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Western Asset Income Fund
Form PRE 14A
March 21, 2006

SCHEDULE 14A INFORMATION

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:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Preliminary Proxy Statement | <input type="checkbox"/> Confidential, for Use of the |
| <input type="checkbox"/> Definitive Proxy Statement | Commission Only (as permitted |
| <input type="checkbox"/> Definitive Additional Materials | by Rule 14a-6(e)(2)) |
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| 240.14a-11(c) or 240.14a-12 | |

WESTERN ASSET INCOME FUND

(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) Amount Previously Paid:
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- (3) Filing Party:
- (4) Date Filed:

WESTERN ASSET INCOME FUND

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 9, 2006

To the Stockholders of
WESTERN ASSET INCOME FUND

The Annual Meeting of Stockholders of Western Asset Income Fund (the "Fund") will be held in the Board Room, Fifth Floor, 385 E. Colorado Boulevard, Pasadena, California, on Tuesday, May 9, 2006 at 8:00 a.m., Pacific time, for the following purposes:

- (1) Electing six Directors to the Board of Directors of the Fund;
- (2) Approving an amendment to the Fund's Certificate of Incorporation to add an exculpatory provision; and
- (3) Transacting such other business as may properly come before the Annual Meeting and any adjournment thereof.

The Board of Directors has fixed the close of business on March 17, 2006 as the record date for the determination of stockholders entitled to receive notice of and to vote at the Annual Meeting and any adjournment thereof.

By Order of the Board of Directors

Lisa G. Mrozek, Secretary

Pasadena, California
March [], 2006

STOCKHOLDERS WHO DO NOT EXPECT TO ATTEND THE ANNUAL MEETING IN PERSON ARE URGED TO DATE, FILL IN, SIGN AND MAIL THE ENCLOSED PROXY IN THE ACCOMPANYING ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

WESTERN ASSET INCOME FUND
385 EAST COLORADO BOULEVARD
PASADENA, CALIFORNIA 91101

PROXY STATEMENT

The accompanying proxy is solicited by the Board of Directors of the Fund for use at the annual meeting of stockholders of the Fund to be held on May 9, 2006 at 8:00 a.m., Pacific time (the "Annual Meeting"), and at any adjournment thereof. At the Annual Meeting, stockholders of the Fund will be asked to consider (1) the election of six Directors to the Board of Directors of the Fund and (2) an amendment to the Fund's Certificate of Incorporation to add an exculpatory provision. This Proxy Statement and the form of proxy were first mailed to stockholders on or about March [], 2006.

The Board of Directors has fixed the close of business on March 17, 2006 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting and any adjournment thereof. As of the close of business on March 17, 2006, there were [] shares of the Fund's common stock (the "Common Stock") outstanding and entitled to one vote per share (and a fractional vote with respect to fractional shares) with respect to each matter to be voted on at the Annual Meeting. The outstanding shares of Common Stock constitute the only outstanding voting securities of the Fund entitled to be

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voted at the Annual Meeting. As of the close of business on March 17, 2006, no person owned of record, or to the Fund's knowledge, beneficially, more than 5% of the Fund's Common Stock, except that Cede & Co., as nominee for participants in The Depository Trust Company, held of record [] shares of Common Stock, representing approximately []% of the Fund's Common Stock. Cede & Co.'s address is 55 Water Street, 25th Floor, New York, New York 10041-0001.

A majority of the outstanding shares of Common Stock as of the close of business on March 17, 2006 must be represented in person or by proxy to constitute a quorum for the Annual Meeting. Directors will be elected by a plurality of the votes of the shares of the Fund's Common Stock present in person or represented by proxy and entitled to vote on the election of Directors. In all matters other than the election of Directors, including the proposed amendment to the Fund's Certificate of Incorporation, the affirmative vote of the majority of shares of the Fund's Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote on the subject matter will be the act of the stockholders. Each stockholder has the right to revoke his or her proxy at any time before it is voted. A proxy may be revoked by filing with the Secretary of the Fund a written revocation or a properly executed proxy bearing a later

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date or by voting in person at the Annual Meeting. Any stockholder may attend the Annual Meeting, whether or not he or she has previously given a proxy.

The solicitation of proxies for the Annual Meeting will be made primarily by mail. However, if necessary to ensure satisfactory representation at the Annual Meeting, additional solicitation may take place in writing or by telephone or personal interview by officers of the Fund (or their designees), who will not receive compensation from the Fund for such services. As the date of the meeting approaches, if we have not received your proxies, you may receive a telephone call from our proxy solicitor, [] ("["]"), which has been retained to assist stockholders in the voting process. For these services, the Fund will pay [] a fee that is not expected to exceed \$[]. The Fund will reimburse brokers and other nominees, in accordance with New York Stock Exchange approved reimbursement rates, for their expenses in forwarding solicitation material to the beneficial owners of stock of the Fund. All expenses incurred in connection with the solicitation of proxies, including the services of [], will be borne by the Fund.

Abstentions and "broker non-votes" (i.e., shares held by brokers or nominees as to which (i) instructions have not been received from the beneficial owners or the persons entitled to vote and (ii) the broker or nominee does not have discretionary voting power on a particular matter) will be counted as shares present for purposes of determining whether a quorum is present, but will not be counted as having been voted on the matter in question. Assuming that a quorum would otherwise be present, abstentions and broker non-votes will accordingly have no effect for the purpose of determining whether a Director has been elected, but will have the effect of a negative vote on Proposal 2 below.

James W. Hirschmann III, Lisa G. Mrozek and Ilene S. Harker, the persons named as proxies on the proxy card accompanying this Proxy Statement, were selected by the Board of Directors to serve in such capacity. Mr. Hirschmann and Mses. Mrozek and Harker are each officers of the Fund. Each executed and returned proxy will be voted in accordance with the directions indicated thereon or, if no direction is indicated, such proxy will be voted for the election as Directors of the Board of Directors' nominees listed in this proxy statement and the approval of the amendment to the Fund's Certificate of Incorporation. Discretionary authority is provided in the proxy as to any matters not specifically referred to therein. The Board of Directors is not aware of any

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other matters which are likely to be brought before the Annual Meeting. However, if any such matters properly come before the Annual Meeting, the persons named in the proxy are fully authorized to vote thereon in accordance with their judgment and discretion. In all matters other than the election of Directors, except where a different vote is required by any provision of law or the Certificate of Incorporation or Bylaws, the affirmative vote of a majority of shares of the Fund's Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote on the subject matter will be the act of the stockholders.

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PROPOSAL 1

ELECTION OF DIRECTORS

Six Directors are to be elected at the Annual Meeting to serve until their successors have been duly elected and qualified or until they shall resign or shall have been removed, subject to applicable law and the rules of the New York Stock Exchange. Information about each nominee is set forth in the table below. Each of the nominees is presently a Director of the Fund.

It is the intention of the persons designated as proxies in the proxy card, unless otherwise directed therein, to vote at the Annual Meeting for the election of the nominees named below as Directors of the Fund. Each of the nominees has agreed to serve if elected at the Annual Meeting. If any nominee is unable or unavailable to serve, the persons named in the proxies will vote the proxies for such other person as the Board of Directors may recommend.

Information Regarding the Nominees. Information about the nominees is set forth below. No nominee serves as an officer of the Fund. The address of each nominee is c/o the Fund at its principal business address (385 East Colorado Boulevard, Pasadena, California 91101).

| NAME AND YEAR BORN | POSITION(S) HELD WITH FUND | TERM OF OFFICE AND LENGTH OF TIME SERVED+ | PRINCIPAL OCCUPATIONS DURING THE PAST 5 YEARS | NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY NOMINEE++ |
|---------------------------|----------------------------------|---|--|--|
| Ronald J. Arnault 1943 | Director (1) (4) | Served since 1997 | Retired | 14 |

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TERM OF

NUMBER OF
PORTFOLIOS
IN FUND

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| NAME AND YEAR BORN | POSITION(S) HELD WITH FUND | OFFICE AND LENGTH OF TIME SERVED+ | PRINCIPAL OCCUPATIONS DURING THE PAST 5 YEARS | COMPLEX OVERSEEN BY NOMINEE++ |
|-----------------------------|----------------------------------|--|--|--|
| Anita L. DeFrantz 1952 | Director (2) (3) (4) | Served since 1998 | President (1987-present) and Director (1990- present) of Amateur Athletic Foundation of Los Angeles; President and Director of Kids in Sports (1994-present); Vice President and Director of the International Rowing Federation (1997- present); Member of the International Olympic Committee ("IOC") (1986-present); Member, of the IOC Executive Board (1992-2001); Member of the U.S. Olympic Committee ("USOC") (1976- present); Member of the USOC Executive Board (1977-present). | 14 |
| William E. B. Siart 1946 | Director (1) (2) | Served since 1997 | Chairman of Walt Disney Concert Hall, Inc. (1998-present); Chairman of Excellent Education Development (2000-present). | 14 |
| Louis A. Simpson 1936 | Director (1) (4) | Served since 1994 | President and Chief Executive Officer, Capital Operations of GEICO Corporation (1993-present). | 14 |

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| NAME AND YEAR BORN | POSITION(S) HELD WITH FUND | TERM OF OFFICE AND LENGTH OF TIME SERVED+ | PRINCIPAL OCCUPATIONS DURING THE PAST 5 YEARS | NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY NOMINEE++ |
|----------------------------------|----------------------------------|---|---|--|
| Jaynie Miller Studenmund 1954 | Director (1) (3) | Served since 2004 | President and Chief Executive Officer of eHarmony.com, Inc. | 14 |

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(2005-present); Chief Operating Officer of Overture Services, Inc. (2001-2004); President and Chief Operating Officer of Paymybills.com (2000-2001).

Interested Nominee

| | | | | |
|-------------------------|----------|----------------------|--|----|
| Ronald L. Olson 1941 | Director | Served since 2005(5) | Senior Partner of Munger, Tolles & Olson International (a law partnership) (1968-present). | 14 |
|-------------------------|----------|----------------------|--|----|

- (1) Member of the Audit Committee of the Board of Directors.
- (2) Member of the Executive and Contracts Committee of the Board of Directors.
- (3) Member of the Governance and Nominating Committee of the Board of Directors.
- (4) Member of the Compensation Committee of the Board of Directors.
- (5) Mr. Olson is an "interested person" (as defined in section 2(a)(19) of the Investment Company Act of 1940, as amended (the "1940 Act")) of the Fund because his law firm has provided legal services to the Fund's investment adviser, Western Asset Management Company (the "Investment Adviser").

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- + Each of the Directors of the Fund holds office until his or her successor shall have been duly elected and shall qualify or until he or she shall resign or shall have been removed, subject to applicable law and the rules of the New York Stock Exchange.
- ++ Each Director also serves as a Trustee for Western Asset Premier Bond Fund (closed-end investment company) and a Director of Western Asset Funds, Inc. (open-end investment company), which are considered part of the same Fund Complex as the Fund. The Investment Adviser and the Fund's subadviser, Western Asset Management Company Limited (the "Subadviser"), also serve as adviser and subadviser, respectively, to Western Asset Premier Bond Fund, and each serves as subadviser to one or more series of Western Asset Funds, Inc.

The following table states the dollar range of equity securities beneficially owned as of March 1, 2006 by each nominee in the Fund and, on an aggregate basis, in any registered investment companies overseen or to be overseen by the nominee in the same "family of investment companies."

AGGREGATE DOLLAR RANGE OF
SECURITIES IN ALL FUNDS

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| NAME OF NOMINEE ----- | DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND ----- | OR TO BE OVERSEEN BY NOM FAMILY OF INVESTMENT CO ----- |
|-------------------------------|---|--|
| Ronald J. Arnault..... | \$[] | \$[|
| Anita L. DeFrantz..... | \$[] | \$[|
| William E. B. Siart..... | \$50,001 - \$100,000 | \$50,001 - \$100,000 |
| Louis A. Simpson..... | Over \$100,000 | Over \$100,000 |
| Jaynie Miller Studenmund..... | None | None |
| Interested Nominee | | |
| Ronald L. Olson..... | \$[] | \$[|

As of March 1, 2006, all Directors and officers of the Fund as a group beneficially owned less than 1% of the outstanding shares of the Fund on such date.

Audit Committee. The Board of Directors has established an Audit Committee composed solely of Directors who are not "interested persons" (as defined in the 1940 Act) of the Fund or the Investment Adviser or Subadviser, consisting of Messrs. Arnault, Siart and Simpson and Ms. Studenmund. Each member of the Audit Committee is "independent," as independence for audit committee members is defined in the currently applicable listing standards of the New York Stock Exchange, on which the Common Stock of the Fund is listed and traded. The Audit Committee provides oversight with respect to the accounting and financial reporting policies and procedures of the Fund and, among other things, considers the selection of the independent registered public accounting firm for the Fund and the scope of

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the audit and approves services proposed to be performed by the independent registered public accounting firm on behalf of the Fund and, under certain circumstances, the Investment Adviser, Subadviser and certain affiliates. The Directors have adopted a written charter for the Audit Committee, a copy of which was attached as Appendix A to the Fund's proxy statement dated March 31, 2004.

The Audit Committee of the Fund has submitted the following report:

The Audit Committee has reviewed and discussed with management of the Fund the audited financial statements for the last fiscal year. The Audit Committee has discussed with the Fund's independent registered public accounting firm the matters required to be discussed by Statements on Auditing Standards No. 61 (SAS 61). SAS 61 requires the independent registered public accounting firm to communicate to the Audit Committee matters including, if applicable: (1) methods used to account for significant unusual transactions; (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus; (3) the process used by management in formulating particularly sensitive accounting estimates and the basis for the independent registered public accounting firm's conclusions regarding the reasonableness of those estimates; and (4) disagreements with management over the application of accounting principles and certain other matters. The Audit Committee has received the written disclosures and the letter from the Fund's independent registered public accounting firm required by Independence Standards Board Standard No. 1 (requiring the independent registered public accounting firm to make written disclosures to and discuss with the Audit Committee various matters relating to its independence), and has discussed with such independent registered public accounting firm the independence of such independent registered public accounting firm. Based on the

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foregoing review and discussions, the Audit Committee recommended to the Directors the inclusion of the audited financial statements for the last fiscal year in the Fund's annual report to stockholders.

Ronald J. Arnault (Chairman)
William E. B. Siart
Louis A. Simpson
Jaynie Miller Studenmund

Governance and Nominating Committee. The Board of Directors has established a Governance and Nominating Committee composed solely of Directors who are not "interested persons" (as defined in the 1940 Act) of the Fund or the Investment Adviser or Subadviser, consisting of Mses. DeFrantz and Studenmund. The Governance and Nominating Committee meets to select nominees for election as Directors of the Fund and consider other matters of Board policy. The Directors have adopted a written charter for the Governance and Nominating Committee, a copy of which was included as Appendix B to

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the Fund's proxy statement dated March 31, 2004. The Fund does not currently maintain a website on which the charter is available.

The Governance and Nominating Committee requires that Director candidates have a college degree or equivalent business experience, but has not otherwise established specific, minimum qualifications that must be met by an individual to be considered by the Committee for nomination as a Director. The Governance and Nominating Committee may take into account a wide variety of factors in considering Director candidates, including, but not limited to: (i) availability and commitment of a candidate to attend meetings and perform his or her responsibilities to the Board of Directors, (ii) relevant industry and related experience, (iii) educational background, (iv) financial expertise, (v) an assessment of the candidate's ability, judgment and expertise and (vi) overall diversity of the Board's composition. The Governance and Nominating Committee may consider candidates for Director recommended by the Fund's current Directors, officers, Investment Adviser or Subadviser, shareholders or any other source deemed to be appropriate by the Governance and Nominating Committee. Candidates properly submitted by stockholders (as described below) will be considered and evaluated on the same basis as candidates recommended by other sources.

The policy of the Governance and Nominating Committee is to consider nominees recommended by stockholders to serve as Director, provided that any such recommendation is submitted in writing to the Fund, to the attention of the Secretary, at the address of the principal executive offices of the Fund, not less than one hundred and twenty calendar days nor more than one hundred and thirty-five calendar days prior to the date of the meeting at which the nominee would be elected and that such shareholder recommendation contains the information about such nominee required by the Fund's procedures for stockholders to submit nominee candidates, which are a part of the Governance and Nominating Committee's Charter. The Governance and Nominating Committee has full discretion to reject nominees recommended by stockholders, and there is no assurance that any such person so recommended and considered by the Governance and Nominating Committee will be nominated for election to the Fund's Board of Directors.

Executive and Contracts Committee. The Board of Directors has established an Executive and Contracts Committee consisting of Mr. Siart and Ms. DeFrantz. The Executive and Contracts Committee may meet from time to time between Board meetings in order to consider appropriate matters and to review the various contractual arrangements between the Fund and its affiliated persons.

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Compensation Committee. The Board of Directors has established a Compensation Committee consisting of Messrs. Arnault and Simpson and Ms. DeFrantz. The Compensation Committee meets to review and make recommendations to the Board with respect to Director compensation for services to the Fund.

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Meetings. During 2005, the Board of Directors held [] meetings, the Audit Committee held [] meetings, the Governance and Nominating Committee held [] meetings, the Compensation Committee held [] meetings and the Executive and Contracts Committee held [] meetings. Each Director attended at least 75% of the aggregate of the meetings of the Board of Directors and the Committees of the Board of Directors on which he or she served. Although the Fund's policies do not require the Directors to attend the Fund's annual stockholder meetings, annual meetings are generally held in connection with regularly scheduled meetings of the Board of Directors. [Each current Director attended the Fund's annual stockholder meeting in May 2005.]

Stockholder Communications. The Board of Directors has adopted a process for stockholders to send communications to the Board of Directors. Stockholders may mail written communications to the attention of the Board of Directors, care of the Fund's Secretary, at the principal executive offices of the Fund. The written communication must include the stockholder's name, be signed by the stockholder, refer to the Fund, and include the class and number of shares held by the stockholder as of a recent date.

Director Compensation. Effective February 2006, each Director of the Fund who is not an "interested person" (as defined in the 1940 Act) of the Fund, the Investment Adviser or the Subadviser receives an aggregate fee of \$[] annually for serving on the combined Board of Directors/Trustees of the Fund, Western Asset Funds, Inc. and Western Asset Premier Bond Fund. Each Director also receives a fee of \$[] and related expenses for each meeting of the Board attended in-person and a fee of \$[] for participating in each telephonic meeting. The Chairman of the Board and the Chairman of the Audit Committee each receive an additional \$[] per year for serving in such capacities. Each member of the Audit Committee receives a fee of \$[] for serving as a member of the Audit Committee. Other committee members receive \$[] for serving as a member of each committee upon which they serve. Committee members also receive a fee of \$[] for participating in each telephonic committee meeting. All such fees are allocated among the Fund, Western Asset Funds, Inc. and Western Asset Premier Bond Fund according to each such investment company's average annual net assets.

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For the fiscal year ended December 31, 2005, the Directors received the compensation set forth in the following table for serving as Directors of the Fund and as Directors or Trustees of other funds in the same "Fund Complex."

| NAME OF NOMINEE | AGGREGATE COMPENSATION FROM THE FUND | PENSION OR RETIREMENT BENEFITS ACCRUED AS PART OF FUND'S EXPENSES | ESTIMATED ANNUAL BENEFITS UPON RETIREMENT | TOTAL COMPE FROM THE AND ITS FUND PAID TO DIRE |
|------------------------|---|--|--|---|
| ----- | ----- | ----- | ----- | ----- |
| Ronald J. Arnault..... | \$ [] | \$0 | \$0 | \$ [] |
| Anita L. DeFrantz..... | \$ [] | \$0 | \$0 | \$ [] |

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| | | | | |
|---------------------------|--------|-----|-----|--------|
| William E. B. Siart..... | \$ [] | \$0 | \$0 | \$ [] |
| Louis A. Simpson..... | \$ [] | \$0 | \$0 | \$ [] |
| Jaynie M. Studenmund..... | \$ [] | \$0 | \$0 | \$ [] |
| Interested Nominee | | | | |
| Ronald L. Olson..... | \$ 0 | \$0 | \$0 | \$ |

(1) Includes amounts received in 2005 from the Fund and from Western Asset Funds, Inc. and Western Asset Premier Bond Fund, which are considered part of the same Fund Complex as the Fund. Effective February 2006, the Directors earn compensation for their service as described above.

During 2005, the Fund paid no remuneration to its officers, all of whom were also officers or employees of the Investment Adviser or one of its affiliates.

Required Vote. The Directors of the Fund will be elected by a plurality vote of the shares of the Fund's Common Stock present in person or represented by proxy and entitled to vote on the election of Directors. The Directors unanimously recommend that stockholders vote to elect each of the nominees listed above to the Board of Directors.

PROPOSAL 2

PROPOSAL TO AMEND THE FUND'S CERTIFICATE OF INCORPORATION

The Directors of the Fund are proposing to amend the Fund's Certificate of Incorporation (the "Certificate") to add the following exculpatory provision to be inserted as Paragraph Tenth:

"Paragraph TENTH: A director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent that exculpation from liability is not permitted under the General Corporation Law of the State of

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Delaware. No amendment or repeal of this paragraph TENTH shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal."

The proposed amendment would add to the Fund's Certificate a provision intended to grant the Directors protection from liability to the Fund and its stockholders under certain circumstances. Pursuant to Section 102(b)(7) of the Delaware General Corporation Law, a certificate of incorporation can include a provision eliminating the personal liability of a director for monetary damages to the corporation or its stockholders for breach of fiduciary duty as a director, except with respect to liability of a director for: (i) breaches of the director's duty of loyalty to the corporation or its stockholders; (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) the willful or negligent declaration of unlawful dividends or stock repurchase or redemption; or (iv) any transaction from which the director derived an improper personal benefit. The amendment, if adopted, would not retroactively eliminate liability for any act or omission occurring prior to the date when it becomes effective.

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If Proposal 2 is approved at the Annual Meeting, it is expected that the amendment of the Fund's Certificate of Incorporation would be effective on or about May 10, 2006.

Required Vote. Approval of Proposal 2 will require the affirmative vote of a majority of the Fund's Common Stock entitled to vote on the matter. If the vote required to approve Proposal 2 is not obtained, the Fund's Certificate of Incorporation will not be amended and Directors will consider what other actions, if any, to take in the best interests of the Fund. The Directors unanimously recommend that stockholders vote for Proposal 2.

INFORMATION CONCERNING THE INVESTMENT ADVISER AND SUBADVISER AND THE FUND'S OFFICERS

The Investment Adviser and the Subadviser are subsidiaries of Legg Mason, Inc., a holding company which, through its subsidiaries, is engaged in providing investment advisory services to individuals and institutions. The address of Legg Mason, Inc. is 100 Light Street, Baltimore, Maryland 21202. The Investment Adviser's address is 385 East Colorado Boulevard, Pasadena, California 91101. The Subadviser's address is 155 Bishopsgate, London, England EC2N3TY. An affiliate of the Investment Adviser, Legg Mason Fund Adviser, Inc., 100 Light Street, Baltimore, Maryland 21202, provides administrative services to the Fund.

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Information regarding the executive officers of the Fund and their ownership of Common Stock is set forth below. Unless otherwise noted, the address of each officer is c/o the Fund at the address listed above.

| NAME AND YEAR BORN | POSITION(S) HELD WITH FUND | TERM OF OFFICE AND LENGTH OF TIME SERVED (1) | PRINCIPAL OCCUPATION(S) DURING THE PAST 5 YEARS | SHARES COMMON STOCK OF THE FUND BENEFICIARILY OWNED ON MARCH 1, |
|---------------------------------|-------------------------------|--|--|--|
| James W. Hirschmann III 1960 | President | Served since 1999 | Director, President and Chief Executive Officer of the Investment Adviser (1999-present); Director of the Subadviser (1999-present); President of Western Asset Funds, Inc. (1999-present) and Western Asset Premier Bond Fund (2001-present). | [] |
| Scott F. Grannis 1949 | Vice President | Served since 1990 | Chief Economist of the Investment Adviser (1989-present); Vice President of Western Asset Funds, Inc. (1990-present). | [] |
| Ilene S. Harker 1955 | Vice President | Served since 1996 | Head of Enterprise Risk of the Investment Adviser (2003-present); Vice President of | [] |

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Western Asset Funds, Inc. (1990-present) and Western Asset Premier Bond Fund (2001-present).
Formerly: Secretary and Director of Compliance and Controls of the Investment Adviser (1978-2003).

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| NAME AND YEAR BORN | POSITION(S) HELD WITH FUND | TERM OF OFFICE AND LENGTH OF TIME SERVED(1) | PRINCIPAL OCCUPATION(S) DURING THE PAST 5 YEARS | SHARES COMMON STOCK OF THE FUND BENEFICIARILY OWNED ON MARCH 1, |
|--------------------------|----------------------------|---|---|---|
| S. Kenneth Leech 1954 | Vice President | Served since 1998 | Chief Investment Officer of the Investment Adviser (1998-present); Vice President of Western Asset Funds, Inc. (1990-present) and Western Asset Premier Bond Fund (2001-present). | [] |
| Stephen A. Walsh 1958 | Vice President | Served since 1999 | Deputy Chief Investment Officer of the Investment Adviser (2000-present); Vice President of Western Asset Funds, Inc. (1994-present). | [] |

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| NAME AND YEAR BORN | POSITION(S) HELD WITH FUND | TERM OF OFFICE AND LENGTH OF TIME SERVED(1) | PRINCIPAL OCCUPATION(S) DURING THE PAST 5 YEARS | SHARES COMMON STOCK OF THE FUND BENEFICIARILY OWNED ON MARCH 1, |
|---|--|---|--|---|
| Marie K. Karpinski 1949 100 Light Street Baltimore, MD 21202 | Treasurer and Principal Financial and Accounting Officer | Served since 2001 | Vice President, Legg Mason & Co., LLC (2005-present); Vice President, Legg Mason Wood Walker, Incorporated | 500 |

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(1992-2005); Vice President (1986-present), Treasurer (1986-2006) and Chief Financial Officer (2006-present) of all Legg Mason retail funds, open-end investment companies; Treasurer and Principal Financial and Accounting Officer of Western Asset Funds, Inc. (1990-present), Western Asset Premier Bond Fund (2001-present), Western Asset/Claymore U.S. Treasury Inflation Protected Securities Fund (2003-present) and Western Asset/Claymore U.S. Treasury Inflation Protected Securities Fund 2 (2004-present).

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| NAME AND YEAR BORN | POSITION(S) HELD WITH FUND | TERM OF OFFICE AND LENGTH OF TIME SERVED(1) | PRINCIPAL OCCUPATION(S) DURING THE PAST 5 YEARS | SHARES COMMON STOCK OF THE FUND OWNED ON MARCH 1, |
|--|----------------------------|---|---|---|
| Erin K. Morris 1966 100 Light Street Baltimore, MD 21202 | Assistant Treasurer | Served since 2001 | Assistant Vice President and Manager, Funds Accounting, Legg Mason & Co., LLC (2005-present); Assistant Vice President (2002-2005) and Manager, Funds Accounting (2000-2005), of Legg Mason Wood Walker, Incorporated; Treasurer of Legg Mason Income Trust, Inc. and Legg Mason Tax-Free Income Fund (2006-present); Assistant Treasurer of Western Asset Funds, Inc. (2001-present), Western Asset Premier Bond Fund (2001-present), Western Asset/Claymore U.S. Treasury Inflation | None |

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Protected Securities Fund (2003-present), Western Asset/Claymore U.S. Treasury Inflation Protected Securities Fund 2 (2004-present), Legg Mason Income Trust, Inc. (2001-2006) and Legg Mason Tax-Free Income Fund (2001-2006).

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| NAME AND YEAR BORN | POSITION(S) HELD WITH FUND | TERM OF OFFICE AND LENGTH OF TIME SERVED(1) | PRINCIPAL OCCUPATION(S) DURING THE PAST 5 YEARS | SHARES COMMON STOCK OF THE FUND OWNED ON MARCH 1, |
|--|----------------------------|---|--|---|
| Amy M. Olmert 1963 100 Light Street Baltimore, MD 21202 | Chief Compliance Officer | Served since 2004 | Senior Vice President of Legg Mason, Inc. (2004-present); Vice President and Chief Compliance Officer of all Legg Mason retail open-end investment companies (2004-present); Vice President and Chief Compliance Officer of Legg Mason Charles Street Trust, Inc., an open-end investment company (2004-present); Chief Compliance Officer of Western Asset Funds, Inc., Western Asset Premier Bond Fund, Western Asset/Claymore U.S. Treasury Inflation Protected Securities Fund and Western Asset/Claymore U.S. Treasury Inflation Protected Securities Fund 2 (2004-present). Formerly, Director (2000-2003) and Managing Director (2003-2004) of Deutsche Asset Management. | [] |
| Lisa G. Mrozek 1962 | Secretary | Served since 1999 | Senior Compliance Officer of the Investment Adviser (1999-present); Secretary of Western Asset Funds, Inc. | [] |

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(1999-present) and
Western Asset Premier
Bond Fund
(2001-present).

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(1) Each officer holds office until his or her respective successor shall have been duly chosen and shall qualify or until his or her resignation or removal.

STOCKHOLDER PROPOSALS FOR 2007 ANNUAL MEETING

Proposals that stockholders wish to present to the 2007 Annual Meeting and to have included in the Fund's proxy materials relating to such meeting must be delivered to the Secretary of the Fund not less than 120 days prior to [MAILING DATE], 2007.

Stockholders who wish to make a proposal at the 2007 Annual Meeting -- other than one that will be included in the Fund's proxy materials -- should notify the Fund not less than 45 days prior to [MAILING DATE], 2007.

The proper submission of a stockholder proposal does not guarantee that it will be included in the Fund's proxy materials or presented at a stockholder meeting. Stockholder proposals are subject to the requirements of applicable law and the Fund's Certificate of Incorporation and Bylaws.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 30(h) of the 1940 Act and Section 16(a) of the Securities Exchange Act of 1934, as amended, require the Fund's officers and Directors, the Investment Adviser, the Subadviser, certain affiliates of the Investment Adviser or Subadviser, and persons who beneficially own more than ten percent of a registered class of the Fund's equity securities, among others, to file reports of ownership and changes in ownership with the Securities and Exchange Commission ("SEC") and the New York Stock Exchange. These persons are required by SEC regulation to furnish the Fund with copies of all Section 16(a) forms they file.

[Based solely on its review of the copies of such forms received by it, or written representations from certain reporting persons, the Fund believes that, during 2005, all such filing requirements were met.]

ANNUAL REPORT TO STOCKHOLDERS

The Fund's Annual Report to Stockholders for the fiscal year ended December 31, 2005 contains financial and other information pertaining to the Fund. The Fund will furnish without charge to each person whose proxy is being solicited, upon request of such person, a copy of the Annual Report to Stockholders. Requests for copies of the Annual Report to Stockholders should be directed to Western

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Asset Income Fund, Attention: Investor Relations, 385 E. Colorado Boulevard, Pasadena, California 91101 or you may call 800-426-5523.

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has selected PricewaterhouseCoopers LLP as the independent registered public accounting firm of the Fund for the fiscal year ending December 31, 2006, and the Board of Directors, including a majority of the Directors who are not "interested persons" (as defined in the 1940 Act) of the Fund, has unanimously ratified such selection. PricewaterhouseCoopers LLP's service is subject to termination by a majority of the outstanding shares of the Fund. [Representatives of PricewaterhouseCoopers LLP are currently expected to attend the meeting, and may, as they see fit, make a statement and/or respond to appropriate questions.]

The following table presents fees billed in each of the last two fiscal years for services rendered to the Fund by PricewaterhouseCoopers LLP:

| FISCAL YEAR ENDED | AUDIT FEES | AUDIT-RELATED FEES | TAX FEES | ALL OTHER FEES |
|-------------------|------------|--------------------|----------|----------------|
| December 31, 2004 | \$36,000 | \$2,500 | \$ 950 | \$0 |
| December 31, 2005 | \$32,200 | \$2,500 | \$1,050 | \$0 |

"Audit Fees" represents fees billed for each of the last two fiscal years for professional services rendered for the audit of the Fund's annual financial statements for those fiscal years or services that are normally provided by the accountant in connection with statutory or regulatory filings or engagements for those fiscal years.

"Audit-Related Fees" represents fees billed for each of the last two fiscal years for assurance and related services reasonably related to the performance of the audit of the Fund's annual financial statements for those years, including interim audit security pricing.

"Tax Fees" represents fees billed for each of the last two fiscal years for professional services related to tax compliance, tax advice and tax planning, including preparation of federal and state income tax returns and preparation of excise tax returns.

"All Other Fees" represents fees, if any, billed for other products and services rendered by PricewaterhouseCoopers LLP to the Fund for the last two fiscal years.

For the fiscal years ended December 31, 2004 and December 31, 2005, PricewaterhouseCoopers LLP billed aggregate non-audit fees in the amounts of \$372,631 and \$202,047, respectively, to the Fund, the

Investment Adviser and any entity controlling, controlled by or under common control with the Investment Adviser that provides ongoing services to the Fund.

Pre-Approval Policies of the Audit Committee. The Audit Committee has determined that all work performed for the Fund by PricewaterhouseCoopers LLP will be pre-approved by the full Audit Committee and, therefore, has not adopted pre-approval procedures. Since May 6, 2003, all audit and non-audit services performed by PricewaterhouseCoopers LLP for the Fund, and all non-audit services performed by PricewaterhouseCoopers LLP for the Investment Adviser and any entity controlling, controlled by or under common control with the Investment

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Adviser that provides ongoing services to the Fund (a "Service Affiliate"), to the extent that such services related directly to the operations and financial reporting of the Fund, have been pre-approved by the Audit Committee. No "Audit-Related Fees," "Tax Fees" and "Other Fees" set forth in the table above were waived pursuant to paragraph (c) (7) (i) (c) of Rule 2-01 of Regulation S-X. PricewaterhouseCoopers LLP did not bill fees for non-audit services that required pre-approval by the Audit Committee pursuant to paragraph (c) (7) (ii) of Rule 2-01 of Regulation S-X during the Fund's fiscal year ended December 31, 2004. PricewaterhouseCoopers LLP billed "Audit-Related Fees" in the amount of \$127,460 for non-audit services (a SAS 70 audit to review and test operating effectiveness of controls placed in operation for the Investment Adviser) that required pre-approval by the Audit Committee pursuant to paragraph (c) (7) (ii) of Rule 2-01 of Regulation S-X during the Fund's fiscal year ended December 31, 2005.

PricewaterhouseCoopers LLP did not bill any "Tax Fees" or "All Other Fees" that required pre-approval by the Audit Committee pursuant to paragraph (c) (7) (ii) of Rule 2-01 of Regulation S-X during the Fund's fiscal year ended December 31, 2005.

The Audit Committee has considered whether the provision of the non-audit services rendered by PricewaterhouseCoopers LLP since May 6, 2003 to the Investment Adviser and any Service Affiliate that were not required to be pre-approved by the Audit Committee pursuant to paragraph (c) (7) (ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the independence of PricewaterhouseCoopers LLP.

ADJOURNMENT

In the absence of a quorum at the Annual Meeting, or (even if a quorum is so present) if sufficient votes in favor of a proposal set forth in the Notice of Annual Meeting are not received by the time scheduled for the Annual Meeting, the persons named as proxies may propose one or more adjournments of the Annual Meeting after the date set for the original Annual Meeting, with no other notice than announcement at the Annual Meeting, to permit further solicitation of proxies with respect to such proposal. In addition, if, in the judgment of the persons named as proxies, it is advisable to defer action on a

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proposal, the persons named as proxies may propose one or more adjournments of the Annual Meeting with respect to such proposal for a reasonable time. Any adjournments with respect to a proposal will require a majority in voting interest of the stockholders present in person or represented by proxy and entitled to vote at the Annual Meeting or, in the absence thereof of all the stockholders, any officer entitled to preside at, or to act as secretary of, the Annual Meeting, may adjourn such meeting from time to time. The persons named as proxies will vote in favor of such adjournment those proxies which they are entitled to vote in favor of the proposal in question. They will vote against any such adjournment those proxies required to be voted against such proposal. The costs of any additional solicitation and of any adjourned session will be borne by the Fund. Any proposals for which sufficient favorable votes have been received by the time of the Annual Meeting may be acted upon and, if so, such action will be final regardless of whether the Annual Meeting is adjourned to permit additional solicitation with respect to any other proposal. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called.

OTHER BUSINESS

The Fund is not aware of any other matters to be presented for action at

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the Annual Meeting. However, if any such other matters are properly presented, it is the intention of the persons designated in the enclosed proxy to vote in accordance with their best judgment.

By Order of the Board of Directors

Lisa G. Mrozek, Secretary

March [], 2006

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WESTERN ASSET INCOME FUND

Dear Stockholder,

Please take note of the important information enclosed with this Proxy Ballot. There are several issues related to the management and operation of your Fund that require your immediate attention and approval. These matters are discussed in detail in the enclosed proxy materials.

Your vote counts, and you are strongly encouraged to exercise your right to vote your shares.

Please mark the boxes on this proxy card to indicate how your shares will be voted. Then sign the card, detach it and return your proxy vote in the enclosed postage paid envelope. Your vote must be received prior to the Annual Meeting of Stockholders, May 9, 2006.

Thank you in advance for your prompt consideration of this matter.

Sincerely,

Western Asset Income Fund

DETACH HERE

WESTERN ASSET INCOME FUND

ANNUAL MEETING OF STOCKHOLDERS - MAY 9, 2006
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF
WESTERN ASSET INCOME FUND

The undersigned, revoking all prior proxies, hereby appoints James W. Hirschmann III, Lisa G. Mrozek and Ilene S. Harker, and each of them, attorneys and proxies of the undersigned, each with full power of substitution, to attend the Annual Meeting of the Stockholders of Western Asset Income Fund, a Delaware corporation (the "Fund"), to be held in the Board Room, Fifth Floor, 385 E. Colorado Blvd., Pasadena, California, on May 9, 2006, at 8:00 a.m., Pacific time, and at any adjournments thereof, and thereat to vote as indicated all shares of the Common Stock of the Fund which the undersigned would be entitled to vote if personally present with respect to the matters listed on the reverse, which are more fully described in the Notice of Meeting and Proxy Statement of the Fund, receipt of which is acknowledged by the undersigned.

PLEASE VOTE, DATE, SIGN ON REVERSE AND RETURN PROMPTLY
USING THE ENCLOSED ENVELOPE.

Please sign this Proxy exactly as your name(s) appear(s) on the reverse side. Joint owners should each sign personally. Trustees and other fiduciaries should

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indicate the capacity in which they sign. If a corporation, this signature should be that of an authorized officer who should state his or her title.

HAS YOUR ADDRESS CHANGED?

DO YOU HAVE ANY COMMENTS?

WESTERN ASSET INCOME FUND

C/O EQUISERVE TRUST COMPANY, N.A.
P.O. BOX 8694
EDISON, NJ 08818-8694

DETACH HERE

[X] Please mark
votes as in
this example

WESTERN ASSET INCOME FUND

1. Election of Directors.

- (01) RONALD J. ARNAULT, (03) ANITA L. DEFRANTZ, (04) RONALD L. OLSON,
- (05) WILLIAM E.B. SIART, (06) LOUIS A. SIMPSON,
- (07) JAYNIE MILLER STUDENMUND

| | |
|----------|--------------|
| FOR [] | [] WITHHELD |
| ALL | FROM ALL |
| NOMINEES | NOMINEES |

[] For all nominees except as noted above

2. Amendment to the Fund's Certificate of Incorporation to add the proposed exculpatory provision.

| | | |
|---------|-------------|-------------|
| FOR [] | [] AGAINST | [] ABSTAIN |
|---------|-------------|-------------|

With discretionary power upon such other matters as may properly come before the meeting or any adjournment thereof.

Mark box at right if an address change or comment has been noted on the reverse side of this card. []

THIS PROXY WILL BE VOTED AS SPECIFIED. IF NO SPECIFICATION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION AS DIRECTORS OF THE NOMINEES OF THE BOARD OF DIRECTORS AND FOR THE AMENDMENT TO THE FUND'S CERTIFICATE OF INCORPORATION.

Please be sure to sign and date this Proxy.

Signature: ----- Date: -----

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Signature: ----- Date: -----