

GABELLI GLOBAL MULTIMEDIA TRUST INC
Form 497
March 25, 2003

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Registration File No. 333-102755

PROSPECTUS \$50,000,000 [GABELLI LOGO]
The Gabelli
Global Multimedia Trust Inc.

1,000,000 Shares, 6.00% Series B Cumulative Preferred Stock
(Liquidation Preference \$25 per Share)

1,000 Shares, Series C Auction Rate Cumulative Preferred Stock
(Liquidation Preference \$25,000 per Share)

The Gabelli Global Multimedia Trust Inc., or the Fund, is a closed-end non-diversified management investment company that has a primary investment objective of long-term growth of capital and a secondary investment objective of income. The Fund's investments are selected by its Investment Adviser, Gabelli Funds, LLC. The Fund invests primarily in common stock and in other debt or equity securities of foreign and domestic companies involved in the telecommunications, media, publishing and entertainment industries.

This prospectus describes shares of the Fund's 6.00% Series B Cumulative Preferred Stock (the "Series B Preferred"), liquidation preference \$25 per share. Dividends on shares of Series B Preferred issued within 30 days of the original Series B Preferred issue date are cumulative from such original issue date at the annual rate of 6.00% of the liquidation preference of \$25 per share and are payable on March 26, June 26, September 26 and December 26 in each year, commencing on June 26, 2003.

This prospectus also describes shares of the Fund's Series C Auction Rate Cumulative Preferred Stock (the "Series C Auction Rate Preferred"), liquidation preference \$25,000 per share. The dividend rate for the Series C Auction Rate Preferred will vary from dividend period to dividend period. The annual dividend rate for the initial dividend period for the Series C Auction Rate Preferred will be 1.30% of the liquidation preference of \$25,000 per share. The initial dividend period is from the date of issuance through April 8, 2003. For subsequent dividend periods, the Series C Auction Rate Preferred will pay dividends based on a rate set at auction, usually held weekly.

The Fund offers by this prospectus, in the aggregate, \$50 million of preferred stock of either Series B Preferred, or Series C Auction Rate Preferred, or a combination of both series.

Investing in our Series B Preferred or Series C Auction Rate Preferred involves risks. See "Risk Factors and Special Considerations" beginning on page 33.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Series B Preferred		Series C Auction
Per Share	Total	Rate Preferred
		Per Share

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Public Offering Price (1)	\$25.00	\$25,000,000	\$25,000
Underwriting Discount (2)	\$0.7875	\$787,500	\$250
Proceeds to the Fund (before expenses) (3)	\$24.2125	\$24,212,500	\$24,750

- (1) Plus accumulated dividends, if any, from April 1, 2003.
- (2) The Fund and the Investment Adviser have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.
- (3) Offering expenses payable by the Fund are estimated at \$462,500.

The shares of Series B Preferred and/or Series C Auction Rate Preferred being offered by this prospectus are being offered by the underwriters listed in this prospectus, subject to prior sale, when, as and if accepted by them and subject to certain conditions. The Fund expects that delivery of any shares of Series B Preferred or Series C Auction Rate Preferred will be made in book-entry form through the facilities of The Depository Trust Company ("DTC") on or about April 1, 2003.

Salomon Smith Barney

Gabelli & Company, Inc.

March 21, 2003

(Continued from previous page)

Application has been made to list the Series B Preferred on the New York Stock Exchange. If offered, trading of the Series B Preferred on the New York Stock Exchange is expected to commence within 30 days of the date of this prospectus. Prior to this offering, there has been no public market for the Series B Preferred. See "Underwriting."

The Series C Auction Rate Preferred will not be listed on an exchange. Investors may only buy or sell Series C Auction Rate Preferred through an order placed at an auction with or through a broker-dealer in accordance with the procedures specified in this prospectus or in a secondary market maintained by certain broker-dealers should those broker-dealers decide to maintain a secondary market. Broker-dealers are not required to maintain a secondary market in the Series C Auction Rate Preferred and a secondary market may not provide you with liquidity.

The net proceeds of the offering, which are expected to be \$48,500,000, will be invested in accordance with the Fund's investment objectives and policies. A portion of the net proceeds will be used to redeem all of the Fund's outstanding 7.92% Cumulative Preferred Stock, liquidation preference \$25 per share (the "Series A Preferred"). See "Investment Objectives and Policies" beginning on page 27.

The Fund expects that dividends paid on the Series B Preferred and Series C Auction Rate Preferred will consist of long-term capital gains (consisting of 20% federal tax rate capital gains from the sale of assets held longer than 12 months), ordinary income (including net investment income and short-term capital gains), and, in certain circumstances, a return of capital. Over the past one, three and five fiscal years ending December 31, 2002, the

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distributions of taxable income by the Fund consisted of 100%, 80.76% and 71.71% long-term capital gains. No assurance can be given, however, as to what percentage of the dividends paid on the Series B Preferred or Series C Auction Rate Preferred will consist of long-term capital gains, which are taxed at lower rates for individuals than ordinary income.

Neither the Series B Preferred nor the Series C Auction Rate Preferred may be issued unless it is rated Aaa by Moody's Investors Service, Inc. ("Moody's"). In addition, the Series C Auction Rate Preferred may not be issued unless it is also rated AAA by Fitch, Inc. ("Fitch"). In order to keep these ratings, the Fund will be required to maintain a minimum discounted asset coverage with respect to its outstanding Series B Preferred and Series C Auction Rate Preferred under guidelines established by each of Moody's and Fitch. See "Description of the Series B Preferred and Series C Auction Rate Preferred -- Rating Agency Guidelines." The Fund is also required to maintain a minimum asset coverage by the Investment Company Act of 1940, as amended (the "1940 Act"). If the Fund fails to maintain any of these minimum asset coverage requirements, the Fund can at its option (and in certain circumstances must) require, in accordance with its Charter and the requirements of the 1940 Act, that some or all of its outstanding preferred stock, including the Series B Preferred and/or Series C Auction Rate Preferred, be sold back to it (redeemed). Otherwise, prior to April 1, 2008 the Series B Preferred will be redeemable at the option of the Fund only to the extent necessary for the Fund to continue to qualify for tax treatment as a regulated investment company. Subject to certain notice and other requirements (including those set forth in Section 23(c) of the 1940 Act), the Fund at its option may redeem (i) the Series B Preferred beginning on April 1, 2008 and (ii) the Series C Auction Rate Preferred following the initial dividend period (so long as the Fund has not designated a non-call period). In the event the Fund redeems Series B Preferred such redemption will be for cash at a redemption price equal to \$25 per share plus accumulated but unpaid dividends (whether or not earned or declared). In the event the Fund redeems Series C Auction Rate Preferred, such redemptions will be for cash, generally at a redemption price equal to \$25,000 per share plus accumulated but unpaid dividends (whether or not earned or declared), though in limited circumstances the Fund's Board of Directors may also declare a redemption premium.

This prospectus concisely sets forth important information about the Fund that you should know before deciding whether to invest in Series B Preferred or Series C Auction Rate Preferred. You should read this prospectus and retain it for future reference.

The Fund has also filed with the Securities Exchange Commission a Statement of Additional Information, dated March 21, 2003 (the "SAI"), which contains additional information about the Fund. The SAI is incorporated by reference in its entirety into this prospectus. You can review the table of contents of the SAI on page 80 of this prospectus. You may request a free copy of the SAI by writing to the Fund at its address at One Corporate Center, Rye, New York 10580-1422 or calling the Fund toll-free at (800) 422-3554. You may also obtain the SAI on the Securities and Exchange Commission's web site (<http://www.sec.gov>).

Certain persons participating in the offering of Series B Preferred, in the event they are offered, may engage in transactions that stabilize, maintain or otherwise affect the market price of the Series B Preferred, including the entry of stabilizing bids, syndicate covering transactions or the imposition of penalty bids. For a description of these activities, see "Underwriting."

You should rely only on the information contained in or incorporated by

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reference into this prospectus. Neither the Fund nor the underwriters have authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither the Fund nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

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ALTERNATIVE SETTLEMENT DATE

It is expected that delivery of the Series B Preferred and Series C Auction Rate Preferred will be made on or about the date specified for the delivery of shares on the cover page of this prospectus, which will be the seventh Business day following the date of this prospectus. Under Rule 15c6-1 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, the purchasers who wish to trade the Series B Preferred and/or the Series C Preferred on the date of this prospectus or on the next succeeding seven Business days will be required to specify an alternate settlement cycle at the time of any such trade to prevent failed settlement. Purchasers of the Series B Preferred and/or the Series C Auction Rate Preferred who wish to trade the Series B Preferred and/or the

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Series C Auction Rate Preferred on the date of this prospectus or the next succeeding seven Business days should consult their own advisors.

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SUMMARY

This is only a summary. You should review the more detailed information contained in this prospectus and the SAI.

The Fund..... The Fund is a closed-end, non-diversified, management investment company that has been in operation since November 15, 1993. The Fund was incorporated in Maryland on May 31, 1994. The Fund has 14,284,953 outstanding shares of common stock, par value \$.001 per share, which are listed and traded on the New York Stock Exchange ("NYSE") under the symbol "GABTX". As of December 31, 2002, the sum of the net assets of the Fund (excluding the liquidation value of the Fund's outstanding preferred stock) was approximately \$132.7 million. As of December 31, 2002, the Fund had outstanding 14,284,953 shares of common stock and 926,025 shares of the Series A Preferred. The Fund will redeem all of its outstanding Series A Preferred on March 31, 2003 or as soon thereafter as is practicable following the expiration of the Series A Preferred stock offered by this prospectus.

The Offering..... The Fund offers by this prospectus, in the aggregate, \$50 million of Series B Preferred, Series C Auction Rate Preferred, or a combination of both such series. The Series B Preferred and/or Series C Auction Rate Preferred are being sold by Salomon Smith Barney Inc. and Gabelli & Company, Inc. as joint bookrunners and underwriters. Upon issuance, the Series B Preferred and Series C Auction Rate Preferred will have equal seniority with the Series A Preferred with respect to dividends and liquidation preference. See "Description of Securities Offered" for a description of the Series B Preferred and Series C Auction Rate Preferred.

Series B Preferred. The Fund is offering 1,000,000 shares of Series B Cumulative Preferred, par value \$.001 per share, with a liquidation preference \$25 per share, at a purchase price of \$25 per share. Dividends on the shares of Series B Preferred will accumulate from the date on which such shares are issued; provided, however, that the shares of Series B Preferred issued within 30 days of the date of the series will accumulate dividends from the series' date of issue. Application has been made to list the Series B Preferred on the New York Stock Exchange.

Series C Auction Rate Preferred. The Fund is offering 1,000,000 shares of Series C Auction Rate Preferred, par value \$.001 per share, with a liquidation preference \$25,000 per share at a purchase price of \$25,000 per share, plus dividends, if any, that have accrued to the commencement date of the dividend period during which the Series C Auction Rate Preferred is issued.

The Series C Auction Rate Preferred will not be listed on the New York Stock Exchange. Instead, investors may buy or sell Series C Auction Rate Preferred in an auction by submitting orders to broker-dealers.

have entered into an agreement with the auction agent and

Generally, investors in Series B Preferred or Series C Auction Rate Preferred will not receive certificates representing ownership of the shares. The securities depository (DTC) or any successor or nominee for the account of the investor's broker-dealer will record ownership of the preferred stock shares in book-entry form. An investor's broker-dealer, in turn, will maintain records reflecting the investor's beneficial ownership of preferred stock.

Investment Objectives..... The Fund's primary investment objective is long-term growth of capital, primarily through investment in a portfolio of stocks and other securities of foreign and domestic companies in the telecommunications, media, publishing and entertainment industries. Total Return Income is a secondary objective of the Fund. No assurance is given that the Fund will achieve its investment objective set forth in "Investment Objectives and Policies."

Dividends and Distributions..... Series B Preferred. Dividends on the Series B Preferred stock at a rate of 6.00% of its \$25 per share liquidation preference, cumulative from the Series B Preferred's original issue date. Dividends on shares issued within 30 days of such original issue date will be payable, when, as and if declared by the Board of Directors of the Fund, out of funds legally available therefor, quarterly on June 26, September 26 and December 26 in each year, commencing on June 26, 2003. Any Series B Preferred issued later than the date following the original issue date will accumulate dividends from the date such shares are issued.

Series C Auction Rate Preferred. The holders of Series C Auction Rate Preferred are entitled to receive cash dividends at variable rates of its \$25,000 per share liquidation preference, from dividend period to dividend period. The table below sets forth the dividend rate, the dividend payment date and the number of days in the initial dividend period on the Series C Auction Rate Preferred.

	Initial Dividend Rate	Dividend Payment Date for Initial Dividend Period
Series C Auction Rate Preferred.....	1.30%	April 9, 2003

For subsequent dividend periods, the Series C Auction Rate Preferred will pay dividends based on a rate set at auctions, normally on a weekly basis. In most instances, dividends are payable weekly on the first business day following the end of the dividend period, which dividends otherwise would be paid is not a business day. Dividends will be paid on the first business day that falls within the dividend period. The Fund may, subject to certain limitations, designate special dividend periods of more (or less) than one week. The dividend payment date for any such special dividend period will be set out in the notice designating the special dividend period. Dividends on shares of Series C Auction Rate Preferred will be cumulative from the date such shares are issued and will be payable out of legally available funds.

In no event will the dividend rate set at auction for the Series C Auction Rate Preferred

Auction Rate Preferred exceed the then-maximum rate. The maximum rate means (i) in the case of a dividend period of 90 days or less, the applicable percentage of the "AA" Financial Commercial Paper Rate on the date of such auction determined forth in the following chart based on the lower of the credit rating assigned to the Series C Auction Rate Preferred by Moody's or (ii) in the case of a dividend period of longer than 90 days, the applicable percentage of the Treasury Index Rate.

Moody's Credit Rating	Fitch Credit Rating
Aa3 or higher	AA- or higher
A3 to A1	A- to A+
Baa3 to Baa1	BBB- to BBB+
Below Baa3	Below BBB-

See "Description of the Series B Preferred and Series C Auction Rate Preferred -- Dividends on the Series C Auction Rate Preferred Maximum Rate." For example, calculated as of September 30, 2002 and December 31, 2002, respectively, the maximum rate for the Series C Auction Rate Preferred (assuming a rating of Aa3 or above by Moody's and AA- or above by Fitch) would have been approximately 2.57% and 1.92%, for dividend periods of 90 days, and approximately 2.90% and 2.57% for dividend periods of two years. The minimum applicable rate with respect to any dividend period is the greater of the then-current Treasury Index Rate and the applicable percentage of the Treasury Index Rate.

Any designation of a special dividend period will be effective only if, among other things, proper notice has been given, the auction immediately preceding the special dividend period was not held, and the Fund has confirmed that it has assets with an aggregate discounted value at least equal to the Basic Minimum Amount (as defined in the applicable rating agency guide). See "Description of the Series B Preferred and Series C Auction Rate Preferred -- Dividends on the Series C Auction Rate Preferred." "The Auction of Series C Auction Rate Preferred."

Preferred Stock Dividends. Under current law, all preferred stock of the Fund must have the same seniority as to the payment of dividends. Accordingly, no full dividend will be declared or paid on any series of preferred stock of the Fund for any dividend period, unless full cumulative dividends due through the most recent payment dates therefor for all series of outstanding preferred stock of the Fund are declared and paid. If full cumulative dividends are not declared and paid on all outstanding shares of any series of the Fund ranking on a parity with the Series B Preferred and Series C Auction Rate Preferred as to the payment of dividends, the dividends being paid on the shares of such preferred stock of the Fund (including any outstanding Series B Preferred and Series C Auction Rate Preferred) will be paid as nearly pro rata as possible in proportion to the respective amounts of dividends accumulated but unpaid on the shares of such series of preferred stock on the relevant dividend date.

In the event that for any calendar year the total distribution of the Fund's preferred stock exceed the Fund's ordinary net capital gain allocable to those shares, the excess distribution will generally be treated as a tax-free return of capital (to the extent of the stockholder's tax basis in his or her shares). The amount of the tax-free return of capital will reduce a stockholder's tax basis in his or her shares of preferred stock, thereby increasing the stockholder's potential gain or reducing his or her potential loss.

sale of the shares.

Common Stock. For the fiscal year ending December 31, 2000, the Fund did not pay distributions on its common stock. The Fund made annual distributions with respect to its common shares from inception, with the exception of fiscal years ending December 31, 2001 and 2002, when no distributions with respect to common stock were made relating to these years.

Auction Procedures..... You may buy, sell or hold Series C Auction Rate Preferred shares in an auction. The following is a brief summary of the auction procedures which are described in more detail elsewhere in this prospectus in the SAI. These auction procedures are complicated, and there are exceptions to these procedures. Many of the terms in this prospectus have a special meaning as set forth in this prospectus or the SAI. The auctions determine the dividend rate for the Series C Auction Rate Preferred, but each dividend rate will not be higher than the then-maximum rate. See "Description of the Series B Preferred and Series C Auction Rate Preferred -- Dividends on the Series C Auction Rate Preferred."

If you own shares of Series C Auction Rate Preferred, you may instruct your broker-dealer to enter one of three kinds of orders in an auction with respect to your shares: sell, bid and hold.

If you enter a sell order, you indicate that you want to sell Series C Auction Rate Preferred at \$25,000 per share, no matter what the dividend period's rate will be.

If you enter a bid (or "hold at a rate") order, which means you want to buy Series C Auction Rate Preferred at a dividend rate, you indicate that you want to sell Series C Auction Rate Preferred only if the next dividend period's rate is less than the rate you specify.

If you enter a hold order you indicate that you want to hold Series C Auction Rate Preferred, no matter what the next dividend period's rate will be.

You may enter different types of orders for different portions of your Series C Auction Rate Preferred. You may also enter an order to buy additional Series C Auction Rate Preferred. All orders are for whole shares. All orders you submit are irrevocable. The number of Series C Auction Rate Preferred shares, and the dividend rate likely will vary from auction to auction depending on the number of bidders, the number of shares the bidders seek to buy, the Series C Auction Rate Preferred and general economic conditions, including current interest rates. If you own Series C Auction Rate Preferred and submit a bid for them higher than the then-maximum rate, your bid will be treated as a sell order. If you submit a sell order, the broker-dealer will assume that you want to sell Series C Auction Rate Preferred, but if you fail to submit an order, the dividend period is longer than 28 days, the broker-dealer will treat your failure to submit a bid as a sell order.

If you do not then own Series C Auction Rate Preferred, you may buy more shares, you may instruct a broker-dealer to enter an order to buy shares in an auction at \$25,000 per share at or above the dividend rate you specify. If you bid for shares you do not own at a rate higher than the then-maximum rate, your bid will not be considered.

Broker-dealers will submit orders from existing and potential

of Series C Auction Rate Preferred to the auction agent. Fund nor the auction agent will be responsible for a broker-dealer's failure to submit orders from existing or potential holders of Series C Auction Rate Preferred. A broker-dealer's failure to submit orders for Series C Auction Rate Preferred held by it or its customer will be treated in the same manner as a holder's failure to submit orders to the broker-dealer. A broker-dealer may submit orders to the auction agent for its own account. The Fund may not submit an order to an auction.

The auction agent after each auction for the Series C Auction Rate Preferred will pay to each broker-dealer, from funds provided by the Fund, a service charge equal to, in the case of any auction immediately preceding a dividend period of less than one year, the product of (i) a fraction, the numerator of which is the number of Series C Auction Rate Preferred shares in such dividend period and the denominator of which is the number of Series C Auction Rate Preferred shares placed by such broker-dealer at such auction or, in the case of any auction immediately preceding a dividend period of one year or longer, a percentage of the price of the Series C Auction Rate Preferred placed by the broker-dealers at the auction agreed to by the Fund and the broker-dealers.

If the number of Series C Auction Rate Preferred shares subject to sell orders by potential holders with a dividend rate equal to or greater than the then-maximum rate is at least equal to the number of Series C Auction Rate Preferred shares subject to sell orders, then the dividend rate for the next dividend period will be the lowest rate that, which, taking into account that rate and all lower rates, would result in order from existing and potential holders, would result in all potential holders owning all the Series C Auction Rate Preferred shares available for purchase in the auction.

If the number of Series C Auction Rate Preferred shares subject to sell orders by potential holders with a dividend rate equal to or greater than the then-maximum rate is less than the number of Series C Auction Rate Preferred shares subject to sell orders, then the auction will be considered to be a failed auction, and the dividend rate for the next dividend period will be the then-maximum rate. In that event, existing holders that have submitted sell orders (or are treated as having submitted sell orders) will be able to sell any or all of the Series C Auction Rate Preferred shares submitted sell orders.

The auction agent will not consider a bid above the then-maximum rate. The purpose of the maximum rate is to place an upper limit on dividends with respect to the Series C Auction Rate Preferred, so doing to help protect the earnings available to pay dividends on common shares, and to serve as the dividend rate in the event of a failed auction (that is, an auction where there are more Series C Auction Rate Preferred offered for sale than there are orders for those shares).

If broker-dealers submit or are deemed to submit hold orders for outstanding Series C Auction Rate Preferred, the auction will be an "all hold" auction and the dividend rate for the next dividend period will be the "all hold rate," which is 80% of the "AA" Financial Composite Commercial Paper Rate.

The auction procedures include a pro rata allocation of Series C Auction Rate Preferred shares for purchase and sale. The auction process may result in an existing holder selling, or a potential

buying, fewer shares than the number of Series C Auction Preferred shares in its order. If this happens, broker-designated themselves as existing holders or potential holders. In respect of customer orders will be required to make appropriate pro rata allocations among their respective customers.

Settlement of purchases and sales will be made on the next business day (which also is a dividend payment date) after the auction through DTC. Purchasers will pay for their Series C Auction Preferred through broker-dealers in same-day funds to DTC. Delivery to the broker-dealers. DTC will make payment to the broker-dealers in accordance with its normal procedures, which require broker-dealers to make payment against delivery of funds. As used in this prospectus, a business day is a day on which the NYSE is open for trading, and which is not a Saturday or any other day on which banks in New York City are authorized or obligated by law to close.

The first auction for Series C Auction Rate Preferred will be held on April 8, 2003, the business day preceding the dividend payment date for the initial dividend period. Thereafter, except during dividend periods, auctions for Series C Auction Rate Preferred normally will be held every Tuesday (or the next preceding business day if Tuesday is a holiday), and each subsequent dividend period for the Series C Auction Rate Preferred normally will begin on the following Wednesday.

If an auction is not held because an unforeseen event or events cause a day that otherwise would have been an auction day to be a business day, then the length of the then-current dividend period will be extended by seven days (or a multiple thereof, if necessary because of such unforeseen event or events), the dividend rate for such period will be the applicable rate for the then-current dividend period so extended and the dividend payment date for the dividend period will be the first business day immediately following the end of such period. See "The Auction of Series C Auction Rate Preferred."

Potential Tax Benefit
to Certain Investors.....

Most individuals pay federal income tax at a lower rate on long-term capital gains than on ordinary income and short-term capital gains. For individuals in the highest tax brackets this difference can be as great as 18.6%, the difference between 38.6% on ordinary income and short-term capital gains and 20.0% on long-term capital gains. In accordance with the current view of the Internal Revenue Service, the Fund intends to allocate its net long-term capital gain to ordinary income (including net short-term capital gain as a component of ordinary income) proportionately between its common stock and preferred stock. Over the past one, three and five fiscal years ended December 31, 2002, the distributions of taxable income by the Fund consisted of 100%, 80.76% and 71.71% long-term capital gains. If the Fund is able in future years to continue to pay a portion of its taxable income in the form of long-term capital gain distributions, most individual investors will accordingly realize a tax benefit and pay less federal income tax on their Series B Preferred and/or Series C Auction Rate Preferred dividends than if the Fund did not distribute dividends as long-term capital gains. No assurance can be given as to what, if any, the Fund's dividends in future years will consist of long-term capital gains. See "Tax Attributes of Preferred Stock Dividends."

Rating and Asset
Coverage Requirements.....

Series B Preferred. Before it can be issued, the Series

must receive a rating of Aaa from Moody's. The Fund's A
Supplementary setting forth the rights and preferences of
Preferred contain certain tests that the Fund must satisfy to
maintain a rating of Aaa from Moody's on the Series B Preferred.
See "Description of the Series B Preferred and Series C Auction
Preferred-- Rating Agency Guidelines."

Series C Auction Rate Preferred. Before it can be issued, the
C Auction Rate Preferred must receive both a rating of Aaa from
Moody's and a rating of AAA from Fitch. As with the Series B
Preferred, the Articles Supplementary of the Fund setting forth
rights and preferences of the Series C Auction Rate Preferred
contain certain tests that the Fund must satisfy to obtain and
maintain a rating of Aaa from Moody's and AAA from Fitch. See "Description
of the Series B Preferred and Series C Auction Rate Preferred --
Rating Agency Guidelines."

Asset Coverage Requirements. Under the asset coverage requirements
which each of the Series B Preferred and/or Series C Auction Rate
Preferred is subject, the Fund is required to maintain (i) an asset
coverage of at least 235% (in the aggregate a discounted value greater than or equal to the
Maintenance Amount (as defined under "Description of the Series B Preferred
and Series C Auction Rate Preferred -- Rating Agency Guidelines") for each such series calculated pursuant to the
rating agency guidelines and (ii) an asset coverage of at least 298%
(or such higher or lower percentage as may be required under the
1940 Act) with respect to all outstanding preferred securities of
the Fund, including the Series B Preferred and the Series C Auction
Rate Preferred. See "Description of the Series B Preferred and
Series C Auction Rate Preferred -- Asset Maintenance Requirements."

The Fund estimates that if the shares offered hereby had been
and sold as of March 7, 2003, the asset coverage under the
asset coverage requirements would have been approximately 235% immediately following
issuance and sale and 298% following the redemption of the Series B
Preferred (in each case after giving effect to the deduction of
underwriting discounts and estimated offering expenses from the
proceeds of the offering of 1,500,000 shares of \$1,500,000). The asset coverage would have been
as follows:

value of Fund assets less liabilities not constituting senior securities
(\$172,179,270) / senior securities representing indebtedness less
liquidation preference of each class of preferred stock = 235%.

Following the expected redemption of the Fund's outstanding
Series B Preferred, the above computation would be as follows:

value of Fund assets less liabilities not constituting senior securities
(\$149,028,645) / senior securities representing indebtedness less
liquidation preference of each class of preferred stock = 298%.

The Articles Supplementary for each of the Series B Preferred and
Series C Auction Rate Preferred, which contain the technical
provisions of the various components of the asset coverage
requirements, have been filed as exhibits to this registration statement and
can be obtained through the web site of the SEC (<http://www.sec.gov>).

Mandatory Redemption..... The Series B Preferred and the Series C Auction Rate Preferred
will be subject to mandatory redemption by the Fund to the extent the
Fund fails to maintain the asset coverage requirements set forth in the

with the rating agency guidelines or the 1940 Act description does not cure such failure by the applicable cure date. If the Fund redeems preferred stock mandatorily, it may, but is not required to, redeem a sufficient number of shares of preferred stock so that the redemption the Fund exceeds the asset coverage requirements of the applicable rating agency guidelines and the 1940 Act. With respect to the Series B Preferred, any such redemption will be made for cash at a redemption price equal to \$25 per share plus accumulated and unpaid dividends (whether or not earned or declared) to the redemption date.

With respect to the Series C Auction Rate Preferred, any redemption will be made for cash at a redemption price equal to \$25,000 per share, plus an amount equal to accumulated and unpaid dividends (whether or not earned or declared) to the redemption date, plus, in the case of Series C Auction Rate Preferred having a dividend period of more than one year, an applicable redemption premium determined by the Board of Directors. See "Description of the Series B Preferred and Series C Auction Rate Preferred -- Mandatory Redemption."

In the event of a mandatory redemption, such redemption will be made from the Series B Preferred, the Series C Auction Rate Preferred and other preferred stock of the Fund in such proportions as determined by the Board of Directors, subject to the limitations of the 1940 Act and applicable law.

Optional Redemption..... Subject to the limitations of the 1940 Act and Maryland law, at its option, the Fund may, at its option, redeem the Series B Preferred and/or Series C Auction Rate Preferred as follows:

Series B Preferred. Commencing April 1, 2008 and at any time thereafter, the Fund at its option may redeem the Series B Preferred in whole or in part, for cash at a redemption price per share equal to \$25 plus accumulated and unpaid dividends (whether or not earned or declared) to the redemption date. If fewer than all of the shares of Series B Preferred are to be redeemed, any such redemption of Series B Preferred shares will be made pro rata in accordance with the number of such shares held. Prior to April 1, 2008 the Series B Preferred will be subject to optional redemption by the Fund at a redemption price only to the extent necessary for the Fund to qualify for tax treatment as a regulated investment company. See "Description of the Series B Preferred and Series C Auction Rate Preferred -- Redemption -- Optional Redemption of the Series B Preferred."

Series C Auction Rate Preferred. The Fund generally may redeem the Series C Auction Rate Preferred, in whole or in part, at any time other than during a non-call period. The Fund may declare a non-call period during a dividend period of more than seven days. If fewer than all of the shares of the Series C Auction Rate Preferred are to be redeemed, any such redemption of Series C Auction Rate Preferred shares will be made pro rata in accordance with the number of such shares held. See "Description of the Series B Preferred and Series C Auction Rate Preferred-- Redemption-- Optional Redemption of the Series C Auction Rate Preferred."

The redemption price per Series C Auction Rate Preferred share will be equal to \$25,000 plus an amount equal to any accumulated and unpaid dividends thereon (whether or not earned or declared) to the redemption date, plus, in the case of Series C Auction Rate Preferred having a dividend period of more than one year, any redemption premium determined by the Board of Directors.

premium applicable during such dividend period. See "Description of the Series B Preferred and Series C Auction Rate Preferred -- Optional Redemption of the Series C Auction Rate Preferred."

The Fund's outstanding Series A Preferred is redeemable at the option of the Fund. Such redemptions are subject to the limitations of the 1940 Act and Maryland law. See "Description of the Series B Preferred and Series C Auction Rate Preferred -- Optional Redemption." The Fund expects to redeem all of its outstanding Series A Preferred on March 28, 2003, or as soon thereafter as is practicable following the issuance of the preferred stock described in this prospectus.

Voting Rights..... At all times, holders of shares of the Fund's preferred stock (including the Series B Preferred and/or Series C Auction Rate Preferred), voting as a single class, will be entitled to elect members of the Fund's Board of Directors, and holders of shares of the Fund's preferred stock and common stock, voting as a single class, will elect the remaining directors. However, upon a failure by the Fund to pay dividends on any of its preferred stock in an amount equal to six months' dividends, holders of the preferred stock, voting as a single class, will have the right to elect the smallest number of directors that would then constitute a majority of the directors until such time as dividends on all shares of preferred stock have been paid in full. Holders of outstanding shares of Series B Preferred and Series C Auction Rate Preferred and any other preferred stock will vote separately as a class on certain other matters, as required by the applicable Articles Supplementary, the 1940 Act and Maryland law. Except as otherwise indicated in this prospectus and as otherwise required by applicable law, holders of Series B Preferred and Series C Auction Rate Preferred will be entitled to one vote per share on each matter submitted to a vote of stockholders and will vote together with holders of shares of common stock and any other preferred stock as a single class. See "Description of the Series B Preferred and Series C Auction Rate Preferred -- Voting Rights."

Liquidation Preference..... The liquidation preference of each share of Series B Preferred is \$25,000. The liquidation preference of the Series C Auction Rate Preferred is \$25,000 per share. Upon liquidation, preferred stockholders will be entitled to receive the liquidation preference with respect to their shares of preferred stock plus an amount equal to the amount of any but unpaid dividends with respect to such shares (whether or not earned or declared) to the date of distribution. See "Description of the Series B Preferred and Series C Auction Rate Preferred -- Liquidation Rights."

Use of Proceeds..... The Fund will use the net proceeds from the offering to purchase additional portfolio securities in accordance with its investment objectives and policies. A portion of the net proceeds from the offering will be used to redeem all of the Fund's outstanding Series A Preferred stock. See "Use of Proceeds."

Listing of the Series B Preferred..... Prior to its being offered, there has been no public market for the Series B Preferred. Following its issuance (if issued), the Series B Preferred is expected to be listed on the New York Stock Exchange. However, during an initial period which is not expected to exceed 90 days after the date of its initial issuance, the Series B Preferred will not be listed on any securities exchange.

Limitation on Secondary

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Market Trading of the
Series C Auction Rate

Preferred..... The Series C Auction Rate Preferred will not be listed on an exchange. Broker-dealers may, but are not obliged to, make a secondary trading market in Series C Auction Rate Preferred securities. There can be no assurance that a secondary market will provide owners with liquidity. You may transfer Series C Auction Rate Preferred outside of auctions only to or through a person that has entered into an agreement with the auction agent, the Fund, or other persons as the Fund permits.

Special Characteristics

and Risks..... Risk is inherent in all investing. Therefore, before investing in Series B Preferred or Series C Auction Rate Preferred you should carefully read the risks carefully.

Series B Preferred. Primary risks associated with an investment in Series B Preferred include:

The market price for the Series B Preferred will be influenced by changes in interest rates, the perceived credit quality of the Series B Preferred and other factors.

During an initial period which is not expected to exceed 90 days from the date of its issuance, the Series B Preferred will not be listed on a securities exchange. During such period, the underwriters will not make a market in the Series B Preferred, however, they have no obligation to do so. Consequently, the Series B Preferred may be illiquid during such period. No assurances can be provided regarding any securities exchange or market making by the underwriters will result in the market for Series B Preferred being liquid.

Series C Auction Rate Preferred. Primary risks associated with an investment in Series C Auction Rate Preferred include:

If an auction fails, you may not be able to sell some or all of your Series C Auction Rate Preferred. The Fund is not obligated to buy your Series C Auction Rate Preferred if an auction fails. The underwriters are not required to make a market in the Series C Auction Rate Preferred. No broker-dealer is obligated to make a secondary market for the Series C Auction Rate Preferred securities at the auctions.

You may receive less than the price you paid for your Series C Auction Rate Preferred if you sell them outside of the auctions, especially when market interest rates are rising.

In connection with the sale of the Series C Auction Rate Preferred, the Fund may enter into interest rate swap or cap transactions to reduce the impact of changes in the dividend rate of the Series C Auction Rate Preferred or obtain the equivalent of a fixed rate Series C Auction Rate Preferred that is lower than the Fund would have to pay if it issued fixed rate preferred shares. The use of interest rate swaps and caps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. See "How the Fund Manages Risk -- Interest Rate Transactions."

Both the Series B Preferred and Series C Auction Rate Preferred investment in either the Series B Preferred or Series C Auction Rate Preferred also includes the following primary risks:

A rating agency could downgrade or withdraw the rating of the Series B Preferred and/or Series C Auction Rate Preferred, which would likely have an adverse effect on the liquidity and value of these preferred shares. The present credit rating does not guarantee or mitigate the risks of investing in these preferred shares.

The Fund may mandatorily redeem your Series B Preferred and/or Series C Auction Rate Preferred to meet regulatory or other requirements or may voluntarily redeem your Series B Preferred and/or Series C Auction Rate Preferred. Subject to such requirements, these preferred shares are perpetual.

The Fund may not meet the asset coverage requirements or generate sufficient income from its investments to pay dividends to the Series B Preferred and/or Series C Auction Rate Preferred.

The Series B Preferred and/or Series C Auction Rate Preferred represent obligations of the Fund. Although unlikely, precipitous declines in the value of the Fund's assets could result in the Fund having insufficient assets to redeem all of the Series B Preferred and/or Series C Auction Rate Preferred for the full redemption price.

The value of the Fund's investment portfolio may decline, which could reduce the asset coverage for the Series B Preferred and/or Series C Auction Rate Preferred. Further, if an issuer of a common stock in which the Fund invests experiences financial difficulties or if an issuer of preferred stock or debt security is downgraded or defaulted on, or if an issuer in which the Fund invests is affected by other adverse factors, there may be a negative impact on the income and value of the Fund's investment portfolio.

As a non-diversified investment company under the 1940 Act, the Fund is not limited in the proportion of its assets that it may invest in securities of a single issuer, and accordingly, an investor in the Fund may, under certain circumstances, present greater risk than an investor in a diversified company. See "Risk Factors and Special Considerations -- Non-Diversified Stocks."

The Fund invests a significant portion of its assets in companies in telecommunications, media, publishing and entertainment and, as a result, the value of the Fund's shares will be affected by the factors affecting those particular types of companies, including government regulation, greater price volatility for the services, rapid obsolescence of products and services, intense competition and strong market reactions to technological developments. See "Risk Factors and Special Considerations -- Industry Risks." The Fund also invests in smaller companies which may benefit from the development of new products and services. These smaller companies may present a greater investment risk than large, established issuers. See "Risk Factors and Special Considerations -- Smaller Companies."

There is no limitation on the amount of foreign securities in which the Fund may invest. Investing in securities of foreign companies (including foreign governments), which are generally denominated in foreign currencies, may involve certain risks and opportunities not associated with investing in domestic companies and could result in the Fund to be affected favorably or unfavorably by changes in interest rates, exchange rates and revaluation of currencies. See "Risk Factors and Special Considerations -- Foreign Securities."

The Investment Adviser (as hereinafter defined) is dependent on the expertise of Mr. Mario J. Gabelli in providing advisory

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respect to the Fund's investments. If the Investment Ad lose the services of Mr. Gabelli, its ability to service be adversely affected. There can be no assurance that a replacement could be found for Mr. Gabelli in the event resignation, retirement or inability to act on behalf of Adviser. See "Risk Factors and Special Considerations - Dependence on Key Personnel."

Federal Income Tax

Considerations..... The Fund has qualified, and intends to remain qualified, income tax purposes as a regulated investment company. Qualification requires, among other things, compliance b with certain distribution requirements. Statutory limit distributions on the common stock if the Fund fails to s Act's asset coverage requirements could jeopardize the F to meet the distribution requirements. The Fund present however, to purchase or redeem preferred stock to the ex necessary in order to maintain compliance with such asse requirements. See "Taxation" for a more complete discus and other federal income tax considerations.

Management and Fees..... Gabelli Funds, LLC serves as the Fund's investment advis compensated for its services and its related expenses at of 1.00% of the Fund's average weekly net assets. The I Adviser is responsible for administration of the Fund an utilizes and pays the fees of a third party sub-administ Notwithstanding the foregoing, the Investment Adviser wi portion of its investment advisory fee attributable to a assets of the Fund equal to the aggregate stated value o outstanding Series B Preferred or Series C Auction Rate the case may be, for any calendar year in which the net total return of the Fund allocable to the common stock, distributions and the advisory fee subject to potential than (i) in the case of the Series B Preferred, the stat dividend rate of such series and (ii) in the case of the Rate Preferred, the net cost of capital to the Fund with Series C Auction Rate Preferred for such year expressed percentage (including, without duplication, dividends pa Fund on the Series C Auction Rate Preferred and the net Fund of any associated swap or cap transaction if the Fu Series C Auction Rate Preferred dividend obligations). "Management of the Fund."

Repurchase of Common Stock and Anti-takeover

Provisions..... The Fund is authorized, subject to maintaining required on its preferred stock, to repurchase its common stock i market when the common stock is trading at a discount of more (or such other percentage as the Fund's Board of Di determine from time to time) from net asset value. Such are subject to certain notice and other requirements, in set forth in Rule 23c-1 under the 1940 Act. See "Descri Capital Stock and Other Securities -- Common Stock." Th December 31, 2002, the Fund has repurchased in the open 790,533 shares of its common stock under this authorizat "Description of Capital Stock and Other Securities -- C Stock."

Certain provisions of the Fund's charter (the "Charter") by-laws (the "By-Laws") may be regarded as "anti-takeove provisions. Pursuant to these provisions, only one of t directors is elected each year, and the affirmative vote

of 66 2/3% of the outstanding shares of the Fund and the majority (as defined in the 1940 Act) of the holders of shares, voting as a single class, are necessary to authorize conversion of the Fund from a closed-end to an open-end company. The overall effect of these provisions is to make difficult the accomplishment of a merger with, or the acquisition of control by, a principal stockholder. These provisions may have the effect of depriving Fund stockholders of an opportunity to sell their stock at a premium to the prevailing market price. See the Provisions of the Charter and By-Laws."

Custodian, Transfer Agent,
Auction Agent and
Dividend Disbursing Agent.....

State Street Bank and Trust Company (the "Custodian"), located at 150 Royall Street, Canton, MA 02021, serves as the custodian of the Fund's assets pursuant to a custody agreement. Under the agreement, the Custodian holds the Fund's assets in compliance with the 1940 Act. For its services, the Custodian will receive a fee based upon the average weekly value of the total assets of the Fund, plus certain charges for securities transactions.

EquiServe Trust Company, N.A., located at P.O. Box 43025 Providence, RI 02940-3025, serves as the Fund's dividend disbursement agent, as agent under the Fund's automatic dividend reinvestment plan, voluntary cash purchase plan, and as transfer agent and redemption agent with respect to the common stock of the Fund.

Series B Preferred. EquiServe will also serve as the transfer agent, registrar, dividend paying agent and redemption agent with respect to the Series B Preferred.

Series C Auction Rate Preferred. The Bank of New York will serve as the auction agent, transfer agent, registrar, dividend paying agent and redemption agent with respect to the Series C Auction Rate Preferred.

Interest Rate Transactions

In connection with the sale of the Series C Auction Rate Preferred, the Fund may enter into interest rate swap or cap transactions to reduce the impact of changes in the dividend rate of the Series C Auction Rate Preferred or obtain the equivalent of a fixed rate dividend on the Series C Auction Rate Preferred that is lower than the Fund would have to pay if it issued fixed rate preferred shares. The use of interest rate swaps and caps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions.

In an interest rate swap, the Fund would agree to pay to the counterparty to the interest rate swap (which is known as the "counterparty") periodically a fixed rate payment in exchange for the counterparty agreeing to pay to the Fund periodically a variable rate payment. This arrangement is intended to approximate the Fund's variable rate payments on the Series C Auction Rate Preferred. In an interest rate cap transaction, the Fund would pay a premium to the counterparty to the interest rate swap, and, to the extent that a specified variable rate index falls below a predetermined fixed rate, the Fund would receive from the counterparty payments of the difference based on the notional amount of such cap. Interest rate swap and cap transactions involve an additional risk because the Fund would remain obligated to pay the Series C Preferred stock dividends when due in accordance with the Charter and Supplementary even if the counterparty defaulted. Depending on the general state of short-term interest rates and the return on the Fund's portfolio securities at that point in time, such a default

negatively affect the Fund's ability to make dividend payments to the holders of the Series C Auction Rate Preferred. In addition, at the time a swap or cap transaction reaches its scheduled term, there is a risk that the Fund will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction. If this occurs, it could have a negative impact on the Fund's ability to make dividend payments to the holders of the Series C Auction Rate Preferred.

A sudden and dramatic decline in interest rates may result in a significant decline in the asset coverage. If the Fund is unable to maintain the required asset coverage on its outstanding preferred securities, to comply with other covenants, the Fund may, at its option (and in certain circumstances mandatorily) consistent with its obligations under the requirements of the 1940 Act redeem some or all of its preferred securities (including the Series B Preferred or the Series C Auction Rate Preferred). Such redemption likely would result in the Fund's decision to terminate early all or a portion of any swap or cap transaction. Early termination of a swap could require the Fund to make a termination payment to the counterparty.

The Fund intends to segregate cash or liquid securities with a value at least equal to the value of the Fund's net payment obligation on any swap transaction, marked to market daily. The Fund does not presently intend to enter into interest rate swap or cap transactions relating to the Series C Auction Rate Preferred in a notional amount in excess of the outstanding amount of the Series C Auction Rate Preferred. The Fund will monitor any such swap with a view to ensuring that the Fund remains in compliance with all applicable regulatory investment policy and tax requirements. See "Fund Manages Risk -- Interest Rate Transactions" for additional information.

TAX ATTRIBUTES OF PREFERRED STOCK DIVIDENDS

The Fund intends to distribute to its stockholders substantially all of its net capital gains and ordinary income (including net investment income and short-term capital gains). The Fund operates as a regulated investment company under the Internal Revenue Code of 1986, as amended, (the "Code") and distributions by a regulated investment company generally retain their character as capital gain or ordinary income when received by individual investors who hold its preferred or common stock. Thus, dividends paid by the Fund to holders of the Series B Preferred or Series C Auction Rate Preferred may, for federal income tax purposes, consist of varying proportions of long-term capital gain, ordinary income and/or returns of capital.

Capital gain on assets held longer than 12 months generally is currently taxable to individuals at a maximum rate of 20.0%. The 20.0% capital gains rate will be reduced to 18.0% for capital assets held for more than five years, if the holding period begins after December 31, 2000. Ordinary income, which includes short-term capital gain of the Fund, is currently taxable to individuals at a maximum rate of 38.6%.

Although the Fund is not managed using a tax-focused investment strategy and does not seek to achieve any particular distribution composition, individual investors in the Series B Preferred or Series C Auction Rate Preferred would, under current federal income tax law, realize a tax advantage on their investment to the extent that distributions by the Fund to its stockholders are composed of long-term capital gain which is taxed at a lower

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rate than ordinary income. In contrast, preferred stock dividends distributed by corporations that are not regulated investment companies are generally taxed, for federal income tax purposes, as ordinary income.

Over the past one, three and five fiscal years ending December 31, 2002, the distributions of taxable income by the Fund consisted of 100%, 80.76%, and 71.71% long-term capital gains. Given current market conditions, there is no assurance that over the next several years the percentage of its taxable distributions that consist of long-term capital gain will remain at such levels.

Corporate taxpayers are subject to a 35% tax on capital gain and ordinary income dividends. In addition, corporate taxpayers that are eligible for the dividends received deduction on dividends that constitute ordinary income will not be able to utilize that deduction with respect to Fund distributions that constitute long-term capital gain, and so may incur a tax disadvantage by holding stock in the Fund.

The Bush Administration has announced a proposal to reduce or eliminate the tax on dividends; however, many details of the proposal (including how the proposal would apply to dividends paid by a regulated investment company) have not been specified. Moreover, the prospects for this proposal are unclear. Accordingly, it is not possible to evaluate how this proposal might affect the taxation of the Fund's stockholders.

The federal income tax characteristics of the Fund and the taxation of its stockholders are described more fully under "Taxation."

The following tables show examples of the pure ordinary income equivalent yield that would be generated by the stated dividend rate on the Series B Preferred and Series C Auction Rate Preferred, respectively, assuming distributions for federal income tax purposes consisting of different proportions of long-term capital gain and ordinary income (including short-term capital gain) for an individual in the 38.6% and 30.0% federal marginal income tax brackets. In reading these tables, you should understand that a number of factors could affect the actual composition for federal income tax purposes of the Fund's distributions each year. Such factors include (i) the Fund's investment performance for any particular year, which may result in distributions of varying proportions of long-term capital gain, ordinary income and/or return of capital and (ii) revocation or revision of the Internal Revenue Service revenue ruling requiring the proportionate allocation of types of income among the holders of various classes of a regulated investment company's capital stock.

These tables are for illustrative purposes only and cannot be taken as an indication of the actual composition for federal income tax purposes of the Fund's future distributions.

		Series B Preferred -----		
		Series B Preferred Illustrative Annual Dividend Rate -----		Se Ill
		5.75%	6.25%	5.75%
Percentage of Series B Preferred Stated Annual Dividend Comprised of -----				
Long-Term	Ordinary	Tax Equivalent Yield for an Individual in the 38.6%		Tax Equ Indiv

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Capital Gains -----	Income -----	federal Income Tax Bracket1 -----		federal -----
100.0%	0.0%	7.49%	8.14%	6.57%
87.5%	12.5%	7.27%	7.91%	6.47%
75.0%	25.0%	7.06%	7.67%	6.37%
66.7%	33.3%	6.91%	7.51%	6.30%
50.0%	50.0%	6.62%	7.20%	6.16%
33.3%	66.7%	6.33%	6.88%	6.02%
25.0%	75.0%	6.19%	6.72%	5.96%
12.5%	87.5%	5.97%	6.49%	5.85%
0.0%	100.0%	5.75%	6.25%	5.75%

Series C Auction Rate Preferred

Percentage of Series C Auction Rate Preferred Share Illustrative Annual Dividend Comprised of -----	Series C Auction Rate Preferred Illustrative Annual Dividend Rate*		S P
	1.00%	1.50%	

Long-Term Capital Gains	Ordinary Income	Tax Equivalent Yield for an Individual in the 38.6% federal Income Tax Bracket1 -----		Tax In fede
100.0%	0.0%	1.30%	1.95%	
87.5%	12.5%	1.27%	1.90%	
75.0%	25.0%	1.23%	1.84%	
66.7%	33.3%	1.20%	1.80%	
50.0%	50.0%	1.15%	1.73%	
33.3%	66.7%	1.10%	1.65%	
25.0%	75.0%	1.08%	1.61%	
12.5%	87.5%	1.04%	1.56%	
0.0%	100.0%	1.00%	1.50%	

* Actual dividend rates for the Series C Auction Rate Preferred will be determined by periodic auctions. See "Description of the Series B Preferred and Series C Auction Rate Preferred on the Series C Auction Rate Preferred."

(1) Annual taxable income levels for individuals corresponding to the 2003 federal marginal

2003 Federal Income Tax Bracket+	Single -----	Joint -----
38.6%	over \$311,950	over \$311,950
35.0%	over \$143,500 - \$311,950	over \$174,700 - \$311,950
30.0%	over \$68,800 - \$143,500	over \$114,650 - \$174,700
27.0%	over \$28,400 - \$68,800	over \$47,450 - \$114,650
15.0%	over \$6,000 - \$28,400	over \$12,000 - \$47,450
10.0%	up to and including \$6,000	up to and including \$6,000

Your federal marginal income tax rates may exceed the rates shown in the above

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possible elimination, of the personal exemption deduction for high-income taxpayers and itemized deductions. Income may be subject to certain state, local and foreign minimum tax, or AMT, equivalent yields may be lower than those shown above. They do not apply to corporate taxpayers.

+ The Economic Growth and Tax Relief Reconciliation Act of 2001 creates a new tax bracket and reduces the tax rate applicable to ordinary income over a 15% bracket. Beginning in the taxable year 2006, ordinary income will be subject to approximately proportionate reductions in the other ordinary rates.

FINANCIAL HIGHLIGHTS

The selected data below sets forth the per share operating performance and ratios for the periods presented. The financial information was derived from and should be read in conjunction with the Financial Statements of the Fund and Notes thereto, which are incorporated by reference into this prospectus and the SAI. The financial information for the year ending December 31, 2002, and for each of the preceding four years has been audited by PricewaterhouseCoopers LLP, the Fund's independent accountants, whose unqualified report on such Financial Statements is incorporated by reference into the SAI.

Selected data for a Fund common share outstanding throughout each period:

Operating performance	Year Ended December			
	2002	2001	2000	1999
Net asset value, beginning of period	\$ 10.52	\$ 12.21	\$ 19.90	\$ 12.21
Net investment income.....	(0.00) (a)	(0.02)	\$0.21	(\$0.02)
Net realized and unrealized gain (loss) on investments.....	(\$2.68)	(\$1.44)	(\$4.74)	\$11.41
Total from investment operations.....	(\$2.68)	(\$1.46)	(\$4.53)	\$11.39
Distributions to preferred stock shareholders:				
Net investment income.....	-----	-----	(\$0.02)	-----
Net realized gain on investments.....	(\$0.17)	(\$0.17)	(\$0.18)	(\$0.18)
Total distributions to preferred stock shareholders	(\$0.17)	(\$0.17)	(\$0.20)	(\$0.18)
Net increase (decrease) in net assets attributable to common stock shareholders resulting from operations.....	(2.85)	(1.63)	(4.73)	11.03
Distributions to common stock shareholders:				
Net investment income.....	-----	(0.00) (a)	(\$0.16)	-----
Net realized gain on investments.....	-----	(\$0.06)	(\$1.41)	(\$3.00)
In excess of net investment income and/or net realized gain on investments.....	-----	-----	-----	-----
Total distributions to common stock shareholders	-----	(\$0.06)	(\$1.57)	(\$3.00)

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Capital Share Transactions:				
Increase (decrease) in net asset value from common stock share transactions.....	0.00 (a)	-----	(1.35)	0
Offering expenses charged to capital surplus.....	-----	-----	(0.04)	--
Total capital share transactions.....	0.00 (a)	0.00	(1.39)	0
Net asset value attributable to common stock shareholders, end of period.....	\$ 7.67	\$ 10.52	\$ 12.21	\$ 19
Net asset value total return+.....	(27.1)%	(13.3)%	(24.9)%	9
Market value, end of period.....	\$ 6.40	\$ 9.01	\$ 10.31	\$ 18
Total investment return++.....	(29.0)%	(12.1)%	(35.0)%	10
Ratios and supplemental data:				
Net assets including liquidation value of preferred shares, end of period (in 000's).....	\$132,683	\$ 181,539	\$ 205,893	\$ 246,
Net assets attributable to common shares, end of period (in 000's).....	\$109,533	\$ 150,672	\$ 175,026	\$ 215,
Ratio of net investment income to average net assets attributable to common shares.....	(0.04)%	(0.18)%	1.36%	(0.
Ratio of operating expenses to average net assets attributable to common shares.....	1.46%	1.34%	1.46%	1.
Ratio of operating expenses to average total net assets including liquidation value of preferred shares	1.18%	1.13%	1.27%	1.
Portfolio turnover rate.....	16.6%	25.4%	29.9%	43
Cumulative Preferred Stock:				
Liquidation value, end of period (in 000's).....	\$ 23,151	\$ 30,868	\$ 30,868	\$ 31,
Total shares outstanding (in 000's).....	926	1,235	1,235	1,
Liquidation preference per share.....	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25
Average market value (b).....	\$ 25.75	\$ 25.50	\$ 23.54	\$ 25
Asset coverage.....	573%	558%	667%	7
Asset coverage per share.....	\$ 143.28	\$ 147.03	\$ 166.76	\$ 197

Operating performance	Year Ended December 31,			
	1996	1995	1994	1993
Net asset value, beginning of period	\$ 7.81	\$ 7.51	\$ 7.51	\$ 7.51
Net investment income.....	0.01	0.08	0.08	0.08
Net realized and unrealized gain on investments..	0.63	0.98	0.98	0.98
Total from investment operations.....	0.64	1.06	1.06	1.06
Capital Share Transactions:				
Increase (decrease) in net asset value from common stock share transactions.....	0.02	(0.46)	(0.46)	(0.46)
Offering expenses charged to additional				

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paid-in capital.....	-----	(0.05)	
Total Capital Share Transactions.....	-----	0.02	(0.51)
Distribution to common stock shareholders from:			
Net investment income.....	(0.01)	(0.08)	
Net realized gains.....	(0.36)	(0.17)	
Distributions in excess of net investment income and/or net realized gains.....	(0.00) (a)	(0.00) (a)	
Paid-in capital.....	-----		
Total distributions.....	-----	(0.37)	(0.25)
Net asset value, end of year.....	\$ 8.10	\$ 7.81	\$
Net Asset Value Total Return**	9.4%	14.1%	
Market value, end of year.....	\$ 6.88	\$ 6.75	\$
Total investment return***.....	7.4%	0.4%	
Ratios to average net assets/supplemental data:			
Net assets, end of period (in 000's).....	\$ 91,462	\$89,580	
Ratio of net investment income to average net assets attributable to common stock.....	0.13%	1.24%	
Ratio of operating expenses to average net assets attributable to common stock	1.87%	2.04%	
Portfolio turnover rate.....	32.1%	86.0%	

Operating performance	1996	Year Ended December 1995
Net asset value, beginning of period.....	\$ 7.81	\$ 7.51
Net investment income.....	0.01	0.08
Net realized and unrealized gain on investments.....	0.63	0.98
Total from investment operations.....	0.64	1.06
Capital Share Transactions:		
Increase (decrease) in net asset value from common stock share transactions.....	0.02	(0.46)
Offering expenses charged to additional paid- in capital.	-----	(0.05)
Total Capital Share Transactions.....	-----	(0.51)
Distribution to common stock shareholders from:		
Net investment income.....	(0.01)	(0.08)
Net realized gains.....	(0.36)	(0.17)
Distributions in excess of net investment income and/or net realized gains.....	(0.00) (a)	(0.00) (a)
Paid-in capital.....	-----	-----

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Total distributions.....	(0.37)	(0.25)
Net asset value, end of year.....	\$ 8.10	\$ 7.81
Net asset value total return**.....	9.4%	14.1%
\$7.38t value, end of year.....		
Total investment return***.....	7.4%	0.4%
Ratios to average net assets/supplemental data:		
Net assets, end of period (in 000's).....	\$91,462	\$89,580
Ratio of net investment income to average net assets attributable to common stock.....	0.13%	1.24%
Ratio of operating expenses to average net assets attributable to common stock	1.87%	2.04%
Portfolio turnover rate.....	32.1%	86.0%

- + Based on net asset value per share, adjusted for reinvestment of distributions, including effect of shares issued pursuant to rights offering, assuming full subscription by shareholders.
- ++ 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 shareholders.
- * The Gabelli Global Multimedia Trust Inc. commenced operations on November 15, 1994.
- ** Based on net asset value per share, adjusted for reinvestment of all distributions and rights offering in 1995.
- *** Based on market value per share, adjusted for reinvestment of all distributions and rights offering in 1995.
- + Annualized

- (a) Amount represents less than \$0.005 per share.
- (b) Based on weekly prices.

The following table provides information about the Fund's outstanding Series A Preferred Stock since its issuance in April 1997. The information has been audited by PricewaterhouseCoopers LLP, independent accountants.

Year ended December 31,	Shares Outstanding	Asset Coverage Per Share	Involuntary Liquidation Preference Per Share
2002	926,025	\$143.28	\$25.00
2001	1,234,700	147.03	25.00
2000	1,234,700	166.76	25.00
1999	1,250,000	197.19	25.00
1998	1,250,000	112.97	25.00
1997	1,250,000	112.33	25.00

For purposes of the foregoing table, the Asset Coverage Per Share is

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calculated by dividing the total value of the Fund's assets on December 31 of the relevant year by the number of shares of Series A Preferred outstanding on that date. Involuntary Liquidation Preference Per Share refers to the amount holders of Series A Preferred are entitled to receive per share in the event of liquidation of the Fund prior to the holders of common stock being entitled to receive any amounts in respect of the assets of the Fund. The Average Market Value Per Share is the average of the weekly closing prices of the Series A Preferred on the NYSE each week during the relevant year.

USE OF PROCEEDS

The net proceeds of the offering are estimated at \$48,500,000 after deduction of the underwriting discounts and estimated offering expenses payable by the Fund. The Investment Adviser expects that it will initially invest the proceeds of the offering in high quality short-term debt securities and instruments. A portion of the net proceeds (approximately \$23 million) will be used to redeem all of the Fund's outstanding Series A Preferred. The Investment Adviser anticipates that the investment of the remainder of the proceeds will be made in accordance with the Fund's investment objectives and policies, as appropriate investment opportunities are identified. Investment of the proceeds will not take more than six months.

THE FUND

The Fund, incorporated in Maryland on May 31, 1994, is a non-diversified, closed-end management investment company registered under the 1940 Act. The Fund's common stock is traded on the New York Stock Exchange under the symbol "GGT." In November 2002 the Fund completed a redemption of 25% of its outstanding Series A Preferred. The Fund's Series A Preferred is traded on the New York Stock Exchange under the symbol "GGT Pr." The remainder of the Fund's outstanding Series A Preferred is expected to be redeemed on March 28, 2003, or as soon thereafter as is practicable following the issuance of the preferred stock offered by this prospectus.

The Fund 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. On November 15, 1994, The Gabelli Equity Trust Inc. contributed \$64,382,764 in exchange for 8,587,702 shares of the Fund and immediately thereafter distributed to its shareholders all the shares it held of the Fund. The Fund's investment operations commenced on November 15, 1994.

CAPITALIZATION

The following table sets forth the unaudited capitalization of the Fund as of March 7, 2003, and its adjusted capitalization assuming the Series B Preferred and/or Series C Auction Rate Preferred offered in this prospectus had been issued, in the case of the center column with the Series A Preferred outstanding, in the case of the right hand column assuming the Series A Preferred has been redeemed.

Actual	As of March 7, 2003 As Adjusted
-----	-----
	Series A Outstanding (Unaudited)

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Preferred stock, \$0.001 par value, 4,000,000 shares authorized. (The "Actual" column reflects Fund's outstanding capitalization as of March 7, 2003; the "As Adjusted" column assumes the issuance of an additional 1,000,000 shares of Series 00 Preferred and 1,000 shares of Series C Auction Rate Preferred, \$25 and \$25,000 liquidation B preference, respectively).....	\$ 23,150,625	\$ 73,15
	-----	-----
Shareholders' Equity Applicable to Common Shares....		
Common stock, \$.001 par value per share; 196,000,000 shares authorized, 14,284,953 shares outstanding..	\$ 14,285	1
Paid-in surplus*.....	120,434,096	118,93
Undistributed net investment loss.....	(102,799)	(10
Accumulated net realized loss from investment transactions.....	(2,025,287)	(2,02
Net unrealized depreciation.....	(17,791,650)	(17,79
	-----	-----
Net assets applicable to common shareholders.....	\$ 100,528,645	\$ 99,02
	-----	-----
Net assets, plus liquidation preference of preferred stock	\$ 123,679,270	\$ 172,17
	=====	=====

* As adjusted paid-in surplus reflects a reduction for the sales load and estimated offering and/or Series C Auction Rate Preferred issuance of \$1,500,000.

As used in this prospectus, unless otherwise noted, the Fund's "managed assets" include the aggregate net asset value of the common shares plus assets attributable to outstanding shares of its preferred stock, with no deduction for the liquidation preference of such shares of preferred stock. For financial reporting purposes, however, the Fund is required to deduct the liquidation preference of its outstanding preferred stock from "managed assets," so long as the preferred stock has redemption features that are not solely within the control of the Fund. For all regulatory purposes, the Fund's preferred stock will be treated as stock (rather than as indebtedness).

INVESTMENT OBJECTIVES AND POLICIES

The Fund's primary investment objective is to achieve long-term growth of capital by investing primarily in the common stock and other securities of foreign and domestic companies involved in the telecommunications, media, publishing and entertainment industries. Income is the secondary investment objective. The investment objectives of long-term growth of capital and income are fundamental policies of the Fund. The Fund's policy of concentration in companies in the communications industries is also a fundamental policy of the Fund. These fundamental policies and the investment limitations described in the SAI under the caption "Investment Restrictions" cannot be changed without the approval of the holders of a majority of the Fund's outstanding voting securities. As used herein, a "majority of the Fund's outstanding voting securities" (or like phrase) means the lesser of (i) 67% of the shares of the Fund's common stock and preferred stock, voting as a single class, represented at a meeting at which more than 50% of the outstanding shares of the Fund's common stock and preferred stock are represented, whether in person or by proxy, or (ii) more than 50% of the outstanding shares of common stock and preferred stock, voting as a single

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class. No assurance can be given that the Fund's investment objectives will be achieved.

Under normal market conditions, the Fund will invest at least 80% of the value of its total assets in common stock and other securities of companies in the telecommunications, media, publishing and entertainment industries.

The telecommunications companies in which the Fund may invest are engaged in the de