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

LMP Capital and Income Fund Inc.
(Exact name of registrant as specified in charter)

55 Water Street, New York, NY (Address of principal executive offices)	10041 (Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

100 First Stamford Place

Stamford, CT 06902
(Name and address of agent for service)

Registrant s telephone number, including area code: (888)777-0102

Date of fiscal year end: December 31,

Date of reporting period: June 30, 2009

ITEM 1. REPORT TO STOCKHOLDERS.

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

SEMI-ANNUAL REPORT / JUNE 30, 2009

LMP Capital and Income Fund Inc.

(SCD)

Managed by **CLEARBRIDGE ADVISORS WESTERN ASSET**

INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

Fund objective

The Fund s investment objective is total return with an emphasis on income.

What s inside

Legg Mason Partners Fund Advisor, LLC (LMPFA) is the Fund s investment manager. ClearBridge Advisors, LLC (ClearBridge), Western Asset Management Company (Western Asset) and Western Asset Management Company Limited (Western Asset Limited) are the Fund s subadvisers. LMPFA, ClearBridge, Western Asset and Western Asset Limited are wholly-owned subsidiaries of Legg Mason, Inc.

Letter from the chairman

Dear Shareholder,

The U.S. economy remained weak during the six-month reporting period ended June 30, 2009. Looking back, the U.S. Department of Commerce reported that third and fourth quarter 2008 U.S. gross domestic product (GDP)i contracted 2.7% and 5.4%, respectively. Economic contraction has continued in 2009 as GDP fell 6.4% during the first quarter and the advance estimate for the second quarter is a 1.0% decline. The economy s more modest contraction in the second quarter was due, in part, to smaller declines in exports and business spending.

The U.S. recession, which began in December 2007, now has the dubious distinction of being the lengthiest since the Great Depression. Contributing to the economy s troubles has been extreme weakness in the labor market. Since December 2007, approximately six and a half million jobs have been shed and we have experienced eighteen consecutive months of job losses. In addition, the unemployment rate continued to move steadily higher, rising from 9.4% in May to 9.5% in June 2009, to reach its highest rate since August 1983.

Another strain on the economy, the housing market, may finally be getting closer to reaching a bottom. After plunging late in 2008, new single-family home starts have been fairly stable in recent months and, while home prices have continued to fall, the pace of the decline has moderated somewhat. Other recent economic news also seemed to be less negative. Inflation remained low, manufacturing contracted at a slower pace and inventory levels were drawn down.

Ongoing issues related to the housing and subprime mortgage markets and seizing credit markets prompted the Federal Reserve Board (Fed)ii to take aggressive and, in some cases, unprecedented actions. After reducing the federal funds rateiii from 5.25% in August 2007 to a range of 0 to 1/4 percent in December 2008 a historic low the Fed has maintained this stance thus far in 2009. In conjunction with its June meeting, the Fed stated that it will maintain the target range for the federal funds rate at 0 to 1/4 percent and

Letter from the chairman *continued*

continues to anticipate that economic conditions are likely to warrant exceptionally low levels of the federal funds rate for an extended period.

In addition to maintaining extremely low short-term interest rates, the Fed took several actions to improve liquidity in the credit markets. Back in September 2008, it announced an $85 billion rescue plan for ailing AIG and pumped $70 billion into the financial system as Lehman Brothers bankruptcy and mounting troubles at other financial firms roiled the markets. More recently, the Fed has taken additional measures to thaw the frozen credit markets, including the purchase of debt issued by Fannie Mae and Freddie Mac, as well as introducing the Term Asset-Backed Securities Loan Facility (TALF). In March 2009, the Fed continued to pursue aggressive measures as it announced its intentions to:

- Purchase up to an additional $750 billion of agency mortgage-backed securities, bringing its total purchases of these securities to up to $1.25 trillion in 2009.

- Increase its purchases of agency debt this year by up to $100 billion to a total of up to $200 billion.

- Buy up to $300 billion of longer-term Treasury securities over the next six months.

The U.S. Department of the Treasury has also taken an active role in attempting to stabilize the financial system, as it orchestrated the government s takeover of mortgage giants Fannie Mae and Freddie Mac in September 2008. In October, the Treasury s $700 billion Troubled Asset Relief Program (TARP) was approved by Congress and signed into law by former President Bush. Then, in March 2009, Treasury Secretary Geithner introduced the Public-Private Partnership Investment Program (PPIP), which is intended to facilitate the purchase of troubled mortgage assets from bank balance sheets. President Obama has also made reviving the economy a priority in his administration, the cornerstone thus far being the $787 billion stimulus package that was signed into law in February 2009.

Despite an extremely poor start, the U.S. stock market, as measured by the S&P 500 Index[iv] (the Index), generated a positive return for the six months ended June 30, 2009. Continued fallout from the financial crisis and a rapidly weakening economy caused the market to fall sharply in January and February 2009, with the Index returning -8.43% and -10.65%, respectively. Stock prices continued to plunge in early March, reaching a twelve-year low on March 9th. Stocks then rallied sharply, rising approximately 36% from their March low through the end of June 2009. This rebound was due to a variety of factors, including optimism that the economy was bottoming and that corporate profits would improve as the year progressed. All told, the Index gained 3.16% over the six-month reporting period.

Both short- and long-term Treasury yields fluctuated during the reporting period. This was often prompted by changing perceptions regarding the economy, future Fed policy decisions and the government s initiatives to stabilize the financial system. When the period began, Treasury yields were extremely low, given numerous flights to quality in 2008 that were triggered by the financial crisis. After starting the period at 0.76% and 2.25%, respectively, two- and ten-year Treasury yields drifted even lower (and their prices higher) in mid-January 2009. Yields then generally moved higher (and their prices lower) until early June. Two- and ten-year yields peaked at 1.42% and 3.98%, respectively, before falling and ending the reporting period at 1.11% and 3.53%. Over the six months ended June 30, 2009, longer-term yields moved higher than their shorter-term counterparts due to fears of future inflation given the government s massive stimulus program. In a reversal from 2008, investor risk aversion faded as the six-month reporting period progressed, driving spread sector (non-Treasury) prices higher. For the six-month period ended June 30, 2009, the Barclays Capital U.S. Aggregate Index[v] returned 1.90%.

Performance review

For the six months ended June 30, 2009, LMP Capital and Income Fund Inc. returned 10.68% based on its net asset value (NAV)[vi] and 15.01% based on its New York Stock Exchange (NYSE) market price per share. The Fund s unmanaged benchmarks, the Barclays Capital U.S. Aggregate Index and the S&P 500 Index, returned 1.90% and 3.16%, respectively, over the same time frame. The Fund s Lipper Income and Preferred Stock Closed-End Funds Category Average[vii] returned 17.19% for the same period. Please note that Lipper performance returns are based on each fund s NAV.

During this six-month period, the Fund made distributions to shareholders totaling $0.26 per share, which may have included a return of capital. The performance table shows the Fund s six-month total return based on its NAV and market price as of June 30, 2009. **Past performance is no guarantee of future results.**

PERFORMANCE SNAPSHOT as of June 30, 2009 (unaudited)

PRICE PER SHARE	6-MONTH TOTAL RETURN* (not annualized)
$10.86 (NAV)	10.68%
$8.60 (Market Price)	15.01%

All figures represent past performance and are not a guarantee of future results.

***Total returns are based on changes in NAV or market price, respectively. Total returns assume the reinvestment of all distributions, including returns of capital, if any, in additional shares in accordance with the Fund s Dividend Reinvestment Plan.**

Letter from the chairman *continued*

Special shareholder notice

On August 5, 2009, the Fund announced that effective immediately, Harry D. Hersh Cohen, Peter Vanderlee, CFA, and Michael Clarfeld, CFA, of ClearBridge Advisors, LLC (ClearBridge Advisors) have been named lead portfolio managers of the Fund. As the lead portfolio managers, they are responsible for the day-to-day management of the Fund s equity assets and for the allocation of the Fund s assets between equity and fixed-income investments. The portfolio management team from Western Asset Management Company will continue to be responsible for the Fund s fixed-income investments.

As of June 30, 2009, ClearBridge Advisors had approximately $47.1 billion in assets under management. Hersh Cohen, Peter Vanderlee and Michael Clarfeld collectively bring with them over sixty years of investment industry experience.

Hersh Cohen is Chief Investment Officer, Managing Director and Senior Portfolio Manager with ClearBridge Advisors, a unit of Legg Mason, Inc. (Legg Mason). Mr. Cohen has over forty years of investment industry experience and was a nominee for Morningstar s Domestic-Equity Manager of the Year in 2008 for Legg Mason Partners Appreciation Fund. Mr. Cohen received his BA from Western Reserve University and earned a PhD in Psychology from Tufts University.

Peter Vanderlee is a Managing Director and Portfolio Manager with ClearBridge Advisors. He has ten years of investment management experience and twelve years of related investment experience. He received his MS from the University of Technology, Eindhoven, Holland, and earned his MBA from New York University. He is a member of the CFA Institute.

Michael Clarfeld is a Director and Portfolio Manager with ClearBridge Advisors. He has ten years of investment management experience. He received his BA from Duke University and is a member of the CFA Institute and the New York Society of Security Analysts.

Legg Mason Partners Fund Advisor, LLC, a wholly-owned subsidiary of Legg Mason, serves as the Fund s investment manager. The Fund is subadvised by ClearBridge Advisors, Western Asset Management Company and Western Asset Management Company Limited affiliates of the investment manager.

A special note regarding increased market volatility

Dramatically higher volatility in the financial markets has been very challenging for many investors. Market movements have been rapid sometimes in reaction to economic news, and sometimes creating the news.

In the midst of this evolving market environment, we at Legg Mason want to do everything we can to help you reach your financial goals. Now, as always, we remain committed to providing you with excellent service and a full spectrum of investment choices. Rest assured, we will continue to work hard to ensure that our investment managers make every effort to deliver strong long-term results.

We also remain committed to supplementing the support you receive from your financial advisor. One way we accomplish this is through our enhanced website, www.leggmason.com/cef. Here you can gain immediate access to many special features to help guide you through difficult times, including:

- Fund prices and performance,

- Market insights and commentaries from our portfolio managers, and

- A host of educational resources.

During periods of market unrest, it is especially important to work closely with your financial advisor and remember that reaching one s investment goals unfolds over time and through multiple market cycles. Time and again, history has shown that, over the long run, the markets have eventually recovered and grown.

Information about your fund

Important information with regard to certain regulatory developments that may affect the Fund is contained in the Notes to Financial Statements included in this report.

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 the symbol XSCDX on most financial websites. *Barron s* and *The Wall Street Journal s* Monday edition both carry closed-end fund tables that provide additional information. In addition, the Fund issues a quarterly press release that can be found on most major financial websites, as well as www.leggmason.com/cef.

In a continuing effort to provide information concerning the Fund, shareholders may call 1-888-777-0102 (toll free), Monday through Friday from 8:00 a.m. to 5:30 p.m. Eastern Standard Time, for the Fund s current NAV, market price and other information.

Letter from the chairman ***continued***

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

Sincerely,

R. Jay Gerken, CFA

Chairman, President and Chief Executive Officer

August 5, 2009

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.

RISKS: Stock and bond prices are subject to fluctuation. As interests rates rise, bond prices fall, reducing the value of the fixed-income securities held by the Fund. Investing in foreign securities is subject to certain risks not associated with domestic investing, such as currency fluctuations and changes in political and economic conditions. These risks are magnified in emerging or developing markets. High-yield bonds involve greater credit and liquidity risks than investment grade bonds. 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 Gross domestic product (GDP) is the market value of all final goods and services produced within a country in a given period of time.

ii The Federal Reserve Board (Fed) is responsible for the formulation of policies designed to promote economic growth, full employment, stable prices, and a sustainable pattern of international trade and payments.

iii The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.

iv The S&P 500 Index is an unmanaged index of 500 stocks and is generally representative of the performance of larger companies in the U.S.

v The Barclays Capital (formerly Lehman Brothers) U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.

vi Net asset value (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 the Fund s market price as determined by supply of and demand for the Fund s shares.

vii Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the six-month period ended June 30, 2009, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 30 funds in the Fund s Lipper category.

Fund at a glance (unaudited)

INVESTMENT BREAKDOWN (%) As a percent of total investments

Schedule of investments (unaudited)

June 30, 2009

LMP CAPITAL AND INCOME FUND INC.

SHARES	SECURITY	VALUE
COMMON STOCKS 60.2%		
CONSUMER DISCRETIONARY 3.8%		
	Hotels, Restaurants & Leisure 0.0%	
487	Buffets Restaurant Holdings(a)*	$ *438*
	Media 3.8%	
143,210	Thomson Reuters PLC(a)	4,084,632
230,923	Time Warner Inc.	5,816,951
119,000	Walt Disney Co.	2,776,270
365,100	Warner Music Group Corp.*	2,135,835
	Total Media	*14,813,688*
	TOTAL CONSUMER DISCRETIONARY	14,814,126
CONSUMER STAPLES 7.4%		
	Beverages 1.5%	
107,280	PepsiCo Inc.	*5,896,109*
	Food Products 1.6%	
243,040	Kraft Foods Inc., Class A Shares	*6,158,634*
	Household Products 4.3%	
59,030	Colgate-Palmolive Co.	4,175,782
115,510	Kimberly-Clark Corp.	6,056,189
128,480	Procter & Gamble Co.	6,565,328
	Total Household Products	*16,797,299*
	TOTAL CONSUMER STAPLES	28,852,042
ENERGY 9.3%		
	Energy Equipment & Services 1.9%	
113,720	Halliburton Co.	2,354,004
150,230	National-Oilwell Varco Inc.*	4,906,512
	Total Energy Equipment & Services	*7,260,516*
	Oil, Gas & Consumable Fuels 7.4%	
67,645	Devon Energy Corp.	3,686,653