

SALOMON BROTHERS CAPITAL & INCOME FUND INC

Form N-Q

April 03, 2006

**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- 21467**

Salomon Brothers Capital and Income Fund Inc.

(Exact name of registrant as specified in charter)

125 Broad Street, New York, NY 10004

(Address of principal executive offices) (Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

300 First Stamford Place

Stamford, CT 06902

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-725-6666

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

Date of reporting period: **January 31, 2006**

ITEM 1. SCHEDULE OF INVESTMENTS

**SALOMON BROTHERS CAPITAL AND INCOME
FUND INC.**

FORM N-Q
JANUARY 31, 2006

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.**Schedule of Investments (unaudited)****January 31, 2006**

| SHARES | SECURITY (a) | VALUE |
|---|---|-------------------|
| COMMON STOCKS □ 47.1% | | |
| CONSUMER DISCRETIONARY □ 5.0% | | |
| Hotels, Restaurants & Leisure □ 0.5% | | |
| 4,800 | Ctrip.com International Ltd., ADR | \$ 297,216 |
| 72,800 | McDonald's Corp. | 2,548,728 |
| 25,000 | Outback Steakhouse Inc. | 1,155,750 |
| Total Hotels, Restaurants & Leisure | | 4,001,694 |
| Household Durables □ 0.3% | | |
| 117,400 | Newell Rubbermaid Inc. | 2,775,336 |
| Media □ 3.3% | | |
| 83,000 | Cablevision Systems Corp., New York Group, Class A Shares * | 2,041,800 |
| 22,800 | Comcast Corp., Class A Shares * | 634,296 |
| 172,400 | EchoStar Communications Corp., Class A Shares * | 4,758,240 |
| 194,600 | Interpublic Group of Cos. Inc. * | 1,965,460 |
| 46,875 | Liberty Global Inc., Series A Shares * | 1,003,125 |
| 52,875 | Liberty Global Inc., Series C Shares * | 1,069,133 |
| 162,500 | Liberty Media Corp., Class A Shares * | 1,358,500 |
| 184,800 | News Corp., Class B Shares | 3,056,592 |
| 8,400 | NTL Inc. * | 531,300 |
| 94,300 | Regal Entertainment Group, Class A Shares | 1,745,493 |
| 345,800 | SES Global SA, FDR | 6,389,916 |
| 103,600 | Telewest Global Inc. (c)* | 2,413,880 |
| 132,400 | Time Warner Inc. | 2,320,972 |
| Total Media | | 29,288,707 |
| Multiline Retail □ 0.4% | | |
| 50,000 | Family Dollar Stores Inc. | 1,197,500 |
| 43,900 | J.C. Penney Co. Inc. | 2,449,620 |
| Total Multiline Retail | | 3,647,120 |
| Specialty Retail □ 0.5% | | |
| 40,000 | Bed Bath & Beyond Inc. * | 1,496,400 |
| 38,000 | Best Buy Co. Inc. | 1,925,080 |
| 25,000 | Sherwin-Williams Co. | 1,322,500 |
| Total Specialty Retail | | 4,743,980 |
| TOTAL CONSUMER DISCRETIONARY | | 44,456,837 |

CONSUMER STAPLES □ 2.2%

Beverages □ 0.2%

| | | |
|--------|--------------|-----------|
| 25,000 | PepsiCo Inc. | 1,429,500 |
|--------|--------------|-----------|

Food & Staples Retailing □ 0.6%

| | | |
|---------|--------------|-----------|
| 162,600 | Kroger Co. * | 2,991,840 |
|---------|--------------|-----------|

| | | |
|--------|----------------------|-----------|
| 53,000 | Wal-Mart Stores Inc. | 2,443,830 |
|--------|----------------------|-----------|

Total Food & Staples Retailing **5,435,670**

Food Products □ 0.6%

| | | |
|--------|--------------------|-----------|
| 30,000 | Hormel Foods Corp. | 1,005,900 |
|--------|--------------------|-----------|

| | | |
|--------|-------------|-----------|
| 24,100 | Kellogg Co. | 1,033,890 |
|--------|-------------|-----------|

| | | |
|--------|---|-----------|
| 60,000 | McCormick & Co. Inc., Non Voting Shares | 1,812,600 |
|--------|---|-----------|

| | | |
|--------|----------------|-----------|
| 75,000 | Sara Lee Corp. | 1,371,000 |
|--------|----------------|-----------|

Total Food Products **5,223,390**

Household Products □ 0.3%

| | | |
|--------|----------------------|-----------|
| 45,400 | Kimberly-Clark Corp. | 2,593,248 |
|--------|----------------------|-----------|

Tobacco □ 0.5%

| | | |
|--------|-------------------|-----------|
| 63,000 | Altria Group Inc. | 4,557,420 |
|--------|-------------------|-----------|

TOTAL CONSUMER STAPLES **19,239,228**

ENERGY □ 7.0%

Energy Equipment & Services □ 2.0%

| | | |
|--------|------------------------|-----------|
| 23,500 | Cooper Cameron Corp. * | 1,137,165 |
|--------|------------------------|-----------|

| | | |
|--------|--------------------------|-----------|
| 82,700 | ENSCO International Inc. | 4,227,624 |
|--------|--------------------------|-----------|

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.**Schedule of Investments (unaudited) (continued)****January 31, 2006**

| SHARES | SECURITY (a) | VALUE |
|---|-------------------------------|-------------------|
| Energy Equipment & Services □ 2.0% (continued) | | |
| 37,200 | GlobalSantaFe Corp. | \$ 2,271,060 |
| 71,500 | Halliburton Co. | 5,687,825 |
| 141,000 | Pride International Inc. * | 4,978,710 |
| Total Energy Equipment & Services | | 18,302,384 |
| Oil, Gas & Consumable Fuels □ 5.0% | | |
| 82,500 | Arlington Tankers Ltd. | 1,848,000 |
| 58,100 | CNX Gas Corp. (b)* | 1,205,575 |
| 87,200 | Marathon Oil Corp. | 6,703,064 |
| 196,414 | Nexen Inc. | 11,278,092 |
| 127,000 | OPTI Canada Inc. * | 4,991,625 |
| 17,600 | Suncor Energy Inc. | 1,410,112 |
| 87,480 | Total SA, Sponsored ADR | 12,101,108 |
| 190,400 | Williams Cos. Inc. | 4,539,136 |
| Total Oil, Gas & Consumable Fuels | | 44,076,712 |
| TOTAL ENERGY | | 62,379,096 |
| FINANCIALS □ 14.6% | | |
| Capital Markets □ 0.5% | | |
| 6,600 | Goldman Sachs Group Inc. | 932,250 |
| 8,000 | Lehman Brothers Holdings Inc. | 1,123,600 |
| 35,600 | Merrill Lynch & Co. Inc. | 2,672,492 |
| Total Capital Markets | | 4,728,342 |
| Commercial Banks □ 1.0% | | |
| 77,844 | Bank of America Corp. | 3,443,040 |
| 16,500 | Wachovia Corp. | 904,695 |
| 62,300 | Wells Fargo & Co. | 3,885,028 |
| 13,000 | Zions Bancorp. | 1,027,910 |
| Total Commercial Banks | | 9,260,673 |
| Consumer Finance □ 1.3% | | |
| 65,000 | American Express Co. | 3,409,250 |
| 95,032 | Capital One Financial Corp. | 7,916,165 |
| Total Consumer Finance | | 11,325,415 |
| Diversified Financial Services □ 0.2% | | |

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| | | |
|---------------------------|---|------------------|
| 49,940 | JPMorgan Chase & Co. | 1,985,115 |
| <hr/> | | |
| Insurance □ 0.9% | | |
| 35,200 | AFLAC Inc. | 1,652,640 |
| 24,300 | American International Group Inc. | 1,590,678 |
| 12 | Berkshire Hathaway Inc., Class A Shares * | 1,073,880 |
| 30,800 | Chubb Corp. | 2,905,980 |
| 8,000 | Hartford Financial Services Group Inc. | 657,840 |
| <hr/> | | |
| Total Insurance | | 7,881,018 |
| <hr/> | | |
| Real Estate □ 9.8% | | |
| 19,300 | Alexandria Real Estate Equities Inc. | 1,703,225 |
| 65,200 | AMB Property Corp. | 3,403,440 |
| 155,000 | American Financial Realty Trust | 1,926,650 |
| 7,400 | Apartment Investment and Management Co., Class A Shares | 314,648 |
| 62,100 | Archstone-Smith Trust | 2,910,006 |
| 60,000 | Arden Realty Inc. | 2,710,200 |
| 25,000 | Ashford Hospitality Trust Inc. | 306,000 |
| 31,900 | Avalonbay Communities Inc. | 3,173,412 |
| 46,500 | BioMed Realty Trust Inc. | 1,247,595 |
| 17,200 | Boston Properties Inc. | 1,346,072 |
| 41,400 | Brandywine Realty Trust | 1,302,030 |
| 12,400 | BRE Properties Inc., Class A Shares | 618,760 |
| 66,800 | CarrAmerica Realty Corp. | 2,458,240 |
| 12,000 | Developers Diversified Realty Corp. | 591,120 |
| 20,900 | Duke Realty Corp. | 758,252 |
| 218,000 | Equity Office Properties Trust | 6,936,760 |

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.**Schedule of Investments (unaudited) (continued)****January 31, 2006**

| SHARES | SECURITY (a) | VALUE |
|--|------------------------------------|--------------------|
| Real Estate □ 9.8% (continued) | | |
| 50,200 | Equity Residential | \$ 2,128,982 |
| 29,800 | Federal Realty Investment Trust | 1,991,236 |
| 60,700 | General Growth Properties Inc. | 3,132,120 |
| 43,400 | Global Signal Inc. | 2,096,220 |
| 47,500 | Gramercy Capital Corp. | 1,251,150 |
| 57,900 | Heritage Property Investment Trust | 2,055,450 |
| 27,000 | Highwoods Properties Inc. | 851,580 |
| 388,054 | Host Marriott Corp. | 7,741,677 |
| 90,000 | iStar Financial Inc. | 3,230,100 |
| 24,800 | Kimco Realty Corp. | 870,232 |
| 70,000 | Liberty Property Trust | 3,168,200 |
| 7,400 | Macerich Co. | 537,018 |
| 100,000 | Maguire Properties Inc. | 3,380,000 |
| 105,000 | New Plan Excel Realty Trust Inc. | 2,588,250 |
| 7,200 | Pan Pacific Retail Properties Inc. | 498,240 |
| 106,300 | ProLogis | 5,444,686 |
| 39,200 | PS Business Parks Inc. | 2,150,120 |
| 16,400 | Public Storage Inc. | 1,190,148 |
| 26,393 | Reckson Associates Realty Corp. | 1,053,873 |
| 18,000 | Republic Property Trust | 208,800 |
| 34,500 | Simon Property Group Inc. | 2,857,980 |
| 41,300 | SL Green Realty Corp. | 3,470,852 |
| 25,000 | United Dominion Realty Trust Inc. | 635,250 |
| 26,900 | Vornado Realty Trust | 2,376,346 |
| Total Real Estate | | 86,614,920 |
| Thriffs & Mortgage Finance □ 0.9% | | |
| 54,950 | Freddie Mac | 3,728,907 |
| 60,000 | Golden West Financial Corp. | 4,237,200 |
| Total Thriffs & Mortgage Finance | | 7,966,107 |
| TOTAL FINANCIALS | | 129,761,590 |
| HEALTH CARE □ 5.1% | | |
| Biotechnology □ 1.2% | | |
| 74,400 | Abgenix Inc. * | 1,642,008 |
| 18,500 | Amgen Inc. * | 1,348,465 |
| 28,400 | CV Therapeutics Inc. * | 698,924 |
| 8,700 | Genentech Inc. * | 747,504 |
| 15,500 | Genzyme Corp. * | 1,099,570 |
| 34,400 | InterMune Inc. * | 695,912 |

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| | | |
|--|------------------------------------|-------------------|
| 11,100 | Invitrogen Corp. * | 764,568 |
| 34,600 | PDL BioPharma Inc. * | 1,008,590 |
| 79,609 | Vertex Pharmaceuticals Inc. * | 2,843,634 |
| Total Biotechnology | | 10,849,175 |
| Health Care Equipment & Supplies □ 0.4% | | |
| 12,200 | Biomet Inc. | 461,282 |
| 88,000 | Boston Scientific Corp. * | 1,924,560 |
| 37,400 | DJ Orthopedics Inc. * | 1,227,842 |
| Total Health Care Equipment & Supplies | | 3,613,684 |
| Health Care Providers & Services □ 1.4% | | |
| 18,600 | Aetna Inc. | 1,800,480 |
| 32,200 | Coventry Health Care Inc. * | 1,918,154 |
| 33,000 | DaVita Inc. * | 1,806,750 |
| 47,070 | UnitedHealth Group Inc. | 2,796,899 |
| 48,500 | WellPoint Inc. * | 3,724,800 |
| Total Health Care Providers & Services | | 12,047,083 |
| Pharmaceuticals □ 2.1% | | |
| 61,500 | Abbott Laboratories | 2,653,725 |
| 49,200 | GlaxoSmithKline PLC, Sponsored ADR | 2,521,008 |
| 51,100 | Novartis AG, Sponsored ADR | 2,818,676 |

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.

Schedule of Investments (unaudited) (continued)

January 31, 2006

| SHARES | SECURITY (a) | VALUE |
|---|--|-------------------|
| Pharmaceuticals □ 2.1% (continued) | | |
| 93,400 | Pfizer Inc. | \$ 2,398,512 |
| 23,900 | Sanofi-Aventis | 2,192,218 |
| 23,100 | Sanofi-Aventis, Sponsored ADR | 1,062,600 |
| 89,700 | Schering-Plough Corp. | 1,717,755 |
| 14,100 | Sepracor Inc. * | 802,431 |
| 22,800 | Teva Pharmaceutical Industries Ltd., Sponsored ADR | 971,964 |
| 41,000 | Wyeth | 1,896,250 |
| Total Pharmaceuticals | | 19,035,139 |
| TOTAL HEALTH CARE | | 45,545,081 |
| INDUSTRIALS □ 3.3% | | |
| Aerospace & Defense □ 1.2% | | |
| 98,400 | Boeing Co. | 6,721,704 |
| 90,000 | Raytheon Co. | 3,687,300 |
| Total Aerospace & Defense | | 10,409,004 |
| Building Products □ 0.2% | | |
| 56,000 | Masco Corp. | 1,660,400 |
| Commercial Services & Supplies □ 0.3% | | |
| 35,700 | Avery Dennison Corp. | 2,132,718 |
| 27,000 | IHS Inc., Class A Shares * | 655,020 |
| Total Commercial Services & Supplies | | 2,787,738 |
| Construction & Engineering □ 0.4% | | |
| 100,500 | Chicago Bridge & Iron Co. NV, New York Shares | 3,100,425 |
| Industrial Conglomerates □ 1.2% | | |
| 259,800 | General Electric Co. | 8,508,450 |
| 30,100 | Textron Inc. | 2,542,246 |
| Total Industrial Conglomerates | | 11,050,696 |
| Trading Companies & Distributors □ 0.0% | | |
| 9,600 | MSC Industrial Direct Co. Inc., Class A Shares | 431,328 |
| TOTAL INDUSTRIALS | | 29,439,591 |

INFORMATION TECHNOLOGY □ **3.5%**

Communications Equipment □ 1.2%

| | | |
|---------|-------------------------------|-----------|
| 141,375 | ADC Telecommunications Inc. * | 3,585,270 |
| 23,000 | Cisco Systems Inc. * | 427,110 |
| 52,451 | Converse Technology Inc. * | 1,436,633 |
| 73,900 | Juniper Networks Inc. * | 1,339,807 |
| 91,900 | Nokia Oyj, Sponsored ADR | 1,689,122 |
| 589,700 | Nortel Networks Corp. * | 1,769,100 |

Total Communications Equipment**10,247,042****Computers & Peripherals** □ 0.2%

| | | |
|---------|-------------------------|-----------|
| 420,000 | Sun Microsystems Inc. * | 1,890,000 |
|---------|-------------------------|-----------|

Internet Software & Services □ 0.4%

| | | |
|---------|-------------------------|-----------|
| 188,900 | Digitas Inc. * | 2,472,701 |
| 42,400 | Jupitermedia Corp. * | 686,456 |
| 26,100 | Openwave Systems Inc. * | 562,716 |

Total Internet Software & Services**3,721,873****IT Services** □ 0.1%

| | | |
|--------|------------------------|-----------|
| 47,100 | Wright Express Corp. * | 1,198,224 |
|--------|------------------------|-----------|

Semiconductors & Semiconductor Equipment □ 0.5%

| | | |
|--------|-------------------------------|-----------|
| 67,700 | Advanced Micro Devices Inc. * | 2,833,922 |
| 80,000 | Applied Materials Inc. | 1,524,000 |

Total Semiconductors & Semiconductor Equipment**4,357,922****Software** □ 1.1%

| | | |
|--------|----------------------|-----------|
| 27,186 | Adobe Systems Inc. * | 1,079,828 |
| 54,500 | Cognos Inc. * | 2,076,450 |

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.

Schedule of Investments (unaudited) (continued)

January 31, 2006

| SHARES | SECURITY (a) | VALUE |
|--|---|-------------------|
| Software □ 1.1% (continued) | | |
| 223,400 | Microsoft Corp. | \$ 6,288,710 |
| Total Software | | 9,444,988 |
| TOTAL INFORMATION TECHNOLOGY | | 30,860,049 |
| MATERIALS □ 1.4% | | |
| Chemicals □ 0.7% | | |
| 61,700 | Air Products & Chemicals Inc. | 3,806,273 |
| 62,000 | E.I. du Pont de Nemours & Co. | 2,427,300 |
| Total Chemicals | | 6,233,573 |
| Metals & Mining □ 0.7% | | |
| 153,400 | Barrick Gold Corp. | 4,825,964 |
| 56,200 | Compass Minerals International Inc. | 1,383,644 |
| Total Metals & Mining | | 6,209,608 |
| TOTAL MATERIALS | | 12,443,181 |
| TELECOMMUNICATION SERVICES □ 2.6% | | |
| Diversified Telecommunication Services □ 0.5% | | |
| 260,900 | Citizens Communications Co. | 3,201,243 |
| 42,600 | PanAmSat Holding Corp. | 1,053,498 |
| Total Diversified Telecommunication Services | | 4,254,741 |
| Wireless Telecommunication Services □ 2.1% | | |
| 59,300 | ALLTEL Corp. | 3,559,779 |
| 203,797 | American Tower Corp., Class A Shares * | 6,305,479 |
| 211,400 | Dobson Communications Corp., Class A Shares * | 1,568,588 |
| 301,468 | Sprint Nextel Corp. | 6,900,603 |
| 30,640 | WiderThan Co. Ltd., ADR * | 459,600 |
| Total Wireless Telecommunication Services | | 18,794,049 |
| TOTAL TELECOMMUNICATION SERVICES | | 23,048,790 |
| UTILITIES □ 2.4% | | |
| Electric Utilities □ 0.3% | | |
| 100,000 | ITC Holdings Corp. | 2,720,000 |

Independent Power Producers & Energy Traders □ 1.3%

| | | |
|---------|-------------------|-----------|
| 133,000 | AES Corp. * | 2,266,320 |
| 60,200 | Mirant Corp. * | 1,685,600 |
| 73,800 | NRG Energy Inc. * | 3,562,326 |
| 83,200 | TXU Corp. | 4,213,248 |

Total Independent Power Producers & Energy Traders **11,727,494**

Multi-Utilities □ 0.8%

| | | |
|---------|---------------|-----------|
| 152,300 | Sempra Energy | 7,318,015 |
|---------|---------------|-----------|

TOTAL UTILITIES **21,765,509**

TOTAL COMMON STOCKS

(Cost □ \$342,645,719) **418,938,952**

PREFERRED STOCK □ 0.0%

CONSUMER DISCRETIONARY □ 0.0%

Auto Components □ 0.0%

| | | |
|--------|--------------------------|--------|
| 14,000 | Delphi Trust I, 8.250% * | |
| | (Cost □ \$368,200) | 83,300 |

CONVERTIBLE PREFERRED STOCKS □ 1.0%

ENERGY □ 0.2%

Energy Equipment & Services □ 0.2%

| | | |
|--------|--|-----------|
| 38,000 | Hanover Compressor Capital Trust, 7.250% | 1,881,000 |
|--------|--|-----------|

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.

Schedule of Investments (unaudited) (continued)

January 31, 2006

| SHARES | SECURITY (a) | VALUE |
|---|--|------------------|
| FINANCIALS □ 0.5% | | |
| Real Estate □ 0.2% | | |
| 26,000 | Simon Property Group Inc., 6.000% | \$ 1,787,500 |
| Thrifts & Mortgage Finance □ 0.3% | | |
| 60,000 | Sovereign Capital Trust IV, 4.375% | 2,722,500 |
| TOTAL FINANCIALS | | 4,510,000 |
| TELECOMMUNICATION SERVICES □ 0.3% | | |
| Wireless Telecommunication Services □ 0.3% | | |
| 12,514 | Dobson Communications Corp., 6.000% | 2,141,458 |
| TOTAL CONVERTIBLE PREFERRED STOCKS | | 8,532,458 |
| (Cost □ \$8,101,554) | | |
| FACE AMOUNT □ | | |
| CORPORATE BONDS & NOTES □ 15.7% | | |
| Aerospace & Defense □ 0.0% | | |
| 150,000 | Goodrich Corp., Notes, 7.500% due 4/15/08 | 157,033 |
| 125,000 | Lockheed Martin Corp., Notes, 7.700% due 6/15/08 | 131,905 |
| 112,000 | Raytheon Co., Notes, 6.750% due 8/15/07 | 114,392 |
| Total Aerospace & Defense | | 403,330 |
| Auto Components □ 0.0% | | |
| 213,000 | Dura Operating Corp., Senior Unsecured Notes, Series B, 8.625% due 4/15/12 | 175,725 |
| 125,000 | Johnson Controls Inc., Senior Unsecured Notes, 5.000% due 11/15/06 | 124,740 |
| Total Auto Components | | 300,465 |
| Automobiles □ 0.4% | | |
| 150,000 | DaimlerChrysler North America Holding Corp., Notes, 6.400% due 5/15/06 | 150,555 |
| Ford Motor Co.: | | |
| 250,000 | Debentures, 6.625% due 10/1/28 | 173,750 |
| 1,675,000 | Notes, 7.450% due 7/16/31 | 1,243,688 |
| 650,000 | Senior Notes, 4.950% due 1/15/08 | 599,832 |
| General Motors Corp., Senior Debentures: | | |
| 150,000 | 8.250% due 7/15/23 | 110,250 |
| 1,200,000 | 8.375% due 7/15/33 | 894,000 |
| Total Automobiles | | 3,172,075 |

Beverages □ **0.1%**

| | | |
|---------|---|---------|
| 100,000 | Bottling Group LLC, Senior Notes, 2.450% due 10/16/06 | 98,224 |
| 500,000 | Constellation Brands Inc., Senior Subordinated Notes, Series B, 8.125% due 1/15/12 | 526,250 |
| 100,000 | PepsiAmericas Inc., Senior Notes, 6.375% due 5/1/09 | 103,569 |

Total Beverages **728,043**

Building Products □ **0.0%**

| | | |
|---------|--|---------|
| 100,000 | Masco Corp., Notes, 6.750% due 3/15/06 | 100,202 |
|---------|--|---------|

Capital Markets □ **0.1%**

| | | |
|---------|---|---------|
| 125,000 | Amvescap PLC, Senior Notes, 5.900% due 1/15/07 | 125,913 |
| 325,000 | BCP Crystal U.S. Holdings Corp., Senior Subordinated Notes, 9.625% due 6/15/14 | 362,375 |
| 150,000 | Morgan Stanley, Notes, 5.800% due 4/1/07 | 150,855 |

Total Capital Markets **639,143**

Chemicals □ **1.1%**

| | | |
|-----------|--|-----------|
| 500,000 | Hexion US Finance Corp., Second Priority Senior Secured Notes, 9.000% due 7/15/14 (b) | 510,000 |
| 1,000,000 | Equistar Chemicals LP, Senior Notes, 10.625% due 5/1/11 | 1,105,000 |

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.**Schedule of Investments (unaudited) (continued)****January 31, 2006**

| FACE AMOUNT | SECURITY (a) | VALUE |
|--|---|------------------|
| Chemicals 1.1% (continued) | | |
| 650,000 | Hercules Inc., Senior Subordinated Notes, 6.750% due 10/15/29 | \$ 628,875 |
| 1,000,000 | Huntsman International LLC, Senior Subordinated Notes, 10.125% due 7/1/09 | 1,038,750 |
| 104,000 | ICI Wilmington Inc., Global Notes, 4.375% due 12/1/08 | 101,122 |
| 500,000 | ISP Holdings Inc., Senior Secured Notes, Series B, 10.625% due 12/15/09 | 530,000 |
| 1,000,000 | Lyondell Chemical Co., Senior Secured Notes, 11.125% due 7/15/12 | 1,127,500 |
| 1,116,000 | Millennium America Inc., Senior Notes, 9.250% due 6/15/08 | 1,205,280 |
| 50,000 | Monsanto Co., Notes, 4.000% due 5/15/08 | 48,889 |
| 600,000 | Nalco Co., Senior Subordinated Notes, 8.875% due 11/15/13 | 630,000 |
| 500,000 | OM Group Inc., Senior Subordinated Notes, 9.250% due 12/15/11 | 502,500 |
| 6,000 | PPG Industries Inc., Notes, 6.500% due 11/1/07 | 6,132 |
| 650,000 | PQ Corp., Senior Subordinated Notes, 7.500% due 2/15/13 (b) | 615,875 |
| 125,000 | Praxair Inc., Notes, 2.750% due 6/15/08 | 118,989 |
| 500,000 | Resolution Performance Products LLC/RPP Capital Corp., Senior Secured Notes, 9.500% due 4/15/10 | 512,500 |
| | Rhodia SA: | |
| 500,000 | Senior Notes, 7.625% due 6/1/10 | 505,000 |
| 392,000 | Senior Subordinated Notes, 8.875% due 6/1/11 | 401,800 |
| 325,000 | Westlake Chemical Corp., Senior Notes, 8.750% due 7/15/11 | 356,688 |
| Total Chemicals | | 9,944,900 |
| Commercial Banks 0.2% | | |
| 125,000 | American Express Centurion Bank, Notes, 4.573% due 7/19/07 (d) | 125,221 |
| 380,000 | Banesto Finance Ltd., 7.500% due 3/25/07 | 387,912 |
| 125,000 | Bank of America Corp., Subordinated Notes, 6.375% due 2/15/08 | 128,405 |
| 250,000 | Bank United Corp., Senior Notes, 8.875% due 5/1/07 | 259,409 |
| 300,000 | Corporacion Andina de Fomento, Notes, 4.980% due 1/26/07 (d) | 300,238 |
| 109,091 | Fifth Third Bank, Notes, 2.870% due 8/10/09 | 105,272 |
| 200,000 | SunTrust Bank, 4.550% due 5/25/09 | 196,928 |
| 150,000 | Wells Fargo & Co., Notes, 4.564% due 3/23/07 (d) | 150,163 |
| 100,000 | Zions Bancorp., Senior Notes, 2.700% due 5/1/06 | 99,479 |
| Total Commercial Banks | | 1,753,027 |
| Commercial Services & Supplies 0.3% | | |
| | Allied Waste North America Inc.: | |
| 75,000 | Senior Notes, 7.250% due 3/15/15 | 76,125 |
| 217,000 | Senior Secured Debenture Notes, Series B, 9.250% due 9/1/12 | 235,987 |
| 1,000,000 | Senior Secured Notes, Series B, 7.375% due 4/15/14 | 972,500 |
| 100,000 | Cendant Corp., Senior Notes, 6.875% due 8/15/06 | 100,871 |
| 450,000 | Cenveo Corp., Senior Subordinated Notes, 7.875% due 12/1/13 | 441,000 |
| 125,000 | Cintas Corp., Number 2, Senior Notes, 5.125% due 6/1/07 | 125,035 |

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| | | |
|---|---|------------------|
| 350,000 | Corrections Corporation of America, Senior Subordinated Notes, 6.250% due 3/15/13 | 346,500 |
| Total Commercial Services & Supplies | | 2,298,018 |
| Communications Equipment □ 0.1% | | |
| 1,500,000 | Lucent Technologies Inc., Debentures, 6.450% due 3/15/29 | 1,267,500 |
| Computers & Peripherals □ 0.1% | | |
| 125,000 | Hewlett-Packard Co., Senior Notes, 5.500% due 7/1/07 | 125,771 |
| 125,000 | IBM Canada Credit Services Co., Senior Notes, 3.750% due 11/30/07 (b) | 122,230 |
| 200,000 | SunGard Data Systems Inc., Senior Notes, 9.125% due 8/15/13 (b) | 209,000 |
| Total Computers & Peripherals | | 457,001 |
| Consumer Finance □ 0.0% | | |
| 125,000 | SLM Corp., Medium-Term Notes, Series A, 4.823% due 1/26/09 (d) | 125,268 |

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.**Schedule of Investments (unaudited) (continued)****January 31, 2006**

| FACE AMOUNT | SECURITY (a) | VALUE |
|--|---|------------------|
| Containers & Packaging 0.5% | | |
| 500,000 | Berry Plastics Corp., Senior Subordinated Notes, 10.750% due 7/15/12 | \$ 545,000 |
| 625,000 | Graphic Packaging International Corp., Senior Subordinated Notes, 9.500% due 8/15/13 | 590,625 |
| 1,463,000 | Jefferson Smurfit Corp., Senior Notes, 8.250% due 10/1/12 | 1,397,165 |
| 750,000 | JSG Funding PLC, Senior Notes, 9.625% due 10/1/12 | 778,125 |
| 900,000 | Owens-Illinois Inc., Debentures, 7.500% due 5/15/10 | 918,000 |
| | Pliant Corp.: | |
| 247,622 | Senior Secured Notes, 11.625% due 6/15/09 (e) | 270,527 |
| | Senior Subordinated Notes: | |
| 100,000 | 13.000% due 6/1/10 (e) | 25,000 |
| 50,000 | 13.000% due 6/1/10 (e) | 12,500 |
| 50,000 | Stone Container Finance Co. of Canada II, Senior Notes, 7.375% due 7/15/14 | 44,875 |
| Total Containers & Packaging | | 4,581,817 |
| Diversified Financial Services 2.6% | | |
| 1,000,000 | Alamosa Delaware Inc., Senior Discount Notes, step bond to yield 10.290% due 7/31/09 | 1,091,250 |
| 275,000 | Basell AT SCA, Senior Notes, 8.375% due 8/15/15 (b) | 276,031 |
| 125,000 | Bear Stearns Cos. Inc., Notes, 5.700% due 1/15/07 | 125,853 |
| 75,000 | Boeing Capital Corp., Senior Notes, 5.650% due 5/15/06 | 75,260 |
| 125,000 | Capital One Bank, Notes, 5.750% due 9/15/10 | 127,681 |
| 125,000 | CIT Group Inc., Senior Notes, 5.500% due 11/30/07 | 125,977 |
| 113,579 | Core Investment Grade Bond Trust I, Pass-Through Certificates, 4.659% due 11/30/07 | 112,087 |
| 125,000 | Countrywide Home Loans Inc., Medium-Term Notes, Series M, 4.125% due 9/15/09 | 120,387 |
| | Ford Motor Credit Co.: | |
| 200,000 | Global Landmark Securities, 6.500% due 1/25/07 | 197,895 |
| 1,050,000 | Notes, 7.000% due 10/1/13 | 952,472 |
| 125,000 | General Electric Capital Corp., Medium-Term Notes, Series A, 4.561% due 6/22/07 (d) | 125,169 |
| | General Motors Acceptance Corp., Notes: | |
| 156,000 | 6.125% due 9/15/06 | 154,368 |
| 1,600,000 | 6.750% due 12/1/14 | 1,518,851 |
| 162,000 | Global Cash Access LLC/Global Cash Finance Corp., Senior Subordinated Notes, 8.750% due 3/15/12 | 174,150 |
| 125,000 | HSBC Finance Corp., Senior Subordinated Notes, 5.875% due 2/1/09 | 127,748 |
| 125,000 | International Lease Finance Corp., Notes, 5.750% due 10/15/06 | 125,542 |
| 125,000 | John Deere Capital Corp., Medium-Term Notes, Series D, 4.400% due 7/15/09 | 122,423 |
| 150,000 | JPMorgan Chase & Co., Senior Notes, 5.350% due 3/1/07 | 150,759 |
| 125,000 | Nationwide Building Society, Medium-Term Notes, 2.625% due 1/30/07 (b) | 122,184 |

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| | | |
|---|--|-------------------|
| 150,000 | Rio Tinto Finance USA Ltd., Notes, 2.625% due 9/30/08 | 141,322 |
| 500,000 | Sensus Metering Systems Inc., Senior Subordinated Notes, 8.625% due 12/15/13 | 457,500 |
| 15,365,850 | Targeted Return Index Securities (TRAINS), Secured Notes, Series HY-2005- 1, 7.651% due 6/15/15 (b) | 15,698,705 |
| 125,000 | Textron Financial Corp., Medium-Term Notes, Series E, 2.750% due 6/1/06 | 124,203 |
| 125,000 | TIAA Global Markets Inc., Notes, 4.125% due 11/15/07 (b) | 123,141 |
| 350,000 | Vanguard Health Holdings Co. I LLC, Senior Discount Notes, step bond to yield 5.594% due 10/1/15 | 257,250 |
| 125,000 | Vanguard Health Holdings Co. II LLC, Senior Subordinated Notes, 9.000% due 10/1/14 | 132,500 |
| Total Diversified Financial Services | | 22,760,708 |

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.**Schedule of Investments (unaudited) (continued)****January 31, 2006**

| FACE AMOUNT | SECURITY (a) | VALUE |
|---|--|------------------|
| Diversified Telecommunication Services □ 0.7% | | |
| 125,000 | GTE Corp., Debentures, 6.360% due 4/15/06 | \$ 125,325 |
| 750,000 | Insight Midwest LP/Insight Capital Inc., Senior Notes, 10.500% due 11/1/10 | 794,062 |
| 150,000 | Intelsat Bermuda Ltd., Senior Notes, 9.609% due 1/15/12 (b)(d) | 153,375 |
| 550,000 | Intelsat Ltd., Senior Discount Notes, step bond to yield 9.253% due 2/1/15 (b) | 365,750 |
| 850,000 | MCI Inc., Senior Notes, 8.735% due 5/1/14 | 960,500 |
| 50,000 | NTL Cable PLC, Senior Notes, 8.750% due 4/15/14 | 51,500 |
| 190,000 | PanAmSat Corp., Senior Notes, 9.000% due 8/15/14 | 200,688 |
| | Qwest Communications International Inc., Senior Notes: | |
| 740,000 | 7.500% due 2/15/14 (b) | 751,100 |
| 285,000 | 7.500% due 2/15/14 | 289,275 |
| | Qwest Corp.: | |
| 130,000 | 7.500% due 6/15/23 | 128,213 |
| 1,065,000 | Debentures, 6.875% due 9/15/33 | 987,787 |
| 125,000 | SBC Communications Inc., Notes, 5.750% due 5/2/06 | 125,246 |
| 9,000,000 MXN | Telefonos de Mexico S.A. de C.V., 8.750% due 1/31/16 | 854,153 |
| Total Diversified Telecommunication Services | | 5,786,974 |
| Electric Utilities □ 0.3% | | |
| 1,000,000 | Edison Mission Energy, Senior Notes, 7.730% due 6/15/09 | 1,032,500 |
| 75,000 | Entergy Gulf States Inc., First Mortgage Notes, 3.600% due 6/1/08 | 72,134 |
| 125,000 | Niagara Mohawk Power Corp., First Mortgage Notes, 7.750% due 5/15/06 | 126,025 |
| 1,000,000 | Reliant Energy Inc., Senior Secured Notes, 9.500% due 7/15/13 | 995,000 |
| 325,000 | Texas Genco LLC/Texas Genco Financing Corp., Senior Notes, 6.875% due 12/15/14 (b) | 353,438 |
| Total Electric Utilities | | 2,579,097 |
| Electrical Equipment □ 0.0% | | |
| | Cooper Industries Inc., Senior Notes: | |
| 125,000 | 5.250% due 7/1/07 | 125,182 |
| 100,000 | 5.500% due 11/1/09 | 101,493 |
| 125,000 | Rockwell International, Notes, 6.150% due 1/15/08 | 127,172 |
| Total Electrical Equipment | | 353,847 |
| Energy Equipment & Services □ 0.1% | | |
| 75,000 | Cooper Cameron Corp., Senior Notes, 2.650% due 4/15/07 | 72,531 |
| | Dresser-Rand Group Inc., Senior Subordinated Notes, 7.625% due 11/1/14 (b) | |
| 529,000 | | 550,160 |
| 250,000 | Duke Energy Field Services LLC, Senior Notes, 5.750% due 11/15/06 | 251,204 |

| | |
|--|----------------|
| Total Energy Equipment & Services | 873,895 |
|--|----------------|

Food & Staples Retailing □ 0.1%

| | | |
|---------|---|---------|
| 125,000 | CVS Corp., Notes, 5.625% due 3/15/06 | 125,075 |
| 325,000 | Jean Coutu Group Inc., Senior Subordinated Notes, 8.500% due 8/1/14 | 311,188 |
| 500,000 | Rite Aid Corp., Senior Debentures, 6.875% due 8/15/13 | 420,000 |
| 150,000 | Safeway Inc., Senior Unsecured Notes, 6.500% due 11/15/08 | 154,140 |

| | |
|---|------------------|
| Total Food & Staples Retailing | 1,010,403 |
|---|------------------|

Food Products □ 0.4%

| | | |
|---------|---|---------|
| 75,000 | Bunge Ltd. Finance Corp., Senior Note, 4.375% due 12/15/08 | 73,548 |
| 125,000 | Campbell Soup Co., Notes, 6.900% due 10/15/06 | 126,336 |
| 325,000 | Dean Foods Co., Senior Notes, 6.900% due 10/15/17 | 330,688 |
| 500,000 | Del Monte Corp., Senior Subordinated Notes, 8.625% due 12/15/12 | 532,500 |
| 325,000 | Doane Pet Care Co., Senior Subordinated Notes, 10.625% due 11/15/15 (b) | 341,250 |
| | Dole Food Co. Inc.: | |
| 350,000 | Debentures, 8.750% due 7/15/13 | 354,812 |
| 161,000 | Senior Notes, 8.875% due 3/15/11 | 164,019 |

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.**Schedule of Investments (unaudited) (continued)****January 31, 2006**

| FACE AMOUNT | SECURITY (a) | VALUE |
|---|--|------------------|
| Food Products 0.4% (continued) | | |
| 125,000 | Kellogg Co., Senior Notes, 2.875% due 6/1/08 | \$ 118,993 |
| 200,000 | Kraft Foods Inc., Notes, 4.625% due 11/1/06 | 199,509 |
| 500,000 | Pinnacle Foods Holding Corp., Senior Subordinated Notes, 8.250% due 12/1/13 | 483,750 |
| 625,000 | United Agri Products Inc., Senior Notes, 8.250% due 12/15/11 | 666,406 |
| Total Food Products | | 3,391,811 |
| Health Care Providers & Services 0.6% | | |
| 250,000 | AmeriPath Inc., Senior Subordinated Notes, 10.500% due 4/1/13 | 265,000 |
| 300,000 | DaVita Inc., Senior Subordinated Notes, 7.250% due 3/15/15 | 303,375 |
| 500,000 | Extencicare Health Services Inc., Senior Subordinated Notes, 6.875% due 5/1/14 | 491,250 |
| 600,000 | Genesis HealthCare Corp., Senior Subordinated Notes, 8.000% due 10/15/13 | 630,750 |
| 375,000 | HCA Inc.: Debentures, 7.050% due 12/1/27 | 355,540 |
| 142,000 | Notes: 7.125% due 6/1/06 | 143,548 |
| 975,000 | 6.375% due 1/15/15 | 978,255 |
| 925,000 | IASIS Healthcare LLC/IASIS Capital Corp., Senior Subordinated Notes, 8.750% due 6/15/14 | 951,594 |
| 325,000 | InSight Health Services Corp., Senior Subordinated Notes, 9.930% due 11/1/11 (d) | 303,875 |
| 150,000 | Quest Diagnostics Inc., Senior Notes, 6.750% due 7/12/06 | 151,084 |
| 650,000 | Tenet Healthcare Corp., Senior Notes: 7.375% due 2/1/13 | 594,750 |
| 375,000 | 9.875% due 7/1/14 | 376,875 |
| 150,000 | UnitedHealth Group Inc., Senior Notes, 3.300% due 1/30/08 | 145,317 |
| 75,000 | WellPoint Health Networks Inc., Notes, 6.375% due 6/15/06 | 75,392 |
| Total Health Care Providers & Services | | 5,766,605 |
| Hotels, Restaurants & Leisure 1.4% | | |
| 625,000 | AMF Bowling Worldwide Inc., Senior Subordinated Notes, 10.000% due 3/1/10 | 642,187 |
| 1,000,000 | Boyd Gaming Corp., Senior Subordinated Notes, 6.750% due 4/15/14 | 987,500 |
| 200,000 | Carnival Corp., Secured Notes, 3.750% due 11/15/07 | 195,586 |
| 125,000 | Carrols Corp., Senior Subordinated Notes, 9.000% due 1/15/13 | 122,500 |
| 325,000 | Choctaw Resort Development Enterprise, Senior Notes, 7.250% due 11/15/19 (b) | 330,688 |
| 875,000 | Cinemark Inc., Senior Discount Notes, step bond to yield 18.468% due 3/15/14 | 643,125 |

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| | | |
|-----------|---|---------|
| 550,000 | Denny's Holdings Inc., Senior Notes, 10.000% due 10/1/12 | 565,125 |
| 325,000 | Gaylord Entertainment Co., Senior Notes, 6.750% due 11/15/14 | 318,500 |
| 450,000 | Herbst Gaming Inc., Senior Subordinated Notes, 7.000% due 11/15/14 | 451,125 |
| 1,000,000 | Isle of Capri Casinos Inc., Senior Subordinated Notes, 7.000% due 3/1/14 | 986,250 |
| 500,000 | Kerzner International Ltd., Senior Subordinated Notes, 6.750% due 10/1/15 | 490,000 |
| 550,000 | Las Vegas Sands Corp., Senior Notes, 6.375% due 2/15/15 | 527,312 |
| 250,000 | Leslie's Poolmart, Senior Notes, 7.750% due 2/1/13 | 252,188 |
| 125,000 | McDonald's Corp., Medium-Term Notes, Series E, 5.950% due 1/15/08 | 127,062 |
| | MGM MIRAGE Inc.: | |
| | Senior Notes: | |
| 700,000 | 6.750% due 9/1/12 | 715,750 |
| 575,000 | 5.875% due 2/27/14 | 557,031 |
| 203,000 | Senior Subordinated Notes, 9.375% due 2/15/10 | 224,823 |
| | Mohegan Tribal Gaming Authority, Senior Subordinated Notes: | |
| 300,000 | 7.125% due 8/15/14 | 311,250 |
| 350,000 | 6.875% due 2/15/15 | 356,563 |
| 325,000 | Penn National Gaming Inc., Senior Subordinated Notes, 6.750% due 3/1/15 | 325,813 |

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.**Schedule of Investments (unaudited) (continued)****January 31, 2006**

| FACE AMOUNT | SECURITY (a) | VALUE |
|---|---|-------------------|
| Hotels, Restaurants & Leisure 1.4% (continued) | | |
| 500,000 | Pinnacle Entertainment Inc., Senior Subordinated Notes, 8.250% due 3/15/12 | \$ 520,000 |
| 325,000 | Riddell Bell Holdings Inc., Senior Subordinated Notes, 8.375% due 10/1/12 | 306,313 |
| 625,000 | Seneca Gaming Corp., Senior Notes, 7.250% due 5/1/12 | 635,937 |
| 425,000 | Six Flags Inc., Senior Notes, 9.625% due 6/1/14 | 434,562 |
| 625,000 | Station Casinos Inc., Senior Subordinated Notes, 6.875% due 3/1/16 | 638,281 |
| | Turning Stone Casino Resort Enterprise, Senior Notes, 9.125% due 12/15/10 | |
| 500,000 | (b) | 522,500 |
| 500,000 | VICORP Restaurants Inc., Senior Notes, 10.500% due 4/15/11 | 471,250 |
| Total Hotels, Restaurants & Leisure | | 12,659,221 |
| Household Durables 0.3% | | |
| 100,000 | Centex Corp., Notes, 4.750% due 1/15/08 | 98,792 |
| 125,000 | Fortune Brands Inc., Notes, 2.875% due 12/1/06 | 122,498 |
| 500,000 | Home Interiors & Gifts Inc., Senior Subordinated Notes, 10.125% due 6/1/08 | 402,500 |
| 600,000 | Interface Inc., Senior Subordinated Notes, 9.500% due 2/1/14 | 603,000 |
| 600,000 | Sealy Mattress Co., Senior Subordinated Notes, 8.250% due 6/15/14 | 622,500 |
| 575,000 | Tempur-Pedic Inc./Tempur Production USA Inc., Senior Subordinated Notes, 10.250% due 8/15/10 | 622,437 |
| Total Household Durables | | 2,471,727 |
| Independent Power Producers & Energy Traders 0.8% | | |
| | AES Corp., Senior Notes: | |
| 100,000 | 9.500% due 6/1/09 | 108,625 |
| 1,400,000 | 7.750% due 3/1/14 | 1,484,000 |
| | Calpine Corp.: | |
| 75,000 | Second Priority Senior Secured Notes, 8.500% due 7/15/10 (b)(e) | 67,406 |
| 525,000 | Senior Secured Notes, 8.750% due 7/15/13 (b)(e) | 469,875 |
| 175,000 | Calpine Generating Co. LLC, Senior Secured Notes, 13.216% due 4/1/11 (d)(e) | 186,813 |
| 100,000 | Duke Energy Corp., Senior Notes, 4.200% due 10/1/08 | 97,631 |
| | Dynegy Holdings Inc.: | |
| 450,000 | Second Priority Senior Secured Notes, 10.125% due 7/15/13 (b) | 510,187 |
| 1,725,000 | Senior Debentures, 7.125% due 5/15/18 | 1,664,625 |
| 425,000 | Mirant North America LLC, Senior Notes, 7.375% due 12/31/13 (b) | 434,562 |
| | NRG Energy Inc.: | |
| 835,000 | Second Priority Senior Secured Notes, 8.000% due 12/15/13 | 935,200 |
| | Senior Notes: | |
| 250,000 | 7.250% due 2/1/14 | 254,688 |
| 725,000 | 7.375% due 2/1/16 | 741,312 |
| Total Independent Power Producers & Energy Traders | | 6,954,924 |

Industrial Conglomerates □ **0.2%**

| | | |
|-----------|---|-----------|
| 1,000,000 | Koppers Inc., Senior Notes, 9.875% due 10/15/13 | 1,090,000 |
| 350,000 | Park-Ohio Industries Inc., Senior Subordinated Notes, 8.375% due 11/15/14 | 306,250 |

Total Industrial Conglomerates**1,396,250****Insurance** □ **0.1%**

| | | |
|---------|---|---------|
| 125,000 | Genworth Financial Inc., Notes, 4.750% due 6/15/09 | 123,670 |
| 125,000 | Hartford Financial Services Group Inc., Senior Notes, 2.375% due 6/1/06 | 123,996 |
| 75,000 | Marsh & McLennan Cos. Inc., Notes, 4.720% due 7/13/07 (d) | 74,911 |
| 500,000 | Nationwide Life Global Funding I, Notes, 4.609% due 9/28/07 (b)(d) | 500,697 |
| 150,000 | Protective Life Secured Trust, Senior Secured Notes, Medium-Term Notes, 4.660% due 4/13/07 (d) | 150,219 |
| 156,000 | Prudential Financial Inc., Medium Term Notes, 3.750% due 5/1/08 | 151,882 |
| 75,000 | Unitrin Inc., Senior Notes, 5.750% due 7/1/07 | 75,298 |

Total Insurance**1,200,673****See Notes to Schedule of Investments.**

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.**Schedule of Investments (unaudited) (continued)****January 31, 2006**

| FACE AMOUNT | SECURITY (a) | VALUE |
|-------------------------|--|------------------|
| IT Services 0.2% | | |
| 1,325,000 | Iron Mountain Inc., Senior Subordinated Notes, 7.750% due 1/15/15 | \$ 1,351,500 |
| Machinery 0.2% | | |
| 412,000 | Caterpillar Inc., Senior Debentures, 7.250% due 9/15/09 | 442,078 |
| 200,000 | Ingersoll-Rand Co., Notes, 6.250% due 5/15/06 | 200,805 |
| 475,000 | Invensys PLC, Senior Notes, 9.875% due 3/15/11 (b) | 489,250 |
| 225,000 | Mueller Group Inc., Senior Subordinated Notes, 10.000% due 5/1/12 | 239,625 |
| 775,000 | Mueller Holdings Inc., Discount Notes, step bond to yield 11.895% due 4/15/14 | 596,750 |
| 213,000 | Terex Corp., Senior Subordinated Notes, 7.375% due 1/15/14 | 215,130 |
| Total Machinery | | 2,183,638 |
| Media 1.6% | | |
| 400,000 | AMC Entertainment Inc., Senior Subordinated Notes, 11.000% due 2/1/16 (b) | 402,000 |
| 625,000 | CanWest Media Inc., Senior Subordinated Notes, 8.000% due 9/15/12 | 635,937 |
| 2,020,000 | CCH I Holdings LLC, Senior Secured Notes, 11.000% due 10/1/15 (b) | 1,671,550 |
| 700,000 | Charter Communications Operating LLC, Second Lien Senior Notes, 8.375% due 4/30/14 (b) | 702,625 |
| 250,000 | Clear Channel Communications Inc., Senior Notes, 3.125% due 2/1/07 | 244,627 |
| 250,000 | COX Communications Inc., 7.750% due 8/15/06 | 253,101 |
| 700,000 | CSC Holdings Inc.: Debentures, Series B, 8.125% due 8/15/09 | 714,000 |
| 375,000 | Senior Notes, Series B, 8.125% due 7/15/09 | 382,500 |
| 750,000 | Dex Media Inc., Discount Notes: step bond to yield 8.608% due 11/15/13 | 622,500 |
| 1,000,000 | step bond to yield 8.873% due 11/15/13 | 830,000 |
| 764,000 | DIRECTV Holdings LLC/DIRECTV Financing Co. Inc., Senior Notes: 8.375% due 3/15/13 | 823,210 |
| 475,000 | 6.375% due 6/15/15 | 467,875 |
| 1,000,000 | EchoStar DBS Corp., Senior Notes: 6.625% due 10/1/14 | 975,000 |
| 325,000 | 7.125% due 2/1/16 (b) | 322,156 |
| 102,857 | Emmis Communications Corp., Senior Notes, 10.366% due 6/15/12 (d) | 103,500 |
| 500,000 | LodgeNet Entertainment Corp., Senior Subordinated Debentures, 9.500% due 6/15/13 | 542,500 |
| 750,000 | Mediacom Broadband LLC/Mediacom Broadband Corp., Senior Notes, 11.000% due 7/15/13 | 810,000 |
| 200,000 | Nexstar Finance Holdings LLC, Senior Discount Notes, step bond to yield 9.548% due 4/1/13 | 154,750 |
| 175,000 | R.H. Donnelley Corp.: Senior Discount Notes: Series A-1, 6.875% due 1/15/13 (b) | 161,000 |

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| | | |
|---------|--|---------|
| 300,000 | Series A-2, 6.875% due 1/15/13 (b) | 276,750 |
| 450,000 | Senior Notes, Series A-3, 8.875% due 1/15/16 (b) | 457,313 |
| 50,000 | Rainbow National Services LLC, Senior Subordinated Debentures, 10.375% due 9/1/14 (b) | 56,250 |
| 125,000 | Reed Elsevier Capital Inc., Notes, 6.125% due 8/1/06 | 125,687 |
| 600,000 | Rogers Cable Inc., Senior Secured Notes, 7.875% due 5/1/12 | 646,500 |
| 575,000 | Sinclair Broadcast Group Inc., Senior Subordinated Notes, 8.000% due 3/15/12 | 585,063 |
| 150,000 | TCI Communications Inc., Senior Notes, 6.875% due 2/15/06 | 150,076 |
| 150,000 | Time Warner Inc., Notes, 6.125% due 4/15/06 | 150,312 |
| | Walt Disney Co.: | |
| 100,000 | Medium-Term Notes, 5.500% due 12/29/06 | 100,458 |
| 125,000 | Senior Notes, Series B, 6.750% due 3/30/06 | 125,400 |
| | Young Broadcasting Inc., Senior Subordinated Notes: | |

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.**Schedule of Investments (unaudited) (continued)****January 31, 2006**

| FACE AMOUNT | SECURITY (a) | VALUE |
|---|---|-------------------|
| Media 1.6% (continued) | | |
| 325,000 | 10.000% due 3/1/11 | \$ 296,563 |
| 300,000 | 8.750% due 1/15/14 | 258,000 |
| Total Media | | 14,047,203 |
| Metals & Mining 0.2% | | |
| 475,000 | Aleris International Inc., Senior Secured Notes, 10.375% due 10/15/10 | 524,875 |
| 600,000 | Corporacion Nacional del Cobre-Codelco, Notes, 5.500% due 10/15/13 (b) | 608,892 |
| 275,000 | IPSCO Inc., Senior Notes, 8.750% due 6/1/13 | 302,500 |
| 325,000 | Novelis Inc., Senior Notes, 7.500% due 2/15/15 (b) | 308,750 |
| 150,000 | WMC Finance USA, 6.750% due 12/1/06 | 151,988 |
| Total Metals & Mining | | 1,897,005 |
| Multi-Utilities 0.0% | | |
| 125,000 | Keyspan Gas East Corp., Medium Term Notes, 6.900% due 1/15/08 | 129,125 |
| 155,000 | United Utilities PLC, Notes, 6.450% due 4/1/08 | 158,889 |
| Total Multi-Utilities | | 288,014 |
| Multiline Retail 0.1% | | |
| 300,000 | Harry & David Operations, Senior Notes, 9.000% due 3/1/13 | 306,000 |
| 225,000 | Neiman Marcus Group Inc., Senior Subordinated Notes, 10.375% due 10/15/15 (b) | 233,157 |
| 125,000 | Target Corp., Senior Notes, 5.500% due 4/1/07 | 125,621 |
| Total Multiline Retail | | 664,778 |
| Oil, Gas & Consumable Fuels 0.9% | | |
| 255,000 | Burlington Resources Finance Corp., Senior Notes, 5.600% due 12/1/06 | 256,237 |
| Chesapeake Energy Corp., Senior Notes: | | |
| 775,000 | 6.375% due 6/15/15 | 776,937 |
| 75,000 | 6.625% due 1/15/16 | 76,125 |
| 425,000 | 6.875% due 11/15/20 (b) | 435,625 |
| El Paso Corp., Medium-Term Notes: | | |
| 1,000,000 | 7.800% due 8/1/31 | 1,055,000 |
| 1,050,000 | 7.750% due 1/15/32 | 1,115,625 |
| 500,000 | EXCO Resources Inc., Senior Notes, 7.250% due 1/15/11 | 510,000 |
| 325,000 | Holly Energy Partners, L.P., Senior Notes, 6.250% due 3/1/15 | 315,250 |
| 125,000 | Norsk Hydro ASA, Notes, 6.360% due 1/15/09 | 129,574 |
| 1,550,000 | Petronas Capital Ltd., 7.875% due 5/22/22 (b) | 1,908,951 |
| 1,500,000 | Williams Cos. Inc., Senior Notes, 7.750% due 6/15/31 | 1,635,000 |

| Total Oil, Gas & Consumable Fuels | | 8,214,324 |
|--|---|------------------|
| Paper & Forest Products □ 0.3% | | |
| 440,000 | Abitibi-Consolidated Inc., Debentures, 8.850% due 8/1/30 | 378,400 |
| 500,000 | Appleton Papers Inc., Senior Subordinated Notes, Series B, 9.750% due 6/15/14 | 477,500 |
| 150,000 | Bowater Inc., Notes, 6.500% due 6/15/13 | 135,188 |
| 150,000 | Buckeye Technologies Inc.: Senior Notes, 8.500% due 10/1/13 | 151,500 |
| 400,000 | Senior Subordinated Notes: 9.250% due 9/15/08 | 402,000 |
| 75,000 | 8.000% due 10/15/10 | 72,750 |
| 650,000 | Newark Group Inc., Senior Subordinated Notes, 9.750% due 3/15/14 | 578,500 |
| 1,000,000 | Norske Skog Canada Ltd., Senior Notes, 7.375% due 3/1/14 | 885,000 |
| Total Paper & Forest Products | | 3,080,838 |
| Personal Products □ 0.2% | | |
| 125,000 | Avon Products Inc., Senior Notes, 7.150% due 11/15/09 | 133,473 |
| 675,000 | Del Laboratories Inc., Senior Subordinated Notes, 8.000% due 2/1/12 | 550,125 |

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.**Schedule of Investments (unaudited) (continued)****January 31, 2006**

| FACE AMOUNT | SECURITY (a) | VALUE |
|---|---|------------------|
| Personal Products 0.2% (continued) | | |
| 150,000 | Gillette Co., Notes, 3.500% due 10/15/07 | \$ 146,708 |
| 600,000 | Playtex Products Inc., Senior Subordinated Notes, 9.375% due 6/1/11 | 633,750 |
| Total Personal Products | | 1,464,056 |
| Pharmaceuticals 0.0% | | |
| 350,000 | Warner Chilcott Corp., Senior Subordinated Notes, 8.750% due 2/1/15 (b) | 344,750 |
| Real Estate 0.4% | | |
| 1,000,000 | Felcor Lodging LP, Senior Notes, 9.000% due 6/1/11 | 1,106,250 |
| 1,250,000 | Host Marriott LP, Senior Notes, 7.125% due 11/1/13 | 1,292,187 |
| 75,000 | iStar Financial Inc., Senior Notes, Series B, 4.875% due 1/15/09 | 73,920 |
| 500,000 | MeriStar Hospitality Corp., Senior Notes, 9.125% due 1/15/11 | 543,750 |
| 50,000 | Simon Property Group LP, Notes, 6.375% due 11/15/07 | 51,026 |
| 200,000 | Vornado Realty LP, Senior Notes, 5.625% due 6/15/07 | 200,703 |
| Total Real Estate | | 3,267,836 |
| Road & Rail 0.0% | | |
| 75,000 | Burlington Northern Santa Fe Corp., Notes, 7.875% due 4/15/07 | 77,491 |
| Semiconductors & Semiconductor Equipment 0.1% | | |
| Amkor Technology Inc., Senior Notes: | | |
| 400,000 | 9.250% due 2/15/08 | 394,000 |
| 500,000 | 7.125% due 3/15/11 | 445,000 |
| 213,000 | 7.750% due 5/15/13 | 188,505 |
| Total Semiconductors & Semiconductor Equipment | | 1,027,505 |
| Specialty Retail 0.2% | | |
| 500,000 | Buffets Inc., Senior Subordinated Notes, 11.250% due 7/15/10 | 521,875 |
| 500,000 | CSK Auto Inc., Senior Subordinated Notes, 7.000% due 1/15/14 | 458,750 |
| 325,000 | Eye Care Centers of America, Senior Subordinated Notes, 10.750% due 2/15/15 | 320,937 |
| 225,000 | Finlay Fine Jewelry Corp., Senior Notes, 8.375% due 6/1/12 | 200,813 |
| 150,000 | Home Depot Inc., Senior Notes, 5.375% due 4/1/06 | 150,106 |
| 200,000 | Toys "R" Us Inc., Senior Notes, 7.375% due 10/15/18 | 147,500 |
| Total Specialty Retail | | 1,799,981 |
| Textiles, Apparel & Luxury Goods 0.2% | | |
| Levi Strauss & Co., Senior Notes: | | |

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| | | |
|---|---|------------------|
| 150,000 | 9.280% due 4/1/12 (d) | 154,500 |
| 800,000 | 9.750% due 1/15/15 | 847,000 |
| 300,000 | Oxford Industries Inc., Senior Notes, 8.875% due 6/1/11 | 308,625 |
| 250,000 | Simmons Bedding Co., Senior Subordinated Notes, 7.875% due 1/15/14 | 236,250 |
| Total Textiles, Apparel & Luxury Goods | | 1,546,375 |
| Thriffs & Mortgage Finance □ 0.0% | | |
| 100,000 | GreenPoint Financial Corp., Senior Notes, 3.200% due 6/6/08 | 96,196 |
| Tobacco □ 0.0% | | |
| 75,000 | Altria Group Inc., Notes, 7.200% due 2/1/07 | 76,149 |
| 125,000 | Cargill Inc., Notes, 6.250% due 5/1/06 (b) | 125,451 |
| Total Tobacco | | 201,600 |
| Wireless Telecommunication Services □ 0.6% | | |
| 1,000,000 | American Tower Corp., Senior Notes, 7.500% due 5/1/12 | 1,052,500 |
| 1,450,000 | Nextel Communications Inc., Senior Notes\ Series E, 6.875% due 10/31/13 | 1,521,507 |
| 625,000 | Rogers Wireless Communications Inc., Secured Notes, 7.500% due 3/15/15 | 681,250 |
| 423,000 | SBA Communications Corp., Senior Notes, 8.500% due 12/1/12 | 469,530 |
| 250,000 | Sprint Capital Corp., Notes, 6.000% due 1/15/07 | 252,161 |
| 650,000 | UbiquiTel Operating Co., Senior Notes, 9.875% due 3/1/11 | 716,625 |

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.**Schedule of Investments (unaudited) (continued)****January 31, 2006**

| FACE AMOUNT | SECURITY (a) | VALUE |
|--|---|--------------------|
| Wireless Telecommunication Services □ 0.6% (continued) | | |
| 325,000 | US Unwired Inc., Second Priority Secured Notes, Series B, 10.000% due 6/15/12 | \$ 369,687 |
| Total Wireless Telecommunication Services | | 5,063,260 |
| TOTAL CORPORATE BONDS & NOTES (Cost □ \$141,347,527) | | 139,593,274 |
| CONVERTIBLE BONDS & NOTES □ 8.1% | | |
| Airlines □ 0.2% | | |
| 2,000,000 | Continental Airlines Inc., Series B, 4.500% due 2/1/07 | 1,942,500 |
| Biotechnology □ 2.1% | | |
| 5,100,000 | BioMarin Pharmaceuticals Inc., Subordinated Notes, 3.500% due 6/15/08 | 5,119,125 |
| 3,000,000 | Enzon Pharmaceuticals Inc., Subordinated Notes, 4.500% due 7/1/08 | 2,763,750 |
| 3,330,000 | InterMune Inc., Senior Notes, 0.250% due 3/1/11 (b) | 3,396,600 |
| 1,700,000 | Isis Pharmaceuticals Inc., 5.500% due 5/1/09 | 1,538,500 |
| 4,000,000 | NPS Pharmaceuticals Inc., Senior Notes, 3.000% due 6/15/08 | 3,560,000 |
| 3,060,000 | Oscient Pharmaceutical Corp., 3.500% due 4/15/11 | 2,440,350 |
| Total Biotechnology | | 18,818,325 |
| Commercial Services & Supplies □ 0.5% | | |
| 4,500,000 | Allied Waste North America Inc., Senior Subordinated Debentures, 4.250% due 4/15/34 | 3,920,625 |
| Communications Equipment □ 1.3% | | |
| 9,000,000 | Ciena Corp., Senior Notes, 3.750% due 2/1/08 | 8,482,500 |
| 2,000,000 | Nortel Networks Corp., Senior Notes, 4.250% due 9/1/08 | 1,907,500 |
| 1,000,000 | Terayon Communication Systems Inc., Subordinated Notes, 5.000% due 8/1/07 | 965,000 |
| Total Communications Equipment | | 11,355,000 |
| Computers & Peripherals □ 0.1% | | |
| 1,500,000 | Silicon Graphics Inc., Senior Notes, 6.500% due 6/1/09 | 969,375 |
| Electrical Equipment □ 0.1% | | |
| 1,250,000 | GrafTech International Ltd, Senior Debentures, 1.625% due 1/15/24 | 945,312 |
| Media □ 0.8% | | |
| | Charter Communications Inc., Senior Notes, Class A Shares: | |

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|--|---|------------------|
| 1,810,000 | 5.875% due 11/16/09 | 1,280,575 |
| 690,000 | 5.875% due 11/16/09 (b) | 488,175 |
| 5,000,000 | Mediacom Communications Corp., Senior Notes, 5.250% due 7/1/06 | 4,975,000 |
| Total Media | | 6,743,750 |
| Oil, Gas & Consumable Fuels □ 0.9% | | |
| 15,000,000 | El Paso Corp., Debentures, zero coupon bond to yield 8.696% due 2/28/21 | 8,306,250 |
| Pharmaceuticals □ 0.2% | | |
| 2,000,000 | Sepracor Inc., Subordinated Debentures, 5.000% due 2/15/07 | 1,995,000 |
| Semiconductors & Semiconductor Equipment □ 1.1% | | |
| 2,000,000 | Amkor Technology Inc., Subordinated Notes, 5.000% due 3/15/07 | 1,912,500 |
| 8,500,000 | Atmel Corp., Subordinated Notes, zero coupon bond to yield 5.762% due 5/23/21 | 4,154,375 |
| 3,500,000 | Conexant Systems Inc., Subordinated Notes, 4.000% due 2/1/07 | 3,465,000 |
| Total Semiconductors & Semiconductor Equipment | | 9,531,875 |
| Software □ 0.5% | | |
| 5,000,000 | Manugistics Group Inc., Subordinated Notes, 5.000% due 11/1/07 | 4,700,000 |

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.**Schedule of Investments (unaudited) (continued)****January 31, 2006**

| FACE AMOUNT | SECURITY (a) | VALUE |
|--|--|-------------------|
| Wireless Telecommunication Services ☐ 0.3% | | |
| 4,500,000 | Liberty Media Corp., Senior Debentures, 4.000% due 11/15/29 (f) | \$ 2,677,500 |
| TOTAL CONVERTIBLE BONDS & NOTES | | |
| (Cost ☐ \$75,313,415) | | 71,905,512 |
| ASSET-BACKED SECURITIES ☐ 6.0% | | |
| Credit Card ☐ 0.0% | | |
| 66,117 | First Consumers Master Trust, Series 2001-A, Class A, 4.780% due 9/15/08 (d) | 65,994 |
| Home Equity ☐ 5.8% | | |
| 1,000,000 | ACE Securities Corp., Series 2004-OP1, Class M3, 5.780% due 4/25/34 (d) | 1,002,459 |
| Aegis Asset-Backed Securities Trust: | | |
| 85,799 | Series 2004-2N, Class N1, 4.500% due 4/25/34 (b) | 85,687 |
| 1,250,000 | Series 2004-5, Class M2, 5.750% due 12/25/34 (d) | 1,262,180 |
| 272,202 | Series 2004-5N, 5.000% due 12/25/34 (b) | 269,854 |
| 688,813 | Series 2004-6N, 4.750% due 3/25/35 (b) | 684,938 |
| Ameriquest Mortgage Securities Inc.: | | |
| 1,000,000 | Series 2003-12, Class M2, 6.230% due 11/25/33 (d) | 1,023,190 |
| 1,000,000 | Series 2004-R08, Class M10, 7.030% due 9/25/34 (b)(d) | 957,804 |
| 1,000,000 | Series 2004-R11, Class M5, 5.730% due 11/25/34 (d) | 1,018,374 |
| 1,000,000 | Amortizing Residential Collateral Trust, Series 2004-1, Class M4, 5.580% due 10/25/34 (d) | 1,019,416 |
| 80,216 | AQ Finance NIM Trust, Series 2004-RN5, Class A, 5.193% due 6/25/34 (b) | 79,931 |
| 500,000 | Argent NIM Trust, Series 2004-WN10, Class B, 7.385% due 11/25/34 (b) | 502,187 |
| Argent Securities Inc.: | | |
| 600,000 | Series 2004-W8, Class M10, 8.030% due 5/25/34 (d) | 591,133 |
| 2,000,000 | Series 2004-W8, Class M04, 5.830% due 5/25/34 (d) | 2,017,502 |
| 750,000 | Asset-Backed Funding Certificates, Series 2004-FF1, Class M2, 5.980% due 1/25/34 (d) | 759,590 |
| 114,858 | Asset-Backed Funding Corp. NIM Trust, Series 2004-OPT4, Class N1, 4.450% due 5/26/34 (b) | 114,493 |
| Bear Stearns Asset-Backed Securities Inc.: | | |
| 2,000,000 | Series 2004-HE5, Class M1, 5.100% due 7/25/34 (d) | 2,001,176 |
| 1,197,858 | Series 2005-AC4, Class M2, 5.200% due 7/25/35 (d) | 1,202,043 |
| Bear Stearns Asset-Backed Securities Inc. NIM Trust, Series 2004-HE5N: | | |
| 4,946 | Class A1, 5.000% due 7/25/34 (b) | 4,942 |
| 79,000 | Class A2, 5.000% due 7/25/34 (b) | 78,871 |
| Bear Stearns Asset-Backed Securities NIM Trust: | | |
| 33,161 | Series 2004-FR1N, Class A1, 5.000% due 5/25/34 (b) | 33,040 |
| 64,349 | Series 2004-HE6N, Class A1, 5.250% due 8/25/34 (b) | 64,141 |
| Countrywide Asset-Backed Certificates: | | |
| 750,000 | Series 2003-03, Class M4, 5.930% due 3/25/33 (d) | 755,803 |

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| | | |
|-----------|--|-----------|
| 118,423 | Series 2004-02N, Class N1, 5.000% due 2/25/35 (b) | 117,916 |
| 410,000 | Series 2004-05, Class M4, 5.780% due 6/25/34 (d) | 416,051 |
| 120,262 | Series 2004-05N, Class N1, 5.500% due 10/25/35 (b) | 119,975 |
| 2,000,000 | Series 2004-BC4, Class M2, 5.380% due 10/25/34 (d) | 2,010,108 |
| 814,991 | CS First Boston Mortgage Securities Corp., Series 2001-HE16, Class M2, 5.730% due 11/25/31 (d) | 816,713 |
| 179,802 | Finance America NIM Trust, Series 2004-01, Class A, 5.250% due 6/27/34 (b) | 179,460 |
| 750,000 | First Franklin Mortgage Loan Asset Backed Certificates, Series 2004-FF2, Class M4, 5.430% due 3/25/34 (d) | 757,060 |
| 1,000,000 | First Franklin Mortgage Loan Trust NIM, Series 2004-FF10, Class N2, 6.000% due 11/26/34 (b)(g) | 979,380 |
| 207,323 | First Franklin NIM Trust, Series 2004-FF7A, Class A, 5.000% due 9/27/34 (b) | 206,510 |

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.**Schedule of Investments (unaudited) (continued)****January 31, 2006**

| FACE AMOUNT | SECURITY (a) | VALUE |
|---------------------------------------|---|--------------|
| Home Equity ☐ 5.8% (continued) | | |
| | Fremont Home Loan Trust: | |
| 1,000,000 | Series 2004-01, Class M5, 5.630% due 2/25/34 (d) | \$ 1,007,180 |
| 2,000,000 | Series 2004-B, Class M4, 5.700% due 5/25/34 (d) | 2,003,173 |
| 875,000 | Series 2004-D, Class M5, 5.530% due 11/25/34 (d) | 879,921 |
| 1,005,000 | GSAMP Trust, Series 2004-OPT, Class M3, 5.680% due 11/25/34 (d) | 1,006,835 |
| 785,710 | Long Beach Asset Holdings Corp., Series 2004-06, Class N2, 7.500% due 11/25/34 (b) | 627,279 |
| 750,000 | Long Beach Mortgage Loan Trust, Series 2004-06, Class M2, 5.680% due 11/25/34 (d) | 753,563 |
| 1,000,000 | MASTR Asset-Backed Securities Trust, Series 2004-OPT2, Class M4, 5.530% due 9/25/34 (d) | 1,008,571 |
| | Merrill Lynch Mortgage Investors Inc.: | |
| 60,777 | Series 2004-WM2N, Class N1, 4.500% due 12/25/34 (b) | 60,447 |
| 159,413 | Series 2005-WM1N, Class N1, 5.000% due 9/25/35 (b) | 158,039 |
| | Morgan Stanley Asset Backed Securities Capital I: | |
| 1,400,000 | Series 2004-HE4, Class M2, 5.830% due 5/25/34 (d) | 1,400,821 |
| 500,000 | Series 2004-HE9, Class M6, 5.780% due 11/25/34 (d) | 503,010 |
| 1,000,000 | Series 2004-NC8, Class M4, 5.530% due 9/25/34 (d) | 1,011,722 |
| 1,000,000 | Series 2004-OP1, Class M5, 5.580% due 11/25/34 (d) | 1,012,948 |
| | New Century Home Equity Loan Trust: | |
| 1,250,000 | Series 2001-NC1, Class M2, 5.590% due 6/20/31 (d) | 1,251,802 |
| 1,500,000 | Series 2003-04, Class M2, 6.350% due 10/25/33 (d) | 1,518,525 |
| | Novastar Home Equity Loan: | |
| 2,000,000 | Series 2003-04, Class M2, 6.155% due 2/25/34 (d) | 2,033,485 |
| 1,000,000 | Series 2004-01, Class M4, 5.505% due 6/25/34 (d) | 1,005,233 |
| 1,250,000 | Series 2004-02, Class M5, 6.030% due 9/25/34 (d) | 1,264,818 |
| 1,000,000 | Series 2004-4, Class M4, 5.630% due 3/25/35 (d) | 1,002,388 |
| 750,000 | Series 2005-02, Class M10, 7.530% due 10/25/35 (d) | 688,042 |
| | Option One Mortgage Loan Trust: | |
| 375,135 | Series 2002-02, Class M2, 5.680% due 6/25/32 (d) | 375,723 |
| 812,748 | Series 2002-4, Class M2, 5.660% due 7/25/32 (d) | 814,758 |
| 1,500,000 | Series 2004-02, Class M2, 5.580% due 5/25/34 (d) | 1,500,882 |
| | Park Place Securities NIM Trust: | |
| 500,000 | Series 2004-WWF1, Class B, 6.290% due 1/25/35 (b) | 497,812 |
| 449,475 | Series 2005-WHQ2, Class A, 5.192% due 5/25/35 (b) | 448,126 |
| 1,000,000 | Renaissance Home Equity Loan Trust, Series 2003-4, Class M3, 6.430% due 3/25/34 (d) | 1,009,030 |
| 1,000,000 | Residential Asset Securities Corp., Series 2004-KS10, Class M2, 5.680% due 11/25/34 (d) | 1,013,307 |
| | Sail Net Interest Margin Notes: | |
| 141,210 | Series 2003-BC2A, Class A, 7.750% due 4/27/33 (b) | 83,384 |
| | Series 2005-1A: | |
| 426,884 | Class A, 4.250% due 2/27/35 (b) | 424,351 |

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| | | |
|---------|---|---------|
| 305,236 | Class B, 7.500% due 2/27/35 (b) | 291,500 |
| 130,464 | Series 2004 11A, Class A2, 4.750% due 1/27/35 (b) | 129,725 |
| 129,481 | Series 2004-002A, Class A, 5.500% due 3/27/34 (b) | 129,061 |
| 127,677 | Series 2004-004A, Class A, 5.000% due 4/27/34 (b) | 127,625 |
| 36,642 | Series 2004-005A, Class A, 4.500% due 6/27/34 (b) | 36,573 |
| 132,099 | Series 2004-008A, Class A, 5.000% due 9/27/34 (b) | 131,620 |
| 273,479 | Series 2004-11A, Class B, 7.500% due 1/27/35 (b) | 269,163 |
| 381,031 | Series 2004-AA, Class B, 7.500% due 10/27/34 (b) | 313,856 |
| | Series 2004-BN2A: | |
| 255,588 | Class A, 5.000% due 12/27/34 (b) | 254,966 |
| 357,524 | Class B, 7.000% due 12/27/34 (b) | 334,415 |
| | Sharp SP I LLC, NIM Trust: | |

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.

Schedule of Investments (unaudited) (continued)

January 31, 2006

| FACE AMOUNT | SECURITY (a) | VALUE |
|--|---|-------------------|
| Home Equity ☐ 5.8% (continued) | | |
| 163,691 | Series 2004-HS1N, 5.920% due 2/25/34 (b) | \$ 161,742 |
| 54,772 | Series 2004-OP1N, 5.190% due 4/25/34 (b) | 54,750 |
| 198,982 | Series 2005-HE1N, 5.190% due 2/25/35 (b) | 198,163 |
| 1,500,000 | Structured Asset Investment Loan Trust, Series 2003-BC10, Class M2, 6.380% due 10/25/33 (d) | 1,508,858 |
| Total Home Equity | | 51,439,119 |
| Student Loan ☐ 0.2% | | |
| 1,561,915 | Saco I Trust, Series 2005-02, Class A, 4.730% due 4/25/35 (b)(d) | 1,562,202 |
| TOTAL ASSET-BACKED SECURITIES (Cost ☐ \$53,063,579) | | 53,067,315 |
| MORTGAGE-BACKED SECURITIES ☐ 2.5% | | |
| FHLMC ☐ 1.9% | | |
| Federal Home Loan Mortgage Corp. (FHLMC), Gold: | | |
| 1,471,009 | 7.000% due 6/1/17 | 1,520,464 |
| 478,931 | 8.500% due 9/1/25 | 520,485 |
| 1,009,142 | 6.500% due 8/1/29 | 1,037,823 |
| 13,478,352 | 6.000% due 9/1/32-2/1/34 | 13,631,571 |
| TOTAL FHLMC | | 16,710,343 |
| FNMA ☐ 0.6% | | |
| Federal National Mortgage Association (FNMA): | | |
| 1,813,027 | 8.000% due 12/1/12 | 1,889,594 |
| 1,663,752 | 7.000% due 6/1/32 | 1,729,734 |
| 1,859,007 | 5.500% due 4/1/35 | 1,840,290 |
| TOTAL FNMA | | 5,459,618 |
| TOTAL MORTGAGE-BACKED SECURITIES (Cost ☐ \$22,396,316) | | 22,169,961 |
| COLLATERALIZED MORTGAGE OBLIGATIONS ☐ 0.7% | | |
| 260,000 | American Home Mortgage Investment Trust, Series 2005-4, Class M3, 5.330% due 11/25/45 (d) | 260,299 |
| 186,860 | Commercial Mortgage Pass-Through Certificates, Series 2003-FL9, Class E, 5.470% due 11/15/15 (b)(d) | 187,724 |
| 209,725 | Federal Home Loan Mortgage Corp. (FHLMC): Series 2764, Class DT, 6.000% due 3/15/34 (d) | 205,897 |

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| | | |
|-----------|---|-----------|
| 678,728 | Series 2780, Class SL PAC, 6.000% due 4/15/34 (d) | 670,830 |
| 748,354 | Harborview Mortgage Loan Trust, Series 2005-10, Class B6, 5.553% due 11/19/35 (d) | 741,339 |
| 203,877 | Homestar NIM Trust, Series 2004-6, Class A1, 5.500% due 1/25/35 (b) | 203,781 |
| 1,186,464 | Impac CMB Trust, Series 2004-04, Class 2M2, 6.030% due 9/25/34 (d) | 1,190,359 |
| 836,738 | Merit Securities Corp., Series 11PA, Class B2, 6.060% due 9/28/32 (b)(d) | 816,834 |
| 750,000 | MLCC Mortgage Investors Inc.: Series 2004-A, Class B2, 5.450% due 4/25/29 (d) | 749,552 |
| 1,000,000 | Series 2004-B, Class B2, 5.410% due 5/25/29 (d) | 1,005,022 |

TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS

(Cost □ \$6,011,499)

6,031,637

SOVEREIGN BONDS □ 15.3%

Argentina □ 0.7%

Republic of Argentina:

| | | | |
|-----------|-----|---|-----------|
| 837,000 | EUR | 10.250% due 1/26/07 (e) | 309,078 |
| 1,133,125 | | 4.889% due 8/3/12 (d) | 1,026,287 |
| 1,100,000 | EUR | 9.500% due 3/4/49 (e) | 399,510 |
| 1,680,000 | | 0.000% due 3/29/49 (d)(e) | 453,600 |
| 6,042,370 | ARS | Discount Bonds, 5.830% due 12/31/33 (d) | 2,329,571 |

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.**Schedule of Investments (unaudited) (continued)****January 31, 2006**

| FACE AMOUNT | SECURITY (a) | VALUE |
|-----------------------------------|--|-------------------|
| Argentina 0.7% (continued) | | |
| 2,200,000 EUR | Medium-Term Notes, 7.000% due 3/18/49 (e) | \$ 782,303 |
| 800,000 | Par Bonds, step bond to yield 1.330% due 12/31/38 | 281,800 |
| | Series GDP: | |
| 16,879,931 ARS | 0.000% due 12/15/35 (d) | 303,026 |
| 1,175,000 EUR | 0.000% due 12/15/35 (d) | 97,492 |
| 800,000 | 0.000% due 12/15/35 (d) | 55,200 |
| Total Argentina | | 6,037,867 |
| Brazil 3.1% | | |
| | Federative Republic of Brazil: | |
| 1,700,000 | 7.875% due 3/7/15 | 1,841,100 |
| | Collective Action Securities: | |
| 12,080,000 | 8.000% due 1/15/18 | 13,206,460 |
| 2,815,000 | 8.750% due 2/4/25 | 3,223,175 |
| 8,889,870 | DCB, Series L, 5.250% due 4/15/12 (d) | 8,867,645 |
| Total Brazil | | 27,138,380 |
| Bulgaria 0.2% | | |
| 1,715,000 | Republic of Bulgaria, 8.250% due 1/15/15 (b) | 2,058,000 |
| Chile 0.2% | | |
| 2,000,000 | Republic of Chile, 5.500% due 1/15/13 | 2,043,083 |
| China 0.1% | | |
| 705,000 | People's Republic of China, Bonds, 4.750% due 10/29/13 | 687,243 |
| Colombia 0.8% | | |
| | Republic of Colombia: | |
| 4,300,000 | 8.125% due 5/21/24 | 4,805,250 |
| 145,000 | 10.375% due 1/28/33 | 198,433 |
| 1,640,000 | Medium-Term Notes, 11.750% due 2/25/20 | 2,345,200 |
| Total Colombia | | 7,348,883 |
| Ecuador 0.2% | | |
| | Republic of Ecuador: | |
| 190,000 | 12.000% due 11/15/12 (b) | 196,650 |
| 1,835,000 | step bond to yield 12.021% due 8/15/30 (b) | 1,789,125 |
| Total Ecuador | | 1,985,775 |

El Salvador □ 0.3%

| | | |
|-----------|--------------------------|-----------|
| | Republic of El Salvador: | |
| 1,705,000 | 7.750% due 1/24/23 (b) | 1,911,731 |
| 370,000 | 8.250% due 4/10/32 (b) | 419,950 |

Total El Salvador **2,331,681**

Malaysia □ 0.2%

| | | |
|-----------|-------------------------|-----------|
| | Federation of Malaysia: | |
| 350,000 | 8.750% due 6/1/09 | 389,437 |
| 1,625,000 | 7.500% due 7/15/11 | 1,811,205 |

Total Malaysia **2,200,642**

Mexico □ 3.0%

| | | |
|-----------|------------------------------|-----------|
| | United Mexican States: | |
| 1,170,000 | 11.375% due 9/15/16 | 1,727,213 |
| 7,770,000 | 8.125% due 12/30/19 | 9,518,250 |
| | Medium-Term Notes, Series A: | |
| 425,000 | 5.875% due 1/15/14 | 438,281 |
| 275,000 | 8.300% due 8/15/31 | 348,150 |

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.**Schedule of Investments (unaudited) (continued)****January 31, 2006**

| FACE AMOUNT | SECURITY (a) | VALUE |
|--------------------------------|--|-------------------|
| Mexico 3.0% (continued) | | |
| 1,675,000 | 6.375% due 1/16/13 | \$ 1,776,337 |
| 8,325,000 | 6.625% due 3/3/15 | 9,018,056 |
| 3,200,000 | 8.000% due 9/24/22 | 3,908,800 |
| 265,000 | Series A, Notes, 7.500% due 4/8/33 | 310,050 |
| Total Mexico | | 27,045,137 |
| Panama 0.6% | | |
| Republic of Panama: | | |
| 700,000 | 7.250% due 3/15/15 | 760,900 |
| 1,625,000 | 8.875% due 9/30/27 | 2,015,000 |
| 2,504,000 | 6.700% due 1/26/36 | 2,498,366 |
| Total Panama | | 5,274,266 |
| Peru 1.0% | | |
| Republic of Peru: | | |
| 505,000 | 9.125% due 2/21/12 | 585,800 |
| 2,075,000 | 9.875% due 2/6/15 | 2,578,188 |
| 560,000 | 8.750% due 11/21/33 | 660,800 |
| 2,989,000 | FLIRB, 5.000% due 3/7/17 (d) | 2,869,440 |
| Global Bonds: | | |
| 600,000 | 8.375% due 5/3/16 | 685,500 |
| 1,630,000 | 7.350% due 7/21/25 | 1,691,125 |
| Total Peru | | 9,070,853 |
| Philippines 0.7% | | |
| Republic of the Philippines: | | |
| 2,625,000 | 9.000% due 2/15/13 | 2,931,731 |
| 375,000 | 8.250% due 1/15/14 | 401,944 |
| 1,975,000 | 10.625% due 3/16/25 | 2,510,719 |
| 625,000 | 9.500% due 2/2/30 | 732,781 |
| Total Philippines | | 6,577,175 |
| Poland 0.2% | | |
| 1,495,000 | Republic of Poland, 5.250% due 1/15/14 | 1,512,753 |
| Russia 1.5% | | |
| Russian Federation: | | |
| 1,665,000 | 11.000% due 7/24/18 (b) | 2,447,550 |

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| | | |
|----------------------------|---|-------------------|
| 9,615,000 | step bond to yield 5.000% due 3/31/30 (b) | 10,744,762 |
| Total Russia | | 13,192,312 |
| South Africa □ 0.3% | | |
| Republic of South Africa: | | |
| 250,000 | 9.125% due 5/19/09 | 280,000 |
| 1,825,000 | 6.500% due 6/2/14 | 1,971,000 |
| Total South Africa | | 2,251,000 |
| Turkey □ 1.1% | | |
| Republic of Turkey: | | |
| 200,000 | 11.750% due 6/15/10 | 244,500 |
| 725,000 | 11.500% due 1/23/12 | 919,844 |
| 4,150,000 | 11.000% due 1/14/13 | 5,275,687 |
| 900,000 | 7.250% due 3/15/15 | 945,000 |
| 1,250,000 | 7.000% due 6/5/20 | 1,267,188 |
| 800,000 | 11.875% due 1/15/30 | 1,225,500 |
| Total Turkey | | 9,877,719 |

See Notes to Schedule of Investments.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.**Schedule of Investments (unaudited) (continued)****January 31, 2006**

| FACE AMOUNT | SECURITY (a) | VALUE |
|-----------------------------------|---|--------------------|
| Ukraine 0.2% | | |
| 1,400,000 | Republic of Ukraine, 7.650% due 6/11/13 (b) | \$ 1,487,500 |
| Uruguay 0.2% | | |
| 575,000 | Republic of Uruguay, Benchmark Bonds: 7.250% due 2/15/11 | 601,594 |
| 750,000 | 7.500% due 3/15/15 | 791,250 |
| Total Uruguay | | 1,392,844 |
| Venezuela 0.7% | | |
| Bolivarian Republic of Venezuela: | | |
| 2,750,000 | 5.375% due 8/7/10 | 2,692,250 |
| 1,050,000 | 8.500% due 10/8/14 | 1,179,675 |
| 275,000 | 7.650% due 4/21/25 | 291,844 |
| 1,900,000 | Collective Action Securities, 10.750% due 9/19/13 | 2,375,000 |
| Total Venezuela | | 6,538,769 |
| TOTAL SOVEREIGN BONDS | | |
| (Cost \$128,243,543) | | 136,051,882 |
| LOAN PARTICIPATION 0.1% | | |
| 1,000,000 | UPC Broadband Inc. Term Loan, Tranche H2, 7.280% due 3/15/12 (Bank of America)(d)(g) (Cost \$1,000,000) | 1,012,232 |
| CONTRACTS | | |
| PURCHASED OPTION 0.1% | | |
| 2,250 | S&P 500 Index, Put @ 1,200, expires 3/06 (Cost \$2,507,175) | 810,000 |
| WARRANT | | |
| WARRANTS 0.0% | | |
| 2,935 | Bolivarian Republic of Venezuela, Oil-linked payment obligations, Expires 4/15/20* | 93,920 |
| 2,800 | United Mexican States, Series XW05, Expires 11/9/06* | 91,000 |
| 2,275 | United Mexican States, Series XW10, Expires 10/10/06* | 96,688 |
| 1,700 | United Mexican States, Series XW20, Expires 9/1/06* | 119,000 |
| TOTAL WARRANTS | | |

(Cost □ \$270,360)

400,608**TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS**

(Cost □ \$781,268,887)

858,597,131**FACE
AMOUNT****SHORT-TERM INVESTMENTS □ 3.4%****Repurchase Agreements □ 3.4%**

| | | |
|---------------|---|------------|
| \$ 10,095,000 | Interest in \$386,481,000 joint tri-party repurchase agreement dated 1/31/06 with Greenwich Capital Markets Inc., 4.450% due 2/1/06; Proceeds at maturity - \$10,096,248; (Fully collateralized by various U.S. government agency & Treasury obligations, 0.000% to 9.375% due 4/15/06 to 4/15/30; Market value - \$10,296,981) | 10,095,000 |
| 10,000,000 | Interest in \$479,208,000 joint tri-party repurchase agreement dated 1/31/06 with Morgan Stanley, 4.450% due 2/1/06; Proceeds at maturity - \$10,001,236; (Fully collateralized by various U.S. government agency obligations, 0.000% to 6.300% due 8/17/07 to 9/19/25; Market value - \$10,321,709) | 10,000,000 |
| 10,000,000 | Interest in \$588,238,000 joint tri-party repurchase agreement dated 1/31/06 with Deutsche Bank Securities Inc., 4.450% due 2/1/06; Proceeds at maturity - \$10,001,236; (Fully collateralized by various U.S. Government Agency Obligations 0.000% to 5.365% due 2/13/06 to 9/9/24; Market value - \$10,200,041) | 10,000,000 |

TOTAL SHORT-TERM INVESTMENTS

(Cost □ \$30,095,000)

30,095,000**TOTAL INVESTMENTS □ 100.0%** (Cost □ \$811,363,887#)**\$ 888,692,131****See Notes to Schedule of Investments.**

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.

Schedule of Investments (unaudited) (continued)

January 31, 2006

- * Non-income producing security.
- Face amount denominated in U.S. dollars, unless otherwise noted.
- (a) All securities are segregated as collateral pursuant to revolving credit facility.
- (b) Security is exempt from registration under Rule 144A of the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. This security has been deemed liquid pursuant to guidelines approved by the Board of Directors, unless otherwise noted.
- (c) Company changed name to NTL Inc.
- (d) Variable rate security. Interest rate disclosed is that which is in effect at January 31, 2006.
- (e) Security is currently in default.
- (f) This security is exchangeable for Sprint Nextel Corp. common stock.
- (g) Participation interest was acquired through the financial institution indicated parenthetically.
- # Aggregate cost for federal income tax purposes is substantially the same.

Abbreviations used in this schedule:

ADR - American Depositary Receipt
ARS - Argentine Peso
DCB - Debt Conversion Bond
EUR - Euro
FDR - Foreign Depositary Receipt
FLIRB - Front-Loaded Interest Reduction Bonds
GDP - Gross Domestic Product
MASTR - Mortgage Asset Securitization Transactions Inc.
MTN - Medium-Term Note
MXN - Mexican Peso
NIM - Net Interest Margin

See Notes to Schedule of Investments.

Notes to Schedule of Investments (unaudited)

1. Organization and Significant Accounting Policies

The Salomon Brothers Capital and Income Fund Inc. (the "Fund") was incorporated in Maryland on November 12, 2003 and is registered as a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended, (the "1940 Act"). The Board of Directors authorized 100 million shares of \$0.001 par value common stock. The Fund seeks total return with an emphasis on income by investing primarily in a portfolio consisting of a broad range of equity and fixed income securities of both U.S. and foreign issues.

The following are significant accounting policies consistently followed by the Fund and are in conformity with U.S. generally accepted accounting principles ("GAAP").

(a) Investment Valuation. Equity securities for which market quotations are available are valued at the last sale price or official closing price on the primary market or exchange on which they trade. Debt securities are valued at the mean between the bid and asked prices provided by an independent pricing service that are based on transactions in debt obligations, quotations from bond dealers, market transactions in comparable securities and various relationships between securities. Publicly traded foreign government debt securities are typically traded internationally in the over-the-counter market, and are valued at the mean between the bid and ask prices as of the close of business of that market. When prices are not readily available, or are determined not to reflect fair value, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded, but before the Fund calculates its net asset value, the Fund may value these investments at fair value as determined in accordance with the procedures approved by the Fund's Board of Directors. Short-term obligations with maturities of 60 days or less are valued at amortized cost, which approximates market value.

(b) Repurchase Agreements. When entering into repurchase agreements, it is the Fund's policy that its custodian or a third party custodian take possession of the underlying collateral securities, the market value of which at least equals the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market to ensure the adequacy of the collateral. If the seller defaults, and the market value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited.

(c) Loan Participations. The Fund may invest in loans arranged through private negotiation between one or more financial institutions. The Fund's investment in any such loan may be in the form of a participation in or an assignment of the loan. In connection with purchasing participations, the Fund generally will have no right to enforce compliance by the borrower with the terms of the loan agreement relating to the loan, nor any rights of set-off against the borrower and the Fund may not benefit directly from any collateral supporting the loan in which it has purchased the participation.

(d) Credit and Market Risk. The Fund invests in high yield and emerging market instruments that are subject to certain credit and market risks. The yields of high yield and emerging market debt obligations reflect, among other things, perceived credit risk. The Fund's investment in securities rated below investment grade typically involve risks not associated with higher rated securities including, among others, greater risk related to timely and ultimate payment of interest and principal, greater market price volatility and less liquid secondary market trading. The consequences of political, social, economic or diplomatic changes may have disruptive effects on the market prices of investments held by the Fund. The Fund's investment in non-dollar denominated securities may also result in foreign currency losses caused by devaluations and exchange rate fluctuations.

(e) Foreign Currency Translation. Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts based upon prevailing exchange rates on the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts based upon prevailing exchange rates on the respective dates of such transactions.

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of U.S. dollar denominated transactions as a result of, among other factors, the possibility of lower levels of governmental supervision and regulation of foreign securities markets and the possibility of political or

economic instability.

(f) Security Transactions. Security transactions are accounted for on a trade date basis.

2. Investments

At January 31, 2006, the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were substantially as follows:

| | |
|-------------------------------|---------------|
| Gross unrealized appreciation | \$ 97,592,896 |
| Gross unrealized depreciation | (20,264,652) |
| <hr/> | |
| Net unrealized appreciation | \$ 77,328,244 |
| <hr/> | |

At January 31, 2006, the Fund held loan participations with a total cost of \$1,000,000 and a total market value of \$1,012,232.

3. Loan

At January 31, 2006, the Fund had a \$220,000,000 loan pursuant to a revolving credit and security agreement with Crown Point Capital Company LLC and Citicorp North America, Inc. (CNA). In addition, CNA acts as administrative agent of the credit facility. The loan generally bear interest at a variable rate based on the weight average interest rates of the commercial paper or LIBOR plus any applicable margin. Securities held by the Fund are subject to a lien, granted to the lenders, to the extent of the borrowings outstanding and any additional expenses.

ITEM 2. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the disclosure controls and procedures required by Rule 30a-3(b) under the 1940 Act and 15d-15(b) under the Securities Exchange Act of 1934
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are likely to materially affect the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940, as amended, are attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Salomon Brothers Capital and Income Fund Inc.

By /s/ R. Jay Gerken
R. Jay Gerken
Chief Executive Officer

Date: March 31, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/ R. Jay Gerken
Chief Executive Officer

Date: March 31, 2006

By /s/ Frances Guggino
Frances Guggino
Chief Financial Officer

Date: March 31, 2006
