

WESTERN ASSET EMERGING MARKETS INCOME FUND II INC.

Form N-Q

April 21, 2011

**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 811-7686

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

55 Water Street, New York, NY  
(Address of principal executive offices)

10041  
(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: 1-888-777-0102

Date of fiscal year end: May 31

Date of reporting period: February 28, 2011

---

ITEM 1. SCHEDULE OF INVESTMENTS

---

**WESTERN ASSET  
EMERGING MARKETS INCOME FUND INC.**

FORM N-Q

FEBRUARY 28, 2011

---

Edgar Filing: WESTERN ASSET EMERGING MARKETS INCOME FUND II INC. - Form N-Q

Schedule of investments (unaudited)

February 28, 2011

WESTERN ASSET EMERGING MARKETS INCOME FUND INC.

SECURITY	RATE	MATURITY DATE	FACE AMOUNT		VALUE
<b>SOVEREIGN BONDS 55.9%</b>					
<b>Argentina 5.3%</b>					
Republic of Argentina	7.820%	12/31/33	\$ 9,728,070	EUR \$	9,732,580 (a)
Republic of Argentina, GDP Linked Securities	0.000%	12/15/35	19,571,590	EUR	3,578,535 (a)
Republic of Argentina, GDP Linked Securities, Senior Bonds	0.000%	12/15/35	3,195,000		488,835 (a)
Republic of Argentina, Senior Bonds	7.000%	9/12/13	1,541,000		1,591,468
Republic of Argentina, Senior Bonds	7.000%	10/3/15	2,007,000		1,906,650
Republic of Argentina, Senior Bonds	2.260%	12/31/38	508,097	EUR	250,661
Republic of Argentina, Senior Notes	8.750%	6/2/17	4,334,544		4,388,726
<i>Total Argentina</i>					21,937,455
<b>Brazil 6.3%</b>					
Brazil Nota do Tesouro Nacional, Notes	10.000%	1/1/14	1,834,000	BRL	1,034,466
Brazil Nota do Tesouro Nacional, Notes	10.000%	1/1/17	32,295,000	BRL	17,521,037
Federative Republic of Brazil	7.125%	1/20/37	5,867,000		6,952,395
Federative Republic of Brazil, Collective Action Securities	8.000%	1/15/18	778		916
Federative Republic of Brazil, Senior Notes	4.875%	1/22/21	910,000		928,200
<i>Total Brazil</i>					26,437,014
<b>Chile 0.4%</b>					
Republic of Chile, Senior Notes	3.875%	8/5/20	1,750,000		1,708,875
<b>Colombia 4.3%</b>					
Republic of Colombia	7.375%	9/18/37	9,361,000		11,092,785
Republic of Colombia, Senior Bonds	6.125%	1/18/41	760,000		773,300
Republic of Colombia, Senior Notes	7.375%	3/18/19	4,926,000		5,911,200
<i>Total Colombia</i>					17,777,285
<b>Hungary 0.8%</b>					
Republic of Hungary, Senior Notes	6.250%	1/29/20	3,090,000		3,180,253
<b>Indonesia 3.3%</b>					
Republic of Indonesia, Senior Bonds	6.875%	1/17/18	2,220,000		2,530,800 (b)
Republic of Indonesia, Senior Bonds	10.250%	7/15/22	10,904,000,000	IDR	1,345,169
Republic of Indonesia, Senior Bonds	11.000%	9/15/25	21,720,000,000	IDR	2,747,586
Republic of Indonesia, Senior Bonds	10.250%	7/15/27	21,034,000,000	IDR	2,464,122
Republic of Indonesia, Senior Bonds	6.625%	2/17/37	1,805,000		1,959,385 (b)
Republic of Indonesia, Senior Bonds	9.750%	5/15/37	25,039,000,000	IDR	2,706,386
<i>Total Indonesia</i>					13,753,448
<b>Malaysia 0.8%</b>					
Government of Malaysia, Senior Bonds	3.835%	8/12/15	10,490,000	MYR	3,493,966

Edgar Filing: WESTERN ASSET EMERGING MARKETS INCOME FUND II INC. - Form N-Q

<b>Mexico 3.9%</b>					
Mexican Bonos, Bonds	8.000%	6/11/20	72,825,000	MXN	6,267,505
United Mexican States	8.125%	12/30/19	6,224,000		8,028,960
United Mexican States, Bonds	10.000%	12/5/24	19,610,000	MXN	1,937,933
United Mexican States, Medium-Term Notes	6.050%	1/11/40	4,000		4,100
<i>Total Mexico</i>					<i>16,238,498</i>
<b>Panama 1.9%</b>					
Republic of Panama	7.250%	3/15/15	1,664,000		1,940,224
Republic of Panama	9.375%	4/1/29	1,603,000		2,252,215
Republic of Panama	6.700%	1/26/36	3,520,000		3,889,600
<i>Total Panama</i>					<i>8,082,039</i>
<b>Peru 3.9%</b>					
Republic of Peru	8.750%	11/21/33	4,715,000		6,388,825
Republic of Peru, Bonds	7.840%	8/12/20	8,219,000	PEN	3,339,035
Republic of Peru, Bonds	6.550%	3/14/37	1,080,000		1,193,400
Republic of Peru, Global Senior Bonds	7.350%	7/21/25	4,300,000		5,213,750
<i>Total Peru</i>					<i>16,135,010</i>
<b>Poland 1.9%</b>					
Republic of Poland, Bonds	5.500%	4/25/15	17,450,000	PLN	6,043,720

*See Notes to Schedule of Investments.*

Edgar Filing: WESTERN ASSET EMERGING MARKETS INCOME FUND II INC. - Form N-Q

Schedule of investments (unaudited) (cont d)

February 28, 2011

**WESTERN ASSET EMERGING MARKETS INCOME FUND INC.**

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Poland continued</b>				
Republic of Poland, Senior Notes	6.375%	7/15/19	\$ 1,840,000	\$ 2,055,274
<i>Total Poland</i>				8,098,994
<b>Qatar 0.3%</b>				
State of Qatar, Senior Notes	4.000%	1/20/15	1,080,000	1,112,400 (b)
<b>Russia 7.3%</b>				
RSHB Capital, Loan Participation Notes, Senior Secured Bonds	6.299%	5/15/17	1,073,000	1,109,268 (b)
RSHB Capital, Loan Participation Notes, Senior Secured Notes	9.000%	6/11/14	1,000,000	1,147,600 (b)
Russian Foreign Bond-Eurobond	11.000%	7/24/18	110,000	154,550 (b)
Russian Foreign Bond-Eurobond	12.750%	6/24/28	617,000	1,070,865 (b)
Russian Foreign Bond-Eurobond, Senior Bonds	7.500%	3/31/30	23,167,075	26,850,640 (b)
<i>Total Russia</i>				30,332,923
<b>Turkey 7.9%</b>				
Republic of Turkey, Notes	6.750%	5/30/40	2,750,000	2,763,750
Republic of Turkey, Senior Bonds	5.625%	3/30/21	820,000	820,000
Republic of Turkey, Senior Bonds	11.875%	1/15/30	3,348,000	5,448,870
Republic of Turkey, Senior Notes	7.500%	7/14/17	100,000	114,750
Republic of Turkey, Senior Notes	6.875%	3/17/36	23,290,000	23,930,475
<i>Total Turkey</i>				33,077,845
<b>United Arab Emirates 0.2%</b>				
MDC-GMTN B.V., Senior Notes	5.750%	5/6/14	860,000	927,310 (b)
<b>Venezuela 7.4%</b>				
Bolivarian Republic of Venezuela	5.750%	2/26/16	15,166,000	10,957,435 (b)
Bolivarian Republic of Venezuela	7.000%	12/1/18	1,920,000	1,291,200 (b)
Bolivarian Republic of Venezuela	7.650%	4/21/25	933,000	558,867
Bolivarian Republic of Venezuela, Collective Action Securities	1.303%	4/20/11	3,192,000	3,176,040 (a)(b)
Bolivarian Republic of Venezuela, Collective Action Securities, Global Senior Bonds	9.375%	1/13/34	7,239,000	4,868,228
Bolivarian Republic of Venezuela, Collective Action Securities, Notes	10.750%	9/19/13	3,800,000	3,771,500
Bolivarian Republic of Venezuela, Global Senior Bonds	8.500%	10/8/14	6,694,000	5,914,149
Bolivarian Republic of Venezuela, Senior Bonds	9.250%	9/15/27	500,000	360,500

Edgar Filing: WESTERN ASSET EMERGING MARKETS INCOME FUND II INC. - Form N-Q

<i>Total Venezuela</i>							30,897,919	
TOTAL SOVEREIGN BONDS (Cost \$220,451,924)							233,191,234	
COLLATERALIZED SENIOR LOANS 0.1%								
ENERGY 0.1%								
<b>Oil, Gas &amp; Consumable Fuels 0.1%</b>								
Ashmore Energy International, Synthetic Revolving Credit Facility (Cost - \$230,039)		3.289%		3/30/14		248,796	249,418	(c)
CORPORATE BONDS & NOTES 40.6%								
CONSUMER DISCRETIONARY 3.3%								
<b>Media 3.3%</b>								
Globo Comunicacoes e Participacoes SA, Bonds		7.250%		4/26/22		866,000	935,280	(b)
Globo Comunicacoes e Participacoes SA, Senior Bonds		7.250%		4/26/22		110,000	118,800	(b)
Grupo Televisa SA, Senior Bonds		6.625%		1/15/40		4,050,000	4,328,794	
Grupo Televisa SA, Senior Notes		6.625%		3/18/25		4,900,000	5,458,747	
NET Servicos de Comunicacao SA, Bonds		7.500%		1/27/20		2,690,000	3,133,850	
TOTAL CONSUMER DISCRETIONARY							13,975,471	
ENERGY 17.2%								
<b>Oil, Gas &amp; Consumable Fuels 17.2%</b>								
Dolphin Energy Ltd., Senior Secured Bonds		5.888%		6/15/19		2,648,723	2,798,990	(b)
Ecopetrol SA, Senior Notes		7.625%		7/23/19		2,600,000	3,022,500	
KazMunaiGaz Finance Sub BV, Senior Notes		8.375%		7/2/13		5,390,000	5,962,957	(b)

See Notes to Schedule of Investments.

Edgar Filing: WESTERN ASSET EMERGING MARKETS INCOME FUND II INC. - Form N-Q

Schedule of investments (unaudited) (cont d)

February 28, 2011

**WESTERN ASSET EMERGING MARKETS INCOME FUND INC.**

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Oil, Gas &amp; Consumable Fuels continued</b>				
KazMunaiGaz Finance Sub BV, Senior Notes	8.375%	7/2/13	\$ 910,000	\$ 1,008,963 (b)
LUKOIL International Finance BV, Bonds	6.656%	6/7/22	4,339,000	4,458,322 (b)
Novatek Finance Ltd., Notes	6.604%	2/3/21	1,800,000	1,867,500 (b)
Pan American Energy LLC, Senior Notes	7.875%	5/7/21	1,860,000	1,990,200 (b)
Pan American Energy LLC, Senior Notes	7.875%	5/7/21	974,000	1,042,180 (b)
Pemex Project Funding Master Trust, Senior Bonds	6.625%	6/15/35	6,176,000	6,187,580
Petrobras International Finance Co., Senior Notes	6.875%	1/20/40	3,710,000	3,859,550
Petrobras International Finance Co., Senior Notes	6.750%	1/27/41	1,560,000	1,604,218
Petroleos Mexicanos, Notes	8.000%	5/3/19	130,000	155,025
Petroleos Mexicanos, Senior Notes	5.500%	1/21/21	9,100,000	9,145,500
Petroleum Co. of Trinidad & Tobago Ltd., Senior Notes	9.750%	8/14/19	1,740,000	2,131,500 (b)
Petronas Capital Ltd.	5.250%	8/12/19	8,980,000	9,601,964 (b)
Petronas Capital Ltd., Senior Notes	5.250%	8/12/19	1,448,000	1,551,448 (b)
Ras Laffan Liquefied Natural Gas Co., Ltd. III, Senior Secured Bonds	6.750%	9/30/19	2,429,000	2,737,600 (b)
Ras Laffan Liquefied Natural Gas Co., Ltd. III, Senior Secured Notes	5.500%	9/30/14	2,640,000	2,820,341 (b)
Reliance Holdings USA Inc., Senior Notes	4.500%	10/19/20	2,220,000	2,105,757 (b)
TNK-BP Finance SA	6.625%	3/20/17	2,387,000	2,554,090 (b)
TNK-BP Finance SA, Senior Notes	7.500%	3/13/13	1,165,000	1,270,141 (b)
TNK-BP Finance SA, Senior Notes	7.500%	7/18/16	2,830,000	3,158,988 (b)
TNK-BP Finance SA, Senior Notes	7.875%	3/13/18	310,000	353,028 (b)
TNK-BP Finance SA, Senior Notes	7.875%	3/13/18	218,000	248,258 (b)
<b>TOTAL ENERGY</b>				<b>71,636,600</b>
<b>FINANCIALS 0.9%</b>				
<b>Commercial Banks 0.5%</b>				
Banco del Estado de Chile, Senior Notes	4.125%	10/7/20	1,080,000	1,013,814 (b)
ICICI Bank Ltd., Junior Subordinated Bonds	6.375%	4/30/22	454,000	452,106 (a)(b)
ICICI Bank Ltd., Subordinated Bonds	6.375%	4/30/22	570,000	566,909 (a)(b)
<i>Total Commercial Banks</i>				<i>2,032,829</i>
<b>Diversified Financial Services 0.4%</b>				
Sinochem Overseas Capital Co., Ltd., Senior Notes	4.500%	11/12/20	1,765,000	1,699,850 (b)
<b>TOTAL FINANCIALS</b>				<b>3,732,679</b>
<b>INDUSTRIALS 1.3%</b>				
<b>Building Products 0.5%</b>				
GTL Trade Finance Inc., Senior Notes	7.250%	10/20/17	730,000	814,862 (b)
GTL Trade Finance Inc., Senior Notes	7.250%	10/20/17	462,000	515,708 (b)
Rearden G Holdings EINS GmbH, Senior Notes	7.875%	3/30/20	810,000	858,600 (b)



*Total Building Products*