

GABELLI GLOBAL MULTIMEDIA TRUST INC

Form N-30D

March 10, 2003

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PICTURE OF FLAGS

[LOGO OMITTED]  
THE GABELLI  
GLOBAL MULTIMEDIA  
TRUST INC.

ANNUAL REPORT  
DECEMBER 31, 2002

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THE GABELLI  
GLOBAL MULTIMEDIA  
TRUST INC.

Our cover icon represents the underpinnings of Gabelli. The Teton mountains in Wyoming represent what we believe in America -- that creativity, ingenuity, hard work and a global uniqueness provide enduring values. They also stand out in an increasingly complex, interconnected and interdependent economic world.

INVESTMENT OBJECTIVE:

The Gabelli Global Multimedia Trust Inc. is a closed-end, non-diversified management investment company whose primary objective is long-term growth of capital, with income as a secondary objective. The Trust seeks opportunities for long-term growth within the context of two main investment universes: companies involved in creativity, as it relates to the development of intellectual property rights (copyrights); and companies involved in distribution, as it relates to the delivery of these copyrights. Additionally, the Trust will invest in companies participating in emerging technological advances in interactive services and products.

THIS REPORT IS PRINTED ON RECYCLED PAPER.

TO OUR SHAREHOLDERS,

Virtually every sector of the multimedia industry (radio and television broadcasters, cable television operators, cable TV networks, publishers, entertainment software producers, and wired and wireless telecommunications companies) rallied strongly in the fourth quarter. The Gabelli Global Multimedia Trust (the "Trust") rose 16.57%, outpacing both the technology-dominated Nasdaq Composite Index, which rose 13.95%, and the broader Standard & Poor's ("S&P") 500 Index, which rose 8.43% for the fourth quarter. This late push was not nearly enough to prevent the Trust from closing the year with a significant decline of 27.09%. However, we are encouraged by multimedia stocks' strong fourth quarter performance and believe they can build on these gains in the year ahead.

[GRAPHIC OMITTED]  
PICTURE OF MARIO GABELLI  
[LOGO OMITTED]  
THE GABELLI  
GLOBAL MULTIMEDIA  
TRUST INC.

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## COMPARATIVE RESULTS

### AVERAGE ANNUAL RETURNS THROUGH DECEMBER 31, 2002 (A)

	QUARTER	SINCE INCEPTION (B)	5 YEAR	3 YEAR
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Gabelli Global Multimedia Trust:				
NAV Return (c) .....	16.57%	9.15%	4.22%	(22.21)%
Investment Return (d) .....	13.88%	6.32%	3.32%	(25.00)%
MSCI AC World Free Index .....	7.84%	4.39%	(1.94)%	(16.30)%
Nasdaq Composite Index .....	13.95%	7.09%	(3.19)%	(31.02)%
Lipper Global Fund Average .....	5.97%	4.55%	(1.01)%	(15.09)%

- (a) Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. The Morgan Stanley Capital International (MSCI) All Country (AC) World Free and Nasdaq Composite Indices are unmanaged indicators of stock market performance, while the Lipper Average reflects the average performance of open-end mutual funds classified in this particular category. Dividends are considered reinvested except for the Nasdaq Composite Index. Performance for periods less than one year are not annualized.
- (b) From commencement of investment operations on November 15, 1994.
- (c) Total returns and average annual returns reflect changes in net asset value (NAV), reinvestment of distributions at NAV on the ex-dividend date, adjustments for rights offerings, and are net of expenses. Since inception return based on initial net asset value of \$7.50.
- (d) Total returns and average annual returns reflect changes in closing market values on the New York Stock Exchange, reinvestment of distributions and adjustments for rights offerings. Since inception return based on initial offering price of \$7.50.

### 7.92% CUMULATIVE PREFERRED STOCK - 25% REDEMPTION

As authorized by the Board of Directors, the Trust redeemed 25% (308,675 Shares) of its outstanding 7.92% Cumulative Preferred Stock. The redemption date was November 12, 2002 and the redemption price was \$25.2530 per Preferred Share, which consists of \$25.00 per Preferred Share plus accumulated and unpaid dividends through the redemption date of \$0.2530 per Preferred Share.

The redemption was made pro rata from each Preferred Stock Shareholder based on the respective number of Preferred Shares held by each such holder on the redemption date. The Preferred Shares redeemed are no longer deemed outstanding, dividends have ceased to accrue and all the rights of the Preferred Shareholders with respect to the Preferred Shares redeemed have ceased, except the right to receive the redemption price. Shareholders of record were mailed a redemption notice and letter of transmittal. The redemption price was paid only to shareholders of record who completed and signed the letter of transmittal and submitted certificates for the number of Preferred Shares being redeemed. New certificates were issued in respect of any excess Preferred Shares submitted.

In addition, the Trust has filed an initial registration statement with

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the Securities and Exchange Commission for an offering of auction rate and fixed rate preferred stock in the future. The actual amount of capital to be raised, the dividend rate and the timing of any new offering will be determined at a later date. Any offering will be made only by means of a prospectus. Depending on prevailing interest rates, shareholder interest and other factors, the Board may determine to seek to structure any such offering so as to enable shareholders to exchange all or a portion of their Preferred Shares for such newly issued preferred stock in that offering.

The Trust's 7.92% Cumulative Preferred Stock paid a cash distribution on December 26, 2002 of \$0.495 per share. For the twelve-months ended December 31, 2002, Preferred Stock shareholders received distributions totaling \$1.98, the annual dividend rate per share of Preferred Stock.

### HOLDINGS BY GEOGRAPHIC REGION - 12/31/02

[GRAPHIC OMITTED]

PLOT POINTS FOLLOW:

UNITED STATES	74.5%
EUROPE	11.5%
ASIA/PACIFIC RIM	6.3%
LATIN AMERICA	4.3%
CANADA	3.4%

### HOLDINGS BY CLASSIFICATION - 12/31/02

[GRAPHIC OMITTED]

PLOT POINTS FOLLOW:

COPYRIGHT/CREATIVITY	55.0%
DISTRIBUTION	45.0%

### GLOBAL ALLOCATION

The accompanying chart presents the Multimedia Trust's holdings by geographic region as of December 31, 2002. The geographic allocation will change based on current global market conditions. Countries and/or regions represented in the chart and below may or may not be included in the Trust's future portfolio.

### EQUITY MIX

The Multimedia Trust's investment premise falls within the context of two main investment themes: 1) companies involved in creativity, as it relates to the development of intellectual property rights (copyrights); and 2) companies involved in distribution, as it relates to the delivery of these copyrights. Additionally, this includes the broad scope of communications and commerce-related services such as basic voice, data and the Internet.

The accompanying chart depicts the equity mix of the copyright/creativity and distribution companies in the Trust's portfolio as of December 31, 2002.

### COMMENTARY

#### THE FCC: TALKING THE TALK, BUT WILL IT WALK THE WALK?

In previous letters to shareholders, we have discussed in great detail the many issues facing a Federal Communications Commission ("FCC") that has been a vocal advocate of deregulation, but has not yet taken any major steps to modify or eliminate the antiquated rules that still govern media industries. In our third quarter shareholder letter, we noted that on September 12 the FCC announced a notice of proposed rulemaking encompassing some of the major regulatory issues impacting broadcasters and newspaper publishers. That was the starting date of a 90-day review session in which the FCC will be taking comments from media company representatives and public interest groups, and

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concluding their own internal studies on the regulatory framework of the industry. The FCC has indicated it will conclude its deliberations by the spring of 2003 and issue new rules shortly thereafter.

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Our hope is that the new rules will raise or eliminate the 35% national audience cap for television broadcasters, allow ownership of more than one television station in the same market (a duopoly), let media companies own a newspaper and television station in the same market, and permit media conglomerates to own more than one television network. Regulations restricting the national footprint of broadcasters and disallowing broadcast duopolies have already been struck down by the federal courts and remanded to the FCC. So, the FCC will be forced to substantially modify existing regulations. We suspect the FCC will also factor in the federal courts' posture on these two rules when reconsidering regulations preventing ownership of a newspaper and television station in the same market.

We would like to add something else to this wish list--an economically sensible reallocation of radio wave spectrum. Contrary to popular belief, the airwaves in America are not crowded. There is plenty of spectrum (and new technologies to make the most of it) available to improve the quality of cellular telephone transmission and spur an explosion in wireless communications services. The problem is most of this spectrum is controlled by industries and government entities that are not using it. The biggest hogs are television broadcasters. They control nearly twice the amount of prime radio spectrum than that of cellular telephone operators, who serve ten times more customers. That's why the quality of cellular telephone service is still so poor and many new wireless communications applications aren't more widely available. The U.S. military, municipalities (police and fire departments) and universities also control a lot of under-utilized spectrum.

FCC Chairman Michael Powell is on record saying that the existing spectrum allocation model must be replaced by a market-oriented system creating greater efficiencies. An advisory panel established by the FCC is expected to recommend an overhaul of existing regulations. We hope the FCC and Congress respond promptly to recommendations for reform, freeing up spectrum so that wireless communications can live up to its full potential.

### MEDIA DEALS

We believe meaningful changes in FCC regulations will set the stage for major consolidation in the media industry. But, the curtain may not go up until investors become more comfortable with leveraged companies, less suspicious of growth via acquisition strategies, and more confident that media company mergers will produce real synergies. Following the Enron, Tyco, WorldCom and Adelphia debacles, investors have been wary of leveraged companies (regardless of how well debt is covered by cash flow) and suspicious of growth by acquisition strategies (regardless of how much economic sense they make). The erratic AOL Time Warner merger has also given investors pause. We believe the stigma against leverage and growth by acquisition strategies will wane in the year ahead and investors will recognize that media industry consolidation makes good economic sense.

Regarding AOL Time Warner, one of our most disappointing portfolio holdings this year, we believe that all the bad news, and then some, is already reflected in the company's depressed stock price. We are not sure how to value AOL's business. But, based on our valuation of Time Warner's market dominant media assets and the prospect of much better earnings for advertising-supported media as the economy recovers, we believe AOL Time Warner stock is an incredible

bargain.

INVESTMENT SCORECARD

A comparison of our fourth quarter and full-year performance rankings supports the biblical average that the last shall be first. For the first three quarters, Penton Media, Cablevision, Sprint PCS and Western Wireless were among our biggest portfolio disappointments. Yet, all these stocks finished near the top of our fourth quarter performance charts. Beaten up telecom equipment stocks such as Corning, Vodafone and Lucent also went from "worst to first" in the fourth quarter. "Bottom fishing" clearly rewarded investors in the fourth quarter. For the year, publishing companies Tribune, McClatchy, Media General and Scripps also buoyed portfolio performance. Those gains were offset by poor performance in selected media companies such as Gemstar, Crown Media and AOL Time Warner.

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BARRON'S 2003 ROUNDTABLE

Mario Gabelli, our Chief Investment Officer, has appeared in the prestigious BARRON'S Roundtable discussion annually since 1980. Many of our readers have enjoyed the inclusion of selected and edited comments from BARRON'S Roundtable in previous reports to shareholders. As is our custom, we are including selected comments of Mario Gabelli from BARRON'S 2003 Roundtable.

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BARRON'S  
ROUNDTABLE  
MARIO GABELLI  
CHAIRMAN AND CHIEF INVESTMENT OFFICER  
GABELLI ASSET MANAGEMENT INC.  
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(THE FOLLOWING HAS BEEN EXCERPTED:)

On the Money

FOUR SAVVY INVESTORS, LOTS OF STOCKS AND ONE GOLD RULE  
By LAUREN B. RUBLIN

DID SOMEONE SAY "THEME PARTY"? Naw, we didn't serve fondue, or dance to the hits of the 'Fifties, or come dressed as -- perish the thought -- our favorite hot-shot investors. Instead, we invited some of Wall Street's best and brightest to bring their favorite themes -- investment only, of course -- to the 35th annual BARRON'S Roundtable, which convened Jan. 6 in lower Manhattan.

It was quite a party. The worldly Marc Faber brought plenty of doom and gloom, along with animated talk of a boom -- in Asia's emerging markets. Abby Joseph Cohen, the scholar-in-residence at Goldman Sachs, brought a flawless memory for economic facts and financial figures, and a keen interpretation of same. And Mario Gabelli, sharp as ever, probably brought dozens of stock picks, as usual, but was kind enough to leave a few in the coatroom. After all, we had only nine hours, on that wintry day, to grill and drill this loquacious, provocative crowd.

BARRON'S: ALREADY, THIS NEW YEAR IS SHAPING UP DIFFERENTLY. THE PRESIDENT IS PROPOSING A BIG TAX-CUT PACKAGE, AND WE ARE LIKELY TO GO TO WAR WITH IRAQ, PROBABLY EARLY NEXT MONTH. MARIO, WILL IRAQ MAKE A DIFFERENCE TO THE ECONOMY, ASIDE FROM THE OBVIOUS -- OIL PRICES?

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GABELLI: Oil is like a pickpocket in Times Square. As it goes over \$30 a barrel, it robs my pocket. I am concerned about the unintended consequences of war. Somebody gets on an airplane with smallpox. We have another anthrax attack. Do the Iraqis dump scuds on Tel Aviv in a scorched-earth move as they're being taken out? Yet, I say it's worth the risk, because when I was growing up in the 1940s and '50s, I remember hearing about Prague. "Let them [the Nazis] have Prague."

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Q: WE GAVE THEM PRAGUE.

GABELLI: Right. And then we had another seven years. There is an air pocket in the economy right now. You basically come in with massive fiscal stimulation. You are either in Baghdad or you're out after six weeks. If you're out, and oil doesn't go up to \$50 and stay there but comes back down to \$25 or less a barrel, then this president has done everything, will do everything to get re-elected in 2004. As a result, we're going to have an extraordinarily good economy in the fourth quarter of 2003 and the first half of 2004, and the market will follow suit.

Q: WHAT'S YOUR TAKE ON INTEREST RATES, MARIO?

GABELLI: If oil falls to the low \$20s, consumers around the world will be helped dramatically. The stimulation package is going to happen, too. Strong demand from the absence of the energy pickpocket will drive rates materially higher by the end of the year. The 10-year note will yield more than 5%.

BIGGS: I'm with Mario. I think the 10-year Treasury will yield over 5%. The central banks of the world clearly have said they are committed to reflation.

GABELLI: If we get a 50% reduction in taxes on dividends, it's going to have an impact on municipal bonds. [Tuesday, as part of a \$674 billion economic-stimulus plan, President Bush called for the elimination of all taxes on corporate dividends.] Finally, interest-rate spreads will improve dramatically between government and high-yield bonds as the economy starts to improve.

Q: OF COURSE, ELIMINATING TAXES ON DIVIDENDS IS BAD FOR THE STATES, AS IT COULD RAISE THEIR BORROWING COSTS WHILE LOWERING THEIR REVENUES. AND IT'S BAD FOR REAL-ESTATE INVESTMENT TRUSTS.

GABELLI: Rain is bad for the parade and great for the farmer. There are a lot of trade-offs. There's a good opportunity here to make money on the short side in munis.

Q: MARIO, CARE TO PREDICT THE MARKET?

GABELLI: Because the president will do all in his power to get himself re-elected, we are going to have a very good economy in the spring of 2004. Oil will be under \$25, and we will be reflating the world. The market will be up 10%, with lots of volatility. However, if oil unexpectedly hits the \$40s, the Dow will fall to 6000-6500. But it will bounce back, because \$40 oil is not sustainable in the short run.

On a long-term basis I see a '68-'81 kind of environment, where the market moves sideways. Earnings grow 6% a year and price-earnings multiples get bumped by higher rates. The year will be characterized by the chase for dividends. It's also a year in which deals come back. HSBC's deal to buy Household International was a wake-up call. The leveraged buyout firms haven't been able to tap the debt market, and that's starting to loosen up. Large companies want to grow. In

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addition to the fiscal stimulus, specific sectors will benefit from changes in regulatory dynamics. For example, the FCC [Federal Communications Commission] is going to reform the telecom act, and there will be reforms in media, utility and energy regulations. Even more interesting, we're going to have tort reform. All these things will create an extraordinarily fertile environment for corporate love-making.

Along similar lines, the FCC announced today that it is going to re-examine the telecom industry in a way that would favor facilities-based companies -- namely, the Baby Bells. [Under the FCC's plan, now in draft form, competitors such as long-distance providers eventually would lose their discounted access to the Bells' network switches.] This is a big boon to Verizon, SBC Communications and the rest. So, if you want to compete in local service, you'll have to build your own facilities.

SAMBERG: What Mario is saying is that after the government set the telecom monster loose and let it screw up the economy, after it has killed itself on its own, the government is going to jump on the corpse and trash it some more. Terrific. That's a great investment theme.

GABELLI: What I'm saying is, the Verizons of the world will do better. They will begin to spend money on Cisco and Lucent and R&D.

BARRON'S: MARIO, WHAT STOCKS HAVE YOU BROUGHT US?

GABELLI: First, I want to talk about old age, dividends and inflation. There are approximately 200 million vehicles on the road in the United States. The average age of a passenger car is 9.3 years, up from 8.1 years at the beginning of the 1990s. Light trucks are getting older, too. When I was growing up in the Bronx, a car lasted for 50,000 miles. Fifteen or 20 years ago, it lasted 100,000. Today, a new car will last 170,000 miles. In addition, years ago you used to get a two- or three-year warranty. Now, it's five years. So cars between five and nine years old are the sweet spot for parts consumption. Between 1996 and 2001, cars in the sweet spot declined 2.2%, to 61 million units. In the next five years, they are going to grow 15%, to 70 million. This is good news for GENUINE PARTS.

Q: WE WONDERED WHERE YOU WERE GOING WITH THIS.

GABELLI: The stock sells for 31.50 or so. The company pays a dividend of \$1.16 a share, and dividends have grown for the past 30 years. The current yield is around 4%. The payout ratio is about 50%. The balance sheet is terrific. Debt is about \$775 million. Earnings for 2002 probably will be a bit more than \$2.10 a share, rising to \$2.30 in 2003 and around \$2.50 in 2004. Revenues will grow 4%-5% and earnings about 7.5%-8%. Genuine Parts is a purveyor of expendable auto components. The company is a leader in its market. If inflation picks up, parts prices will rise, and its growth will rise more.

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Q: WHERE IS THE STOCK HEADED?

GABELLI: If you can find 8%-10% growers with good balance sheets and predictable earnings visibility, even with some quarterly earnings hiccups, a multiple of 20 times earnings isn't far-fetched. You could be looking at a \$50 stock in a couple of years. Plus, you get the dividend.

NEFF: There is some evidence that Detroit is building a better car. Would that change the sweet spot any?

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GABELLI: That's why the sweet spot moved from two to five years to six to 10.

BLACK: I owned Genuine Parts, but we sold it around 35 a share. The company's growing the top line by only 3%-4%. Formerly, it had been an 8%-9% grower.

GABELLI: We expect auto-parts sales to grow by 5% a year -- and that's with inflation of 1% -- over the next five years.

Now, to reiterate my view of the world, we're in a soft economy, but we'll get a bunch of fiscal stimulation in the form of tax cuts for the consumer and the business person, as well as something for the investor. We worry about higher oil prices acting like a pickpocket in Times Square. If the price of crude falls to under \$25 a barrel, the world will reflate. Regulatory obstacles to business will be re-examined in 2003. No. 1, the Telecommunications Act of 1996 is re-examined. The opening salvo was launched today by the Federal Communications Commission, echoing a commitment made by [FCC Chairman Michael] Powell in the fall. The FCC is going to revisit the concept of unbundled networks, which would help the regional Bell companies by allowing only full, facilities-based competitors to enter the market. In the utilities area, the 1992 amendment to the PUHCA, or Public Utility Holding Company Act of 1935, which created all the opportunities for investment bankers to blow smoke up the portals of the utility companies, is going to be re-examined.

Q: HOW WILL THE ENERGY-TRADING SCANDALS AFFECT THE INDUSTRY?

GABELLI: Companies are going back to basics. They're going to return to a regulated monopoly business where they can earn 11%. But utility regulation is going to change. Institutions will be allowed to own more than 10% of the shares of any one utility. Then we're going to have an energy policy that will enable us to address the world of \$90 oil that Marc commented on. [In the first installment of the Roundtable, Faber prophesied oil would hit \$60-\$90 a barrel in the next 10-15 years, as demand from Asia surges.] We're going to produce more, conserve more and find alternatives such as fuel cells and wind power.

Q: THERE'S BEEN A LOT OF THAT HERE TODAY.

GABELLI: We're also going to re-examine tort reform. And I want to talk about deals, deals and more deals. In the past year or two, acquisitions have been limited, because companies were concerned about being labeled serial acquirers like Tyco and WorldCom. HSBC's acquisition of Household International sounds the gong for a new wave of deals. This should benefit lots of my companies. Let's turn to your TV set. Advertiser-supported media is going to do quite well in 2003. And in 2004 we'll have the Olympics, the election and economic stimulation.

I'm recommending the small-television-station owners, because the FCC is going to change several rules. They're going to raise the ownership cap, making it possible for a given operator to own perhaps 50% of total households, versus the current 35%, at a given time. They will permit duopoly in small markets, meaning an operator will be able to own two TV stations. Third, they'll probably come out with a better ruling on whether cable operators must carry digital signals. Finally, television-station operators are finding new sources of revenues.

Q: WHICH STATION OWNERS DO YOU LIKE?

GABELLI: The first has done a pretty good job of damaging shareholder values. It's YOUNG BROADCASTING, YBTV. It closed Friday at 13 a share. It has an equity market capitalization of approximately \$260 million and net debt of about \$600 million, for an enterprise value of \$860 million. Young made an acquisition in San Francisco, taking a TV station away from NBC. Bob Wright [chairman of NBC] didn't forgive them, so he changed NBC's affiliation. Young paid about \$750 million-\$800 million for the station, and should sell it for \$300 million-\$400



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million -- take a huge loss, sell it to NBC and apologize. That could drive the stock from 12 to 40. Right now Young has 11 television stations, reaching 6.1% of TV households -- six ABC affiliates, three CBS affiliates, one NBC affiliate and an independent in San Francisco, KRON. If you took the broadcasting cash flow of all of these stations except San Francisco, and applied it to all of the company's debt, you'd get the San Francisco station for free.

Q: WHAT'S YOUR NEXT PICK?

GABELLI: LIBERTY, not LIBERTY MEDIA, which I'll talk about in a minute. Liberty's symbol is LC. The stock trades on the New York Stock Exchange for 39, and there are 19.8 million shares outstanding. The company's got a \$770 million market value, \$60 million of cash, and \$50 million of other assets which are being converted to cash. Thus, you're really paying \$660 million. Liberty has 15 affiliated television stations. The company has not done a good job of managing shareholders' money, but they're generating significant cash flow. They will generate a couple of hundred million dollars over the next three or four years. Earnings will climb from \$1.60 a share in 2002 to \$2 to \$3. The company is controlled by the Hipp family in South Carolina.

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### Mario GABELLI'S PICKS

COMPANY	SYMBOL	1/6/03 PRICE
GENUINE PARTS	GPC	\$31.88
YOUNG BROADCASTING	YBTVA	13.55
LIBERTY CORP	LC	39.31
TRIBUNE	TRB	47.79
DQE	DQE	16.50
WESTAR ENERGY	WR	10.26
VERIZON COMM	VZ	44.07
DEL MONTE FOODS	DLM	7.85
CAMPBELL SOUP	CPB	24.21
H.J. HEINZ	HNZ	33.91
VIVENDI UNIVERSAL	V	18.22
LIBERTY MEDIA	L	9.66
AOL TIME WARNER	AOL	14.09

SOURCE: BLOOMBERG

Q: WHAT DO YOU THINK OF LIBERTY MEDIA?

GABELLI: Be patient. Now, a kind word for TRIBUNE. The stock is 47. There are 330 million shares outstanding. Earnings of \$2.20 a share are going to \$3.50 a

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share. Dennis FitzSimons [the current CEO] is going to succeed John Madigan.

Among utilities, I like DQE, formerly known as Duquesne. DQE has 586,000 electric customers in the Pittsburgh area and a propane business that serves 70,000 customers. The company is shedding assets. It's selling most of its water-utility business to Philadelphia Suburban for \$205 million. It's lowering debt, which will fall to \$800 million in a couple of years from a current \$1.3 billion. Management got spooked by the rating agencies, so the investment bankers convinced them to sell some stock. They sold 17 million shares last year at \$13.50 a share. We bought a basketful, and we're still nibbling.

Q: WHAT'S THE STOCK PRICE?

GABELLI: Around 15.50. The company cut its dividend in October, to a dollar a share. As debt gets paid down, the dividend will rise. Plus, this is a consolidation play. Somebody will take them over.

NEFF: What's the P/E?

GABELLI: DQE probably earned \$1.30 a share in 2002. It was a hot summer in Pittsburgh, so earnings may be flat in 2003, except for interest expense. The stock trades for 12-13 times earnings. At eight times Ebitda [earnings before interest, taxes, depreciation and amortization] I could do an LBO [leveraged buyout] of this company, but that will not happen now. It might take a year and a half to get a deal done. At that multiple, the stock is worth in the low \$20s.

NEFF: Is this a 4%, 5%, 6% grower?

GABELLI: Yes. It's best to buy an index of utility stocks. The regulated business will grow by 5%. Payout ratios will return to more historic levels, and you could get a very good return on these stocks.

My next stock, WESTAR ENERGY, formerly Western Resources, is not without controversy. Its former CEO was indicted. The new CEO, Jim Haines, is a good chap. Westar, symbol WR, has 74 million shares outstanding. The stock trades for 10, giving the company a market value of \$740 million. It pays a dividend of \$1.20 a share. Westar has \$3.6 billion of debt, but Kansas's regulatory commission has told the company to get that down to \$1.8 billion. The company owns 45 million shares of Oneok, worth \$1 billion. Somehow, they have to monetize it. They own Protection One, a protection company, which they will also sell or otherwise deconsolidate. I would then suggest to the chairman that he reduce the dividend to 60 cents, but pay shareholders a 60-cent stub. The company's regulated business has a book value of \$16-\$18 a share, on which it can earn 11%. The company can earn about \$2 a share. Two years from now, you could double your money and Westar will be merged with someone else.

Q: MARIO, HAVE YOU ACTUALLY SUGGESTED THIS?

GABELLI: I haven't talked to Mr. Haines at all. He'll read it when this is published. The company doesn't have a debt problem, it has a cosmetic problem. By cutting the dividend to 60 cents, you throw a bone to the regulators, much as Con Edison did in New York in the 1970s. The regulators didn't like the former CEO, but Haines is a former regulator and has credibility.

BLACK: A lot of these electric utilities make about 13%-14% on book. They're leveraged roughly one-to-one on a debt-to-equity basis. They're making 6.5%-7% on total capital, but they've been destroying capital for years because their returns are below a normalized cost of capital, which is 8.5% or 9%. Maybe as stocks they go up, but as an industry this is a lousy play and it has been historically.

GABELLI: I don't know what you are talking about. I think you can make a lot of

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money in this area. Once the PUHCA rules are amended, guys like Warren Buffett and I are going to put tons of money into the group. And we're going to earn 20%-25% on our investment. Look, there's weakness in utilities if inflation goes to 6%-7%, because there's a lag effect for adjusting rates. But local distribution is still a terrific business, whether it's electric or gas.

Next, I've got a small-cap stock: VERIZON COMMUNICATIONS. It has only 2.7 billion shares, and trades for 40.50. However, the stock will be up today [indeed, Verizon closed up 3.62, to 44.07 on Jan. 6, although it has since backtracked]. The FCC has just proposed changes that will help the RBOCs [regional Bell operating companies]. The competition that was fueled by Wall Street's greed is dying, and the Bells are going to get stronger. Verizon can earn about \$2.80 a share this year. It will probably grow by 6%-7%, maybe a little faster. The stock yields about 3.75% and sells below the S&P's price/earnings multiple. I could also make the same case for SBC Communications and BellSouth, but Verizon's enough for now.

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Q: THAT'S RESTRAINT.

GABELLI: Barton talked about the attractiveness of consumer staples. [Last week's Roundtable installment featured Barton Biggs' stock picks, including Kraft Foods, PepsiCo, Coca-Cola and Colgate-Palmolive.] I've got three more names. DEL MONTE FOODS sells for 8. There are 210 million shares outstanding. So that's \$1.6 billion in market value. The company has \$1.8 billion of debt. Del Monte is a producer of consumables such as pet foods, tuna and vegetables. Revenues for the year ending April 2004 will be about \$3.4 billion. Earnings will be 80 to 90 cents. The stock could trade for the same multiple as Ralcorp, a producer of non-branded staples. If that happens, it goes to 15-16 in two years.

CAMPBELL SOUP is another potential winner. The stock is 24, and the company has a \$10 billion market cap and \$3.5 billion of debt. They are getting themselves ready for a sale.

Q: WHAT IS GOING TO TURN THIS COMPANY AROUND?

GABELLI: It's got better management, better products. It's moving into Europe. The chairman, George Sherman, did a pretty decent job in his former life, running Danaher. Management is grooming Campbell for a takeover, which could happen in the low 30s. We think it will happen a year from now.

BLACK: The company's condensed soups have been losing share for a long time. This is a classic marketing problem.

GABELLI: It's a matter of execution. This is a terrific category, with seven or eight companies. There's Unilever and Nestle and PepsiCo in the \$100-billion-market-cap category. There are a whole bunch of companies in the \$10 billion-\$20 billion market. There is another round of consolidation occurring. Campbell is on my list.

My next stock is ketchup -- any color, any flavor, any price. Yes, H.J. HEINZ. The stock is 33, and the symbol is HNZ. Heinz has \$4 billion of debt and a \$15 billion market cap. After the spinoff of its SKF subsidiary, which was merged into a subsidiary of Del Monte, Heinz will have earnings of about \$2 a share. That will grow by about 7%-8% a year, and cash flow is excellent. A good part of Heinz's business is in Europe, where earnings will benefit from a declining

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dollar.

Q: PLEASE TELL US ABOUT LIBERTY MEDIA.

GABELLI: There will be a lot of acquisitions and financial transactions in the world of entertainment. Walt Disney and VIVENDI UNIVERSAL are thinking about transactions. I'll start with Vivendi, because it is the least controversial [general laughter]. The stock is around 17. There are 1.1 billion shares outstanding. We think the company is worth about 35 euros a share. We like their strategy. Vivendi has a very good business in wireless telecom in France. They could always pick up the phone and sell it to Vodafone. Canal Plus, their cable business in France and elsewhere in Europe, is wonderful. There's the entertainment business in the United States, which is terrific, particularly the sci-fi and cable-channel networks. Jean-Rene Fourtou, who succeeded Jean-Marie Messier, is liquefying the company. We've been buying the stock.

Time for Liberty Media and John Malone [the company's chairman]. Here's the math: 2.7 billion shares outstanding at 9 a share comes out to \$25 billion in market value. Liberty is invested in other companies whose stocks are going to rise. Plus, it will benefit from more merger activity and more favorable regulations. It's got a great collection of assets.

Q: WHAT HAPPENED TO MALONE? HE USED TO BE A GOOD INVESTOR.

GABELLI: Malone made the dumbest investments in the world. He invested in telecoms and made a lot of mistakes, but let's deal with the deck we have. It's a pretty interesting deck. Is he going to team up with Barry Diller to go after Vivendi? Is he going to put QVC and Home Shopping Network together? Is he going to do something with Bob Wright? Will he be in the forefront of the re-engineering of other companies? Whatever the case, the stock is cheap at 9, and gives you the equivalent of an active index fund in the media/entertainment area.

BLACK: What does he do with the company's AOL holding? [Liberty Media owns 170 million AOL Time Warner shares.] I own Liberty as well, and it's got a breakup value of \$14 a share, conservatively speaking. But there's this huge holding in AOL.

GABELLI: AOL is driven by AOL. If it were just Time Warner, the stock would sell for a higher price. Those of us who owned Time Warner made a lot of money on this deal [the January 2001 merger of AOL and Time Warner], because our stock got up to 90-100, and we sold it. They marked it up, and we moved it down. We started buying it back around 18 to 21, and the stock is around 11-12 today. There are about 4.4 billion shares, times 12 a share, which is \$50 billion in market value. It's got another \$30 billion of debt, so that's an enterprise value of \$80 billion. Looking at their non-AOL businesses, you get a value that is higher than \$80 billion. Cash flow is very good. The company is planning to spin off Time Warner Cable. They'll buy Cablevision. You knew I would get that in today! [Gabelli predicted at the 2002 Roundtable that Cablevision eventually would be sold.] The question is, can they revitalize the company and maintain AOL's subscriber base? Can they continue to create new services that are unique at AOL? Can they get cash flow from transactions?

SAMBERG: And the answer is?

GABELLI: I don't know. I was never one pushing the AOL model.

Q: THANKS MARIO. []

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### LET'S TALK STOCKS

The following are stock specifics on selected holdings of our Trust. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time.

CITIZENS COMMUNICATIONS CO. (CZN - \$10.55 - NYSE) is one of the nation's top three largest independent local exchange carriers with about 2.5 million access lines after completion of a \$3.4 billion acquisition of almost 1.1 million lines from Frontier. This and several other recent acquisitions, accompanied by divestitures of its utilities operations, have repositioned the company as a pure telecommunications carrier. After recent completion of the tender offer for 19% of the shares that it already did not own, CZN now owns 100% of Electric Lightwave Inc., a competitive carrier with fiber optic networks covering the Western part of the U.S. The company is now focused on expanding profit margins and strengthening its balance sheet by using the strong free cash flow of its local phone operations as well as proceeds from the sale of the remaining utility operations to pay down debt.

COMCAST CORP. (CMCSK - \$22.59 - NASDAQ), run by the Roberts family, is the largest cable operator in the U.S., controlling 22 million subscribers or almost 1 in 4 U.S. multichannel homes. The company also controls home shopping giant QVC and a number of cable networks, including E!, Outdoor Life, The Golf Channel, G4 and several regional sports networks.

GAYLORD ENTERTAINMENT CO. (GET - \$20.60 - NYSE) is a diversified company operating principally in two segments: hospitality and media. The company's hospitality group consists of an interrelated group of businesses including the Opryland Hotel Nashville, the Inn at Opryland, the General Jackson (an entertainment showboat), and other related assets. The media group consists primarily of the Grand Ole Opry, the Ryman Auditorium, the Wildhorse Saloon, and three Nashville radio stations. Gaylord's management team is focusing on unlocking shareholder value. They have recently opened a new hotel, the Gaylord Palms, in Orlando, FL and are constructing a third in Grapevine, TX. The company recently announced the sale of Acuff-Rose Music Publishing to Sony for \$157 million and the sale of its stake in the Opry Mills mall for \$30 million, allowing Gaylord to finance the completion of the Texas hotel.

GRUPO TELEVISIA SA (TV - \$27.93 - NYSE), headquartered in Mexico, is Latin America's dominant Spanish language media and broadcast company. The company has interests in television production and broadcasting, programming for pay television, direct-to-home (DTH) satellite services, publishing and distribution, cable television, radio broadcasting and production. The company also produces thousands of hours of television programming annually which it exports to over 21 countries including the United States. This large and expanding program library is exclusively available for U.S. distribution by Univision Communications (UVN - \$24.50 - NYSE), a Spanish-language television broadcaster in the United States in which Televisa has as a 15% fully diluted equity stake.

LIBERTY MEDIA CORP. (L - \$8.94 - NYSE), run by deal maker and media investor John Malone, is engaged in businesses that provide programming services (including production, acquisition and distribution through all media formats) as well as businesses engaged in electronic retailing, direct marketing and other services. Liberty Media holds interests in globally branded entertainment networks such as the Discovery Channel, CourtTV, Encore and STARZ!. Liberty's investment portfolio also includes interests in international video distribution businesses, international telephony and domestic wireless companies, plant and equipment manufacturers, and other businesses related to broadband services.

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MCCLATCHY CO. (MNI - \$56.73 - NYSE), headquartered in Sacramento, California, is a leading newspaper publisher. The company publishes 11 daily and 13 non-daily newspapers with daily circulation of 1.4 million and Sunday circulation of 1.9 million. McClatchy operates in four geographic clusters: California (representing 34% of revenue), Minnesota (representing 34% of revenue), the Carolinas (representing 16% of revenue), and the Northwest (representing 15% of revenue). The company's publications include: The Sacramento Bee, the Star Tribune, The News & Observer, The News Tribune, and the Anchorage Daily News.

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MGM MIRAGE (MGG - \$32.97 - NYSE) owns and/or operates fifteen hotel-casino report properties, twelve of which are located in Nevada. Among those located on the Las Vegas Strip are Bellagio, the MGM Grand Hotel and Casino, The Mirage, Treasure Island, New York-New York Hotel and Casino, the Boardwalk Hotel and Casino, and Monte Carlo, a 50-50 joint venture with Mandalay Resort Group (MBG - \$30.61 - NYSE). MGM Mirage also owns and operates hotel-casino resort properties in Michigan, Mississippi and Australia. In November 2000, a limited liability company, which MGG owns 50-50 with Boyd Gaming Corporation (BYD - \$14.05 - NYSE), began construction of the Borgata, a 2,000-guestroom hotel-casino resort in Atlantic City, New Jersey, which is scheduled to open in the summer of 2003.

NEXTEL COMMUNICATIONS INC. (NXTL - \$11.55 - NASDAQ) is one of two remaining independent national wireless carriers in the U.S., servicing over 10 million mostly high-value business subscribers and controlling wireless licenses covering over 235 million people. Nextel is differentiating itself by offering its unique direct-connect feature that allows instant two-way voice communication. Since the beginning of 2002, the company has used a combination of cash and stock to reduce its debt by over \$1.8 billion while still maintaining a healthy \$2.4 billion cash balance. Nextel has submitted a proposal to the FCC to re-allocate its spectrum portfolio at the radio frequencies also used by the public safety organizations. The FCC decision is expected over the next few months and, if approved, would significantly strengthen Nextel's competitive position.

TRIBUNE CO. (TRB - \$45.46 - NYSE), headquartered in Chicago, is a leading national media company with operations in major U.S. markets. With its 2000 acquisition of The Times Mirror Company, it now has television and/or newspaper properties in 18 of the nation's top 30 markets. It is the only media company with television, newspaper and Internet properties in the nation's top three markets -- New York, Los Angeles and Chicago. Flagship properties include: WPIX-TV (New York), WGN-TV (Chicago), Newsday, Los Angeles Times, and Chicago Tribune. Additionally, Tribune owns the Chicago Cubs and has a stake in the WB Television Network. The company is focused on growing and strengthening its major market cross-media positions.

VIVENDI UNIVERSAL (V - \$16.07 - NYSE) owns wireless and wireline communications companies, European cable and satellite assets, Seagram's former Universal Film, Music, and Entertainment divisions and a varied assortment of interactive investments. The firm has recently de-leveraged through numerous asset sales and has appointed Jene-Rene Fourtou as replacement for ousted CEO Jean-Marie Messier. Mr. Fourtou is known as a restructuring artist and comes from the drug firm Aventis.

### STOCK REPURCHASE PLAN

The Trust is authorized to repurchase up to 1,000,000 shares of the Trust's outstanding shares. Pursuant to this stock repurchase plan, the Trust

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may from time to time purchase shares of its capital stock in the open market when the shares are trading at a discount of 10% or more from the net asset value of the shares. In total, through December 31, 2002, 786,933 shares have been repurchased in the open market under this stock repurchase plan.

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Please visit us on the Internet. Our homepage at [www.gabelli.com](http://www.gabelli.com) contains information about Gabelli Asset Management Inc., the Gabelli Mutual Funds, IRAs, 401(k)s, quarterly reports, closing prices and other current news. You can send us e-mail at [closedend@gabelli.com](mailto:closedend@gabelli.com).

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In our efforts to bring our shareholders more timely portfolio information, Gabelli Fund's portfolio managers regularly participate in chat sessions as reflected below.

	FEBRUARY	MARCH	APRI
	-----	-----	-----
1st Tuesday	Howard Ward	Howard Ward	Howa
1st Wednesday	Walter Walsh & Laura Linehan	Caesar Bryan	Char
2nd Wednesday	Caesar Bryan	Susan Byrne	Susa
3rd Wednesday	Elizabeth Lilly	Henry Van der Eb	Ivan
4th Wednesday	Barbara Marcini	Barbara Marcini	Walt
5th Wednesday			Barb

All chat sessions start at 4:15 PM (Eastern Time). Please arrive early, as participation is limited.

You may sign up for our e-mail alerts at [www.gabelli.com](http://www.gabelli.com) and receive early notice of chat sessions, closing mutual fund prices, news events and media sightings.

IN CONCLUSION

For much of the last three years, multimedia stocks under-performed the broad market. However, in the fourth quarter, they were among the leaders in a strong market rally. We believe two factors point to better absolute and relative performance in the year ahead. First and foremost, the elimination of restrictive government regulations should allow free market forces to work their magic. Second, advertising-supported media, which is a very cyclical business, should do much better in the year ahead as the economy continues to recover.

Sincerely,

/S/MARIO J. GABELLI  
MARIO J. GABELLI, CFA  
Portfolio Manager and Chief Investment Officer

February 10, 2003

-----  
SELECTED HOLDINGS  
DECEMBER 31, 2002  
-----

Citizens Communications Co.

McClatchy Co.

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Comcast Corp.	MGM Mirage
Gaylord Entertainment Co.	Nextel Communications Inc.
Grupo Televisa SA	Tribune Co.
Liberty Media Corp.	Vivendi Universal

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NOTE: The views expressed in this report reflect those of the portfolio manager only through the end of the period stated in this report. The manager's views are subject to change at any time based on market and other conditions.

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### THE GABELLI GLOBAL MULTIMEDIA TRUST INC. PORTFOLIO OF INVESTMENTS DECEMBER 31, 2002

SHARES	COST	MARKET VALUE
-----	-----	-----
COMMON STOCKS -- 94.4%		
COPYRIGHT/CREATIVITY COMPANIES -- 42.3%		
BUSINESS SERVICES: ADVERTISING -- 0.5%		
8,000 Donnelley (R.H.) Corp.+ \$	101,139 \$	234,480
20,000 Harte-Hanks Inc. ....	147,611	373,400
4,200 Havas SA .....	20,733	16,307
2,000 Publicis Groupe .....	13,971	42,394
	-----	-----
	283,454	666,581
	-----	-----
COMPUTER SOFTWARE AND SERVICES -- 2.0%		
1,500 Activision Inc.+ .....	6,415	21,885
10,000 America Online Latin America Inc., Cl. A+ .....	43,250	3,700
3,000 Atlas Co. Ltd.+ .....	17,662	13,373
8,000 Block (H&R) Inc. ....	162,450	321,600
9,473 CNET Networks Inc.+ ....	102,468	25,672
3,230 EarthLink Inc.+ .....	45,250	17,604
500 Electronic Arts Inc.+ ..	5,588	24,885
40,000 EMC Corp.+ .....	588,871	245,600
10,000 Jupitermedia Corp.+ ....	12,067	24,900
33,000 Microsoft Corp.+ .....	1,487,798	1,706,100
2,000 Mobius Management Systems Inc.+ .....	12,540	4,800
1,000 Pixar Inc.+ .....	39,153	52,990
12,000 Yahoo! Inc.+ .....	194,054	196,200
	-----	-----
	2,717,566	2,659,309
	-----	-----
CONSUMER PRODUCTS -- 0.4%		
6,000 Department 56 Inc.+ ....	65,655	77,400
100 eBay Inc.+ .....	6,163	6,782
20,000 Mattel Inc. ....	241,358	383,000
	-----	-----
	313,176	467,182
	-----	-----
ELECTRONICS -- 0.6%		
46,165 Agere Systems Inc., Cl. B+	142,676	64,631
6,000 Intel Corp. ....	162,470	93,420
60,000 Oak Technology Inc.+ ...	217,241	159,000





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1,000	Dow Jones & Co. Inc. ...	46,722	43,230
20,000	EMAP plc .....	207,970	240,844
18,000	Gannett Co. Inc. ....	967,807	1,292,400
2,833	Golden Books Family Entertainment Inc.+ .	0	4
2,000	Hollinger International Inc.	26,475	20,320
114,000	Independent News & Media plc .....	169,063	185,420
15,000	Journal Register Co.+ ..	244,399	266,700
15,000	Knight-Ridder Inc. ....	659,380	948,750
55,000	Lee Enterprises Inc. ...	1,204,236	1,843,600
19,000	McClatchy Co., Cl. A ...	517,138	1,077,870
16,000	McGraw-Hill Companies Inc.	612,170	967,040
22,000	Media General Inc., Cl. A	972,570	1,318,900
27,000	Meredith Corp. ....	636,668	1,109,970
100,000	Nation Multimedia Group+	84,677	27,842
100,000	New Straits Times Press Berhad+ .....	296,714	108,948
20,000	News Corp. Ltd., ADR ...	396,739	525,000
150,000	Oriental Press Group Ltd.	46,315	23,274
92,000	Penton Media Inc.+ .....	1,223,210	62,560
10,000	Playboy Enterprises Inc., Cl. A+ .....	97,125	91,500
97,400	Post Publishing Co. Ltd.	47,100	72,315
170,000	PRIMEDIA Inc.+ .....	870,231	350,200
47,000	Pulitzer Inc. ....	1,393,375	2,112,650
73,200	Reader's Digest Association Inc. ....	1,353,116	1,105,320
1,000	Scholastic Corp.+ .....	16,500	35,950
251,520	SCMP Group Ltd. ....	181,457	104,822
33,000	Scripps (E.W.) Co., Cl. A	2,001,394	2,539,350
54,452	Singapore Press Holdings Ltd. ....	696,171	571,358
300	SPIR Communication .....	23,329	24,555
15,000	Telegraaf Holdingsmij - CVA	285,271	243,030
48,000	Thomas Nelson Inc.+ ....	570,212	480,960
84,000	Tribune Co. ....	3,528,623	3,818,640

See accompanying notes to financial statements.

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THE GABELLI GLOBAL MULTIMEDIA TRUST INC.  
PORTFOLIO OF INVESTMENTS (Continued)  
DECEMBER 31, 2002

SHARES		COST	MARKET VALUE
-----		-----	-----
	COMMON STOCKS (CONTINUED)		
	COPYRIGHT/CREATIVITY COMPANIES (CONTINUED)		
	PUBLISHING (CONTINUED)		
15,000	United Business Media plc, ADR .....	\$ 147,162	\$ 63,750
800	Wiley (John) & Sons Inc., Cl. B .....	5,692	19,096
4,000	Wolters Kluwer NV .....	90,625	69,677
		-----	-----
		21,240,453	24,021,668
		-----	-----

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TOTAL COPYRIGHT/ CREATIVITY		
COMPANIES .....	54,005,443	56,036,335
-----		
DISTRIBUTION COMPANIES -- 52.1%		
BROADCASTING -- 16.2%		
18,000 CanWest Global Communications Corp.+	156,991	72,720
18,000 CanWest Global Communications Corp., Sub-Voting+ .....	92,011	73,491
2,000 Carlton Communications plc, ADR .....	63,625	22,200
27,000 Clear Channel Communications Inc.+	664,696	1,006,830
8,333 Corus Entertainment Inc., Cl. B+ .....	33,927	99,957
9,000 Cox Radio Inc., Cl. A+ .	55,500	205,290
1,000 Emmis Communications Corp., Cl. A+ .....	10,489	20,830
28,520 Fisher Communications Inc.	1,505,735	1,503,575
67,500 Granite Broadcasting Corp.+	400,055	138,375
100,000 Gray Television Inc. ...	1,295,437	975,000
13,125 Gray Television Inc., Cl. A .....	166,990	155,531
10,000 Grupo Radio Centro, SA de CV, ADR+ .....	46,871	19,500
155,000 Grupo Televisa SA, ADR+	5,215,748	4,329,150
34,000 Hearst-Argyle Television Inc.+ .....	341,006	819,740
4,550 Lagardere S.C.A. ....	100,163	184,823
151,000 Liberty Corp. ....	6,950,356	5,858,800
20,000 LIN TV Corp., Cl. A+ ...	440,000	487,000
4,000 Metropole TV M6 SA .....	35,208	87,684
3,000 Nippon Television Network Corp. ....	507,941	447,459
4,650 NRJ Group .....	22,694	70,753
1,000 NTN Communications Inc.+	862	1,200
70,000 Paxson Communications Corp.+ .....	610,725	144,200
500 Radio One Inc., Cl. A+ .	5,510	7,310
1,000 Radio One Inc., Cl. D+ .	11,428	14,430
1,500 RTL Group (Brussels) ...	76,363	45,253
3,500 RTL Group (New York) ...	113,838	103,938
1,906 SAGA Communications Inc., Cl. A+ .....	9,709	36,214
80,000 Salem Communications Corp., Cl. A+ .....	1,285,175	1,997,600
2,000 SBS Broadcasting SA+ ...	42,022	29,042
30,000 Sinclair Broadcast Group Inc., Cl. A+ .....	311,912	348,900
43,000 Sistem Televisyen Malaysia Berhad+ .....	41,566	2,659
25,000 Societe Television Francaise 1 .....	249,649	667,912
3,000 Spanish Broadcasting System Inc., Cl. A+ .	47,623	21,600
SHARES	COST	MARKET VALUE
-----	-----	-----
50,000 Television Broadcasts		

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	Ltd .....	\$ 187,673	\$ 157,725
50,000	Tokyo Broadcasting System Inc. ....	727,119	628,634
15,000	TV Azteca, SA de C.V. ..	95,250	71,850
25,000	Ulster Television plc ..	100,374	121,750
51,000	Young Broadcasting Inc., Cl. A+ .....	1,475,410	671,670
		-----	-----
		23,497,651	21,650,595
		-----	-----
	BUSINESS SERVICES -- 0.6%		
15,000	Carlisle Holdings Ltd.+	78,754	41,250
48,000	Cendant Corp.+ .....	593,292	503,040
	500 CheckFree Corp.+ .....	5,520	8,001
1,000	Convergys Corp.+ .....	17,738	15,150
	500 Dun and Bradstreet Corp.+	6,320	17,245
8,000	Interactive Data Corp.+	52,250	110,000
1,000	Moody's Corp. ....	20,012	41,290
3,000	Princeton Video Image Inc.+	21,000	990
	100 SYNAVANT Inc.+ .....	38	93
2,500	Traffix Inc.+ .....	12,500	8,125
		-----	-----
		807,424	745,184
		-----	-----
	CABLE -- 4.1%		
6,000	Austar United Communications Ltd.+	21,083	574
210,000	Cablevision Systems Corp., Cl. A+ .....	3,491,667	3,515,400
60,000	Charter Communications Inc., Cl. A+ .....	150,134	70,800
37,350	Comcast Corp., Cl. A+ ..	1,104,551	880,339
7,000	Comcast Corp., Cl. A, Special+ .....	53,073	158,130
12,000	Mediacom Communications Corp.+ .....	98,625	105,720
39,000	Shaw Communications Inc., Cl. B .....	105,570	400,670
11,000	Shaw Communications Inc., Cl. B, Non-Voting	103,451	113,080
22,680	Telewest Communications plc+	37,551	730
1,225	Telewest Communications plc, ADR+ .....	358,382	7,767
50,000	UnitedGlobalCom Inc., Cl. A+ .....	275,444	120,000
		-----	-----
		5,799,531	5,373,210
		-----	-----
	CONSUMER SERVICES -- 2.0%		
4,000	Bowlin Travel Centers Inc.+ .....	3,022	6,120
1,000	Hotels.com, Cl. A+ .....	16,000	54,630
1,000	Martha Stewart Living Omnimedia Inc., Cl. A+	18,000	9,870
4,000	TiVo Inc.+ .....	27,943	20,920
110,000	USA Interactive Inc.+ ..	2,642,200	2,521,200
		-----	-----
		2,707,165	2,612,740
		-----	-----
	DIVERSIFIED INDUSTRIAL -- 0.1%		
2,000	General Electric Co. ...	19,538	48,700
7,700	Hutchison Whampoa Ltd. .	71,267	48,184

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	90,805	96,884
ENERGY AND UTILITIES -- 0.4%		
45,000 El Paso Electric Co.+ ..	358,877	495,000

See accompanying notes to financial statements.

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THE GABELLI GLOBAL MULTIMEDIA TRUST INC.  
PORTFOLIO OF INVESTMENTS (Continued)  
DECEMBER 31, 2002

SHARES	COST	MARKET VALUE
COMMON STOCKS (CONTINUED)		
DISTRIBUTION COMPANIES (CONTINUED)		
ENTERTAINMENT: DISTRIBUTION -- 1.1%		
6,000 AMC Entertainment Inc.+ \$	11,737	\$ 53,100
6,000 Blockbuster Inc., Cl. A	62,925	73,500
3,150 British Sky Broadcasting Group plc, ADR+ .....	56,080	126,189
100,000 GC Companies Inc.+ .....	241,092	18,000
88,710 Metro-Goldwyn-Mayer Inc.+	1,524,139	1,153,230
200 Sunland Entertainment Co. Inc.+ .....	2,500	100
	1,898,473	1,424,119
EQUIPMENT -- 1.2%		
34,000 Allen Telecom Inc.+ ....	240,881	321,980
1,000 Amphenol Corp., Cl. A+ .	15,588	38,000
416 Avaya Inc.+ .....	9,761	1,019
2,000 CommScope Inc.+ .....	29,407	15,800
90,000 Corning Inc.+ .....	950,824	297,900
1,000 Furukawa Electric Co. Ltd.	15,169	2,099
3,000 L-3 Communications Holdings Inc.+ .....	33,000	134,730
80,000 Lucent Technologies Inc.+	486,490	100,800
45,000 Motorola Inc. ....	723,608	389,250
25,000 Nortel Networks Corp.+ .	125,000	40,250
6,000 Qualcomm Inc.+ .....	31,219	218,340
6,000 Scientific-Atlanta Inc.	50,804	71,160
	2,711,751	1,631,328
FOOD AND BEVERAGE -- 0.3%		
50,000 Allied Domecq plc .....	290,480	319,568
5,282 Compass Group plc .....	37,648	28,062
800 Dreyer's Grand Ice Cream Inc. ....	53,834	56,768
	381,962	404,398
SATELLITE -- 2.1%		
300 Asia Satellite Telecommunications Holdings Ltd., ADR ..	5,693	3,417
28,000 EchoStar Communications		



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5,000	Embratel Participacoes SA, ADR+ .....	4,150	5,350
13,000	Global Crossing Ltd.+ ..	21,840	234
285,646	Qwest Communications International Inc.+ .	1,754,990	1,428,230
6,000	Rostelecom, ADR .....	41,408	42,660
30,000	Sprint Corp. - FON Group .....	475,872	434,400
1,000	Startec Global Communications Corp.+	4,645	5
1,666	Talk America Holdings Inc.+ .....	2,529	9,330
60,000	WorldCom Inc. - MCI Group .....	15,900	10,800
		3,470,493	2,818,729
	TELECOMMUNICATIONS: NATIONAL -- 6.6%		
42,000	BCE Inc. ....	870,637	756,420
45,203	Cable & Wireless plc, ADR	775,679	105,323
30,000	Compania de Telecomunicaciones de Chile SA, ADR ....	522,581	287,700
172,000	Deutsche Telekom AG, ADR .....	2,452,472	2,184,400
30,000	Elisa Communications Oyj, Cl. A+ .....	340,642	180,068
3,000	France Telecom SA, ADR .	48,120	53,310
1,305	Hellenic Telecommunications Organization SA .....	18,163	14,379
174	Japan Telecom Holdings Co. Ltd. ....	266,848	539,580
500	Magyar Tavkozlesi Rt, ADR	9,650	8,900
20	Nippon Telegraph & Telephone Corp. ...	123,433	72,638
35,000	Philippine Long Distance Telephone Co., ADR+ .	646,419	176,050
4,320	PT Telekomunikasi Indonesia, ADR .....	18,513	36,677
48,000	Swisscom AG, ADR .....	1,353,535	1,368,480
2,000	Telecom Corp. of New Zealand Ltd., ADR .....	31,000	38,240
58,412	Telefonica SA, ADR+ ....	1,597,439	1,552,007

See accompanying notes to financial statements.

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THE GABELLI GLOBAL MULTIMEDIA TRUST INC.  
PORTFOLIO OF INVESTMENTS (Continued)  
DECEMBER 31, 2002

SHARES		COST	MARKET VALUE
	COMMON STOCKS (CONTINUED)		
	DISTRIBUTION COMPANIES (CONTINUED)		
	TELECOMMUNICATIONS: NATIONAL (CONTINUED)		
19,000	Telefonos de Mexico SA de CV, Cl. L, ADR .....	\$ 177,884	\$ 607,620

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2,400	Telstra Corp. Ltd., ADR	30,324	29,952
45,000	TELUS Corp. ....	810,821	497,063
21,000	TELUS Corp., Non-Voting	456,807	214,682
		-----	-----
		10,550,967	8,723,489
		-----	-----
	WIRELESS COMMUNICATIONS -- 8.8%		
35,000	America Movil SA de CV, Cl. L, ADR .....	444,579	502,600
11,450	American Tower Corp., Cl. A+ .....	134,266	40,418
65,747	AT&T Wireless Services Inc.+ .....	1,012,912	371,471
24,000	Jasmine International Public Co. Ltd.+ ....	5,040	1,114
80,000	Leap Wireless International Inc.+ .....	27,600	12,000
29,600	mm02 plc, ADR+ .....	264,821	211,640
105,000	Nextel Communications Inc., Cl. A+ .....	1,365,889	1,212,750
500	NTT DoCoMo Inc. ....	762,806	922,727
30,000	Price Communications Corp.+ .....	293,906	414,900
105,600	Rogers Wireless Communications Inc., Cl. B+ .....	1,488,438	929,280
10,800	Rural Cellular Corp., Cl. A+ .....	22,788	9,180
37,000	SK Telecom Co. Ltd., ADR	828,800	789,950
25,000	Sprint Corp. - PCS Group+	267,053	109,500
1,650	Tele Celular Sul Participacoes SA, ADR .....	26,380	12,969
5,500	Tele Centro Oeste Celular Participacoes SA, ADR	16,487	22,000
330	Tele Leste Celular Participacoes SA, ADR	8,827	2,079
825	Tele Nordeste Celular Participacoes SA, ADR	12,175	12,622
330	Tele Norte Celular Participacoes SA, ADR+	5,098	1,534
380,000	Telecom Italia Mobile SpA 825 Telemig Celular Participacoes SA, ADR	23,843	13,943
75,000	Telephone & Data Systems Inc. ....	5,114,984	3,526,500
6,600	Telesp Celular Participacoes SA, ADR+	211,036	20,130
15,000	Total Access Communications plc+	66,339	8,325
2,000	United States Cellular Corp.+ .....	113,480	50,040
6,000	Vimpel-Communications, ADR+ .....	103,613	192,060
12,650	Vodafone Group plc, ADR	203,637	229,218
26,000	Vodafone Libertel NV+ ..	268,172	277,742
20,000	Western Wireless Corp., Cl. A+ .....	88,582	106,000
		-----	-----
		15,883,098	11,737,269
		-----	-----

TOTAL DISTRIBUTION



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	COMPANIES .....	80,184,263	69,090,434
	TOTAL COMMON		
	STOCKS .....	134,189,706	125,126,769
		-----	-----
SHARES		COST	MARKET VALUE
-----		-----	-----
	PREFERRED STOCKS -- 5.2%		
	BROADCASTING -- 1.2%		
1,063	Granite Broadcasting Corp., 12.75% Pfd. ....	\$ 439,682	\$ 584,650
100	Gray Television Inc., 8.00% Cv. Pfd., Ser. C (c) (d) .....	1,000,000	1,020,000
		-----	-----
		1,439,682	1,604,650
		-----	-----
	BUSINESS SERVICES -- 0.8%		
10,000	Interep National Radio Sales Inc., 4.00% Cv. Pfd., Ser. A+ (c) (d) .....	1,000,000	1,020,000
		-----	-----
	PUBLISHING -- 1.8%		
103,000	News Corp. Ltd., Pfd., ADR .....	2,541,580	2,332,950
		-----	-----
	TELECOMMUNICATIONS: LOCAL -- 1.4%		
40,000	Citizens Communications Co., 5.00% Cv. Pfd. ....	1,914,413	1,900,000
		-----	-----
	TOTAL PREFERRED		
	STOCKS .....	6,895,675	6,857,600
		-----	-----
PRINCIPAL AMOUNT			
-----			
	CORPORATE BONDS -- 0.4%		
	BUSINESS SERVICES -- 0.2%		
\$ 50,000	BBN Corp., Sub. Deb. Cv., 6.00%, 04/01/12+ (a) (d) .....	49,459	0
300,000	Trans-Lux Corp., Sub. Deb. Cv., 7.50%, 12/01/06 ....	288,256	240,000
		-----	-----
		337,715	240,000
		-----	-----
	ENTERTAINMENT -- 0.0%		
20,000	Boston Celtics L.P., Sub. Deb. Cv., 6.00%, 06/30/38 ....	12,262	16,400
		-----	-----
	HOTELS AND GAMING -- 0.2%		
300,000	Hilton Hotels Corp., Sub. Deb. Cv., 5.00%, 05/15/06 ....	259,492	288,750
		-----	-----
	PUBLISHING -- 0.0%		
66,560	Golden Books Family Entertainment Inc., PIK, 10.75%, 12/31/04 (a)	59,865	998
		-----	-----

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TOTAL CORPORATE		
BONDS .....	669,334	546,148
	-----	-----
SHARES		
-----		
WARRANTS -- 0.0%		
BUSINESS SERVICES -- 0.0%		
62,500 Interep National Radio		
Sales Inc.,		
05/06/2007+ (d) .....	0	0
	-----	-----
PUBLISHING -- 0.0%		
25,000 Nation Multimedia Group+	0	1,636
	-----	-----
TOTAL WARRANTS .....	0	1,636
	-----	-----

See accompanying notes to financial statements.  
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THE GABELLI GLOBAL MULTIMEDIA TRUST INC.  
PORTFOLIO OF INVESTMENTS (Continued)  
DECEMBER 31, 2002

	COST	MARKET VALUE
	-----	-----
TOTAL INVESTMENTS -- 100.00% .....	\$138,426,260	\$132,532,153
	=====	=====
OTHER ASSETS IN EXCESS OF LIABILITIES .....		151,279
PREFERRED STOCK		
(926,025 preferred shares outstanding) .....		(23,150,625)
		-----
NET ASSETS -- COMMON STOCK		
(14,284,953 common shares outstanding) .....		\$109,532,807
		=====
NET ASSET VALUE PER COMMON SHARE		
(109,532,807 / 14,284,953 shares outstanding) .		\$7.67
		=====

PRINCIPAL AMOUNT	SETTLEMENT DATE	NET UNREALIZED APPRECIATION
-----	----	-----
FORWARD FOREIGN EXCHANGE CONTRACTS		
Deliver Hong Kong Dollars		
in exchange for		
\$ 7,790,000(b) USD 998,270 .....	08/01/03	\$ 496
		=====

For Federal tax purposes:	
Aggregate cost .....	\$143,430,301
	=====
Gross unrealized appreciation .....	\$ 19,201,277
Gross unrealized depreciation .....	(30,099,425)
	-----
Net unrealized depreciation .....	\$(10,898,148)
	=====

- 
- (a) Security in default.
  - (b) Principal amount denoted in Hong Kong Dollars.
  - (c) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions

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exempt from registration, normally to qualified institutional buyers. At December 31, 2002, the market value of Rule 144A securities amounted to \$2,040,000 or 1.54% of total investments.

- (d) Securities fair valued under procedures established by the Board of Directors.
- + Non-income producing security.
- ADR - American Depository Receipt.
- PIK - Paid in Kind.
- USD - United States Dollars.

	% OF MARKET VALUE	MARKET VALUE
-----		
GEOGRAPHIC DIVERSIFICATION		
United States .....	74.5%	98,665,505
Europe .....	11.5	15,273,408
Asia/Pacific Rim .....	6.3	8,402,103
Latin America .....	4.3	5,706,907
Canada .....	3.4	4,484,230
-----		
Total Investments .....	100.0%	\$132,532,153
=====		

See accompanying notes to financial statements.

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### THE GABELLI GLOBAL MULTIMEDIA TRUST INC.

#### STATEMENT OF ASSETS AND LIABILITIES DECEMBER 31, 2002

#### ASSETS:

Investments, at value (Cost \$138,426,260) .....	\$132,532,153
Cash and foreign currency, at value (Cost \$242,284) .	244,066
Dividends and interest receivable .....	183,166
Receivable for investments sold .....	2,187,249
Unrealized appreciation on forward foreign exchange contract .....	496
-----	
TOTAL ASSETS .....	135,147,130
-----	

#### LIABILITIES:

Payable for investments purchased .....	2,106,344
Dividends payable .....	30,559
Payable for investment advisory fees .....	90,096
Payable for audit and legal fees .....	52,600
Payable for shareholder communications fees .....	87,509
Other accrued expenses and liabilities .....	96,590
-----	
TOTAL LIABILITIES .....	2,463,698
-----	

#### PREFERRED STOCK:

Cumulative Preferred Stock (7.92%, \$25.00 liquidation value, \$0.001 par value, 2,000,000 shares authorized with 926,025 shares issued and outstanding) .....	23,150,625
-----	

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TOTAL PREFERRED STOCK .....	23,150,625	
NET ASSETS ATTRIBUTABLE TO COMMON STOCK		
SHAREHOLDERS .....	\$109,532,807	
NET ASSETS ATTRIBUTABLE TO COMMON STOCK		
SHAREHOLDERS CONSIST OF:		
Capital stock, at par value .....	14,285	
Additional paid-in capital .....	120,434,096	
Accumulated net realized loss on investments and foreign currency transactions .....	(5,024,961)	
Net unrealized appreciation on investments and foreign currency transactions .....	(5,890,613)	
TOTAL NET ASSETS .....	\$109,532,807	
NET ASSET VALUE PER COMMON SHARE		
( $\$109,532,807 / 14,284,953$ shares outstanding; 200,000,000 shares authorized of \$0.001 par value) ..	\$7.67	

### STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2002

INVESTMENT INCOME:		
Dividends (net of foreign taxes of \$89,018) .....	\$ 1,515,435	
Interest .....	246,268	
TOTAL INVESTMENT INCOME .....	1,761,703	
EXPENSES:		
Investment advisory fees .....	1,174,239	
Shareholder communications expenses .....	195,057	
Shareholder services fees .....	136,800	
Payroll .....	75,000	
Directors' fees .....	63,827	
Custodian fees .....	49,097	
Legal and audit fees .....	29,197	
Miscellaneous expenses .....	84,758	
TOTAL EXPENSES .....	1,807,975	
NET INVESTMENT LOSS .....	(46,272)	
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS:		
Net realized gain on investments .....	1,821,636	
Net realized loss on foreign currency transactions ..	(581)	
Net realized gain on investments and foreign currency transactions .....	1,821,055	
Net change in net unrealized depreciation on investments and foreign currency transactions .....	(40,300,249)	
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS .....	(38,479,194)	
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS .....	\$ (38,525,466)	

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### DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS:

Net realized long-term gains on investments and foreign currency transactions .....	(2,359,821)	
TOTAL DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS .....	(2,359,821)	
NET DECREASE IN NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS RESULTING FROM OPERATIONS .....	\$ (40,885,287)	

### STATEMENT OF CHANGES IN NET ASSETS

	YEAR ENDED DECEMBER 31, 2002	YEAR ENDED DECEMBER 31, 2001
OPERATIONS:		
Net investment loss .....	\$ (46,272)	\$ (300,849)
Net realized gain (loss) on investments and foreign currency transactions .....	1,821,055	(1,655,057)
Net change in unrealized depreciation of investments and foreign currency transactions .....	(40,300,249)	(18,935,914)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS .....	(38,525,466)	(20,891,820)
DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS:		
Net realized long-term gains on investments and foreign currency transactions .....	(2,359,821)	(2,444,706)
TOTAL DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS .....	(2,359,821)	(2,444,706)
NET DECREASE IN NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS RESULTING FROM OPERATIONS .....	(40,885,287)	(23,336,526)
DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS:		
Net investment income .....	--	(83,073)
Net realized gain on investments and foreign currency transactions .....	--	(782,781)
TOTAL DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS ...	--	(865,854)
TRUST SHARE TRANSACTIONS:		
Net decrease from repurchase of common shares .....	(253,454)	(152,030)
NET DECREASE IN NET ASSETS FROM TRUST SHARE TRANSACTIONS .....	(253,454)	(152,030)
NET DECREASE IN NET ASSETS .....	(41,138,741)	(24,354,410)
NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS:		
Beginning of period .....	150,671,548	175,025,958
End of period .....	\$109,532,807	\$150,671,548

See accompanying notes to financial statements.

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THE GABELLI GLOBAL MULTIMEDIA TRUST INC.  
NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION. The Gabelli Global Multimedia Trust Inc. ("Multimedia Trust") is a closed-end, non-diversified management investment company organized as a Maryland corporation on March 31, 1994 and registered under the Investment Company Act of 1940, as amended (the "1940 Act"), whose primary objective is long-term growth of capital with income as a secondary objective. The Multimedia Trust had no operations prior to November 15, 1994, other than the sale of 10,000 shares of common stock for \$100,000 to The Gabelli Equity Trust Inc. (the "Equity Trust"). Investment operations commenced on November 15, 1994.

Effective August 1, 2002, the Multimedia Trust modified its non-fundamental investment policy to increase, from 65% to 80%, the portion of its assets that it will invest, under normal market conditions, in common stock and other securities, including convertible securities, preferred stock, options and warrants of companies in the telecommunications, media, publishing and entertainment industries (the "80% Policy").

The 80% Policy may be changed without shareholder approval. However, the Multimedia Trust has adopted a policy to provide shareholders with at least 60 days' notice of the implementation of any change in the 80% Policy.

2. SIGNIFICANT ACCOUNTING POLICIES. The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Multimedia Trust in the preparation of its financial statements.

SECURITY VALUATION. Portfolio securities listed or traded on a nationally recognized securities exchange, quoted by the National Association of Securities Dealers Automated Quotations, Inc. ("Nasdaq") or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price on that exchange or market as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Directors so determines, by such other method as the Board of Directors shall determine in good faith, to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the "Adviser"). Portfolio securities primarily traded in foreign markets are generally valued at the preceding closing values of such securities on their respective exchanges or markets. Securities and assets for which market quotations are not readily available are valued at their fair value as determined in good faith under procedures established by and under the general supervision of the Board of Directors. Short term debt securities with remaining maturities of 60 days or less are valued at amortized cost, unless the Board of Directors determines such does not reflect the securities fair value, in which case these securities will be valued at their fair value as determined by the Board of Directors. Debt instruments having a maturity greater than 60 days for which market quotations are readily available are valued at the

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latest average of the bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price on that day. Options are valued at the last sale price on the exchange on which they are listed. If no sales of such options have taken place that day, they will be valued at the mean between their closing bid and asked prices.

REPURCHASE AGREEMENTS. The Multimedia Trust may enter into repurchase agreements with primary government securities dealers recognized by the Federal Reserve Bank of New York, with member banks of the Federal Reserve System or with other brokers or dealers that meet credit guidelines established by the Adviser and reviewed by the Board of Directors. Under the terms of a typical repurchase agreement, the Multimedia Trust takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Multimedia Trust to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Multimedia Trust's holding period. The Multimedia Trust will always receive and maintain securities as collateral whose market value, including accrued interest, will be at least equal to 102% of the dollar amount invested by the Multimedia Trust in each agreement. The Multimedia Trust will make payment for such securities only upon physical delivery or upon evidence of book entry transfer of the collateral to the account of the custodian. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to maintain the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Multimedia Trust may be delayed or limited.

SECURITIES SOLD SHORT. A short sale involves selling a security which the Multimedia Trust does not own. The proceeds received for short sales are recorded as liabilities and the Multimedia Trust records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of the open short position on the day of determination. The Multimedia Trust records a realized gain or loss when the short position is closed out. By entering into a short sale, the Multimedia Trust bears the market risk of an unfavorable change in the price of the security sold short. Dividends on short sales are recorded as an expense by the Multimedia Trust on the ex-dividend date and interest expense is recorded on the accrual basis.

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THE GABELLI GLOBAL MULTIMEDIA TRUST INC.  
NOTES TO FINANCIAL STATEMENTS (Continued)

FORWARD FOREIGN EXCHANGE CONTRACTS. The Multimedia Trust may engage in forward foreign exchange contracts for hedging a specific transaction with respect to either the currency in which the transaction is denominated or another currency as deemed appropriate by the Adviser. Forward foreign exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is included in unrealized appreciation/depreciation on investments and foreign currency transactions. When the contract is closed, the Multimedia Trust records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Multimedia Trust's portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain/(loss) that might result should the value of the currency increase. In

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addition, the Multimedia Trust could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts.

**FOREIGN CURRENCY TRANSLATION.** The books and records of the Multimedia Trust are maintained in United States (U.S.) dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the exchange rates prevailing at the end of the period, and purchases and sales of investment securities, income and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses, which result from changes in foreign exchange rates and/or changes in market prices of securities, have been included in unrealized appreciation/depreciation on investments and foreign currency transactions. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions and the difference between the amounts of interest and dividends recorded on the books of the Multimedia Trust and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

**SECURITIES TRANSACTIONS AND INVESTMENT INCOME.** Securities transactions are accounted for as of the trade date with realized gain or loss on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded as earned. Dividend income is recorded on the ex-dividend date.

**DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS.** Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders of the Multimedia Trust's 7.92% Cumulative Preferred Stock ("Cumulative Preferred Stock") are accrued on a daily basis and are determined as described in Note 5. Income distributions and capital gain distributions are determined in accordance with Federal income tax regulations which may differ from accounting principles generally accepted in the United States.

For the year ended December 31, 2002, reclassifications were made to decrease accumulated net investment loss for \$46,272 and to increase accumulated net realized loss on investments and foreign currency transactions for \$32,684, with an offsetting adjustment to additional paid-in capital.

The tax character of distributions paid during the fiscal year ended December 31, 2002 and December 31, 2001 were as follows:

	YEAR ENDED DECEMBER 31, 2002		YEAR EN DECEMBER 3
	Common	Preferred	Common
DISTRIBUTIONS PAID FROM:			
Ordinary income (inclusive of short term capital gain) .....	--	--	\$235,110
Net long term capital gain .....	--	\$2,359,821	630,744
	-----	-----	-----
Total distributions paid .....	--	\$2,359,821	\$865,854
	=====	=====	=====

**PROVISION FOR INCOME TAXES.** The Multimedia Trust intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended. As a result, a Federal income tax provision is



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not required.

As of December 31, 2002, the components of accumulated earnings/(losses) on a tax basis were as follows:

Undistributed long term capital gain .....	\$ 9,638
Net unrealized depreciation .....	(10,894,653)
Other - dividends payable .....	(30,559)
	-----
Total accumulated loss .....	\$ (10,915,574)
	=====

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### THE GABELLI GLOBAL MULTIMEDIA TRUST INC. NOTES TO FINANCIAL STATEMENTS (Continued)

3. AGREEMENTS AND TRANSACTIONS WITH AFFILIATES. The Multimedia Trust has entered into an investment advisory agreement (the "Advisory Agreement") with the Adviser which provides that the Multimedia Trust will pay the Adviser on the first business day of each month a fee for the previous month equal on an annual basis to 1.00% of the value of the Multimedia Trust's average weekly net assets including the liquidation value of preferred stock. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Multimedia Trust's portfolio and oversees the administration of all aspects of the Multimedia Trust's business and affairs. The Adviser has agreed to reduce the management fee on the incremental assets attributable to the Cumulative Preferred Stock if the total return of the net asset value of the common shares of the Multimedia Trust, including distributions and advisory fee subject to reduction, does not exceed the stated dividend rate of the Cumulative Preferred Stock. For the year ended December 31, 2002, the Multimedia Trust's total return on the net asset value of the common shares did not exceed the stated dividend rate of the Cumulative Preferred Stock. Thus, such management fees were not earned on the incremental assets.

During the year ended December 31, 2002, Gabelli & Company, Inc. and its affiliates received \$42,112 in brokerage commissions as a result of executing agency transactions in portfolio securities on behalf of the Multimedia Trust.

The cost of calculating the Trust's net asset value per share is a Trust expense pursuant to the Investment Advisory Agreement between the Trust and the Adviser. During fiscal 2002, the Multimedia Trust reimbursed the Adviser \$34,800 in connection with the cost of computing the Trust's net asset value.

4. PORTFOLIO SECURITIES. Cost of purchases and proceeds from sales of securities, other than short-term securities, for the year ended December 31, 2002 aggregated \$30,923,553 and \$23,812,090, respectively.

5. CAPITAL. The Articles of Incorporation, dated March 31, 1994, permit the Multimedia Trust to issue 200,000,000 shares of common stock (par value \$0.001). The Board of Directors of the Multimedia Trust has authorized the repurchase of up to 1,000,000 shares of the Multimedia Trust's outstanding common stock. During the year ended December 31, 2002, the Multimedia Trust repurchased 30,700 shares of its common stock in the open market at a cost of \$253,454 and an average discount of approximately 10.53% from its net asset value. During the year ended December 31, 2001, the Multimedia Trust repurchased 24,200 shares of its common stock in the open market at a cost of \$152,030 and an average discount of approximately 12.76% from its net asset value. All shares of common stock repurchased have been retired.

Transactions in capital stock were as follows:

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	YEAR ENDED		YEAR ENDED
	DECEMBER 31, 2002		DECEMBER 31, 2001
	Shares	Amount	Shares
Net decrease from repurchase of common shares .....	(30,700)	\$ (253,454)	(24,200)
Net decrease .....	(30,700)	\$ (253,454)	(24,200)

The Multimedia Trust's Articles of Incorporation authorize the issuance of up to 2,000,000 shares of \$0.001 par value Cumulative Preferred Stock. The Cumulative Preferred Stock is senior to the common stock and results in the financial leveraging of the common stock. Such leveraging tends to magnify both the risks and opportunities to Common Shareholders. Dividends on shares of the Cumulative Preferred Stock are cumulative. The Multimedia Trust is required to meet certain asset coverage tests as required by the 1940 Act and by the shares' Articles Supplementary with respect to the Cumulative Preferred Stock. If the Multimedia Trust fails to meet these requirements and does not correct such failure, the Multimedia Trust may be required to redeem, in part or in full, the Cumulative Preferred Stock at a redemption price of \$25.00 per share plus an amount equal to the accumulated and unpaid dividends whether or not declared on such shares in order to meet these requirements. Additionally, failure to meet the foregoing asset requirements could restrict the Multimedia Trust's ability to pay dividends to Common Shareholders and could lead to sales of portfolio securities at inopportune times. Commencing June 1, 2002 and thereafter, the Multimedia Trust, at its option, may redeem the Cumulative Preferred Stock in whole or in part at the redemption price. On November 12, 2002, the Fund redeemed 25% (308,675 shares) of its outstanding 7.92% Cumulative Preferred Stock at the redemption price of \$25.00 per Preferred Share plus accumulated and unpaid dividends through the redemption date of \$0.2530 per Preferred Share. At December 31, 2002, 926,025 shares of the Cumulative Preferred Stock were outstanding at the fixed dividend rate of 7.92 percent per share and accrued dividends amounted to \$30,559. The income received on the Multimedia Trust's assets may vary in a manner unrelated to the fixed rate, which could have either a beneficial or detrimental impact on net investment income and gains available to Common Shareholders.

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THE GABELLI GLOBAL MULTIMEDIA TRUST INC.  
NOTES TO FINANCIAL STATEMENTS (Continued)

The holders of Cumulative Preferred Stock have voting rights equivalent to those of the holders of common stock (one vote per share) and will vote together with holders of shares of common stock as a single class. In addition, the 1940 Act requires that along with approval of a majority of the holders of common stock, approval of a majority of the holders of any outstanding shares of Cumulative Preferred Stock, voting separately as a class, would be required to (a) adopt any plan of reorganization that would adversely affect the Cumulative Preferred Stock, and (b) take any action requiring a vote of security holders, including, among other things, changes in the Multimedia Trust's subclassification as a closed-end investment company or changes in its fundamental investment restrictions.

Under Emerging Issues Task Force (EITF) promulgating Topic D-98, Classification and Measurement of Redeemable Securities, which was issued on July 19, 2001, preferred securities that are redeemable for cash or other assets are to be classified outside of permanent equity to the extent that the

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redemption is at a fixed or determinable price and at the option of the holder or upon the occurrence of an event that is not solely within the control of the issuer. Subject to the guidance of the EITF, the Fund's Cumulative Preferred Stock, which was previously classified as a component of net assets, has been reclassified outside of permanent equity (net assets attributable to common stock shareholders) in the accompanying financial statements. Prior year amounts have also been reclassified to conform with this presentation. The impact of this reclassification creates no change to the net assets available to common shareholders.

6. INDUSTRY CONCENTRATION. Because the Multimedia Trust primarily invests in common stocks and other securities of foreign and domestic companies in the telecommunications, media, publishing and entertainment industries, its portfolio may be subject to greater risk and market fluctuations than a portfolio of securities representing a broad range of investments.

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### THE GABELLI GLOBAL MULTIMEDIA TRUST INC. FINANCIAL HIGHLIGHTS

SELECTED DATA FOR A MULTIMEDIA TRUST COMMON SHARE  
OUTSTANDING THROUGHOUT EACH PERIOD:

	YEAR ENDED DEC		
	2002	2001	2000
<b>OPERATING PERFORMANCE:</b>			
Net asset value, beginning of period .....	\$ 10.52	\$ 12.21	\$ 11.85
Net investment income (loss) .....	(0.00) (a)	(0.02)	(0.02)
Net realized and unrealized gain (loss) on investments .....	(2.68)	(1.44)	(1.44)
Total from investment operations .....	(2.68)	(1.46)	(1.46)
<b>DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS:</b>			
Net investment income .....	--	--	(0.02)
Net realized gain on investments .....	(0.17)	(0.17)	(0.17)
Total distributions to preferred stock shareholders .....	(0.17)	(0.17)	(0.19)
<b>NET INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS RESULTING FROM OPERATIONS</b>			
FROM OPERATIONS .....	(2.85)	(1.63)	(1.63)
<b>DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS:</b>			
Net investment income .....	--	(0.00) (a)	(0.02)
Net realized gain on investments .....	--	(0.06)	(0.06)
In excess of net investment income and/or net realized gain on investments .....	--	--	--
Total distributions to common stock shareholders .....	--	(0.06)	(0.08)
<b>CAPITAL SHARE TRANSACTIONS:</b>			
Increase (decrease) in net asset value from common stock share transactions .....	0.00 (a)	--	(0.02)
Offering expenses charged to capital surplus .....	--	--	(0.02)
Total capital share transactions .....	0.00 (a)	--	(0.04)

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NET ASSET VALUE ATTRIBUTABLE TO COMMON STOCK			
SHAREHOLDERS, END OF PERIOD .....	\$ 7.67	\$ 10.52	\$ 1
	=====	=====	=====
Net asset value total return* .....	(27.1)%	(13.3)%	(
	=====	=====	=====
Market value, end of period .....	\$ 6.40	\$ 9.01	\$ 1
	=====	=====	=====
Total investment return** .....	(29.0)%	(12.1)%	(
	=====	=====	=====
RATIOS AND SUPPLEMENTAL DATA:			
Net assets including liquidation value of preferred shares, end of period (in 000's) .....	\$132,683	\$181,539	\$205
Net assets attributable to common shares, end of period (in 000's) .....	\$109,533	\$150,672	\$175
Ratio of net investment income (loss) to average net assets attributable to common shares .....	(0.04)%	(0.18)%	
Ratio of operating expenses to average net assets attributable to common shares .....	1.46%	1.34%	
Ratio of operating expenses to average total net assets including liquidation value of preferred shares .....	1.18%	1.13%	
Portfolio turnover rate .....	16.6%	25.4%	
PREFERRED STOCK:			
Liquidation value, end of period (in 000's) .....	\$ 23,151	\$ 30,868	\$ 30
Total shares outstanding (in 000's) .....	926	1,235	1
Liquidation preference per share .....	\$ 25.00	\$ 25.00	\$ 2
Average market value (b) .....	\$ 25.75	\$ 25.50	\$ 2
Asset coverage .....	573%	588%	
Asset coverage per share .....	\$ 143.28	\$ 147.03	\$ 16

-----  
(a) Amount represents less than \$0.005 per share.

(b) Based on weekly prices.

\* Based on net asset value per share, adjusted for reinvestment of distributions, including the effect of shares issued pursuant to rights offering, assuming full subscription by shareholder.

\*\* Based on market value per share, adjusted for reinvestment of distributions, including the effect of shares issued pursuant to rights offering, assuming full subscription by shareholder.

See accompanying notes to financial statements.

THE GABELLI GLOBAL MULTIMEDIA TRUST INC.  
REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of  
The Gabelli Global Multimedia Trust Inc.

In our opinion, the accompanying statement of assets and liabilities, including the portfolio of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of The Gabelli Global Multimedia Trust Inc. (the "Trust") at December 31, 2002, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted

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in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Trust's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2002 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

/S/ PRICEWATERHOUSECOOPERS LLP

1177 Avenue of the Americas  
 New York, NY 10036  
 February 13, 2003

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THE GABELLI GLOBAL MULTIMEDIA TRUST INC.  
 ADDITIONAL FUND INFORMATION (UNAUDITED)

The business and affairs of the Trust are managed under the direction of the Trust's Board of Directors. Information pertaining to the Directors and officers of the Trust is set forth below. The Trust's Statement of Additional Information includes additional information about The Gabelli Global Multimedia Trust Inc. Directors and is available, without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The Gabelli Global Multimedia Trust Inc. at One Corporate Center, Rye, NY 10580.

NAME, POSITION(S) ADDRESS 1 AND AGE -----	TERM OF OFFICE AND LENGTH OF TIME SERVED 2 -----	NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY DIRECTOR -----	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS -----
INTERESTED DIRECTORS 3: -----			
MARIO J. GABELLI Director, President and Chief Investment Officer Age: 60	Since 1994**	22	Chairman of the Board and Chief Executive Officer of Gabelli Asset Management Inc. and Chief Investment Officer of Gabelli Funds, LLC and GAMCO Investors, Inc.; Chairman and Chief Executive Officer of Lynch Interactive Corporation (multimedia and services)
KARL OTTO POHL Director Age: 73	Since 1994*	31	Member of the Shareholder Committee of Sal Oppenheim Jr. & Cie (private investment bank); Former President of the Deutsche Bundesbank and Chairman of its Central Bank Council (1980-1991)

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NON-INTERESTED DIRECTORS:

THOMAS E. BRATTER Director Age: 63	Since 1994**	3	Director, President and Founder, The John Dewey Academy (residential college preparatory therapeutic high school)
ANTHONY J. COLAVITA 4 Director Age: 67	Since 2001**	33	President and Attorney at Law in the law firm of Anthony J. Colavita, P.C.
JAMES P. CONN 4 Director Age: 64	Since 1994*	11	Former Managing Director and Chief Investment Officer of Financial Security Assurance Holdings Ltd. (1992-1998)
FRANK J. FAHRENKOPF JR. Director Age: 63	Since 1999***	3	President and Chief Executive Officer of the American Gaming Association since June 1995; Partner of Hogan & Hartson (law firm); Chairman of International Trade Practice Group; Co-Chairman of the Commission on Presidential Debates; Former Chairman of the Republican National Committee
ANTHONY R. PUSTORINO Director Age: 77	Since 1994*	17	Certified Public Accountant; Professor Emeritus, Pace University
WERNER J. ROEDER, MD Director Age: 62	Since 1999***	26	Vice President/Medical Affairs of Lawrence Hospital Center and practicing private physician
SALVATORE J. ZIZZA Director Age: 57	Since 1994***	9	Chairman, Hallmark Electrical Supplies Corp. Former Executive Vice President of FMG Group (OTC), a healthcare provider; Former President and Chief Executive Officer of the Lehigh Group Inc., an interior construction company, through 1997

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THE GABELLI GLOBAL MULTIMEDIA TRUST INC.  
ADDITIONAL FUND INFORMATION (UNAUDITED) (CONTINUED)

NAME, POSITION(S) ADDRESS 1 AND AGE	TERM OF OFFICE AND LENGTH OF TIME SERVED 2	NUMBER OF FUNDS IN FUND COMPLEX OVERSEEN BY DIRECTOR	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS
----- ----- OFFICERS: -----			
BRUCE N. ALPERT Vice President and Treasurer Age: 51	Since 1994	--	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988 and an officer of all mutual funds advised by Gabelli Funds, LLC and its affiliates Director and President of the Gabelli Advisors, Inc.

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PETER W. LATARTARA Vice President Age: 35	Since 1998	--	Vice President of the Trust since 1998. Vice President of Gabelli & Company, Inc. since 1996.
STEVEN D. LAROSA Assistant Vice President Age: 24	Since 2002	--	Assistant Vice President of Gabelli Funds,LLC since 2000. Prior to 2000, student at Boston
JAMES E. MCKEE Secretary Age: 39	Since 1995	--	Vice President, General Counsel and Secretary of Gabelli Asset Management Inc. since 1999 and GAMCO Investors, Inc. since 1993; Secretary of all mutual funds advised by Gabelli Advisors Inc. and Gabelli Funds, LLC.

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- 1 Address:One Corporate Center, Rye, NY 10580, unless otherwise noted.
  - 2 The Trust's Board of Directors is divided into three classes, each class having a term of three years. Each year the term of office of one class expires and the successor or successors elected to such class serve for a three year term. The three year term for each class expires as follows:
    - \* - Term expires at the Trust's 2003 Annual Meeting of Shareholders and until their successors are duly elected and qualified.
    - \*\* - Term expires at the Trust's 2004 Annual Meeting of Shareholders and until their successors are duly elected and qualified.
    - \*\*\* - Term expires at the Trust's 2005 Annual Meeting of Shareholders and until their successors are duly elected and qualified.
  - 3 "Interested person" of the Trust as defined in the Investment Company Act of 1940. Messrs. Gabelli and Pohl are each considered an "interested person" because of their affiliation with Gabelli Funds, LLC which acts as the Trust's investment adviser.
  - 4 Represents holders of the Trust's 7.92% Cumulative Preferred Stock.

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THE GABELLI GLOBAL MULTIMEDIA TRUST INC.  
AND YOUR PERSONAL PRIVACY

WHO ARE WE?

The Gabelli Global Multimedia Trust Inc. (the "Trust") is a closed-end investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds LLC, which is affiliated with Gabelli Asset Management Inc. Gabelli Asset Management is a publicly-held company that has subsidiaries that provide investment advisory or brokerage services for a variety of clients.

WHAT KIND OF NON-PUBLIC INFORMATION DO WE COLLECT ABOUT YOU IF YOU BECOME A GABELLI CUSTOMER?

When you purchase shares of the Trust on the New York Stock Exchange, you have the option of registering directly with our transfer agent in order, for example, to participate in our dividend reinvestment plan.

- o INFORMATION YOU GIVE US ON YOUR APPLICATION FORM. This could include your name, address, telephone number, social security number, bank account number, and other information.
- o INFORMATION ABOUT YOUR TRANSACTIONS WITH US. This would include information about the shares that you buy or sell, it may also include

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information about whether you sell or exercise rights that we have issued from time to time. If we hire someone else to provide services--like a transfer agent--we will also have information about the transactions that you conduct through them.

### WHAT INFORMATION DO WE DISCLOSE AND TO WHOM DO WE DISCLOSE IT?

We do not disclose any non-public personal information about our customers or former customers to anyone, other than our affiliates, our service providers who need to know such information and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its web site, WWW.SEC.GOV.

### WHAT DO WE DO TO PROTECT YOUR PERSONAL INFORMATION?

We restrict access to non-public personal information about you to the people who need to know that information in order to provide services to you or the Fund and to ensure that we are complying with the laws governing the securities business. We maintain physical, electronic, and procedural safeguards to keep your personal information confidential.

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### THE GABELLI GLOBAL MULTIMEDIA TRUST INC. INCOME TAX INFORMATION (UNAUDITED) DECEMBER 31, 2002

#### CASH DIVIDENDS AND DISTRIBUTIONS

	PAYABLE DATE	RECORD DATE	TOTAL AMOUNT PAID PER SHARE	ORDINARY INVESTMENT INCOME	LONG-TERM CAPITAL GAINS
PREFERRED SHARES					
	03/26/02	03/19/02	\$0.4950	--	\$0.4950
	06/26/02	06/19/02	0.4950	--	0.4950
	09/26/02	09/19/02	0.4950	--	0.4950
	12/26/02	12/18/02	0.4950	--	0.4950
			-----	-----	-----
			\$1.9800	--	\$1.9800

A Form 1099-DIV has been mailed to all shareholders of record for the distributions mentioned above, setting forth specific amounts to be included in the 2002 tax returns. 93.40% of the long-term capital gains paid to preferred shareholders by the Multimedia Trust in 2002 was classified as "Qualified 5-Year Gains" and reported in box 2c of Form 1099-DIV. Capital gain distributions are reported in box 2a of Form 1099-DIV.

#### NON-TAXABLE RETURN OF CAPITAL

The amount received as a non-taxable (return of capital) distribution should be applied to reduce the tax cost of shares. There was no return of capital in 2002.

#### CORPORATE DIVIDENDS RECEIVED DEDUCTION AND U.S. GOVERNMENT SECURITIES INCOME

The Multimedia Trust did not pay an ordinary income dividend in 2002 to the Common or Preferred stockholders.

#### HISTORICAL DISTRIBUTION SUMMARY - COMMON STOCK



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	INVESTMENT INCOME	SHORT- TERM CAPITAL GAINS (B)	LONG- TERM CAPITAL GAINS	NON-TAXABLE RETURN OF CAPITAL	TOTAL DISTRIBUT
	-----	-----	-----	-----	-----
2002 .....	--	--	--	--	--
2001 .....	\$0.0058	\$0.0106	\$0.0436	--	0.0600
2000 (a) .....	0.1630	0.2088	1.2032	--	1.5750
1999 .....	--	1.2834	2.3366	--	3.6200
1998 .....	--	0.1995	0.6005	--	0.8000
1997 .....	0.0058	0.2682	0.5760	--	0.8500
1996 .....	0.0103	0.0790	0.2857	--	0.3750
1995 (c) .....	0.0788	0.1529	0.0183	--	0.2500
1994 .....	0.0305	0.0010	0.0014	\$0.0171	0.0500

HISTORICAL DISTRIBUTION SUMMARY - PREFERRED STOCK

	INVESTMENT INCOME	SHORT- TERM CAPITAL GAINS (B)	LONG- TERM CAPITAL GAINS	NON-TAXABLE RETURN OF CAPITAL	TOTAL DISTRIBUT
	-----	-----	-----	-----	-----
2002 .....	--	--	\$1.9800	--	\$1.9800
2001 .....	--	--	1.9800	--	1.9800
2000 .....	\$0.2150	\$0.2390	1.5260	--	1.9800
1999 .....	--	0.7020	1.2780	--	1.9800
1998 .....	--	0.4936	1.4864	--	1.9800
1997 .....	0.0077	0.3523	0.7565	--	1.1165

- 
- (a) On June 19, 2000, the Company also distributed Rights equivalent to \$1.46 per share based upon full subscription of all issued shares.
  - (b) Taxable as ordinary income.
  - (c) On August 11, 1995, the Company also distributed Rights equivalent to \$0.46 per share based upon full subscription of all issued shares.
  - (d) Decrease in cost basis.

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AUTOMATIC DIVIDEND REINVESTMENT  
AND VOLUNTARY CASH PURCHASE PLAN

ENROLLMENT IN THE PLAN

It is the policy of The Gabelli Global Multimedia Trust Inc. ("Multimedia Trust") to automatically reinvest dividends. As a "registered" shareholder you automatically become a participant in the Multimedia Trust's Automatic Dividend Reinvestment Plan (the "Plan"). The Plan authorizes the Multimedia Trust to issue shares to participants upon an income dividend or a capital gains distribution regardless of whether the shares are trading at a discount or a premium to net asset value. All distributions to shareholders whose shares are registered in their own names will be automatically reinvested pursuant to the Plan in additional shares of the Multimedia Trust. Plan participants may send their stock certificates to EquiServe Trust Company ("EquiServe") to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distribution in cash must submit this request in writing to:

The Gabelli Global Multimedia Trust Inc.

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c/o EquiServe  
P.O. Box 43011  
Providence, RI 02940-3011

Shareholders requesting this cash election must include the shareholder's name and address as they appear on the share certificate. Shareholders with additional questions regarding the Plan may contact EquiServe at 1 (800) 336-6983.

SHAREHOLDERS WISHING TO LIQUIDATE REINVESTED SHARES held at EquiServe must do so in writing or by telephone. Please submit your request to the above mentioned address or telephone number. Include in your request your name, address and account number. The cost to liquidate shares is \$2.50 per transaction as well as the brokerage commission incurred. Brokerage charges are expected to be less than the usual brokerage charge for such transactions.

If your shares are held in the name of a broker, bank or nominee, you should contact such institution. If such institution is not participating in the Plan, your account will be credited with a cash dividend. In order to participate in the Plan through such institution, it may be necessary for you to have your shares taken out of "street name" and re-registered in your own name. Once registered in your own name your dividends will be automatically reinvested. Certain brokers participate in the Plan. Shareholders holding shares in "street name" at such participating institutions will have dividends automatically reinvested. Shareholders wishing a cash dividend at such institution must contact their broker to make this change.

The number of shares of Common Stock distributed to participants in the Plan in lieu of cash dividends is determined in the following manner. Under the Plan, whenever the market price of the Multimedia Trust's Common Stock is equal to or exceeds net asset value at the time shares are valued for purposes of determining the number of shares equivalent to the cash dividends or capital gains distribution, participants are issued shares of Common Stock valued at the greater of (i) the net asset value as most recently determined or (ii) 95% of the then current market price of the Multimedia Trust's Common Stock. The valuation date is the dividend or distribution payment date or, if that date is not a NYSE trading day, the next trading day. If the net asset value of the Common Stock at the time of valuation exceeds the market price of the Common Stock, participants will receive shares from the Multimedia Trust valued at market price. If the Multimedia Trust should declare a dividend or capital gains distribution payable only in cash, EquiServe will buy Common Stock in the open market, or on the NYSE or elsewhere, for the participants' accounts, except that EquiServe will endeavor to terminate purchases in the open market and cause the Multimedia Trust to issue shares at net asset value if, following the commencement of such purchases, the market value of the Common Stock exceeds the then current net asset value.

The automatic reinvestment of dividends and capital gains distributions will not relieve participants of any income tax which may be payable on such distributions. A participant in the Plan will be treated for Federal income tax purposes as having received, on a dividend payment date, a dividend or distribution in an amount equal to the cash the participant could have received instead of shares.

The Multimedia Trust reserves the right to amend or terminate the Plan as applied to any voluntary cash payments made and any dividend or distribution paid subsequent to written notice of the change sent to the members of the Plan at least 90 days before the record date for such dividend or distribution. The Plan also may be amended or terminated by EquiServe on at least 90 days' written notice to participants in the Plan.

VOLUNTARY CASH PURCHASE PLAN

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The Voluntary Cash Purchase Plan is yet another vehicle for our shareholders to increase their investment in the Multimedia Trust. In order to participate in the Voluntary Cash Purchase Plan, shareholders must have their shares registered in their own name and participate in the Dividend Reinvestment Plan.

Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to EquiServe for investments in the Multimedia Trust's shares at the then current market price. Shareholders may send an amount from \$250 to \$10,000. EquiServe will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. EquiServe will charge each shareholder who participates \$0.75, plus a pro rata share of the brokerage commissions. Brokerage charges for such purchases are expected to be less than the usual brokerage charge for such transactions. It is suggested that any voluntary cash payments be sent to EquiServe, P.O. Box 43011, Providence, RI 02940-3011 such that EquiServe receives such payments approximately 10 days before the investment date. Funds not received at least five days before the investment date shall be held for investment until the next purchase date. A payment may be withdrawn without charge if notice is received by EquiServe at least 48 hours before such payment is to be invested.

For more information regarding the Dividend Reinvestment Plan and Voluntary Cash Purchase Plan, brochures are available by calling (914) 921-5070 or by writing directly to the Multimedia Trust.

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The Annual Meeting of the Multimedia Trust's stockholders will be held at 10:00 A.M. on Monday, May 12, 2003, at The Bruce Museum, One Museum Drive in Greenwich, Connecticut.  
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### DIRECTORS AND OFFICERS

THE GABELLI GLOBAL MULTIMEDIA TRUST INC.  
ONE CORPORATE CENTER, RYE, NY 10580-1422

#### DIRECTORS

Mario J. Gabelli, CFA  
CHAIRMAN AND CHIEF INVESTMENT OFFICER,  
GABELLI ASSET MANAGEMENT INC.

Dr. Thomas E. Bratter  
PRESIDENT, JOHN DEWEY ACADEMY

Anthony J. Colavita  
ATTORNEY-AT-LAW,  
ANTHONY J. COLAVITA, P.C.

James P. Conn  
FORMER MANAGING DIRECTOR AND CHIEF INVESTMENT OFFICER,  
FINANCIAL SECURITY ASSURANCE HOLDINGS LTD.

Frank J. Fahrenkopf, Jr.  
PRESIDENT AND CHIEF EXECUTIVE OFFICER,  
AMERICAN GAMING ASSOCIATION

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Karl Otto Pohl  
FORMER PRESIDENT, DEUTSCHE BUNDESBANK

Anthony R. Pustorino  
CERTIFIED PUBLIC ACCOUNTANT  
PROFESSOR EMERITUS, PACE UNIVERSITY

Werner J. Roeder, MD  
VICE PRESIDENT/MEDICAL AFFAIRS  
LAWRENCE HOSPITAL CENTER

Salvatore J. Zizza  
CHAIRMAN, HALLMARK ELECTRICAL SUPPLIES CORP.

OFFICERS

Mario J. Gabelli, CFA  
PRESIDENT & CHIEF INVESTMENT OFFICER

Bruce N. Alpert  
VICE PRESIDENT & TREASURER

Peter W. Latartara  
VICE PRESIDENT

Steven D. LaRosa  
ASSISTANT VICE PRESIDENT

James E. McKee  
SECRETARY

INVESTMENT ADVISOR

Gabelli Funds, LLC  
One Corporate Center  
Rye, New York 10580-1422

CUSTODIAN, TRANSFER AGENT AND REGISTRAR

EquiServe TrustCompany

COUNSEL

Willkie Farr & Gallagher

STOCK EXCHANGE LISTING

	COMMON	7.92% PREFERRED
	-----	-----
NYSE-Symbol:	GGT	GGT Pr
Shares Outstanding:	14,284,953	926,025

The Net Asset Value appears in the Publicly Traded Funds column, under the heading "Specialized Equity Funds," in Sunday's The New York Times and in Monday's The Wall Street Journal. It is also listed in Barron's Mutual Funds/Closed End Funds section under the heading "Specialized Equity Funds".

The Net Asset Value may be obtained each day by calling (914) 921-5071.

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For general information about the Gabelli Funds,  
call 800-GABELLI (800-422-3554), fax us at

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914-921-5118, visit Gabelli Funds' Internet  
homepage at: WWW.GABELLI.COM  
or e-mail us at: closedend@gabelli.com

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Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Multimedia Trust may from time to time purchase shares of its common stock in the open market when the Multimedia Trust shares are trading at a discount of 10% or more from the net asset value of the shares. The Multimedia Trust may also, from time to time, purchase shares of its Cumulative Preferred Stock in the open market when the shares are trading at a discount to the Liquidation Value of \$25.00.  
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THE GABELLI GLOBAL MULTIMEDIA TRUST INC.  
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