

GAMCO Global Gold, Natural Resources & Income Trust  
Form N-CSR  
March 09, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT**

**INVESTMENT COMPANIES**

Investment Company Act file number 811-21698

GAMCO Global Gold, Natural Resources & Income Trust

(Exact name of registrant as specified in charter)

One Corporate Center

Rye, New York 10580-1422

(Address of principal executive offices) (Zip code)

Bruce N. Alpert

Gabelli Funds, LLC

One Corporate Center

Rye, New York 10580-1422

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-422-3554

Date of fiscal year end: December 31

Date of reporting period: December 31, 2014

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct

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comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

**Item 1. Reports to Stockholders.**

The Report to Shareholders is attached herewith.

**GAMCO Global Gold, Natural Resources & Income Trust**

**Annual Report December 31, 2014**

**(Y)our Portfolio Management Team**

**Caesar M. P. Bryan Barbara G. Marcin, CFA Vincent Hugonnard-Roche**

**To Our Shareholders,**

For the year ended December 31, 2014, the net asset value ( NAV ) total return of the GAMCO Global Gold, Natural Resources & Income Trust (the Fund ) was (17.2)%, compared with total returns of 5.6% and (18.3)% for the Chicago Board Options Exchange ( CBOE ) Standard & Poor s ( S&P ) 500 Buy/Write Index and the Philadelphia Gold & Silver Index ( XAU ), respectively. The total return for the Fund s publicly traded shares was (13.0)%. The Fund s NAV per share was \$7.35, while the price of the publicly traded shares closed at \$7.00 on the NYSE MKT. See below for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of December 31, 2014.

Sincerely yours,

Bruce N. Alpert

President

**Comparative Results**

**Average Annual Returns through December 31, 2014 (a) (Unaudited)**

	1 Year	3 Year	5 Year	Since Inception (03/31/05)
<b>GAMCO Global Gold, Natural Resources &amp; Income Trust</b>				
<b>NAV Total Return (b)</b>	(17.23)%	(10.52)%	(4.10%)	0.31%
<b>Investment Total Return (c)</b>	(13.01)	(10.67)	(5.46)	(0.76)
CBOE S&P 500 Buy/Write Index	5.64	7.97	7.09	4.85
Barclays Government/Credit Bond Index	5.84	2.67	4.63	4.84
Amex Energy Select Sector Index	(8.48)	6.79	8.90	8.46
XAU	(18.27)	(27.52)	(16.38)	(3.12)

(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. Current performance

*may be lower or higher than the performance data presented. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The CBOE S&P 500 Buy/Write Index is an unmanaged benchmark index designed to reflect the return on a portfolio that consists of a long position in the stocks in the S&P 500 Index and a short position in a S&P 500 (SPX) call option. The Barclays Government/Credit Bond Index is a market value weighted index that tracks the performance of fixed rate, publicly placed, dollar denominated obligations. The XAU is an unmanaged indicator of stock market performance of large North American gold and silver companies. The Amex Energy Select Sector Index is an unmanaged indicator of stock market performance of large U.S. companies involved in the development or production of energy products. Dividends and interest income are considered reinvested. You cannot invest directly in an index.*

- (b) Total returns and average annual returns reflect changes in the NAV per share and reinvestment of distributions at NAV on the ex-dividend date and are net of expenses. Since inception return is based on an initial NAV of \$19.06.
- (c) Total returns and average annual returns reflect changes in closing market values on the NYSE MKT and reinvestment of distributions. Since inception return is based on an initial offering price of \$20.00.

**Summary of Portfolio Holdings (Unaudited)**

The following table presents portfolio holdings as a percent of total investments as of December 31, 2014:

**GAMCO Global Gold, Natural Resources & Income Trust**

**Long Positions**

Metals and Mining	50.8%
Energy and Energy Services	34.3%
U.S. Government Obligations	14.9%
	100.0%

**Short Positions**

Call Options Written	(3.5)%
Put Options Written	(0.7)%
	(4.2)%

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (the SEC) for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain this information at [www.gabelli.com](http://www.gabelli.com) or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

**Proxy Voting**

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30, no later than August 31 of each year. A description of the Fund's proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

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**GAMCO Global Gold, Natural Resources & Income Trust**
**Schedule of Investments    December 31, 2014**

Shares		Cost	Market Value
	<b>COMMON STOCKS    84.1%</b>		
	<b>Energy and Energy Services    34.0%</b>		
305,000	Anadarko Petroleum Corp.(a)	\$ 31,695,919	\$ 25,162,500
150,000	Apache Corp.(a)	16,405,823	9,400,500
245,025	Baker Hughes Inc.(a)	17,257,114	13,738,552
65,000	Bill Barrett Corp.	1,595,373	740,350
566,400	Cabot Oil & Gas Corp.(a)	21,148,010	16,771,104
255,000	Cameron International Corp. (a)	16,776,361	12,737,250
230,000	Carrizo Oil & Gas Inc.	14,051,495	9,568,000
80,000	Cheniere Energy Inc.	5,777,600	5,632,000
950,000	Cobalt International Energy Inc. (a)	24,075,571	8,445,500
150,000	CONSOL Energy Inc.(a)	5,672,419	5,071,500
261,000	CVR Refining, LP	7,038,824	4,384,800
358,700	Denbury Resources Inc.	5,943,649	2,916,231
270,000	Devon Energy Corp.(a)	19,130,000	16,526,700
143,700	Diamondback Energy Inc.	10,710,544	8,590,386
26,500	Eclipse Resources Corp.	542,591	186,295
589,100	Encana Corp.	12,596,447	8,170,817
30,000	EOG Resources Inc.	2,937,900	2,762,100
47,500	FMC Technologies Inc.	2,813,900	2,224,900
796,330	Glencore plc	5,985,186	3,708,593
84,300	Goodrich Petroleum Corp.	717,444	374,292
200,000	Halliburton Co.	12,903,154	7,866,000
50,000	Hess Corp.	4,803,000	3,691,000
400,100	Laredo Petroleum Inc.	10,530,878	4,141,035
290,000	Marathon Oil Corp.(a)	10,463,188	8,204,100
240,000	Marathon Petroleum Corp.(a)	19,023,606	21,662,400
645,000	Nabors Industries Ltd.	17,011,179	8,372,100
70,000	Newfield Exploration Co.	2,678,900	1,898,400
90,200	Noble Corp. plc(a)	2,639,331	1,494,614
50,000	Occidental Petroleum Corp.	4,849,344	4,030,500
430,000	Patterson-UTI Energy Inc.	14,094,787	7,133,700
65,200	PDC Energy Inc.	3,922,432	2,690,804
600,000	Penn Virginia Corp.	8,202,630	4,008,000
357,000	Petroleo Brasileiro SA, ADR(a)	7,809,620	2,606,100

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23,200	Pioneer Natural Resources Co.	4,186,968	3,453,320
85,000	QEP Resources Inc.	2,611,200	1,718,700
200,000	Rosetta Resources Inc.	10,384,421	4,462,000
50,000	Schlumberger Ltd.	5,449,160	4,270,500
240,000	SM Energy Co.(a)	18,965,468	9,259,200
70,000	Southwestern Energy Co.	2,356,200	1,910,300
335,000	Suncor Energy Inc.(a)	11,952,854	10,646,300
170,000	Superior Energy Services Inc.	5,631,182	3,425,500
1,750,000	Talisman Energy Inc.(a)	29,833,303	13,702,500
80,000	Total SA, ADR	5,213,600	4,096,000
300,000	Tullow Oil plc	6,577,663	1,935,317
100,000	Valero Energy Corp.	5,292,000	4,950,000
			<b>Market</b>
<b>Shares</b>		<b>Cost</b>	<b>Value</b>
805,500	Weatherford International plc (a)	\$ 15,860,485	\$ 9,222,975
100,000	Western Refining Inc.	4,030,260	3,778,000
222,650	Whiting Petroleum Corp.	16,523,418	7,347,450
200,000	WPX Energy Inc.	3,813,114	2,326,000
		490,485,515	321,415,185
	<b>Metals and Mining 50.1%</b>		
985,200	Agnico Eagle Mines Ltd.(a)	39,710,689	24,521,628
280,000	Alamos Gold Inc.	2,787,809	1,996,400
431,000	Anglo American plc	19,709,815	8,064,453
1,645,100	AngloGold Ashanti Ltd., ADR (a)	40,106,899	14,312,370
879,180	Antofagasta plc	18,592,651	10,311,452
4,045,000	AuRico Gold Inc.	18,833,017	13,267,600
3,868,500	B2Gold Corp.	11,193,976	6,266,970
2,124,000	Barrick Gold Corp.(a)	70,647,476	22,833,000
155,000	BHP Billiton Ltd., ADR	12,087,613	7,334,600
1,700,000	Centerra Gold Inc.	8,350,597	8,838,010
859,105	Comstock Mining Inc.	1,683,049	652,920
793,500	Detour Gold Corp.	11,353,069	6,481,593
1,100,000	Duluth Metals Ltd.	2,601,986	421,329
2,529,700	Eldorado Gold Corp.(a)	37,858,227	15,415,972
200,000	Franco-Nevada Corp.	9,822,000	9,838,000
590,000	Freeport-McMoRan Inc.(a)	26,866,868	13,782,400
2,079,100	Fresnillo plc	29,526,578	24,822,165
2,210,000	Goldcorp Inc.(a)	80,141,075	40,929,200
5,000,000	G-Resources Group Ltd.	140,520	118,638
1,971,383	Hochschild Mining plc	7,323,535	2,703,891
300,000	Iluka Resources Ltd.	2,837,763	1,457,274
40,000	Labrador Iron Ore Royalty Corp.	729,070	640,386
200,000	MAG Silver Corp.	1,921,617	1,638,836
833,225	Newcrest Mining Ltd.	28,112,849	7,429,034
1,754,500	Newmont Mining Corp.(a)	74,856,000	33,160,050
105,700	Peabody Energy	6,944,369	818,118



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	Corp.(a)		
450,000	Perseus Mining Ltd.	1,551,442	91,022
400,000	Perseus Mining Ltd. (b)	1,281,432	80,909
926,000	Primero Mining Corp.	6,054,636	3,562,765
806,500	Randgold Resources Ltd., ADR(a)	79,257,773	54,366,165
466,000	Rio Tinto plc, ADR(a)	27,961,972	21,463,960
2,800,000	Romarco Minerals Inc.	2,582,584	1,180,926
573,577	Royal Gold Inc.(a)	47,592,337	35,963,278
5,909,090	Saracen Mineral Holdings Ltd.	2,449,092	1,230,166
500,000	SEMAFO Inc.	3,145,726	1,282,493
1,120,000	Sibanye Gold Ltd., ADR	10,921,332	8,478,400
1,078,500	Silver Wheaton Corp.	24,920,453	21,925,905
770,000	Tahoe Resources Inc.	17,240,216	10,703,649
100,000	Tahoe Resources Inc.	2,717,953	1,387,000
2,321,000	Torex Gold Resources Inc.	2,615,395	2,457,247

See accompanying notes to financial statements.

## GAMCO Global Gold, Natural Resources &amp; Income Trust

## Schedule of Investments (Continued) December 31, 2014

Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>			
<b>Metals and Mining (Continued)</b>			
320,581	Turquoise Hill Resources Ltd.	\$ 2,979,579	\$ 993,801
80,000	US Silica Holdings Inc	4,637,600	2,055,200
950,697	Vale SA, ADR(a)	19,858,412	7,776,701
108,475	Vale SA, Cl. P, ADR	1,749,992	787,528
4,762,500	Yamana Gold Inc.(a)	59,596,594	19,145,250
		883,853,637	472,988,654
	<b>TOTAL COMMON STOCKS</b>	<b>1,374,339,152</b>	<b>794,403,839</b>

## Principal Amount

<b>CONVERTIBLE CORPORATE BONDS 0.6%</b>			
<b>Energy and Energy Services 0.0%</b>			
\$1,000,000	Energy XXI Ltd. 3.000%, 12/15/18	1,000,000	302,500
<b>Metals and Mining 0.6%</b>			
4,800,000	Detour Gold Corp. 5.500%, 11/30/17	4,610,398	4,248,000
1,500,000(c)	Wesdome Gold Inc. 7.000%, 05/24/17(b)(d)(e)	1,473,695	1,293,579
		6,084,093	5,541,579
	<b>TOTAL CONVERTIBLE CORPORATE BONDS</b>	<b>7,084,093</b>	<b>5,844,079</b>
<b>CORPORATE BONDS 0.4%</b>			
<b>Energy and Energy Services 0.3%</b>			
2,500,000	AngloGold Ashanti Holdings plc, 8.500%, 07/30/20	2,503,030	2,634,375

	<b>Metals and Mining 0.1%</b>		
1,000,000	AuRico Gold Inc., 7.750%, 04/01/20(b)	968,782	925,000
600,000	Kirkland Lake Gold Inc., 7.500%, 12/31/17	611,154	392,494
		1,579,936	1,317,494
	<b>TOTAL CORPORATE BONDS</b>	4,082,966	3,951,869
	<b>U.S. GOVERNMENT OBLIGATIONS 14.9%</b>		
140,130,000	U.S. Treasury Bills, 0.005% to 0.130%  01/02/15 to 07/02/15(f)	140,108,590	140,113,635
<b>TOTAL INVESTMENTS 100.0%</b>		\$ 1,525,614,801	944,313,422
			<b>Market Value</b>
	<b>CALL OPTIONS WRITTEN</b>		
	(Premiums received \$48,488,883)		\$ (32,727,126)
	<b>PUT OPTIONS WRITTEN</b>		
	(Premiums received \$3,420,294)		(6,464,040)
	<b>Other Assets and Liabilities (Net)</b>		15,416,190
	<b>PREFERRED STOCK</b>		
	(3,700,466 preferred shares outstanding)		(92,511,650)
	<b>NET ASSETS COMMON STOCK</b>		
	(112,728,260 common shares outstanding)		\$ 828,026,796
	<b>NET ASSET VALUE PER COMMON SHARE</b>		
	(\$828,026,796 ÷ 112,728,260 shares outstanding)		\$ 7.35

Number of Contracts		Expiration Date/ Exercise Price	Market Value
	<b>OPTIONS CONTRACTS WRITTEN (g) (4.2)%</b>		
	<b>Call Options Written (3.5)%</b>		
2,700	Agnico Eagle Mines Ltd.	Feb. 15/32.50	\$ 81,000
2,100	Agnico Eagle Mines Ltd.	Mar. 15/27.50	308,805
1,000	Agnico Eagle Mines Ltd.	May 15/27.50	206,000
3,400	Agnico Eagle Mines Ltd.	May 15/35	202,300
650	Agnico Eagle Mines Ltd.	Jan. 16/27.50	245,375
2,800	Alamos Gold Inc.	Jun. 15/9	32,368

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500	Anadarko Petroleum Corp.	Feb. 15/90	112,500
500	Anadarko Petroleum Corp.	Feb. 15/95	50,500
1,050	Anadarko Petroleum Corp.	Feb. 15/105	42,000
500	Anadarko Petroleum Corp.	May 15/95	150,000
500	Anadarko Petroleum Corp.	May 15/100	106,000
105	Anglo American plc(h)	Mar. 15/1500	13,092
106	Anglo American plc(h)	Mar. 15/1600	5,782
220	Anglo American plc(h)	Jun. 15/1350	180,019
3,000	AngloGold Ashanti Ltd., ADR	Jan. 15/11.50	4,680
3,000	AngloGold Ashanti Ltd., ADR	Jan. 15/18	37,500
3,000	AngloGold Ashanti Ltd., ADR	Jan. 15/19	37,500
9,910	AngloGold Ashanti Ltd., ADR	Apr. 15/12	322,075
879	Antofagasta plc(h)	Jun. 15/840	412,099
250	Apache Corp.	Jan. 15/72.50	2,500
400	Apache Corp.	Jan. 15/80	400
250	Apache Corp.	Apr. 15/72.50	41,250
600	Apache Corp.	Apr. 15/77.50	50,400
15,600	AuRico Gold Inc.	Jan. 15/4.40	223,392
5,000	AuRico Gold Inc.	Mar. 15/4	75,000
8,000	AuRico Gold Inc.	Mar. 15/5	40,000
5,000	AuRico Gold Inc.	May 15/4.70	30,400
6,850	AuRico Gold Inc.	Jul. 15/4.50	205,500
800	Baker Hughes Inc.	Jan. 15/55	190,800

See accompanying notes to financial statements.

## GAMCO Global Gold, Natural Resources &amp; Income Trust

## Schedule of Investments (Continued) December 31, 2014

Number of Contracts		Expiration Date/ Exercise Price	Market Value
<b>OPTIONS CONTRACTS</b>			
<b>WRITTEN (g) (Continued)</b>			
<b>Call Options Written</b>			
<b>(Continued)</b>			
800	Baker Hughes Inc.	Feb. 15/60	\$ 115,600
2,938	Barrick Gold Corp.	Jan. 15/20	2,938
6,500	Barrick Gold Corp.	Jan. 15/21	19,500
2,600	Barrick Gold Corp.	Feb. 15/18	6,500
4,500	Barrick Gold Corp.	Apr. 15/14	99,000
3,640	Barrick Gold Corp.	Apr. 15/15	50,960
1,062	Barrick Gold Corp.	Jul. 15/14	50,976
275	BHP Billiton Ltd., ADR	Jan. 15/57.50	1,100
500	BHP Billiton Ltd., ADR	Mar. 15/61	5,420
775	BHP Billiton Ltd., ADR	May 15/52.50	96,100
650	Bill Barrett Corp.	Jun. 15/10	198,250
1,864	Cabot Oil & Gas Corp.	Jan. 15/33.75	18,640
1,000	Cabot Oil & Gas Corp.	Mar. 15/36	33,990
1,000	Cabot Oil & Gas Corp.	Apr. 15/32.50	122,500
900	Cabot Oil & Gas Corp.	Apr. 15/35	54,000
900	Cabot Oil & Gas Corp.	Apr. 15/37.50	27,000
800	Cameron International Corp.	Feb. 15/62.50	12,000
1,000	Cameron International Corp.	May 15/55	242,500
750	Cameron International Corp.	May 15/65	39,375
300	Carrizo Oil & Gas Inc.	Mar. 15/52.50	35,238
250	Carrizo Oil & Gas Inc.	Apr. 15/42.50	123,750
750	Carrizo Oil & Gas Inc.	Apr. 15/45	292,500
500	Carrizo Oil & Gas Inc.	Apr. 15/55	63,750
500	Carrizo Oil & Gas Inc.	Jul. 15/45	252,500
5,000	Centerra Gold Inc.(i)	Jan. 15/6	139,869
5,000	Centerra Gold Inc.(i)	Jan. 15/7	36,581
15,000	Centerra Gold Inc.(i)	Apr. 15/7	580,995
400	Cheniere Energy Inc.	Jan. 15/70	150,000
400	Cheniere Energy Inc.	Mar. 15/70	293,200
3,500	Cobalt International Energy Inc.	Jan. 15/12.50	17,500
3,500	Cobalt International Energy Inc.	Apr. 15/14	70,000
2,500	Cobalt International Energy Inc.	Jul. 15/10	387,500
1,000	CONSOL Energy Inc.	Jan. 15/38	5,000
500	CONSOL Energy Inc.	Apr. 15/38	53,750
1,000	Denbury Resources Inc.	Jan. 15/10	12,500

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1,000	Denbury Resources Inc.	Mar. 15/8	93,000
1,000	Denbury Resources Inc.	Mar. 15/12	10,000
587	Denbury Resources Inc.	Jun. 15/8	79,245
3,000	Detour Gold Corp.(i)	Jan. 15/11	32,278
2,000	Detour Gold Corp.(i)	Jan. 15/13	619,728
2,718	Detour Gold Corp.(i)	Apr. 15/11	239,796
2,500	Detour Gold Corp.(i)	Jul. 15/11	317,395
750	Devon Energy Corp.	Jan. 15/65	39,750
400	Devon Energy Corp.	Jan. 15/72.50	800
400	Devon Energy Corp.	Jan. 15/75	1,200
750	Devon Energy Corp.	Mar. 15/64	210,030
		<b>Expiration</b>	
<b>Number of</b>		<b>Date/</b>	<b>Market</b>
<b>Contracts</b>		<b>Exercise Price</b>	<b>Value</b>
400	Devon Energy Corp.	Apr. 15/67.50	\$ 91,800
800	Diamondback Energy Inc.	Jan. 15/70	26,000
473	Diamondback Energy Inc.	Mar. 15/60	302,720
164	Diamondback Energy Inc.	Mar. 15/77.50	21,730
265	Eclipse Resources Corp.	Feb. 15/15	14,575
2,000	Eldorado Gold Corp.	Jan. 15/8	10,000
7,000	Eldorado Gold Corp.(i)	Jan. 15/8	51,214
2,000	Eldorado Gold Corp.	Jan. 15/9	20,000
9,408	Eldorado Gold Corp.	Apr. 15/7	376,320
4,889	Eldorado Gold Corp.	Apr. 15/8	97,780
1,800	Encana Corp.	Jan. 15/22	9,000
1,591	Encana Corp.	Feb. 15/21	30,674
2,500	Encana Corp.	Apr. 15/20	37,500
300	EOG Resources Inc.	Jan. 15/95	52,200
475	FMC Technologies Inc.	Jan. 15/55	7,125
2,000	Franco-Nevada Corp.	Jan. 15/50	290,000
2,200	Freeport-McMoRan Inc.	Jan. 15/35	2,200
700	Freeport-McMoRan Inc.	Jan. 15/41	700
2,300	Freeport-McMoRan Inc.	Feb. 15/32	8,050
700	Freeport-McMoRan Inc.	May 15/32	11,900
493	Fresnillo plc(h)	Mar. 15/838	131,018
535	Fresnillo plc(h)	Mar. 15/877	140,254
384	Fresnillo plc(h)	Apr. 15/800	304,818
665	Fresnillo plc(h)	Jun. 15/800	709,672
398	Glencore plc(h)	Mar. 15/310	65,134
1,600	Goldcorp Inc.	Jan. 15/26	4,800
5,000	Goldcorp Inc.	Jan. 15/29	5,000
2,900	Goldcorp Inc.	Apr. 15/22	201,550
4,150	Goldcorp Inc.	Apr. 15/23	217,875
2,000	Goldcorp Inc.	Apr. 15/24	79,000
2,100	Goldcorp Inc.	Apr. 15/25	65,100
200	Goldcorp Inc.	Apr. 15/26	4,900
2,150	Goldcorp Inc.	Jul. 15/22	244,025
2,000	Goldcorp Inc.	Jul. 15/23	184,000
843	Goodrich Petroleum Co.	Jan. 15/2.50	166,493
375	Halliburton Co.	Jan. 15/57.50	375
1,100	Halliburton Co.	Feb. 15/52.50	8,800

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500	Halliburton Co.	Apr. 15/42.50	97,750
500	Hertz Corp.	May 15/75	266,250
501	Laredo Petroleum Inc.	Apr. 15/17.50	15,030
3,000	Laredo Petroleum Inc.	Jul. 15/10	795,000
500	Laredo Petroleum Inc.	Jul. 15/15	48,000
500	Marathon Oil Corp.	Jan. 15/31	9,500
500	Marathon Oil Corp.	Jan. 15/32	3,500
900	Marathon Oil Corp.	Mar. 15/35	20,997
1,000	Marathon Oil Corp.	Apr. 15/36	27,000
725	Marathon Petroleum Corp.	Jan. 15/80	783,000
827	Marathon Petroleum Corp.	Jan. 15/85	525,145
827	Marathon Petroleum Corp.	Apr. 15/85	769,110
2,700	Nabors Industries Ltd.	Jan. 15/28	2,700
2,250	Nabors Industries Ltd.	Apr. 15/16	201,533

See accompanying notes to financial statements.

## GAMCO Global Gold, Natural Resources &amp; Income Trust

## Schedule of Investments (Continued) December 31, 2014

Number of Contracts		Expiration Date/ Exercise Price	Market Value
<b>OPTIONS CONTRACTS WRITTEN (g) (Continued)</b>			
<b>Call Options Written (Continued)</b>			
1,500	Nabors Industries Ltd.	Jun. 15/16	\$ 200,250
900	Nabors Industries Ltd.	Jun. 15/17	90,000
350	New Field Exploration Co.	Mar. 15/34	18,375
350	New Field Exploration Co.	Jun. 15/32	57,750
3,975	Newcrest Mining Ltd.(j)	Feb. 15/10.50	226,027
2,535	Newcrest Mining Ltd.(j)	Mar. 15/9.25	383,471
1,800	Newmont Mining Corp.	Jan. 15/21	14,400
4,250	Newmont Mining Corp.	Jan. 15/26	4,250
1,248	Newmont Mining Corp.	Jan. 15/27	2,496
5,000	Newmont Mining Corp.	Mar. 15/24	95,000
5,247	Newmont Mining Corp.	Jun. 15/22	495,842
902	Noble Corp. plc	Jun. 15/21	64,944
250	Occidental Petroleum Corp.	Feb. 15/92.50	7,125
250	Occidental Petroleum Corp.	May 15/80	130,000
2,350	Patterson-UTI Energy Inc.	May 15/24	99,875
750	Patterson-UTI Energy Inc.	May 15/26	20,625
1,200	Patterson-UTI Energy Inc.	Sep. 15/15	499,092
152	PDC Energy Inc.	Apr. 15/45	66,880
500	PDC Energy Inc.	Jul. 15/45	270,000
1,057	Peabody Energy Corp.	Jun. 15/10	63,420
4,708	Penn Virginia Corp.	Jun. 15/2	2,236,300
82	Pioneer Natural Resources Co.	Mar. 15/180	27,470
150	Pioneer Natural Resources Co.	Jun. 15/155	239,250
4,630	Primero Mining Corp.	Jan. 15/7.50	46,300
3,704	Primero Mining Corp.	Apr. 15/5.75	15,335
850	QEP Resources Inc.	Mar. 15/28	21,250
700	Randgold Resources Ltd., ADR	Jan. 15/85	7,000
2,500	Randgold Resources Ltd., ADR	Mar. 15/77.50	400,000
1,200	Randgold Resources Ltd., ADR	Apr. 15/77.50	288,324
965	Randgold Resources Ltd., ADR	May 15/77.50	286,952
700	Randgold Resources Ltd., ADR	Jun. 15/72.50	346,500
2,000	Randgold Resources Ltd., ADR	Jun. 15/77.50	700,000
1,010	Rio Tinto plc, ADR	Jan. 15/45	194,425



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1,550	Rio Tinto plc, ADR	Jan. 15/50	21,700
1,000	Rio Tinto plc, ADR	Apr. 15/47.50	227,500
550	Rio Tinto plc, ADR	Apr. 15/52.50	44,000
550	Rio Tinto plc, ADR	Apr. 15/55	27,500
1,000	Rosetta Resources Inc.	Feb. 15/42.50	400
1,000	Rosetta Resources Inc.	Apr. 15/35	45,000
800	Royal Gold Inc.	Jan. 15/80	13,600
1,350	Royal Gold Inc.	Jan. 15/85	6,750
		<b>Expiration</b>	
<b>Number of</b>		<b>Date/</b>	<b>Market</b>
<b>Contracts</b>		<b>Exercise Price</b>	<b>Value</b>
700	Royal Gold Inc.	Jan. 15/87.50	\$ 7,000
400	Royal Gold Inc.	Apr. 15/72.50	101,000
1,600	Royal Gold Inc.	Apr. 15/75	312,000
850	Royal Gold Inc.	Jul. 15/75	284,750
250	Schlumberger Ltd.	Feb. 15/85	109,250
250	Schlumberger Ltd.	Feb. 15/100	6,750
5,500	Sibanye Gold Ltd.	Apr. 15/8.25	311,135
5,700	Sibanye Gold Ltd.	Jun. 15/8.50	390,393
3,000	Silver Wheaton Corp.	Jan. 15/24	12,000
2,250	Silver Wheaton Corp.	Mar. 15/21	322,875
2,300	Silver Wheaton Corp.	Jun. 15/23	324,300
3,235	Silver Wheaton Corp.	Jan. 16/22	973,735
1,400	SM Energy Co.	Feb. 15/55	38,500
175	SM Energy Co.	Feb. 15/70	2,100
825	SM Energy Co.	May 15/55	119,625
700	Southwestern Energy Co.	Mar. 15/33	37,450
675	Suncor Energy Inc.	Mar. 15/34	75,938
1,000	Suncor Energy Inc.	Mar. 15/35	83,000
1,675	Suncor Energy Inc.	Jun. 15/35	233,662
850	Superior Energy Services Inc.	Mar. 15/22.50	85,000
400	Superior Energy Services Inc.	Jun. 15/25	38,000
3,850	Tahoe Resources Inc.	Feb. 15/22.50	616
3,850	Tahoe Resources Inc.	Mar. 15/22.50	57,750
1,000	Tahoe Resources Inc.	Jun. 15/16.75	62,500
2,000	Talisman Energy Inc.	Jan. 15/12	2,000
4,000	Talisman Energy Inc.	Apr. 15/6	760,000
12,500	Talisman Energy Inc.	Apr. 15/8	62,500
1,000	Talisman Energy Inc.	Jul. 15/5	290,000
11,300	Torex Gold Resources Inc.(i)	Jun. 15/1.60	100,862
400	Total SA, ADR	Feb. 15/65	4,000
200	Total SA, ADR	May 15/62.50	7,000
200	Total SA, ADR	May 15/57.50	20,500
300	Tullow Oil plc(h)	Jun. 15/520	151,964
1,600	Turquoise Hill Resources Ltd.	Jan. 15/3.50	36,000
1,600	Turquoise Hill Resources Ltd.	Mar. 15/3.50	44,000
400	US Silica Holdings Inc.	Mar. 15/35	29,600
400	US Silica Holdings Inc.	Jun. 15/37	51,000
2,400	Vale SA, ADR	Jan. 15/14	2,400
1,200	Vale SA, ADR	Mar. 15/11	7,200
4,525	Vale SA, ADR	Jun. 15/10	144,800

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1,000	Valero Energy Corp.	Jun. 15/52.50	282,000
2,000	Weatherford International plc	Jan. 15/19	7,000
3,000	Weatherford International plc	Feb. 15/20	3,000
1,055	Weatherford International plc	May 15/12	130,292

See accompanying notes to financial statements.

## GAMCO Global Gold, Natural Resources &amp; Income Trust

## Schedule of Investments (Continued) December 31, 2014

Number of Contracts		Expiration Date/ Exercise Price	Market Value
<b>OPTIONS CONTRACTS</b>			
<b>WRITTEN (g) (Continued)</b>			
<b>Call Options Written (Continued)</b>			
1,000	Weatherford International plc	May 15/13	\$ 90,000
1,000	Weatherford International plc	May 15/14	61,000
1,000	Western Refining Inc.	Jun. 15/40	285,000
375	Whiting Petroleum Corp.	Mar. 15/65	9,000
663	Whiting Petroleum Corp.	Jun. 15/37.50	281,775
765	Whiting Petroleum Corp.	Jun. 15/40	266,220
417	Whiting Petroleum Corp.	Jun. 15/50	59,423
330	Whiting Petroleum Corp.	Jan. 16/25	396,000
400	Whiting Petroleum Corp.	Jan. 16/37.50	256,000
2,000	WPX Energy Inc.	May 15/20	35,000
15,625	Yamana Gold Inc.	Jan. 15/9	15,625
10,500	Yamana Gold Inc.	Apr. 15/5	241,500
11,500	Yamana Gold Inc.	Apr. 15/7	57,500
10,000	Yamana Gold Inc.	Jul. 15/6	220,000
<b>TOTAL CALL OPTIONS WRITTEN</b>			
(Premiums received \$48,488,883)			32,727,126
<b>Put Options Written (0.7)%</b>			
668	Agnico Eagle Mines Ltd.	Jan. 15/35	647,960
690	Agnico Eagle Mines Ltd.	Jan. 15/37.50	821,100
2,459	AngloGold Ashanti Ltd., ADR	Jan. 15/16	1,770,480
1,000	Cheniere Energy Inc.	Mar. 15/60	260,500
2,000	Franco-Nevada Corp.	Jan. 15/55	1,120,000
2,000	Franco-Nevada Corp.	Apr. 15/50	980,000
1,000	Kinder Morgan Inc.	Mar. 15/37.50	49,000
600	Marathon Petroleum Corp.	Jan. 15/85	45,000
3,500	Silver Wheaton Corp.	Jun. 15/20	770,000
<b>TOTAL PUT OPTIONS WRITTEN</b>			
(Premiums received \$3,420,294)			6,464,040
			<b>\$ 39,191,166</b>

**TOTAL OPTIONS CONTRACTS WRITTEN**

(Premiums received \$51,909,177)

- (a) Securities, or a portion thereof, with a value of \$359,642,961 were deposited with the broker as collateral for options written.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2014, the market value of Rule 144A securities amounted to \$2,299,488 or 0.24% of total investments.
- (c) Principal amount denoted in Canadian Dollars.
- (d) Illiquid security.
- (e) At December 31, 2014, the Fund held an investment in a restricted security amounting to \$1,293,579 or 0.14% of total investments, which was valued as follows:

Acquisition Principal Amount	Issuer	Acquisition Date	Acquisition Cost	12/31/14 Carrying Value Per Bond
\$ 1,500,000	Wesdome Gold Inc. 7.000%, 05/24/17	05/18/12	\$ 1,473,695	\$ 0.8624

- (f) At December 31, 2014, \$123,303,000 of the principal amount was pledged as collateral for options written.
- (g) At December 31, 2014, the Fund had written over-the-counter Option Contracts with Pershing LLC and Morgan Stanley.
- (h) Exercise price denoted in British pence.
- (i) Exercise price denoted in Canadian dollars.
- (j) Exercise price denoted in Australian dollars.
- Non-income producing security.  
Represents annualized yield at date of purchase.

ADR American Depositary Receipt

Geographic Diversification	% of Total Investments	Market Value
<b>Long Positions</b>		
North America	78.3%	\$ 739,414,617
Europe	12.4	117,297,905
Latin America	5.0	47,068,486
South Africa	2.4	22,790,770
Asia/Pacific	1.9	17,741,644
Total Investments	100.0%	\$ 944,313,422
<b>Short Positions</b>		
North America	(3.9)%	\$ (36,467,814)

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Europe	(0.2)	(2,113,853)
Asia/Pacific	(0.1)	(609,499)
Total Investments	(4.2)%	\$ (39,191,166)

See accompanying notes to financial statements.

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**GAMCO Global Gold, Natural Resources & Income Trust**
**Statement of Assets and Liabilities****December 31, 2014****Assets:**

Investments, at value (cost \$1,525,614,801)	\$ 944,313,422
Foreign currency (cost \$191)	192
Cash	265,025
Deposit at brokers	20,690,033
Receivable for investments sold	59,719
Dividends and interest receivable	472,136
Deferred offering expense	168,094
Prepaid expense	16,972

<b>Total Assets</b>	<b>965,985,593</b>
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**Liabilities:**

Call options written (premiums received \$48,488,883)	32,727,126
Put options written (premiums received \$3,420,294)	6,464,040
Distributions payable	77,093
Payable for investments purchased	5,049,547
Payable for investment advisory fees	776,856
Payable for payroll expenses	103,094
Payable for accounting fees	11,250
Other accrued expenses	238,141

<b>Total Liabilities</b>	<b>45,447,147</b>
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**Preferred Shares:**

Series B Cumulative Preferred Shares (5.000%, \$25 liquidation value, \$0.001 par value, 4,000,000 shares authorized with 3,700,466 shares issued and outstanding)	92,511,650
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<b>Net Assets Attributable to Common Shareholders</b>	<b>\$ 828,026,796</b>
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**Net Assets Attributable to Common Shareholders Consist of:**

Paid-in capital	\$ 1,507,095,037
Distributions in excess of net investment income	(94,755)
Distributions in excess of net realized gain on investments, written options, and foreign currency transactions	(110,389,949)
Net unrealized depreciation on investments	(581,301,379)

Net unrealized appreciation on written options	12,718,011
Net unrealized depreciation on foreign currency translations	(169)

**Net Assets** \$ 828,026,796

**Net Asset Value per Common Share:**

(\$828,026,796 ÷ 112,728,260 shares outstanding at \$0.001 par value; unlimited number of shares authorized) \$ 7.35

**Statement of Operations**

**For the Year Ended December 31, 2014**

**Investment Income:**

Dividends (net of foreign withholding taxes of \$749,225)	\$ 14,644,130
Interest	698,089

**Total Investment Income** 15,342,219

**Expenses:**

Investment advisory fees	11,531,219
Shareholder communications expenses	394,071
Payroll expenses	251,883
Trustees fees	219,000
Shelf offering expenses	170,769
Legal and audit fees	161,613
Custodian fees	108,140
Accounting fees	45,000
Shareholder services fees	21,502
Interest expense	3,062
Miscellaneous expenses	207,529

**Total Expenses** 13,113,788

**Net Investment Income** 2,228,431

**Net Realized and Unrealized Gain/(Loss) on Investments, Written Options, and Foreign Currency:**

Net realized loss on investments	(144,027,877)
Net realized gain on written options	91,843,513
Net realized loss on foreign currency transactions	(290,031)

Net realized loss on investments, written options, and foreign currency transactions (52,474,395)

Net change in unrealized appreciation/depreciation:

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on investments	(122,843,004)
on written options	(711,163)
on foreign currency translations	(65)
Net change in unrealized appreciation/depreciation on investments, written options, and foreign currency translations	(123,554,232)
<b>Net Realized and Unrealized Gain/(Loss) on Investments, Written Options, and Foreign Currency</b>	<b>(176,028,627)</b>
<b>Net Decrease in Net Assets Resulting from Operations</b>	<b>(173,800,196)</b>
Total Distributions to Preferred Shareholders	(4,632,015)
<b>Net Decrease in Net Assets Attributable to Common Shareholders Resulting from Operations</b>	<b>\$ (178,432,211)</b>

See accompanying notes to financial statements.



**GAMCO Global Gold, Natural Resources & Income Trust**
**Statement of Changes in Net Assets Attributable to Common Shareholders**

	<b>Year Ended December 31, 2014</b>	<b>Year Ended December 31, 2013</b>
<b>Operations:</b>		
Net investment income	\$ 2,228,431	\$ 6,821,148
Net realized gain/(loss) on investments, securities sold short, written options, and foreign currency transactions	(52,474,395)	63,911,277
Net change in unrealized depreciation on investments, written options, and foreign currency translations	(123,554,232)	(255,103,705)
<b>Net Decrease in Net Assets Resulting from Operations</b>	<b>(173,800,196)</b>	<b>(184,371,280)</b>
<b>Distributions to Preferred Shareholders:</b>		
Net investment income	(2,112,605)	(380,173)
Net realized short term gain		(5,149,893)
Return of capital	(2,519,410)	
<b>Total Distributions to Preferred Shareholders</b>	<b>(4,632,015)</b>	<b>(5,530,066)</b>
<b>Net Decrease in Net Assets Attributable to Common Shareholders Resulting from Operations</b>	<b>(178,432,211)</b>	<b>(189,901,346)</b>
<b>Distributions to Common Shareholders:</b>		
Net investment income		(5,730,386)
Net realized short term gain		(77,624,837)
Return of capital	(117,707,377)	(65,970,076)
<b>Total Distributions to Common Shareholders</b>	<b>(117,707,377)</b>	<b>(149,325,299)</b>
<b>Fund Share Transactions:</b>		
Net increase in net assets from common shares issued in offering	61,892,099	62,066,000
Increase in net assets from common shares issued upon reinvestment of distributions	4,256,226	8,703,808
Net decrease in net assets from repurchase of common shares		(1,137,377)
Net increase in net assets from repurchase of preferred shares	329,791	983,493
Offering costs for preferred shares charged to paid-in capital		(3,320,070)
Adjustments to offering costs for preferred shares credited to paid-in capital	20,000	
<b>Net Increase in Net Assets from Fund Share Transactions</b>	<b>66,498,116</b>	<b>67,295,854</b>

<b>Net Decrease in Net Assets Attributable to Common Shareholders</b>	(229,641,472)	(271,930,791)
<b>Net Assets Attributable to Common Shareholders:</b>		
Beginning of year	1,057,668,268	1,329,599,059
End of year (including undistributed net investment income of \$0 and \$0, respectively)	\$ 828,026,796	\$ 1,057,668,268

See accompanying notes to financial statements.

**GAMCO Global Gold, Natural Resources & Income Trust**

**Financial Highlights**

Selected data for a common share of beneficial interest outstanding throughout each year.

	Year Ended December 31,				
	2014	2013		2012	2011
<b>Net asset value, ending of</b>	\$ 9.94	\$ 13.26	\$	14.70	\$ 18.25
<b>Investment income realized (loss) on investments, net of foreign currency effects</b>	0.03	0.07		0.11	0.11
<b>Net income from operations</b>	(1.51)	(1.89)		(0.01)	(2.00)
<b>Net income from operations</b>	(1.48)	(1.82)		0.10	(1.89)
<b>Net income from operations</b>	(0.02)	(0.00)(b)		(0.00)(b)	(0.00)(b)
<b>Net income from operations</b>		(0.05)		(0.07)	(0.10)
<b>Net income from operations</b>	(0.02)				

; Little Mommy<sup>®</sup>, Disney Classics<sup>®</sup>, and Monster High<sup>®</sup> (collectively Other Girls Brands ), Hot Wheels<sup>®</sup>, Matchbox<sup>®</sup>, Battle Force 5<sup>®</sup>, and Tyco R/C<sup>®</sup> vehicles and play sets (collectively Wheels ), and CARS , Radi Toy Story<sup>®</sup>, Max Steel<sup>®</sup>, WWE<sup>®</sup> Wrestling, and Batman<sup>®</sup> products, and games and puzzles (collectively Entertainment ).

*Fisher-Price Brands* including Fisher-Price<sup>®</sup>, Little People<sup>®</sup>, BabyGear , and View-Master<sup>®</sup> (collectively Core Fisher-Price<sup>®</sup> ), Dora the Explorer<sup>®</sup>, Go Diego Go!<sup>®</sup>, Thomas and Friends<sup>®</sup>, Sing-a-ma-jigs, and See N Say<sup>®</sup> (collectively Fisher-Price<sup>®</sup> Friends ), and Power Wheels<sup>®</sup>.

*American Girl Brands* including My American Girl<sup>®</sup>, the historical collection, and Bitty Baby<sup>®</sup>. American Girl Brands products are sold directly to consumers via its catalogue, website, and proprietary retail stores. Its children's publications are also sold to certain retailers.

Additionally, the International segment sells products in all toy categories, except American Girl Brands.

**Table of Contents***Segment Data*

The following tables present information about revenues, income, and assets by segment. Mattel does not include sales adjustments such as trade discounts and other allowances in the calculation of segment revenues (referred to as gross sales). Mattel records these adjustments in its financial accounting systems at the time of sale to each customer, but the adjustments are not allocated to individual products. For this reason, Mattel's chief operating decision maker uses gross sales by segment as one of the metrics to measure segment performance. Such sales adjustments are included in the determination of segment income from operations based on the adjustments recorded in the financial accounting systems. Segment income from operations represents operating income, while consolidated income from operations represents income from operations before income taxes as reported in the consolidated statements of operations. The corporate and other category includes costs not allocated to individual segments, including charges related to incentive compensation, share-based payments, and corporate headquarters functions managed on a worldwide basis, and the impact of changes in foreign currency rates on intercompany transactions.

	<b>For the Three Months Ended</b>	
	<b>March 31, 2011</b>	<b>March 31, 2010</b>
	<b>(In thousands)</b>	
<b>Revenues</b>		
Domestic:		
Mattel Girls & Boys Brands US	\$ 303,765	\$ 259,306
Fisher-Price Brands US	172,659	183,249
American Girl Brands	72,954	70,206
Total Domestic	549,378	512,761
International	491,731	447,513
Gross sales	1,041,109	960,274
Sales adjustments	(89,253)	(80,192)
Net sales	\$ 951,856	\$ 880,082
<b>Segment Income</b>		
Domestic:		
Mattel Girls & Boys Brands US	\$ 61,337	\$ 40,854
Fisher-Price Brands US	2,262	12,292
American Girl Brands	4,138	3,000
Total Domestic	67,737	56,146
International	52,603	39,901
Corporate and other expenses (a)	120,340	96,047
	(83,582)	(50,820)
Operating income	36,758	45,227
Interest expense	18,816	13,623
Interest (income)	(3,163)	(2,452)
Other non-operating (income) expense, net	(156)	774
Income before income taxes	\$ 21,261	\$ 33,282

- (a) Corporate and other expense includes (i) share-based compensation expense of \$11.0 million and \$12.8 million for the three months ended March 31, 2011 and 2010, respectively, (ii) \$7.5 million reduction to the legal settlement reserve for product liability related litigation for the three months ended March 31, 2010, (iii) \$7.5 million proposed Gunther-Wahl Productions legal settlement for the three months ended March 31, 2011, and (iv) legal fees associated with MGA litigation matters.*

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	March 31, 2011	March 31, 2010 (In thousands)	December 31, 2010
<b>Assets</b>			
Domestic:			
Mattel Girls & Boys Brands US	\$ 296,132	\$ 226,109	\$ 380,998
Fisher-Price Brands US	214,629	202,263	322,134
American Girl Brands	74,727	60,533	67,435
Total Domestic	585,488	488,905	770,567
International	692,438	546,067	779,875
	1,277,926	1,034,972	1,550,442
Corporate and other	87,893	56,547	59,502
Accounts receivable and inventories, net	\$ 1,365,819	\$ 1,091,519	\$ 1,609,944

Mattel sells a broad variety of toy products, which are grouped into three major categories: Mattel Girls & Boys Brands, Fisher-Price Brands, and American Girl Brands. The table below presents worldwide revenues by category:

	For the Three Months Ended	
	March 31, 2011	March 31, 2010
	(In thousands)	
<b>Worldwide Revenues</b>		
Mattel Girls & Boys Brands	\$ 656,376	\$ 573,112
Fisher-Price Brands	309,866	316,193
American Girl Brands	72,954	70,206
Other	1,913	763
Gross sales	1,041,109	960,274
Sales adjustments	(89,253)	(80,192)
Net sales	\$ 951,856	\$ 880,082

**24. Subsequent Events**

On April 15, 2011, Mattel announced that the Board of Directors approved a second quarter dividend of \$0.23 per common share. The dividend is payable on June 17, 2011 to stockholders of record on May 25, 2011.

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**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

The following discussion should be read in conjunction with the consolidated financial information and related notes that appear in Part I, Item 1, of this Quarterly Report. Mattel's business is seasonal; therefore, results of operations are comparable only with corresponding periods.

**Factors That May Affect Future Results**

(Cautionary Statement Under the Private Securities Litigation Reform Act of 1995)

Mattel is including this Cautionary Statement to make applicable and take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the "Act") for forward-looking statements. This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of the Act. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as "believes," "expects," "anticipates," "estimates," "intends," "plans," "seeks" or words of similar meaning, or future or conditional verbs, such as "will," "should," "could," "may," "aims," "intends," or "projects." A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. Investors should not place undue reliance on the forward-looking statements, which speak only as of the date of this Form 10-Q. These forward-looking statements are all based on currently available operating, financial, economic and competitive information and are subject to various risks and uncertainties. The Company's actual future results and trends may differ materially depending on a variety of factors, including, but not limited to, the risks and uncertainties detailed in Item 1A. Risk Factors in Mattel's 2010 Annual Report on Form 10-K.

**Overview**

Mattel designs, manufactures, and markets a broad variety of toy products worldwide, which are sold to its customers and directly to consumers. Mattel's business is dependent in great part on its ability each year to redesign, restyle, and extend existing core products and product lines, to design and develop innovative new products and product lines, and to successfully market those products and product lines. Mattel plans to continue to focus on its portfolio of traditional brands that have historically had worldwide appeal, to create new brands utilizing its knowledge of children's play patterns, and to target customer and consumer preferences around the world.

Mattel believes its products are among the most widely recognized toy products in the world. Mattel's portfolio of brands and products are grouped in the following categories:

*Mattel Girls & Boys Brands* including Barbie® fashion dolls and accessories ( Barbie® ), Polly Pocket®, Little Mommy®, Disney Classics®, and Monster High® (collectively "Other Girls Brands"), Hot Wheels®, Matchbox®, Battle Force 5®, and Tyco R/C® vehicles and play sets (collectively "Wheels"), and CARS®, Radio Flyer®, Max Steel®, WWE® Wrestling, and Batman® products, and games and puzzles (collectively "Entertainment").

*Fisher-Price Brands* including Fisher-Price®, Little People®, BabyGear®, and View-Master® (collectively "Core Fisher-Price®"), Dora the Explorer®, Go Diego Go!®, Thomas and Friends®, Sing-a-ma-jigs, and See 'N Say® (collectively "Fisher-Price® Friends"), and Power Wheels®.

*American Girl Brands* including My American Girl®, the historical collection, and Bitty Baby®. American Girl Brands products are sold directly to consumers via its catalogue, website, and proprietary retail stores. Its children's publications are also sold to certain retailers.

Mattel's objective is to continue to create long-term stockholder value by generating strong cash flow and deploying it in a disciplined and opportunistic manner as outlined in Mattel's capital and



investment framework (see Liquidity and Capital Resources Capital and Investment Framework ). To achieve this objective, management has established three overarching strategies.

The first strategy is to deliver consistent growth by continuing the momentum in its core brands, optimizing entertainment partnerships, building new franchises, and working to expand and leverage its international footprint.

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The second strategy is to build on the progress it has made on improving operating margins through at least sustaining the gross margins and delivering another round of cost savings.

The third strategy is to generate significant cash flow and continue its disciplined, opportunistic, and value-enhancing deployment.

*First Quarter 2011 Overview*

Mattel's results for the first quarter of 2011 include a net sales increase of 8%, as compared to the first quarter of 2010. Net sales during the first quarter of 2011 reflects growth both domestically and internationally from sales of products tied to core brands, Mattel's new entertainment properties, and our new line, Monster High®. Additionally:

Gross profit, as a percentage of net sales, increased from 49.1% in the first quarter of 2010 to 49.7% in 2011, primarily due to pricing increases, partially offset by higher product costs.

Operating income in the first quarter of 2011 was \$36.8 million, as compared to \$45.2 million in 2010. The decrease in operating income is primarily due to higher litigation and legal-related costs and higher employee-related costs in other selling and administrative expenses, partially offset by higher sales and gross margins.

Net income in the first quarter of 2011 was \$16.6 million, as compared to \$24.8 million in 2010. The decrease in net income is primarily due to lower operating income and higher interest expense as a result of higher overall borrowings.

Mattel's Operational Excellence 2.0 program generated gross savings of approximately \$5 million during the first quarter of 2011.

**Results of Operations**

*Consolidated Results*

Net sales for the first quarter of 2011 were \$951.9 million, up 8% as compared to \$880.1 million in 2010, with favorable changes in currency exchange rates of 1 percentage point. Net income for the first quarter of 2011 was \$16.6 million, or \$0.05 per diluted share, as compared to \$24.8 million, or \$0.07 per diluted share, in 2010. Net income for the first quarter of 2011 was negatively impacted by higher other selling and administrative expenses and higher interest expense, partially offset by higher sales and gross margins.

The following table provides a summary of Mattel's consolidated results for the first quarter of 2011 and 2010 (in millions, except percentage and basis point information):

	For the Three Months Ended March 31,				Year/Year Change	
	2011		2010		%	Basis Points of Net Sales
	Amount	% of Net Sales	Amount	% of Net Sales		
Net sales	\$ 951.9	100.0%	\$ 880.1	100.0%	8%	

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Gross profit	\$ 473.1	49.7%	\$ 431.9	49.1%	10%	60
Advertising and promotion expenses	101.8	10.7	94.2	10.7	8%	
Other selling and administrative expenses	334.5	35.1	292.5	33.2	14%	190
Operating income	36.8	3.9	45.2	5.1	19%	120
Interest expense	18.8	2.0	13.6	1.5	38%	50
Interest (income)	(3.2)	0.3	(2.5)	0.3	29%	
Other non-operating (income) expense, net	(0.1)		0.8			
Income before income taxes	\$ 21.3	2.2%	\$ 33.3	3.8%	36%	160

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### *Sales*

Net sales for the first quarter of 2011 were \$951.9 million, up 8% as compared to \$880.1 million in 2010, with favorable changes in currency exchange rates of 1 percentage point. Gross sales within the US increased 7% in the first quarter of 2011, as compared to 2010, and accounted for 53% of consolidated gross sales in the first quarter of 2011 and 2010. Gross sales in international markets increased 10% in the first quarter of 2011, as compared to 2010, with favorable changes in currency exchange rates of 2 percentage points.

Worldwide gross sales of Mattel Girls & Boys Brands increased 15% in the first quarter of 2011 to \$656.4 million, with favorable changes in currency exchange rates of 1 percentage point. Domestic gross sales of Mattel Girls & Boys Brands increased 17% and international gross sales increased 12%, with favorable changes in currency exchange rates of 1 percentage point. Worldwide gross sales of Barbie® increased 14%, with favorable changes in currency exchange rates of 2 percentage points. Domestic gross sales of Barbie® were flat and international gross sales increased 23%, with favorable changes in currency exchange rates of 2 percentage points. Worldwide gross sales of Other Girls products increased 38%, with unfavorable changes in currency exchange rates of 1 percentage point, driven primarily by sales of Monster High products and higher sales of Disney Princess products, partially offset by lower sales of Polly Pocket® products. Worldwide gross sales of Wheels products increased 4%, with favorable changes in currency exchange rates of 1 percentage point, driven primarily by higher sales of Hot Wheels® products. Worldwide gross sales of Hot Wheels® increased 6%, with favorable changes in currency exchange rates of 1 percentage point. Worldwide gross sales of Entertainment products increased 13%, with favorable changes in currency exchange rates of 1 percentage point, driven primarily by sales of CARS®, Green Lantern®, and Toy Story® 3 products.

Worldwide gross sales of Fisher-Price Brands decreased 2% in the first quarter of 2011 to \$309.9 million, with favorable changes in currency exchange rates of 1 percentage point. Domestic gross sales of Fisher-Price Brands decreased 6% and international gross sales increased 3%, with favorable changes in currency exchange rates of 1 percentage point. Worldwide gross sales of Core Fisher-Price® were flat, with favorable changes in currency exchange rates of 1 percentage point. Domestic gross sales of Core Fisher-Price® decreased 4% and international gross sales increased 5%, with favorable changes in currency exchange rates of 1 percentage point. Worldwide gross sales of Fisher-Price® Friends decreased 13%, with favorable changes in currency exchange rates of 1 percentage point, driven primarily by the discontinuation of Sesame Street® products, partially offset by higher sales of Thomas and Friends®, Dora the Explorer®, and Mickey Mouse® Clubhouse products. Domestic gross sales of Fisher-Price® Friends decreased 20% and international gross sales decreased 4%, with favorable changes in currency exchange rates of 2 percentage points.

American Girl Brands gross sales increased 4% in the first quarter of 2011 to \$73.0 million, driven primarily by Kanani®, the 2011 Girl of the Year® doll, and the benefit of two new American Girl® stores in Lone Tree, Colorado, and Overland Park, Kansas, which opened in late March 2010 and September 2010, respectively.

### *Cost of Sales*

Cost of sales as a percentage of net sales was 50.3% in the first quarter of 2011, as compared to 50.9% in 2010. Cost of sales increased by \$30.5 million, or 7%, from \$448.2 million in the first quarter of 2010 to \$478.7 million in 2011, as compared to an 8% increase in net sales. Within cost of sales, product costs increased by \$26.0 million, or 7%, from \$354.1 million in the first quarter of 2010 to \$380.1 million in 2011; freight and logistics expenses increased by \$2.2 million, or 4%, from \$58.4 million in the first quarter of 2010 to \$60.6 million in 2011; and royalty expense increased by \$2.3 million, or 6%, from \$35.7 million in the first quarter of 2010 to \$38.0 million in 2011.

*Gross Profit*

Gross profit as a percentage of net sales was 49.7% in the first quarter of 2011, as compared to 49.1% in 2010. The increase in gross profit as a percentage of net sales was driven primarily by pricing, partially offset by higher product costs.

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*Advertising and Promotion Expenses*

Advertising and promotion expenses remained flat at 10.7% of net sales in the first quarter of 2011 and 2010.

*Other Selling and Administrative Expenses*

Other selling and administrative expenses were \$334.5 million, or 35.1% of net sales, in the first quarter of 2011, as compared to \$292.5 million, or 33.2% of net sales, in 2010. The dollar increase is driven primarily by higher legal costs and the impact of legal settlement activity, as well as higher employee-related costs, including merit and other compensation expense.

*Non-Operating Items*

Interest expense increased from \$13.6 million in the first quarter of 2010 to \$18.8 million in 2011, driven primarily by interest expense associated with the \$500.0 million of senior notes issued in September 2010. Interest income increased from \$2.5 million in the first quarter of 2010 to \$3.2 million in 2011, driven primarily by higher average invested cash balances, partially offset by lower average interest rates. The change in other non-operating income/expense primarily relates to foreign currency exchange gains/losses.

*Provision for Income Taxes*

Mattel's provision for income taxes was \$4.7 million for the three months ended March 31, 2011, as compared to \$8.4 million in the three months ended March 31, 2010. Mattel recognized discrete tax expense of \$0.3 million during the three months ended March 31, 2010, primarily related to reassessments of prior years' tax exposure based on the status of audits and tax filings in various jurisdictions, settlements, and enacted tax law changes. There were no discrete tax items recognized during the three months ended March 31, 2011.

During the three months ended March 31, 2010, Mattel reached a resolution with the IRS regarding all open issues relating to the examination of Mattel's US federal income tax returns for the years 2006 and 2007. The resolution did not have a material impact on Mattel's first quarter 2010 consolidated financial statements.

*Business Segment Results*

Mattel's reportable segments are separately managed business units and are divided on a geographic basis between domestic and international. The Domestic segment is further divided into Mattel Girls & Boys Brands US, Fisher-Price Brands US, and American Girl Brands.

*Mattel Girls & Boys Brands US*

Mattel Girls & Boys Brands US gross sales were \$303.8 million in the first quarter of 2011, up \$44.5 million or 17%, as compared to \$259.3 million in 2010. Within this segment, gross sales of Barbie® products remained flat and gross sales of Other Girls products increased 54%, driven primarily by sales of Monster High® products and higher sales of Disney Princess® products. Gross sales of Wheels products increased 2%, driven primarily by higher sales of Hot Wheels® products, partially offset by lower sales of Matchbox® products. Gross sales of Entertainment products increased 29%, driven primarily by increased sales of CARS and WWE® Wrestling products. Cost of sales increased 12% in the first quarter of 2011, as compared to an 18% increase in net sales, primarily due to higher unit sales volume, product costs, and royalty expense. Gross margin improvement was primarily due to favorable product mix and lower freight and logistics costs, partially offset by higher product costs and royalties.

Mattel Girls & Boys Brands US segment income increased \$20.4 million, or 50%, from \$40.9 million in the first quarter of 2010 to \$61.3 million in 2011, driven primarily by higher sales volume and higher gross margin.

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*Fisher-Price Brands US*

Fisher-Price Brands US gross sales were \$172.7 million in the first quarter of 2011, down \$10.5 million or 6%, as compared to \$183.2 million in 2010. Within this segment, gross sales of Core Fisher-Price® products decreased 4%. Gross sales of Fisher-Price® Friends products decreased 20%, driven primarily by the discontinued Sesame Street® license. Cost of sales decreased 2% in the first quarter of 2011, as compared to a 7% decrease in net sales, primarily due to lower unit sales volume and lower royalty expense, partially offset by higher product costs. Gross margin decreased primarily due to higher product costs and unfavorable product mix, partially offset by lower royalty expense.

Fisher-Price Brands US segment income decreased \$10.0 million, from \$12.3 million in the first quarter of 2010 to \$2.3 million in 2011, driven primarily by lower sales volume and lower gross margin.

*American Girl Brands*

American Girl Brands gross sales were \$73.0 million in the first quarter of 2011, up \$2.8 million or 4%, as compared to \$70.2 million in 2010, driven primarily by higher sales of Kanani®, the 2011 Girl of the Year® doll, and the benefit of new stores in Colorado and Kansas. Cost of sales increased 4% in the first quarter of 2011, as compared to a 4% increase in net sales, primarily due to higher unit sales volume. Gross margin for the first quarter of 2011 was flat with the first quarter of 2010.

American Girl Brands segment income increased \$1.1 million, from \$3.0 million in the first quarter of 2010 to \$4.1 million in 2011, driven primarily by higher sales volume, partially offset by higher other selling and administrative expenses, mainly from the opening of the two new American Girl® stores.

*International*

The following table provides a summary of percentage changes in gross sales within the International segment for the first quarter of 2011 versus 2010:

	<b>% Change in Gross Sales</b>	<b>Impact of Change in Currency (in % pts)</b>
<b>Non-US Regions:</b>		
Total International	10	2
Europe	2	1
Latin America	28	7
Asia Pacific	19	4
Other	10	3

International gross sales were \$491.7 million in the first quarter of 2011, up \$44.2 million or 10%, as compared to \$447.5 million in 2010, with favorable changes in currency exchange rates of 2 percentage points. Gross sales of Mattel Girls & Boys Brands increased 12%, with favorable changes in currency exchange rates of 1 percentage point. Gross sales of Barbie® products increased 23%, with favorable changes in currency exchange rates of 2 percentage points. Gross sales of Other Girls products increased 24%, with no impact from currency exchange rates, driven primarily by the launch of Monster High® internationally and higher sales of Disney Princess® products. Gross sales of Wheels products increased 7%, with favorable changes in currency exchange rates of 3 percentage points. Gross sales of Entertainment products decreased 3%, with favorable changes in currency exchange rates of 1 percentage point. Gross sales of Fisher-Price Brands increased 3%, with favorable changes in currency exchange rates of 1 percentage point. Gross sales of Core Fisher-Price® products increased 5%, with favorable changes in currency exchange rates of 1 percentage point. Gross sales of Fisher-Price® Friends



products decreased 4%, with favorable changes in currency exchange rates of 2 percentage points. Cost of sales increased 9% in the first quarter of 2011, as compared to a 10% increase in net sales, primarily due to higher unit sales volume and product costs. Gross margin improvement was primarily due to price increases, partially offset by higher product costs.

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International segment income increased \$12.7 million, or 32%, from \$39.9 million in the first quarter of 2010 to \$52.6 million in 2011, driven primarily by higher sales volume and higher gross margin.

### **Operational Excellence 2.0**

The first phase of Mattel's cost savings program, Global Cost Leadership, delivered cumulative net savings of approximately \$212 million in 2009 and 2010, which equated to cumulative gross savings of \$225 million. During 2011, Mattel initiated the second phase of its cost savings program, Operational Excellence 2.0, which targets additional cumulative cost savings of approximately \$150 million by the end of 2012. The cost savings are expected to include a reduction of approximately \$75 million in legal costs, which will lower other selling and administrative expenses, and approximately \$75 million of structural cost savings executed through a handful of important initiatives, which will be reflected in gross profit, advertising and promotion expenses, and other selling and administrative expenses. The major initiatives within Mattel's Operational Excellence 2.0 program include:

The creation of global brand teams and reorganization to a North America division,

Additional procurement initiatives designed to fully leverage Mattel's global scale,

SKU efficiency, and

Packaging optimization.

Mattel recognized Operational Excellence 2.0 gross savings of approximately \$5 million in the first quarter of 2011. While some of the positive impact will be seen in 2011, Mattel expects to realize the majority of the \$150 million savings goal in 2012, given the timing of investment costs and timelines required to complete the initiatives.

### **Income Taxes**

Mattel's provision for income taxes was \$4.7 million for the three months ended March 31, 2011, as compared to \$8.4 million for the three months ended March 31, 2010. Mattel recognized discrete tax expense of \$0.3 million during the three months ended March 31, 2010, primarily related to reassessments of prior years' tax exposure based on the status of audits and tax filings in various jurisdictions, settlements, and enacted tax law changes. There were no discrete tax items recognized during the three months ended March 31, 2011.

During the three months ended March 31, 2010, Mattel reached a resolution with the IRS regarding all open issues relating to the examination of Mattel's US federal income tax returns for the years 2006 and 2007. The resolution did not have a material impact on Mattel's first quarter 2010 consolidated financial statements.

### **Liquidity and Capital Resources**

Mattel's primary sources of liquidity are its cash and equivalents balances, access to short-term borrowing facilities, including Mattel's commercial paper program and its \$1.4 billion domestic unsecured committed revolving credit facility, and issuances of long-term debt securities. Cash flows from operating activities could be negatively impacted by decreased demand for Mattel's products, which could result from factors such as adverse economic conditions and changes in

public and consumer preferences, or by increased costs associated with manufacturing and distribution of products or shortages in raw materials or component parts. Additionally, Mattel's ability to issue long-term debt and obtain seasonal financing could be adversely affected by factors such as global economic crises and tight credit environments, an inability to meet its debt covenant requirements, which include maintaining consolidated debt-to-earnings before interest, taxes, depreciation, and amortization (EBITDA) and interest coverage ratios, or a deterioration of Mattel's credit ratings. Mattel's ability to conduct its operations could be negatively impacted should these or other adverse conditions affect its primary sources of liquidity.

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*Current Market Conditions*

Mattel is exposed to financial market risk resulting from changes in interest and foreign currency rates. Mattel believes that it has ample liquidity to fund its business needs, including beginning of year cash and equivalents, cash flows from operations, and access to the commercial paper market and the Company's \$1.4 billion domestic unsecured committed revolving credit facility, which the Company uses for seasonal working capital requirements. As of March 31, 2011, since Mattel utilized the commercial paper market to meet its short-term borrowing needs, Mattel had available incremental borrowing resources totaling \$1.4 billion under its unsecured committed revolving credit facility, and Mattel has not experienced any limitations on its ability to access this source of liquidity. Market conditions could affect certain terms of other debt instruments that Mattel enters into from time to time.

Mattel monitors the third-party depository institutions that hold the company's cash and equivalents. Mattel's emphasis is primarily on safety and liquidity of principal, and secondarily on maximizing the yield on those funds. Mattel diversifies its cash and equivalents among counterparties and securities to minimize risks.

Mattel is subject to credit risks relating to the ability of its counterparties of hedging transactions to meet their contractual payment obligations. The risks related to creditworthiness and nonperformance have been considered in the fair value measurements of Mattel's foreign currency forward exchange contracts. Mattel closely monitors its counterparties and takes action, as necessary, to manage its counterparty credit risk.

Mattel expects that some of its customers and vendors may experience difficulty in obtaining the liquidity required to buy inventory or raw materials. Mattel monitors its customers' financial condition and their liquidity in order to mitigate Mattel's accounts receivable collectibility risks, and customer terms and credit limits are adjusted, if necessary. Additionally, Mattel uses a variety of financial arrangements to ensure collectibility of accounts receivable of customers deemed to be a credit risk, including requiring letters of credit, factoring or purchasing various forms of credit insurance with unrelated third parties, or requiring cash in advance of shipment.

Mattel sponsors defined benefit pension plans and postretirement benefit plans for employees of the company. Actual returns below the expected rate of return, along with changes in interest rates that affect the measurement of the liability, would impact the amount and timing of Mattel's future contributions to these plans.

*Capital and Investment Framework*

To guide future capital deployment decisions, with a goal of maximizing stockholder value, Mattel's Board of Directors in 2003 established the following capital and investment framework:

To maintain approximately \$800 million to \$1 billion in year-end cash available to fund a substantial portion of seasonal working capital;

To maintain a year-end debt-to-capital ratio of about 25%;

To invest approximately \$180 million to \$200 million in capital expenditures annually to maintain and grow the business;

To make strategic opportunistic acquisitions; and

To return excess funds to stockholders through dividends and share repurchases. Over the long term, assuming cash flows from operating activities remain strong, Mattel plans to use its free cash flows to invest in strategic acquisitions and to return funds to stockholders through cash dividends and share repurchases. Mattel's share repurchase program has no expiration date and repurchases will take place from time to time, depending on market conditions. The ability to successfully implement the capital deployment plan is directly dependent on Mattel's ability to generate strong cash flows from operating activities. There is no assurance that Mattel will continue to generate strong cash flows from operating activities or achieve its targeted goals for investing activities.

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*Operating Activities*

Cash flows used for operating activities were \$41.8 million in the first quarter of 2011, as compared to \$244.6 million in 2010. The decrease in cash flows used for operating activities was primarily due to the collection of \$300 million of domestic receivables not factored in 2010, partially offset by higher working capital usage.

*Investing Activities*

Cash flows used for investing activities were \$9.2 million in the first quarter of 2011, as compared to \$35.0 million in 2010. The decrease in cash flows used for investing activities was primarily due to higher net proceeds received relating to settled foreign currency forward exchange contracts, partially offset by higher purchases of tools, dies, and molds and other property, plant, and equipment.

*Financing Activities*

Cash flows used for financing activities were \$186.3 million in the first quarter of 2011, as compared to \$33.8 million provided by financing activities in 2010. The increase in cash flows used for financing activities was primarily due to share repurchases and dividend payments made during the three months ended March 31, 2011.

*Seasonal Financing*

Mattel maintains and periodically amends or replaces its domestic unsecured committed revolving credit facility with a commercial bank group that is used as a back-up facility to Mattel's commercial paper program, which is used as the primary source of financing for the seasonal working capital requirements of its domestic subsidiaries. The revolving credit facility was amended and restated on March 8, 2011 to, among other things, (i) extend the maturity date of the credit facility to March 8, 2015, (ii) increase aggregate commitments under the credit facility to \$1.4 billion, with an accordion feature, which allows Mattel to increase the aggregate availability under the credit facility to \$1.6 billion under certain circumstances, (iii) decrease the applicable interest rate margins to a range of 0.25% to 1.50% above the applicable base rate for base rate loans, and 1.25% to 2.50% above the applicable London Interbank Borrowing Rate for Eurodollar rate loans, in each case depending on Mattel's senior unsecured long-term debt rating, and (iv) decrease commitment fees to a range of 0.15% to 0.40% of the unused commitments under the credit facility. In connection with the execution of the amendment of the domestic unsecured revolving credit facility, Mattel terminated its \$300.0 million domestic receivables sales facility, which was a sub-facility of the domestic unsecured committed revolving credit facility.

Mattel is required to meet financial covenants at the end of each quarter and fiscal year, using the formulae specified in the credit agreement to calculate the ratios. Mattel was in compliance with such covenants at the end of the first quarter of 2011. As of March 31, 2011, Mattel's consolidated debt-to-EBITDA ratio, as calculated per the terms of the credit agreement, was 1.1 to 1 (compared to a maximum allowed of 3.0 to 1) and Mattel's interest coverage ratio was 15.3 to 1 (compared to a minimum required of 3.50 to 1).

The domestic unsecured committed revolving credit facility is a material agreement and failure to comply with the financial covenant ratios may result in an event of default under the terms of the facility. If Mattel defaulted under the terms of the domestic unsecured committed revolving credit facility, its ability to meet its seasonal financing requirements could be adversely affected.

To finance seasonal working capital requirements of certain foreign subsidiaries, Mattel avails itself of individual short-term credit lines with a number of banks. Mattel expects to extend the majority of these credit lines throughout 2011.

In April 2011, a major credit rating agency changed Mattel's long-term credit rating from BBB to BBB+, and maintained its short-term credit rating of A-2 and outlook at stable. In May 2010, another major credit rating agency changed Mattel's long-term credit rating from BBB to BBB+ and its outlook from stable to positive.

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Mattel believes its cash on hand, amounts available under its domestic unsecured committed revolving credit facility, and its foreign credit lines will be adequate to meet its seasonal financing requirements in 2011.

*Financial Position*

Mattel's cash and equivalents decreased by \$231.8 million to \$1.0 billion at March 31, 2011, as compared to December 31, 2010. The decrease was driven primarily by the timing and amount of accounts payable and accrued liabilities payments, seasonal increases in inventory, \$100.1 million of share repurchases, and \$80.1 million of first quarter dividend payments. The decrease was partially offset by the collection of \$300 million of domestic receivables not factored in 2010 and proceeds received from the exercise of stock options.

Accounts payable and accrued liabilities decreased by \$277.0 million to \$771.5 million at March 31, 2011, as compared to December 31, 2010. The decrease was driven primarily by the timing and amount of payments for various liabilities, including incentive compensation, advertising obligations, and royalties.

The current portion of long-term debt totaled \$250.0 million at March 31, 2011 and December 31, 2010.

A summary of Mattel's capitalization is as follows:

	March 31, 2011		March 31, 2010		December 31, 2010	
	(In millions, except percentage information)					
Medium-term notes	\$ 100.0	2%	\$ 150.0	4%	\$ 100.0	2%
2006 Senior Notes			200.0	5		
2008 Senior Notes	350.0	9	350.0	9	350.0	9
2010 Senior Notes	500.0	13			500.0	12
<b>Total noncurrent long-term debt</b>	<b>950.0</b>	<b>24</b>	<b>700.0</b>	<b>18</b>	<b>950.0</b>	<b>23</b>
Other noncurrent liabilities	474.5	12	484.3	13	488.9	12
Stockholders' equity	2,517.4	64	2,595.6	69	2,628.6	65
	\$ 3,941.9	100%	\$ 3,779.9	100%	\$ 4,067.5	100%

Total noncurrent long-term debt totaled \$950.0 million at March 31, 2011 and December 31, 2010. Mattel expects to satisfy its future long-term capital needs through the generation of corporate earnings and issuance of long-term debt instruments, as needed.

Other noncurrent liabilities decreased \$14.4 million at March 31, 2011, as compared to December 31, 2010, due primarily to reductions in long-term defined benefit pension plan obligations as a result of contributions made to the plans.

Stockholders' equity of \$2.52 billion decreased \$78.2 million from March 31, 2010, primarily as a result of share repurchases and Mattel's first quarter dividend payment, partially offset by the impact of foreign currency translation adjustments and net income.



Mattel's debt-to-total-capital ratio, including short-term borrowings and current portion of long-term debt, increased from 22.4% at March 31, 2010 to 32.3% at March 31, 2011 due primarily to the \$500.0 million issuance of senior notes in September 2010. Mattel's objective is to maintain a year-end debt-to-capital ratio of approximately 25%.

**Litigation**

See Part II, Item 1 - Legal Proceedings.

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**Application of Critical Accounting Policies and Estimates**

Mattel's critical accounting policies and estimates are included in its Annual Report on Form 10-K for the year ended December 31, 2010, and did not change during the first three months of 2011.

**Non-GAAP Financial Measure**

In this Quarterly Report on Form 10-Q, Mattel includes a non-GAAP financial measure, gross sales, which it uses to analyze its continuing operations and to monitor, assess and identify meaningful trends in its operating and financial performance. Net sales, as reported in the consolidated statements of operations, include the impact of sales adjustments, such as trade discounts and other allowances. Gross sales represent sales to customers, excluding the impact of sales adjustments.

Consistent with its segment reporting, Mattel presents changes in gross sales as a metric for comparing its aggregate, business unit, brand and geographic results to highlight significant trends in Mattel's business. Changes in gross sales are discussed because, while Mattel records the detail of such sales adjustments in its financial accounting systems at the time of sale, such sales adjustments are generally not associated with individual products, making net sales less meaningful. A reconciliation of gross sales to the most directly comparable GAAP financial measure, net sales, is as follows:

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	<b>March 31,</b>
	<b>2011</b>	<b>2010</b>
	<b>(In thousands)</b>	
<b>Revenues</b>		
Domestic:		
Mattel Girls & Boys Brands US	\$ 303,765	\$ 259,306
Fisher-Price Brands US	172,659	183,249
American Girl Brands	72,954	70,206
Total Domestic	549,378	512,761
International	491,731	447,513
Gross sales	1,041,109	960,274
Sales adjustments	(89,253)	(80,192)
Net sales	\$ 951,856	\$ 880,082

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.***Foreign Currency Exchange Rate Risk*

Currency exchange rate fluctuations may impact Mattel's results of operations and cash flows. Inventory purchase and sale transactions denominated in the Euro, British pound sterling, and Mexican peso were the primary transactions that caused foreign currency transaction exposure for Mattel. Mattel seeks to mitigate its exposure to market risk by monitoring its currency transaction exposure for the year and partially hedging such exposure using foreign currency forward exchange contracts primarily to hedge its purchase and sale of inventory, and other intercompany transactions denominated in foreign currencies. These contracts generally have maturity dates of up to 18 months. For those intercompany receivables and payables that are not

hedged, the transaction gains or losses are recorded in the consolidated statement of operations in the period in which the exchange rate changes as part of operating income or other non-operating (income) expense, net based on the nature of the underlying transaction. Transaction gains or losses on hedged intercompany inventory transactions are recorded in the consolidated statement of operations in the period in which the inventory is sold to customers. In addition, Mattel manages its exposure to currency exchange rate fluctuations through the selection of currencies used for international borrowings. Mattel does not trade in financial instruments for speculative purposes.

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Mattel's financial position is also impacted by currency exchange rate fluctuations on translation of its net investment in subsidiaries with non-US dollar functional currencies. Assets and liabilities of subsidiaries with non-US dollar functional currencies are translated into US dollars at fiscal period-end exchange rates. Income, expense, and cash flow items are translated at weighted average exchange rates prevailing during the fiscal year. The resulting currency translation adjustments are recorded as a component of accumulated other comprehensive loss within stockholders' equity. Mattel's primary currency translation exposures for the first quarter of 2011 were related to its net investment in entities having functional currencies denominated in the Euro, Mexican peso, Brazilian real, and British pound sterling.

There are numerous factors impacting the amount by which Mattel's financial results are affected by foreign currency translation and transaction gains and losses resulting from changes in currency exchange rates, including, but not limited to, the level of foreign currency forward exchange contracts in place at a given time and the volume of foreign currency denominated transactions in a given period. However, assuming that such factors were held constant, Mattel estimates that a 1 percent change in the US dollar Trade-Weighted Index would impact Mattel's net sales by approximately 0.5% and its full year earnings per share by approximately \$0.01 to \$0.02.

**Item 4. Controls and Procedures.**

*Evaluation of Disclosure Controls and Procedures*

As of March 31, 2011, Mattel's disclosure controls and procedures were evaluated to provide reasonable assurance that information required to be disclosed by Mattel in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to management, as appropriate, in a timely manner that would alert them to material information relating to Mattel that would be required to be included in Mattel's periodic reports and to provide reasonable assurance that such information was recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms. Based on this evaluation, Robert A. Eckert, Mattel's principal executive officer, and Kevin M. Farr, Mattel's principal financial officer, concluded that these disclosure controls and procedures were effective as of March 31, 2011.

*Changes in Internal Control Over Financial Reporting*

Mattel made no changes to its internal control over financial reporting or in other factors that materially affected, or were reasonably likely to have materially affected, its internal control over financial reporting during the quarter ended March 31, 2011.

**Table of Contents****PART II OTHER INFORMATION****Item 1. Legal Proceedings.**

The content of Note 22, Contingencies to the Consolidated Financial Statements of Mattel in Part I of this Quarterly Report on Form 10-Q is hereby incorporated by reference in its entirety in this Item 1.

**Item 1A. Risk Factors.**

There have been no material changes to the risk factors disclosed under Part I, Item 1A. Risk Factors in Mattel's 2010 Annual Report on Form 10-K.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.***Recent Sales of Unregistered Securities*

During the first quarter of 2011, Mattel did not sell any unregistered securities.

*Issuer Purchases of Equity Securities*

This table provides certain information with respect to Mattel's purchases of its common stock during the first quarter of 2011:

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units)	
			Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1 - 31				
Repurchase program (1)		\$		\$ 463,621,007
Employee transactions (2)	855	23.52	N/A	N/A
February 1 - 28				
Repurchase program (1)	1,984,687	25.27	1,984,687	413,477,752
Employee transactions (2)	803,267	25.71	N/A	N/A
March 1 - 31				
Repurchase program (1)	1,982,200	25.22	1,982,200	363,479,090
Employee transactions (2)	54,183	25.19	N/A	N/A
Total				
Repurchase program (1)	3,966,887	\$ 25.24	3,966,887	363,479,090
Employee transactions (2)	858,305	25.67	N/A	N/A

(1)

*Repurchases will take place from time to time, depending on market conditions. Mattel's share repurchase program has no expiration date.*

*(2) Includes the sale of restricted shares for employee tax withholding obligations that occur upon vesting.*

*N/A Not applicable.*

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 5. Other Information.**

None.

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**Item 6. Exhibits.**

<b>Exhibit No.</b>	<b>Exhibit Description</b>
10.1*	Form of Grant Agreement for Long-Term Incentive Program Performance-Based Restricted Stock Units for Senior Executives under the Mattel, Inc. 2010 Equity and Long-Term Compensation Plan for Certain Executive Officers with Employment Agreements and Certain Executive Officers Participating in the Mattel, Inc. Executive Severance Plan
10.2*	Form of Grant Agreement for Long-Term Incentive Program Performance-Based Restricted Stock Units for Senior Executives under the Mattel, Inc. 2010 Equity and Long-Term Compensation Plan
12.0*	Computation of Earnings to Fixed Charges
31.0*	Certification of Principal Executive Officer dated April 27, 2011 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.1*	Certification of Principal Financial Officer dated April 27, 2011 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.0**	Certification of Principal Executive Officer and Principal Financial Officer dated April 27, 2011 pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 <sup>(1)</sup>
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema Document
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

\* *Filed herewith.*

\*\* *Furnished herewith.*

(1) *This exhibit should not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934.*

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934 as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MATTEL, INC.  
*Registrant*

By:           /s/ H. Scott Topham  
                  H. Scott Topham  
                  Senior Vice President and  
                  Corporate

Controller (Duly authorized  
officer and

chief accounting officer)

Date: April 27, 2011