WESTERN ASSET EMERGING MARKETS INCOME FUND II INC.
Form N-CSR
August 04, 2010

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 811-7686

Western Asset Emerging Markets Income Fund Inc.
(Exact name of registrant as specified in charter)

55 Water Street, New York, NY	10041
(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: May 31, 2010

ITEM 1. REPORT TO STOCKHOLDERS.

The Annual Report to Stockholders is filed herewith.

May 31, 2010

Annual Report

Western Asset Emerging Markets Income Fund Inc.
(EMD)

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INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

Western Asset Emerging Markets Income Fund Inc.

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Fund objectives

The Fund s primary investment objective is to seek high current income. As a secondary objective, the Fund seeks capital appreciation.

What s inside

Letter from the chairman

Dear Shareholder,

We are pleased to provide the annual report of Western Asset Emerging Markets Income Fund Inc. for the twelve-month reporting period ended May 31, 2010.

Please read on for a detailed look at prevailing economic and market conditions during the Fund s reporting period and to learn how those conditions have affected Fund performance. Important information with regard to recent regulatory developments that may affect the Fund is contained in the Notes to Financial Statements included in this report.

As always, we remain committed to providing you with excellent service and a full spectrum of investment choices. We also remain committed to supplementing the support you receive from your financial advisor. One way we accomplish this is through our website, www.leggmason.com/cef. Here you can gain immediate access to market and investment information, including:

- Fund prices and performance,

- Market insights and commentaries from our portfolio managers, and

- A host of educational resources.

We look forward to helping you meet your financial goals.

Sincerely,

R. Jay Gerken, CFA

Chairman, President and Chief Executive Officer

June 25, 2010

Western Asset Emerging Markets Income Fund Inc.

III

Investment commentary

Economic review

The lengthiest recession since the Great Depression finally appeared to have ended during the twelve-month reporting period ended May 31, 2010. This, in turn, had significant implications for the financial markets.

Looking back, the U.S. Department of Commerce reported that U.S. gross domestic product (GDP)i contracted four consecutive quarters, beginning in the third quarter of 2008 through the second quarter of 2009. Economic conditions then began to improve in the third quarter of 2009, as GDP growth was 2.2%. A variety of factors helped the economy to regain its footing, including the government s $787 billion stimulus program, its Cash for Clunkers car rebate program, which helped spur an increase in car sales, and tax credits for first-time home buyers. Economic growth then accelerated during the fourth quarter of 2009, as GDP growth was 5.6%. The Commerce Department cited a slower drawdown in business inventories and renewed consumer spending as contributing factors spurring the economy s higher growth rate. The recovery continued during the first quarter of 2010, as GDP growth was 2.7%. The ongoing economic expansion was largely the result of increased consumer spending, which grew 3.0% during the quarter, versus a tepid 1.6% advance during the last three months of 2009.

Even before GDP growth turned positive, there were signs that the economy was on the mend. The manufacturing sector, as measured by the Institute for Supply Management s PMIii, rose to 52.8 in August 2009, the first time it surpassed 50 since January 2008 (a reading below 50 indicates a contraction, whereas a reading above 50 indicates an expansion). According to PMI data, manufacturing has now expanded ten consecutive months. May 2010 s PMI reading of 59.7 indicated that the manufacturing sector s growth was broad-based, as sixteen of the eighteen industries tracked by the Institute for Supply Management grew during the month.

There was also some positive news in the labor market. The U.S. Department of Labor reported that employers added 431,000 jobs in May, the largest monthly gain in more than ten years. However, the vast majority of jobs created during the month 411,000 were temporary government positions tied to the 2010 Census. Nevertheless, during the first five months of the calendar year, an average of nearly 200,000 new positions was created per month. In addition, the unemployment rate fell to 9.7% in May compared to 9.9% in April.

There was mixed news in the housing market during the period. According to the National Association of Realtors, after existing home sales fell from December 2009 through February 2010, sales increased 7.0% and 8.0% in March and April, respectively. The rebound was largely attributed to people rushing to take advantage of the government s $8,000 tax credit for first-time home buyers that expired at the end of April. However, with the end of the tax credit, existing home sales then declined 2.2% in May. Looking at home prices, the S&P/Case-Shiller Home Price Indexiii indicated that month-to-month U.S. home prices rose 0.8% in April. This marked the first increase following six consecutive monthly declines.

Financial market overview

The twelve-month period ended May 31, 2010 was largely characterized by a return to more normal conditions and generally robust investor risk appetite. However, the market experienced a sharp sell-off in May 2010, triggered, in large part, by the sovereign debt crisis in Greece and uncertainties regarding new financial reforms in the U.S.

In the fixed-income market, riskier sectors, such as high-yield bonds and emerging market debt, significantly outperformed U.S. Treasuries during the reporting period. There were a number of factors contributing to the turnaround in the financial markets, including improving economic conditions, renewed investor confidence and the accommodative monetary policy by the Federal Reserve Board (Fed)iv.

While economic data often surpassed expectations during the reporting period, the Fed remained cautious. At its meeting in June 2010 (after the end of the reporting period), the Fed said it will maintain the target range for the federal funds ratev at 0 to 1/4 percent and continues to anticipate that economic conditions, including low rates of resource utilization, subdued inflation trends, and stable inflation expectations, are likely to warrant exceptionally low levels of the federal funds rate for an extended period.

However, the Fed did take a first step in reversing its accommodative monetary stance. On February 18, 2010, the Fed raised the discount rate, the interest rate it charges banks for temporary loans, from 1/2 to 3/4 percent. The Fed also concluded its $1.25 trillion mortgage securities

Western Asset Emerging Markets Income Fund Inc.

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Investment commentary (cont d)

purchase program at the end of the first quarter of 2010. In addition, the Fed has now closed nearly all of the special liquidity facilities that it created to support the financial markets during the credit crisis.

Fixed-income market review

While somewhat overshadowed by a flight to quality in May 2010, investor demand for riskier and higher-yielding fixed-income securities was strong for the majority of the reporting period. Overall, investor confidence was high given encouraging economic data, continued low interest rates, benign inflation, rebounding corporate profits and a rapidly rising stock market. However, in May, the sovereign debt crisis in Greece then triggered increased volatility in the global financial markets, causing the spread sectors (non-Treasuries) to give back some of their earlier gains.

Both short- and long-term Treasury yields fluctuated during the reporting period as investors analyzed incoming economic data and theorized about the Fed s future actions. When the period began, Treasury yields were relatively low, with two- and ten-year Treasury yields at 0.92% and 3.47%, respectively. Two- and ten-year Treasury yields then gyrated, rising as high as 1.42% and 4.01%, and falling as low as 0.67% and 3.18%, respectively. Short- and long-term yields declined toward the end of the reporting period given concerns regarding the escalating debt crisis in Greece. As of May 31, 2010, two- and ten-year Treasury yields were 0.76% and 3.31%, respectively. The overall bond market, as measured by the Barclays Capital U.S. Aggregate Index[vi], returned 8.42% for the twelve months ended May 31, 2010.

The high-yield bond market produced very strong results during the reporting period. The asset class posted positive returns during all but the last month of the period. This strong performance was due to a variety of factors, including the generally strengthening economy, better-than-expected corporate profits and overall strong investor demand. All told, the Barclays Capital U.S. High Yield 2% Issuer Cap Index[vii] returned 28.79% for the twelve months ended May 31, 2010.

Emerging market debt prices rallied sharply, also posting positive returns each month during the period, except for May 2010. This rally was triggered by optimism that the worst of the global recession was over, as well as rising commodity prices, solid domestic demand and generally strong investor risk appetite. Over the twelve months ended May 31, 2010, the JPMorgan Emerging Markets Bond Index Global (EMBI Global)[viii] returned 17.10%.

As always, thank you for your confidence in our stewardship of your assets.

Sincerely,

R. Jay Gerken, CFA

Chairman, President and Chief Executive Officer

June 29, 2010

All investments are subject to risk including the possible loss of principal. All index performance reflects no deduction for fees, expenses or taxes. Please note that an investor cannot invest directly in an index.

i Gross domestic product (GDP) is the market value of all final goods and services produced within a country in a given period of time.

ii The Institute for Supply Management s PMI is based on a survey of purchasing executives who buy the raw materials for manufacturing at more than 350 companies. It offers an early reading on the health of the manufacturing sector.

iii The S&P/Case-Shiller Home Price Index measures the residential housing market, tracking changes in the value of the residential real estate market in twenty metropolitan regions across the United States.

iv The Federal Reserve Board (Fed) is responsible for the formulation of policies designed to promote economic growth, full employment, stable prices and a sustainable pattern of international trade and payments.

v The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.

vi The Barclays Capital U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.

vii The Barclays Capital U.S. High Yield 2% Issuer Cap Index is an index of the 2% Issuer Cap component of the Barclays Capital U.S. Corporate High Yield Index, which covers the U.S. dollar-denominated, non-investment grade, fixed-rate, taxable corporate bond market.

viii The JPMorgan Emerging Markets Bond Index Global (EMBI Global) tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds and local market instruments.

Fund overview

Q. What is the Fund s investment strategy?

A. As a primary investment objective, the Fund seeks high current income. As a secondary objective, the Fund seeks capital appreciation. Under normal conditions, the Fund invests a minimum of 80% of its net assets, plus any borrowings for investment purposes, in debt securities of government and government-related issuers located in emerging market countries, of entities organized to restructure outstanding debt of such issuers and debt of corporate issuers in emerging market countries. We believe attractive risk-adjusted returns can be achieved in the emerging market debt asset class through diligent country selection based on fundamental analysis, rigorous quantitative fixed-income analysis focusing on market inefficiencies among sectors and securities in each country and a focus on managing risk through active management.

The portfolio, which invests in government and corporate issuers of emerging market countries, is actively managed. A risk-aware approach that assimilates the top-down global economic views of Western Asset Management Company (Western Asset), the Fund s subadviser, with analysts fundamental and relative value views regarding emerging market country opportunities is employed. In allocating among different countries, the following are some of the factors that are considered: currency regime, inflation and interest rate trends, growth rate forecasts, liquidity of markets for that country s debt, fiscal policies, political outlook and tax environment. Individual securities that appear to be most undervalued and that offer attractive potential returns relative to the amount of credit, interest rate, liquidity and other risks presented by these securities are then selected. Independent fundamental analysis is used to evaluate the creditworthiness of corporate and governmental issuers.

At Western Asset, we utilize a fixed-income team approach, with decisions derived from interaction among various investment management sector specialists. The sector teams are comprised of Western Asset s senior portfolio managers, research analysts and an in-house economist. Under this team approach, management of client fixed-income portfolios will reflect a consensus of interdisciplinary views within the Western Asset organization. S. Kenneth Leech, Stephen A. Walsh, Matthew C. Duda, Michael C. Buchanan and Keith J. Gardner are the co-leaders of the portfolio management team of this Fund. They are responsible for the day-to-day strategic oversight of the Fund s investments and/or supervising the day-to-day operations of the various sector specialist teams dedicated to the specific asset classes in which the Fund invests.

Q. What were the overall market conditions during the Fund s reporting period?

A. Despite market volatility at the end of the reporting period, the emerging market debt asset class generated strong returns during the period, as the JPMorgan Emerging Markets Bond Index Global (EMBI Global)i gained 17.10% over the twelve months ended May 31, 2010.

The EMBI Global generated positive returns during the first eleven months of the reporting period. Supporting the asset class over that time was the economic recovery in many emerging market countries driven by improving domestic spending and rising commodity prices. In addition, demand for emerging market debt was robust as investors sought to generate higher yields given the low rates available from short-term fixed-income securities.

Overshadowing the strong performance of the asset class during the fiscal year was the volatile market in May 2010, as concerns regarding the European debt crisis in Greece prompted fears of contagion. Against this backdrop, investors flocked to the relative safety of U.S. Treasury securities, driving their yields lower and prices higher in May. In contrast, emerging market debt spreads widened during the month.

Q. How did we respond to these changing market conditions?

A. A number of adjustments were made to the Fund s portfolio during the fiscal year, including a reduction in the Fund s cash position. Our cash position had been built up to provide the Fund with ample liquidity to act as a hedge against market volatility and to give us the ability to purchase attractive new issues. Over the course of the period, we deployed the majority of the cash into areas of the market that we felt were attractively valued. In particular, we purchased Malaysia quasi-sovereign debt and Panama government bonds.

During the period, the Fund used Brazil local interest rate swaps to gain additional exposure to the Brazilian local markets. This strategy modestly detracted from performance as local interest rates in the country rose during the period.

Fund overview (cont d)

However, our overall Brazil position remained positive during the twelve-month reporting period. We also used U.S. Treasury futures to extend the portfolio s durationii. This was a positive for performance as U.S. interest rates declined during the reporting period.

Performance review

For the twelve months ended May 31, 2010, Western Asset Emerging Markets Income Fund Inc. returned 20.55% based on its net asset value (NAV)iii and 30.04% based on its New York Stock Exchange (NYSE) market price per share. The Fund s unmanaged benchmark, the EMBI Global, returned 17.10% for the same period. The Lipper Emerging Markets Debt Closed-End Funds Category Averageiv returned 20.44% over the same time frame. Please note that Lipper performance returns are based on each fund s NAV.

During the twelve-month period, the Fund made distributions to shareholders totaling $1.00 per share. The performance table shows the Fund s twelve-month total return based on its NAV and market price as of May 31, 2010. **Past performance is no guarantee of future results.**

Performance Snapshot as of May 31, 2010

Price Per Share	**12-Month Total Return***
$13.71 (NAV)	20.55%
$12.08 (Market Price)	30.04%

All figures represent past performance and are not a guarantee of future results.

*** Total returns are based on changes in NAV or market price, respectively. Total returns assume the reinvestment of all distributions in additional shares.**

Q. What were the leading contributors to performance?

A. The largest contributor to the Fund s relative performance during the reporting period was its overweight exposure to emerging market corporate bonds. Wide spreads between corporates and sovereigns narrowed during the period given improving global economic conditions and better-than-expected corporate profits. During the twelve months ended May 31, 2010, the JPMorgan Corporate Emerging Markets Bond Index Broad (CEMBI Broad)v returned 20.47%, outperforming the EMBI Global, which gained 17.10%.

The Fund s overweight to and strong issue selection of Russian corporate bonds also significantly contributed to performance. Consistent with our strategy of selecting issues from strategically important sectors and issuers, we emphasized Russian Oil and Gas securities, such as issuers **LUKOIL International Finance BV**, the largest oil company in Russia, and **TNK-BP Finance SA**, the finance subsidiary of TNK-BP, an oil company jointly owned by BP and Alfa Group. We also had an overweight to the country s agricultural bank **RSHB Capital**. Despite the general global economic slowdown, rising oil prices and improving economic conditions in the country helped these corporate bonds meaningfully outperform the benchmark during the twelve-month reporting period.

Elsewhere, our overweight to Argentina s sovereign debt was beneficial, as the country announced details on a debt swap to settle claims associated with its 2001 default. This caused Argentina s existing outstanding debt to rally as it was felt that the country would regain access to developed world capital markets.

Our overweight exposure to the Brazilian local markets, the Brazilian real and the country s corporate bonds also enhanced the Fund s results. The real appreciated versus the U.S. dollar during the period. In the corporate market, overweight positions in **Vale Overseas Ltd.**, a global leader in iron ore production, and **Globo Communicacoes e Participacoes SA**, Brazil s largest media company, were strong portfolio performers during the fiscal year. Vale Overseas Ltd. s performance was helped by the rebound in commodity prices. Globo Communicacoes e Participacoes SA s business metrics improved as the Brazilian economy recovered. In addition, the company s low leverage and high cash level supported its bond prices.

Q. What were the leading detractors from performance?

A. The largest detractor from the Fund s relative performance during the reporting period was our lack of exposure to smaller countries such as the Ukraine, Iraq and Ecuador. These countries performed well as their valuations rebounded during the reporting period.

Our cash position also detracted from performance given the benchmark s solid results and the low yields available from short-term money market instruments. As discussed, we reduced the Fund s cash position during the reporting period in order to selectively participate in the new issue market.

Looking for additional information?

The Fund is traded under the symbol EMD and its closing market price is available in most newspapers under the NYSE listings. The daily NAV is available on-line under the symbol XEMDX on most financial websites. *Barron s* and the *Wall Street Journal s* Monday edition both carry closed-end fund tables that provide additional information. In addition, the Fund issues a quarterly press release that can be found on most major financial websites, as well as www.leggmason.com/cef.

In a continuing effort to provide information concerning the Fund, shareholders may call 1-888 777-0102 (toll free), Monday through Friday from 8:00 a.m. to 5:30 p.m. Eastern Standard Time, for the Fund s current NAV, market price and other information.

Thank you for your investment in Western Asset Emerging Markets Income Fund Inc. As always, we appreciate that you have chosen us to manage your assets and we remain focused on achieving the Fund s investment goals.

Sincerely,

Western Asset Management Company

June 15, 2010

RISKS: *As interest rates rise, bond prices fall, reducing the value of the Fund s holdings. Foreign bonds are subject to certain risks of overseas investing including currency fluctuations and changes in political and economic conditions, which could result in significant market fluctuations. These risks are magnified in emerging or developing markets. High-yield bonds are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. The Fund may use derivatives, such as options and futures, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. Leverage may magnify gains and increase losses in the Fund s portfolio.*

Portfolio holdings and breakdowns are as of May 31, 2010 and are subject to change and may not be representative of the portfolio managers current or future investments. Please refer to pages 6 through 12 for a list and percentage breakdown of the Fund s holdings.

The mention of sector breakdowns is for informational purposes only and should not be construed as a recommendation to purchase or sell any securities. The information provided regarding such sectors is not a sufficient basis upon which to make an investment decision. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies discussed should consult their financial professional. The Fund s top five sector holdings (as a percentage of net assets) as of May 31, 2010 were: Sovereign Bonds (49.9%), Energy (15.3%), Materials (7.6%), Telecommunication Services (6.9%) and Financials (6.9%). The Fund s portfolio composition is subject to change at any time.

All index performance reflects no deduction for fees, expenses or taxes. Please note that an investor cannot invest directly in an index.

The information provided is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed may differ from those of the firm as a whole.

i The JPMorgan Emerging Markets Bond Index Global (EMBI Global) tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasisovereign entities: Brady bonds, loans, Eurobonds and local market instruments.

ii Duration is the measure of the price sensitivity of a fixed-income security to an interest rate change of 100 basis points. Calculation is based on the weighted average of the present values for all cash flows.

iii Net asset value (NAV) is calculated by subtracting total liabilities and outstanding preferred stock (if any) from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is the Fund s market price as determined by supply of and demand for the Fund s shares.

iv Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the twelve-month period ended May 31, 2010, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 8 funds in the Fund s Lipper category.

v The JPMorgan Corporate Emerging Markets Bond Index Broad (CEMBI Broad) tracks total returns for U.S. dollar-denominated debt instruments issued by corporate entities in emerging market countries.

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Fund at a glance (unaudited)

Investment breakdown (%) as a percent of total investments

The bar graph above represents the composition of the Fund s investments as of May 31, 2010 and May 31, 2009, and does not include derivatives. The Fund is actively managed. As a result, the composition of the Fund s investments is subject to change at any time.

Schedule of investments

May 31, 2010

Western Asset Emerging Markets Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
Sovereign Bonds 49.9%				
Argentina 4.0%				
Republic of Argentina	10.250%	2/6/03	2,000,000DEM	$512,253(a)
Republic of Argentina	9.000%	9/19/03	1,000,000DEM	238,842(a)
Republic of Argentina	7.000%	3/18/04	3,500,000DEM	857,945(a)
Republic of Argentina	8.500%	2/23/05	3,875,000DEM	974,223(a)
Republic of Argentina	11.250%	4/10/06	5,400,000DEM	1,366,112(a)
Republic of Argentina	9.000%	4/26/06	1,000,000EUR	488,647(a)
Republic of Argentina	9.000%	7/6/10	550,000EUR	268,756(a)
Republic of Argentina	11.750%	5/20/11	1,000,000DEM	249,841(a)
Republic of Argentina	12.000%	9/19/16	8,800,000DEM	2,115,636(a)
Republic of Argentina	11.750%	11/13/26	950,000DEM	225,407(a)
Republic of Argentina, Bonds	7.000%	9/12/13	5,165,000	4,275,329
Republic of Argentina, GDP Linked Securities	1.330%	12/15/35	3,195,000	220,455(b)
Republic of Argentina, GDP Linked Securities	1.985%	12/15/35	3,800,000EUR	277,945(b)
Republic of Argentina, GDP Linked Securities	2.458%	12/15/35	20,189,523ARS	338,700(b)
Republic of Argentina, Medium-Term Notes	7.000%	3/18/04	6,500,000,000ITL	1,609,437(a)
Republic of Argentina, Medium-Term Notes	5.002%	7/13/05	3,000,000,000ITL	733,302(a)
Republic of Argentina, Medium-Term Notes	10.000%	2/22/07	1,000,000EUR	500,940(a)
Republic of Argentina, Medium-Term Notes	7.625%	8/11/07	1,000,000,000ITL	244,434(a)
Republic of Argentina, Medium-Term Notes	8.000%	10/30/09	625,000DEM	147,901(a)
Total Argentina				***15,646,105***
Brazil 6.7%				
Brazil Nota do Tesouro Nacional, Notes	10.000%	1/1/12	31,274,000BRL	16,641,116
Brazil Nota do Tesouro Nacional, Notes	10.000%	1/1/17	4,411,000BRL	2,157,969
Federative Republic of Brazil	7.125%	1/20/37	6,537,000	7,550,235
Federative Republic of Brazil, Collective Action Securities, Notes	8.000%	1/15/18	889	1,019
Total Brazil				***26,350,339***
Colombia 3.9%				
Republic of Colombia	7.375%	9/18/37	8,701,000	9,658,110
Republic of Colombia, Senior Notes	7.375%	3/18/19	4,926,000	5,701,845
Total Colombia				***15,359,955***
Hungary 1.1%				
Republic of Hungary, Senior Notes	6.250%	1/29/20	4,370,000	***4,362,348***
Indonesia 2.9%				
Republic of Indonesia	10.250%	7/15/22	10,904,000,000IDR	1,283,594
Republic of Indonesia	11.000%	9/15/25	21,720,000,000IDR	2,633,886
Republic of Indonesia	10.250%	7/15/27	21,034,000,000IDR	2,382,695
Republic of Indonesia, Bonds	9.750%	5/15/37	25,039,000,000IDR	2,635,211

Republic of Indonesia, Senior Bonds	6.875%	1/17/18	2,220,000	2,491,950(c)
Total Indonesia				***11,427,336***
Mexico 4.0%				
United Mexican States	8.125%	12/30/19	8,224,000	10,131,968
United Mexican States, Medium-Term Notes	6.050%	1/11/40	5,334,000	5,387,340
Total Mexico				***15,519,308***

See Notes to Financial Statements

Western Asset Emerging Markets Income Fund Inc.

Security	**Rate**	**Maturity Date**	**Face Amount**	**Value**
Panama 2.3%				
Republic of Panama	7.250%	3/15/15	1,664,000	$1,930,240
Republic of Panama	9.375%	4/1/29	2,283,000	3,173,370
Republic of Panama	6.700%	1/26/36	3,520,000	3,898,400
Total Panama				***9,002,010***
Peru 3.2%				
Republic of Peru	8.750%	11/21/33	4,715,925	6,260,390
Republic of Peru, Bonds	6.550%	3/14/37	1,080,000	1,169,640
Republic of Peru, Global Senior Bonds	7.350%	7/21/25	4,300,000	5,052,500
Total Peru				***12,482,530***
Qatar 0.3%				
State of Qatar, Senior Notes	4.000%	1/20/15	1,080,000	***1,112,400***(c)
Russia 6.2%				
Russian Foreign Bond-Eurobond	11.000%	7/24/18		