ALLIANCEBERNSTEIN
Investments

AllianceBernstein Utility Income Fund, Inc.

June 10, 2010

Dear Shareholder,

We are sending you this letter to inform you of important changes to the investment strategy of AllianceBernstein Utility Income Fund (the "Fund"), which were recently approved by the Fund's Board of Directors. The new strategy permits the Fund to pursue current income and capital appreciation from all industry sectors, and eliminates the Fund's focus on the utilities industry. In light of the new strategy, the Fund's name will be changed to AllianceBernstein Equity Income Fund. The new strategy, the changes in investment policies, and the name change will take effect on or about August 31, 2010.

Although AllianceBernstein L.P. (the "Adviser") continues to be of the view that attractive yield and total return opportunities exist in the utilities sector, the Adviser recommended, and after careful conclusion the Board agreed, that it would be in the best interests of the Fund to broaden the Fund's investment universe at this time because of concerns regarding the Fund's long-term viability in its current form. The Fund has been in net redemptions for the past eight years, notwithstanding its generally favorable investment performance over that period, reflecting the net redemption patterns of the utilities fund category as a whole. On the other hand, the equity income fund category is large and growing. The Board was concerned that, if no action was taken, net redemptions would continue to adversely affect the Fund's expense ratio and shareholder returns.

Pursuant to the Fund's new strategy, the Adviser will evaluate a much wider universe of income opportunities, including those outside of utilities. In considering the proposed changes, your Board noted that they were consistent with the actions of several other utility funds which have broadened investment guidelines or merged with other funds in the past ten years. The Board concurred with the Adviser's belief that the equity income strategy is a logical evolution of the investment opportunity originally pursued by the Fund because sector freedom should result in greater total return opportunities over time, although the Board noted that one result of the change will be a reduction in the Fund's yield since utility stocks generally have a higher yield than the broader market. As noted in the enclosed supplement to the Fund's prospectus, now is an opportune time for this portfolio enhancement as the Fund currently has substantial capital loss carryforwards—a large portion of which is set to expire on November 30, 2010—so that capital gains incurred as a result of repositioning will not result in taxable distributions to shareholders.

Information about the changes in the Fund's investment policies approved by the Board is provided in the enclosed important notice. Additional information about the Fund's new strategy, as well as information about the new portfolio management team, an expense cap being implemented by the Adviser to benefit the Fund and other matters is included in the enclosed prospectus supplement, which you should review carefully.

Thank you for your continuing interest in the Fund.

Sincerely,

Robert M. Keith
President

IMPORTANT NOTICE REGARDING CHANGE IN INVESTMENT POLICY

AllianceBernstein Utility Income Fund, Inc.

June 10, 2010

As required by a policy adopted by AllianceBernstein Utility Income Fund, Inc. (the "Fund"), this is to provide you with notice of a change in the Fund's non-fundamental policy to invest at least 80% of its net assets in the securities of companies in the utilities industry. On June 9, 2010, the Board approved a change to the Fund's investment policy to eliminate the requirement that it invest at least 80% of its net assets in the securities of companies in the utilities industry. The Board adopted a new policy under which the Fund will invest at least 80% of its net assets in equity securities. The Board also approved a change of the Fund's name to AllianceBernstein Equity Income Fund, Inc. The Fund will, following this policy change, seek current income and capital growth from a wide range of industries, including but not limited to, industries in the utilities sector.

The Board also approved a proposal to eliminate certain of the Fund's non-fundamental policies, including: (i) that the Fund may invest up to 20% of its net assets in equity and fixed-income securities of domestic and non-U.S. corporate and governmental issuers other than utility companies since this policy is inconsistent with the Fund's broader investment focus and is unnecessary and (ii) that the Fund invests in securities of utility companies, including companies in the electric, gas, and water utility industries. The Board also approved a proposal to modify the Fund's policy that it invest primarily in income-producing equity securities and at least 65% of its total assets in income-producing securities without limit on the allocation of the Fund's investments between equity securities and fixed-income securities to change it to the Fund invests primarily in income-producing securities, targeting an investment in such securities of at least 65% of its total assets. The existing policy is inconsistent with the Fund's new name and 80% investment policy and the modified policy will continue to stress investment in income-producing securities.

The name and policy changes will not become effective until at least 60 days after the date of this notice and are currently expected to become effective on or about August 31, 2010.

AllianceBernstein

ALLIANCEBERNSTEIN UTILITY INCOME FUND, INC.

Supplement dated June 10, 2010 to the Summary Prospectus and Prospectus dated March 1, 2010 of the AllianceBernstein Utility Income Fund, Inc. (the "Prospectus").

On June 9, 2010, the Board of Directors (the "Directors") of the AllianceBernstein Utility Income Fund, Inc. (the "Fund") approved proposals to rename the Fund "AllianceBernstein Equity Income Fund, Inc.", and to change certain investment policies. The Fund's investment objective will remain the same, which is current income and long-term capital growth. The name and policy changes are intended to refocus the Fund's investment strategy, so that it can seek current income and capital growth from a wide range of industries, including, but not limited to, industries in the utilities sector. The Fund intends to invest in companies whose long-term earnings power and dividend-paying capability are not reflected in the current market price of their securities.

Consistent with the change in the Fund's name, the Fund's non-fundamental investment policy of investing at least 80% of its net assets in the securities of companies in the utilities industry will be changed to a policy of investing at least 80% of its net assets in equity securities. The Directors also approved the following changes to the Fund's investment policies.

- Eliminate the Fund's policy that the Fund may invest up to 20% of its net assets in equity and fixed-income securities of domestic and non-U.S. corporate and governmental issuers other than utility companies since this policy is inconsistent with the Fund's new, broader investment focus and unnecessary. The Adviser does not anticipate investing in fixed-income securities at the present time, but the Fund's new 80% investment policy would give the Fund the flexibility to invest up to 20% of its net assets in fixed-income securities.
- Eliminate the Fund's policy to invest in securities of utility companies, including companies in the electric, gas, and water utility industries since this policy is inconsistent with the Fund's new, broader investment focus.
- Modify the Fund's policy to invest primarily in income-producing equity securities and invest at least 65% of its total assets in income-producing securities without limitation on the allocation of the Fund's investments between equity securities and fixed-income securities to change it to invest primarily in income-producing securities, targeting an investment in such securities of at least 65% of its total assets. The existing policy is inconsistent with the Fund's new name and 80% investment policy. The

modified policy will continue to stress investment in income-producing securities, but will change the 65% threshold from a required minimum to a target percentage.

The Adviser anticipates that up to 95% of the Fund's portfolio will be sold to reposition the portfolio to reflect the Fund's new investment focus. The trading costs of this repositioning are anticipated to be minimal because the Fund's portfolio is highly liquid and are expected to be approximately $100,000 or 1.3 cents per share. In addition, the Fund has substantial capital loss carryforwards so that any capital gains occurring as a result of the repositioning will not result in taxable distributions of capital gains to shareholders.

In connection with the Fund's new investment strategy, the Adviser has agreed to cap the Fund's total operating expenses at a rate of 1.25% for Class A shares (with corresponding expense caps for other classes of shares) to be effective on the same date as the Fund's name change and new investment policies, which is on or about August 31, 2010. The day-to-day management of, and investment decisions for, the AllianceBernstein Equity Income Fund, Inc.'s portfolio will be made by the Adviser's U.S. Equity Senior Investment Management Team, led by Gerry Paul.

The changes to the Fund's name and the non-fundamental investment policies do not require stockholder approval under the Investment Company Act of 1940, as amended. However, the Fund has adopted policies to provide stockholders with at least 60 days' notice prior to a change in its name and the related policy to invest at least 80% of its net assets in the securities of companies in the utilities industry. The name and investment policy changes will not become effective until at least 60 days after the date of this Supplement and are currently expected to become effective on or about August 31, 2010.

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This Supplement should be read in conjunction with the Prospectus for the Fund.

You should retain this Supplement with your Prospectus for future reference.

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