

WESTERN ASSET EMERGING MARKETS INCOME FUND INC.

Form N-Q

April 25, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED

MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number **811-07686**

Western Asset Emerging Markets Income Fund Inc.

(Exact name of registrant as specified in charter)

620 Eighth Avenue, 49th Floor, New York, NY 10018

(Address of principal executive offices) (Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

100 First Stamford Place

Stamford, CT 06902

(Name and address of agent for service)

Registrant's telephone number, including area code: (888)777-0102

Date of fiscal year end: **May 31**

Date of reporting period: **February 28, 2014**

ITEM 1. SCHEDULE OF INVESTMENTS.

WESTERN ASSET EMERGING MARKETS INCOME FUND INC.

FORM N-Q

FEBRUARY 28, 2014

WESTERN ASSET EMERGING MARKETS INCOME FUND INC.

Schedule of investments (unaudited)

February 28, 2014

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
SOVEREIGN BONDS - 57.9%				
Argentina - 1.0%				
Republic of Argentina, Senior Bonds	7.000%	10/3/15	3,997,000	\$ 3,761,209
Brazil - 5.5%				
Federative Republic of Brazil, Notes	10.000%	1/1/17	45,368,000 ^{BRL}	18,444,784
Federative Republic of Brazil, Senior Bonds	7.125%	1/20/37	1,337,000	1,562,619
Federative Republic of Brazil, Senior Notes	8.000%	1/15/18	444	498
Federative Republic of Brazil, Senior Notes	4.875%	1/22/21	1,780,000	1,915,280 ^(a)
<i>Total Brazil</i>				<i>21,923,181</i>
Chile - 1.9%				
Banco del Estado de Chile, Senior Notes	4.125%	10/7/20	380,000	393,013 ^(b)
Corporacion Nacional del Cobre de Chile, Senior Notes	3.750%	11/4/20	1,190,000	1,224,725 ^(b)
Corporacion Nacional del Cobre de Chile, Senior Notes	3.875%	11/3/21	1,970,000	1,994,722 ^(b)
Corporacion Nacional del Cobre de Chile, Senior Notes	3.000%	7/17/22	2,021,000	1,898,345 ^(b)
Republic of Chile, Senior Notes	3.875%	8/5/20	1,750,000	1,863,750 ^(a)
<i>Total Chile</i>				<i>7,374,555</i>
Colombia - 4.2%				
Republic of Colombia, Senior Bonds	4.375%	7/12/21	400,000	418,000 ^(a)
Republic of Colombia, Senior Bonds	4.000%	2/26/24	3,240,000	3,183,300 ^(a)
Republic of Colombia, Senior Bonds	7.375%	9/18/37	5,781,000	7,255,155 ^(a)
Republic of Colombia, Senior Bonds	6.125%	1/18/41	760,000	836,000 ^(a)
Republic of Colombia, Senior Notes	7.375%	3/18/19	4,076,000	4,962,530 ^(a)
<i>Total Colombia</i>				<i>16,654,985</i>
Croatia - 1.5%				
Republic of Croatia, Notes	5.500%	4/4/23	2,600,000	2,639,000 ^(b)
Republic of Croatia, Senior Notes	6.625%	7/14/20	1,360,000	1,499,400 ^(b)
Republic of Croatia, Senior Notes	5.500%	4/4/23	1,740,000	1,766,100 ^(b)
<i>Total Croatia</i>				<i>5,904,500</i>
El Salvador - 0.1%				
Republic of El Salvador, Senior Notes	5.875%	1/30/25	213,000	191,700 ^(b)
Gabon - 0.3%				
Gabonese Republic, Bonds	6.375%	12/12/24	1,320,000	1,359,600 ^(b)
Hungary - 1.1%				
Hungary Government Bond, Senior Notes	5.750%	11/22/23	4,076,000	4,213,565

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Indonesia - 5.7%

Republic of Indonesia, Notes	3.750%	4/25/22	10,440,000	9,931,572 ^(b)
Republic of Indonesia, Notes	5.250%	1/17/42	7,740,000	7,120,800 ^(b)
Republic of Indonesia, Senior Bonds	6.875%	1/17/18	420,000	480,900 ^(b)
Republic of Indonesia, Senior Bonds	6.625%	2/17/37	1,105,000	1,179,588 ^(b)
Republic of Indonesia, Senior Notes	4.875%	5/5/21	1,005,000	1,042,688 ^(b)
Republic of Indonesia, Senior Notes	3.375%	4/15/23	1,595,000	1,439,487 ^{(b)(c)}
Republic of Indonesia, Senior Notes	5.875%	1/15/24	1,349,000	1,450,558 ^{(b)(c)}

Total Indonesia

22,645,593

Lithuania - 1.1%

Republic of Lithuania, Senior Notes	6.125%	3/9/21	3,920,000	4,546,024 ^{(a)(b)}
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Mexico - 6.1%

United Mexican States, Bonds	8.000%	6/11/20	95,876,000 ^{MXN}	8,148,088 ^(a)
United Mexican States, Bonds	6.500%	6/9/22	17,685,600 ^{MXN}	1,368,484 ^(a)

See Notes to Schedule of Investments.

WESTERN ASSET EMERGING MARKETS INCOME FUND INC.

Schedule of investments (unaudited) (cont d)

February 28, 2014

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Mexico - 6.1% (continued)				
United Mexican States, Bonds	10.000%	12/5/24	19,610,000 ^{MXN}	\$ 1,898,290
United Mexican States, Bonds	8.500%	11/18/38	46,670,000 ^{MXN}	3,990,084
United Mexican States, Medium-Term Notes	6.050%	1/11/40	4,000	4,496
United Mexican States, Senior Notes	5.125%	1/15/20	100,000	112,250 ^(a)
United Mexican States, Senior Notes	3.625%	3/15/22	2,256,000	2,278,560 ^(a)
United Mexican States, Senior Notes	4.000%	10/2/23	5,460,000	5,535,075 ^(c)
United Mexican States, Senior Notes	4.750%	3/8/44	806,000	755,625 ^(a)
<i>Total Mexico</i>				24,090,952
Nigeria - 0.2%				
Republic of Nigeria, Senior Notes	5.125%	7/12/18	400,000	405,500 ^(b)
Republic of Nigeria, Senior Notes	6.375%	7/12/23	400,000	405,000 ^(b)
<i>Total Nigeria</i>				810,500
Paraguay - 0.1%				
Republic of Paraguay, Senior Bonds	4.625%	1/25/23	300,000	299,400 ^(b)
Peru - 4.2%				
Republic of Peru, Bonds	6.550%	3/14/37	1,620,000	1,923,750 ^(a)
Republic of Peru, Global Senior Bonds	7.350%	7/21/25	4,300,000	5,504,000 ^(a)
Republic of Peru, Senior Bonds	8.750%	11/21/33	5,705,000	8,243,725 ^(a)
Republic of Peru, Senior Bonds	5.625%	11/18/50	1,077,000	1,120,080 ^(a)
<i>Total Peru</i>				16,791,555
Poland - 3.1%				
Republic of Poland, Senior Notes	6.375%	7/15/19	1,840,000	2,194,200
Republic of Poland, Senior Notes	5.125%	4/21/21	3,910,000	4,364,537 ^(a)
Republic of Poland, Senior Notes	5.000%	3/23/22	5,170,000	5,687,000 ^(a)
<i>Total Poland</i>				12,245,737
Romania - 0.1%				
Republic of Romania, Senior Notes	4.875%	1/22/24	530,000	543,581 ^(b)
Russia - 6.2%				
RSHB Capital, Loan Participation Notes, Senior Notes	6.299%	5/15/17	1,073,000	1,146,769 ^(b)
Russian Foreign Bond - Eurobond, Senior Bonds	11.000%	7/24/18	110,000	148,225 ^(b)
Russian Foreign Bond - Eurobond, Senior Bonds	12.750%	6/24/28	617,000	1,045,815 ^(b)
Russian Foreign Bond - Eurobond, Senior Bonds	7.500%	3/31/30	14,560,975	16,919,853 ^(b)
Russian Foreign Bond - Eurobond, Senior Notes	5.625%	4/4/42	5,400,000	5,346,000 ^(b)
<i>Total Russia</i>				24,606,662

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Sri Lanka - 0.7%

Republic of Sri Lanka, Senior Bonds	6.000%	1/14/19	2,750,000	2,894,375 ^(b)
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Turkey - 7.5%

Republic of Turkey, Notes	6.750%	5/30/40	2,750,000	2,859,313 ^(a)
Republic of Turkey, Notes	4.875%	4/16/43	1,300,000	1,060,800 ^(a)
Republic of Turkey, Senior Bonds	5.750%	3/22/24	920,000	943,000
Republic of Turkey, Senior Bonds	11.875%	1/15/30	3,348,000	5,269,082 ^(a)
Republic of Turkey, Senior Notes	7.500%	7/14/17	100,000	113,127
Republic of Turkey, Senior Notes	6.875%	3/17/36	18,390,000	19,493,400 ^(a)

Total Turkey

29,738,722

Ukraine - 0.9%

Republic of Ukraine, Senior Notes	6.750%	11/14/17	2,060,000	1,841,640 ^(b)
Republic of Ukraine, Senior Notes	7.750%	9/23/20	834,000	750,600 ^(b)
Republic of Ukraine, Senior Notes	7.800%	11/28/22	1,240,000	1,103,600 ^(b)

Total Ukraine

3,695,840

See Notes to Schedule of Investments.

WESTERN ASSET EMERGING MARKETS INCOME FUND INC.

Schedule of investments (unaudited) (cont d)

February 28, 2014

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Venezuela - 6.2%				
Bolivarian Republic of Venezuela, Global Senior Bonds	8.500%	10/8/14	6,694,000	\$ 6,560,120 ^(a)
Bolivarian Republic of Venezuela, Senior Bonds	5.750%	2/26/16	7,376,000	6,177,400 ^(b)
Bolivarian Republic of Venezuela, Senior Bonds	9.250%	9/15/27	815,000	594,950 ^(a)
Bolivarian Republic of Venezuela, Senior Bonds	9.375%	1/13/34	7,239,000	5,175,885 ^(a)
Bolivarian Republic of Venezuela, Senior Notes	7.000%	12/1/18	1,920,000	1,382,400 ^(b)
Bolivarian Republic of Venezuela, Senior Notes	7.750%	10/13/19	5,640,000	4,060,800 ^(b)
Bolivarian Republic of Venezuela, Senior Notes	7.650%	4/21/25	933,000	606,450
<i>Total Venezuela</i>				24,558,005
Vietnam - 0.2%				
Republic of Vietnam, Senior Bonds	6.750%	1/29/20	570,000	629,850 ^(b)
TOTAL SOVEREIGN BONDS				
(Cost - \$227,902,878)				229,480,091
CORPORATE BONDS & NOTES - 47.7%				
CONSUMER DISCRETIONARY - 0.9%				
Hotels, Restaurants & Leisure - 0.2%				
Arcos Dorados Holdings Inc., Senior Notes	6.625%	9/27/23	850,000	862,750 ^(b)
Media - 0.7%				
Grupo Televisa SAB, Senior Bonds	6.625%	1/15/40	1,490,000	1,699,586
Myriad International Holdings BV, Senior Notes	6.000%	7/18/20	780,000	844,350 ^(b)
<i>Total Media</i>				2,543,936
TOTAL CONSUMER DISCRETIONARY				
				3,406,686
CONSUMER STAPLES - 1.3%				
Beverages - 0.3%				
Coca-Cola Icecek AS, Senior Bonds	4.750%	10/1/18	1,070,000	1,112,318 ^(b)
Food Products - 0.7%				
Alicorp SAA, Senior Notes	3.875%	3/20/23	790,000	736,675 ^(b)
Marfrig Holding Europe BV, Senior Notes	8.375%	5/9/18	1,110,000	1,071,150 ^(b)
Marfrig Holding Europe BV, Senior Notes	11.250%	9/20/21	880,000	893,200 ^(b)
Virgolino de Oliveira Finance Ltd., Senior Notes	10.500%	1/28/18	400,000	242,000 ^(b)
<i>Total Food Products</i>				2,943,025
Personal Products - 0.3%				
Hypermarcas SA, Notes	6.500%	4/20/21	1,040,000	1,120,600 ^(b)
TOTAL CONSUMER STAPLES				
				5,175,943

ENERGY - 22.0%

Energy Equipment & Services - 0.7%

Offshore Drilling Holding SA, Senior Secured Notes	8.375%	9/20/20	1,620,000	1,769,850 ^(b)
TMK OAO Via TMK Capital SA, Senior Notes	6.750%	4/3/20	1,130,000	1,094,688 ^(b)

Total Energy Equipment & Services

2,864,538

Oil, Gas & Consumable Fuels - 21.3%

Alliance Oil Co., Ltd., Senior Notes