

## DCS Announces Refinancing and At-Par Redemption of Certain AMPS

Lisle, IL – July 24, 2009 – (NYSE: DCS) Claymore Dividend & Income Fund (the “Fund”), a non-diversified closed-end management investment company, announces a voluntary partial refinancing and at-par redemption of its outstanding Auction Market Preferred Shares (“AMPS”), liquidation preference \$25,000 per share.

The Fund intends to redeem \$35 million of its outstanding AMPS. The redemption price will be equal to the liquidation preference per share, plus accumulated but unpaid dividends as of the applicable redemption date (as noted in the table below). Following this redemption, the Fund will have \$30 million of AMPS outstanding.

The redemption of the AMPS will be financed in part with the proceeds of a \$30 million credit facility to be entered into by the Fund. Subsequent to the redemption of AMPS and funding of the credit facility, the aggregate amount of financial leverage employed by the Fund will be \$60 million and the Fund will have successfully redeemed or refinanced approximately 93% of its AMPS.

While management of the Fund anticipates finalizing definitive agreements with respect to the credit facility in advance of the scheduled redemption dates, there can be no assurance that the Fund will enter into a definitive credit facility or that the AMPS will be redeemed. The Fund expects to partially redeem the AMPS as follows:

### Redemption Schedule

<u>Series</u>	<u>CUSIP Number</u>	<u>Number of Shares Redeemed</u>	<u>Amount Redeemed</u>	<u>Redemption Date</u>
M7	18385J204	120	\$3,000,000	August 11, 2009
T28	18385J303	520	\$13,000,000	August 12, 2009
W7	18385J402	120	\$3,000,000	August 13, 2009
TH28	18385J501	520	\$13,000,000	August 28, 2009
F7	18385J600	120	\$3,000,000	August 17, 2009

With respect to any series for which less than all the AMPS of the series are to be redeemed, The Depository Trust Company (DTC), the holder of record of the Fund’s AMPS, will determine how the redemption will be allocated among each participant broker-dealer account that holds AMPS of such series, which may include selecting AMPS to be redeemed by lot or such other method as DTC deems fair and equitable. Each participant broker-dealer, as nominee for underlying beneficial owners (street name shareholders), in turn will determine how redeemed AMPS of such series are to be allocated among its underlying beneficial owners that hold AMPS of such series. The procedures used by various broker-dealers to allocate redeemed AMPS among beneficial owners may differ from each other as well as from the procedures used by DTC.

Claymore Advisors, LLC, an affiliate of Claymore Securities, Inc., serves as the Fund's Investment Adviser. Claymore Securities, Inc. is a privately-held financial services company offering unique investment solutions for financial advisors and their valued clients. Claymore entities have provided supervision, management, servicing and/or distribution on approximately \$12.9 billion in assets, as of June 30, 2009. Claymore currently offers closed-end funds, unit investment trusts and exchange-traded funds. Registered investment products are sold by prospectus only and investors should read the prospectus carefully before investing. Additional information on Claymore's closed-end funds is available at [www.claymore.com/cef](http://www.claymore.com/cef).

Manning & Napier Advisors, Inc. serves as the Fund's interim Investment Sub-Adviser. Manning & Napier has been a registered investment adviser since 1970. For more than 35 years, Manning & Napier has focused on managing clients' investments through a variety of market conditions, including five bear markets. The firm manages approximately \$16 billion for individuals, corporations, defined benefit pension plans, 401(k) choice plans, Taft-Hartley accounts, endowments, foundations and municipal retirement plans as of December 31, 2008. It remains an employee-owned firm, with 100% of the firm owned by full-time employees.

This information does not represent an offer to sell securities of the Fund and it is not soliciting an offer to buy securities of the Fund. There can be no assurance that the Fund will achieve its investment objectives. The net asset value of the Fund will fluctuate with the value of the underlying securities. It is important to note that closed-end funds trade on their market value, not net asset value, and closed-end funds often trade at a discount to their net asset value. Past performance is not indicative of future performance. An investment in the Fund is subject to certain risks and other considerations. Such risks and considerations include, but are not limited to: Investment Risk, Equity Risk, Preferred Securities Risk, Income Risk, Value Investing Risk, Interest Rate Risk, Inflation Risk, Lower-Grade Securities Risk, Foreign Securities Risk, Derivatives Risk, Illiquid Securities Risk, Fund Distribution Risk, Market Discount Risk, Industry Concentration Risk, Other Investment Companies Risk, Non-Diversified Status Risk, Financial Leverage Risk, Management Risk, , Current Developments Risk, Anti-Takeover Provisions, and Market Disruption Risk and Risks of Investing in AMPS.

**Investors should consider the investment objectives and policies, risk considerations, charges and expenses of the Fund carefully before they invest. For this and more information, please contact a securities representative or Claymore Securities, Inc., 2455 Corporate West Drive, Lisle, Illinois 60532, 800-345-7999.**

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