UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21467

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.

Salomon Brothers Asset Management Inc

300 First Stamford Place

Stamford, CT 06902

(Name and address of agent for service)

Registrant s telephone number, including area code: (800) 725-6666

Date of fiscal year end: October 31

Date of reporting period: October 31, 2004

ITEM 1. REPORT TO STOCKHOLDERS.

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

Salomon Brothers

Capital and Income

Fund Inc.

Annual Report

October 31, 2004

American Stock Transfer & Trust Company

59 Maiden Lane

New York, New York 10038

SCDANN 10/04

04-7581

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.

Letter From the Chairman

R. Jay Gerken, CFA

Chairman and President

Dear Shareholder,

Stock prices, as measured by broad equity indices, collectively advanced over the 12 months ending October 31, 2004, although performance varied sharply among sectors and investment styles. The equity market also shifted gears during the period due to investors reaction to mixed signals about the economy.

Last fall, stocks continued to rise as many geopolitical concerns began to ease, and a spate of mortgage refinancings freed up investable cash for investors. Despite positive corporate earnings results, stocks traded in a narrow range during the first quarter of 2004 due to concerns about anemic job growth. During this time, the economy grew at a moderate pace,[i] albeit at significantly stronger levels than during the first half of 2003.

In the spring, the economic recovery became broader based as labor market growth improved dramatically in March and April, although signs suggested a pickup in inflation in the spring as well. As widely anticipated, the Federal Reserve Board (Fed[ii]) proceeded to push short-term interest rates higher, marking its first hike in four years. The Fed raised its target for the closely watched federal funds rate[iii] by 0.25% on three occasions during the reporting period, increasing it from a four-decade low of 1.00% in June to 1.75% in September, and then again to 2.00% on November 10th after the fund s reporting period had ended. Higher rates can help slow a potential acceleration of economic growth and thereby help maintain a balance between that growth and the inflation that can generally accompany it.

As the period came to a close, inflation figures were benign while labor market growth, which had tapered off during the summer, exceeded consensus estimates for October. Crude oil prices, which had risen to record highs in the third quarter, when coupled with investors reaction to terrorism concerns, weakened investor sentiment toward the equity markets. However, reports of a pullback in oil prices and strong third-quarter corporate profits gave stock prices a boost in the final month of the period.

Over the 12 months, stocks of small- and mid-capitalization companies continued to outperform large-caps in general. Value-oriented stocks handily outpaced growth-oriented stocks. International stock markets beat out the broad domestic U.S. market by a wide margin.

Following a sharp sell-off in the spring in anticipation that rates were poised to rise, bonds prices rose later in the period. The bond market benefited in the third quarter when investors reallocated assets from stocks into bonds. However, the fixed-income markets experienced some downward pricing pressures after the reporting period as interest rate concerns resurfaced. Over the 12 months, however, bonds finished in modestly positive territory on a total return basis, but yields were virtually flat.

Please read on for a more detailed look at prevailing economic and market conditions during the fund s fiscal year and to learn how those conditions have affected fund performance.

Information About Your Fund

As you may be aware, several issues in the mutual fund industry have recently come under the scrutiny of federal and state regulators. The fund s Adviser and some of its affiliates have received requests for information from various government regulators regarding market timing, late trading, fees, and other mutual fund issues in connection with various investigations. The fund has been informed that the

Adviser and its affiliates are responding to those information requests, but are not in a position to predict the outcome of these requests and investigations.

In November 2003, Citigroup Asset Management (CAM) disclosed an investigation by the Securities and Exchange Commission (SEC) and the U.S. Attorney relating to Citigroup Asset Management s entry into the transfer agency business during 1997-1999. Citigroup has disclosed that the Staff of the SEC is considering recommending a civil injunctive action and/or an administrative proceeding against certain advisory and transfer agent entities affiliated with Citigroup, the former CEO of CAM, two former employees and a current employee of CAM, relating to the creation, operation and fees of its internal transfer agent unit that serves various CAM-managed funds. This internal transfer agent did not provide services to the fund. Citigroup is cooperating with the SEC and will seek to resolve this matter in discussion with the SEC Staff. Although there can be no assurance, Citigroup does not believe that this matter will have a material adverse effect on the fund.

As always, thank you for your confidence in our stewardship of your assets. We look forward to helping you continue to meet your financial goals.

Sincerely,

R. Jay Gerken, CFA

Chairman and President

November 15, 2004

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.

Manager Overview

Performance Review

Since its inception on February 24, 2004, the Salomon Brothers Capital and Income Fund returned -10.74%, based on its New York Stock Exchange (NYSE) market price and 1.06% based on its net asset value (NAV)[iv] per share. In comparison, the Lipper income and preferred stock closed-end funds category average[v] was 3.41% over the eight months ended October 31, 2004. Please note that Lipper performance returns are based on each fund s NAV.

Since its inception, the fund distributed dividends to shareholders totaling $0.60 per share. The performance table shows the fund s 30-day SEC as well as its total return since inception based on its NAV and market price as of October 31, 2004. **Past performance is no guarantee of future results. The fund s yields will vary.**

FUND PERFORMANCE AS OF OCTOBER 31, 2004

Price Per Share	30-Day SEC Yield	Total Return Since Inception
$ 18.64 (NAV)	3.20%	1.06%
$ 17.24 (NYSE)	3.46%	-10.74%

All figures represent past performance and are not a guarantee of future results. The fund s yields will vary.

Total returns are based on changes in NAV or market price, respectively. Total returns assume the reinvestment of all dividends and/or capital gains distributions, if any, in additional shares. The SEC yield is a return figure often quoted by bond and other fixed-income mutual funds. This quotation is based on the most recent 30-day (or one-month) period covered by the fund s filings with the SEC. The yield figure reflects the dividends and interest earned during the period after deduction of the fund s expenses for the period. These yields are as of October 31, 2004 and are subject to change.

Market Overview for the Period From February 24, 2004 to October 31, 2004

The U.S. stock market, as represented by the S&P 500 Index,[vi] turned in a 0.37% total return for the period. This tepid performance came despite strong corporate profit growth and low interest rates. Within the S&P 500 Index there was considerable performance dispersion. Industry sectors, such as energy, utilities, industrials and telecom performed relatively well, while healthcare, technology and consumer staples meaningfully underperformed. Among the large-cap equities, value stocks substantially outperformed growth stocks as reflected by the performance of the S&P 500/Barra Value Index,[vii] which increased 3.80% and the S&P 500/Barra Growth Index,[viii] which decreased 3.02%. Small-cap stocks outperformed large-cap stocks as represented by the small-cap Russell 2000 Index,[ix] which increased 2.87% and the large-cap Russell 1000 Index,[x] which increased 0.53%. Market volatility, as represented by the VIX,[xi] remained surprisingly low despite tumultuous energy markets, an unsettled geopolitical environment and a close, hard-fought U.S. Presidential election.

Overall, the fixed income markets performed substantially better than the S&P 500 Index during the period. The high yield and emerging markets debt markets in particular had solid returns, as investors were hard-pressed to find attractive yields in other fixed income asset classes. Strong corporate cash flows also helped high yield while high commodity prices benefited emerging markets issuers, many of whom have natural resource-based economies.

Fund Overview for the Period

The fund began the period of this report investing in the proceeds of its initial public offering in both equity and fixed income securities. We borrowed $120 million under our credit facility in May and invested these proceeds as well. We did not borrow additional funds under our credit facility until September due to extremely strong U.S. economic growth in the second quarter and concerns that interest rates may have quickly moved substantially higher to counter any perceived risk of higher inflation. We believed that such borrowing would have raised the fund s borrowing costs, significantly reduced the value of interest-rate sensitive assets in the fund, and may have also negatively impacted the equity markets. By waiting, we hoped to purchase fixed income assets at higher yields and equity securities at lower price/earnings multiples.

We tempered our view on rising interest rates as evidence accumulated that the pace of economic growth moderated during the summer. While interest rates at the short end of the yield curve had moved up due to increases in the federal funds rate, longer-term interest rates remained fairly stable reflecting a continued moderate inflation outlook. This gave us greater comfort that there was not going to be a severe downturn in the bond and stock markets and in September we borrowed and began investing an additional $100 million.

The performance of the equity portion of the fund was driven by both asset allocation and security selection. Among the strongest contributing sectors to fund performance included the financials, energy and telecommunication services sectors. The securities making the largest positive contributions included **Total SA**, **BP PLC**, **McAfee Inc.**, **SpectraSite Inc.**, and **ProLogis**. The consumer discretionary, industrials and healthcare sectors detracted from performance. Securities that detracted the most from performance included **Pfizer Inc.**, **Navistar International Corp.**, **OSI Pharmaceuticals Inc.**, **Nortel Networks Corp.**, and **ADC Telecommunications Inc.** Within the fixed income portion of the fund, the emerging markets debt and high yield bond investments significantly outperformed the S&P 500 Index.

Looking for Additional Information?

The fund is traded under the symbol SCD and its closing market price is available in most newspapers under the NYSE listings. The daily NAV is available on-line under symbol XSCDX. *Barron s* and *The Wall Street Journal s* Monday editions carry closed-end fund tables that will provide additional information. In addition, the fund issues a quarterly press release that can be found on most major financial websites as well as www.sbam.com.

In a continuing effort to provide information concerning the fund, shareholders may call 1-888-777-0102 or 1-800-SALOMON (toll free), Monday through Friday from 8:00 a.m. to 6:00 p.m. Eastern Time, for the fund s current NAV, market price, and other information.

Thank you for your investment in the Salomon Brothers Capital and Income Fund. As ever, we appreciate that you have chosen us to manage your assets and we remain focused on achieving the fund s investment goals.

Sincerely,

Mark J. McAllister, CFA

Executive Vice President

November 15, 2004

The information provided is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed may differ from those of the firm as a whole.

Portfolio holdings and breakdowns are as of October 31, 2004 and are subject to change and may not be representative of the portfolio manager s current or future investments. The fund s top ten holdings as of this date were: Freddie Mac, Gold, 6.000% due 2/1/34 (2.97%), Russian Federation, 5.000% due 3/31/30 (2.71%), Total SA, Sponsored ADR (2.43%), Freddie Mac, Gold, 6.000% due 9/1/32 (2.22%), Pfizer Inc. (2.10%), Federal Republic of Brazil, 12.250% due 3/6/30 (1.90%), United Mexican States, 8.125% due 12/30/19 (1.48%), Host Marriot Finance Trust, 6.750% Quarterly Income Preferred Securities (1.48%), General Electric Co. (1.44%), El Paso Corp., Zero Coupon, Debentures, due 2/28/21 (1.40%). Please refer to pages 7 through 28 for a list and percentage breakdown of the fund s holdings.

The mention of sector breakdowns is for informational purposes only and should not be construed as a recommendation to purchase or sell any securities. The information provided regarding such sectors is not a sufficient basis upon which to make an investment decision. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies discussed should consult their financial professional. Portfolio holdings are subject to change at any time and may not be representative of the portfolio manager s current or future investments. The fund s top five sector holdings as of October 31, 2004 were: Common Stock (57.84%); Corporate Bonds (20.92%); Sovereign Bonds (17.00%); Convertible Bonds (10.08%); Asset-Backed Securities (9.53%). The fund s portfolio composition is subject to change at any time.

RISKS: Like any investment where there is risk of loss, you may not be able to sell the shares for the same amount that you purchased them. The fund may use derivatives, such as options and futures, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on fund performance. Leverage may magnify gains and increase losses in the fund s portfolio.

All index performance reflects no deduction for fees, expenses or taxes. Please note that an investor cannot invest directly in an index.

[i] Source: Commerce Department (Bureau of Economic Analysis). Refers to quarterly growth of Gross Domestic Product (GDP). Gross domestic product is a market value of goods and services produced by labor and property in a given country.

[ii] Source: U.S. Federal Reserve Board. The Fed is responsible for the formulation of a policy designed to promote economic growth, full employment, stable prices, and a sustainable pattern of international trade and payments.

[iii] The federal funds rate is the interest rate that banks with excess reserves at a Federal Reserve district bank charge other banks that need overnight loans.

[iv] NAV is calculated by subtracting total liabilities from the closing value of all securities held by the fund (plus all other assets) and dividing the result (total net assets) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the fund has invested. However, the price at which an investor may buy or sell shares of the fund is at the fund s market price as determined by supply of and demand for the fund s shares.

[v] Lipper, Inc. is a major independent mutual-fund tracking organization. Returns are based on the 8-month period ended October 31, 2004, calculated among the 30 funds in the fund s Lipper category, including the reinvestment of dividends and capital gains, if any.

[vi] The S&P 500 Index is a market capitalization-weighted index of 500 widely held common stocks.

[vii] The S&P 500/Barra Value Index is a market-capitalization weighted index of stocks in the S&P 500 having lower price-to-book ratios relative to the S&P 500 as a whole. (A price-to-book ratio is the price of a stock compared to the difference between a company s assets and liabilities.)

[viii] The S&P 500/Barra Growth Index is a market-capitalization weighted index of stocks in the S&P 500 having higher price-to-book ratios relative to the S&P 500 as a whole.

[ix] The Russell 2000 Index measures the performance of the 2000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

[x] The Russell 1000 Index measures the performance of the 1000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index.

[xi] The Chicago Board Options Exchange SPX Volatility Index reflects a market estimate of future volatility, based on the weighted average of the implied volatilities for a wide range of strikes, first and second month expirations are used until eight days from expiration, then the second and third are used.

Fund at a Glance (unaudited)

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.

Schedule of Investments

October 31, 2004

Shares	Security	Value
Common Stock 57.8%		
Consumer Discretionary 5.9%		
Hotels Restaurants & Leisure 0.3%		
30,000	Brinker International, Inc. (a)	$ 969,000
30,100	McDonald s Corp.	877,415
		1,846,415
Household Durables 0.4%		
118,900	Newell Rubbermaid Inc.	2,563,484
Leisure Equipment & Products 0.3%		
100,400	Mattel, Inc. (b)	1,758,004
Media 3.7%		
178,100	Cablevision Systems Corp., NY Group Class A Shares (a)(b)	3,665,298
23,500	Comcast Corp., Class A Shares (a)	693,250
112,300	EchoStar Communications Corp., Class A Shares (a)	3,550,926
54,500	The Interpublic Group of Cos., Inc. (a)(b)	668,170
149,400	Liberty Media Corp., Series A Shares (a)	1,332,648
57,575	Liberty Media International, Inc., Series A Shares (a)	2,075,579
50,600	The News Corp. Ltd., Sponsored ADR	1,590,864
35,400	NTL Inc. (a)	2,354,454
85,600	SES Global-FDR	883,895
140,500	Time Warner Inc. (a)	2,337,920
97,000	Viacom Inc., Class B Shares (b)	3,539,530
		22,692,534
Multi-line Retail 0.7%		
52,900	Federated Department Stores, Inc. (b)	2,668,805
25,000	Wal-Mart Stores, Inc.	1,348,000
		4,016,805
Textiles & Apparel 0.2%		
30,000	Reebok International Ltd.	1,110,000
Specialty Retail 0.3%		
35,000	Boise Cascade Corp. (a)	1,033,200
25,000	Regis Corp.	1,070,000
		2,103,200
	Total Consumer Discretionary	**36,090,442**

See Notes to Financial Statements.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC .

Schedule of Investments (continued)

October 31, 2004

Shares	Security	Value
Consumer Staples 2.5%		
Beverages 0.2%		
25,000	PepsiCo, Inc.	$ 1,239,500
Food & Drug Retailing 0.6%		
165,000	The Kroger Co. (a)	2,493,150
42,400	Performance Food Group Co. (a)(b)	986,224
		3,479,374
Food Products 0.4%		
24,100	Kellogg Co.	1,036,300
65,000	Sara Lee Corp.	1,513,200
		2,549,500
Household Products 0.5%		
35,700	Kimberly-Clark Corp.	2,130,219
15,000	The Procter & Gamble Co.	767,700
		2,897,919
Personal Products 0.2%		
25,000	The Estee Lauder Cos. Inc., Class A Shares	1,073,750
Tobacco 0.6%		
84,300	Altria Group, Inc.	4,085,178
	Total Consumer Staples	**15,325,221**
Energy 7.7%		
Energy Equipment & Services 2.8%		
108,500	ENSCO International Inc. (b)	3,314,675
96,700	GlobalSantaFe Corp.	2,852,650
60,400	Nabors Industries, Ltd. (a)	2,966,848
238,300	Patterson-UTI Energy, Inc.	4,582,509
112,700	Rowan Cos., Inc. (a)	2,877,231
60,300	Superior Energy Services, Inc. (a)	777,267
		17,371,180
Oil & Gas 4.9%		
54,700	BP PLC, Sponsored ADR	3,186,275
24,000	LUKOIL, Sponsored ADR (a)	2,994,000
87,200	Marathon Oil Corp. (b)	3,323,192
107,357	Nexen Inc.	4,569,114

See Notes to Financial Statements.

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SALOMON BROTHERS CAPITAL AND INCOME FUND INC.

Schedule of Investments (continued)

October 31, 2004

Shares	Security	Value
Oil & Gas 4.9% (continued)		
160,800	Pioneer Drilling Co. (a)(b)	$ 1,300,872
143,000	Total SA, Sponsored ADR	14,912,040
		30,285,493
	Total Energy	**47,656,673**
Financials 15.1%		
Banks 2.1%		
94,052	Bank of America Corp.	4,212,589
19,100	The Bank of New York Co., Inc.	619,986
16,400	Comerica Inc. (b)	1,008,764
1,700	Golden West Financial Corp.	198,764
7,900	M&T Bank Corp.	813,700
14,400	U.S. Bancorp	411,984
16,500	Wachovia Corp. (b)	811,965
64,800	Wells Fargo & Co.	3,869,856
13,000	Zions Bancorp. (b)	860,210
		12,807,818
Diversified Financials 1.8%		
11,300	American Express Co.	599,691
21,000	Capital One Financial Corp.	1,548,960
6,600	Countrywide Financial Corp.	210,738
56,050	Federal Home Loan Mortgage Corp.	3,732,930
6,600	The Goldman Sachs Group, Inc.	649,308
40,040	JPMorgan Chase & Co.	1,545,544
8,000	Lehman Brothers Holdings Inc.	657,200
13,000	MBNA Corp.	333,190
35,100	Merrill Lynch & Co., Inc.	1,893,294
		11,170,855
Insurance 0.9%		
28,700	American International Group, Inc.	1,742,377
8	Berkshire Hathaway Inc., Class A Shares (a)(b)	674,000
8,000	The Hartford Financial Services Group, Inc.	467,840
15,300	IPC Holdings, Ltd.	619,038
26,000	PartnerRe Ltd. (b)	1,511,900
17,250	Willis Group Holdings Ltd.	620,137
		5,635,292

See Notes to Financial Statements.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC .

Schedule of Investments (continued)

October 31, 2004

Shares	Security	Value
Real Estate	**10.3%**	
19,300	Alexandria Real Estate Equities, Inc. (b)	$ 1,274,765
65,200	AMB Property Corp.	2,445,000
155,000	American Financial Realty Trust	2,278,500
7,400	Apartment Investment and Management Co., Class A Shares	271,506
62,100	Archstone-Smith Trust	2,083,455
60,000	Arden Realty, Inc.	2,044,800
25,000	Ashford Hospitality Trust Inc.	242,250
31,900	AvalonBay Communities Inc. (b)	2,088,493
46,500	BioMed Realty Trust, Inc. (b)	845,370
17,200	Boston Properties Inc. (b)	1,027,184
12,400	BRE Properties Inc., Class A Shares (b)	494,760
66,800	CarrAmerica Realty Corp.	2,152,964
12,000	Developers Diversified Realty Corp. (b)	501,600
20,900	Duke Realty Corp. (b)	712,690
218,000	Equity Office Properties Trust (b)	6,130,160
50,200	Equity Residential (b)	1,674,170
29,800	Federal Realty Investment Trust	1,414,010
67,400	General Growth Properties Inc.	2,223,526
22,500	Gramercy Capital Corp. (a)(b)	366,750
57,900	Heritage Property Investment Trust (b)	1,771,161
27,000	Highwoods Properties, Inc.	669,870
90,000	iStar Financial Inc.	3,727,800
12,400	Kimco Realty Corp.	676,420
70,000	Liberty Property Trust	2,838,500
7,400	The Macerich Co.	442,150
100,000	Maguire Properties, Inc.	2,615,000
105,000	New Plan Excel Realty Trust, Inc. (b)	2,746,800
7,200	Pan Pacific Retail Properties, Inc. (b)	407,880
60,000	Prentiss Properties Trust (b)	2,158,800
107,000	ProLogis	4,170,860
39,200	PS Business Parks Inc.	1,721,664
21,000	Public Storage Inc.	1,097,250
26,393	Reckson Associates Realty Corp. (b)	801,028
34,500	Simon Property Group, Inc.	2,012,040
45,900	SL Green Realty Corp.	2,516,238
25,000	United Dominion Realty Trust, Inc.	527,000
26,900	Vornado Realty Trust	1,807,680
		62,980,094
	Total Financials	**92,594,059**

See Notes to Financial Statements.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC .

Schedule of Investments (continued)

October 31, 2004

Shares	Security	Value
Healthcare 7.4%		
Biotechnology 1.5%		
49,800	Amgen Inc. (a)	$ 2,828,640
80,400	InterMune, Inc. (a)(b)	1,042,788
64,700	OSI Pharmaceuticals, Inc. (a)	4,204,206
60,400	Transkaryotic Therapies, Inc. (a)(b)	1,045,524
		9,121,158
Healthcare Equipment & Supplies 1.0%		
108,900	DJ Orthopedics, Inc. (a)(b)	1,856,745
50,000	Fisher Scientific International Inc. (a)(b)	2,868,000
17,900	Guidant Corp.	1,192,498
		5,917,243
Pharmaceuticals 4.9%		
276,300	GlaxoSmithKline PLC	5,814,142
127,800	GlaxoSmithKline PLC, Sponsored ADR (b)	5,418,720
445,800	Pfizer Inc.	12,905,910
2,600	Roche Holding AG	265,532
19,000	Sepracor Inc. (a)(b)	872,670
40,000	Teva Pharmaceutical Industries Ltd., Sponsored ADR	1,040,000
105,000	Wyeth	4,163,250
		30,480,224
	Total Healthcare	**45,518,625**
Industrials 5.8%		
Aerospace & Defense 1.2%		
78,100	The Boeing Co.	3,897,190
20,100	Lockheed Martin Corp.	1,107,309
68,600	Raytheon Co.	2,502,528
		7,507,027
Building Products 0.3%		
52,800	American Standard Cos. Inc. (a)	1,930,896
Commercial Services & Supplies 0.7%		
35,700	Avery Dennison Corp.	2,171,988
60,000	R.R. Donnelley & Sons Co.	1,887,000
		4,058,988
Construction & Engineering 0.4%		
73,500	Chicago Bridge & Iron Company N.V.	2,274,825

See Notes to Financial Statements.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.

Schedule of Investments (continued)

October 31, 2004

Shares	Security	Value
Industrial Conglomerates 2.4%		
259,800	General Electric Co.	$ 8,864,376
77,900	Honeywell International Inc.	2,623,672
107,500	Tyco International Ltd.	3,348,625
		14,836,673
Machinery 0.7%		
131,300	Navistar International Corp. (a)(b)	4,536,415
Trading Companies & Distributors 0.1%		
9,600	MSC Industrial Direct Co., Class A Shares	327,744
	Total Industrials	**35,472,568**
Information Technology 5.0%		
Communications Equipment 2.3%		
328,600	3Com Corp. (a)	1,360,404
1,826,200	ADC Telecommunications, Inc. (a)(b)	4,035,902
81,400	Comverse Technology, Inc. (a)	1,680,096
99,000	Nokia Oyj, Sponsored ADR (b)	1,526,580
1,667,000	Nortel Networks Corp. (a)	5,651,130
4,100	Polycom, Inc. (a)	84,665
		14,338,777
Computers & Peripherals 0.6%		
124,700	Hewlett-Packard Co.	2,326,902
20,000	Lexmark International, Inc., Class A Shares (a)	1,662,200
		3,989,102
Electronic Equipment & Instruments 0.3%		
112,500	Celestica, Inc., Subordinate Voting Shares (a)	1,629,000
Internet Software & Services 1.0%		
87,000	Digitas Inc. (a)(b)	783,000
230,100	McAfee Inc. (a)	5,568,420
		6,351,420
Software 0.8%		
132,200	Microsoft Corp.	3,700,278
52,900	Novell, Inc. (a)(b)	380,351
30,000	VERITAS Software Corp. (a)	656,400
		4,737,029

Total Information Technology	**31,045,328**

See Notes to Financial Statements.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.

Schedule of Investments (continued)

October 31, 2004

Shares	Security	Value
Materials 2.5%		
Containers & Packaging 0.2%		
67,200	Smurfit-Stone Container Corp. (a)(b)	$ 1,166,592
Metals & Mining 1.4%		
65,000	Alcoa Inc.	2,112,500
59,000	Arch Coal, Inc.	1,918,680
81,200	Barrick Gold Corp.	1,827,812
57,900	Compass Minerals International Inc.	1,240,218
50,000	Massey Energy Co.	1,346,500
		8,445,710
Paper & Forest Products 0.9%		
19,100	Bowater Inc. (b)	703,644
132,000	International Paper Co. (b)	5,083,320
		5,786,964
	Total Materials	**15,399,266**
Telecommunication Services 2.6%		
Diversified Telecommunication Services 1.5%		
336,300	Citizens Communications Co. (b)	4,506,420
268,100	MCI Inc.	4,624,725
		9,131,145
Wireless Telecommunication Services 1.1%		
142,500	Nextel Communications, Inc., Class A Shares (a)	3,774,825
65,300	Spectrasite Inc. (a)	3,349,890
		7,124,715
	Total Telecommunication Services	**16,255,860**
Utilities 3.3%		
Electric Utilities 1.3%		
9,500	Entergy Corp.	620,920
50,300	FirstEnergy Corp.	2,078,899
51,300	Great Plains Energy, Inc.	1,461,537
59,000	PG&E Corp. (a)(b)	1,890,360
29,700	PPL Corp. (b)	1,544,400
		7,596,116

See Notes to Financial Statements.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.

Schedule of Investments (continued)

October 31, 2004

Shares	Security	Value
Gas Utilities 0.9%		
430,900	El Paso Corp. (b)	$ 3,852,246
78,230	Southern Union Co. (a)(b)	1,718,713
		5,570,959
Multi-Utilities 1.1%		
166,400	CMS Energy Corp. (a)(b)	1,557,504
63,300	NiSource Inc.	1,357,785
43,000	Public Service Enterprise Group Inc.	1,831,370
61,000	Sempra Energy	2,045,940
		6,792,599
	Total Utilities	**19,959,674**
	Total Common Stock (Cost $351,049,976)	**355,317,716**

Preferred Stock 0.1%
Consumer Discretionary 0.1%

Shares	Security	Value
Auto Components 0.1%		
14,000	Delphi Trust I, 8.250% Cumulative Trust Preferred Securities (Cost $368,200)	**356,300**

Convertible Preferred Stocks 4.6%
Energy 0.3%

Shares	Security	Value
Energy Equipment & Services 0.3%		
38,000	Hanover Compressor Capital Trust, 7.250% Preferred Securities (b)	**1,919,000**

Financials 4.1%

Shares	Security	Value
Banks 1.7%		
60,000	Commerce Capital Trust II, 5.950% Trust Preferred Securities	3,757,500
140,000	Sovereign Capital Trust IV, 4.375% Contingent Trust Preferred Equity Redeemable Securities	6,667,500
		10,425,000
Diversified Financials 0.6%		
75,000	Capital One Financial Corp., 6.250%	3,951,750
Real Estate 1.8%		
167,000	Host Marriott Finance Trust, 6.750% Quarterly Income Preferred Securities	9,018,000
39,000	Simon Property Group, Inc., 6.000% Perpetual, Series I	2,120,430
		11,138,430
	Total Financials	**25,515,180**

See Notes to Financial Statements.

SALOMON BROTHERS CAPITAL AND INCOME FUND INC.

Schedule of Investments (continued)

October 31, 2004

Shares	Security	Value
Telecommunication Services 0.2%		
Wireless Telecommunication Services 0.2%		
22,500	Dobson Communications Corp., 6% Cumulative, Series F (b)	**$ 1,135,036**
	Total Convertible Preferred Stock (Cost $30,354,041)	**28,569,216**
Rights/Warrants 0.0%		
6,740	General Growth Properties Rights (Cost $0) (g)	**5,122**

Face Amount	Security	Value
Corporate Bonds 20.9%		
Basic Industries 3.9%		
$ 440,000	Abitibi-Consolidated Inc., Debentures, 8.850% due 8/1/30	447,700
300,000	AK Steel Corp., 7.875% due 2/15/09 (b)	306,000
500,000	Anchor Glass Container Corp., Sr. Secured Notes, 11.000% due 2/15/13	560,000
500,000	Appleton Papers Inc., Sr. Sub. Notes, Series B, 9.750% due 6/15/14	525,000
500,000	BCP Caylux Holdings Luxembourg SCA, Sr. Sub. Notes, 9.625% due 6/15/14 (c)	562,500
1,000,000	Berry Plastics Corp., 10.750% due 7/15/12	1,155,000
500,000	Borden US Finance Corp., Secured Notes, 9.000% due 7/15/14 (c)	549,375
250,000	Bowater Inc. Notes, 6.500% due 6/15/13 (b)	251,896
500,000	Buckeye Cellulose Corp., Sr. Sub. Notes, 9.250% due 9/15/08	503,750
1,000,000	Compass Minerals Group, Inc., 10.000% due 8/15/11	1,125,000
1,000,000	Equistar Chemicals L.P./Equistar Funding Corp., Sr. Notes, 10.625% due 5/1/11	1,160,000
500,000	Hercules Inc., Sr. Sub. Notes, 6.750% due 10/15/29	512,500
1,000,000	Huntsman International LLC, Sr. Sub. Notes, 10.125% due 7/1/09	1,055,000
475,000	IMCO Recycling Inc., Sr. Secured Notes, 10.375% due 10/15/10	532,000
325,000	ISPAT Inland ULC, Sr. Secured Notes, 9.750% due 4/1/14	396,500
500,000	ISP Holdings Inc., Sr. Secured Notes, Series B, 10.625% due 12/15/09	555,000
500,000	Jefferson Smurfit Corp., 8.250% due 10/1/12	557,500
750,000	JSG Funding PLC, Sr. Notes, 9.625% due 10/1/12	858,750
1,000,000	Koppers Inc., Sr. Secured Notes, 9.875% due 10/15/13	1,135,000
1,000,000	Lyondell Chemical Co., Sr. Secured Notes, 11.125% due 7/15/12 (b)	1,183,750
1,000,000	Millennium America Inc., Sr. Notes, 9.250% due 6/15/08	1,120,000
	Mueller Holdings Inc.:	
775,000	Sr. Discount Notes, (zero coupon until 4/15/09, 14.750% therafter) due 4/15/14	499,875
225,000	Sr. Sub. Notes, 10.000% due 5/1/12	244,125
500,000	Nalco Company, Sr. Sub. Notes, 8.875% due 11/15/13	550,625
1,000,000	Newark Group, Inc., Sr. Sub. Notes, 9.750% due 3/15/14 (c)	1,045,000

See Notes to Financial Statements.

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Schedule of Investments (continued)

October 31, 2004

Face Amount	Security	Value
Basic Industries 3.9% (continued)		
$ 1,000,000		