

ATTENTION: IMPORTANT TAX INFORMATION!
2007 DISTRIBUTION ALLOCATIONS
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 2007 distributions of the 7.20% Series B Cumulative Preferred Shares of **The Gabelli Equity Trust Inc.**

Please contact Carter Austin at (914) 921-5070 with any inquiries.

		\$ PER SHARE				
		1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
	Record Date	--	--	--	--	
	Payment Date	01/08/07	--	--	--	
SOURCE						
	Net Investment Income (a)	\$0.0090	--	--	--	\$0.0090
	Short-Term Capital Gains (a)	\$0.0047	--	--	--	\$0.0047
	Long-Term Capital Gains (b)	\$0.0463	--	--	--	\$0.0463
	TOTAL	\$0.0600	--	--	--	\$0.0600

		PERCENTAGES				
		1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
SOURCE						
	Net Investment Income (a)	15.0000%	--	--	--	15.0000%
	Short-Term Capital Gains (a)	7.8333%	--	--	--	7.8333%
	Long-Term Capital Gains (b)	77.1667%	--	--	--	77.1667%
	TOTAL	100.0000%	--	--	--	100.0000%

Ordinary Dividends and Capital Gains:

100% of the ordinary income (net investment income and short-term capital gains) paid by the Fund in 2007 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 Fund in 2007 that qualifies for the dividends received deduction available to corporations is 75.79%. The percentage of the ordinary income paid by the Fund in 2007 that was derived from U.S. Government Securities was 0.12%. The percentage of U.S. Government Securities held by the Fund as of December 31, 2007 was 6.06%. (c)

- (a) Distributions from net investment income and short-term capital gains are taxable as ordinary income and will appear on Form 1099-DIV under Total 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 2007, 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 Fund did not meet this strict requirement in 2007.