

**ATTENTION: IMPORTANT TAX INFORMATION!**  
**2004 DISTRIBUTION BREAKDOWN**  
**7.20% Tax Advantaged Cumulative Preferred Shares**

To All Shareholders:

Set forth below is the allocation of net investment income, short-term capital gains and long-term capital gains for the 2004 distributions of the 7.20% Series B Cumulative Preferred Shares of **The Gabelli Equity Trust Inc.**

If there are any questions, please contact Carter Austin at (914) 921-5070.

		<b>\$ PER SHARE</b>				
		1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
	Record Date	03/19/04	06/21/04	09/20/04	12/17/04	
	Payment Date	03/26/04	06/28/04	09/27/04	12/27/04	
<u>SOURCE</u>						
	Net Investment Income (a)	\$0.01085	\$0.01085	\$0.01085	\$0.01085	\$0.04340
	Short-Term Capital Gains (a)	\$0.02806	\$0.02806	\$0.02806	\$0.02806	\$0.11224
	Long-Term Capital Gains (b)	\$0.41109	\$0.41109	\$0.41109	\$0.41109	\$1.64436
	<b>TOTAL</b>	<b>\$0.45000</b>	<b>\$0.45000</b>	<b>\$0.45000</b>	<b>\$0.45000</b>	<b>\$1.80000</b>

		<b>PERCENTAGES</b>				
		1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
<u>SOURCE</u>						
	Net Investment Income (a)	2.4117%	2.4117%	2.4117%	2.4117%	2.4117%
	Short-Term Capital Gains (a)	6.2358%	6.2358%	6.2358%	6.2358%	6.2358%
	Long-Term Capital Gains (b)	91.3525%	91.3525%	91.3525%	91.3525%	91.3525%
	<b>TOTAL</b>	<b>100.0000%</b>	<b>100.0000%</b>	<b>100.0000%</b>	<b>100.0000%</b>	<b>100.0000%</b>

Ordinary Dividends and Capital Gains:

100% of the ordinary income (net investment income and short-term capital gains) paid by the Gabelli Equity Trust in 2004 was classified as "Qualified Dividends" subject to a maximum Federal tax rate of 15% for individual taxable accounts (or 5% depending on an individual's tax bracket). Ordinary income is reported in box 1a and qualified income is reported in box 1b of Form 1099-DIV. Capital gain distributions are subject to a maximum Federal tax rate of 15% for individual taxable accounts (or 5% depending on an individual's tax bracket). Capital gain distributions are reported in box 2a of Form 1099-DIV.

Corporate Dividends Received Deduction and U.S. Government Securities Income:

The percentage of the ordinary income paid by the Gabelli Equity Trust in 2004 that qualifies for the dividends received deduction available to corporations is 100%. The percentage of the ordinary income paid by the Gabelli Equity Trust in 2004 that was derived from U.S. Government Securities was 5.14%. The percentage of U.S. Government Securities held as of December 31, 2004 was 0.09%. (c)

- (a) Distributions from net investment income and short-term capital gains are taxable as ordinary income and will appear on your Form 1099-DIV under Ordinary Dividends in box 1a.
- (b) Taxable as long-term capital gains reportable in column (f), line 13 on Form 1040, Schedule D. Since there were no retained capital gains in 2004, Form 2439 will not be necessary.
- (c) Certain states require that 50% of the Fund's portfolio be invested in U.S. Government Securities at the end of each calendar quarter to allow "pass-through" treatment of income derived from U.S. Government Securities. The Trust did not meet this strict requirement in 2004.