

**ATTENTION: IMPORTANT TAX INFORMATION!**  
**2003 DISTRIBUTION BREAKDOWN**  
**7.20% Tax Advantaged Cumulative Preferred Stock**

To All Shareholders:

Set forth below is the allocation of net investment income, short-term capital gains and long-term capital gains for the 2003 distributions of the 7.20% Series B Cumulative Preferred Stock 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	03/19/03	06/19/03	09/19/03	12/18/03	
	Payment Date	03/26/03	06/26/03	09/26/03	12/26/03	
<b>SOURCE</b>						
	Net Investment Income (a)	\$0.0075	\$0.0075	\$0.0075	\$0.0075	\$0.0300
	Short-Term Capital Gains (a)	\$0.0291	\$0.0291	\$0.0291	\$0.0291	\$0.1164
	Long-Term Capital Gains (b)	\$0.4134	\$0.4134	\$0.4134	\$0.4134	\$1.6536
	<b>TOTAL</b>	<b>\$0.4500</b>	<b>\$0.4500</b>	<b>\$0.4500</b>	<b>\$0.4500</b>	<b>\$1.8000</b>

		<b>PERCENTAGES</b>				
		1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
<b>SOURCE</b>						
	Net Investment Income (a)	1.6614%	1.6614%	1.6614%	1.6614%	1.6614%
	Short-Term Capital Gains (a)	6.4710%	6.4710%	6.4710%	6.4710%	6.4710%
	Long-Term Capital Gains (b)	91.8676%	91.8676%	91.8676%	91.8676%	91.8676%
	<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 2003 was classified as "Qualified Dividends" subject to a maximum Federal tax rate of 15% (or 5% depending on an individual's tax bracket). Ordinary income is reported in box 1a of Form 1099-DIV. 100% of the long-term capital gains paid by the Gabelli Equity Trust in 2003 were classified as "Post-May 5 Capital Gains" subject to a maximum Federal tax rate of 15% (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 2003 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 2003 that was derived from U.S. Government Securities was 0.10%. The percentage of U.S. Government Securities held as of December 31, 2003 was 6.50%. (c)

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- (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 2003, 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 2003.