

LMP REAL ESTATE INCOME FUND INC.
Form N-Q
May 29, 2012

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

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-21098

LMP Real Estate Income Fund Inc.
(Exact name of registrant as specified in charter)

620 Eighth Avenue, 49th Floor, New York, NY
(Address of principal executive offices)

10018
(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: March 31, 2012

ITEM 1. SCHEDULE OF INVESTMENTS.

LMP REAL ESTATE INCOME FUND INC.

FORM N-Q

MARCH 31, 2012

LMP REAL ESTATE INCOME FUND INC.

Schedule of investments (unaudited)

March 31, 2012

SECURITY	SHARES	VALUE
COMMON STOCKS 83.5%		
Apartments 2.7%		
Campus Crest Communities Inc.	308,220	\$ 3,593,845(a)
Diversified 14.6%		
Digital Realty Trust Inc.	45,000	3,328,650(a)
Dundee Real Estate Investment Trust	125,000	4,411,249
Entertainment Properties Trust	112,000	5,194,560(a)
Liberty Property Trust	176,000	6,286,720(a)
Total Diversified		19,221,179
Health Care 15.0%		
HCP Inc.	119,800	4,727,308(a)
Health Care REIT Inc.	83,000	4,561,680(a)
OMEGA Healthcare Investors Inc.	300,000	6,378,000(a)
Senior Housing Properties Trust	190,000	4,189,500(a)
Total Health Care		19,856,488
Industrial 6.3%		
DCT Industrial Trust Inc.	557,830	3,291,197(a)
First Potomac Realty Trust	410,000	4,956,900(a)
Total Industrial		8,248,097
Lodging/Resorts 3.3%		
Hospitality Properties Trust	166,000	4,394,020(a)
Mortgage 3.6%		
Annaly Capital Management Inc.	80,000	1,265,600
Starwood Property Trust Inc.	168,000	3,531,360
Total Mortgage		4,796,960
Office 13.1%		
BioMed Realty Trust Inc.	130,000	2,467,400(a)
CommonWealth REIT	100,000	1,862,000(a)
Highwoods Properties Inc.	82,000	2,732,240(a)
Kilroy Realty Corp.	146,700	6,837,687(a)
Mack-Cali Realty Corp.	120,000	3,458,400(a)
Total Office		17,357,727
Regional Malls 5.5%		
Macerich Co.	125,000	7,218,750(a)
Shopping Centers 19.4%		
Excel Trust Inc.	192,000	2,319,360(a)
Inland Real Estate Corp.	480,000	4,257,600(a)
Kite Realty Group Trust	264,000	1,391,280
Primaris Retail Real Estate Investment Trust	196,000	4,252,283(a)
Ramco-Gershenson Properties Trust	247,620	3,025,916(a)
Regency Centers Corp.	85,000	3,780,800(a)
Urstadt Biddle Properties, Class A Shares	33,000	651,420
Westfield Group	650,000	5,945,260
Total Shopping Centers		25,623,919

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TOTAL COMMON STOCKS (Cost \$87,519,333)			110,310,985
		RATE	
PREFERRED STOCKS 41.2%			
Apartments 2.5%			
Apartment Investment & Management Co.	7.000%	135,000	3,348,000
Diversified 3.7%			
Digital Realty Trust Inc., Cumulative, Series F	6.625%	70,000	1,734,600*

See Notes to Schedule of Investments.

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LMP REAL ESTATE INCOME FUND INC.

Schedule of investments (unaudited) (continued)

March 31, 2012

SECURITY	RATE	SHARES	VALUE
Diversified continued			
LBA Realty Fund LP, Cumulative Redeemable	8.750%	90,000	\$ 3,166,875*
Total Diversified			4,901,475
Lodging/Resorts 11.1%			
Ashford Hospitality Trust	9.000%	97,000	2,463,800(a)
Hersha Hospitality Trust	8.000%	67,000	1,656,910
LaSalle Hotel Properties	7.500%	13,800	349,278
LaSalle Hotel Properties, Cumulative Redeemable, Series G	7.250%	41,600	1,038,702
Pebblebrook Hotel Trust, Series A	7.875%	80,000	2,072,000
Strategic Hotels Capital Inc., Series B	8.250%	94,300	2,864,362*(a)
Sunstone Hotel Investors Inc.	8.000%	67,325	1,660,235
Sunstone Hotel Investors Inc., Cumulative Redeemable, Series A	8.000%	103,900	2,552,044(a)
Total Lodging/Resorts			14,657,331
Office 2.0%			
BioMed Realty Trust Inc., Series A	7.375%	65,761	1,653,889
Corporate Office Properties Trust, Cumulative Redeemable, Series J	7.625%	40,000	1,008,400(a)
Total Office			2,662,289
Regional Malls 4.9%			
CBL & Associates Properties Inc.	7.375%	60,000	1,500,000(a)
Glimcher Realty Trust	8.125%	137,000	3,386,640
Taubman Centers Inc., Cumulative Redeemable, Series H	7.625%	61,359	1,555,604
Total Regional Malls			6,442,244
Retail - Free Standing 3.0%			
National Retail Properties Inc.	6.625%	85,000	2,159,000*
Realty Income Corp., Cumulative Redeemable, Series E	6.750%	70,000	1,753,500(a)
Total Retail - Free Standing			3,912,500
Shopping Centers 13.2%			
Cedar Shopping Centers Inc., Cumulative Redeemable, Series A	8.875%	100,000	2,509,000(a)
Excel Trust Inc.	8.125%	33,000	831,270
Kimco Realty Corp., Series G	7.750%	209,100	5,311,140(a)
Kite Realty Group Trust, Series A	8.250%	100,019	2,511,477(a)
Urstadt Biddle Properties Inc., Cumulative, Series C	8.500%	59,900	6,311,364
Total Shopping Centers			17,474,251
Storage 0.8%			
CubeSmart, Cumulative, Series A	7.750%	42,196	1,071,356
TOTAL PREFERRED STOCKS (Cost \$54,118,773)			54,469,446

See Notes to Schedule of Investments.

LMP REAL ESTATE INCOME FUND INC.

Schedule of investments (unaudited) (continued)

March 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS (Cost		\$141,638,106)		\$ 164,780,431
SHORT-TERM INVESTMENTS	5.0%			
Repurchase Agreements	5.0%			
Interest in \$625,000,000 joint tri-party repurchase agreement dated 3/30/12 with RBS Securities Inc.; Proceeds at maturity - \$6,580,038; (Fully collateralized by various U.S. government agency obligations, 0.170% to 7.125% due 4/20/12 to 1/15/30; Market value - \$6,711,606) (Cost - \$6,580,000)				
	0.070%	4/2/12	\$ 6,580,000	6,580,000
TOTAL INVESTMENTS	129.7% (Cost	\$148,218,106#)		171,360,431
Liabilities in Excess of Other Assets (29.7)%				(39,284,562)
TOTAL NET ASSETS	100.0%			