Fund Overview

The Fund
DTF Tax-Free Income, Inc. (the “Fund”) was organized in November, 1991 and is a diversified, closed-end management investment company.

Investment Objective
The Fund’s investment objective is current income exempt from regular federal income tax consistent with preservation of capital.

Portfolio Contents
The Fund seeks to achieve its investment objective by investing primarily (at least 80% of its total assets) in a diversified portfolio of investment-grade tax-exempt obligations. Effective on May 31, 2007, the Fund may not invest more than 25% of its total assets (taken at market value at the time of each investment) in the securities of issuers in a single industry; provided that, for purposes of this restriction, tax exempt securities of issuers that are states, municipalities or their political subdivisions are not considered to be the securities of issuers in any single industry.

Leverage
The use of leverage enables the Fund to borrow at short-term rates and invest at long-term rates. The Fund has issued 650 shares of Variable Rate MuniFund Term Preferred Shares (“VMTP Shares”) with a liquidation value of $100,000 per share to leverage the common stockholders’ investment.

Shares of closed-end investment companies such as the Fund trade in the market above, at, and below net asset value. This characteristic is a risk separate and distinct from the risk that the Fund’s net asset value could decline. The Fund is not able to predict whether its shares will trade above, below or at net asset value in the future.

This information does not represent an offer, or the solicitation of an offer, to buy or sell securities of the Fund. For additional information please see the Fund’s most recent annual or semi-annual report.

Investment Objective
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About Duff & Phelps Investment Management Co. Duff & Phelps is the Fund’s investment adviser and is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940. The Adviser, together with its predecessor, has been in the investment business for more than 80 years and has acted as the Fund’s investment adviser since the Fund’s inception in 1991.
## Shareholder Information

Common stock listed on the New York Stock Exchange under the symbol DTF. The Fund’s market price and net asset value will fluctuate with market conditions. Shareholder questions can be answered by contacting the company’s Transfer Agent:

**American Stock Transfer & Trust Company**
6201 15th Avenue
Brooklyn, NY 11219
(866) 668-8552

## Other Contact Information

### Investment Adviser
Duff & Phelps Investment Management Co.  
c/o Virtus Investment Partners  
1 Financial Plaza  
Hartford, CT 06103  
(800) 243-4361 (x4941)

200 South Wacker Drive, Suite 500  
Chicago, IL 60606  
(800) 243-4361 x4941

### Independent Registered Public Accounting Firm
Ernst & Young LLP  
155 North Wacker Drive  
Chicago, IL 60606

### Administrator
J.J. B. Hilliard, W.L. Lyons, LLC  
500 West Jefferson Street  
Louisville, KY 40202  
(833) 604-3163

### Custodian
State Street Bank and Trust Company  
One Heritage Drive  
North Quincy, MA 02171

### Legal Counsel
Mayer Brown LLP  
71 South Wacker Drive  
Chicago, IL 60606

## Important Risk Considerations

### Credit and Interest:
Debt securities are subject to various risks, the most prominent of which are credit and interest rate risk. The issuer of a debt security may fail to make interest and/or credit payments. Values of debt securities may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer term maturities.

### Municipal Market:
Events negatively impacting a municipal security, or the municipal bond market in general, may cause the fund to decrease in value.

### Tax Liability:
Noncompliant conduct by a municipal bond issuer, or adverse interpretations, could cause interest from a security to become taxable, subjecting shareholders to increased tax liability.

### Industry/Sector Concentration:
A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund.

### State and AMT Tax:
A portion of income may be subject to some state and/or local taxes and, for certain investors, a portion may be subject to the federal alternative minimum tax.

### No Guarantee:
There is no guarantee that the portfolio will meet its objective.

### Leverage:
When a fund leverages its portfolio, the value of its shares may be more volatile and all other risks may be compounded.