

SALOMON BROTHERS EMERGING MARKETS INCOME FUND INC  
Form DEF 14A  
November 08, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934

- Filed by the Registrant  
 Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement  
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-7(e))  
 Definitive Proxy Statement  
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 Soliciting Material Pursuant to Section 240.14a-12

Salomon Brothers Emerging Markets Income Fund Inc.  
(Name of Registrant as Specified in Its Charter)  
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- 1) Title of each class of securities to which transaction applies:
- 2) Aggregate number of securities to which transaction applies:
- 3) Per unit price or other underlying value of transaction  
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which the filing fee is calculated and state how it was determined):
- 4) Proposed maximum aggregate value of transaction:
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- 1) Amount Previously Paid:
- 2) Form, Schedule or Registration Statement No.:
- 3) Filing Party:
- 4) Date Filed:



# SALOMON BROTHERS EMERGING MARKETS INCOME FUND INC.

125 Broad Street, New York, New York 10004

## NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

November 8, 2005

*To the Stockholders:*

The Annual Meeting of Stockholders (the "Meeting") of Salomon Brothers Emerging Markets Income Fund Inc. (the "Fund") will be held at Citigroup Center, 153 East 53rd Street, 14th Floor Conference Center, New York, New York, on Monday, December 12, 2005 at 3:00 p.m., Eastern Standard Time, for the purposes of considering and voting upon the following:

1. The election of Directors (Proposal 1); and
2. Any other business that may properly come before the Meeting.

The close of business on October 26, 2005 has been fixed as the record date for the determination of stockholders entitled to notice of and to vote at the Meeting.

By Order of the Board of Directors,

Robert I. Frenkel  
*Secretary*

**TO AVOID UNNECESSARY EXPENSE OF FURTHER SOLICITATION, WE URGE YOU to indicate voting instructions on the enclosed proxy, date and sign it and return it promptly in the envelope provided, no matter how large or how small your holdings may be.**

**Instructions for Signing Proxy Cards**

The following general rules for signing proxy cards may be of assistance to you and avoid the time and expense to the Fund involved in validating your vote if you fail to sign your proxy card properly.

1. *Individual Accounts:* Sign your name exactly as it appears in the registration on the proxy card.
2. *Joint Accounts:* Either party may sign, but the name of the party signing should conform exactly to a name shown in the registration.
3. *All Other Accounts:* The capacity of the individual signing the proxy card should be indicated unless it is reflected in the form of registration. For example:

**Registration**

**Valid Signature**

**Corporate Accounts**

- |  |                                    |
|--|------------------------------------|
| (1) ABC Corp                           | ABC Corp. (by John Doe, Treasurer) |
| (2) ABC Corp                           | John Doe, Treasurer                |
| (3) ABC Corp., c/o John Doe, Treasurer | John Doe                           |
| (4) ABC Corp. Profit Sharing Plan      | John Doe, Trustee                  |

**Trust Accounts**

- |  |                      |
|--|----------------------|
| (1) ABC Trust                            | Jane B. Doe, Trustee |
| (2) Jane B. Doe, Trustee, u/t/d 12/28/78 | Jane B. Doe          |

**Custodial or Estate Accounts**

- |   |                              |
|---|------------------------------|
| (1) John B. Smith, Cust., f/b/o John B. Smith, Jr. UGMA | John B. Smith                |
| (2) John B. Smith                                       | John B. Smith, Jr., Executor |
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# SALOMON BROTHERS EMERGING MARKETS INCOME FUND INC.

125 Broad Street, New York, New York 10004

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## PROXY STATEMENT

This proxy statement is furnished in connection with a solicitation by the Board of Directors of Salomon Brothers Emerging Markets Income Fund Inc. (the "Fund") of proxies to be used at the Annual Meeting of Stockholders (the "Meeting") of the Fund to be held at Citigroup Center, 153 East 53rd Street, 14th Floor Conference Center, New York, New York, on Monday, December 12, 2005 at 3:00 p.m., Eastern Standard Time (and at any adjournment or adjournments thereof), for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. This proxy statement and the accompanying form of proxy are first being mailed to stockholders on or about November 8, 2005. Stockholders who execute proxies retain the right to revoke them in person at the Meeting or by written notice received by the Secretary of the Fund at any time before they are voted. Unrevoked proxies will be voted in accordance with the specifications thereon and, unless specified to the contrary, will be voted FOR the election of Directors. The close of business on October 26, 2005 has been fixed as the record date for the determination of stockholders entitled to notice of and to vote at the Meeting. Each stockholder is entitled to one vote for each full share and an appropriate fraction of a vote for each fractional share held. On October 26, 2005, there were 4,157,422 shares of the Fund's common stock outstanding.

In accordance with the Fund's By-Laws, a quorum is constituted by the presence in person or by proxy of the holders of record of a majority of the outstanding shares of the Fund's common stock entitled to vote at the Meeting. In the event that a quorum is not present at the Meeting, or in the event that a quorum is present but sufficient votes to approve any of the proposals are not received, the Meeting may be adjourned to a date not more than 120 days after the original record date to permit further solicitation of proxies. Any such adjournment will require the affirmative vote of a majority of those shares represented at the Meeting in person or by proxy. The persons named as proxies will vote those proxies which they are entitled to vote FOR or AGAINST any such proposal in their discretion. A stockholder vote may be taken on one or more of the proposals in this proxy statement prior to any such adjournment if sufficient votes have been received for approval.

Salomon Brothers Asset Management Inc ("SBAM"), whose principal business address is 399 Park Avenue, New York, New York 10022, is the Fund's investment adviser and administrator and is an indirect wholly-owned subsidiary of Citigroup Inc. ("Citigroup").

### Proposal 1: Election of Directors

In accordance with the Fund's Charter, the Fund's Board of Directors is divided into three classes: Class I, Class II and Class III. At the Meeting, stockholders will be asked to elect two Class III Directors to hold office until the year 2008 Annual Meeting of Stockholders, or thereafter in each case when their respective successors are duly elected and qualified. The terms of office of the remaining Class I and Class II Directors expire at the year 2006 and 2007 Annual Meetings of Stockholders, respectively, or thereafter in each case when their respective successors are duly elected and qualified. The effect of these staggered terms is to limit the ability of other entities or persons to acquire control of the Fund by delaying the replacement of a majority of the Board of Directors.

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The persons named in the proxy intend to vote at the Meeting (unless directed not to vote) FOR the election of the nominees named below. Each of the nominees is currently a member of the Fund's Board of Directors and has indicated that they will serve if elected. However, if any nominee should be unable to serve, the proxy will be voted for any other person determined by the persons named in the proxy in accordance with their judgment.

The following table provides information concerning the nominees for election as Class III Directors of the Fund:

<u>Name, Address and Age</u>	<u>Position(s) Held with the Fund</u>	<u>Length of Term Served</u>	<u>Principal Occupation(s) During Past 5 years</u>	<u>Number of Portfolios in Fund Complex Overseen by Nominee (including the Fund)</u>	<u>Other Directorships Held by Nominee</u>
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**Nominees to serve as Class III Directors until the 2008 Annual Meeting of Stockholders**

**NON-INTERESTED DIRECTOR NOMINEE**

Leslie H. Gelb  150 East 69th Street  New York, NY 10021 Birth year: 1937	Director and  Member of  Audit and Nominating Committees	Since  1994	President, Emeritus and Senior Board Fellow, The  Council on Foreign Relations; formerly, Columnist, Deputy Editorial Page Editor and Editor, Op-Ed Page, The New York Times.	34	Director of two registered investment companies advised by Advantage Advisers, Inc. (Advantage)
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**INTERESTED  
DIRECTOR NOMINEE**

R. Jay Gerken, CFA* Citigroup Asset Management (CAM) 399 Park Avenue  New York, NY 10022 Birth year: 1951	Chairman,  CEO and Director	Since  2002	Managing Director, Citigroup Global Markets Inc. (CGM); Chairman, President and Chief Executive Officer of Smith Barney Fund Management LLC and Citi Fund Management Inc. (CFM); President and Chief	171	None
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Executive Officer of  
certain  
mutual funds  
associated  
with Citigroup;  
formerly  
Portfolio Manager of  
Smith  
Barney Allocation  
Series  
Inc. (from 1996 to  
2001)  
and Smith Barney  
Growth  
and Income Fund  
(from  
1996 to 2000);  
Chairman of  
the Board, Trustee and Directors  
of 171 funds in the  
Citigroup  
Fund Complex.

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\* Mr. Gerken is an "interested person" as defined in the Investment Company Act of 1940, as amended (the "1940 Act"), because he is a Managing Director of SBAM, the Fund's investment adviser.

The following table provides information concerning the remaining Directors of the Fund:

<u>Name, Address and Age</u>	<u>Position(s) Held with the Fund</u>	<u>Length of Term Served</u>	<u>Principal Occupation(s) During Past 5 years</u>	<u>Number of Portfolios in Fund Complex Overseen by Director (including the Fund)</u>	<u>Other Directorships Held by Director</u>
<b>Class I Directors serving until the 2006 Annual Meeting of Stockholders</b>					
<b>NON-INTERESTED DIRECTORS</b>					
William R. Hutchinson 535 N. Michigan Avenue Suite 1012  Chicago, IL 60611 Birth year: 1942	Director and  Member of Nominating  and Audit Committees	Since  2003	President, W.R. Hutchinson & Associates Inc. (consulting), formerly Group Vice President, Mergers and Acquisitions, BP Amoco p.l.c.	44	Director of Associated  Banc-Corp.
Dr. Riordan Roett The Johns Hopkins University 1710 Massachusetts Ave., NW Washington, D.C. 20036  Birth year: 1938	Director and  Member of  Audit and  Nominating  Committees	Since  1995	Professor and Director,  Latin American Studies  Program, Paul H. Nitze  School of Advanced International Studies,  The Johns Hopkins University.	34	None
Jeswald W. Salacuse  Tufts University The Fletcher School of Law  & Diplomacy 160 Packard Avenue Medford, MA 02155 Birth year: 1938	Director and  Member of  Audit and  Nominating  Committees	Since  1994	Henry J. Braker Professor of  Commercial  Law and formerly Dean, The Fletcher School of Law & Diplomacy, Tufts University.	34	Director of two registered investment companies advised by Advantage

**Class II Directors serving until the 2007 Annual Meeting of Stockholders**



**NON-INTERESTED  
DIRECTORS**

Carol L. Colman Colman Consulting 278 Hawley Road North Salem, NY 10560 Birth year: 1946	Director and Member of Audit and Nominating Committees	Since 2003	President, Colman Consulting Co.	37	None
Daniel P. Cronin 24 Woodlawn Ave. New Rochelle, NY 10804 Birth year: 1946	Director and Member of Audit and Nominating Committees	Since 2003	Formerly, Associate General Counsel, Pfizer, Inc.	34	None

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The following table provides information concerning the dollar range of equity securities owned beneficially by each Director and nominee for election as Director as of June 30, 2005:

Name of Director/Nominee	Dollar Range <sup>(1)</sup> of Equity Securities in the Fund	Aggregate Dollar Range <sup>(1)</sup> of Equity Securities in all Funds Overseen by Director/Nominee in Family of Investment Companies <sup>(2)</sup>
<b>NON-INTERESTED DIRECTORS/NOMINEES</b>		
Carol L. Colman	A	E
Daniel P. Cronin	C	E
Leslie H. Gelb	A	A
William R. Hutchinson	A	E
Dr. Riordan Roett	A	C
Jeswald W. Salacuse	B	C
<b>INTERESTED DIRECTOR</b>	C	E
R. Jay Gerken		

(1) The dollar ranges are as follows: A = None; B = \$1-\$10,000; C = \$10,001-\$50,000; D = \$50,001-\$100,000; E = \$100,000.

(2) Family of Investment Companies means any two or more registered investment companies that share the same investment adviser or principal underwriter and hold themselves out to investors as related companies for purposes of investment and investor services.

No Director or nominee for election as Director who is not an "interested person" of the Fund as defined in the 1940 Act, nor any immediate family members, had any interest in SBAM, the Fund's investment adviser, or any person or entity (other than the Fund) directly or indirectly controlling, controlled by, or under common control with SBAM as of June 30, 2005.

**Responsibilities of the Board of Directors**

The Board of Directors is responsible for ensuring that the Fund is managed in the best interest of its stockholders. The Directors oversee the Fund's business by, among other things, meeting with the Fund's management and evaluating the performance of the Fund's service providers including SBAM, the custodian and the transfer agent. As part of this process, the Directors consult with the Fund's independent auditors and with their own separate independent counsel.

The Board of Directors has four regularly scheduled meetings each year and additional meetings are scheduled as needed. In addition, the Board has an Audit Committee and a Nominating Committee that meet periodically and whose responsibilities are described below.

During the fiscal year ended August 31, 2005, the Board of Directors held four regular meetings and four special meetings. Each Director attended at least 75% of the aggregate number of meetings of the Board and the committees for which he or she was eligible. The Fund does not have a formal policy regarding attendance by Directors at Annual Meetings of Stockholders. Mr. Gerken attended the Fund's 2004 Annual Meeting of Stockholders.

The Directors review the Fund's financial statements, performance and market price as well as the quality of the services being provided to the Fund. As part of this process, the Directors review the Fund's fees and expenses to determine if they are reasonable and competitive in light of the services being received and while also ensuring that the Fund continues to have access to high quality services in the future. Based on these reviews, the Directors

periodically make suggestions to the Fund's management and monitor to ensure that responsive action is taken. The Directors also monitor potential conflicts of interest among the Fund, SBAM and its affiliates and other funds and clients managed by SBAM to ensure that the Fund is managed in a manner which is in the best interest of the Fund's stockholders.

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At October 26, 2005, the Nominees, Directors and officers of the Fund as a group beneficially owned less than 1% of the outstanding shares of the Fund's common stock. To the knowledge of management, no person owned of record or owned beneficially more than 5% of the Fund's common stock outstanding at that date, except that Cede & Co., a nominee for participants in Depository Trust Company, held of record 4,026,180 shares, equal to approximately 97% of the Fund's outstanding shares.

The Fund's executive officers are chosen each year at the meeting of the Board of Directors of the Fund immediately following the Annual Meeting of Stockholders, to hold office until their respective successors are duly elected and qualified. In addition to Mr. Gerken, the Fund's Chairman and CEO, the executive officers of the Fund currently are:

<b>Name, Address and Age</b>	<b>Position(s) Held with Fund</b>	<b>Length of Time Served</b>	<b>Principal Occupation(s) During Past 5 years</b>
Peter J. Wilby, CFA CAM 399 Park Avenue New York, NY 10022 Birth year: 1958	President  Executive Vice President	Since 2002  1994-2002	Managing Director of CGM and SBAM; Officer of certain mutual funds associated with Citigroup.
James E. Craige, CFA CAM 399 Park Avenue New York, NY 10022 Birth year: 1967	Executive Vice President	Since 1999	Managing Director of CGM and SBAM; Officer of certain mutual funds associated with Citigroup.
Thomas K. Flanagan CAM 399 Park Avenue New York, NY 10022 Birth year: 1956	Executive Vice President	Since 1994	Managing Director of CGM and SBAM; Officer of certain mutual funds associated with Citigroup.
Andrew B. Shoup CAM  125 Broad Street, 11th Floor New York, NY 10004 Birth year: 1956	Senior Vice President and  Chief Administrative Officer	Since 2003	Director of CAM; Senior Vice President and Chief Administrative Officer of mutual funds associated with Citigroup; Head of International Funds Administration of CAM (from 2001 to 2003); Director of Global Funds Administration of CAM (from 2000 to 2001); Head of U.S. Citibank Funds Administration of CAM (from 1998 to 2000).
Frances M. Guggino CAM 125 Broad Street, 10th Floor New York, NY 10004 Birth year: 1957	Treasurer and Chief Financial Officer  Controller	Since 2004  2002-2004	Vice President of CGM; Treasurer of certain mutual funds associated with Citigroup.



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<u>Name, Address and Age</u>	<u>Position(s) Held with Fund</u>	<u>Length of Time Served</u>	<u>Principal Occupation(s) During Past 5 years</u>
Wendy Setnicka CAM 125 Broad Street, New York, NY 10004 Birth year: 1964	Controller	Since 2004	Vice President of CGM since 2003; Assistant Vice President of CGM (from 2001 to 2003); Controller since 2004; an Assistant Controller (from 2002 to 2004) of certain mutual funds associated with Citigroup; Accounting Manager with CGM from 1998 to 2002.
Robert I. Frenkel CAM 300 First Stamford Place Stamford, CT 06902 Birth year: 1954	Secretary and Chief Legal Officer	Since 2003	Managing Director and General Counsel of Global Mutual Funds for CAM and its predecessor (since 1994); Secretary of CFM; Secretary and Chief Legal Officer of certain mutual funds associated with Citigroup.
Andrew Beagley CAM  399 Park Avenue New York, NY 10022 Birth year: 1962	Chief Compliance  Officer	Since 2004	Compliance Officer; Chief Compliance Officer and Vice President of certain mutual funds associated with Citigroup; Director of Compliance, Europe, the Middle East and Africa, Citigroup Asset Management from 1999 to 2000.

The Fund's Audit Committee is composed of all Directors who have been determined not to be "interested persons" of the Fund, SBAM or its affiliates within the meaning of the 1940 Act, and who are "independent" as defined in the New York Stock Exchange listing standards. Currently, the Audit Committee is composed of Ms. Colman, Messrs. Cronin, Gelb, Hutchinson and Salacuse and Dr. Roett. The principal functions of the Audit Committee are: to (a) oversee the scope of the Fund's audit, the Fund's accounting and financial reporting policies and practices and its internal controls and enhance the quality and objectivity of the audit function; (b) approve, and recommend to the Independent Board Members (as such term is defined in the Audit Committee Charter) for their ratification, the selection, appointment, retention or termination of the Fund's independent registered public accounting firm, as well as approving the compensation thereof; and (c) approve all audit and permissible non-audit services provided to the Fund and certain other persons by the Fund's independent registered public accounting firm. This Committee met six times during the fiscal year ended August 31, 2005. The Fund's Board of Directors adopted an Audit Committee Charter at a meeting held on January 20, 2004, a copy of which is attached to this Proxy Statement as Annex A.

The Fund's Nominating Committee, the principal function of which is to select and nominate candidates for election as Directors of the Fund, is currently composed of Ms. Colman, Messrs. Cronin, Gelb, Hutchinson and Salacuse and Dr. Roett. Only Directors who are not "interested persons" of the Fund as defined in the 1940 Act and who are "independent" as defined in the New York Stock Exchange listing standards are members of the Nominating Committee. The Nominating Committee may accept nominees recommended by the stockholder as it deems appropriate. Stockholders who wish to recommend a nominee should send recommendations to the Fund's Secretary that include all information relating to such person that is required to be disclosed in solicitations of proxies for the election of Directors. A recommendation must be accompanied by a written consent of the individual to stand for election if nominated by the Board of Directors and to serve if elected by the stockholders. The Nominating Committee did not meet during the Fund's fiscal year ended August 31, 2005. The Fund's Board of Directors adopted a Nominating Committee Charter at a meeting held on January 20, 2004, a copy of which is attached to this Proxy Statement as Annex B.



The Nominating Committee identifies potential nominees through its network of contacts, and may also engage, if it deems appropriate, a professional search firm. The Nominating Committee meets to discuss and consider such candidates' qualifications and then chooses a candidate by majority vote. The Nominating Committee does not have specific, minimum qualifications for nominees and has not established specific qualities or skills that it regards as necessary for one or more of the Fund's Directors to possess (other than any qualities or skills that may be required by applicable law, regulation or listing standard). However, as set forth in the Nominating Committee Charter, in evaluating a person as a potential nominee to serve as a Director of the Fund, the Committee may consider the following factors, among any others it may deem relevant:

- whether or not the person is an "interested person" as defined in the 1940 Act and whether the person is otherwise qualified under applicable laws and regulations to serve as a Director of the Fund;
- whether or not the person has any relationships that might impair his or her independence, such as any business, financial or family relationships with Fund management, the investment manager of the Fund, Fund service providers or their affiliates;
- whether or not the person serves on boards of, or is otherwise affiliated with, competing financial service organizations or their related mutual fund complexes;
- whether or not the person is willing to serve, and willing and able to commit the time necessary for the performance of the duties of a Director of the Fund;
- the contribution which the person can make to the Board and the Fund (or, if the person has previously served as a Director of the Fund, the contribution which the person made to the Board during his or her previous term of service), with consideration being given to the person's business and professional experience, education and such other factors as the Committee may consider relevant;
- the character and integrity of the person; and
- whether or not the selection and nomination of the person would be consistent with the requirements of the Fund's retirement policies.

#### **Report of the Audit Committee**

Pursuant to a meeting of the Audit Committee on October 25, 2005, the Audit Committee reports that it has: (i) reviewed and discussed the Fund's audited financial statements with management; (ii) discussed with KPMG LLP ("KPMG"), the independent registered public accounting firm of the Fund, the matters required to be discussed by Statement on Auditing Standards No. 61; and (iii) previously received written confirmation from KPMG that it is independent and written disclosures regarding such independence as required by Independence Standards Board Standard No. 1, and discussed with KPMG the independent registered public accounting firm's independence.

Pursuant to the Audit Committee Charter adopted by the Fund's Board, the Audit Committee is responsible for conferring with the Fund's independent registered public accounting firm, reviewing annual financial statements and recommending the selection of the Fund's independent registered public accounting firm. The Audit Committee advises the full Board with respect to accounting, auditing and financial matters affecting the Fund. The independent registered public accounting firm is responsible for planning and carrying out the proper audits and reviews of the Fund's financial statements and expressing an opinion as to their conformity with accounting principles generally accepted in the United States of America.



The members of the Audit Committee are not professionally engaged in the practice of auditing or accounting and are responsible for oversight. Moreover, the Audit Committee relies on and makes no independent verification of the facts presented to it or representations made by management or the independent registered public accounting firm. Accordingly, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principals and policies, or internal controls and procedures, designed to assure compliance with accounting standards and applicable laws and regulations. Futhermore, the Audit Committee's considerations and discussions referred to above do not provide assurance that the audit of the Fund's financial statements has been carried out in accordance with generally accepted accounting standards or that the financial statements are presented in accordance with generally accepted accounting principles.

Based on the review and discussions referred to in items (i) through (iii) above, the Audit Committee recommended to the Board of Directors (and the Board has approved) that the audited financial statements be included in the Fund's annual report for the Fund's fiscal year ended August 31, 2005.

Submitted by the Audit Committee  
of the Fund's Board of Directors

Carol L. Colman