

**IMPORTANT INFORMATION REGARDING DREYFUS MUNICIPAL INCOME,
INC. RELATING TO ITS AUCTION RATE PREFERRED SHARES
As of November 2, 2009**

Dreyfus Municipal Income, Inc. (DMF) is organized as a closed-end fund and is subject to the requirements of the Securities and Exchange Commission Regulation FD, which prohibits the selective disclosure of material non-public information to (1) market professionals; and (2) shareholders where it is reasonably foreseeable that the shareholder will purchase or sell the funds' securities on the basis of the information. In keeping with Regulation FD, absolutely no information beyond what is currently posted on this public website can be discussed or provided. Dreyfus Municipal Income, Inc. complies with the requirements of Regulation FD and, as such, cannot disclose information unless it is made available to the public at large or is otherwise provided in accordance with the provisions of Regulation FD. Individual investors seeking additional information about ARPS holdings are encouraged to speak with their financial advisor.

Can you tell me about any recent action by the board of Dreyfus Municipal Income, Inc. with respect to its Auction Rate Preferred Stock?

In the press release dated November 2, 2009, the Board of Directors of Dreyfus Municipal Income, Inc. announced that it has authorized the Fund to redeem up to 25% of the Fund's auction rate preferred stock (ARPS), subject to market, regulatory and other conditions and factors. It is currently anticipated that, upon redemption, the leverage provided by the ARPS would be replaced through the creation of tender option bonds (TOBs). The timing and amount for such redemptions and refinancing of the ARPS could occur within approximately a 12-month period, but will be determined by the availability of acceptable terms on the TOBs, market, regulatory and other factors, and Fund management is not certain when, or if, such amount will be redeemed or refinanced. *The November 2, 2009 press release contains important additional information regarding the announcement and can be accessed at <http://www.dreyfus.com/ars>.*

Who should I contact about my holdings of Dreyfus Municipal Income, Inc. ARPS?

You should contact your financial advisor for information about your ARPS holdings and any developments with respect to those holdings. For your convenience, we note that Dreyfus Municipal Income, Inc. has two series of ARPS: Series A (CUSIP number: 26201R201) and Series B (CUSIP number: 26201R300). Shares of Dreyfus Municipal Income, Inc. ARPS are held in "street name" by CEDE & Co., the nominee for The Depository Trust Company (DTC), which is the record holder for the ARPS; accordingly, *Dreyfus does not have account or portfolio holding information with respect to any particular beneficial owner or investor.*

Will there be an announcement before any redemption is made by Dreyfus Municipal Income, Inc.?

Yes, the Fund would issue a notice containing specific details regarding any specific redemption, which would include a press release that also would be placed on the Dreyfus website, and a notice that would be published in The Wall Street Journal. Specific details would include the ARPS series, CUSIP number, redemption date, and number of ARPS shares and aggregate dollar amount to be redeemed. As with your account and ARPS holdings in that instance, you should contact your financial advisor with respect to how any redemption would be processed by your financial advisor. Allocation procedures among different advisors may vary and neither Dreyfus Municipal Income, Inc. nor Dreyfus has any control over the allocation process of DTC or financial advisors.

How do TOB programs work?

Any refinancing for redeemed ARPS would be provided through the creation by the Fund of TOBs. In creating a TOB, the Fund would transfer an eligible bond from its portfolio to a special purpose trust that would issue two classes of securities: floating rate certificates, which would pay an interest rate that generally would be reset weekly, and residual interest bonds, which would pay an interest rate based on the difference between the interest rate earned on the underlying bonds and the interest rate paid on the floating rate certificates, after TOB program expenses. The Fund would hold the residual interest bonds and use the proceeds from the sale of the floating rate certificates to redeem a portion of its ARPS.

Does Dreyfus have experience with TOB programs?

Yes, from time to time, Dreyfus has used TOB programs in this Fund and other Dreyfus funds. The TOB structure is less permanent than ARPS since TOBs may be unwound upon the occurrence of certain events, such as a failed remarketing of the TOB securities, and there is no certainty that TOB financing will be available in the future.

Does Dreyfus plan any other actions related to the Fund's ARPS?

Dreyfus continues to assess the current state of auction rate preferred shares including the ability to refinance using TOBs. It is not certain when, or if, the Fund's remaining ARPS may be redeemed. In reviewing the situation, Dreyfus is seeking to protect the Fund's interest, taking into account all shareholders.

What information can Dreyfus provide to the Fund's shareholders?

Any comments by Dreyfus or its employees are limited to those publicly available either by being posted on its website or issued in a press release. Dreyfus Municipal Income, Inc. is organized as a closed-end fund and is subject to the requirements of Regulation FD, which prohibits the selective disclosure of material non-public information to (1) market professionals; and (2) sharehold-

ers where it is reasonably foreseeable that the shareholder will purchase or sell the fund's securities on the basis of the information. In keeping with Regulation FD, absolutely no information beyond what is currently posted on this public website can be discussed or provided. Dreyfus Municipal Income, Inc. complies with the requirements of Regulation FD and, as such, cannot disclose information unless it is made available to the public at large or is otherwise provided in accordance with the provisions of Regulation FD. Individual investors seeking additional information about ARPS holdings are encouraged to speak with their financial advisor.

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