

# THE GABELLI EQUITY TRUST INC. AND STERLING CAPITAL CORPORATION ANNOUNCE AGREEMENT

**FOR IMMEDIATE RELEASE**  
Rye, NY and New York, NY  
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The Gabelli Equity Trust Inc. (NYSE:GAB) and Sterling Capital Corporation (AMEX:SPR) announced today that they had entered into an agreement and plan of reorganization under which The Gabelli Equity Trust Inc. would acquire substantially all of the assets of Sterling Capital Corporation in exchange for shares of The Gabelli Equity Trust Inc.'s common stock. The transaction requires the approval of Sterling Capital Corporation's shareholders. Following completion of the transaction, the shareholders of Sterling Capital Corporation will be stockholders of The Gabelli Equity Trust Inc.

"We wish to welcome the shareholders of Sterling to The Gabelli Equity Trust," said Mario J. Gabelli, Chairman of The Gabelli Equity Trust Inc.

Wayne S. Reisner, President of Sterling, said "I am pleased that we have been able to come to an agreement with Gabelli. This represents a great opportunity for Sterling's shareholders."

Under the agreement, The Gabelli Equity Trust Inc. will issue that number of shares of its common stock to Sterling equal to the value of Sterling's net assets divided by the net asset value of one share of the Equity Trust's common stock on the effective date of the transaction, provided that if the average price of the Equity Trust's common stock on the NYSE for the 20 business days prior to the effective date of the transaction exceeds the net asset value per share of its common stock on the effective date, then the number of Equity Trust shares to be issued will be computed by dividing the value of Sterling's net assets on the effective date by the lower of (x) such 20 day average price and (y) 103% of the Equity Trust's net asset value on the effective date of the transaction. Sterling will distribute to its shareholders the Equity Trust stock it receives as soon as practicable after the closing of the transaction.

Sterling Capital Corporation is a diversified, closed-end investment company with \$18 million in total assets and a primary investment objective of long-term capital growth.

The Gabelli Equity Trust Inc. is a non-diversified, closed-end investment company with \$1.6 billion in total assets whose primary objective is long-term growth of capital and whose secondary objective is income. The Gabelli Equity Trust Inc. is managed by Gabelli Funds, LLC, a subsidiary of Gabelli Asset Management Inc. (NYSE:GBL), which is a publicly traded NYSE listed company.

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*This press release, and other statements that either Gabelli or Sterling may make, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act, with respect to Gabelli's and/or Sterling's future financial or business performance, strategies or expectations. Forward-looking statements are typically identified by words or phrases such as "trend," "potential," "opportunity," "pipeline," "believe," "comfortable," "expect," "anticipate," "current," "intention," "estimate," "position," "assume," "outlook," "continue," "remain," "maintain," "sustain," "seek," "achieve," and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may" or similar expressions.*

*Gabelli and Sterling caution that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and neither Gabelli nor Sterling assumes any duty to and do not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.*

*In addition to factors previously disclosed in the funds' Securities and Exchange Commission (SEC) reports and those identified elsewhere in this press release, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: (1) the introduction, withdrawal, success and timing of business initiatives and strategies; (2) changes in political, economic or industry conditions, the interest rate environment or financial and capital markets, which could result in changes in demand for products or services or in the value of assets under management; (3) the relative and absolute investment performance of Gabelli's and/or Sterling's advised or sponsored investment products and separately managed accounts; (4) the impact of increased competition; (5) the impact of capital improvement projects; (6) the impact of future acquisitions or divestitures; (7) the unfavorable resolution of legal proceedings; (8) the extent and timing of any share repurchases; (9) the impact, extent and timing of technological changes and the adequacy of intellectual property protection; (10) the impact of legislative and regulatory actions and reforms and regulatory, supervisory or enforcement actions of government agencies relating to Gabelli or Sterling; (11) terrorist activities and international hostilities, which may adversely affect the general economy, financial and capital markets, specific industries, and Gabelli and/or Sterling; (12) the ability to attract and retain highly talented professionals; (13) fluctuations in foreign currency exchange rates, which may adversely affect the value of advisory fees earned by Gabelli and/or Sterling; and (14) the impact of changes to tax legislation and, generally, the tax position of the funds.*

*This information does not represent an offer to sell securities of either fund and it is not soliciting an offer to buy securities of either fund. There can be no assurance that either fund will achieve its investment objectives. The net asset value of each fund will fluctuate with the value of its underlying securities. It is important to note that closed-end funds trade on their market value, not net asset value, and closed-end funds often trade at a discount to their net asset value. Past performance is not indicative of future performance. An investment in either fund is subject to certain risks and other considerations. Investors should consider the investment objectives and policies, risk considerations, charges and expenses of the applicable fund carefully before they invest.*