

DELAWARE INVESTMENTS DIVIDEND & INCOME FUND INC  
Form N-CSR  
August 07, 2007

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: 811-7460

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: May 31, 2007

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Item 1. Reports to Stockholders

Semiannual Report

Delaware  
Investments

Dividend and  
Income Fund, Inc.

May 31, 2007

Closed-end

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## Table of contents

> Sector allocation and top 10 equity holdings	<b>1</b>
> Statement of net assets	<b>3</b>
> Statement of operations	<b>12</b>
> Statements of changes in net assets	<b>13</b>
> Statement of cash flows	<b>14</b>
> Financial highlights	<b>15</b>
> Notes to financial statements	<b>16</b>
> Other Fund information	<b>20</b>
> About the organization	<b>22</b>

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

Mutual fund advisory services provided by Delaware Management Company, a series of Delaware Management Business Trust, which is a registered investment advisor.

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## Sector allocation and top 10 equity holdings

### Delaware Investments Dividend and Income Fund, Inc.

As of May 31, 2007

Sector designations may be different than the sector designations presented in other Fund materials.

Sector	Percentage of Net Assets
<b>Common Stock</b>	<b>80.75%</b>
Consumer Discretionary	5.57%
Consumer Staples	5.11%
Diversified REITs	1.79%
Energy	3.75%
Financials	13.10%
Health Care	10.35%
Health Care REITs	2.06%
Hotel REITs	1.61%
Industrial REITs	2.53%
Industrials	5.84%
Information Technology	8.64%
Mall REITs	3.60%
Manufactured Housing REITs	0.39%
Materials	1.57%
Media	0.19%
Mortgage REITs	0.66%
Multifamily REITs	2.36%
Office REITs	3.95%
Self-Storage REITs	0.90%
Shopping Center REITs	0.83%
Specialty REITs	0.66%
Telecommunications	3.60%
Utilities	1.69%
<b>Convertible Preferred Stock</b>	<b>3.47%</b>
Banking, Finance & Insurance	1.51%
Basic Materials	0.65%
Cable, Media & Publishing	0.25%
Energy	0.36%
Telecommunications	0.13%
Utilities	0.57%
<b>Preferred Stock</b>	<b>3.05%</b>
Leisure, Lodging & Entertainment	0.62%
Real Estate	2.43%
<b>Commercial Mortgage-Backed Securities</b>	<b>0.18%</b>
<b>Convertible Bonds</b>	<b>9.35%</b>
Aerospace & Defense	0.57%

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Automobiles & Automotive Parts	0.36%
Banking, Finance & Insurance	0.17%
Cable, Media & Publishing	0.34%
Computers & Technology	2.08%
Energy	0.81%
Healthcare & Pharmaceuticals	1.72%
Leisure, Lodging & Entertainment	0.23%
Real Estate	0.28%
Retail	1.07%
Telecommunications	0.48%
Transportation	0.41%
Utilities	0.83%
<b>Corporate Bonds</b>	<b>26.95%</b>
Basic Industry	3.34%
Brokerage	0.62%
Capital Goods	1.71%
Consumer Cyclical	2.67%
Consumer Non-Cyclical	1.65%
Emerging Markets	0.12%
Energy	2.73%
Finance & Investments	0.08%
Media	2.41%
Real Estate	0.52%
Services Cyclical	4.13%
Services Non-Cyclical	2.22%
Technology & Electronics	0.62%
Telecommunications	3.07%
Utilities	1.06%
<b>Senior Secured Loans</b>	<b>0.88%</b>
<b>Warrant</b>	<b>0.00%</b>
<b>Repurchase Agreements</b>	<b>1.20%</b>
<b>Securities Lending Collateral</b>	<b>17.11%</b>
Fixed Rate Notes	7.17%
Variable Rate Notes	9.94%
<b>Total Value of Securities</b>	<b>142.94%</b>
<b>Obligation to Return Securities Lending Collateral</b>	<b>(17.11%)</b>
<b>Commercial Paper Payable</b>	<b>(26.73%)</b>
<b>Receivables and Other Assets Net of Liabilities</b>	<b>0.90%</b>
<b>Total Net Assets</b>	<b>100.00%</b>

(continues) 1

## Sector allocation and top 10 equity holdings

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.

	Percentage of Net Assets
Top 10 Equity Holdings	
Donnelley (R.R.) & Sons	1.95%
Verizon Communications	1.90%
International Business Machines	1.87%

Merck & Co.	1.86%
Simon Property Group	1.85%
Chevron	1.84%
Xerox	1.83%
ConocoPhillips	1.82%
Wyeth	1.78%
Hewlett-Packard	1.78%

2

## Statement of net assets

### Delaware Investments Dividend and Income Fund, Inc.

May 31, 2007 (Unaudited)

	Number of Shares	Value
<b>Common Stock</b> □ 80.75%		
Consumer Discretionary □ 5.57%		
□ Avado Brands	1,390	\$ □
*□ Charter Communications Class A	9,000	36,090
□ Gap	144,100	2,668,732
□ Limited Brands	96,900	2,543,625
□ Mattel	92,300	2,585,323
□ Starwood Hotels & Resorts Worldwide	12,700	915,289
□ Time Warner Cable Class A	8,892	341,542
		9,090,601
Consumer Staples □ 5.11%		
*□ B&G Foods Class A	33,400	455,910
□ Heinz (H.J.)	55,100	2,621,658
□ Kimberly-Clark	38,400	2,724,864
□ Safeway	73,600	2,537,728
		8,340,160
Diversified REITs □ 1.79%		
□ iStar Financial	33,900	1,628,217
*□ Spirit Finance	35,900	515,524
*□ Washington Real Estate Investment Trust	20,600	774,354
		2,918,095
Energy □ 3.75%		
□ Chevron	36,800	2,998,832
□ ConocoPhillips	38,400	2,973,312
*□ Petroleum Geo-Services ADR	5,701	143,038
		6,115,182
Financials □ 13.10%		
□ Allstate	42,900	2,638,350
□ AON	65,800	2,824,136
□ Chubb	47,400	2,600,838

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Hartford Financial Services Group	27,000	2,785,590
Highland Distressed Opportunities	41,000	592,860
Huntington Bancshares	112,700	2,531,242
Morgan Stanley	33,100	2,814,824
Wachovia	43,600	2,362,684
Washington Mutual	51,000	2,229,720
		21,380,244
Health Care <input type="checkbox"/> 10.35%		
Abbott Laboratories	47,300	2,665,355
Baxter International	48,300	2,745,372
Bristol-Myers Squibb	93,400	2,830,954
Merck & Co.	57,900	3,036,855
Pfizer	98,600	2,710,514
Wyeth	50,300	2,909,352
		16,898,402
Health Care REITs <input type="checkbox"/> 2.06%		
Health Care Property Investors	28,400	927,828
*Medical Properties Trust	35,000	498,050
*Nationwide Health Properties	28,900	897,923
*Ventas	24,500	1,037,820
		3,361,621
Hotel REITs <input type="checkbox"/> 1.61%		
*Ashford Hospitality Trust	35,000	434,350
*Hersha Hospitality Trust	97,800	1,187,292
*Highland Hospitality	14,700	283,269
*Host Hotels & Resorts	28,100	717,112
		2,622,023
Industrial REITs <input type="checkbox"/> 2.53%		
AMB Property	22,700	1,313,195
*First Potomac Realty Trust	21,700	542,500
ProLogis	35,100	2,269,566
		4,125,261
Industrials <input type="checkbox"/> 5.84%		
<input type="checkbox"/> Allied Waste Industries	1	13
Donnelley (R.R.) & Sons	74,400	3,185,809
<input type="checkbox"/> *Foster Wheeler	1,760	182,217
<input type="checkbox"/> Genesis Lease ADR	66,100	1,857,410
* <input type="checkbox"/> Grupo Aeroportuario del Centro Norte ADR	8,100	223,317
*Macquarie Infrastructure	26,800	1,195,548
<input type="checkbox"/> Teekay Petrojarl ADR	2,167	25,489
Waste Management	73,900	2,857,713
		9,527,516
Information Technology <input type="checkbox"/> 8.64%		
Hewlett-Packard	63,400	2,898,014
Intel	124,700	2,764,599
International Business Machines	28,600	3,048,760
Motorola	132,500	2,410,175
<input type="checkbox"/> Xerox	158,200	2,985,234
		14,106,782
Mall REITs <input type="checkbox"/> 3.60%		
General Growth Properties	26,706	1,576,722
*Macerich	14,500	1,293,400

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Simon Property Group	27,900	3,012,642
		5,882,764
<b>Manufactured Housing REITs □ 0.39%</b>		
*Equity Lifestyle Properties	11,600	631,736
		631,736
<b>Materials □ 1.57%</b>		
duPont (E.I.) deNemours	49,100	2,568,912
		2,568,912
<b>Media □ 0.19%</b>		
□Adelphia	325,000	140,562
□Adelphia Recovery Trust Series ACC-1	318,962	29,982
□Adelphia Recovery Trust Series Arahova	217,473	117,436
□Century Communications	500,000	16,250
		304,230
<b>Mortgage REITs □ 0.66%</b>		
*Gramercy Capital	6,800	215,016
*JER Investors Trust	20,900	392,711
*Luminent Mortgage Capital	51,200	465,920
		1,073,647

(continues) 3

## Statement of net assets

### Delaware Investments Dividend and Income Fund, Inc.

	Number of Shares	Value
<b>Common Stock (continued)</b>		
<b>Multifamily REITs □ 2.36%</b>		
*American Campus Communities	15,000	\$ 441,300
Apartment Investment & Management	17,200	943,764
Camden Property Trust	7,600	567,340
Equity Residential	37,600	1,905,192
		3,857,596
<b>Office REITs □ 3.95%</b>		
*Alexandria Real Estate Equities	9,200	967,840
*Brandywine Realty Trust	37,848	1,203,945
Duke Realty	27,000	1,083,240
Highwoods Properties	11,300	495,392
Liberty Property Trust	17,100	802,332
Mack-Cali Realty	10,200	492,558
*Parkway Properties	15,600	808,860
*PS Business Parks	8,800	590,920
		6,445,087
<b>Self-Storage REITs □ 0.90%</b>		
Public Storage	13,800	1,235,100
*U-Store-It Trust	13,000	238,290

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		1,473,390
Shopping Center REITs □ 0.83%		
Cedar Shopping Centers	46,200	736,890
*Equity One	13,000	380,900
*Ramco-Gershenson Properties	6,600	244,134
		1,361,924
Specialty REITs □ 0.66%		
*Entertainment Properties Trust	18,300	1,080,615
		1,080,615
Telecommunications □ 3.60%		
AT&T	67,000	2,769,780
Verizon Communications	71,200	3,099,336
		5,869,116
Utilities □ 1.69%		
□Mirant	2,723	126,347
Progress Energy	52,700	2,639,743
		2,766,090
<b>Total Common Stock</b>		
(cost \$101,332,758)		<b>131,800,994</b>

<b>Convertible Preferred Stock □ 3.47%</b>		
Banking, Finance & Insurance □ 1.51%		
Aspen Insurance 5.625% exercise price \$29.28, expiration date 12/31/49	8,800	498,300
□Citigroup Funding 4.933% exercise price \$29.50, expiration date 9/27/08	17,000	570,180
E Trade Group 6.125% exercise price \$21.82, expiration date 11/18/08	9,000	271,125
Lehman Brothers Holdings 6.25% exercise price \$54.24, expiration date 10/15/07	16,000	464,000
Marshall & Ilsley 6.50% exercise price \$46.28, expiration date 8/15/07	12,500	331,875
Sovereign Capital Trust IV 4.375% exercise price \$29.16, expiration date 3/1/34	6,800	328,100
		2,463,580
Basic Materials □ 0.65%		
Freeport-McMoRan Copper & Gold 5.50% exercise price \$47.19 expiration date 12/31/49	115	200,603
6.75% exercise price \$73.50, expiration date 5/1/10	3,500	429,870
Huntsman 5.00% exercise price \$28.29, expiration date 2/16/08	9,900	433,125
		1,063,598
Cable, Media & Publishing □ 0.25%		
*#Interpublic Group 5.25% 144A		



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exercise price \$13.66, expiration date 12/31/49	360	397,350
		397,350
<hr/>		
Energy □ 0.36%		
Chesapeake Energy 4.50% exercise price \$44.17, expiration date 12/31/49	3,650	370,931
El Paso Energy Capital Trust I		