WESTERN ASSET EMERGING MARKETS INCOME FUND INC.
Form N-CSRS
January 24, 2014

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 **811-07686**

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: **November 30, 2013**

ITEM 1. REPORT TO STOCKHOLDERS.

The **Semi-Annual** Report to Stockholders is filed herewith.

Semi-Annual Report November 30, 2013

WESTERN ASSET

EMERGING MARKETS

INCOME FUND INC. (EMD)

What s inside

Fund objectives

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

Letter from the chairman

Dear Shareholder,

We are pleased to provide the semi-annual report of Western Asset Emerging Markets Income Fund Inc. for the six-month reporting period ended November 30, 2013. Please read on for Fund performance information and a detailed look at prevailing economic and market conditions during the Fund s reporting period.

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.lmcef.com. 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,

Kenneth D. Fuller

Chairman, President and Chief Executive Officer

December 27, 2013

Investment commentary

Economic review

The U.S. economy continued to grow over the six months ended November 30, 2013 (the reporting period), but the pace was mixed. Looking back, U.S. gross domestic product (GDP)[i] growth, as reported by the U.S. Department of Commerce, was 1.1% during the first quarter of 2013. GDP growth in the second quarter then improved to 2.5%. This was partially due to increases in exports and non-residential fixed investments, along with a smaller decline in federal government spending versus the previous quarter. The U.S. Department of Commerce s final reading for third quarter 2013 GDP growth, released after the reporting period ended, was 4.1%. Stronger growth was driven, in part, by an increase in private inventory investment, a deceleration in imports and accelerating state and local government spending.

The U.S. job market improved during the reporting period, although unemployment remained elevated from a historical perspective. When the period began, unemployment, as reported by the U.S. Department of Labor, was 7.6%. Unemployment then declined to 7.4% in July, 7.3% in August and 7.2% in September 2013. After rising to 7.3% in October, unemployment then fell to 7.0% in November, its lowest reading since November 2008. Falling unemployment during the period was partially due to a decline in the workforce participation rate, which was 63% in November, close to its lowest level since 1978.

While sales of existing-homes have declined in recent months given rising mortgage rates, home prices continued to move higher. According to the National Association of Realtors (NAR), existing-home sales fell 4.3% on a seasonally adjusted basis in November 2013 versus the previous month and were 1.2% lower than in November 2012. However, the NAR reported that the median existing-home price for all housing types was $196,300 in November 2013, up 9.4% from November 2012. The inventory of homes available for sale in November 2013 was 0.9% lower than the previous month at a 5.1 month supply at the current sales pace and was 5.0% higher than in November 2012.

The manufacturing sector expanded throughout the reporting period. Based on the Institute for Supply Management s Purchasing Managers Index (PMI)[ii], after expanding the prior five months, the PMI fell to 49.0 in May 2013 (a reading below 50 indicates a contraction, whereas a reading above 50 indicates an expansion). However, this was a short-term setback, as the PMI rose over the next six months and was 57.3 in November, the best reading since April 2011.

Investment commentary (cont d)

Market review

Q. How did the Federal Reserve Board (Fed[iii]) respond to the economic environment?

A. The Fed took a number of actions as it sought to meet its dual mandate of fostering maximum employment and price stability. As has been the case since December 2008, the Fed kept the federal funds rate[iv] at a historically low range between zero and 0.25%. At its meeting in December 2012, the Fed announced that it would continue purchasing $40 billion per month of agency mortgage-backed securities (MBS), as well as initially purchasing $45 billion per month of longer-term Treasuries. At its meeting that ended on June 19, 2013, the Fed did not make any material changes to its official policy statement. However, in a press conference following the meeting, Fed Chairman Bernanke said the Committee currently anticipates that it would be appropriate to moderate the monthly pace of purchases later this year; and if the subsequent data remain broadly aligned with our current expectations for the economy, we would continue to reduce the pace of purchases in measured steps through the first half of next year, ending purchases around midyear. In a surprise to many investors, at its meeting that ended on September 18, 2013, the Fed did not taper its asset purchase program and said that it decided to await more evidence that progress will be sustained before adjusting the pace of its purchases. Fed Chairman Bernanke also brought up the potential for a partial government shutdown on October 1 and the debt ceiling debate as reasons for maintaining its current policy. As expected, at its meeting that concluded on October 30, 2013, the Fed maintained its asset purchase program. Finally, at the Fed s meeting that concluded on December 18, 2013, after the reporting period ended, the Fed announced that it would begin reducing its monthly asset purchases, saying In light of the cumulative progress toward maximum employment and the improvement in the outlook for labor market conditions, the Committee decided to modestly reduce the pace of its asset purchases. Beginning in January, the Committee will add to its holdings of agency mortgage-backed securities at a pace of $35 billion per month rather than $40 billion per month, and will add to its holdings of longer-term Treasury securities at a pace of $40 billion per month rather than $45 billion per month.

Q. What actions did international central banks take during the reporting period?

A. Given the economic challenges in the Eurozone, in September 2012, prior to the beginning of the reporting period, the European Central Bank (ECB[v]) introduced its Outright Monetary Transactions (OMT) program. With the OMT program, the ECB can purchase an unlimited amount of bonds that are issued by troubled Eurozone countries, provided the countries formally ask to participate in the program and agree to certain conditions. In May 2013, the ECB cut rates from 0.75% to 0.50%. The ECB then lowered the rate to a new record low of 0.25% in November 2013. In other developed countries, the Bank of England kept rates on hold at 0.50% during the reporting period, as did Japan at a range of zero to 0.10%, its lowest level since 2006. In January 2013, the Bank of Japan announced that it would raise its target for annual inflation from 1% to 2%, and the Japanese government introduced a ¥10.3 trillion

($116 billion) stimulus package to support its economy. Elsewhere, the People s Bank of China kept rates on hold at 6.0%.

Q. Did Treasury yields trend higher or lower during the six months ended November 30, 2013?

A. Short-term Treasury yields edged lower, whereas long-term Treasury yields moved higher during the reporting period. When the period began, the yield on the two-year Treasury was 0.30%. It fell as low as 0.27% in mid-June 2013 and was as high as 0.52% on September 5, 2013, before ending the period at 0.28%. The yield on the ten-year Treasury began the period at 2.16%. Ten-year Treasuries reached a low of 2.08% on June 6, 2013 and peaked at 2.98% on September 5, 2013, before moving down to 2.75% at the end of the period.

Q. What factors impacted the spread sectors (non-Treasuries) during the reporting period?

A. Most spread sectors generated weak results during the reporting period. The spread sectors performed poorly during the first month of the period amid sharply rising interest rates given the Fed s indications that it may begin tapering its asset purchase program sooner than previously anticipated. Most spread sectors then rallied in July 2013 amid improving investor demand. However, the spread sectors again weakened in August, before strengthening in September and October after the Fed chose not to taper its asset purchase program. The spread sectors then generated mixed results in November. The overall bond market, as measured by the Barclays U.S. Aggregate Index[vi], fell 0.56% during the six months ended November 30, 2013.

Q. How did the high-yield market perform over the six months ended November 30, 2013?

A. The U.S. high-yield bond market was one of the few spread sectors to generate a positive return during the reporting period. The asset class, as measured by the Barclays U.S. Corporate High Yield 2% Issuer Cap Index[vii] declined in June. After a brief rally in July, the high yield bond market again weakened in August, before again moving higher in September, October and November. All told, the high-yield bond market gained 2.61% for the six months ended November 30, 2013.

Q. How did the emerging market debt asset class perform over the reporting period?

A. The asset class generated poor results during the six months ended November 30, 2013. The asset class fell during two of the first three months of the reporting period. This weakness was due to a number of factors, including concerns over moderating global growth, fears of a hard landing for China s economy, generally weaker commodity prices and sharply rising U.S. interest rates. However, the asset class then rallied sharply in September and October, as the Fed did not taper its asset purchase program and investor demand increased. The asset class then declined in November as interest rates moved higher. Overall, the JPMorgan Emerging Markets Bond Index Global (EMBI Global[iii])fell 3.89% during the six months ended November 30, 2013.

Performance review

For the six months ended November 30, 2013, Western Asset Emerging Markets Income Fund Inc. returned -5.39% based on

Investment commentary (cont d)

its net asset value (NAV)[x] and -11.87% based on its New York Stock Exchange (NYSE) market price per share. The Fund s unmanaged benchmark, the EMBI Global, returned -3.89% over the same time frame. The Lipper Emerging Markets Debt Closed-End Funds Category Average[x] returned -5.86% for the same period. Please note that Lipper performance returns are based on each fund s NAV.

During this six-month period, the Fund made distributions to shareholders totaling $0.51 per share. As of November 30, 2013, the Fund estimates that 74.16% of the distributions were sourced from net investment income and 25.84% of the distributions were sourced from capital gains.* The performance table shows the Fund s six-month total return based on its NAV and market price as of November 30, 2013. **Past performance is no guarantee of future results.**

Performance Snapshot as of November 30, 2013
(unaudited)

Price Per Share	6-month Total Return**
$13.68 (NAV)	-5.39%
$11.98 (Market Price)	-11.87%

All figures represent past performance and are not a guarantee of future results. Performance figures for periods shorter than one year represent cumulative figures and are not annualized.

**** Total returns are based on changes in NAV or market price, respectively. Returns reflect the deduction of all Fund expenses, including management fees, operating expenses, and other Fund expenses. Returns do not reflect the deduction of brokerage commissions or taxes that investors may pay on distributions or the sale of shares.**

Total return assumes the reinvestment of all distributions, including returns of capital, if any, at NAV.

Total return assumes the reinvestment of all distributions, including returns of capital, if any, in additional shares in accordance with the Fund s Dividend Reinvestment Plan.

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.lmcef.com.

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 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.

* These estimates are not for tax purposes. The Fund will issue a Form 1099 with final composition of the distributions for tax purposes after year-end. A return of capital is not taxable and results in a reduction in the tax basis of a shareholder s investment. For more information about a distribution s composition, please refer to the Fund s distribution press release or, if applicable, the Section 19 notice located in the press release section of our website, www.lmcef.com.

Sincerely,

Kenneth D. Fuller

Chairman, President and

Chief Executive Officer

December 27, 2013

RISKS: Fixed-income securities are subject to credit risk, inflation risk, call risk and interest rate risk. 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, regulatory 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.

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results. 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. Forecasts and predictions are inherently limited and should not be relied upon as an indication of actual or future performance.

[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 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.

[iv] 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.

[v] The European Central Bank (ECB) is responsible for the monetary system of the European Union and the euro currency.

[vi] The Barclays 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 U.S. Corporate High Yield 2% Issuer Cap Index is an index of the 2% Issuer Cap component of the Barclays 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.

[ix] 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.

[x] Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the six-month period ended November 30, 2013, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 10 funds in the Fund s Lipper category.

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 November 30, 2013 and May 31, 2013 and does not include derivatives, such as forward foreign currency contracts. The Fund is actively managed. As a result, the composition of the Fund s investments is subject to change at any time.
Represents less than 0.1%.

Spread duration (unaudited)

Economic exposure November 30, 2013

Total Spread Duration

EMD	5.94 years
Benchmark	6.50 years

Spread duration measures the sensitivity to changes in spreads. The spread over Treasuries is the annual risk-premium demanded by investors to hold non-Treasury securities. Spread duration is quantified as the % change in price resulting from a 100 basis points change in spreads. For a security with positive spread duration, an increase in spreads would result in a price decline and a decline in spreads would result in a price increase. This chart highlights the market sector exposure of the Fund s sectors relative to the selected benchmark sectors as of the end of the reporting period.

Benchmark	JPMorgan Emerging Markets Bond Index Global
EM	Emerging Markets
EMD	Western Asset Emerging Markets Income Fund Inc.
IG Credit	Investment Grade Credit

Effective duration (unaudited)

Interest rate exposure November 30, 2013

Total Effective Duration

EMD	6.69 years
Benchmark	6.83 years

Effective duration measures the sensitivity to changes in relevant interest rates. Effective duration is quantified as the % change in price resulting from a 100 basis points change in interest rates. For a security with positive effective duration, an increase in interest rates would result in a price decline and a decline in interest rates would result in a price increase. This chart highlights the interest rate exposure of the Fund s sectors relative to the selected benchmark sectors as of the end of the reporting period.

Benchmark	JPMorgan Emerging Markets Bond Index Global
EM	Emerging Markets
EMD	Western Asset Emerging Markets Income Fund Inc.
IG Credit	Investment Grade Credit

Schedule of investments (unaudited)

November 30, 2013

Western Asset Emerging Markets Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
Sovereign Bonds 60.3%				
Argentina 0.3%				
Republic of Argentina, Senior Bonds	7.000%	10/3/15	1,237,000	$ *1,210,357*
Brazil 5.7%				
Banco Nacional de Desenvolvimento Economico e Social, Senior Notes	3.375%	9/26/16	1,480,000	1,491,100 [(a)]
Brazil Nota do Tesouro Nacional, Notes	10.000%	1/1/14	2,865,000 BRL	1,228,038 [(b)]
Brazil Nota do Tesouro Nacional, Notes	10.000%	1/1/17	35,373,000 BRL	14,338,018
Brazil Nota do Tesouro Nacional, Notes	10.000%	1/1/21	4,908,000 BRL	1,853,715 [(b)]
Federative Republic of Brazil, Senior Bonds	7.125%	1/20/37	1,337,000	1,527,522
Federative Republic of Brazil, Senior Notes	8.000%	1/15/18	500	558
Federative Republic of Brazil, Senior Notes	4.875%	1/22/21	1,780,000	1,895,700 [(b)]
Total Brazil				*22,334,651*
Chile 1.8%				
Banco del Estado de Chile, Senior Notes	4.125%	10/7/20	380,000	390,624 [(a)]
Corporacion Nacional del Cobre de Chile, Senior Notes	3.750%	11/4/20	1,190,000	1,196,577 [(a)]
Corporacion Nacional del Cobre de Chile, Senior Notes	3.875%	11/3/21	1,970,000	1,953,909 [(a)]
Corporacion Nacional del Cobre de Chile, Senior Notes	3.000%	7/17/22	2,021,000	1,843,559 [(a)]
Republic of Chile, Senior Notes	3.875%	8/5/20	1,750,000	1,848,437 [(b)]
Total Chile				*7,233,106*
Colombia 3.7%				
Republic of Colombia, Senior Bonds	4.375%	7/12/21	400,000	417,000 [(b)]
Republic of Colombia, Senior Bonds	4.000%	2/26/24	1,280,000	1,238,400 [(b)]
Republic of Colombia, Senior Bonds	7.375%	9/18/37	5,781,000	7,081,725 [(b)]
Republic of Colombia, Senior Bonds	6.125%	1/18/41	760,000	809,400 [(b)]
Republic of Colombia, Senior Notes	7.375%	3/18/19	4,076,000	4,942,150 [(b)]
Total Colombia				*14,488,675*
Croatia 1.3%				
Republic of Croatia, Notes	5.500%	4/4/23	2,600,000	2,503,150 [(a)]
Republic of Croatia, Senior Notes	6.625%	7/14/20	900,000	957,600 [(a)]
Republic of Croatia, Senior Notes	5.500%	4/4/23	1,740,000	1,675,185 [(a)]
Total Croatia				*5,135,935*
Hungary 1.0%				
Hungary Government Bond, Senior Notes	5.750%	11/22/23	4,076,000	*4,040,743*
Indonesia 4.6%				
Republic of Indonesia, Notes	3.750%	4/25/22	10,440,000	9,513,450 [(a)]
Republic of Indonesia, Notes	5.250%	1/17/42	7,740,000	6,540,300 [(a)]
Republic of Indonesia, Senior Bonds	6.875%	1/17/18	420,000	473,550 [(a)]
Republic of Indonesia, Senior Bonds	6.625%	2/17/37	1,105,000	1,124,337 [(a)]

See Notes to Financial Statements.

Western Asset Emerging Markets Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
Indonesia continued				
Republic of Indonesia, Senior Notes	3.375%	4/15/23	550,000	$ 473,000 (a)
Total Indonesia				*18,124,637*
Lithuania 1.5%				
Republic of Lithuania, Senior Notes	7.375%	2/11/20	1,050,000	1,275,750 (a)(b)
Republic of Lithuania, Senior Notes	6.125%	3/9/21	3,920,000	4,481,540 (a)(b)
Total Lithuania				*5,757,290*
Mexico 6.0%				
Mexican Bonos, Bonds	8.000%	6/11/20	95,876,000 MXN	8,315,277 (b)
Mexican Bonos, Bonds	6.500%	6/9/22	22,935,600 MXN	1,802,850 (b)
Mexican Bonos, Bonds	10.000%	12/5/24	19,610,000 MXN	1,947,668
Mexican Bonos, Bonds	8.500%	11/18/38	46,670,000 MXN	3,930,089
United Mexican States, Medium-Term Notes	6.050%	1/11/40	4,000	4,290
United Mexican States, Senior Notes	5.125%	1/15/20	100,000	111,500
United Mexican States, Senior Notes	3.625%	3/15/22	3,256,000	3,234,836
United Mexican States, Senior Notes	4.000%	10/2/23	3,560,000	3,532,410
United Mexican States, Senior Notes	4.750%	3/8/44	806,000	711,698
Total Mexico				*23,590,618*
Panama 0.5%				
Republic of Panama, Senior Bonds	9.375%	4/1/29	1,213,000	1,692,135
Republic of Panama, Senior Bonds	6.700%	1/26/36	3,000	3,345
Republic of Panama, Senior Bonds	4.300%	4/29/53	480,000	363,600
Total Panama				*2,059,080*
Peru 4.2%				
Republic of Peru, Bonds	6.550%	3/14/37	1,620,000	1,838,700
Republic of Peru, Global Senior Bonds	7.350%	7/21/25	4,300,000	5,450,250
Republic of Peru, Senior Bonds	8.750%	11/21/33	5,705,000	7,987,000 (b)
Republic of Peru, Senior Bonds	5.625%	11/18/50	1,077,000	1,068,923
Total Peru				*16,344,873*
Philippines 0.7%				
Republic of the Philippines, Senior Bonds	5.500%	3/30/26	2,590,000	*2,890,440*
Poland 3.1%				
Republic of Poland, Senior Notes	6.375%	7/15/19	1,840,000	2,162,000
Republic of Poland, Senior Notes	5.125%	4/21/21	3,910,000	4,271,675 (b)
Republic of Poland, Senior Notes	5.000%	3/23/22	5,170,000	5,560,335 (b)
Total Poland				*11,994,010*
Russia 9.0%				
RSHB Capital, Loan Participation Notes, Senior Notes	9.000%	6/11/14	1,000,000	1,038,750 (a)
RSHB Capital, Loan Participation Notes, Senior Notes	6.299%	5/15/17	1,073,000	1,149,451 (a)

See Notes to Financial Statements.

Schedule of investments (unaudited) (cont d)

November 30, 2013

Western Asset Emerging Markets Income Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
Russia continued				
Russian Federal Bond, Bonds	7.400%	6/14/17	219,400,000 RUB	$ 6,751,482
Russian Federal Bond, Bonds	7.500%	3/15/18	47,017,000 RUB	1,446,830
Russian Foreign Bond Eurobond, Senior Bonds	11.000%	7/24/18	110,000	149,050 (a)
Russian Foreign Bond Eurobond, Senior Bonds	12.750%	6/24/28	617,000	1,053,527 (a)
Russian Foreign Bond Eurobond, Senior Bonds	7.500%	3/31/30	15,454,725	18,112,938 (a)
Russian Foreign Bond Eurobond, Senior Notes	5.625%	4/4/42	5,400,000	5,352,750 (a)
Total Russia				