

ALLIANCEBERNSTEIN GLOBAL HIGH INCOME FUND INC
Form N-CSR
June 06, 2012

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: 811-07732

ALLIANCEBERNSTEIN GLOBAL HIGH INCOME FUND, INC.

(Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York, New York 10105
(Address of principal executive offices) (Zip code)

Joseph J. Mantineo

AllianceBernstein L.P.

1345 Avenue of the Americas

New York, New York 10105
(Name and address of agent for service)

Registrant's telephone number, including area code: (800) 221-5672

Date of fiscal year end: March 31, 2012

Date of reporting period: March 31, 2012

ITEM 1. REPORTS TO STOCKHOLDERS.

ANNUAL REPORT

AllianceBernstein Global High Income Fund

March 31, 2012

Annual Report

Investment Products Offered

**Are Not FDIC Insured
May Lose Value
Are Not Bank Guaranteed**

Investors should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. For copies of our prospectus or summary prospectus, which contain this and other information, visit us online at www.alliancebernstein.com or contact your AllianceBernstein Investments representative. Please read the prospectus and/or summary prospectus carefully before investing.

This shareholder report must be preceded or accompanied by the Fund's prospectus for individuals who are not current shareholders of the Fund.

You may obtain a description of the Fund's proxy voting policies and procedures, and information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, without charge. Simply visit AllianceBernstein's website at www.alliancebernstein.com, or go to the Securities and Exchange Commission's (the Commission's) website at www.sec.gov, or call AllianceBernstein at (800) 227-4618.

The Fund files its complete schedule of portfolio holdings with the Commission for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the Commission's website at www.sec.gov. The Fund's Forms N-Q may also be reviewed and copied at the Commission's Public Reference Room in Washington, DC; information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. AllianceBernstein publishes full portfolio holdings for the Fund monthly at www.alliancebernstein.com.

AllianceBernstein Investments, Inc. (ABI) is the distributor of the AllianceBernstein family of mutual funds. ABI is a member of FINRA and is an affiliate of AllianceBernstein L.P., the manager of the funds.

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May 17, 2012

Annual Report

This report provides management's discussion of fund performance for AllianceBernstein Global High Income Fund, Inc. (the Fund) for the annual reporting period ended March 31, 2012. The Fund is a closed-end fund that trades under the New York Stock Exchange symbol AWF.

Investment Objective and Policies

The Fund seeks high current income and, secondarily, capital appreciation. The Fund invests, without limit, in securities denominated in non-U.S. currencies as well as those denominated in the U.S. dollar. The Fund may also invest, without limit, in sovereign debt securities issued by emerging and developed nations and in debt securities of U.S. and non-U.S. corporate issuers. For more information regarding the Fund's risks, please see "A Word About Risk" on page 4 and "Note E Risks Involved in Investing in the Fund" of the Notes to Financial Statements on pages 81-82.

Investment Results

The table on page 5 shows the Fund's performance compared with its composite benchmark. The composite benchmark is composed of equal weightings of the JPMorgan Government Bond Index-Emerging Markets (JPM GBI-EM) (local currency-denominated), the JPMorgan Emerging Markets Bond Index Global (JPM EMBI Global), and the Barclays Capital (BC) U.S. Corporate High Yield (HY) 2% Issuer Capped Index, for the six- and 12-month periods ended March 31, 2012.

Individual performance for each of these indices is also included for both time periods.

The Fund provided solid positive returns for both the six- and 12-month periods. While the Fund outperformed its composite benchmark for the six-month period, it underperformed for the 12-month period. For the six-month period, an overweight to high yield corporates, which rallied as investor risk sentiment improved, was a primary positive contributor, relative to the composite benchmark. Within the Fund's high yield holdings, an overweight exposure to banks, as well as bank security selection, contributed positively. Security selection within consumer non-cyclical, basic, capital goods and media industries also contributed positively. Security selection in finance and airlines holdings detracted.

For the 12-month period, an underweight to U.S. dollar-denominated emerging market debt, which outperformed, detracted, relative to the composite benchmark. Conversely, an underweight to local emerging market debt, which underperformed, contributed positively. Within the Fund's high yield corporate holdings, overweights to subordinated financials within the capital structure earlier in the year detracted. Security selection within the Fund's energy and media holdings contributed positively.

The Fund utilized leverage, which was a positive contributor for both periods, through reverse repurchase agreements at favorable rates; proceeds were

reinvested into higher-yielding securities. Within the Fund's derivative positions, credit default swaps, utilized for hedging and non-hedging purposes, contributed positively for both periods. The Fund also utilized interest rate swaps to manage overall yield curve positioning, which contributed positively for both periods. The Fund utilized currency forwards for hedging back currency on non-U.S. dollar positions, and to manage the Fund's overall currency exposure.

Market Review and Investment Strategy

Volatility continued throughout much of the reporting period ended March 31, 2012, as global markets remained highly correlated with ongoing European debt sentiment and perceptions of the overall health of the economy. Midway through 2011, renewed fears of a double-dip recession roiled global capital markets, driving up risk aversion, sending equities sharply lower and widening credit spreads. Fiscal challenges ranging from the contentious debate over the U.S. debt ceiling to the ongoing sovereign debt woes of Greece and the peripheral European nations were at the forefront of investors' worries. The mounting fear and uncertainty led to a spike in financial market volatility. Globally, central banks continued to ease monetary policy or indicate that rates would remain low. In the U.S., the Federal Reserve announced that rates would be kept on hold until 2014.

After earlier bouts of investor risk aversion which drove global government yields lower, market sentiment improved in the first quarter of 2012.

Global economic data turned more positive and worries over the euro debt crisis eased with positive policy intervention. In the U.S., labor and manufacturing data showed improvement, resulting in more solid consumer confidence numbers. In the euro area, finance ministers agreed to grant Greece a second bailout package worth 130 billion and the European Central Bank's (ECB's) second long-term refinancing operation further increased liquidity in the euro area banking system reducing investor concerns across the globe, at least in the near term. Investors also agreed to restructure 172 billion worth of Greek bonds.

The high yield market fluctuated month to month throughout the reporting period, as investor risk sentiment shifted. During the peak of risk aversion in the first half of the period, the high yield market declined, only to rebound strongly in the second half, as the global outlook improved. The highly volatile period ended with the high yield market earning respectable returns. By credit quality, the higher-rated BB-quality tier outperformed, followed by B-rated and CCC-rated. Outperforming industries for the period included banks, real estate investment trusts, consumer cyclical and consumer non-cyclical. Underperforming industries were utilities, telecommunications, transportation and energy.

U.S. dollar-denominated emerging market debt posted strong returns, helped by the recent rally in risk assets. Emerging debt benefited from a

steady stream of liquidity being injected into the global markets by the U.S. Federal Reserve, Bank of Japan, Bank of England and the ECB. In this environment, investors were able to ignore deteriorating economic fundamentals and poor macro-policy decisions in a variety of emerging countries.

Latin American emerging market countries significantly outperformed the non-Latin region. Across all regions, country return dispersion was significant during the 12-month period, with countries like the Ivory Coast and Venezuela posting very strong returns. Conversely, Belize and Argentina posted particularly weak performance. U.S. dollar-denominated emerging market debt spreads widened to end the reporting period significantly over duration-matched Treasuries. Local currency emerging market bonds posted weak returns, with much of the loss in the local index stemming from a selloff in emerging market country currencies.

Relative to the composite benchmark, the Fund continued to be overweight corporate high yield and underweight both U.S. dollar-denominated and local emerging market debt during the reporting period ended March 31, 2012. In the Fund's Management Team's (the Team's) view, corporate high yield bonds presented the

best risk/return opportunity in the global high yield space. Risk premiums in high yield corporates were attractive relative to emerging market debt, given corporate non-financial cash positions, corporate balance sheets and reduced medium-term refinancing needs of borrowers. The Team continued to favor high yield securities that appeared undervalued, particularly financial holdings, as well as U.S. corporates over European corporates, and remained cautious on peripheral Europe.

Within emerging market hard currency sovereign debt, the Fund is underweight the sector as a whole, but is using a well-diversified mix of sovereign, quasi-sovereign and attractive corporate issues to add value. Although emerging market fundamentals in investment-grade countries are generally favorable, their lower relative yields do not make them attractive, in the Team's view. Conversely, opportunities are limited in higher yielding non-investment-grade countries due to local economic or political instability. While the Team has added, and will continue to add, select currencies or currency pairs based on valuations, the Team believes the downside risk and volatility within emerging market currencies is very high, and continues to underweight the Fund's currency risk on a broad level.

HISTORICAL PERFORMANCE

Benchmark Disclosure

The unmanaged JPM® GBI-EM, the JPM® EMBI Global, and the BC U.S. Corporate HY 2% Issuer Capped Index do not reflect fees and expenses associated with the active management of a mutual fund portfolio. The JPM GBI-EM represents the performance of local currency government bonds issued by emerging markets. The JPM EMBI Global (market-capitalization weighted) represents the performance of U.S. dollar-denominated Brady bonds, Eurobonds, and trade loans issued by sovereign and quasi-sovereign entities. The BC HY 2% Issuer Capped Index is the 2% Issuer Capped component of the U.S. Corporate High Yield Index, which represents the performance of fixed income securities having a maximum quality rating of Ba1, a minimum amount outstanding of \$150 million, and at least one year to maturity. An investor cannot invest directly in an index, and its results are not indicative of the performance of any specific investment, including the Fund.

A Word About Risk

Derivatives Risk: Investments in derivatives may be illiquid, difficult to price, and leveraged so that small changes may produce disproportionate losses for the Fund, and may be subject to counterparty risk to a greater degree than more traditional investments.

Foreign (Non-U.S.) Risk: Non-U.S. securities may be more volatile because of political, regulatory, market and economic uncertainties associated with such securities. Fluctuations in currency exchange rates may negatively affect the value of the investment or reduce returns. These risks are magnified in emerging or developing markets.

Leverage Risk: To the extent the Fund uses leveraging techniques, its net asset value (NAV) may be more volatile because leverage tends to exaggerate the effect of changes in interest rates and any increase or decrease in the value of the Fund's investments.

Inflation Risk: This is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the value of the Fund's assets can decline as can the value of the Fund's distributions. This risk is significantly greater if the Fund invests a significant portion of its assets in fixed-income securities with longer maturities.

Credit Risk: An issuer or guarantor of a fixed income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default, causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed income security may be downgraded after purchase, which may adversely affect the value of the security.

Interest Rate Risk (with prepayment risk): As interest rates rise, bond prices fall and vice versa long-term securities tend to rise and fall more than short-term securities. The values of mortgage-related and asset-backed securities are particularly sensitive to changes in interest rates due to prepayment risk.

Below Investment Grade Securities Risk: Investments in fixed income securities with lower ratings (commonly known as junk bonds) tend to have a higher probability that an issuer will default or fail to meet its payment obligations. These securities may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the junk bond market generally and less secondary market liquidity.

Market Risk: The value of the Fund's assets will fluctuate as the stock or bond market fluctuates. The value of its investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.

Diversification Risk: Portfolios that hold a smaller number of securities may be more volatile than more diversified portfolios, since gains or losses from each security will have a greater impact on the portfolio's overall value.

An Important Note About Historical Performance

The investment return and principal value of an investment in the Fund will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Performance shown on the following pages represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance information shown. All fees and expenses related to the operation of the Fund have been deducted. You may obtain performance information current to the most recent month-end by visiting www.alliancebernstein.com.

AllianceBernstein Global High Income Fund Shareholder Information

The Fund's NYSE trading symbol is AWF. Weekly comparative NAV and market price information about the Fund is published each Saturday in Barron's and in other newspapers in a table called Closed End Funds. Daily NAVs and market price information, and additional information regarding the Fund, is available at www.alliancebernstein.com and www.nyse.com. For additional shareholder information regarding this Fund, please see page 106.

(Historical Performance continued on next page)

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Historical Performance

HISTORICAL PERFORMANCE*(continued from previous page)*

THE FUND VS. ITS BENCHMARK	Returns	
PERIODS ENDED MARCH 31, 2012	6 Months	12 Months
AllianceBernstein Global High Income Fund (NAV)	13.87%	6.18%
Composite Benchmark: 33% JPM GBI-EM/33% JPM EMBI Global/33% BC U.S. Corporate HY 2% Issuer Capped Index	10.95%	6.80%
JPM GBI-EM	10.24%	1.08%
JPM EMBI Global	10.24%	12.60%
BC U.S. Corporate HY 2% Issuer Capped Index	12.17%	6.43%

The Fund's market price per share on March 31, 2012 was \$15.02. The Fund's NAV per share on March 31, 2012 was \$14.81. For additional financial highlights, please see page 85.

Please keep in mind that high, double-digit returns are highly unusual and cannot be sustained. Investors should also be aware that these returns were primarily achieved during favorable market conditions.

See Benchmark and Historical Performance disclosures on page 4.

PORTFOLIO SUMMARY

March 31, 2012 (unaudited)

PORTFOLIO STATISTICS

Net Assets (\$mil): \$1,267.2

* All data are as of March 31, 2012. The Fund's security type breakdown is expressed as a percentage of total investments and may vary over time. The Fund also enters into derivative transactions, which may be used for hedging or investment purposes (see *Portfolio of Investments* section of the report for additional details). Other securities type weightings represents 0.6% or less in the following security types: Common Stock, Governments Sovereign Agencies, Inflation-Linked Securities, Local Governments Municipal Bonds, Local Governments Regional Bonds, Options Purchased Puts, Supranationals and Warrants.

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Portfolio Summary

PORTFOLIO SUMMARY

March 31, 2012 (unaudited)

* All data are as of March 31, 2012. The Fund's country breakdown is expressed as a percentage of total investments and may vary over time. Other country weightings represent 0.9% or less in the following countries: Australia, Austria, Barbados, Belgium, Bermuda, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Egypt, El Salvador, France, Ghana, Hong Kong, Hungary, India, Ireland, Italy, Ivory Coast, Japan, Lithuania, Mexico, Norway, Panama, Peru, Philippines, Portugal, Serbia & Montenegro, Singapore, Spain, Supranational, Switzerland, Trinidad & Tobago, Turkey, Ukraine, United Arab Emirates and Uruguay.

Portfolio Summary

ALLIANCEBERNSTEIN GLOBAL HIGH INCOME FUND 7

PORTFOLIO OF INVESTMENTS
March 31, 2012

	Principal Amount		U.S. \$ Value
	(000)		
CORPORATES -			
NON-INVESTMENT			
GRADES 56.1%			
Industrial 49.0%			
Basic 3.6%			
AK Steel Corp. 7.625%, 5/15/20 ^(a)	1,000	U.S.\$	\$ 965,000
Aleris International, Inc. 7.625%, 2/15/18	2,500		2,615,625
Appleton Papers, Inc. 10.50%, 6/15/15 ^(b)	1,300		1,348,750
Arch Coal, Inc. 7.00%, 6/15/19 ^(b)	693		639,292
7.25%, 6/15/21 ^{(a)(b)}	1,156		1,066,410
Calcipar SA 6.875%, 5/01/18 ^(b)	735		746,025
Celanese US Holdings LLC 6.625%, 10/15/18	408		434,520
CF Industries, Inc. 7.125%, 5/01/20	900		1,072,125
Commercial Metals Co. 6.50%, 7/15/17	1,927		1,946,270
Consol Energy, Inc. 8.25%, 4/01/20	2,175		2,272,875
Hexion US Finance Corp./Hexion Nova Scotia Finance ULC 5.003%, 11/15/14 ^{(a)(c)}	938		858,270
Huntsman International LLC 8.625%, 3/15/21 ^(a)	2,060		2,312,350
Ineos Group Holdings Ltd. 8.50%, 2/15/16 ^{(a)(b)}	3,551		3,355,695
James River Coal Co. 7.875%, 4/01/19 ^(a)	251		170,680
JMC Steel Group 8.25%, 3/15/18 ^(b)	1,444		1,501,760
Kinove German Bondco GmbH 9.625%, 6/15/18 ^(b)	942		979,680
LyondellBasell Industries NV 6.00%, 11/15/21 ^(b)	264		277,200
MacDermid, Inc. 9.50%, 4/15/17 ^(b)	1,800		1,867,500
Momentive Performance Materials, Inc. 11.50%, 12/01/16	1,540		1,278,200
NewMarket Corp. 7.125%, 12/15/16	988		1,022,580
NewPage Corp. 10.00%, 5/01/12 ^(d)	735		44,100

		Principal Amount	
		(000)	U.S. \$ Value
Norske Skogindustrier ASA			
7.00%, 6/26/17	EUR	528	\$ 450,684
Nova Chemicals Corp.			
8.625%, 11/01/19	U.S.\$	1,426	1,625,640
Peabody Energy Corp.			
6.00%, 11/15/18 ^(b)		626	613,480
6.25%, 11/15/21 ^(b)		1,499	1,469,020
Polypore International, Inc.			
7.50%, 11/15/17		590	622,450
Rain CII Carbon LLC/CII Carbon Corp.			
8.00%, 12/01/18 ^(b)		1,345	1,425,700
Smurfit Kappa Acquisitions			
7.75%, 11/15/19 ^(b)	EUR	1,535	2,211,049
Solutia, Inc.			
7.875%, 3/15/20	U.S.\$	928	1,088,080
Steel Dynamics, Inc.			
7.625%, 3/15/20		1,200	1,299,000
7.75%, 4/15/16		1,150	1,193,125
TPC Group LLC			
8.25%, 10/01/17		2,107	2,207,082
United States Steel Corp.			
6.65%, 6/01/37		1,137	955,080
Verso Paper Holdings LLC/Verso Paper, Inc.			
8.75%, 2/01/19		688	378,400
Series B			
11.375%, 8/01/16		327	208,463
Westvaco Corp.			
7.95%, 2/15/31		1,000	1,082,778
Weyerhaeuser Co.			
7.375%, 3/15/32		1,790	1,906,862
			45,511,800
Capital Goods 6.1%			
Alion Science and Technology Corp.			
12.00%, 11/01/14 ^(e)		929	873,528
Alliant Techsystems, Inc.			
6.875%, 9/15/20		521	556,168
Ardagh Glass Finance PLC			
8.75%, 2/01/20 ^(b)	EUR	860	1,129,777
Ardagh Packaging Finance PLC			
7.375%, 10/15/17 ^(b)	U.S.\$	230	246,675
9.25%, 10/15/20 ^(b)	EUR	427	578,038
BE Aerospace, Inc.			
6.875%, 10/01/20	U.S.\$	1,236	1,353,420
Berry Plastics Corp.			
9.75%, 1/15/21		1,525	1,666,062

ALLIANCEBERNSTEIN GLOBAL HIGH INCOME FUND 9

Portfolio of Investments

		Principal Amount	
		(000)	U.S. \$ Value
10.25%, 3/01/16	U.S.\$	360	\$ 372,600
Bombardier, Inc. 5.75%, 3/15/22 ^(b)		1,550	1,507,375
7.75%, 3/15/20 ^(b)		1,266	1,411,590
Building Materials Corp. of America 7.00%, 2/15/20 ^(b)		985	1,046,562
7.50%, 3/15/20 ^(b)		849	899,940
Clondalkin Industries BV 8.00%, 3/15/14 ^(b)	EUR	1,312	1,426,099
CNH America LLC 7.25%, 1/15/16	U.S.\$	1,775	1,948,062
Crown European Holdings SA 7.125%, 8/15/18 ^(b)	EUR	305	432,202
Graphic Packaging International, Inc. 7.875%, 10/01/18	U.S.\$	899	995,643
Griffon Corp. 7.125%, 4/01/18		718	742,233
Grohe Holding GmbH 8.625%, 10/01/14 ^{(a)(b)}	EUR	1,804	2,422,837
HeidelbergCement Finance BV 8.50%, 10/31/19		1,330	1,999,983
Huntington Ingalls Industries, Inc. 6.875%, 3/15/18	U.S.\$	640	678,400
7.125%, 3/15/21		632	677,030
KUKA AG 8.75%, 11/15/17 ^(b)	EUR	1,038	1,474,365
Lafarge SA 7.125%, 7/15/36	U.S.\$	800	737,938
Manitowoc Co., Inc. (The) 8.50%, 11/01/20		2,168	2,384,800
Masco Corp. 5.95%, 3/15/22		640	641,489
6.125%, 10/03/16		1,825	1,929,171
Nordenia Holdings AG 9.75%, 7/15/17	EUR	1,206	1,749,181
Nortek, Inc. 8.50%, 4/15/21	U.S.\$	2,947	2,917,530
Obrascon Huarte Lain SA 7.375%, 4/28/15	EUR	500	699,359
OI European Group BV 6.75%, 9/15/20 ^(b)		1,000	1,407,053
Plastipak Holdings, Inc. 8.50%, 12/15/15 ^(b)	U.S.\$	2,325	2,394,750
Ply Gem Industries, Inc. 8.25%, 2/15/18 ^(a)		1,400	1,408,750
Polymer Group, Inc. 7.75%, 2/01/19		3,500	3,683,750