Authority | | |
| 6.875% 2/15/15 | 38,000 | 25,650 |
| 7.125% 8/15/14 | 96,000 | 67,200 |
| NCL | | |
| 11.75% 11/15/16 | 148,000 | 168,350 |
| #144A 9.50% 11/15/18 | 75,000 | 76,781 |
| *#Nortek 144A 10.00% 12/1/18 | 100,000 | 100,500 |
| @Northwest Airlines 10.00% 2/1/11 | 55,000 | 193 |
| *Peninsula Gaming 10.75% 8/15/17 | 153,000 | 165,623 |
| *#PHH 144A 9.25% 3/1/16 | 150,000 | 154,500 |
| *Pinnacle Entertainment 8.75% 5/15/20 | 161,000 | 161,604 |
| #Quintiles Transnational PIK 144A | | |
| 9.50% 12/30/14 | 67,000 | 68,173 |
| Royal Caribbean Cruises | | |
| 6.875% 12/1/13 | 76,000 | 81,320 |
| *RSC Equipment Rental | | |
| 10.25% 11/15/19 | 14,000 | 15,558 |
| #ServiceMaster PIK 144A | | |
| 10.75% 7/15/15 | 139,000 | 149,773 |
| #Shingle Springs Tribal Gaming | | |
| Authority 144A 9.375% 6/15/15 | 169,000 | 103,935 |
| *#Swift Transportation 144A | | |

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| | | | |
|-------------------------------|--------------------------------|---------|-----------|
| | 12.50% 5/15/17 | 80,000 | 86,800 |
| #United Air Lines 144A | | | |
| | 12.00% 11/1/13 | 211,000 | 235,265 |
| | | | 3,697,795 |
| Services Non-Cyclical – 2.13% | | | |
| | Alion Science & Technology PIK | | |
| | 12.00% 11/1/14 | 116,413 | 118,741 |
| | Casella Waste Systems | | |
| | 9.75% 2/1/13 | 131,000 | 132,965 |
| | 11.00% 7/15/14 | 86,000 | 94,170 |
| | HCA 9.25% 11/15/16 | 139,000 | 149,078 |
| #inVentiv Health 144A | | | |
| | 10.00% 8/15/18 | 170,000 | 167,450 |
| #MultiPlan 144A 9.875% 9/1/18 | | 160,000 | 170,399 |
| #Novasep Holding 144A | | | |
| | 9.75% 12/15/16 | 139,000 | 95,215 |

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| | Principal Amount | Value |
|---|---------------------|------------|
| Corporate Bonds (continued) | | |
| Services Non-Cyclical (continued) | | |
| #Radiation Therapy Services 144A 9.875% 4/15/17 | \$ 163,000 | \$ 160,148 |
| #Radnet Management 144A 10.375% 4/1/18 | 143,000 | 132,275 |
| Select Medical 7.625% 2/1/15 | 164,000 | 164,000 |
| US Oncology Holdings PIK 6.737% 3/15/12 | 157,000 | 157,785 |
| | | 1,542,226 |
| Technology & Electronics – 1.37% | | |
| #Allen Systems Group 144A 10.50% 11/15/16 | 170,000 | 169,999 |
| #Aspect Software 144A 10.625% 5/15/17 | 148,000 | 150,220 |
| First Data 9.875% 9/24/15 | 155,000 | 132,525 |
| #International Wire Group 144A 9.75% 4/15/15 | 134,000 | 139,528 |
| MagnaChip Semiconductor/Finance 10.50% 4/15/18 | 105,000 | 112,350 |
| #MedAssets 144A 8.00% 11/15/18 | 85,000 | 86,063 |
| Sanmina-SCI 8.125% 3/1/16 | 63,000 | 63,473 |
| *SunGard Data Systems 10.25% 8/15/15 | 132,000 | 137,280 |
| | | 991,438 |
| Telecommunications – 5.15% | | |
| #Clearwire Communications 144A 12.00% 12/1/15 | 602,000 | 641,249 |
| #Digicel Group 144A 9.125% 1/15/15 | 100,000 | 101,500 |
| | 100,000 | 110,500 |
| Global Crossing 12.00% 9/15/15 | 272,000 | 307,360 |
| Intelsat Bermuda 11.25% 2/4/17 | 416,000 | 437,839 |
| PIK 11.50% 2/4/17 | 167,544 | 178,434 |
| Level 3 Financing 10.00% 2/1/18 | 163,000 | 150,775 |
| *MetroPCS Wireless 7.875% 9/1/18 | 70,000 | 72,888 |
| NII Capital 10.00% 8/15/16 | 132,000 | 147,180 |
| *PAETEC Holding 9.50% 7/15/15 | 131,000 | 133,293 |
| Qwest 8.375% 5/1/16 | 4,000 | 4,820 |
| Qwest Communications International 7.50% 2/15/14 | 58,000 | 58,870 |
| Sprint Capital 8.75% 3/15/32 | 315,000 | 313,425 |
| #Telcordia Technologies 144A 11.00% 5/1/18 | 248,000 | 243,040 |
| Telesat Canada 11.00% 11/1/15 | 81,000 | 90,518 |

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| | | |
|-------------------------------------|-----------|------------|
| 12.50% 11/1/17 | 136,000 | 158,440 |
| ViaSat 8.875% 9/15/16 | 72,000 | 76,860 |
| Virgin Media Finance | | |
| 8.375% 10/15/19 | 96,000 | 105,840 |
| *West 11.00% 10/15/16 | 153,000 | 164,858 |
| #Wind Acquisition Finance 144A | | |
| 11.75% 7/15/17 | 211,000 | 235,265 |
| | | 3,732,954 |
| Utilities – 1.19% | | |
| AES | | |
| 7.75% 3/1/14 | 79,000 | 84,135 |
| *8.00% 6/1/20 | 52,000 | 54,600 |
| 9.75% 4/15/16 | 20,000 | 22,300 |
| Elwood Energy 8.159% 7/5/26 | 149,426 | 144,943 |
| Energy Future Intermediate | | |
| Holding/Finance | | |
| 10.00% 12/1/20 | 155,000 | 159,751 |
| #GenOn Escrow 144A | | |
| 9.50% 10/15/18 | 105,000 | 100,275 |
| *Mirant Americas Generation | | |
| 8.50% 10/1/21 | 192,000 | 186,720 |
| Puget Sound Energy 6.974% 6/1/67 | 110,000 | 107,982 |
| | | 860,706 |
| Total Corporate Bonds | | |
| (cost \$29,799,839) | | 31,414,090 |
| «Senior Secured Loans – 1.23% | | |
| Chester Downs & Marina | | |
| 12.375% 12/31/16 | 61,600 | 62,627 |
| Clear Channel Communication | | |
| Tranche B 3.65% 1/29/16 | 205,000 | 163,184 |
| CommScope 9.25% 10/26/11 | 180,000 | 180,000 |
| PQ 6.82% 7/30/15 | 170,000 | 161,429 |
| Syniverse Holdings 8.00% 10/28/11 | 59,000 | 59,018 |
| Texas Competitive Electric Holdings | | |
| Tranche B2 3.941% 10/10/14 | 338,658 | 262,083 |
| Total Senior Secured Loans | | |
| (cost \$867,415) | | 888,341 |
| | Number of | |
| | Shares | |
| Limited Partnership – 0.22% | | |
| *Brookfield Infrastructure Partners | 7,600 | 159,828 |
| Total Limited Partnership | | |
| (cost \$144,435) | | 159,828 |
| Preferred Stock – 0.52% | | |
| Financial – 0.49% | | |
| *#@GMAC 144A 7.00% | 400 | 357,150 |
| | | 357,150 |
| Industrials – 0.00% | | |

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| | | |
|----------------------------------|--------|---------|
| =Port Townsend 0.00% | 70 | 0 |
| | | 0 |
| Real Estate – 0.03% | | |
| W2007 Grace Acquisitions I 8.75% | 34,400 | 24,080 |
| | | 24,080 |
| Total Preferred Stock | | |
| (cost \$1,261,800) | | 381,230 |

(continues) 13

Statement of net assets

Delaware Investments® Dividend and Income Fund, Inc.

| | Number of Shares | Value |
|--|-----------------------------|---------------------|
| Warrants – 0.00% | | |
| Alion Science & Technology | 120 | \$ 1 |
| =@ Port Townsend | 70 | 1 |
| Total Warrants (cost \$1,680) | | 2 |
| | Principal Amount | |
| ≠Discount Note – 0.42% | | |
| Federal Home Loan Bank 0.07% 12/1/10 | \$ 306,001 | 306,001 |
| Total Discount Note (cost \$306,001) | | 306,001 |
| Total Value of Securities Before | | |
| Securities Lending Collateral – 127.80% (cost \$90,218,214) | | 92,617,180 |
| | Number of Shares | |
| Securities Lending Collateral** – 15.29% | | |
| Investment Companies | | |
| Delaware Investments Collateral Fund No.1 | 10,889,591 | 10,889,591 |
| BNY Mellon SL DBT II Liquidating Fund | 197,196 | 191,635 |
| @ †Mellon GSL Reinvestment Trust II | 154,977 | 0 |
| Total Securities Lending Collateral (cost \$11,241,764) | | 11,081,226 |
| Total Value of Securities – 143.09% (cost \$101,459,978) | | |
| | | 103,698,406© |
| Obligation to Return Securities | | |
| Lending Collateral** – (15.51%) | | (11,241,764) |
| Borrowing Under Line of Credit – (27.91%) | | |
| | | (20,225,000) |
| Receivables and Other Assets | | |
| Net of Liabilities – 0.33% | | 238,011 |
| Net Assets Applicable to 9,439,043 | | |
| Shares Outstanding; Equivalent to \$7.68 Per Share – 100.00% | | \$ 72,469,653 |

Components of Net Assets at November 30, 2010:

Common stock, \$0.01 par value,

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| | | |
|--|----|--------------|
| 500,000,000 shares authorized to the Fund | \$ | 94,891,694 |
| Distributions in excess of net investment income | | (260,572) |
| Accumulated net realized loss on investments | | (24,402,758) |
| Net unrealized appreciation of investments | | 2,241,289 |
| Total net assets | \$ | 72,469,653 |

†Non income producing security.

‡Variable rate security. The rate shown is the rate as of November 30, 2010. Interest rates reset periodically.

≠The rate shown is the effective yield at the time of purchase.

@Illiquid security. At November 30, 2010, the aggregate amount of illiquid securities was \$433,298, which represented 0.60% of the Fund's net assets. See Note 9 in "Notes to financial statements."

Restricted Security. These investments are in securities not registered under the Securities Act of 1933, as amended, and have certain restrictions on resale which may limit their liquidity. At November 30, 2010, the aggregate amount of the restricted securities was \$172,504 or 0.24% of the Fund's net assets. See Note 9 in "Notes to financial statements."

=Security is being fair valued in accordance with the Fund's fair valuation policy. At November 30, 2010, the aggregate amount of fair valued securities was \$74,384, which represented 0.10% of the Fund's net assets. See Note 1 in "Notes to financial statements."

#Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. At November 30, 2010, the aggregate amount of Rule 144A securities was \$16,054,547, which represented 22.15% of the Fund's net assets. See Note 9 in "Notes to financial statements."

«Senior Secured Loans generally pay interest at rates which are periodically redetermined by reference to a base lending rate plus a premium. These base lending rates are generally: (i) the prime rate offered by one or more United States banks, (ii) the lending rate offered by one or more European banks such as the London Inter-Bank Offered Rate (LIBOR), and (iii) the certificate of deposit rate. Senior Secured Loans may be subject to restrictions on resale. Stated rate in effect at November 30, 2010.

Step coupon bond. Coupon increases or decreases periodically based on a predetermined schedule. Stated rate in effect at November 30, 2010.

*Fully or partially on loan.

**See Note 8 in "Notes to financial statements."

©Includes \$10,968,941 of securities loaned.

Summary of Abbreviations:

ADR – American Depositary Receipts

PIK – Pay-in-kind

REIT – Real Estate Investment Trust

See accompanying Notes, which are an integral part of the financial statements.

Statement of operations

Delaware Investments® Dividend and Income Fund, Inc.
Year Ended November 30, 2010

| | | | |
|---|----|------------|--------------|
| Investment Income: | | | |
| Dividends | \$ | 1,612,528 | |
| Interest | | 3,497,611 | |
| Securities lending income | | 30,218 | \$ 5,140,357 |
| Expenses: | | | |
| Management fees | | 492,379 | |
| Reports to shareholders | | 113,504 | |
| Dividend disbursing and transfer agent fees and expenses | | 74,048 | |
| Legal fees | | 38,995 | |
| Accounting and administration expenses | | 35,556 | |
| Leverage expenses | | 24,690 | |
| NYSE fees | | 23,750 | |
| Audit and tax | | 15,329 | |
| Pricing fees | | 12,823 | |
| Dues and services | | 8,547 | |
| Directors' fees | | 3,858 | |
| Custodian fees | | 3,577 | |
| Insurance fees | | 2,844 | |
| Consulting fees | | 963 | |
| Registration fees | | 643 | |
| Directors' expenses | | 303 | 851,809 |
| Total operating expenses (before interest expense) | | | 851,809 |
| Interest expense | | | 296,222 |
| Total operating expenses (after interest expense) | | | 1,148,031 |
| Net Investment Income | | | 3,992,326 |
| Net Realized and Unrealized Gain on Investments | | | |
| Net realized gain on investments | | | 3,448,267 |
| Net change in unrealized appreciation/depreciation of investments | | | 5,121,408 |
| Net Realized and Unrealized Gain on Investments | | | 8,569,675 |
| Net Increase in Net Assets Resulting from Operations | \$ | 12,562,001 | |

See accompanying notes, which are an integral part of the financial statements.

Statements of changes in net assets

Delaware Investments® Dividend and Income Fund, Inc.

| | Year Ended | |
|--|---------------|---------------|
| | 11/30/10 | 11/30/09 |
| Increase (Decrease) in Net Assets from Operations: | | |
| Net investment income | \$ 3,992,326 | \$ 4,021,679 |
| Net realized gain (loss) on investments | 3,448,267 | (10,722,630) |
| Net change in unrealized appreciation/depreciation of investments | 5,121,408 | 31,142,775 |
| Net increase in net assets resulting from operations | 12,562,001 | 24,441,824 |
| Dividends and Distributions to Shareholders from: 1 | | |
| Net investment income | (6,512,940) | (3,988,862) |
| Return of capital | — | (2,947,565) |
| | (6,512,940) | (6,936,427) |
| Capital Share Transactions: | | |
| Cost of shares repurchased ² | — | (2,916,169) |
| Decrease in net assets derived from capital share transactions | — | (2,916,169) |
| Net Increase in Net Assets | 6,049,061 | 14,589,228 |
| Net Assets: | | |
| Beginning of year | 66,420,592 | 51,831,364 |
| End of year (including distributions in excess of net investment income of \$260,572 and \$66,931, respectively) | \$ 72,469,653 | \$ 66,420,592 |

¹See Note 4 in "Notes to financial statements."

²See Note 6 in "Notes to financial statements."

See accompanying notes, which are an integral part of the financial statements.

Statement of cash flows

Delaware Investments® Dividend and Income Fund, Inc.
Year Ended November 30, 2010

| | |
|---|--------------------|
| Net Cash Provided by Operating Activities: | |
| Net increase in net assets resulting from operations | \$ 12,562,001 |
| Adjustments to reconcile net decrease in net assets from operations to cash provided by operating activities: | |
| Amortization of premium and discount on investments purchased | (273,741) |
| Purchase of investment securities | (54,339,115) |
| Proceeds from disposition of investment securities | 55,120,628 |
| Proceeds from disposition of short-term investment securities, net | 1,285,630 |
| Net realized gain from investment transactions | (3,240,545) |
| Net change in net unrealized appreciation/depreciation of investments | (5,121,408) |
| Decrease in receivable for investments sold | 462,718 |
| Decrease in interest and dividends receivable and other assets | 12,364 |
| Decrease in payable for investments purchased | (9,433) |
| Increase in interest payable | 242 |
| Increase in accrued expenses and other liabilities | 50,247 |
| Total adjustments | (6,052,413) |
| Net cash provided by operating activities | 6,509,588 |
| Cash Flows Used for Financing Activities: | |
| Cash dividends and distributions paid | (6,512,940) |
| Net cash used for financing activities | (6,512,940) |
| Net decrease in cash | (3,352) |
| Cash at beginning of year | 16,938 |
| Cash at end of year | \$ 13,586 |
| Cash paid for interest expense for leverage | \$ 295,980 |

See accompanying notes, which are an integral part of the financial statements.

Financial highlights

Delaware Investments® Dividend and Income Fund, Inc.

Selected data for each share of the Fund outstanding throughout each period were as follows:

| | Year Ended | | | | |
|---|------------|----------|----------|-----------|-----------|
| | 11/30/10 | 11/30/09 | 11/30/08 | 11/30/07 | 11/30/06 |
| Net asset value, beginning of period | \$7.040 | \$5.220 | \$11.850 | \$14.200 | \$12.650 |
| Income (loss) from investment operations: | | | | | |
| Net investment income ¹ | 0.423 | 0.413 | 0.490 | 0.408 | 0.470 |
| Net realized and unrealized gain (loss) on investments and foreign currencies | 0.907 | 2.120 | (6.160) | (0.640) | 2.150 |
| Total from investment operations | 1.330 | 2.533 | (5.670) | (0.232) | 2.620 |
| Less dividends and distributions from: | | | | | |
| Net investment income | (0.690) | (0.410) | (0.558) | (0.553) | (0.486) |
| Net realized gain on investments | — | — | — | (0.912) | (0.584) |
| Return of capital | — | (0.303) | (0.402) | (0.653) | — |
| Total dividends and distributions | (0.690) | (0.713) | (0.960) | (2.118) | (1.070) |
| Net asset value, end of period | \$7.680 | \$7.040 | \$5.220 | \$11.850 | \$14.200 |
| Market value, end of period | \$7.560 | \$6.600 | \$4.020 | \$10.660 | \$13.460 |
| Total return based on:² | | | | | |
| Net asset value | 19.61% | 53.26% | (50.35%) | (0.94%) | 22.41% |
| Market value | 25.59% | 86.93% | (57.51%) | (5.99%) | 16.96% |
| Ratios and supplemental data: | | | | | |
| Net assets, end of period (000 omitted) | \$72,470 | \$66,421 | \$51,831 | \$123,928 | \$156,324 |
| Ratio of expenses to average net assets | 1.65% | 1.83% | 2.39% | 2.71% | 2.71% |
| Ratio of expenses to adjusted average net assets (before interest expense) ³ | 0.95% | 1.05% | 0.88% | 0.84% | 0.88% |
| Ratio of interest expense to adjusted average net assets ³ | 0.33% | 0.30% | 0.80% | 1.25% | 1.19% |
| Ratio of net investment income to average net assets | 5.75% | 7.06% | 5.12% | 2.92% | 3.59% |
| Ratio of net investment income to adjusted average net assets ³ | 4.45% | 5.21% | 3.59% | 2.27% | 2.74% |
| Portfolio turnover | 62% | 65% | 64% | 49% | 63% |
| Leverage Analysis: | | | | | |
| Debt outstanding at end of period at par (000 omitted) | \$20,225 | \$20,225 | \$20,225 | \$44,000 | \$44,000 |
| Asset coverage per \$1,000 of debt outstanding at end of period | \$4,583 | \$4,284 | \$3,563 | \$3,820 | \$4,577 |

¹ The average shares outstanding method has been applied for per share information.

² Total investment return is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed for the purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Generally, total investment return based on net asset value will be higher than total investment return based on market value in periods where there is an increase in the discount or decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. Conversely,

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total investment return based on net asset value will be lower than total investment return based on market value in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods.
3 Adjusted average net assets excludes debt outstanding.

See accompanying notes, which are an integral part of the financial statements.

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Notes to financial statements

Delaware Investments® Dividend and Income Fund, Inc.
November 30, 2010

Delaware Investments Dividend and Income Fund, Inc. (Fund) is organized as a Maryland corporation and is a diversified closed-end management investment company under the Investment Company Act of 1940, as amended. The Fund's shares trade on the New York Stock Exchange (NYSE) under the symbol DDF.

The investment objective of the Fund is to seek high current income. Capital appreciation is a secondary objective.

1. Significant Accounting Policies

The following accounting policies are in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and are consistently followed by the Fund.

Security Valuation—Equity securities, except those traded on the Nasdaq Stock Market, Inc. (Nasdaq), are valued at the last quoted sales price as of the time of the regular close of the NYSE on the valuation date. Securities traded on the Nasdaq are valued in accordance with the Nasdaq Official Closing Price, which may not be the last sales price. If on a particular day an equity security does not trade, then the mean between the bid and ask prices will be used. Securities listed on a foreign exchange are valued at the last quoted sales price on the valuation date. Short-term debt securities are valued at market value. U.S. government and agency securities are valued at the mean between the bid and ask prices. Other debt securities, credit default swap (CDS) contracts and interest rate swap contracts are valued by an independent pricing service or broker. To the extent current market prices are not available, the pricing service may take into account developments related to the specific security, as well as transactions in comparable securities. Investment company securities are valued at net asset value per share. Foreign currency exchange contracts are valued at the mean between the bid and ask prices. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available. Generally, other securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith under the direction of the Fund's Board of Directors (Board). In determining whether market quotations are readily available or fair valuation will be used, various factors will be taken into consideration, such as market closures or suspension of trading in a security. The Fund may use fair value pricing more frequently for securities traded primarily in non-U.S. markets because, among other things, most foreign markets close well before the Fund values its securities generally as of 4:00 p.m. Eastern time. The earlier close of these foreign markets gives rise to the possibility that significant events, including broad market moves, government actions or pronouncements, aftermarket trading, or news events may have occurred in the interim. To account for this, the Fund may frequently value foreign securities using fair value prices based on third-party vendor modeling tools (international fair value pricing).

Federal Income Taxes—No provision for federal income taxes has been made as the Fund intends to continue to qualify for federal income tax purposes as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended, and make the requisite distributions to shareholders. The Fund evaluates tax positions taken or expected to be taken in the course of preparing the Fund's tax return to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. Management has analyzed the Fund's tax positions taken on federal income tax returns for all open tax years (November 30, 2007 – November 30, 2010), and has concluded that no provision for federal income tax is required in the Fund's financial statements.

Distributions—The Fund has implemented a managed distribution policy. Under the policy, the Fund is managed with a goal of generating as much of the distribution as possible from net investment income and short-term capital gains. The balance of the distribution will then come from long-term capital gains to the extent permitted, and if necessary, a return of capital. Even though the Fund may realized current year capital gains, such gains may be offset, in whole or in part, by the Fund's capital loss carryovers from prior years. For federal income tax purposes, the effect of such capital loss carryovers may be to convert (to the extent of such current year gains) what would otherwise be returns of capital into distributions taxable as ordinary income. This tax effect can occur during times of extended market volatility. Shareholders should receive written notification regarding the actual components and tax treatments of all Fund distributions for the calendar year 2010 in early 2011.

Foreign Currency Transactions—Transactions denominated in foreign currencies are recorded at the prevailing exchange rates on the valuation date in accordance with the Fund's prospectus. The value of all assets and liabilities denominated in foreign currencies is translated into U.S. dollars at the exchange rate of such currencies against the U.S. dollar daily. Transaction gains or losses resulting from changes in exchange rates during the reporting period or upon settlement of the foreign currency transaction are reported in operations for the current period. The Fund isolates that portion of realized gains and losses on investments in debt securities, which is due to changes in foreign exchange rates from that which is due to changes in market prices of debt securities. For foreign equity securities, these changes are included in realized gains (losses) on investments. The Fund reports certain foreign currency related transactions as components of realized gains (losses) for financial reporting purposes, whereas such components are treated as ordinary income (loss) for federal income tax purposes.

Use of Estimates—The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and the differences could be material.

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Notes to financial statements

Delaware Investments® Dividend and Income Fund, Inc.

1. Significant Accounting Policies (continued)

Other –Expenses directly attributable to the Fund are charged directly to the Fund. Other expenses common to various funds within the Delaware Investments Family of Funds are generally allocated amongst such funds on the basis of average net assets. Management fees and some other expenses are paid monthly. Security transactions are recorded on the date the securities are purchased or sold (trade date) for financial reporting purposes. Costs used in calculating realized gains and losses on the sale of investment securities are those of the specific securities sold. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis. Discounts and premiums on non-convertible bonds are amortized to interest income over the lives of the respective securities. Distributions received from investments in Real Estate Investment Trusts (REITs) are recorded as dividend income on the ex-dividend date, subject to reclassification upon notice of the character of such distribution by the issuer.

Subject to seeking best execution, the Fund may direct certain security trades to brokers who have agreed to rebate a portion of the related brokerage commission to the Fund in cash. Such commission rebates are included in realized gain on investments in the accompanying financial statements and totaled \$1,722 for the year ended November 30, 2010. In general, best execution refers to many factors, including the price paid or received for a security, the commission charged, the promptness and reliability of execution, the confidentiality and placement accorded the order, and other factors affecting the overall benefit obtained by the Fund on the transaction. DMC, as defined below, and its affiliates have previously and may in the future act as an investment advisor to mutual funds or separate accounts affiliated with the administrator of the commission recapture program described above. In addition, affiliates of the administrator act as consultants in helping institutional clients choose investment advisors and may also participate in other types of business and provide other services in the investment management industry.

The Fund may receive earnings credits from its custodian when positive cash balances are maintained, which are used to offset custody fees. There were no earnings credits for the year ended November 30, 2010.

2. Investment Management, Administration Agreements and Other Transactions with Affiliates

In accordance with the terms of its investment management agreement, the Fund pays Delaware Management Company (DMC), a series of Delaware Management Business Trust and the investment manager, an annual fee of 0.55%, (calculated daily) of the adjusted average weekly net assets of the Fund. For purposes of the calculation of investment management fees, adjusted average weekly net assets excludes the line of credit liability.

Delaware Service Company, Inc. (DSC), an affiliate of DMC, provides fund accounting and financial administration oversight services to the Fund. For these services, the Fund pays DSC fees based on the aggregate daily net assets of the Delaware Investments Family of Funds at the following annual rate: 0.0050% of the first \$30 billion; and 0.0045% of the next \$10 billion; 0.0040% of the next \$10 billion; and 0.0025% of adjusted average daily net assets in excess of \$50 billion. The fees payable to DSC under the service agreement described above are allocated among all Funds in the Delaware Investments® Family of Funds on a relative net asset value basis. For the year ended November 30, 2010, the Fund was charged \$4,477 for these services.

At November 30, 2010, the Fund had liabilities payable to affiliates as follows:

| | |
|---|----------|
| Investment management fee payable to DMC | \$42,523 |
| Fees and expenses payable to DSC | 384 |
| Other expenses payable to DMC and affiliates* | 935 |

*DMC, as part of its administrative services, pays operating expenses on behalf of the Fund and is reimbursed on a periodic basis. These expenses include items such as printing of shareholder reports, fees for audit, legal and tax services, stock exchange fees, custodian fees and Directors' fees.

As provided in the investment management agreement, the Fund bears the cost of certain legal and tax services, including internal legal and tax services provided to the Fund by DMC and/or its affiliates' employees. For the year ended November 30, 2010, the Fund was charged \$2,754 for internal legal and tax services provided by DMC and/or its affiliates' employees.

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Directors' fees include expenses accrued by the Fund for each Director's retainer and meeting fees. Certain officers of DMC and DSC are officers and/or directors of the Fund. These officers and directors are paid no compensation by the Fund.

3. Investments

For the year ended November 30, 2010, the Fund made purchases of \$54,339,115 and sales of \$55,119,485 of investment securities other than short-term investments.

At November 30, 2010, the cost of investments for federal income tax purposes was \$101,761,438. At November 30, 2010, net unrealized appreciation was \$1,936,968, of which \$8,644,022 related to unrealized appreciation of investments and \$6,707,054 related to unrealized depreciation of investments.

U.S. GAAP defines fair value as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. A three level hierarchy for fair value measurements has been established based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available under the circumstances. The Fund's investment in its entirety is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three level hierarchy of inputs is summarized below.

Level 1 – inputs are quoted prices in active markets for identical investments (e.g. equity securities, open-end investment companies, futures contracts, options contracts)

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Level 2 – other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs) (e.g. debt securities, government securities, swap contracts, foreign currency exchange contracts, foreign securities utilizing international fair value pricing)

Level 3 – inputs are significant unobservable inputs (including the Fund’s own assumptions used to determine the fair value of investments) (e.g. broker-quoted securities, fair valued securities)

The following table summarizes the valuation of the Fund’s investments by fair value hierarchy levels as of November 30, 2010:

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------|---------------|---------------|------------|----------------|
| Common Stock | \$ 48,738,615 | \$ — | \$ 4 | \$ 48,738,619 |
| Corporate Debt | — | 42,718,103 | 313,397 | 43,031,500 |
| Short-Term | — | 306,001 | — | 306,001 |
| Securities Lending | | | | |
| Collateral | — | 11,081,226 | — | 11,081,226 |
| Other | 159,828 | 357,150 | 24,082 | 541,060 |
| Total | \$ 48,898,443 | \$ 54,462,480 | \$ 337,483 | \$ 103,698,406 |

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

| | Common Stock | Corporate Debt | Other | Securities Lending Collateral | Total |
|--|-----------------|-------------------|-----------|-------------------------------------|------------|
| Balance as of 11/30/09 | \$ 43 | \$ 74,379 | \$ 20,641 | \$ 6,938 | \$ 102,001 |
| Purchases | 47,242 | 239,000 | — | — | 286,242 |
| Sales | (46,018) | — | — | (8,260) | (54,278) |
| Net realized gain (loss) | (1,224) | — | — | — | (1,224) |
| Net change in unrealized appreciation/ depreciation | (39) | 18 | 3,441 | 1,322 | 4,742 |
| Balance as of 11/30/10 | \$ 4 | \$ 313,397 | \$ 24,082 | \$ — | \$ 337,483 |
| Net change in unrealized appreciation/ depreciation from investments still held as of 11/30/10 | \$ — | \$ 18 | \$ 3,441 | \$ (6,587) | \$ (3,128) |

In January 2010, the Financial Accounting Standards Board issued an Accounting Standards Update, Improving Disclosures about Fair Value Measurements, which introduced new disclosure requirements and clarified certain existing disclosure requirements around fair value measurements currently presented above. The new disclosures and clarifications of existing disclosures are generally effective for the Fund’s year ending November 30, 2010 and interim periods therein. Utilizing international fair value pricing could cause transfers from Level 1 investments to Level 2 investments in the hierarchy. During the fiscal year ended November 30, 2010, there were no transfers between Level 1 investments, Level 2 investments or Level 3 investments that had a material impact to the Fund.

4. Dividend and Distribution Information

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Income and long-term capital gain distributions are determined in accordance with federal income tax regulations, which may differ from U.S. GAAP. Additionally, distributions from net gains on foreign currency transactions and net short-term gains on sales of investment securities are treated as ordinary income for federal income tax purposes. The tax character of dividends and distributions paid during the years ended November 30, 2010 and 2009 was as follows:

| | Year Ended | |
|-------------------|--------------|--------------|
| | 11/30/10 | 11/30/09 |
| Ordinary income | \$ 6,512,940 | \$ 3,988,862 |
| Return of capital | — | 2,947,565 |
| Total | \$ 6,512,940 | \$ 6,936,427 |

5. Components of Net Assets on a Tax Basis

As of November 30, 2010, the components of net assets on a tax basis were as follows:

| | |
|--|---------------|
| Shares of beneficial interest | \$ 94,891,694 |
| Capital loss carryforwards | (24,101,298) |
| Other temporary differences | (260,572) |
| Unrealized appreciation of investments | 1,939,829 |
| Net assets | \$ 72,469,653 |

The differences between book basis and tax basis components of net assets are primarily attributable to tax deferral of losses on wash sales, contingent payment debt instruments, tax treatment of partnership income and market discount and premium on debt instruments.

For financial reporting purposes, capital accounts are adjusted to reflect the tax character of permanent book/tax differences. Reclassifications are primarily due to tax treatment of dividends and distributions, market discount and premium on certain debt instruments and contingent payment debt instruments. Results of operations and net assets were not affected by these reclassifications. For the year ended November 30, 2010, the Fund recorded the following reclassifications:

| | |
|--|--------------|
| Distributions in excess of net investment income | \$ 2,326,973 |
| Accumulated net realized gain | (32,363) |
| Paid-in capital | (2,294,610) |

For federal income tax purposes, capital loss carryforwards may be carried forward and applied against future capital gains. \$3,229,841 was utilized in 2010. Capital loss carryforwards remaining at November 30, 2010 will expire as follows: \$12,885,662 expires in 2016 and \$11,215,636 expires in 2017.

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Notes to financial statements

Delaware Investments® Dividend and Income Fund, Inc.

6. Capital Stock

Shares obtained under the Fund's dividend reinvestment plan are purchased by the Fund's transfer agent, The Bank of New York Mellon (BNY Mellon) Shareowner Services, in the open market. There were no shares issued under the Fund's dividend reinvestment plan for the years ended November 30, 2010 and 2009.

On May 21, 2009, the Fund's Board approved a tender offer for shares of the Fund's common stock. The tender offer authorized the Fund to purchase up to 5% of its issued and outstanding shares at a price equal to the Fund's net asset value at the close of business on the NYSE on June 29, 2009, the first business day following the expiration of the offer. The tender offer commenced on June 1, 2009 and expired on June 26, 2009.

In connection with the tender offer, the Fund purchased 496,792 shares of capital stock at a total cost of approximately \$2,916,169. The tender offer was oversubscribed, and all tenders of shares were subject to proration (at a ratio of approximately 0.879434237) in accordance with the terms of the tender offer.

The Fund did not repurchase shares under the Share Repurchase Program during the years ended November 30, 2010 and 2009.

7. Line of Credit

For the year ended November 30, 2010, the Fund borrowed money pursuant to a \$30,000,000 Credit Agreement with BNY Mellon that expires on November 14, 2011. Depending on market conditions, the amount borrowed by the Fund pursuant to the Credit Agreement may be reduced or possibly increased in the future.

At November 30, 2010, the par value of loans outstanding was \$20,225,000 at a variable interest rate of 1.45%. During the year ended November 30, 2010, the average daily balance of loans outstanding was \$20,225,000 at a weighted average interest rate of approximately 1.46%. Interest on borrowing is based on a variable short-term rate plus an applicable margin. The commitment fee is computed at a rate of 0.25% per annum on the unused balance. The loan is collateralized by the Fund's portfolio.

8. Securities Lending

The Fund, along with other funds in the Delaware Investments Family of Funds, may lend its securities pursuant to a security lending agreement (Lending Agreement) with BNY Mellon. With respect to each loan, if on any business day the aggregate market value of securities collateral plus cash collateral held is less than the aggregate market value of the securities which are the subject of such loan, the borrower will be notified to provide additional collateral by the end of the following business day which, together with the collateral already held, will be not less than the applicable collateral requirements for such security loan. If the aggregate market value of securities collateral and cash collateral held with respect to a security loan exceeds the applicable collateral requirement, upon the request of the borrower BNY Mellon must return enough collateral to the borrower by the end of the following business day to reduce the value of the remaining collateral to the applicable collateral requirement for such security loan. As a result of the foregoing, the value of the collateral held with respect to a loaned security may be temporarily more or less than the value of the security on loan.

Cash collateral received is generally invested in the Delaware Investments Collateral Fund No. 1 (Collective Trust) established by BNY Mellon for the purpose of investment on behalf of funds managed by DMC that participate in BNY Mellon's securities lending program. The Collective Trust may invest in U.S. government securities and high quality corporate debt, asset-backed and other money market securities and in repurchase agreements collateralized by such securities, provided that the Collective Trust will generally have a dollar-weighted average portfolio maturity of 60 days or less. The Collective Trust seeks to maintain a net asset value per unit of \$1.00, but there can be no assurance that it will always be able to do so. The Fund may incur investment losses as a result of investing securities lending collateral in the Collective Trust or another collateral investment pool. This could occur if an investment in a collateral investment pool defaulted or if it were necessary to liquidate assets in the collateral investment pool to meet returns on outstanding security loans at a time when the collateral investment pool's net asset value per unit was less than \$1.00. Under those circumstances, the Fund may not receive an amount from the collateral investment pool that is equal in amount to the collateral the Fund would be required to return to the borrower of the securities and the Fund would be required to make up this shortfall. Effective April 20, 2009, BNY Mellon transferred the assets of the Fund's previous collateral investment pool other than cash and assets with a maturity of one business day or less to the BNY Mellon SL DBT II Liquidating Fund (Liquidating Fund), effectively bifurcating the previous collateral investment pool. The Fund's exposure to the Liquidating Fund is expected to decrease as the Liquidating Fund's assets mature or are sold. In October 2008, BNY Mellon transferred certain distressed securities from the previous collateral investment pool into the Mellon GSL Reinvestment Trust II. The Fund can also accept U.S. government securities and letters of credit (non-cash collateral) in connection with securities loans. In the event of default or bankruptcy by the lending agent, realization and/or retention of the collateral may be subject to legal proceedings. In the event the borrower fails to return loaned securities and the collateral received is insufficient to cover the value of the loaned securities and provided such collateral shortfall is not the result of investment losses, the lending agent has agreed to pay the amount of the shortfall to the Fund, or at the discretion of the lending agent, replace the loaned securities. The Fund continues to record dividends or interest, as applicable, on the securities loaned and is subject to change in value of the securities loaned that may occur during the term of the loan. The Fund has the right under the Lending Agreement to recover the securities from the borrower on demand. With respect to security loans collateralized by non-cash collateral, the Fund receives loan premiums paid by the borrower. With respect to security loans collateralized by cash collateral, the earnings from the collateral investments are shared among the Fund, the security lending agent and the borrower. The Fund records security lending income net of allocations to the security lending agent and the borrower.

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At November 30, 2010, the value of securities on loan was \$10,968,941, for which the Fund received collateral, comprised of non-cash collateral valued at \$151,023 and cash collateral of \$11,241,764. At November 30, 2010, the value of invested collateral was \$11,081,226. Investments purchased with cash collateral are presented on the statement of net assets under the caption "Securities Lending Collateral."

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9. Credit and Market Risks

The Fund borrows through its line of credit for purposes of leveraging. Leveraging may result in higher degrees of volatility because the Fund's net asset value could be subject to fluctuations in short-term interest rates and changes in market value of portfolio securities attributable to the leverage.

The Fund invests a portion of its assets in high yield fixed income securities, which carry ratings of BB or lower by S&P and/or Ba or lower by Moody's. Investments in these higher yielding securities are generally accompanied by a greater degree of credit risk than higher rated securities. Additionally, lower rated securities may be more susceptible to adverse economic and competitive industry conditions than investment grade securities.

The Fund invests in REITs and is subject to some of the risks associated with that industry. If the Fund holds real estate directly as a result of defaults or receives rental income directly from real estate holdings, its tax status as a regulated investment company may be jeopardized. There were no direct real estate holdings during the year ended November 30, 2010. The Fund's REITs holdings are also affected by interest rate changes, particularly if the REITs it holds use floating rate debt to finance their ongoing operations.

The Fund may invest up to 10% of its net assets in illiquid securities, which may include securities with contractual restrictions on resale, securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended, and other securities which may not be readily marketable. The relative illiquidity of these securities may impair the Fund from disposing of them in a timely manner and at a fair price when it is necessary or desirable to do so. While maintaining oversight, the Fund's Board has delegated to DMC the day-to-day functions of determining whether individual securities are liquid for purposes of the Fund's limitation on investments in illiquid assets. Securities eligible for resale pursuant to Rule 144A, which are determined to be liquid, are not subject to the 10% limit on investments in illiquid securities. Rule 144A and illiquid securities have been identified on the statement of net assets.

10. Contractual Obligations

The Fund enters into contracts in the normal course of business 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. Management has reviewed the Fund's existing contracts and expects the risk of loss to be remote.

11. Subsequent Events

Management has determined no material events or transactions occurred subsequent to November 30, 2010 that would require recognition or disclosure in the Fund's financial statements.

12. Tax Information (Unaudited)

The information set forth below is for the Fund's fiscal year as required by federal income tax laws. Shareholders, however, must report distributions on a calendar year basis for income tax purposes, which may include distributions for portions of two fiscal years of the Fund. Accordingly, the information needed by shareholders for income tax purposes will be sent to them in January of each year. Please consult your tax advisor for proper treatment of this information.

For the fiscal year ended November 30, 2010, the Fund designates distributions paid during the year as follows:

| (A) | |
|----------------|------------------------|
| Ordinary | |
| Income | (B) |
| Distributions* | Qualifying |
| (Tax Basis) | Dividends ¹ |
| 100.00% | 15.66% |

(A) is based on a percentage of the Fund's total distributions.

(B) is based on a percentage of the Fund's ordinary income distributions.

¹ Qualifying dividends represent dividends which qualify for the corporate dividends received deduction.

*For the fiscal year ended November 30, 2010, certain dividends paid by the Fund may be subject to a maximum tax rate of 15%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Fund intends to designate the \$ 679,887 to be taxed at a maximum rate of 15%. Complete information will be computed and reported in conjunction with your 2010 or 2009 Form 1099-DIV.

Report of independent registered public accounting firm

To the Board of Trustees and the Shareholders of Delaware Investments® Dividend and Income Fund, Inc.:

In our opinion, the accompanying statement of net assets and the related statements of operations, of changes in net assets and of cash flows and the financial highlights present fairly, in all material respects, the financial position of Delaware Investments Dividend and Income Fund, Inc. (the "Fund") at November 30, 2010, and the results of its operations, the changes in its net assets, its cash flows and the financial highlights for the year then ended, 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 Fund's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 audit, which included confirmation of securities at November 30, 2010 by correspondence with the custodian and brokers, provides a reasonable basis for our opinion. The statement of changes in net assets for the year ended November 30, 2009 and the financial highlights for each of the four years in the period ended November 30, 2009 were audited by other independent accountants whose report dated January 21, 2010 expressed an unqualified opinion on those statements.

PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
January 19, 2011

Other Fund information (Unaudited)

Delaware Investments® Dividend and Income Fund, Inc.

Proxy results

Annual meeting

The Fund held its Annual Meeting of Shareholders on August 18, 2010. At the Annual Meeting, the Fund's shareholders elected nine Directors. The results of the voting at the meeting were as follows:

| Nominee | Shares Voted For | Shares Withheld | No Ballot Received |
|---------------------|------------------|-----------------|--------------------|
| Patrick P. Coyne | 8,778,772.561 | 235,046.277 | 425,223.321 |
| Thomas L. Bennett | 8,777,107.561 | 236,711.277 | 425,223.321 |
| John A. Fry | 8,768,325.913 | 245,492.925 | 425,223.321 |
| Anthony D. Knerr | 8,766,090.924 | 247,727.914 | 425,223.321 |
| Lucinda S. Landreth | 8,774,711.998 | 239,106.840 | 425,223.321 |
| Ann R. Leven | 8,769,343.338 | 244,475.500 | 425,223.321 |
| Thomas F. Madison | 8,750,412.829 | 263,460.009 | 425,223.321 |
| Janet L. Yeomans | 8,777,258.243 | 236,560.595 | 425,223.321 |
| J. Richard Zecher | 8,795,972.779 | 217,846.059 | 425,223.321 |

Tender offer conditions

The Fund held a Special Meeting of Shareholders on November 17, 2010. At the meeting, the Fund's shareholders approved a proposal to amend the conditions under which the Fund may conduct a tender offer (the "Proposal"). Accordingly, the Fund has now committed to conduct an annual tender offer when, under certain circumstances, the Fund is trading at an average discount of 10% or more from NAV during its 12-week measurement period. The 12-week measurement period, beginning in the first calendar quarter and ending in the second calendar quarter, will continue to be designated by the Fund's Board of Directors.

Prior to shareholder approval of the Proposal, the Fund committed to conduct an annual tender offer when, under certain circumstances, the Fund was trading at an average discount of 3% or more from NAV during its 12-week measurement period.

The results of the meeting were as follows:

| | |
|----------------------------------|-----------|
| Shares Voted For | 4,451,690 |
| Shares Voted Against or Withheld | 612,588 |
| No Ballot Received | 4,284,764 |

Changes to portfolio management team

Wayne A. Anglace was appointed co-portfolio manager of the Fund on March 30, 2010. Mr. Anglace joined Babak Zenouzi, Damon J. Andres, D. Tysen Nutt, Jr., Anthony A. Lombardi, Robert Vogel, Jr., Nikhil G. Lalvani, Kristen F. Bartholdson, Thomas H. Chow, Roger A. Early, and Kevin P. Loomer in making day-to-day decisions for the Fund. Nashira S. Wynn no longer serves as a co-portfolio manager of the Fund.

Fund management

Babak "Bob" Zenouzi
Senior Vice President, Chief Investment Officer – REIT Equity

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Bob Zenouzi is the lead manager for the domestic and global REIT effort at Delaware Investments, which includes the team, its process, and its institutional and retail products, which he created during his prior time with the firm. He also focuses on opportunities in Japan, Singapore, and Malaysia for the firm's global REIT product. Additionally, he serves as lead portfolio manager for the firm's Dividend Income products, which he helped to create in the 1990s. He is also a member of the firm's asset allocation committee, which is responsible for building and managing multi-asset class portfolios. He rejoined Delaware Investments in May 2006 as senior portfolio manager and head of real estate securities. In his first term with the firm, he spent seven years as an analyst and portfolio manager, leaving in 1999 to work at Chartwell Investment Partners, where from 1999 to 2006 he was a partner and senior portfolio manager on Chartwell's Small-Cap Value portfolio. He began his career with The Boston Company, where he held several positions in accounting and financial analysis. Zenouzi earned a master's degree in finance from Boston College and a bachelor's degree from Babson College. He is a member of the National Association of Real Estate Investment Trusts and the Urban Land Institute.

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Other Fund information (Unaudited)

Delaware Investments® Dividend and Income Fund, Inc.

Fund management (continued)

Damon J. Andres, CFA
Vice President, Senior Portfolio Manager

Damon J. Andres, who joined Delaware Investments in 1994 as an analyst, currently serves as a portfolio manager for REIT investments and convertibles. He also serves as a portfolio manager for the firm's Dividend Income products. From 1991 to 1994, he performed investment-consulting services as a consulting associate with Cambridge Associates. Andres earned a bachelor's degree in business administration with an emphasis in finance and accounting from the University of Richmond.

Wayne A. Anglace, CFA
Vice President, Portfolio Manager, Research Analyst, Convertible Bond Trader

Wayne A. Anglace currently serves as a portfolio manager and trader for the firm's convertible bond strategies. He also serves as a research analyst on the firm's taxable fixed income team with specific responsibilities for the healthcare and deathcare sectors. Prior to joining the firm in March 2007 as a research analyst and trader, he spent more than two years as a research analyst at Gartmore Global Investments for its convertible bond strategy. From 2000 to 2004, Anglace worked in private client research at Deutsche Bank Alex. Brown in Baltimore where he focused on equity research, and he started his financial services career with Ashbridge Investment Management in 1999. Prior to moving to the financial industry, Anglace worked as a professional civil engineer. He earned his bachelor's degree in civil engineering from Villanova University and an MBA with a concentration in finance from Saint Joseph's University, and he is a member of the CFA Society of Philadelphia.

Kristen E. Bartholdson
Vice President, Portfolio Manager

Kristen E. Bartholdson is a portfolio manager for the firm's Large-Cap Value team. Prior to joining the firm in 2006 as an associate portfolio manager, she worked at Susquehanna International Group from 2004 to 2006, where she was an equity research salesperson. From 2000 to 2004 she worked in equity research at Credit Suisse, most recently as an associate analyst in investment strategy. Bartholdson earned her bachelor's degree in economics from Princeton University.

Thomas H. Chow, CFA
Senior Vice President, Senior Portfolio Manager

Thomas H. Chow is a member of the firm's taxable fixed income portfolio management team, with primary responsibility for portfolio construction and strategic asset allocation in investment grade credit exposures. He is the lead portfolio manager for Delaware Corporate Bond Fund and Delaware Extended Duration Bond Fund, as well as several institutional mandates. His experience includes significant exposure to asset liability management strategies and credit risk opportunities. Prior to joining Delaware Investments in 2001 as a portfolio manager working on the Lincoln General Account, he was a trader of high grade and high yield securities, and was involved in the portfolio management of collateralized bond obligations (CBOs) and insurance portfolios at SunAmerica/AIG from 1997 to 2001. Before that, he was an analyst, trader, and portfolio manager at Consec Capital Management from 1989 to 1997. Chow received a bachelor's degree in business analysis from Indiana University, and he is a Fellow of Life Management Institute.

Roger A. Early, CPA, CFA, CFP
Senior Vice President, Co-Chief Investment Officer — Total Return Fixed Income Strategy

Roger A. Early rejoined Delaware Investments in March 2007 as a member of the firm's taxable fixed income portfolio management team, with primary responsibility for portfolio construction and strategic asset allocation. During his previous time at the firm, from 1994 to 2001, he was a senior portfolio manager in the same area, and he left Delaware Investments as head of its U.S. investment grade fixed income group. In recent years, Early was a senior portfolio manager at Chartwell Investment Partners and Rittenhouse Financial and served as the chief investment officer for fixed income at Turner Investments. Prior to joining Delaware Investments in 1994, he worked for more than 10 years at Federated

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Investors where he managed more than \$25 billion in mutual fund and institutional portfolios in the short-term and investment grade markets. He left the firm as head of institutional fixed income management. Earlier in his career, he held management positions with the Federal Reserve Bank, PNC Financial, Touche Ross, and Rockwell International. Early earned his bachelor's degree in economics from The Wharton School of the University of Pennsylvania and an MBA with concentrations in finance and accounting from the University of Pittsburgh. He is a member of the CFA Society of Philadelphia.

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Nikhil G. Lalvani, CFA
Vice President, Portfolio Manager

Nikhil G. Lalvani is a portfolio manager for the firm's Large-Cap Value team. At Delaware Investments, Lalvani has served as both a fundamental and quantitative analyst. Prior to joining the firm in 1997 as an account analyst, he was a research associate with Bloomberg. Lalvani holds a bachelor's degree in finance from The Pennsylvania State University. He is a member of the CFA Institute and the CFA Society of Philadelphia.

Anthony A. Lombardi, CFA
Vice President, Senior Portfolio Manager

Anthony A. Lombardi is a senior portfolio manager for the firm's Large-Cap Value team. Prior to joining the firm in 2004 in his current role, Lombardi was a director at Merrill Lynch Investment Managers. He joined Merrill Lynch Investment Managers' Capital Management Group in 1998 and last served as a portfolio manager for the U.S. Active Large-Cap Value team, managing mutual funds and separate accounts for institutions and private clients. From 1990 to 1997, he worked at Dean Witter Reynolds as a sell-side equity research analyst. He began his career as an investment analyst with Crossland Savings. Lombardi graduated from Hofstra University, receiving a bachelor's degree in finance and an MBA with a concentration in finance. He is a member of the New York Society of Security Analysts and the CFA Institute.

Kevin P. Loome, CFA
Senior Vice President, Senior Portfolio Manager, Head of High Yield Investments

Kevin P. Loome is head of the High Yield fixed income team, responsible for portfolio construction and strategic asset allocation of all high yield fixed income assets. Prior to joining Delaware Investments in August 2007 in his current position, Loome spent 11 years at T. Rowe Price, starting as an analyst and leaving the firm as a portfolio manager. He began his career with Morgan Stanley as a corporate finance analyst in the New York and London offices. Loome received his bachelor's degree in commerce from the University of Virginia and earned an MBA from the Tuck School of Business at Dartmouth.

D. Tysen Nutt Jr.
Senior Vice President, Senior Portfolio Manager, Team Leader

D. Tysen Nutt Jr. is senior portfolio manager and team leader for the firm's Large-Cap Value team. Before joining Delaware Investments in 2004 as senior vice president and senior portfolio manager, Nutt led the U.S. Active Large-Cap Value team within Merrill Lynch Investment Managers, where he managed mutual funds and separate accounts for institutions and private clients. He departed Merrill Lynch Investment Managers as a managing director. Prior to joining Merrill Lynch Investment Managers in 1994, Nutt was with Van Deventer & Hoch where he managed large-cap value portfolios for institutions and private clients. He began his investment career at Dean Witter Reynolds, where he eventually became vice president, investments. Nutt earned his bachelor's degree from Dartmouth College, and he is a member of the New York Society of Security Analysts and the CFA Institute.

Robert A. Vogel Jr., CFA
Vice President, Senior Portfolio Manager

Robert A. Vogel Jr. is a senior portfolio manager for the firm's Large-Cap Value team. Prior to joining Delaware Investments in 2004 as vice president and senior portfolio manager, he worked at Merrill Lynch Investment Managers for more than seven years, where he rose to the position of director and portfolio manager within the U.S. Active Large-Cap Value team. He began his career in 1992 as a financial consultant at Merrill Lynch. Vogel graduated from Loyola College in Maryland, earning both bachelor's and master's degrees in finance. He also earned an MBA with a concentration in finance from The Wharton School of the University of Pennsylvania. Vogel is a member of the New York Society of Security Analysts, the CFA Institute, and the CFA Society of Philadelphia.

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Other Fund information (Unaudited)

Delaware Investments® Dividend and Income Fund, Inc.

Distribution information

Shareholders were sent monthly notices from the Fund that set forth estimates, on a book basis, of the source or sources from which monthly distributions were paid. Subsequently, certain of these estimates have been corrected in part. Listed below is a written statement of the sources of these monthly distributions on a book basis.

| Month | Investment Income per Share | Return of Capital per Share | Long Term Capital Gain/(Loss) per Share | Total Distribution Amount per Share |
|----------------|-----------------------------------|-----------------------------------|--|--|
| December 2009 | \$ 0.0394 | \$ 0.0181 | \$ — | \$ 0.0575 |
| January 2010 | \$ 0.0304 | \$ 0.0271 | — | \$ 0.0575 |
| February 2010 | \$ 0.0340 | \$ 0.0235 | — | \$ 0.0575 |
| March 2010 | \$ 0.0464 | \$ 0.0111 | — | \$ 0.0575 |
| April 2010 | \$ 0.0295 | \$ 0.0280 | — | \$ 0.0575 |
| May 2010 | \$ 0.0371 | \$ 0.0204 | — | \$ 0.0575 |
| June 2010 | \$ 0.0388 | \$ 0.0187 | — | \$ 0.0575 |
| July 2010 | \$ 0.0309 | \$ 0.0266 | — | \$ 0.0575 |
| August 2010 | \$ 0.0341 | \$ 0.0234 | — | \$ 0.0575 |
| September 2010 | \$ 0.0377 | \$ 0.0198 | — | \$ 0.0575 |
| October 2010 | \$ 0.0307 | \$ 0.0268 | — | \$ 0.0575 |
| November 2010 | \$ 0.0335 | \$ 0.0240 | — | \$ 0.0575 |
| Total | \$ 0.4225 | \$ 0.2675 | \$ 0.000 | \$ 0.6900 |

Please note that the information in the preceding chart is for book purposes only. Shareholders should be aware the tax treatment of distributions may differ from their book treatment. The tax treatment of distributions will be set forth in a Form 1099-DIV.

Dividend reinvestment plan

The Fund offers an automatic dividend reinvestment program ("Plan"). Shareholders who have shares registered in their own names are automatically considered participants in the Plan, unless they elect to withdraw from the Plan. Shareholders who hold their shares through a bank, broker, or other nominee should request the bank, broker, or nominee to participate in the Plan on their behalf. This can be done as long as the bank, broker, or nominee provides a dividend reinvestment service for the Fund. If the bank, broker, or nominee does not provide this service, such shareholders must have their shares taken out of "street" or nominee name and re-registered in their own name in order to participate in the Plan.

BNY Mellon Shareowner Services will apply all cash dividends, capital gains and other distributions (collectively, "Distributions") on the Fund's shares of common stock which become payable to each Plan participant to the purchase of outstanding shares of the Fund's common stock for such participant. These purchases may be made on a securities exchange or in the over-the-counter market, and may be subject to such terms of price, delivery, and related matters to which BNY Mellon Shareowner Services may agree. The Fund will not issue new shares in connection with the Plan.

Distributions reinvested for participants are subject to income taxes just as if they had been paid directly to the shareholder in cash. Participants will receive a year-end statement showing distributions reinvested, and any brokerage commissions paid on such participant's behalf.

Shareholders holding shares of the Fund in their own names who wish to terminate their participation in the Plan may do so by sending written instruction to BNY Mellon Shareowner Services so that BNY Mellon Shareowner Services receives such instructions at least 10 days prior to the Distribution record date. Shareholders with shares held in account by a bank, broker, or other nominee should contact such bank, broker, or other nominee to determine the procedure for withdrawal from the Plan.

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If written instructions are not received by BNY Mellon Shareowner Services at least 10 days prior to the record date for a particular Distribution, that Distribution may be reinvested at the sole discretion of BNY Mellon Shareowner Services. After a shareholder's instructions to terminate participation in the Plan become effective, Distributions will be paid to shareholders in cash. Upon termination, a shareholder may elect to receive either stock or cash for all the full shares in the account. If cash is elected, BNY Mellon Shareowner Services will sell such shares at the then current market value and then send the net proceeds to the shareholder, after deducting brokerage commissions and related expenses. Any fractional shares at the time of termination will be paid in cash at the current market price, less brokerage commissions and related expenses, if any. Shareholders may at any time request a full or partial withdrawal of shares from the Plan, without terminating participation in the Plan. When shares outside of the Plan are liquidated, Distributions on shares held under the Plan will continue to be reinvested unless BNY Mellon Shareowner Services is notified of the shareholder's withdrawal from the Plan.

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An investor holding shares that participate in the Plan in a brokerage account may not be able to transfer the shares to another broker and continue to participate in the Plan. Please contact your broker/dealer for additional details.

BNY Mellon Shareowner Services will charge participants their proportional share of brokerage commissions on market purchases. Participants may obtain a certificate or certificates for all or part of the full shares credited to their accounts at any time by making a request in writing to BNY Mellon Shareowner Services. A fee may be charged to the participant for each certificate issuance.

If you have any questions and shares are registered in your name, contact BNY Mellon Shareowner Services at 800 851-9677 or P.O. Box 358035, Pittsburgh, PA 15252-8035. If you have any questions and shares are registered in "street" name, contact the broker/dealer holding the shares or your financial advisor.

Effective August 1, 2008, the Dividend Reinvestment Plan may be amended by the Fund upon twenty days written notice to the Plan's participants.

Change in independent registered public accounting firm

Due to independence matters under the Securities and Exchange Commission's auditor independence rules relating to the January 4, 2010 acquisition of Delaware Investments (including DMC and DSC) by Macquarie Group, Ernst & Young LLP ("E&Y") has resigned as the independent registered public accounting firm for Delaware Investments® Dividend and Income Fund, Inc. (the "Fund") effective May 20, 2010. At a meeting held on May 20, 2010, the Board of Directors of the Fund, upon recommendation of the Audit Committee, selected PricewaterhouseCoopers LLP ("PwC") to serve as the independent registered public accounting firm for the Fund for the fiscal year ending November 30, 2010. During the fiscal years ended November 30, 2009 and 2008, E&Y's audit reports on the financial statements of the Fund did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles. In addition, there were no disagreements between the Fund and E&Y on accounting principles, financial statements disclosures or audit scope, which, if not resolved to the satisfaction of E&Y, would have caused them to make reference to the disagreement in their reports. Neither the Fund nor anyone on its behalf has consulted with PwC at any time prior to their selection with respect to the application of accounting principles to a specified transaction, either completed or proposed or the type of audit opinion that might be rendered on the Fund's financial statements.

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Board of trustees/directors and officers addendum

Delaware Investments® Family of Funds

A fund is governed by a Board of Trustees/Directors (“Trustees”), which has oversight responsibility for the management of a fund’s business affairs. Trustees establish procedures and oversee and review the performance of the investment manager and others who perform services for the fund. The independent fund trustees, in particular, are advocates for shareholder interests. Each trustee has served in that capacity since he or she was elected to or appointed to the Board of Trustees, and will continue to serve until his or her retirement or the election of a new trustee in his or her place. The following is a list of the Trustees and Officers with certain background and related information.

| Name, Address, and Birth Date | Position(s) Held with Fund(s) | Length of Time Served | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Trustee or Officer | Other Directorships Held by Trustee or Officer |
|--|---|---|---|---|---|
| <i>Interested Trustees</i> | | | | | |
| Patrick P. Coyne ¹ 2005 Market Street Philadelphia, PA 19103 April 1963 | Chairman, President, Chief Executive Officer, and Trustee | Chairman and Trustee since August 16, 2006 President and Chief Executive Officer since August 1, 2006 | Patrick P. Coyne has served in various executive capacities at different times at Delaware Investments. ² | 78 | Director — Kaydon Corp. Board of Governors Member — Investment Company Institute (ICI) Finance Committee Member — St. John Vianney Roman Catholic Church Board of Trustees — Agnes Irwin School Member of Investment Committee — Cradle of Liberty Council, BSA (2007–2010) |
| <i>Independent Trustees</i> | | | | | |
| Thomas L. Bennett 2005 Market Street Philadelphia, PA 19103 October 1947 | Trustee | Since March 2005 | Private Investor — (March 2004–Present) Investment Manager — Morgan Stanley & Co. (January 1984–March 2004) | 78 | Director — Bryn Mawr Bank Corp. (BMTC) Chairman of Investment Committee — Pennsylvania Academy of Fine Arts Investment Committee and Governance Committee Member — |

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| | | | | | |
|--|----------------|-------------------------------|---|-----------|---|
| <p>John A. Fry 2005 Market Street Philadelphia, PA 19103</p> | <p>Trustee</p> | <p>Since January 2001</p> | <p>President Drexel University (August 2010–Present)</p> | <p>78</p> | <p>Pennsylvania Horticultural Society Board of Governors Member — NASDAQ OMX PHLX LLC</p> |
| <p>May 1960</p> | | | <p>President — Franklin & Marshall College (June 2002–July 2010)</p> | | <p>Director — Community Health Systems</p> |
| | | | <p>Executive Vice President — University of Pennsylvania (April 1995–June 2002)</p> | | <p>Director — Ecore International (2009–2010)</p> |
| | | | | | <p>Director — Allied Barton Securities Holdings (2005–2008)</p> |

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| Name, Address, and Birth Date | Position(s) Held with Fund(s) | Length of Time Served | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Trustee or Officer | Other Directorships Held by Trustee or Officer |
|---|----------------------------------|--------------------------|--|---|---|
| Independent Trustees (continued) | | | | | |
| Anthony D. Knerr 2005 Market Street Philadelphia, PA 19103 | Trustee | Since April 1990 | Founder and Managing Director — Anthony Knerr & Associates (Strategic Consulting) (1990–Present) | 78 | None |
| December 1938 Lucinda S. Landreth 2005 Market Street Philadelphia, PA 19103 | Trustee | Since March 2005 | Chief Investment Officer — Assurant, Inc. (Insurance) (2002–2004) | 78 | None |
| June 1947 Ann R. Leven 2005 Market Street Philadelphia, PA 19103 | Trustee | Since October 1989 | Consultant — ARL Associates (Financial Planning) (1983–Present) | 78 | Director and Audit Committee Chair — Systemax Inc. (2001–2009) |
| November 1940 | | | | | Director and Audit Committee Chairperson — Andy Warhol Foundation (1999–2007) |
| Thomas F. Madison 2005 Market Street Philadelphia, PA 19103 | Trustee | Since May 19973 | President and Chief Executive Officer — MLM Partners, Inc. (Small Business Investing and Consulting) (January 1993–Present) | 78 | Director and Chair of Compensation Committee, Governance Committee Member — CenterPoint Energy |
| February 1936 | | | | | Lead Director and Chair of Audit and Governance Committees, Member of Compensation Committee — Digital River, Inc. |
| | | | | | Director and Chair of Governance Committee, Audit Committee Member — Rimage Corporation |
| | | | | | Director and Chair of |

| | | | | | |
|--------------------|---------|------------|---|----|---|
| | | | | | Compensation Committee — Spanlink Communications |
| | | | | | Lead Director and Member of Compensation and Governance Committees — Valmont Industries, Inc. (1987–2010) |
| Janet L. Yeomans | Trustee | Since | Vice President and Treasurer | 78 | Director — Banner Health (1996–2007) Director — Okabena Company |
| 2005 Market Street | | April 1999 | (January 2006–Present) | | |
| Philadelphia, PA | | | Vice President — Mergers & Acquisitions | | |
| 19103 | | | (January 2003–January 2006), and | | |
| | | | Vice President | | |
| July 1948 | | | (July 1995–January 2003) | | |
| | | | 3M Corporation | | |

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| Name, Address, and Birth Date | Position(s) Held with Fund(s) | Length of Time Served | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Trustee or Officer | Other Directorships Held by Trustee or Officer |
|---|---|--|--|---|--|
| Independent Trustees (continued) | | | | | |
| J. Richard Zecher 2005 Market Street Philadelphia, PA 19103 July 1940 | Trustee | Since March 2005 | Founder — Investor Analytics (Risk Management) (May 1999–Present) Founder — Sutton Asset Management (Hedge Fund) (September 1996–Present) | 78 | Director and Audit Committee Member — Investor Analytics Director — Oxigene, Inc. (2003–2008) |
| Officers | | | | | |
| David F. Connor 2005 Market Street Philadelphia, PA 19103 December 1963 | Vice President, Deputy General Counsel, and Secretary | Vice President since September 2000 and Secretary since October 2005 | David F. Connor has served as Vice President and Deputy General Counsel of Delaware Investments since 2000. | 78 | None ⁴ |
| Daniel V. Geatens 2005 Market Street Philadelphia, PA 19103 | Vice President and Treasurer | Treasurer since October 2007 | Daniel V. Geatens has served in various capacities at different times at Delaware Investments. | 78 | None ⁴ |
| October 1972 David P. O'Connor 2005 Market Street Philadelphia, PA 19103 | Senior Vice President, General Counsel, and Chief Legal Officer | Senior Vice President, General Counsel, and Chief Legal Officer since October 2005 | David P. O'Connor has served in various executive and legal capacities at different times at Delaware Investments. | 78 | None ⁴ |
| February 1966 Richard Salus 2005 Market Street Philadelphia, PA 19103 | Senior Vice President and Chief Financial Officer | Chief Financial Officer since November 2006 | Richard Salus has served in various executive capacities at different times at Delaware Investments. | 78 | None ⁴ |
| October 1963 | | | | | |

¹ Patrick P. Coyne is considered to be an “Interested Trustee” because he is an executive officer of the Fund’s(s’) investment advisor.

² Delaware Investments is the marketing name for Delaware Management Holdings, Inc. and its subsidiaries, including the Fund’s(s’) investment advisor, principal underwriter, and its transfer agent.

³ In 1997, several funds managed by Voyageur Fund Managers, Inc. (the “Voyageur Funds”) were incorporated into the Delaware Investments® Family of Funds. Mr. Madison served as a director of the Voyageur Funds from 1993 until 1997.

⁴ David F. Connor, Daniel V. Geatens, David P. O'Connor, and Richard Salus serve in similar capacities for the six portfolios of the Optimum Fund Trust, which have the same investment advisor, principal underwriter, and transfer agent as the registrant.

The Statement of Additional Information for the Fund(s) includes additional information about the Trustees and Officers and is available, without charge, upon request by calling 800 523-1918.

About the organization

This annual report is for the information of Delaware Investments® Dividend and Income Fund, Inc. shareholders. The figures in this report represent past results that are not a guarantee of future results. The return and principal value of an investment in the Fund will fluctuate so that shares, when sold, may be worth more or less than their original cost.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may, from time to time, purchase shares of its common stock on the open market at market prices. Your Fund's Board of Directors approved a share repurchase program in 1994 that authorizes the Fund to purchase up to 10% of its outstanding shares on the floor of the New York Stock Exchange.

Board of Directors

Patrick P. Coyne
Chairman, President,
and Chief Executive Officer
Delaware Investments Family of Funds
Philadelphia, PA

Thomas L. Bennett
Private Investor
Rosemont, PA

John A. Fry†
President
Drexel University
Philadelphia, PA

Anthony D. Knerr
Founder and Managing Director
Anthony Knerr & Associates
New York, NY

Lucinda S. Landreth
Former Chief Investment Officer
Assurant Inc.
Philadelphia, PA

Ann R. Leven
Consultant
ARL Associates
New York, NY

Thomas F. Madison†
President and Chief Executive Officer
MLM Partners Inc.
Minneapolis, MN

Janet L. Yeomans†
Vice President and Treasurer
3M Corporation
St. Paul, MN

Affiliated officers

David F. Connor
Vice President, Deputy General Counsel,
and Secretary
Delaware Investments Family of Funds
Philadelphia, PA

Daniel V. Geatens
Vice President and Treasurer
Delaware Investments Family of Funds
Philadelphia, PA

David P. O'Connor
Senior Vice President, General Counsel,
and Chief Legal Officer
Delaware Investments Family of Funds
Philadelphia, PA

Richard Salus
Senior Vice President and
Chief Financial Officer
Delaware Investments Family of Funds
Philadelphia, PA

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q, as well as a description of the policies and procedures that the Fund uses to determine how to vote proxies (if any) relating to portfolio securities is available without charge (i) upon request, by calling 800 523-1918; (ii) on the Fund's Web site at www.delawareinvestments.com; and (iii) on the SEC's Web site at www.sec.gov. The Fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC; information on the operation of the Public Reference Room may be obtained by calling 800 SEC-0330.

Information (if any) regarding how the Fund voted proxies relating to portfolio securities during the most recently disclosed 12-month period ended June 30 is available without charge (i) through the Fund's Web site at www.delawareinvestments.com; and (ii) on the SEC's Web site at www.sec.gov.

Contact information

Investment manager
Delaware Management Company
a series of Delaware Management
Business Trust
Philadelphia, PA

Principal office of the Fund
2005 Market Street
Philadelphia, PA 19103-7094

Independent registered public
accounting firm
PricewaterhouseCoopers LLP
Two Commerce Square
Suite 1700
2001 Market Street
Philadelphia, PA 19103-7042

Registrar and stock transfer
agent
BNY Mellon Shareowner Services
480 Washington Blvd.
Jersey City, NJ 07310
800 851-9677

For securities dealers
and financial institutions
representatives
800 362-7500

Web site
www.delawareinvestments.com

Delaware Investments, a member of Macquarie Group, refers to Delaware Management Holdings, Inc. and its subsidiaries. Macquarie Group refers to Macquarie Group Limited and its subsidiaries and affiliates worldwide.

Your reinvestment options
Delaware Investments Dividend and Income Fund, Inc. offers an automatic dividend

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J. Richard Zecher
Founder
Investor Analytics
Scottsdale, AZ

reinvestment program. If you would like to reinvest dividends, and shares are registered in your name, contact BNY Mellon Shareowner Services at 800 851-9677. You will be asked to put your request in writing. If you have shares registered in "street" name, contact the broker/dealer holding the shares or your financial advisor.

†Audit committee member

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Item 2. Code of Ethics

The registrant 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. A copy of the registrant's Code of Business Ethics has been posted on the Delaware Investments Internet Web site at www.delawareinvestments.com. Any amendments to the Code of Business Ethics, and information on any waiver from its provisions granted by the registrant, will also be posted on this Web site within five business days of such amendment or waiver and will remain on the Web site for at least 12 months.

Item 3. Audit Committee Financial Expert

The registrant's Board of Trustees/Directors has determined that each member of the registrant's Audit Committee is an audit committee financial expert, as defined below. For purposes of this item, an "audit committee financial expert" is a person who has the following attributes:

- a. An understanding of generally accepted accounting principles and financial statements;
- b. The ability to assess the general application of such principles in connection with the accounting for estimates, accruals, and reserves;
- c. Experience preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements, or experience actively supervising one or more persons engaged in such activities;
- d. An understanding of internal controls and procedures for financial reporting; and
- e. An understanding of audit committee functions.

An "audit committee financial expert" shall have acquired such attributes through:

- a. Education and experience as a principal financial officer, principal accounting officer, controller, public accountant, or auditor or experience in one or more positions that involve the performance of similar functions;
 - b. Experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor, or person performing similar functions;
 - c. Experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing, or evaluation of financial statements; or
-

d. Other relevant experience.

The registrant's Board of Trustees/Directors has also determined that each member of the registrant's Audit Committee is independent. In order to be "independent" for purposes of this item, the Audit Committee member may not: (i) other than in his or her capacity as a member of the Board of Trustees/Directors or any committee thereof, accept directly or indirectly any consulting, advisory or other compensatory fee from the issuer; or (ii) be an "interested person" of the registrant as defined in Section 2(a)(19) of the Investment Company Act of 1940.

The names of the audit committee financial experts on the registrant's Audit Committee are set forth below:

John A. Fry
Thomas F. Madison
Janet L. Yeomans

Item 4. Principal Accountant Fees and Services

(a) Audit fees.

The aggregate fees billed for services provided to the registrant by its independent auditors for the audit of the registrant's annual financial statements and for services normally provided by the independent auditors in connection with statutory and regulatory filings or engagements were \$12,000 for the fiscal year ended November 30, 2010.

The aggregate fees billed for services provided to the registrant by its independent auditors for the audit of the registrant's annual financial statements and for services normally provided by the independent auditors in connection with statutory and regulatory filings or engagements were \$11,638 for the fiscal year ended November 30, 2009.

(b) Audit-related fees.

The aggregate fees billed by the registrant's independent auditors for services relating to the performance of the audit of the registrant's financial statements and not reported under paragraph (a) of this Item were \$0 for the fiscal year ended November 30, 2010.

The aggregate fees billed by the registrant's independent auditors for services relating to the performance of the audit of the financial statements of the registrant's investment adviser and other service providers under common control with the adviser and that relate directly to the operations or financial reporting of the registrant were \$84,000 for the registrant's fiscal year ended November 30, 2010. The percentage of these fees relating to services approved by the registrant's Audit Committee pursuant to the de minimis exception from the pre-approval requirement in Rule 2-01(c)(7)(i)(C) of Regulation S-X was 0%. These audit related services were as follows: audit procedures performed on Delaware Investments for its consolidation into Macquarie's financial statements as of March 31, 2010.

The aggregate fees billed by the registrant's independent auditors for services relating to the performance of the audit of the registrant's financial statements and not reported under paragraph (a) of this Item were \$0 for the fiscal year ended November 30, 2009.

The aggregate fees billed by the registrant's independent auditors for services relating to the performance of the audit of the financial statements of the registrant's investment adviser and other service providers under common control with the adviser and that relate directly to the operations or financial reporting of the registrant were \$19,074 for the registrant's fiscal year ended November 30, 2009. The percentage of these fees relating to services approved by the registrant's Audit Committee pursuant to the de minimis exception from the pre-approval requirement in Rule 2-01(c)(7)(i)(C) of Regulation S-X was 0%. These audit-related services were as follows: issuance of report concerning transfer agent's system of internal accounting control pursuant to Rule 17Ad-13 of the Securities Exchange Act.

(c) Tax fees.

The aggregate fees billed by the registrant's independent auditors for tax-related services provided to the registrant were \$2,150 for the fiscal year ended November 30, 2010. The percentage of these fees relating to services approved by the registrant's Audit Committee pursuant to the de minimis exception from the pre-approval requirement in Rule 2-01(c)(7)(i)(C) of Regulation S-X was 0%. These tax-related services were as follows: review of income tax returns and review of annual excise distribution calculations.

The aggregate fees billed by the registrant's independent auditors for tax-related services provided to the registrant's investment adviser and other service providers under common control with the adviser and that relate directly to the operations or financial reporting of the registrant were \$10,000 for the registrant's fiscal year ended November 30, 2010. The percentage of these fees relating to services approved by the registrant's Audit Committee pursuant to the de minimis exception from the pre-approval requirement in Rule 2-01(c)(7)(i)(C) of Regulation S-X was 0%. These tax-related services were as follows: state and local tax services.

The aggregate fees billed by the registrant's independent auditors for tax-related services provided to the registrant were \$2,850 for the fiscal year ended November 30, 2009. The percentage of these fees relating to services approved by the registrant's Audit Committee pursuant to the de minimis exception from the pre-approval requirement in Rule 2-01(c)(7)(i)(C) of Regulation S-X was 0%. These tax-related services were as follows: review of income tax returns and review of annual excise distribution calculations.

The aggregate fees billed by the registrant's independent auditors for tax-related services provided to the registrant's adviser and other service providers under common control with the adviser and that relate directly to the operations or financial reporting of the registrant were \$0 for the registrant's fiscal year ended November 30, 2009.

(d) All other fees.

The aggregate fees billed for all services provided by the independent auditors to the registrant other than those set forth in paragraphs (a), (b) and (c) of this Item were \$0 for the fiscal year ended November 30, 2010.

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The aggregate fees billed for all services other than those set forth in paragraphs (b) and (c) of this Item provided by the registrant's independent auditors to the registrant's adviser and other service providers under common control with the adviser and that relate directly to the operations or financial reporting of the registrant were \$0 for the registrant's fiscal year ended November 30, 2010.

The aggregate fees billed for all services provided by the independent auditors to the registrant other than those set forth in paragraphs (a), (b) and (c) of this Item were \$0 for the fiscal year ended November 30, 2009.

The aggregate fees billed for all services other than those set forth in paragraphs (b) and (c) of this Item provided by the registrant's independent auditors to the registrant's adviser and other service providers under common control with the adviser and that relate directly to the operations or financial reporting of the registrant were \$0 for the registrant's fiscal year ended November 30, 2009.

(e) The registrant's Audit Committee has established pre-approval policies and procedures as permitted by Rule 2-01(c)(7)(i)(B) of Regulation S-X (the "Pre-Approval Policy") with respect to services provided by the registrant's independent auditors. Pursuant to the Pre-Approval Policy, the Audit Committee has pre-approved the services set forth in the table below with respect to the registrant up to the specified fee limits. Certain fee limits are based on aggregate fees to the registrant and other registrants within the Delaware Investments® Family of Funds.

| Service | Range of Fees |
|--|---------------------------------|
| Audit Services | |
| Statutory audits or financial audits for new Funds | up to \$25,000 per Fund |
| Services associated with SEC registration statements (e.g., Form N-1A, Form N-14, etc.), periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings (e.g., comfort letters for closed-end Fund offerings, consents), and assistance in responding to SEC comment letters | up to \$10,000 per Fund |
| Consultations by Fund management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, or other regulatory or standard-setting bodies (Note: Under SEC rules, some consultations may be considered "audit-related services" rather than "audit services") | up to \$25,000 in the aggregate |
| Audit-Related Services | |
| Consultations by Fund management as to the accounting or disclosure treatment of transactions or events and /or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, or other regulatory or standard-setting bodies (Note: Under SEC rules, some consultations may be considered "audit services" rather than "audit-related services") | up to \$25,000 in the aggregate |
| Tax Services | |
| U.S. federal, state and local and international tax planning and advice (e.g., consulting on statutory, regulatory or administrative developments, evaluation of Funds' tax compliance function, etc.) | up to \$25,000 in the aggregate |
| U.S. federal, state and local tax compliance (e.g., excise distribution reviews, etc.) | up to \$5,000 per Fund |
| Review of federal, state, local and international income, franchise and other tax returns | up to \$5,000 per Fund |

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Under the Pre-Approval Policy, the Audit Committee has also pre-approved the services set forth in the table below with respect to the registrant's investment adviser and other entities controlling, controlled by or under common control with the investment adviser that provide ongoing services to the registrant (the "Control Affiliates") up to the specified fee limit. This fee limit is based on aggregate fees to the investment adviser and its Control Affiliates.

| Service | Range of Fees |
|--|---------------------------------|
| Non-Audit Services | |
| Services associated with periodic reports and other documents filed with the SEC and assistance in responding to SEC comment letters | up to \$10,000 in the aggregate |

The Pre-Approval Policy requires the registrant's independent auditors to report to the Audit Committee at each of its regular meetings regarding all services initiated since the last such report was rendered, including those services authorized by the Pre-Approval Policy.

(f) Not applicable.

(g) The aggregate non-audit fees billed by the registrant's independent auditors for services rendered to the registrant and to its investment adviser and other service providers under common control with the adviser were \$0 and \$202,564 for the registrant's fiscal years ended November 30, 2010 and November 30, 2009, respectively.

(h) In connection with its selection of the independent auditors, the registrant's Audit Committee has considered the independent auditors' provision of non-audit services to the registrant's investment adviser and other service providers under common control with the adviser that were not required to be pre-approved pursuant to Rule 2-01(c)(7)(ii) of Regulation S-X. The Audit Committee has determined that the independent auditors' provision of these services is compatible with maintaining the auditors' independence.

Item 5. Audit Committee of Listed Registrants

The registrant has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The members of the registrant's Audit Committee are John A. Fry, Thomas F. Madison and Janet L. Yeomans.

Item 6. Investments

(a) Included as part of report to shareholders filed under Item 1 of this Form N-CSR.

(b) Divestment of securities in accordance with Section 13(c) of the Investment Company Act of 1940.

Not applicable.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies

The registrant has formally delegated to its investment adviser(s) (the “Adviser”) the ability to make all proxy voting decisions in relation to portfolio securities held by the registrant. If and when proxies need to be voted on behalf of the registrant, the Adviser will vote such proxies pursuant to its Proxy Voting Policies and Procedures (the “Procedures”). The Adviser has established a Proxy Voting Committee (the “Committee”) which is responsible for overseeing the Adviser’s proxy voting process for the registrant. One of the main responsibilities of the Committee is to review and approve the Procedures to ensure that the Procedures are designed to allow the Adviser to vote proxies in a manner consistent with the goal of voting in the best interests of the registrant.

In order to facilitate the actual process of voting proxies, the Adviser has contracted with Institutional Shareholder Services (“ISS”), a wholly owned subsidiary of RiskMetrics Group (“RiskMetrics”), to analyze proxy statements on behalf of the registrant and other Adviser clients and vote proxies generally in accordance with the Procedures. The Committee is responsible for overseeing ISS/RiskMetrics’s proxy voting activities. If a proxy has been voted for the registrant, ISS/RiskMetrics will create a record of the vote. By no later than August 31 of each year, information (if any) regarding how the registrant voted proxies relating to portfolio securities during the most recently disclosed 12-month period ended June 30 is available without charge (i) through the registrant’s Web site at <http://www.delawareinvestments.com>; and (ii) on the Commission’s Web site at <http://www.sec.gov>.

The Procedures contain a general guideline that recommendations of company management on an issue (particularly routine issues) should be given a fair amount of weight in determining how proxy issues should be voted. However, the Adviser will normally vote against management’s position when it runs counter to its specific Proxy Voting Guidelines (the “Guidelines”), and the Adviser will also vote against management’s recommendation when it believes that such position is not in the best interests of the registrant.

As stated above, the Procedures also list specific Guidelines on how to vote proxies on behalf of the registrant. Some examples of the Guidelines are as follows: (i) generally vote for shareholder proposals asking that a majority or more of directors be independent; (ii) generally vote against proposals to require a supermajority shareholder vote; (iii) votes on mergers and acquisitions should be considered on a case-by-case basis, determining whether the transaction enhances shareholder value; (iv) generally vote against proposals to create a new class of common stock with superior voting rights; (v) generally vote re-incorporation proposals on a case-by-case basis; (vi) votes with respect to equity-based compensation plans are generally determined on a case-by-case basis; and (vii) generally vote for proposals requesting reports on the level of greenhouse gas emissions from a company’s operations and products.

Because the registrant has delegated proxy voting to the Adviser, the registrant is not expected to encounter any conflict of interest issues regarding proxy voting and therefore does not have procedures regarding this matter. However, the Adviser does have a section in its Procedures that addresses the possibility of conflicts of interest. Most proxies which the Adviser receives on behalf of the registrant are voted by ISS/RiskMetrics in accordance with the Procedures. Because almost all registrant proxies are voted by ISS/RiskMetrics pursuant to the pre-determined Procedures, it normally will not be necessary for the Adviser to make an actual determination of how to vote a particular proxy, thereby largely eliminating conflicts of interest for the Adviser during the proxy voting process. In the very limited instances where the Adviser is considering voting a proxy contrary to ISS/RiskMetrics’s recommendation, the Committee will first assess the issue to see if there is any possible conflict of interest involving the Adviser or affiliated persons of the Adviser. If a member of the Committee has actual knowledge of a conflict of interest, the Committee will normally use another independent third party to do additional research on the particular proxy issue in order to make a recommendation to the Committee on how to vote the proxy in the best interests of the registrant. The Committee will then review the proxy voting materials and recommendation provided by ISS/RiskMetrics and the independent third party to determine how to vote the issue in a manner which the Committee believes is consistent with the Procedures and in the best interests of the registrant.

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Item 8. Portfolio Managers of Closed-End Management Investment Companies

Other Accounts Managed

The following chart lists certain information about types of other accounts for which each Fund manager is primarily responsible as of November 30, 2010. Any accounts managed in a personal capacity appear under "Other Accounts" along with the other accounts managed on a professional basis. The personal account information is current as of June 30, 2010.

| | No. of Accounts | Total Assets Managed | No. of Accounts with Performance- Based Fees | Total Assets in Accounts with Performance- Based Fees |
|----------------------------------|--------------------|-------------------------|--|--|
| Damon Andres | | | | |
| Registered Investment Companies | 10 | \$1.3 billion | 0 | \$0 |
| Other Pooled Investment Vehicles | 0 | \$0 | 0 | \$0 |
| Other Accounts | 4 | \$99.2 million | 0 | \$0 |
| Wayne Anglace | | | | |
| Registered Investment Companies | 4 | \$657.3 million | 0 | \$0 |
| Other Pooled Investment Vehicles | 0 | \$0 | 0 | \$0 |
| Other Accounts | 14 | \$30.5 million | 0 | \$0 |
| Kristen Bartholdson | | | | |
| Registered Investment Companies | 7 | \$2.1 billion | 0 | \$0 |
| Other Pooled Investment Vehicles | 0 | \$0 | 0 | \$0 |
| Other Accounts | 9 | \$292 thousand | 0 | \$0 |
| Thomas Chow | | | | |
| Registered Investment Companies | 12 | \$14.5 billion | 0 | \$0 |
| Other Pooled Investment Vehicles | 0 | \$0 | 0 | \$0 |
| Other Accounts | 11 | \$4.0 billion | 0 | \$0 |
| Roger Early | | | | |
| Registered Investment Companies | 18 | \$17.9 billion | 0 | \$0 |
| Other Pooled Investment Vehicles | 0 | \$0 | 0 | \$0 |
| Other Accounts | 43 | \$6.1 billion | 0 | \$0 |
| Nikhil Lalvani | | | | |
| Registered Investment Companies | 9 | \$1.8 billion | 0 | \$0 |
| Other Pooled Investment Vehicles | 0 | \$0 | 0 | \$0 |
| Other Accounts | 18 | \$1.4 billion | 1 | \$652.2 million |
| Anthony Lombardi | | | | |
| Registered Investment Companies | 9 | \$1.8 billion | 0 | \$0 |
| Other Pooled Investment Vehicles | 0 | \$0 | 0 | \$0 |
| Other Accounts | 19 | \$1.4 billion | 1 | \$652.2 million |

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| | | | | |
|-----------------------|----|-----------------|---|-----------------|
| Kevin Loome | | | | |
| Registered Investment | 16 | \$13.1 billion | 0 | \$0 |
| Companies | | | | |
| Other Pooled | 0 | \$0 | 0 | \$0 |
| Investment Vehicles | | | | |
| Other Accounts | 13 | \$3.4 billion | 0 | \$0 |
| D. Tysen Nutt | | | | |
| Registered Investment | 12 | \$2.6 billion | 0 | \$0 |
| Companies | | | | |
| Other Pooled | 0 | \$0 | 0 | \$0 |
| Investment Vehicles | | | | |
| Other Accounts | 24 | \$1.6 billion | 1 | \$652.2 million |
| Robert Vogel | | | | |
| Registered Investment | 9 | \$1.8 billion | 0 | \$0 |
| Companies | | | | |
| Other Pooled | 0 | \$0 | 0 | \$0 |
| Investment Vehicles | | | | |
| Other Accounts | 22 | \$1.4 billion | 1 | \$652.2 million |
| Babak Zenouzi | | | | |
| Registered Investment | 15 | \$2.1 billion | 0 | \$0 |
| Companies | | | | |
| Other Pooled | 0 | \$0 | 0 | \$0 |
| Investment Vehicles | | | | |
| Other Accounts | 5 | \$386.4 million | 0 | \$0 |

DESCRIPTION OF MATERIAL CONFLICTS OF INTEREST

Individual portfolio managers may perform investment management services for other funds or accounts similar to those provided to the Funds and the investment action for such other fund or account and the Funds may differ. For example, an account or fund may be selling a security, while another account or Fund may be purchasing or holding the same security. As a result, transactions executed for one fund or account may adversely affect the value of securities held by another fund, account or Fund. Additionally, the management of multiple other funds or accounts and the Funds may give rise to potential conflicts of interest, as a portfolio manager must allocate time and effort to multiple funds or accounts and the Funds. A portfolio manager may discover an investment opportunity that may be suitable for more than one account or fund. The investment opportunity may be limited, however, so that all funds or accounts for which the investment would be suitable may not be able to participate. The Manager has adopted procedures designed to allocate investments fairly across multiple funds or accounts.

One of the accounts managed by the portfolio managers have a performance-based fee. This compensation structure presents a potential conflict of interest. The portfolio manager has an incentive to manage this account so as to enhance its performance, to the possible detriment of other accounts for which the investment manager does not receive a performance-based fee.

A portfolio manager's management of personal accounts also may present certain conflicts of interest. While Delaware's code of ethics is designed to address these potential conflicts, there is no guarantee that it will do so.

Compensation Structure

Each portfolio's manager's compensation consists of the following:

Base Salary - Each named portfolio manager receives a fixed base salary. Salaries are determined by a comparison to industry data prepared by third parties to ensure that portfolio manager salaries are in line with salaries paid at peer investment advisory firms.

Bonus – (Mr. Nutt, Ms. Bartholdson, Mr. Lalvani, Mr. Lombardi and Mr. Vogel only) Each named portfolio manager is eligible to receive an annual cash bonus. The bonus pool is determined by the revenues associated with the products a portfolio manager manages. Delaware keeps a percentage of the revenues and the remaining percentage of revenues (minus appropriate expenses associated with relevant product and the investment management team) create the "bonus pool" for the product. Various members of the team have the ability to earn a percentage of the bonus pool with the most senior contributor having the largest share. The pool is allotted based on subjective factors and objective factors. The primary objective factor is the performance of the funds managed relative to the performance of the appropriate Lipper peer groups and the performance of institutional composites relative to the appropriate indices. Performance is measured as the result of one's standing in the Lipper peer groups on a one-year, three-year and five-year basis. Three-year and five-year performance is weighted more heavily and there is no objective award for a fund whose performance falls below the 50th percentile for a given time period.

Individual allocations of the bonus pool are based on individual performance measurements, both objective and subjective, as determined by senior management.

(Mr. Andres and Mr. Zenouzi only) Each named portfolio manager is eligible to receive an annual cash bonus. The bonus pool is determined by the revenues associated with the products a portfolio manager manages. Delaware keeps a percentage of the revenues and the remaining percentage of revenues (minus appropriate expenses associated with relevant product and the investment management team) create the "bonus pool" for the product. Various members of the team have the ability to earn a percentage of the bonus pool with the most senior contributor having the largest share. The pool is allotted based on subjective factors (50%) and objective factors (50%). The primary objective factor is the performance of the funds managed relative to the performance of the appropriate Lipper peer groups and the performance of institutional composites relative to the appropriate indices. Performance is measured as the result of one's standing in the Lipper peer groups on a one-year, three-year and five-year basis. Three-year and five-year performance is weighed more heavily and there is no objective award for a fund whose performance falls below the 50th percentile for a given time period.

Individual allocations of the bonus pool are based on individual performance measurements, both objective and subjective, as determined by senior management.

(Mr. Anglace, Mr. Chow, Mr. Early and Mr. Loomer only) Due to transitioning of responsibilities of our fixed income managers over the past year, some of the managers' bonuses may have been guaranteed for the past year. It is anticipated that going forward an objective component will be added to the bonus for each manager that is reflective of account performance relative to an appropriate peer group or database. The following paragraph describes the structure of the non-guaranteed bonus.

Each portfolio manager is eligible to receive an annual cash bonus, which is based on quantitative and qualitative factors. There is one pool for bonus payments for the fixed income department. The amount of the pool for bonus payments is determined by assets managed (including investment companies, insurance product-related accounts and other separate accounts), management fees and related expenses (including fund waiver expenses) for registered investment companies, pooled vehicles, and managed separate accounts. Generally, 60%-75% of the bonus is quantitatively determined. For more senior portfolio managers, a higher percentage of the bonus is quantitatively determined. For investment companies, each manager is compensated according to the Fund's Lipper or Morningstar peer group percentile ranking on a one-year, three-year, and five-year basis, with longer-term performance more heavily weighted. For managed separate accounts the portfolio managers are compensated according to the composite percentile ranking against the Frank Russell and Callan Associates databases (or similar sources of relative performance data) on a one-year, three-year, and five-year basis, with longer term performance more heavily weighted. There is no objective award for a fund that falls below the 50th percentile, but incentives reach maximum potential at the 25th-30th percentile. There is a sliding scale for investment companies that are ranked above the 50th percentile. The remaining 25%-40% portion of the bonus is discretionary as determined by Delaware Investments and takes into account subjective factors.

For new and recently transitioned portfolio managers, the compensation may be weighted more heavily towards a portfolio manager's actual contribution and ability to influence performance, rather than longer-term performance. Management intends to move the compensation structure towards longer-term performance for these portfolio managers over time.

Incentive Plan/Equity Compensation Plan — Portfolio managers may be awarded options, stock appreciation rights, restricted stock awards, restricted stock units, deferred stock units, and performance awards (collectively, "Awards") relating to the underlying shares of common stock of Delaware Investments U.S., Inc. pursuant to the terms of the Delaware Investments U.S., Inc. 2009 Incentive Compensation Plan (the "Plan") established on March 24, 2009. Since the establishment of the Plan, Awards are no longer granted under the Amended and Restated Delaware Investments U.S., Inc. Incentive Compensation Plan effective December 26, 2008, which was established in 2001.

The Plan was established in order to: assist the Manager in attracting, retaining, and rewarding key employees of the company; enable such employees to acquire or increase an equity interest in the company in order to align the interest of such employees and the Manager; and provide such employees with incentives to expend their maximum efforts. Subject to the terms of the Plan and applicable award agreements, Awards typically vest in 25% increments on a four-year schedule, and shares of common stock underlying the Awards are issued after vesting. Shares issued typically must be held for six months and one day, after which time the stockholder may put them back to the company, subject to any applicable holding requirements. The fair market value of the shares of Delaware Investments U.S., Inc., is normally determined as of each March 31, June 30, September 30 and December 31. The fair market value of shares of common stock underlying Awards granted on or after December 26, 2008 is determined by an independent appraiser utilizing an appraisal valuation methodology in compliance with Section 409A of the Internal Revenue Code and the regulations promulgated thereunder. The fair market value of shares of common stock underlying Awards granted prior to December 26, 2008 is determined by an independent appraiser utilizing a formula-based valuation methodology.

Other Compensation - Portfolio managers may also participate in benefit plans and programs available generally to all employees.

Ownership of Securities

As of November 30, 2010, the portfolio managers did not own any shares of the Fund.

Item 9. Purchases of Equity Securities by Closed-End Management Investment Companies and Affiliated Purchasers

Not applicable.

Item 10. Submission of Matters to a Vote of Security Holders

Not applicable.

Item 11. Controls and Procedures

The registrant's principal executive officer and principal financial officer have evaluated the registrant's disclosure controls and procedures within 90 days of the filing of this report and have concluded that they are effective in providing reasonable assurance that the information required to be disclosed by the registrant in its reports or statements filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission.

There were no significant changes in the registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by the report to stockholders included herein (i.e., the registrant's fourth fiscal quarter) that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12. Exhibits

(a) (1) Code of Ethics

Not applicable.

(2) Certifications of Principal Executive Officer and Principal Financial Officer pursuant to Rule 30a-2 under the Investment Company Act of 1940 are attached hereto as Exhibit 99.CERT.

(3) Written solicitations to purchase securities pursuant to Rule 23c-1 under the Securities Exchange Act of 1934.

Not applicable.

(b) Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 are furnished herewith as Exhibit 99.906CERT.

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.

Name of Registrant: Delaware Investments® Dividend and Income Fund, Inc.

/s/ PATRICK P. COYNE
By: Patrick P. Coyne
Title: Chief Executive Officer
Date: January 28, 2011

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.

/s/ PATRICK P. COYNE
By: Patrick P. Coyne
Title: Chief Executive Officer
Date: January 28, 2011

/s/ RICHARD SALUS
By: Richard Salus
Title: Chief Financial Officer
Date: January 28, 2011
