

The Reaves Utility Income Fund Increases Its Monthly Dividend 8.7% to \$0.125 Per Share

Press Release Source: The Reaves Utility Income Fund On Monday March 14, 2011, 8:30 am EDT

DENVER--(BUSINESS WIRE)-- The Reaves Utility Income Fund (NYSE Amex: UTG) is pleased to announce today an increase in its monthly dividend, to a rate of \$0.125 per common share per month. This is the 5th increase since the Fund's inception in February 2004. The increased dividend rate represents an annualized yield of 6.6% based on the current market price. As of March 7, 2011, the Fund's market price was \$22.59 per share and its net asset value was \$22.85 per share.

Ronald Sorenson, CEO and Chief Investment Officer of W. H. Reaves & Co., commented that the increased dividend is 30% greater than the dividend at the Fund's inception in 2004. All monthly dividends paid since inception were paid out of net income. Companies capable of periodically increasing their dividend, with a dividend policy committing them to maintain and grow their dividend, comprise the core holdings in the Fund's portfolio. The fund's long-term goal is to periodically grow its dividend time commensurate with the rising earnings power of the Fund's underlying investments.

The Fund has formally implemented the 19b-1 exemption received from the Securities & Exchange Commission in 2009. A portion of each distribution may be treated as paid from sources other than net income, including but not limited to short-term capital gain, long-term capital gain and return of capital. The final determination of the source of these distributions, including the percentage of qualified dividend income, will be made after the Fund's year end.

Not less than eighty percent of the Fund's assets will continue to be invested in the securities of utility companies. As a policy, the Fund continues to strive to provide a high level of after-tax income and total return consisting primarily of tax-advantaged dividend income and capital appreciation.

The following dates apply to the upcoming dividends that have been declared:

Ex-Distribution Date: April 18, 2011
Record Date: April 20, 2011
Payable Date: April 29, 2011

Ex-Distribution Date: May 17, 2011
Record Date: May 19, 2011
Payable Date: May 31, 2011

Ex-Distribution Date: June 15, 2011
Record Date: June 17, 2011
Payable Date: June 30, 2011