

ATHENAHEALTH INC  
Form 8-K  
January 08, 2013

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934  
Date of Report (Date of earliest event reported) January 7, 2013

athenahealth, Inc.

(Exact name of registrant as specified in its charter)

Delaware	001-33689	04-3387530
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

311 Arsenal Street, Watertown, MA	02472
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 617-402-1000

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(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events.

On January 7, 2013, athenahealth, Inc. management presented the rationale for the acquisition of Epocrates, Inc. at 2:30 p.m. P.T. at the J.P. Morgan Global Healthcare Conference in San Francisco, California. A copy of the transcript of the presentation and the question and answer session following the presentation is attached hereto as Exhibit 99.1 and is incorporated herein by reference. A copy of the presentation slides was filed as Exhibit 99.2 to the Current Report on Form 8-K filed by athenahealth, Inc. with the Securities and Exchange Commission on January 7, 2013. The information included in this Current Report on Form 8-K pursuant to this Item 8.01, including Exhibits 99.1 attached hereto, is intended to be furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Conference call script

Additional Information and Where to Find It

In connection with the acquisition of Epocrates, Inc. ("Epocrates") by athenahealth, Inc. ("athenahealth") pursuant to an Agreement and Plan of Merger (the "Merger"), Epocrates will file with the U.S. Securities and Exchange Commission (the "SEC") a proxy statement and other relevant materials in connection with the proposed transaction. Epocrates will also mail the proxy statement to Epocrates stockholders. athenahealth and Epocrates urge investors and security holders to read the proxy statement and the other relevant material when they become available because these materials will contain important information about athenahealth, Epocrates, and the proposed transaction. The proxy statement and other relevant materials (when they become available), and any and all documents filed with the SEC, may be obtained free of charge at the SEC's web site at [www.sec.gov](http://www.sec.gov). In addition, free copies of the documents filed with the SEC by athenahealth will be available on the "Investors" portion of athenahealth's website at [www.athenahealth.com](http://www.athenahealth.com). Free copies of the documents filed with the SEC by Epocrates will be available on the "Investor Relations" portion of Epocrates' website at [www.epocrates.com](http://www.epocrates.com). **INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT AND THE OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BEFORE MAKING ANY VOTING OR INVESTMENT DECISION WITH RESPECT TO THE PROPOSED TRANSACTION.**

Information Regarding Participants

athenahealth, Echo Merger Sub, Inc. ("MergerSub"), Epocrates, and their respective executive officers and directors may be deemed to be participants in the solicitation of proxies from the security holders of Epocrates in connection with the Merger. Information about those executive officers and directors of athenahealth is set forth in athenahealth's proxy statement for its 2012 annual meeting of stockholders, which was filed with the SEC on April 26, 2012, will be included in Epocrates' proxy statement to be filed with the SEC in connection with the proposed transaction as described above, and is supplemented by other public filings made, and to be made, with the SEC. Information about those executive officers and directors of Epocrates and their ownership of Epocrates common stock is set forth in Epocrates' proxy statement for its 2012 annual meeting of stockholders, which was filed with the SEC on August 30, 2012, and is supplemented by other public filings made, and to be made, with the SEC. Investors and security holders may obtain additional information regarding the direct and indirect interests of athenahealth, MergerSub, Epocrates, and their respective executive officers and directors in the Merger by reading the proxy statement and the other filings and documents referred to above. This report does not constitute an offer of any securities for sale.

### Forward-Looking Statements

This report contains forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding consummation and timing of the proposed transaction; anticipated improvements in, and benefits of combining, the companies' service offerings (including, but not limited to improvements in information access and mobile workflows); the prospect for growth; and the potential market for and awareness of the companies' services. These statements are neither promises nor guarantees, and are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those contemplated in these forward-looking statements. In particular, the risks and uncertainties include, among other things: consummation of the transaction is subject to customary closing conditions, which if not met or waived would cause the transaction not to close, including the failure to obtain required approval of the contemplated transaction; failure to effectively integrate the services and operations of the companies; the risk that the anticipated market for the companies' combined services does not materialize; the risk that service offerings will not operate in the manner expected (e.g., due to design flaws, security breaches, or otherwise); potential interruptions or delays in service offerings; reliance upon third parties, such as computer hardware, software, data-hosting, content, and internet infrastructure providers, which reliance may result in failures or disruptions in our service offerings; errors or omissions in services and the information they provide; and the evolving and complex government regulatory compliance environment in which the companies and their clients operate. Existing and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. athenahealth undertakes no obligation to update or revise the information contained in this report, whether as a result of new information, future events or circumstances, or otherwise. For additional disclosure regarding these and other risks faced by athenahealth, please see the disclosure contained in our public filings with the Securities and Exchange Commission, available on the Investors section of athenahealth's website at [www.athenahealth.com](http://www.athenahealth.com) and the SEC's website at [www.sec.gov](http://www.sec.gov).

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SIGNATURES

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

athenahealth, Inc.  
(Registrant)

January 8, 2013

/s/ DANIEL H. ORENSTEIN  
Daniel H. Orenstein  
SVP, General Counsel & Secretary

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EXHIBIT INDEX

Exhibit No.	Description
99.1	Conference call script

/tr>

*Total Oil, Gas & Consumable Fuels*

60,361,569

TOTAL ENERGY

63,265,711

FINANCIALS 14.6%

**Capital Markets** 1.2%

Bear Stearns Cos. LLC, Senior Notes

7.250%

2/1/18

820,000

952,615

Goldman Sachs Group Inc., Senior Notes

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6.150%

4/1/18

330,000

349,138

Goldman Sachs Group Inc., Senior Notes

7.500%

2/15/19

1,430,000

1,639,358

Merrill Lynch & Co. Inc., Notes

6.875%

4/25/18

390,000

411,565

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Morgan Stanley, Medium-Term Notes

6.625%

4/1/18

470,000

500,856

UBS AG Stamford CT, Senior Notes

3.875%

1/15/15

1,520,000

1,522,029

*Total Capital Markets*



5,375,561

**Commercial Banks 3.6%**

Banco Mercantil del Norte SA,  
Subordinated Bonds

6.135%

10/13/16

1,050,000

1,040,401

(a)(e)

Credit Agricole SA, Subordinated Notes

8.375%

10/13/19

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	1,250,000
	1,318,196
(a)(g)	
ICICI Bank Ltd., Subordinated Bonds	
	6.375%
	4/30/22
	2,294,000
	2,113,048
(a)(e)	
Lloyds TSB Bank PLC, Notes	
	5.800%
	1/13/20
	1,530,000
	1,483,243
(a)	
Royal Bank of Scotland Group PLC, Senior Notes	
	6.400%

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	10/21/19
	910,000
	916,539
RSHB Capital, Loan Participation Notes, Secured Notes	
	7.125%
	1/14/14
	3,580,000
	3,794,800
(a)	
RSHB Capital, Loan Participation Notes, Senior Notes	
	6.299%
	5/15/17
	470,000
	471,175
(a)	

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RSHB Capital, Loan Participation Notes,  
Senior Secured Bonds

6.299%

5/15/17

1,529,000

1,532,823

(a)

RSHB Capital, Loan Participation Notes,  
Senior Secured Notes

9.000%

6/11/14

2,230,000

2,547,775

(a)

Wachovia Corp., Senior Notes

5.750%

2/1/18

1,350,000

1,426,345

*Total Commercial Banks*

16,644,345

**Consumer Finance 3.2%**

American Express Co., Notes

7.000%

3/19/18

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	260,000
	292,113
FMG Finance Pty Ltd., Senior Secured Bonds	
	9.750%
	9/1/13
	2,000,000
EUR	
	2,861,355
(a)	
Ford Motor Credit Co., LLC, Notes	
	7.000%
	10/1/13
	1,300,000
	1,281,324
Ford Motor Credit Co., LLC, Senior Notes	
	9.875%

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8/10/11

115,000

120,677

Ford Motor Credit Co., LLC, Senior Notes

7.500%

8/1/12

1,930,000

1,939,140

GMAC Inc., Senior Bonds, zero coupon bond to yield

8.278%

12/1/12

1,330,000

1,064,350

GMAC Inc., Senior Notes

6.875%

8/28/12

978,000

973,110

GMAC Inc., Senior Notes

7.500%

12/31/13

30,000

29,700

GMAC Inc., Senior Notes

8.000%

11/1/31

2,367,000

2,207,228



GMAC Inc., Subordinated Notes

8.000%

12/31/18

36,000

33,660

SLM Corp., Senior Notes

0.409%

7/26/10

4,350,000

4,289,552

(e)

*Total Consumer Finance*

15,092,209

**Diversified Financial Services 4.4%**

AAC Group Holding Corp., Senior Discount Notes

10.250%

10/1/12

350,000

343,000

(a)

Bank of America Corp., Senior Notes

5.650%

5/1/18

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	490,000
	489,561
Bank of America Corp., Senior Notes	
	7.625%
	6/1/19
	1,480,000
	1,676,501
CCM Merger Inc., Notes	
	8.000%
	8/1/13
	550,000
	459,250
(a)	
Citigroup Inc., Senior Notes	
	6.125%

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	11/21/17
	490,000
	496,413
Citigroup Inc., Senior Notes	
	8.500%
	5/22/19
	2,000,000
	2,311,710
Citigroup Inc., Senior Notes	
	6.875%
	3/5/38
	290,000
	287,154
El Paso Performance-Linked Trust Certificates, Senior Notes	

7.750%

7/15/11

290,000

303,839

(a)

General Electric Capital Corp., Senior Notes

5.625%

5/1/18

650,000

669,490

General Electric Capital Corp., Senior Notes

5.500%

1/8/20

2,090,000

2,105,707

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ISS Financing PLC, Senior Secured Bonds

11.000%

6/15/14

2,000,000

EUR

2,936,295

(a)

John Deere Capital Corp., Senior Notes

4.900%

9/9/13

220,000

241,561

*See Notes to Schedule of Investments.*

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Schedule of investments (unaudited) (continued)

February 28, 2010

**WESTERN ASSET GLOBAL HIGH INCOME FUND INC.**

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Diversified Financial Services continued</b>				
Leucadia National Corp., Senior Notes	7.750%	8/15/13	340,000	\$ 355,300
Leucadia National Corp., Senior Notes	8.125%	9/15/15	540,000	550,800
TNK-BP Finance SA	6.625%	3/20/17	550,000	547,250 (a)
TNK-BP Finance SA, Senior Notes	7.500%	7/18/16	1,390,000	1,479,763 (a)
TNK-BP Finance SA, Senior Notes	7.875%	3/13/18	1,490,000	1,566,437 (a)
UPC Germany GmbH, Senior Secured Bonds	8.125%	12/1/17	1,000,000	EUR 1,389,801 (a)
UPC Germany GmbH, Senior Subordinated Notes	9.625%	12/1/19	913,000	EUR 1,262,668 (a)
Vanguard Health Holdings Co., II LLC, Senior Notes	8.000%	2/1/18	880,000	869,000 (a)
<i>Total Diversified Financial Services</i>				20,341,500
<b>Insurance 0.8%</b>				
American International Group Inc., Senior Notes	8.250%	8/15/18	4,000,000	3,675,952
<b>Real Estate Investment Trusts (REITs) 1.0%</b>				
Host Hotels & Resorts LP, Senior Notes	7.125%	11/1/13	2,275,000	2,311,969
Ventas Realty LP/Ventas Capital Corp., Senior Notes	6.500%	6/1/16	175,000	175,438
Ventas Realty LP/Ventas Capital Corp., Senior Notes	6.750%	4/1/17	690,000	693,450
WEA Finance LLC/WT Finance Aust Pty. Ltd., Senior Notes	6.750%	9/2/19	1,360,000	1,460,728 (a)
<i>Total Real Estate Investment Trusts (REITs)</i>				4,641,585
<b>Real Estate Management &amp; Development 0.4%</b>				
Ashton Woods USA LLC/Ashton Woods Finance Co., Senior Subordinated Notes, step bond to yield	23.322%	6/30/15	169,000	55,770 (a)(d)
Castle HoldCo 4 Ltd., Senior Secured Notes	10.000%	5/8/18	530,000	GBP 815,985 (a)
Realogy Corp., Senior Notes	10.500%	4/15/14	1,250,000	1,050,000
<i>Total Real Estate Management &amp; Development</i>				1,921,755
<b>TOTAL FINANCIALS</b>				67,692,907
<b>HEALTH CARE 4.2%</b>				
<b>Biotechnology 0.1%</b>				
Talecris Biotherapeutics Holdings Corp., Senior Notes	7.750%	11/15/16	400,000	404,000 (a)
<b>Health Care Providers &amp; Services 4.0%</b>				
Community Health Systems Inc., Senior Notes	8.875%	7/15/15	620,000	643,250
DaVita Inc., Senior Subordinated Notes	7.250%	3/15/15	1,300,000	1,311,375
HCA Inc., Notes	6.375%	1/15/15	1,360,000	1,285,200
HCA Inc., Senior Secured Notes	9.250%	11/15/16	2,550,000	2,712,562
HCA Inc., Senior Secured Notes	9.625%	11/15/16	11,000	11,798 (b)
Humana Inc., Senior Notes	7.200%	6/15/18	2,000,000	2,179,806
IASIS Healthcare LLC/IASIS Capital Corp., Senior Subordinated Notes	8.750%	6/15/14	2,680,000	2,720,200
Tenet Healthcare Corp., Senior Notes	7.375%	2/1/13	1,030,000	1,030,000
Tenet Healthcare Corp., Senior Notes	9.000%	5/1/15	209,000	219,972 (a)
Tenet Healthcare Corp., Senior Notes	10.000%	5/1/18	215,000	237,575 (a)
Tenet Healthcare Corp., Senior Secured Notes	8.875%	7/1/19	1,968,000	2,086,080 (a)
Universal Hospital Services Inc., Senior Secured Notes	3.859%	6/1/15	720,000	612,000 (e)

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Universal Hospital Services Inc., Senior Secured Notes	8.500%	6/1/15	135,000	131,625	(b)
US Oncology Holdings Inc., Senior Notes	7.178%	3/15/12	3,507,000	3,314,115	(b)(e)
WellPoint Inc., Notes	5.875%	6/15/17	240,000	261,315	
<i>Total Health Care Providers &amp; Services</i>				18,756,873	
<b>Pharmaceuticals 0.1%</b>					
Wyeth, Notes	5.950%	4/1/37	260,000	275,414	
<b>TOTAL HEALTH CARE</b>				19,436,287	
<b>INDUSTRIALS 6.1%</b>					
<b>Aerospace &amp; Defense 0.4%</b>					
L-3 Communications Corp., Senior Subordinated Notes	6.375%	10/15/15	325,000	331,906	

*See Notes to Schedule of Investments.*



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Schedule of investments (unaudited) (continued)

February 28, 2010

**WESTERN ASSET GLOBAL HIGH INCOME FUND INC.**

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Aerospace &amp; Defense (continued)</b>				
TransDigm Inc., Senior Subordinated Notes	7.750%	7/15/14	1,730,000	\$ 1,738,650 (a)
<i>Total Aerospace &amp; Defense</i>				2,070,556
<b>Airlines 0.8%</b>				
Continental Airlines Inc., Pass-Through Certificates	8.312%	4/2/11	278,302	268,562
Continental Airlines Inc., Pass-Through Certificates	7.339%	4/19/14	290,000	272,600
DAE Aviation Holdings Inc., Senior Notes	11.250%	8/1/15	2,290,000	2,101,075 (a)
Delta Air Lines Inc., Secured Notes	8.021%	8/10/22	848,941	774,659
Delta Air Lines Inc., Senior Secured Notes	9.500%	9/15/14	320,000	327,200 (a)
<i>Total Airlines</i>				3,744,096
<b>Building Products 0.2%</b>				
GTL Trade Finance Inc., Senior Notes	7.250%	10/20/17	836,000	875,710 (a)
<b>Commercial Services &amp; Supplies 1.4%</b>				
ACCO Brands Corp., Senior Secured Notes	10.625%	3/15/15	890,000	971,880 (a)
Altegrity Inc., Senior Subordinated Notes	10.500%	11/1/15	2,510,000	2,349,987 (a)
DynCorp International LLC/DIV Capital Corp., Senior Subordinated Notes	9.500%	2/15/13	1,289,000	1,305,113
RSC Equipment Rental Inc., Senior Notes	9.500%	12/1/14	1,295,000	1,259,388
RSC Equipment Rental Inc., Senior Secured Notes	10.000%	7/15/17	735,000	790,125 (a)
<i>Total Commercial Services &amp; Supplies</i>				6,676,493
<b>Construction &amp; Engineering 1.6%</b>				
Odebrecht Finance Ltd.	7.500%	10/18/17	6,577,000	6,922,292 (a)
Odebrecht Finance Ltd., Senior Notes	7.000%	4/21/20	600,000	609,000 (a)
<i>Total Construction &amp; Engineering</i>				7,531,292
<b>Marine 0.2%</b>				
Trico Shipping AS, Senior Secured Notes	11.875%	11/1/14	840,000	817,950 (a)
<b>Road &amp; Rail 0.9%</b>				
Kansas City Southern de Mexico, Senior Notes	9.375%	5/1/12	248,000	256,680
Kansas City Southern de Mexico, Senior Notes	7.625%	12/1/13	2,080,000	2,085,200
Kansas City Southern de Mexico, Senior Notes	12.500%	4/1/16	615,000	705,712
RailAmerica Inc., Senior Secured Notes	9.250%	7/1/17	1,017,000	1,071,664
<i>Total Road &amp; Rail</i>				4,119,256
<b>Trading Companies &amp; Distributors 0.6%</b>				
Ashtead Capital Inc., Notes	9.000%	8/15/16	595,000	600,950 (a)
H&E Equipment Services Inc., Senior Notes	8.375%	7/15/16	1,020,000	1,020,000
	12.000%	8/1/14	1,275,000	962,625 (a)(d)

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Penhall International Corp., Senior Secured Notes							
<i>Total Trading Companies &amp; Distributors</i>							2,583,575
<b>TOTAL INDUSTRIALS</b>							28,418,928
<b>INFORMATION TECHNOLOGY 1.5%</b>							
<b>IT Services 1.4%</b>							
Ceridian Corp., Senior Notes		12.250%	11/15/15	553,800			531,648 (b)
First Data Corp., Senior Notes		9.875%	9/24/15	1,240,000			1,078,800
GXS Worldwide Inc., Senior Secured Notes		9.750%	6/15/15	4,860,000			4,641,300 (a)
<i>Total IT Services</i>							6,251,748
<b>Semiconductors &amp; Semiconductor Equipment 0.1%</b>							
Advanced Micro Devices Inc., Senior Notes		8.125%	12/15/17	195,000			198,412 (a)
Freescale Semiconductor Inc., Senior Notes		8.875%	12/15/14	70,000			62,475
Freescale Semiconductor Inc., Senior Subordinated Notes		10.125%	12/15/16	325,000			255,125
<i>Total Semiconductors &amp; Semiconductor Equipment</i>							516,012
<b>TOTAL INFORMATION TECHNOLOGY</b>							6,767,760
<b>MATERIALS 8.4%</b>							
<b>Chemicals 0.6%</b>							
Cognis Deutschland GmbH & Co. KG, Senior Notes		9.500%	5/15/14	710,000		EUR	996,433 (a)
Kerling PLC, Senior Secured Notes		10.625%	1/28/17	792,000		EUR	1,096,676 (a)
Terra Capital Inc., Senior Notes		7.750%	11/1/19	370,000			414,400 (a)
Westlake Chemical Corp., Senior Notes		6.625%	1/15/16	220,000			211,750
<i>Total Chemicals</i>							2,719,259

See Notes to Schedule of Investments.

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Schedule of investments (unaudited) (continued)

February 28, 2010

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Construction Materials 0.3%</b>				
Headwaters Inc., Senior Secured Notes	11.375%	11/1/14	495,000	\$ 502,425 (a)
HeidelbergCement AG, Senior Notes	8.500%	10/31/19	720,000	EUR 1,003,119
<i>Total Construction Materials</i>				1,505,544
<b>Containers &amp; Packaging 0.8%</b>				
Ardagh Glass Finance PLC, Senior Secured Notes	9.250%	7/1/16	650,000	EUR 956,510 (a)
Radnor Holdings Inc., Senior Notes	11.000%	3/15/10	575,000	0 (c)(d)(f)
Reynolds Group Issuer Inc., Senior Subordinated Notes	9.500%	6/15/17	2,000,000	EUR 2,765,977 (a)
<i>Total Containers &amp; Packaging</i>				3,722,487
<b>Metals &amp; Mining 4.7%</b>				
Codelco Inc., Notes	5.500%	10/15/13	1,050,000	1,151,286 (a)
Evraz Group SA, Notes	8.875%	4/24/13	1,610,000	1,671,477 (a)
Freeport-McMoRan Copper & Gold Inc., Senior Notes	8.375%	4/1/17	1,950,000	2,118,593
Gerdau Holdings Inc., Senior Notes	7.000%	1/20/20	440,000	446,600 (a)
Metals USA Inc., Senior Secured Notes	11.125%	12/1/15	2,000,000	2,030,000
Novelis Inc., Senior Notes	7.250%	2/15/15	950,000	885,875
Ryerson Inc., Senior Secured Notes	12.000%	11/1/15	745,000	769,213
Steel Dynamics Inc., Senior Notes	7.375%	11/1/12	250,000	255,625
Teck Resources Ltd., Senior Secured Notes	9.750%	5/15/14	490,000	580,650
Teck Resources Ltd., Senior Secured Notes	10.250%	5/15/16	410,000	490,975
Teck Resources Ltd., Senior Secured Notes	10.750%	5/15/19	810,000	1,000,350
Vale Overseas Ltd., Notes	8.250%	1/17/34	2,368,000	2,757,259
Vale Overseas Ltd., Notes	6.875%	11/21/36	4,110,000	4,182,891
Vedanta Resources PLC, Senior Notes	8.750%	1/15/14	2,980,000	3,158,800 (a)
<i>Total Metals &amp; Mining</i>				21,499,594
<b>Paper &amp; Forest Products 2.0%</b>				
Abitibi-Consolidated Co. of Canada, Senior Secured Notes	13.750%	4/1/11	894,859	923,941 (a)
Appleton Papers Inc., Senior Secured Notes	11.250%	12/15/15	914,000	781,470 (a)
Celulosa Arauco y Constitucion SA, Senior Notes	7.250%	7/29/19	967,000	1,071,695
NewPage Corp., Senior Secured Notes	11.375%	12/31/14	2,430,000	2,332,800
PE Paper Escrow GmbH, Senior Secured Notes	11.750%	8/1/14	2,000,000	EUR 2,949,921 (a)
PE Paper Escrow GmbH, Senior Secured Notes	12.000%	8/1/14	270,000	293,453 (a)
Smurfit Kappa Acquisitions, Senior Secured Notes	7.750%	11/15/19	769,000	EUR 1,053,040 (a)
<i>Total Paper &amp; Forest Products</i>				9,406,320
<b>TOTAL MATERIALS</b>				38,853,204
<b>TELECOMMUNICATION SERVICES 10.9%</b>				
<b>Diversified Telecommunication Services 6.9%</b>				
AT&T Inc., Global Notes	5.600%	5/15/18	630,000	673,117
AT&T Inc., Senior Notes	6.400%	5/15/38	720,000	742,409
Axtel SAB de CV, Senior Notes	7.625%	2/1/17	3,710,000	3,668,615 (a)
British Telecommunications PLC, Bonds	9.625%	12/15/30	240,000	305,376
CC Holdings GS V LLC, Senior Secured Notes	7.750%	5/1/17	479,000	520,913 (a)

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Cincinnati Bell Inc., Senior Notes	8.250%	10/15/17	1,945,000	1,954,725
Cincinnati Bell Telephone Co., Senior Debentures	6.300%	12/1/28	120,000	93,600
GCI Inc., Senior Notes	8.625%	11/15/19	1,900,000	1,940,375 (a)
Hawaiian Telcom Communications Inc., Senior Subordinated Notes	12.500%	5/1/15	535,000	54 (c)(d)
Intelsat Intermediate Holding Co., Ltd., Senior Discount Notes	9.500%	2/1/15	900,000	933,750
Intelsat Jackson Holdings Ltd., Senior Notes	9.500%	6/15/16	210,000	221,550
Intelsat Jackson Holdings Ltd., Senior Notes	11.250%	6/15/16	3,505,000	3,759,112
Intelsat Jackson Holdings Ltd., Senior Notes	8.500%	11/1/19	1,920,000	1,953,600 (a)
Koninklijke KPN NV, Senior Notes	8.375%	10/1/30	350,000	437,563
Level 3 Financing Inc., Senior Notes	9.250%	11/1/14	1,105,000	1,052,512
Nordic Telephone Co. Holdings, Senior Secured Bonds	8.875%	5/1/16	1,895,000	2,037,125 (a)
Qwest Communications International Inc., Senior Notes	7.500%	2/15/14	1,520,000	1,542,800
Telefonica Emisiones SAU, Senior Notes	6.221%	7/3/17	450,000	497,353

*See Notes to Schedule of Investments.*

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Schedule of investments (unaudited) (continued)

February 28, 2010

WESTERN ASSET GLOBAL HIGH INCOME FUND INC.

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Diversified Telecommunication Services (continued)</b>				
UBS Luxembourg SA for OJSC Vimpel Communications, Loan Participation Notes	8.250%	5/23/16	828,000	\$ 871,470 <sup>(a)</sup>
Verizon Communications Inc., Senior Notes	5.500%	2/15/18	510,000	540,330
Verizon Communications Inc., Senior Notes	6.400%	2/15/38	560,000	588,198
Vimpel Communications, Loan Participation Notes	8.375%	4/30/13	430,000	462,250 <sup>(a)</sup>
VIP Finance Ireland Ltd. for OJSC Vimpel Communications, Loan Participation Notes, Secured Notes	8.375%	4/30/13	1,535,000	1,655,818 <sup>(a)</sup>
Wind Acquisition Holdings Finance SpA, Senior Notes	12.250%	7/15/17	2,000,000	2,466,216 <sup>(a)(b)</sup>
Wind Acquisition Holdings Finance SpA, Senior Notes	12.250%	7/15/17	1,000,000	930,000 <sup>(a)</sup>
Windstream Corp., Senior Notes	8.625%	8/1/16	1,925,000	1,968,312
<i>Total Diversified Telecommunication Services</i>				31,817,143
<b>Wireless Telecommunication Services 4.0%</b>				
ALLTEL Communications Inc., Senior Notes	10.375%	12/1/17	630,000	748,987 <sup>(a)(b)(d)</sup>
America Movil SAB de CV, Senior Notes	5.625%	11/15/17	844,000	890,154
Cricket Communications Inc., Senior Secured Notes	7.750%	5/15/16	2,800,000	2,859,500
Sprint Capital Corp., Senior Notes	8.375%	3/15/12	320,000	328,400
Sprint Capital Corp., Senior Notes	6.875%	11/15/28	500,000	381,250
Sprint Capital Corp., Senior Notes	8.750%	3/15/32	7,500,000	6,656,250
True Move Co., Ltd., Notes	10.750%	12/16/13	6,510,000	6,607,650 <sup>(a)</sup>
<i>Total Wireless Telecommunication Services</i>				18,472,191
<b>TOTAL TELECOMMUNICATION SERVICES</b>				50,289,334
<b>UTILITIES 6.2%</b>				
<b>Electric Utilities 2.6%</b>				
Centrais Eletricas Brasileiras SA, Senior Notes	6.875%	7/30/19	1,557,000	1,658,205 <sup>(a)</sup>
FirstEnergy Corp., Notes	7.375%	11/15/31	270,000	292,769
Orion Power Holdings Inc., Senior Notes	12.000%	5/1/10	550,000	556,188
Pacific Gas & Electric Co., First Mortgage Bonds	6.050%	3/1/34	290,000	302,988
Reliant Energy Mid-Atlantic Power Holdings LLC, Senior Notes	9.681%	7/2/26	1,040,000	1,106,300
Texas Competitive Electric Holdings Co. LLC, Senior Notes	10.250%	11/1/15	11,000,000	8,277,500
<i>Total Electric Utilities</i>				12,193,950
<b>Energy Equipment &amp; Services 0.5%</b>				
EEB International Ltd., Senior Bonds	8.750%	10/31/14	2,050,000	2,247,312 <sup>(a)</sup>
<b>Gas Utilities 0.3%</b>				
	6.875%	12/15/13	1,480,000	1,502,200

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Suburban Propane Partners LP/Suburban Energy Finance Corp., Senior Notes							
<b>Independent Power Producers &amp; Energy Traders 2.7%</b>							
AES Corp., Senior Notes		8.875%	2/15/11	350,000	364,000		
AES Corp., Senior Notes		7.750%	3/1/14	2,940,000	2,958,375		
AES Corp., Senior Notes		7.750%	10/15/15	1,500,000	1,496,250		
Colbun SA, Senior Notes		6.000%	1/21/20	750,000	758,128	(a)	
Dynegy Holdings Inc., Senior Notes		7.750%	6/1/19	1,150,000	908,500		
Edison Mission Energy, Senior Notes		7.750%	6/15/16	1,890,000	1,521,450		
Edison Mission Energy, Senior Notes		7.625%	5/15/27	765,000	501,075		
Mirant Americas Generation LLC, Senior Notes		9.125%	5/1/31	400,000	361,000		
Mirant North America LLC, Senior Notes		7.375%	12/31/13	845,000	846,056		
NRG Energy Inc., Senior Notes		7.250%	2/1/14	2,195,000	2,216,950		
NRG Energy Inc., Senior Notes		7.375%	2/1/16	605,000	598,194		
<i>Total Independent Power Producers &amp; Energy Traders</i>						12,529,978	
<b>Multi-Utilities 0.1%</b>							
Empresas Publicas de Medellin ESP, Senior Notes		7.625%	7/29/19	410,000	446,900	(a)	
<b>TOTAL UTILITIES</b>						28,920,340	
<b>TOTAL CORPORATE BONDS &amp; NOTES (Cost \$364,904,096)</b>						372,273,679	

See Notes to Schedule of Investments.

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Schedule of investments (unaudited) (continued)

February 28, 2010

**WESTERN ASSET GLOBAL HIGH INCOME FUND INC.**

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE	
<b>ASSET-BACKED SECURITIES 0.0%</b>					
<b>FINANCIALS 0.0%</b>					
<b>Home Equity 0.0%</b>					
Finance America Net Interest Margin Trust, 2004-1 A	5.250%	6/27/34	110,125	\$ 53	(a)(d)(f)
Sail Net Interest Margin Notes 2003-6 A	7.000%	7/27/33	14,101	7	(a)(d)(f)
Sail Net Interest Margin Notes, 2003-7 A	7.000%	7/27/33	42,974	20	(a)(d)(f)
<b>TOTAL ASSET-BACKED SECURITIES (Cost - \$166,868)</b>				80	
<b>COLLATERALIZED MORTGAGE OBLIGATION 0.3%</b>					
Federal National Mortgage Association (FNMA) STRIPS, IO (Cost - \$2,332,295)	5.500%	6/1/33	6,655,161	1,364,588	(d)
<b>COLLATERALIZED SENIOR LOANS 1.0%</b>					
<b>CONSUMER DISCRETIONARY 0.5%</b>					
<b>Media 0.5%</b>					
Newsday LLC, Term Loan	10.500%	7/15/10	2,000,000	2,147,500	(h)(i)
<b>FINANCIALS 0.5%</b>					
<b>Real Estate Management &amp; Development 0.5%</b>					
Realogy Corp., Term Loan	13.500%	4/15/10	2,000,000	2,189,000	(h)(i)
<b>TOTAL COLLATERALIZED SENIOR LOANS (Cost \$4,067,500)</b>				4,336,500	
<b>SOVEREIGN BONDS 13.0%</b>					
<b>Argentina 0.6%</b>					
Republic of Argentina	9.000%	6/20/03	1,074,000	EUR 599,985	(c)
Republic of Argentina	10.250%	1/26/07	1,100,000	EUR 640,739	(c)
Republic of Argentina	8.000%	2/26/08	1,729,117	EUR 977,743	(c)
Republic of Argentina	11.750%	11/13/26	1,550,000	EUR 418,432	(c)
Republic of Argentina, Medium-Term Notes	10.000%	2/22/07	522,000	EUR 300,504	(c)
<i>Total Argentina</i>				2,937,403	
<b>Brazil 1.9%</b>					
Brazil Nota do Tesouro Nacional, Notes	10.000%	7/1/10	1,422,000	BRL 788,120	
Brazil Nota do Tesouro Nacional, Notes	10.000%	1/1/12	12,410,000	BRL 6,687,115	
Brazil Nota do Tesouro Nacional, Notes	10.000%	1/1/17	786,000	BRL 382,430	
Federative Republic of Brazil	7.125%	1/20/37	775,000	879,625	
<i>Total Brazil</i>				8,737,290	
<b>Colombia 1.0%</b>					
Republic of Colombia	11.750%	2/25/20	544,000	794,240	
Republic of Colombia	7.375%	9/18/37	2,852,000	3,115,810	
Republic of Colombia, Senior Notes	7.375%	3/18/19	498,000	572,700	
<i>Total Colombia</i>				4,482,750	
<b>Hungary 0.2%</b>					
Republic of Hungary, Senior Notes	6.250%	1/29/20	950,000	975,110	

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<b>Indonesia 1.5%</b>							
Republic of Indonesia		10.250%	7/15/22	15,399,000,000	IDR	1,683,359	
Republic of Indonesia		11.000%	9/15/25	25,206,000,000	IDR	2,838,004	
Republic of Indonesia, Bonds		9.750%	5/15/37	11,646,000,000	IDR	1,148,258	
Republic of Indonesia, Senior Bonds		6.875%	1/17/18	970,000		1,079,125	(a)
<i>Total Indonesia</i>						6,748,746	
<b>Mexico 0.3%</b>							
United Mexican States		11.375%	9/15/16	148,000		207,200	
United Mexican States, Medium-Term Notes		5.625%	1/15/17	4,000		4,260	
United Mexican States, Medium-Term Notes		6.750%	9/27/34	1,046,000		1,127,065	
<i>Total Mexico</i>						1,338,525	
<b>Panama 1.1%</b>							
Republic of Panama		7.250%	3/15/15	621,000		715,703	
Republic of Panama		9.375%	4/1/29	1,275,000		1,714,875	
Republic of Panama		6.700%	1/26/36	2,430,000		2,594,025	
<i>Total Panama</i>						5,024,603	

See Notes to Schedule of Investments.



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Schedule of investments (unaudited) (continued)

February 28, 2010

**WESTERN ASSET GLOBAL HIGH INCOME FUND INC.**

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Peru 0.7%</b>				
Republic of Peru	8.750%	11/21/33	278,000	\$ 364,180
Republic of Peru, Bonds	6.550%	3/14/37	1,774,000	1,871,570
Republic of Peru, Global Senior Bonds	8.375%	5/3/16	895,000	1,094,138
Republic of Peru, Global Senior Bonds	7.350%	7/21/25	50,000	58,500
<i>Total Peru</i>				3,388,388
<b>Qatar 0.1%</b>				
State of Qatar, Senior Notes	4.000%	1/20/15	470,000	477,050 (a)
<b>Russia 1.4%</b>				
Russian Foreign Bond-Eurobond, Senior Bonds	7.500%	3/31/30	5,807,790	6,595,326 (a)
<b>Turkey 1.5%</b>				
Republic of Turkey, Notes	6.750%	5/30/40	3,760,000	3,689,500
Republic of Turkey, Senior Notes	7.500%	7/14/17	3,000,000	3,393,750
<i>Total Turkey</i>				7,083,250
<b>United Arab Emirates 0.2%</b>				
MDC-GMTN B.V., Senior Notes	5.750%	5/6/14	750,000	793,514 (a)
<b>Venezuela 2.5%</b>				
Bolivarian Republic of Venezuela	8.500%	10/8/14	365,000	308,425
Bolivarian Republic of Venezuela	5.750%	2/26/16	12,367,000	8,564,148 (a)
Bolivarian Republic of Venezuela	7.650%	4/21/25	475,000	301,150
Bolivarian Republic of Venezuela, Collective Action Securities	9.375%	1/13/34	1,608,000	1,145,700
Bolivarian Republic of Venezuela, Collective Action Securities, Notes	10.750%	9/19/13	875,000	824,250
Bolivarian Republic of Venezuela, Senior Bonds	9.250%	9/15/27	240,000	180,600
<i>Total Venezuela</i>				11,324,273
TOTAL SOVEREIGN BONDS (Cost \$60,391,405)				59,906,228
<b>U.S. GOVERNMENT &amp; AGENCY OBLIGATIONS 0.1%</b>				
<b>U.S. Government Obligations 0.1%</b>				
U.S. Treasury Bonds	4.500%	8/15/39	50,000	49,789
U.S. Treasury Notes	3.375%	11/15/19	490,000	481,617
TOTAL U.S. GOVERNMENT & AGENCY OBLIGATIONS (Cost \$524,121)				531,406
<b>U.S. TREASURY INFLATION PROTECTED SECURITIES 1.1%</b>				
U.S. Treasury Bonds, Inflation Indexed	2.000%	1/15/26	3,166,371	3,164,886
U.S. Treasury Bonds, Inflation Indexed	2.375%	1/15/27	985,228	1,031,410
U.S. Treasury Notes, Inflation Indexed	2.625%	7/15/17	937,809	1,039,869
TOTAL U.S. TREASURY INFLATION PROTECTED SECURITIES (Cost \$4,943,222)				5,236,165
			SHARES	
<b>COMMON STOCKS 0.3%</b>				

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CONSUMER DISCRETIONARY 0.2%									
<b>Media 0.2%</b>									
Charter Communications Inc., Class A Shares						17,345		516,014*	
Dex One Corp.						2,411		71,848*	
SuperMedia Inc.						2,490		104,561*	
TOTAL CONSUMER DISCRETIONARY								692,423	
ENERGY 0.0%									
<b>Oil, Gas &amp; Consumable Fuels 0.0%</b>									
SemGroup Corp., Class A Shares						3,221		76,509*	
INDUSTRIALS 0.0%									
<b>Building Products 0.0%</b>									
Nortek Inc.						4,011		150,402*	
MATERIALS 0.1%									
<b>Chemicals 0.1%</b>									
Georgia Gulf Corp.						39,529		564,079*	
TOTAL COMMON STOCKS (Cost \$5,509,849)								1,483,413	

See Notes to Schedule of Investments.

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Schedule of investments (unaudited) (continued)

February 28, 2010

**WESTERN ASSET GLOBAL HIGH INCOME FUND INC.**

SECURITY	RATE	MATURITY DATE	SHARES	VALUE
CONVERTIBLE PREFERRED STOCK				
0.2%				
FINANCIALS 0.2%				
<b>Diversified Financial Services 0.2%</b>				
Citigroup Inc. (Cost - \$890,000)	7.500%	12/15/12	8,900	\$ 954,614*
PREFERRED STOCKS 0.4%				
CONSUMER DISCRETIONARY 0.2%				
<b>Automobiles 0.2%</b>				
Corts-Ford Motor Co.	7.400%		30,500	667,950
Corts -Ford Motor Co.	8.000%		1,900	43,377
<i>Total Automobiles</i>				711,327
<b>Media 0.0%</b>				
CMP Susquehanna Radio Holdings Corp.	0.000%		10,727	11*(a)(d)(e)
TOTAL CONSUMER DISCRETIONARY				711,338
FINANCIALS 0.2%				
<b>Consumer Finance 0.1%</b>				
GMAC Inc.	7.000%		1,176	832,424(a)
<b>Diversified Financial Services 0.1%</b>				
Preferred Plus, Trust, Series FRD-1	7.400%		2,600	55,926
Saturns, Series F, 2003-5	8.125%		9,700	224,167
<i>Total Diversified Financial Services</i>				280,093
TOTAL FINANCIALS				1,112,517
TOTAL PREFERRED STOCKS (Cost \$1,085,657)				1,823,855
		EXPIRATION DATE	WARRANTS	
WARRANTS 0.0%				
Bolivarian Republic of Venezuela, Oil-linked payment obligations		4/15/20	2,675	73,563*
Buffets Restaurant Holdings		4/28/14	570	6*(d)(f)
Charter Communications Inc.		11/30/14	754	5,295*
CNB Capital Trust		3/23/19	12,259	12*(a)(d)(f)
Nortek Inc.		12/7/14	1,302	16,598*(f)
SemGroup Corp.		11/30/14	3,391	17,803*(d)
TOTAL WARRANTS (Cost \$101,368)				113,277
TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENT (Cost \$444,916,381)				448,023,805
		MATURITY DATE	FACE AMOUNT	
SHORT-TERM INVESTMENT 3.2%				
<b>Repurchase Agreement 3.2%</b>				
Morgan Stanley tri-party repurchase agreement dated 2/26/10; Proceeds at maturity - \$14,899,124; (Fully collateralized by U.S. government agency obligation, 3.500% due 10/3/11; Market value - \$15,400,968) (Cost - \$14,899,000)	0.100%	3/1/10	\$ 14,899,000	14,899,000
TOTAL INVESTMENTS 100.0% (Cost \$459,815,381#)				\$ 462,922,805

Face amount denominated in U.S. dollars, unless otherwise noted.

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- \* Non-income producing security.
- (a) Security is exempt from registration under Rule 144A of the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. This security has been deemed liquid pursuant to guidelines approved by the Board of Directors, unless otherwise noted.
- (b) Payment-in-kind security for which part of the income earned may be paid as additional principal.
- (c) The coupon payment on these securities is currently in default as of February 28, 2010.
- (d) Illiquid security.
- (e) Variable rate security. Interest rate disclosed is that which is in effect at February 28, 2010.
- (f) Security is valued in good faith at fair value by or under the direction of the Board of Directors (See Note 1).
- (g) Security has no maturity date. The date shown represents the next call date.
- (h) The date shown represents the last in range of interest reset dates.

*See Notes to Schedule of Investments.*

Schedule of investments (unaudited) (continued)

February 28, 2010

**WESTERN ASSET GLOBAL HIGH INCOME FUND INC.**

(i) Interest rates disclosed represent the effective rates on loans and debt securities. Ranges in interest rates are attributable to multiple contracts under the same loan.

# Aggregate cost for federal income tax purposes is substantially the same.

Abbreviations used in this schedule:

BRL	- Brazilian Real
EUR	- Euro
GBP	- British Pound
IDR	- Indonesian Rupiah
IO	- Interest Only
OJSC	- Open Joint Stock Company
STRIPS	- Separate Trading of Registered Interest and Principal Securities

*See Notes to Schedule of Investments.*

**Notes to Schedule of Investments (unaudited)**

**1. Organization and Significant Accounting Policies**

Western Asset Global High Income Fund Inc. (the Fund) was incorporated in Maryland and is registered as a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended (the 1940 Act). The Fund's primary investment objective is high current income. The Fund's secondary objective is total return.

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

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

The Fund has adopted Financial Accounting Standards Board Codification Topic 820 (formerly, Statement of Financial Accounting Standards No. 157) (ASC Topic 820). ASC Topic 820 establishes a single definition of fair value, creates a three-tier hierarchy as a framework for measuring fair value based on inputs used to value the Fund's investments, and requires additional disclosure about fair value. The hierarchy of inputs is summarized below.

- Level 1 quoted prices in active markets for identical investments
- Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The Fund uses valuation techniques to measure fair value that are consistent with the market approach and/or income approach, depending on the type of the security and the particular circumstance. The market approach uses prices and other relevant information generated by market

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transactions involving identical or comparable securities. The income approach uses valuation techniques to convert future amounts to a single present amount.

The following is a summary of the inputs used in valuing the Fund's assets carried at fair value:

DESCRIPTION	QUOTED PRICES (LEVEL 1)	OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	TOTAL
Long-term investments :				
Corporate bonds & notes		\$ 372,273,679	\$ 0	\$ 372,273,679
Asset-backed securities		73	7	80
Collateralized mortgage obligation		1,364,588		1,364,588
Collateralized senior loans		4,336,500		4,336,500
Sovereign bonds		59,906,228		59,906,228
U.S. government & agency obligations		531,406		531,406
U.S. treasury inflation protected securities		5,236,165		5,236,165
Common stocks:				
Energy		76,509		76,509
Other common stocks	\$ 1,406,904			1,406,904
Convertible preferred stock	954,614			954,614
Preferred stocks:				
Consumer discretionary	711,327	11		711,338
Financials	280,093	832,424		1,112,517
Warrants		96,661	16,616	113,277
Total long-term investments	\$ 3,352,938	\$ 444,654,244	\$ 16,623	\$ 448,023,805
Short-term investments		14,899,000		14,899,000
Total investments	\$ 3,352,938	\$ 459,553,244	\$ 16,623	\$ 462,922,805
Other financial instruments:				
Forward foreign currency contracts		\$ 793,747		793,747
Interest rate swaps		(26,124)		(26,124)
Total other financial instruments		\$ 767,623		\$ 767,623
Total	\$ 3,352,938	\$ 460,320,867	\$ 16,623	\$ 463,690,428

**Notes to Schedule of Investments (unaudited) (continued)**

See Schedule of Investments for additional detailed categorizations.

Values include any premiums paid or received with respect to swap contracts.

Following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

	CORPORATE BONDS & NOTES	ASSET- BACKED SECURITIES	COMMON STOCKS CONSUMER DISCRETIONARY	PREFERRED STOCKS CONSUMER DISCRETIONARY	WARRANTS	TOTAL
INVESTMENTS IN SECURITIES						
Balance as of May 31, 2009	\$ 1,206,667		\$ 0	\$ 4,559	\$ 337	\$ 1,211,563
Accrued premiums/discounts	43,688					43,688
Realized gain/(loss)(1)	44		(694,145)	0		(694,101)
Change in unrealized appreciation (depreciation)(2)	(31,843)		695,435	(4,548)	(319)	658,725
Net purchases (sales)			(1,290)		16,598	15,308
Net transfers in and/or out of Level 3	(1,218,556)	\$ 7		(11)		(1,218,560)
Balance as of February 28, 2010	\$ 0	\$ 7			\$ 16,616	\$ 16,623
Net change in unrealized appreciation (depreciation) for investments in securities still held at February 28, 2010(2)	\$ (17,895)	\$ 0			\$ (319)	\$ (18,214)

(1) This amount is included in net realized gain (loss) from investment transactions.

(2) Change in unrealized appreciation (depreciation) includes net unrealized appreciation (depreciation) resulting from changes in investment values during the reporting period and the reversal of previously recorded unrealized appreciation (depreciation) when gains or losses are realized.

**(b) Repurchase Agreements.** The Fund may enter into repurchase agreements with institutions that its investment adviser has determined are creditworthy. Each repurchase agreement is recorded at cost. Under the terms of a typical repurchase agreement, a fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and of the fund to resell, the obligation at an agreed-upon price and time, thereby determining the yield during a fund's holding period. When entering into repurchase agreements, it is the Fund's policy that its custodian or a third party custodian, acting on the Fund's behalf, take possession of the underlying collateral securities, the market value of which, at all times, at least equals the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction maturity exceeds one business day, the value of the collateral is marked to market and measured against the value of the agreement to ensure the adequacy of the collateral. If the counterparty defaults, the Fund generally has the right to use the collateral to satisfy the terms of the repurchase transaction. However, if the market value of the collateral declines during the period in which the Fund seeks to assert its rights or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited.

**(c) Forward Foreign Currency Contracts.** The Fund may enter into a forward foreign currency contract to hedge against foreign currency exchange rate risk on its non-U.S. dollar denominated securities or to facilitate settlement of a foreign currency denominated portfolio transaction. A forward foreign currency contract is an agreement between two parties to buy and sell a currency at a set price





**Notes to Schedule of Investments (unaudited) (continued)**

with delivery and settlement at a future date. The contract is marked to market daily and the change in value is recorded by the Fund as an unrealized gain or loss. When a forward foreign currency contract is closed, through either delivery or offset by entering into another forward foreign currency contract, the Fund recognizes a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value of the contract at the time it is closed.

When entering into a Forward foreign currency contract, the Fund bears the risk of an unfavorable change in the foreign exchange rate underlying the forward foreign currency contract. Risks may also arise upon entering into these contracts from the potential inability of the counterparties to meet the terms of their contracts.

**(d) Swap Agreements.** The Fund may invest in swaps for the purpose of managing its exposure to interest rate, credit or market risk, or for other purposes. The use of swaps involves risks that are different from those associated with ordinary portfolio transactions.

Swap contracts are marked to market daily and changes in value are recorded as unrealized appreciation/(depreciation). Gains or losses are realized upon termination of the swap agreement. Collateral, in the form of restricted cash or securities, may be required to be held in segregated accounts with the Fund's custodian in compliance with the terms of the swap contracts. Securities held as collateral for swap contracts are identified in the Schedule of Investments.

Credit Default Swaps.

The Fund may enter into credit default swap ( CDS ) contracts for investment purposes, to manage its credit risk or to add leverage. CDS agreements involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a default by a third party, typically corporate or sovereign issuers, on a specified obligation, or in the event of a write-down, principal shortfall, interest shortfall or default of all or part of the referenced entities comprising a credit index. The Fund may use a CDS to provide protection against defaults of the issuers (i.e., to reduce risk where the Fund has exposure to a sovereign issuer) or to take an active long or short position with respect to the likelihood of a particular issuer's default. As a seller of protection, the Fund generally receives an upfront payment or a stream of payments throughout the term of the swap provided that there is no credit event. If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the maximum potential amount of future payments (undiscounted) that the Fund could be required to make under a credit default swap agreement would be an amount equal to the notional amount of the agreement. These amounts of potential payments will be partially offset by any recovery of values from the respective referenced obligations. As a seller of protection, the Fund effectively adds leverage to its portfolio because, in addition to its total net assets, the Fund is subject to investment exposure on the notional amount of the swap. As a buyer of protection, the Fund generally receives an amount up to the notional value of the swap if a credit event occurs.

Implied spreads are the theoretical prices a lender receives for credit default protection. When spreads rise, market perceived credit risk rises and when spreads fall, market perceived credit risk falls. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to enter into the agreement. Wider credit spreads and decreasing market values, when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement. Credit spreads utilized in determining the period end market value of credit default swap agreements on corporate or sovereign issues are disclosed in the Notes to Schedule of Investments and serve

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as an indicator of the current status of the payment/performance risk and represent the likelihood or risk of default for credit derivatives. For credit default swap agreements on asset-backed securities and credit indices, the quoted market prices and resulting values, particularly in relation to the notional amount of the contract as well as the annual payment rate, serve as an indication of the current status of the payment/performance risk.

The Fund's maximum risk of loss from counterparty risk, as the protection buyer, is the fair value of the contract (this risk is mitigated by the posting of collateral by the counterparty to the Fund to cover the Fund's exposure to the counterparty). As the protection seller, the Fund's maximum risk is the notional amount of the contract. Credit default swaps are considered to have credit risk-related contingent features since they require payment by the protection seller to the protection buyer upon the occurrence of a defined credit event.

Entering into a CDS agreement involves, to varying degrees, elements of credit, market and documentation risk. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreement may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreement, and that there will be unfavorable changes in net interest rates.

**Notes to Schedule of Investments (unaudited) (continued)**

*Interest Rate Swaps.*

The Fund may enter into interest rate swap contracts. Interest rate swaps are agreements between two parties to exchange cash flows based on a notional principal amount. The Fund may elect to pay a fixed rate and receive a floating rate, or, receive a fixed rate and pay a floating rate on a notional principal amount. The net interest received or paid on interest rate swap agreements is accrued daily as interest income. Interest rate swaps are marked to market daily based upon quotations from market makers. When a swap contract is terminated early, the Fund records a realized gain or loss equal to the difference between the original cost and the settlement amount of the closing transaction.

The risks of interest rate swaps include changes in market conditions that will affect the value of the contract or changes in the present value of the future cash flow streams and the possible inability of the counterparty to fulfill its obligations under the agreement. The Fund's maximum risk of loss from counterparty credit risk is the discounted net value of the cash flows to be received from the counterparty over the contract's remaining life, to the extent that that amount is positive. This risk is mitigated by the posting of collateral by the counterparty to the Fund to cover the Fund's exposure to the counterparty.

**(e) Stripped Securities.** The Fund may invest in Stripped Securities, a term used collectively for components, or strips, fixed income securities. Stripped securities can be principal only securities ( PO ), which are debt obligations that have been stripped of unmatured interest coupons or, interest only securities ( IO ), which are unmatured interest coupons that have been stripped from debt obligations. The market value of Stripped Securities will fluctuate in response to changes in economic conditions, rates of pre-payment, interest rates and the market's perception of the securities. However, fluctuations in response to interest rates may be greater in Stripped Securities than for debt obligations of comparable maturities that pay interest currently. The amount of fluctuation may increase with a longer period of maturity.

The yield to maturity on IO's is sensitive to the rate of principal repayments (including prepayments) on the related underlying debt obligation and principal payments may have a material effect on yield to maturity. If the underlying debt obligation experiences greater than anticipated prepayments of principal, the Fund may not fully recoup its initial investment in IO's.

**(f) Loan Participations.** The Fund may invest in loans arranged through private negotiation between one or more financial institutions. The Fund's investment in any such loan may be in the form of a participation in or an assignment of the loan. In connection with purchasing participations, the Fund generally will have no right to enforce compliance by the borrower with the terms of the loan agreement related to the loan, or any rights of off-set against the borrower and the Fund may not benefit directly from any collateral supporting the loan in which it has purchased the participation.

The Fund assumes the credit risk of the borrower, the lender that is selling the participation and any other persons interpositioned between the Fund and the borrower. In the event of the insolvency of the lender selling the participation, the Fund may be treated as a general creditor of the lender and may not benefit from any off-set between the lender and the borrower.

**(g) Inflation-Indexed Bonds.** Inflation-indexed bonds are fixed-income securities whose principal value or interest rate is periodically adjusted according to the rate of inflation. As the index measuring inflation changes, the principal value or interest rate of inflation-indexed bonds will be adjusted accordingly. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury inflation-indexed bonds. For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal.

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

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

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

Notes to Schedule of Investments (unaudited) (continued)

2. Investments

At February 28, 2010, the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were substantially as follows:

Gross unrealized appreciation	\$24,075,879
Gross unrealized depreciation	(20,968,455)
Net unrealized appreciation	\$3,107,424

At February 28, 2010, the Fund had the following open forward foreign currency contracts:

Foreign Currency	Local Currency	Market Value	Settlement Date	Unrealized Gain(Loss)
<b>Contracts to Buy:</b>				
Brazilian Real	1,388,352	\$ 768,319	3/2/2010	\$ 1,909
Brazilian Real	1,388,352	763,145	4/5/2010	5,518
British Pound	1,680,000	2,559,598	5/18/2010	(133,585)
Euro	483,148	658,244	5/18/2010	6,403
				(119,755)
<b>Contracts to Sell:</b>				
Brazilian Real	1,388,352	768,319	3/2/2010	(5,781)
British Pound	1,190,050	1,813,126	5/18/2010	77,281
British Pound	1,683,000	2,564,169	5/18/2010	100,020
Euro	3,675,787	5,007,911	5/18/2010	97,794
Euro	10,330,357	14,074,130	5/18/2010	234,602
Euro	11,734,324	15,986,902	5/18/2010	409,586
				913,502
<b>Net Unrealized Gain on Open Forward Foreign Currency Contracts</b>				<b>\$ 793,747</b>

At February 28, 2010, the Fund had the following open swap contracts:

SWAP COUNTERPARTY	NOTIONAL AMOUNT	TERMINATION DATE	PERIODIC PAYMENTS MADE BY THE FUND	PERIODIC PAYMENTS RECEIVED BY THE FUND	UPFRONT PREMIUMS PAID/ (RECEIVED)	UNREALIZED DEPRECIATION
<b>Interest Rate Swaps:</b>						
Credit Suisse	\$ 4,271,536	1/2/12	BRL-CDI	10.510%	\$	(17,323)*
Credit Suisse	2,653,585	1/2/12	BRL-CDI	10.560%		(8,801)*
Total	\$ 6,925,121				\$	(26,124)

Notional amount denominated in U.S. dollars, unless otherwise noted.

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Percentage shown is an annual percentage rate.

\* Security is valued in good faith at fair value by or under the direction of the Board of Directors (See Note 1).

### **3. Derivative Instruments and Hedging Activities**

Financial Accounting Standards Board Codification Topic 815 (formerly, Statement of Financial Accounting Standards No. 161) ( ASC Topic 815 ) requires enhanced disclosure about an entity s derivative and hedging activities.

Notes to Schedule of Investments (unaudited) (continued)

The following is a summary of the Fund's derivative instruments categorized by risk exposure at February 28, 2010.

Primary Underlying Risk Disclosure	Forward Foreign Currency Contracts			Swap Contracts, at value	Total
	Unrealized Appreciation		Unrealized Depreciation		
Interest Rate Contracts				\$(26,124)	\$(26,124)
Foreign Exchange Contracts	\$933,113		\$(139,366)		793,747
<b>Total</b>	<b>\$933,113</b>		<b>\$(139,366)</b>	<b>\$(26,124)</b>	<b>\$767,623</b>

For the nine months ended February 28, 2010, the Fund had average market value of \$6,141,909 and \$24,713,549 in forward foreign currency contracts (to buy) and forward foreign currency contracts (to sell), respectively, and average notional balances in interest rate swap contracts of \$6,232,609.

At February 28, 2010, the Fund did not have any open futures contracts (to buy), futures contracts (to sell) or credit default swap contracts (to sell protection). During the nine months ended February 28, 2010, the Fund had average market values of \$13,900,625 and \$10,117,440 in futures contracts (to buy) and futures contracts (to sell), respectively, and an average notional balance of \$33,055,000 in credit default swap contracts (to sell protection)

The Fund has several credit related contingent features that if triggered would allow its derivatives counterparties to close out and demand payment or additional collateral to cover their exposure from the Fund. Credit related contingent features are established between the Fund and its derivatives counterparties to reduce the risk that the Fund will not fulfill its payment obligations to its counterparties. These triggering features include, but are not limited to, a percentage decrease in the Fund's net assets and or percentage decrease in the Fund's Net Asset Value or NAV. The contingent features are established within the Fund's International Swap and Derivatives Association, Inc. master agreements which govern positions in swaps, over-the-counter options, and forward currency exchange contracts for each individual counterparty.



ITEM 2. CONTROLS AND PROCEDURES.

(a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the disclosure controls and procedures required by Rule 30a-3(b) under the 1940 Act and 15d-15(b) under the Securities Exchange Act of 1934.

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are likely to materially affect the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

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

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**SIGNATURES**

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

**Western Asset Global High Income Fund Inc.**

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

Date: April 23, 2010

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

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

Date: April 23, 2010

By /s/ Kaprel Ozsolak  
Kaprel Ozsolak  
Chief Financial Officer

Date: April 23, 2010

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