

SALOMON BROTHERS HIGH INCOME FUND II INC  
Form N-Q  
September 28, 2006

**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

811-8709

Salomon Brothers High Income Fund II Inc.  
(Exact name of registrant as specified in charter)

125 Broad Street, New York, NY  
(Address of principal executive offices)

10004  
(Zip code)

Robert I. Frenkel, Esq.  
Legg Mason & Co., LLC  
300 First Stamford Place  
Stamford, CT 06902  
(Name and address of agent for service)

Registrant's telephone number, including area code:

1-800-725-6666

Date of fiscal year end: April 30

Date of reporting period: July 31, 2006

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ITEM 1. SCHEDULE OF INVESTMENTS

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**Salomon Brothers High Income Fund II Inc.**

**FORM N-Q**

JULY 31, 2006

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## Salomon Brothers High Income Fund II Inc.

Schedule of Investments (unaudited)

July 31, 2006

Face Amount	Security	Value
<b>CORPORATE BONDS &amp; NOTES 84.4%</b>		
<b>Aerospace &amp; Defense 1.5%</b>		
1,555,000	Alliant Techsystems Inc., Senior Subordinated Notes, 6.750% due 4/1/16	\$ 1,512,237
4,200,000	Argo-Tech Corp., Senior Notes, 9.250% due 6/1/11	4,357,500
945,000	DRS Technologies Inc., Senior Subordinated Notes: 6.625% due 2/1/16	914,288
3,100,000	7.625% due 2/1/18	3,107,750
5,500,000	L-3 Communications Corp., Senior Subordinated Notes, 7.625% due 6/15/12	5,596,250
	<b>Total Aerospace &amp; Defense</b>	<b>15,488,025</b>
<b>Airlines 0.5%</b>		
1,540,000	American Airlines Inc., Pass-Through Certificates, Series 2001-02, Class C, 7.800% due 10/1/06	1,542,888
493,588	Continental Airlines Inc., Pass-Through Certificates: Series 1998-1, Class C, 6.541% due 9/15/08	470,335
1,354,279	Series 2000-2, Class C, 8.312% due 10/2/12	1,308,550
1,355,000	Series 2001-2, Class D, 7.568% due 12/1/06	1,352,986
	<b>Total Airlines</b>	<b>4,674,759</b>
<b>Auto Components 0.8%</b>		
2,700,000	Keystone Automotive Operations Inc., Senior Subordinated Notes, 9.750% due 11/1/13	2,585,250
1,439,000	TRW Automotive Inc., Senior Notes, 9.375% due 2/15/13	1,536,132
4,690,000	Visteon Corp., Senior Notes, 8.250% due 8/1/10	4,338,250
	<b>Total Auto Components</b>	<b>8,459,632</b>
<b>Automobiles 2.7%</b>		
1,150,000	Ford Motor Co.: Debentures, 8.900% due 1/15/32	971,750
26,660,000	Notes, 7.450% due 7/16/31	19,728,400
2,375,000	General Motors Corp., Senior Debentures: 8.250% due 7/15/23	1,971,250
5,790,000	8.375% due 7/15/33	4,776,750
	<b>Total Automobiles</b>	<b>27,448,150</b>
<b>Biotechnology 0.0%</b>		
325,000	Angiotech Pharmaceuticals Inc., Senior Subordinated Notes, 7.750% due 4/1/14 (a)	316,063
<b>Building Products 1.9%</b>		
8,525,000	Associated Materials Inc., Senior Discount Notes, step bond to yield 11.301% due 3/1/14	4,901,875
2,130,000	Jacuzzi Brands Inc., Secured Notes, 9.625% due 7/1/10	2,263,125
5,190,000	Nortek Inc., Senior Subordinated Notes, 8.500% due 9/1/14	4,878,600
3,380,000	NTK Holdings Inc., Senior Discount Notes, step bond to yield 10.923% due 3/1/14	2,382,900
5,075,000	Ply Gem Industries Inc., Senior Subordinated Notes, 9.000% due 2/15/12	4,466,000
	<b>Total Building Products</b>	<b>18,892,500</b>
<b>Capital Markets 0.6%</b>		
3,104,000	BCP Crystal U.S. Holdings Corp., Senior Subordinated Notes, 9.625% due 6/15/14	3,348,440

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	3,000,000	E*TRADE Financial Corp., Senior Notes, 7.375% due 9/15/13	3,022,500
<b>Chemicals</b>		<b>Total Capital Markets</b>	<b>6,370,940</b>
<b>3.4%</b>	2,500,000	Airgas Inc., Senior Subordinated Notes, 9.125% due 10/1/11	2,618,750
	2,800,000	Borden Chemicals & Plastics LP, Notes, 9.500% due 5/1/49	
		(b)(c)(d)*	49,000
	280,000	Chemtura Corp., 6.875% due 6/1/16	271,600

*See Notes to Schedule of Investments.*

## Salomon Brothers High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

July 31, 2006

	Face Amount	Security	Value
<b>Chemicals 3.4% (continued)</b>			
	3,500,000	Equistar Chemicals LP, Senior Notes, 10.625% due 5/1/11	\$ 3,780,000
	3,873,000	Huntsman International LLC, Senior Subordinated Notes: 10.125% due 7/1/09	3,950,460
	675,000	8.125% due 1/1/15 (a)	630,281
	3,675,000	Innophos Inc., Senior Subordinated Notes, 8.875% due 8/15/14	3,693,375
		Lyondell Chemical Co., Senior Secured Notes:	
	1,517,000	9.500% due 12/15/08	1,566,303
	1,400,000	11.125% due 7/15/12	1,531,250
	3,075,000	Methanex Corp., Senior Notes, 8.750% due 8/15/12	3,305,625
	3,550,000	Millennium America Inc., Senior Notes, 9.250% due 6/15/08	3,647,625
	4,475,000	Montell Finance Co. BV, 8.100% due 3/15/27 (a)	4,117,000
		Rhodia SA:	
	2,251,000	Senior Notes, 10.250% due 6/1/10	2,447,963
	2,709,000	Senior Subordinated Notes, 8.875% due 6/1/11	2,769,952
		<b>Total Chemicals</b>	<b>34,379,184</b>
<b>Commercial Banks 0.3%</b>			
	2,650,000	Russian Agricultural Bank, Notes, 7.175% due 5/16/13 (a)	2,692,400
<b>Commercial Services &amp; Supplies 2.3%</b>			
	2,100,000	Allied Security Escrow Corp., Senior Subordinated Notes, 11.375% due 7/15/11	2,068,500
		Allied Waste North America Inc.:	
		Senior Notes, Series B:	
	250,000	8.500% due 12/1/08	260,625
	1,617,000	9.250% due 9/1/12	1,726,148
	1,050,000	7.250% due 3/15/15	1,018,500
	5,885,000	Senior Secured Notes, Series B, 7.375% due 4/15/14	5,634,887
	3,200,000	Brand Services Inc., Senior Notes, 12.000% due 10/15/12	3,620,096
	1,640,000	DynCorp International LLC/DIV Capital Corporation, Senior Subordinated Notes, 9.500% due 2/15/13	1,705,600
		NationsRent Inc.:	
	20,000	Secured Notes, 9.500% due 10/15/10	21,829
	1,280,000	Senior Subordinated Notes, 9.500% due 5/1/15	1,499,302
	5,110,000	Windstream Corp., Senior Notes, 8.625% due 8/1/16 (a)	5,339,950
		<b>Total Commercial Services &amp; Supplies</b>	<b>22,895,437</b>
<b>Communications Equipment 0.9%</b>			
	10,825,000	Lucent Technologies Inc., Debentures, 6.450% due 3/15/29	9,282,437
<b>Computers &amp; Peripherals 0.3%</b>			
	3,000,000	Seagate Technology HDD Holdings, Senior Notes, 8.000% due 5/15/09	3,075,000
<b>Consumer Finance 3.7%</b>			
		Ford Motor Credit Co.:	
		Notes:	
	3,075,000	7.875% due 6/15/10	2,895,432
	3,880,000	7.000% due 10/1/13	3,412,499
	4,248,000	Senior Notes, 10.486% due 6/15/11 (a)(e)	4,312,102
		General Motors Acceptance Corp.:	
	20,270,000	Bonds, 8.000% due 11/1/31	19,931,897
	6,890,000	Notes, 6.875% due 8/28/12	6,657,366

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<b>Containers &amp; Packaging</b>	<b>2.5%</b>	<b>Total Consumer Finance</b>	37,209,296
	3,075,000	Berry Plastics Corp., Senior Subordinated Notes, 10.750% due 7/15/12	3,374,813
	4,255,000	Graham Packaging Co. Inc., Senior Subordinated Notes, 9.875% due 10/15/14	4,159,262
		Graphic Packaging International Corp.:	

*See Notes to Schedule of Investments.*



## Salomon Brothers High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

July 31, 2006

Face Amount	Security	Value
<b>Containers &amp; Packaging 2.5% (continued)</b>		
670,000	Senior Notes, 8.500% due 8/15/11	\$ 676,700
3,905,000	Senior Subordinated Notes, 9.500% due 8/15/13	3,924,525
3,750,000	JSG Funding PLC, Senior Notes, 9.625% due 10/1/12	3,900,000
2,195,000	Owens-Brockway Glass Container Inc., Senior Secured Notes, 8.750% due 11/15/12	2,326,700
1,490,000	Plastipak Holdings Inc., Senior Notes, 8.500% due 12/15/15 (a)	1,482,550
795,000	Pliant Corp., Senior Secured Second Lien Notes, 11.125% due 9/1/09	747,300
1,975,000	Radnor Holdings Corp., Senior Notes, 11.000% due 3/15/10	602,375
2,355,000	Smurfit-Stone Container Enterprises Inc., Senior Notes, 8.375% due 7/1/12	2,251,969
2,150,000	Tekni-Plex Inc., Senior Subordinated Notes, Series B, 12.750% due 6/15/10	1,515,750
	<b>Total Containers &amp; Packaging</b>	<b>24,961,944</b>
<b>Diversified Consumer Services 1.2%</b>		
1,965,000	Education Management LLC/Education Management Corp., Senior Notes, 8.750% due 6/1/14 (a)	1,979,738
	Hertz Corp.:	
2,650,000	Senior Notes, 8.875% due 1/1/14 (a)	2,775,875
6,675,000	Senior Subordinated Notes, 10.500% due 1/1/16 (a)	7,292,437
	<b>Total Diversified Consumer Services</b>	<b>12,048,050</b>
<b>Diversified Financial Services 3.8%</b>		
1,950,000	Alamosa Delaware Inc., Senior Notes, 11.000% due 7/31/10	2,140,125
2,110,000	CCM Merger Inc., Notes, 8.000% due 8/1/13 (a)	2,030,875
	Citisteel USA Inc., Senior Secured Notes:	
1,255,000	12.490% due 9/1/10 (e)	1,308,338
870,000	15.000% due 10/1/10 (a)(f)	906,975
10,580,000	Dow Jones CDX HY, Pass-Through Trust, Series 6-T3, 8.125% due 6/29/11 (a)	10,408,075
3,380,000	H&E Equipment Services LLC/H&E Finance Corp., Senior Notes, 11.125% due 6/15/12	3,710,395
2,850,000	Hexion U.S. Finance Corp./Hexion Nova Scotia Finance ULC, Second Priority, Senior Secured Notes, 9.000% due 7/15/14	2,928,375
1,800,000	Hughes Network Systems LLC/HNS Finance Corp., Senior Notes, 9.500% due 4/15/14 (a)	1,800,000
1,950,000	Nell AF SARL, Senior Subordinated Notes, 8.375% due 8/15/15 (a)	1,903,688
1,360,000	TNK-BP Finance SA, 7.500% due 7/18/16 (a)	1,377,602
260,000	UCAR Finance Inc., Senior Notes, 10.250% due 2/15/12	273,325
2,055,000	UGS Corp., Senior Subordinated Notes, 10.000% due 6/1/12	2,221,969
5,580,000	Vanguard Health Holdings Co. I LLC, Senior Discount Notes, step bond to yield 9.815% due 10/1/15	3,975,750
3,105,000	Vanguard Health Holdings Co. II LLC, Senior Subordinated Notes, 9.000% due 10/1/14	3,019,612
	<b>Total Diversified Financial Services</b>	<b>38,005,104</b>
<b>Diversified Telecommunication Services 5.5%</b>		
	Cincinnati Bell Inc.:	

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2,590,000	Senior Notes, 7.000% due 2/15/15	2,466,975
1,040,000	Senior Subordinated Notes, 8.375% due 1/15/14	1,024,400
190,000	Cincinnati Bell Telephone Co., Debentures, 6.300% due 12/1/28	162,450
2,515,000	Citizens Communications Co., Senior Notes, 9.000% due 8/15/31	2,590,450
2,975,000	Hawaiian Telcom Communications Inc., Senior Subordinated Notes, Series B, 12.500% due 5/1/15	3,153,500
4,350,000	Insight Midwest LP/Insight Capital Inc., Senior Notes, 10.500% due 11/1/10	4,545,750
3,190,000	Intelsat Bermuda Ltd., Senior Notes: 9.250% due 6/15/16 (a)	3,277,725
6,280,000	11.250% due 6/15/16 (a)	6,374,200
670,000	Intelsat Ltd., Notes, 7.625% due 4/15/12	561,963

*See Notes to Schedule of Investments.*

## Salomon Brothers High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

July 31, 2006

Face Amount	Security	Value
<b>Diversified Telecommunication Services 5.5% (continued)</b>		
1,880,000	Nordic Telephone Co. Holdings, Senior Notes, 8.875% due 5/1/16 (a)	\$ 1,945,800
2,440,000	NTL Cable PLC, Senior Notes, 9.125% due 8/15/16	2,482,700
1,355,000	PanAmSat Corp., Senior Notes, 9.000% due 8/15/14	1,383,794
365,000	Qwest Communications International Inc., Senior Notes: 7.500% due 2/15/14	359,525
900,000	Series B, 7.500% due 2/15/14	886,500
8,728,000	Qwest Corp.: Debentures, 6.875% due 9/15/33	7,789,740
7,325,000	Notes, 8.875% due 3/15/12	7,929,312
3,640,000	Southwestern Bell Telephone Co., Debentures, 7.000% due 11/15/27	3,643,909
4,770,000	Telcordia Technologies Inc., Senior Subordinated Notes, 10.000% due 3/15/13 (a)	3,839,850
6,000,000	Telefonos de Mexico SA de CV, Senior Notes, 8.750% due 1/31/16	527,522
270,000	Wind Acquisition Finance SA, 10.750% due 12/1/15 (a)	292,275
	<b>Total Diversified Telecommunication Services</b>	<b>55,238,340</b>
<b>Electric Utilities 0.4%</b>		
851,000	Enersis SA: Bonds, 7.375% due 1/15/14	878,236
487,000	Notes, 7.400% due 12/1/16	504,016
1,106,375	Midwest Generation LLC, Pass-Through Certificates, Series B, 8.560% due 1/2/16	1,163,768
1,465,000	Reliant Energy Inc., Senior Secured Notes, 9.250% due 7/15/10	1,508,950
	<b>Total Electric Utilities</b>	<b>4,054,970</b>
<b>Energy Equipment &amp; Services 0.4%</b>		
3,175,000	Hanover Compressor Co., Senior Notes, 9.000% due 6/1/14	3,397,250
515,000	Pride International Inc., Senior Notes, 7.375% due 7/15/14	522,725
	<b>Total Energy Equipment &amp; Services</b>	<b>3,919,975</b>
<b>Food Products 0.8%</b>		
1,600,000	Dole Food Co. Inc.: Debentures, 8.750% due 7/15/13	1,440,000
1,975,000	Senior Notes: 7.250% due 6/15/10	1,787,375
1,050,000	8.875% due 3/15/11	987,000
4,375,000	Pinnacle Foods Holding Corp., Senior Subordinated Notes, 8.250% due 12/1/13	4,309,375
	<b>Total Food Products</b>	<b>8,523,750</b>
<b>Health Care Providers &amp; Services 3.8%</b>		
4,425,000	AmeriPath Inc., Senior Subordinated Notes, 10.500% due 4/1/13	4,679,437
4,885,000	DaVita Inc., Senior Subordinated Notes, 7.250% due 3/15/15	4,695,706
1,655,000	Extendicare Health Services Inc., Senior Notes, 9.500% due 7/1/10	1,735,681
2,100,000	HCA Inc., Notes: 6.375% due 1/15/15	1,690,500
7,200,000	6.500% due 2/15/16	5,769,000
4,800,000		4,632,000

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	IASIS Healthcare LLC/IASIS Capital Corp., Senior Subordinated Notes, 8.750% due 6/15/14	
	Tenet Healthcare Corp., Senior Notes:	
6,000,000	7.375% due 2/1/13	5,235,000
4,560,000	9.875% due 7/1/14	4,377,600
1,935,000	6.875% due 11/15/31	1,465,763
4,550,000	Triad Hospitals Inc., Senior Subordinated Notes, 7.000% due 11/15/13	4,368,000
	<b>Total Health Care Providers &amp; Services</b>	<b>38,648,687</b>

*See Notes to Schedule of Investments.*

## Salomon Brothers High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

July 31, 2006

Face Amount	Security	Value
<b>Hotels, Restaurants &amp; Leisure 6.0%</b>		
700,000	Caesars Entertainment Inc., Senior Subordinated Notes: 9.375% due 2/15/07	\$ 711,375
4,500,000	8.875% due 9/15/08	4,719,375
3,000,000	8.125% due 5/15/11	3,165,000
2,725,000	Carrols Corp., Senior Subordinated Notes, 9.000% due 1/15/13	2,711,375
4,725,000	Denny's Holdings Inc., Senior Notes, 10.000% due 10/1/12	4,772,250
4,150,000	Herbst Gaming Inc., Senior Subordinated Notes, 7.000% due 11/15/14	3,994,375
2,980,000	Inn of the Mountain Gods Resort & Casino, Senior Notes, 12.000% due 11/15/10	3,132,725
4,800,000	Isle of Capri Casinos Inc., Senior Subordinated Notes, 7.000% due 3/1/14	4,608,000
1,835,000	Kerzner International Ltd., Senior Subordinated Notes, 6.750% due 10/1/15	1,940,512
3,850,000	Las Vegas Sands Corp., Senior Notes, 6.375% due 2/15/15	3,580,500
1,775,000	MGM MIRAGE Inc.: Senior Notes, 6.750% due 9/1/12	1,726,188
485,000	Senior Subordinated Notes, 9.750% due 6/1/07	500,156
1,050,000	Mohegan Tribal Gaming Authority, Senior Subordinated Notes: 7.125% due 8/15/14	1,023,750
2,475,000	6.875% due 2/15/15	2,363,625
620,000	Penn National Gaming Inc., Senior Subordinated Notes, 6.750% due 3/1/15	585,900
4,700,000	Pinnacle Entertainment Inc., Senior Subordinated Notes, 8.250% due 3/15/12	4,711,750
3,930,000	Pokagon Gaming Authority, Senior Notes, 10.375% due 6/15/14 (a)	4,126,500
315,000	River Rock Entertainment Authority, Senior Notes, 9.750% due 11/1/11	332,325
2,825,000	Sbarro Inc., Senior Notes, 11.000% due 9/15/09	2,867,375
4,300,000	Starwood Hotels & Resorts Worldwide Inc., Senior Notes, 7.875% due 5/1/12	4,558,000
475,000	Station Casinos Inc., Senior Subordinated Notes: 6.875% due 3/1/16	439,375
4,175,000	6.625% due 3/15/18	3,720,969
	<b>Total Hotels, Restaurants &amp; Leisure</b>	<b>60,291,400</b>
<b>Household Durables 2.2%</b>		
310,000	American Greetings Corp., Senior Notes, 7.375% due 6/1/16	311,550
295,000	Beazer Homes USA Inc., Senior Notes: 6.875% due 7/15/15	264,025
1,920,000	8.125% due 6/15/16 (a)	1,833,600
4,000,000	Holt Group Inc., Senior Notes, 9.750% due 1/15/49 (b)(c)(d)* Interface Inc.:	0
2,875,000	Senior Notes, 10.375% due 2/1/10	3,155,312
1,500,000	Senior Subordinated Notes, 9.500% due 2/1/14	1,545,000
2,605,000	K Hovnanian Enterprises Inc., Senior Notes: 7.500% due 5/15/16	2,396,600
3,535,000	8.625% due 1/15/17	3,464,300

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1,230,000	Norcraft Cos. LP/Norcraft Finance Corp., Senior Subordinated Notes, 9.000% due 11/1/11	1,260,750
1,660,000	Norcraft Holdings LP/Norcraft Capital Corp., Senior Discount Notes, step bond to yield 9.536% due 9/1/12	1,344,600
4,150,000	Sealy Mattress Co., Senior Subordinated Notes, 8.250% due 6/15/14	4,170,750
2,145,000	Tempur-Pedic Inc./Tempur Production USA Inc., Senior Subordinated Notes, 10.250% due 8/15/10	2,257,613
	<b>Total Household Durables</b>	<b>22,004,100</b>
<b>Household Products 0.6%</b>		
	Nutro Products Inc.:	
435,000	Senior Notes, 9.230% due 10/15/13 (a)(e)	448,050
1,370,000	Senior Subordinated Notes, 10.750% due 4/15/14 (a)	1,435,075
	Spectrum Brands Inc., Senior Subordinated Notes:	

*See Notes to Schedule of Investments.*

## Salomon Brothers High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

July 31, 2006

Face Amount	Security	Value
<b>Household Products 0.6% (continued)</b>		
2,175,000	8.500% due 10/1/13	\$ 1,745,438
570,000	7.375% due 2/1/15	431,775
1,890,000	Visant Holding Corp., Senior Notes, 8.750% due 12/1/13 (a)	1,819,125
	<b>Total Household Products</b>	<b>5,879,463</b>
<b>Independent Power Producers &amp; Energy Traders 4.6%</b>		
2,710,000	AES China Generating Co., Ltd., Class A, 8.250% due 6/26/10 AES Corp.:	2,671,380
	Senior Notes:	
1,325,000	9.500% due 6/1/09	1,404,500
1,900,000	9.375% due 9/15/10	2,035,375
40,000	8.875% due 2/15/11	42,400
4,175,000	7.750% due 3/1/14	4,237,625
730,000	Senior Secured Notes, 9.000% due 5/15/15 (a)	788,400
2,500,000	Calpine Generating Co. LLC, Senior Secured Notes, 14.120% due 4/1/11 (b)	2,637,500
	Dynegy Holdings Inc., Senior Debentures:	
4,550,000	7.125% due 5/15/18	4,004,000
8,350,000	7.625% due 10/15/26	7,348,000
	Edison Mission Energy, Senior Notes:	
4,575,000	7.730% due 6/15/09	4,666,500
445,000	7.500% due 6/15/13 (a)	441,662
2,600,000	7.750% due 6/15/16 (a)	2,580,500
950,000	Mirant Americas Generation LLC, Senior Notes, 9.125% due 5/1/31	916,750
2,585,000	Mirant North America LLC, Senior Notes, 7.375% due 12/31/13	2,497,756
	NRG Energy Inc., Senior Notes:	
1,675,000	7.250% due 2/1/14	1,643,594
8,770,000	7.375% due 2/1/16	8,594,600
	<b>Total Independent Power Producers &amp; Energy Traders</b>	<b>46,510,542</b>
<b>Industrial Conglomerates 0.4%</b>		
2,750,000	Moll Industries Inc., Senior Subordinated Notes, 10.500% due 7/1/08 (b)(c)(d)*	0
4,000,000	Sequa Corp., Senior Notes, 9.000% due 8/1/09	4,230,000
	<b>Total Industrial Conglomerates</b>	<b>4,230,000</b>
<b>Insurance 0.5%</b>		
4,820,000	Crum & Forster Holdings Corp., Senior Notes, 10.375% due 6/15/13	4,940,500
<b>Internet &amp; Catalog Retail 0.2%</b>		
660,000	Brookstone Co. Inc., Secured Notes, 12.000% due 10/15/12	600,600
1,433,000	FTD Inc., Senior Subordinated Notes, 7.750% due 2/15/14	1,386,428
	<b>Total Internet &amp; Catalog Retail</b>	<b>1,987,028</b>
<b>IT Services 0.6%</b>		
	Sungard Data Systems Inc.:	
2,900,000	Senior Notes, 9.125% due 8/15/13	2,976,125
3,230,000	Senior Subordinated Notes, 10.250% due 8/15/15	3,290,562
	<b>Total IT Services</b>	<b>6,266,687</b>
<b>Leisure Equipment &amp; Products 0.2%</b>		
1,965,000		1,906,050

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		Warner Music Group, Senior Subordinated Notes, 7.375% due 4/15/14	
<b>Machinery</b>	<b>1.1%</b>		
	450,000	Case New Holland Inc., Senior Notes:	
	1,850,000	9.250% due 8/1/11	476,438
	635,000	7.125% due 3/1/14	1,808,375
	1,365,000	Commercial Vehicle Group Inc., Senior Notes, 8.000% due 7/1/13	605,631
	991,000	Invensys PLC, Senior Notes, 9.875% due 3/15/11 (a)	1,474,200
		Mueller Group Inc., Senior Subordinated Notes, 10.000% due 5/1/12	1,075,235

*See Notes to Schedule of Investments.*



## Salomon Brothers High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

July 31, 2006

	Face Amount	Security	Value
<b>Machinery</b>	<b>1.1% (continued)</b>		
	2,844,000	Mueller Holdings Inc., Discount Notes, step bond to yield 14.731% due 4/15/14	\$ 2,431,620
	2,667,000	Terex Corp., Senior Subordinated Notes, Series B, 10.375% due 4/1/11	2,805,364
		<b>Total Machinery</b>	<b>10,676,863</b>
<b>Media</b>	<b>10.2%</b>		
	2,910,000	Affinion Group Inc., Senior Notes, 10.125% due 10/15/13 (a)	2,997,300
	20,000	AMC Entertainment Inc.:	
	5,655,000	Senior Note, Series B, 8.625% due 8/15/12	20,525
	6,435,325	Senior Subordinated Notes, 11.000% due 2/1/16	6,135,675
		CanWest Media Inc., Senior Subordinated Notes, 8.000% due 9/15/12	6,306,618
	3,000,000	CCH I Holdings LLC/CCH I Holdings Capital Corp., Senior Accreting Notes, step bond to yield 17.441% due 1/15/15	1,830,000
	5,040,000	CCH I LLC/CCH Capital Corp., Senior Secured Notes, 11.000% due 10/1/15	4,548,600
	4,390,000	CCH II LLC/CCH II Capital Corp., Senior Notes, 10.250% due 9/15/10	4,455,850
		Charter Communications Holdings LLC/Charter Communications Holdings Capital Corp., Senior Notes:	
	1,310,000	8.625% due 4/1/09	1,100,400
	800,000	10.750% due 10/1/09	692,000
	1,320,000	Charter Communications Holdings LLC/Charter Communications Holdings II Capital Corp., Senior Notes, 9.625% due 11/15/09	1,115,400
	925,000	Charter Communications Operating LLC, Second Lien Senior Notes, 8.375% due 4/30/14 (a)	936,563
	1,375,000	Chukchansi Economic Development Authority, Senior Notes, 8.000% due 11/15/13 (a)	1,383,594
	640,000	CMP Susquehanna Corp., Senior Subordinated Notes, 9.875% due 5/15/14 (a)	598,400
		CSC Holdings Inc.:	
	3,850,000	Debentures, Series B, 8.125% due 8/15/09	3,960,687
	345,000	Senior Debentures, 7.875% due 2/15/18	347,588
	3,400,000	Senior Notes, Series B, 7.625% due 4/1/11	3,438,250
	813,000	Dex Media East LLC/Dex Media East Finance Co., Senior Notes, Series B, 12.125% due 11/15/12	912,593
	3,350,000	Dex Media Inc., Discount Notes, step bond to yield 8.367% due 11/15/13	2,780,500
	2,344,000	Dex Media West LLC/Dex Media Finance Co., Senior Subordinated Notes, Series B, 9.875% due 8/15/13	2,537,380
	3,022,000	DIRECTV Holdings LLC/DIRECTV Financing Co. Inc., Senior Notes, 8.375% due 3/15/13	3,180,655
	9,325,000	EchoStar DBS Corp., Senior Notes, 7.125% due 2/1/16 (a)	9,208,437
	2,500,000	Houghton Mifflin Co., Senior Discount Notes, step bond to yield 11.492% due 10/15/13	2,081,250
	1,950,000	Interp National Radio Sales Inc., Senior Subordinated Notes, Series B, 10.000% due 7/1/08	1,677,000

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1,505,000	Kabel Deutschland GMBH, Senior Notes, 10.625% due 7/1/14 (a)	1,602,825
1,730,000	Lamar Media Corp., Senior Subordinated Notes, 6.625% due 8/15/15	1,615,388
3,295,000	LodgeNet Entertainment Corp., Senior Subordinated Notes, 9.500% due 6/15/13	3,525,650
2,401,000	Nexstar Finance Inc., Senior Subordinated Notes, 7.000% due 1/15/14	2,178,907
2,565,000	Primedia Inc., Senior Notes, 8.875% due 5/15/11	2,455,987
	R.H. Donnelley Corp.:	
	Senior Discount Notes:	
1,000,000	Series A-1, 6.875% due 1/15/13	912,500
2,200,000	Series A-2, 6.875% due 1/15/13	2,007,500
5,200,000	Senior Notes, Series A-3, 8.875% due 1/15/16	5,206,500
900,000	R.H. Donnelley Finance Corp. I, Senior Subordinated Notes, 10.875% due 12/15/12 (a)	993,375
	Radio One Inc., Senior Subordinated Notes:	
100,000	6.375% due 2/15/13	91,750

*See Notes to Schedule of Investments.*

## Salomon Brothers High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

July 31, 2006

	Face Amount	Security	Value
<b>Media</b>	<b>10.2% (continued)</b>		
	3,475,000	Series B, 8.875% due 7/1/11	\$ 3,579,250
	4,885,000	Rainbow National Services LLC, Senior Notes, 8.750% due 9/1/12 (a)	5,190,312
	905,000	Rogers Cable Inc.: Secured Notes, 5.500% due 3/15/14	817,894
	1,340,000	Senior Secured Notes, 6.250% due 6/15/13	1,279,700
	760,000	Senior Secured Second Priority Notes, 6.750% due 3/15/15	736,250
	4,650,000	Sinclair Broadcast Group Inc., Senior Subordinated Notes, 8.000% due 3/15/12	4,719,750
	750,000	Videotron Ltd., Senior Notes, 6.375% due 12/15/15	686,250
	860,000	XM Satellite Radio Inc., Senior Notes: 9.649% due 5/1/13 (a)(e)	797,650
	2,510,000	9.750% due 5/1/14 (a)	2,328,025
		<b>Total Media</b>	<b>102,970,728</b>
<b>Metals &amp; Mining</b>	<b>1.2%</b>		
	2,225,000	Aleris International Inc., Senior Secured Notes, 10.375% due 10/15/10	2,441,937
	275,000	Chaparral Steel Co., Senior Notes, 10.000% due 7/15/13	304,563
	2,030,000	International Steel Group Inc., Senior Notes, 6.500% due 4/15/14	1,928,500
	4,025,000	Metals USA Inc., Senior Secured Notes, 11.125% due 12/1/15 (a)	4,447,625
	2,255,000	RathGibson Inc., Senior Notes, 11.250% due 2/15/14 (a)	2,345,200
	5,000,000	Republic Technologies International LLC/RTI Capital Corp., Senior Secured Notes, 13.750% due 7/15/09 (b)(c)(d)*	0
	375,000	Vale Overseas Ltd., Notes, 6.250% due 1/11/16	371,625
		<b>Total Metals &amp; Mining</b>	<b>11,839,450</b>
<b>Multiline Retail</b>	<b>0.9%</b>		
	2,500,000	Harry & David Operations, Senior Notes, 9.000% due 3/1/13	2,268,750
	4,525,000	Neiman Marcus Group Inc., Senior Subordinated Notes, 10.375% due 10/15/15	4,824,781
	1,543,000	Saks Inc., Notes, 9.875% due 10/1/11	1,662,583
		<b>Total Multiline Retail</b>	<b>8,756,114</b>
<b>Office Electronics</b>	<b>0.4%</b>		
	4,375,000	Xerox Capital Trust I Exchange Capital Securities, 8.000% due 2/1/27	4,440,625
<b>Oil, Gas &amp; Consumable Fuels</b>	<b>8.1%</b>		
	4,080,000	Belden & Blake Corp., Secured Notes, 8.750% due 7/15/12	4,171,800
	6,290,000	Chesapeake Energy Corp., Senior Notes: 6.625% due 1/15/16	6,022,675
	3,725,000	6.500% due 8/15/17	3,482,875
	5,127,000	Cimarex Energy Co., Senior Notes, 9.600% due 3/15/12	5,441,029
	835,000	Compagnie Generale de Geophysique SA, 7.500% due 5/15/15	820,387
	5,425,000	El Paso Corp.: Medium-Term Notes: 7.800% due 8/1/31	5,397,875
	7,525,000	7.750% due 1/15/32	7,525,000
	5,200,000	Notes, 7.875% due 6/15/12	5,343,000

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2,510,000	EXCO Resources Inc., Senior Notes, 7.250% due 1/15/11	2,459,800
2,325,000	Inergy LP/Inergy Finance Corp., Senior Notes, 8.250% due 3/1/16	2,383,125
5,200,000	International Coal Group Inc., Senior Notes, 10.250% due 7/15/14 (a)	5,265,000
1,465,000	Mariner Energy Inc., Senior Notes, 7.500% due 4/15/13 (a)	1,421,050
995,000	Northwest Pipelines Corp., Senior Notes, 7.000% due 6/15/16 (a)	999,975
490,000	OMI Corp., Senior Notes, 7.625% due 12/1/13	494,900
	Pemex Project Funding Master Trust:	
3,100,000	6.125% due 8/15/08	3,113,950
250,000	7.375% due 12/15/14	267,507
2,160,000	Petrohawk Energy Corp., Senior Notes, 9.125% due 7/15/13 (a)	2,219,400

*See Notes to Schedule of Investments.*

## Salomon Brothers High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

July 31, 2006

Face Amount	Security	Value
<b>Oil, Gas &amp; Consumable Fuels 8.1% (continued)</b>		
4,575,000	Plains Exploration & Production Co., Senior Notes, 7.125% due 6/15/14	\$ 4,552,125
1,130,000	Pogo Producing Co., Senior Subordinated Notes: 7.875% due 5/1/13 (a)	1,155,425
2,000,000	Series B, 8.250% due 4/15/11	2,062,500
500,000	SemGroup LP, Senior Notes, 8.750% due 11/15/15 (a)	505,000
160,000	SESI LLC, Senior Notes, 6.875% due 6/1/14 (a)	156,000
1,000,000	Swift Energy Co., Senior Subordinated Notes, 9.375% due 5/1/12	1,060,000
2,550,000	Whiting Petroleum Corp., Senior Subordinated Notes: 7.250% due 5/1/12	2,543,625
1,975,000	7.000% due 2/1/14	1,945,375
	Williams Cos. Inc.: Notes: 7.875% due 9/1/21	3,723,000
3,650,000	8.750% due 3/15/32	3,499,125
3,225,000	Senior Notes, 7.625% due 7/15/19	3,755,500
3,700,000	<b>Total Oil, Gas &amp; Consumable Fuels</b>	<b>81,787,023</b>
<b>Paper &amp; Forest Products 1.0%</b>		
4,425,000	Appleton Papers Inc., Senior Subordinated Notes, Series B, 9.750% due 6/15/14	4,425,000
650,000	Domtar Inc., Notes, 5.375% due 12/1/13	537,875
	NewPage Corp.: Senior Secured Notes, 11.399% due 5/1/12 (e)	851,725
785,000	Senior Subordinated Notes, 12.000% due 5/1/13	1,089,400
1,040,000	P.H. Glatfelter, Senior Notes, 7.125% due 5/1/16 (a)	784,000
800,000	Smurfit Capital Funding PLC, Debentures, 7.500% due 11/20/25	920,000
1,000,000	Verso Paper Holdings LLC: Senior Secured Notes, 9.125% due 8/1/14 (a)	1,105,500
1,100,000	Senior Subordinated Notes, 11.375% due 8/1/16 (a)	870,000
870,000	<b>Total Paper &amp; Forest Products</b>	<b>10,583,500</b>
<b>Personal Products 0.2%</b>		
2,150,000	Playtex Products Inc., Senior Secured Notes, 8.000% due 3/1/11	2,238,688
<b>Pharmaceuticals 0.5%</b>		
3,930,000	Leiner Health Products Inc., Senior Subordinated Notes, 11.000% due 6/1/12	3,723,675
1,915,000	Valeant Pharmaceuticals International, Senior Notes, 7.000% due 12/15/11	1,828,825
	<b>Total Pharmaceuticals</b>	<b>5,552,500</b>
<b>Real Estate Investment Trusts (REITs) 0.9%</b>		
130,000	Forest City Enterprises Inc., Senior Notes, 7.625% due 6/1/15	131,300
	Host Marriott LP, Senior Notes: 7.125% due 11/1/13	2,515,625
2,500,000	Series I, 9.500% due 1/15/07	1,655,469
1,625,000	Series O, 6.375% due 3/15/15	3,234,250
3,400,000	Kimball Hill Inc., Senior Subordinated Notes, 10.500% due 12/15/12	1,428,062
1,565,000	Ventas Realty LP/Ventas Capital Corp., Senior Notes, 6.500% due 6/1/16	640,063

<b>Road &amp; Rail</b>		<b>Total Real Estate Investment Trusts (REITs)</b>	9,604,769
	1,910,000	Avis Budget Car Rental LLC/Avis Budget Finance Inc., Senior Notes, 7.576% due 5/15/14 (a)(e)	1,933,875
	550,000	Grupo Transportacion Ferroviaria Mexicana SA de CV, Senior Notes:	
	3,360,000	10.250% due 6/15/07	565,812
		9.375% due 5/1/12	3,586,800

*See Notes to Schedule of Investments.*

## Salomon Brothers High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

July 31, 2006

	Face Amount	Security	Value
<b>Road &amp; Rail 0.6% (continued)</b>			
	160,000	12.500% due 6/15/12	\$ 176,800
		<b>Total Road &amp; Rail</b>	6,263,287
<b>Semiconductors &amp; Semiconductor Equipment 0.3%</b>	4,000,000	MagnaChip Semiconductor, Senior Subordinated Notes, 8.000% due 12/15/14	2,670,000
<b>Software 0.4%</b>	1,890,000	Activant Solutions Inc., Senior Subordinated Notes, 9.500% due 5/1/16 (a)	1,795,500
	2,810,000	UGS Capital Corp. II, Senior Notes, 10.380% due 6/1/11 (a)(e)(f)	2,795,950
		<b>Total Software</b>	4,591,450
<b>Specialty Retail 1.7%</b>			
	700,000	AutoNation Inc., Senior Notes: 7.507% due 4/15/13 (a)(e)	710,500
	875,000	7.000% due 4/15/14 (a)	870,625
	2,105,000	Blockbuster Inc., Senior Subordinated Notes, 9.000% due 9/1/12	1,989,225
	4,050,000	Buffets Inc., Senior Subordinated Notes, 11.250% due 7/15/10	4,293,000
	615,000	EPL Finance Corp., Senior Notes, 11.750% due 11/15/13 (a)	704,175
	1,300,000	Eye Care Centers of America, Senior Subordinated Notes, 10.750% due 2/15/15	1,400,750
	3,325,000	Hines Nurseries Inc., Senior Notes, 10.250% due 10/1/11	3,009,125
	2,281,000	Jafra Cosmetics International Inc., Senior Subordinated Notes, 10.750% due 5/15/11	2,474,885
	2,180,000	Suburban Propane Partners LP/Suburban Energy Finance Corp., Senior Notes, 6.875% due 12/15/13	2,076,450
		<b>Total Specialty Retail</b>	17,528,735
<b>Textiles, Apparel &amp; Luxury Goods 1.0%</b>			
	6,785,000	Levi Strauss & Co., Senior Notes, 9.750% due 1/15/15	6,988,550
	665,000	Russell Corp., Senior Notes, 9.250% due 5/1/10	698,250
	2,950,000	Simmons Co., Senior Discount Notes, step bond to yield 9.995% due 12/15/14	2,006,000
		<b>Total Textiles, Apparel &amp; Luxury Goods</b>	9,692,800
<b>Trading Companies &amp; Distributors 1.1%</b>			
	4,380,000	H&E Equipment Services Inc., Senior Notes, 5.375% due 7/15/16 (a)	4,445,700
	3,790,000	Penhall International Corp., Senior Secured Notes, 12.000% due 8/1/14 (a)	3,932,125
	2,550,000	Transdigm Inc., Senior Subordinated Notes, 7.750% due 7/15/14 (a)	2,556,375
		<b>Total Trading Companies &amp; Distributors</b>	10,934,200
<b>Wireless Telecommunication Services 2.2%</b>			
	1,825,000	American Tower Corp., Senior Notes, 7.500% due 5/1/12	1,870,625
	2,125,000	Centennial Communications Corp., Senior Notes, 11.258% due 1/1/13 (e)	2,199,375
	325,000	Dobson Cellular Systems Inc., First Priority Senior Secured Notes, 8.375% due 11/1/11	338,000
	8,150,000	Nextel Communications Inc., Senior Notes, Series D, 7.375% due 8/1/15	8,358,053
	440,000		447,700

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	Rogers Wireless Communications Inc., Secured Notes, 7.250% due 12/15/12	
1,040,000	Rogers Wireless Inc., Senior Subordinated Notes, 8.000% due 12/15/12	1,076,400
3,380,000	Rural Cellular Corp., Senior Notes, 9.875% due 2/1/10	3,515,200
3,900,000	UbiquiTel Operating Co., Senior Notes, 9.875% due 3/1/11	4,260,750
	<b>Total Wireless Telecommunication Services</b>	<b>22,066,103</b>
	<b>TOTAL CORPORATE BONDS &amp; NOTES</b>	
	(Cost \$866,325,262)	852,797,248
<b>ASSET-BACKED SECURITY 0.0%</b>		
<b>Diversified Financial Services 0.0%</b>		
1,975,400	Airplanes Pass-Through Trust, Subordinated Notes, Series D, 10.875% due 3/15/19 (b)(c)(d)*	
	(Cost \$2,026,308)	0

*See Notes to Schedule of Investments.*



## Salomon Brothers High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

July 31, 2006

Face Amount	Security	Value
<b>CONVERTIBLE BONDS &amp; NOTES</b> 0.4%		
<b>Semiconductors &amp; Semiconductor Equipment</b> 0.1%		
1,120,000	Amkor Technology Inc., Senior Subordinated Bond, 2.500% due 5/15/11	\$ 901,600
<b>Wireless Telecommunication Services</b> 0.3%		
2,675,000	American Tower Corp., Notes, 5.000% due 2/15/10	2,675,000
	<b>TOTAL CONVERTIBLE BONDS &amp; NOTES</b>	
	(Cost \$2,542,145)	3,576,600
<b>Shares</b>		
<b>ESCROWED SHARES(b)(d)</b> 0.0%		
8,800,000	Breed Technologies Inc. (c)*	0
2,025,000	Pillowtex Corp.	0
2,648,056	Vlasic Foods International Inc. (c)*	52,961
	<b>TOTAL ESCROWED SHARES</b>	
	(Cost \$0)	52,961
Face Amount		
<b>SOVEREIGN BONDS</b> 8.2%		
<b>Argentina</b> 0.3%		
1,400,000 EUR	Republic of Argentina: 9.250% due 10/21/02 (b)	518,198
300,000 EUR	9.000% due 6/20/03 (b)	112,000
250,000 EUR	10.250% due 1/26/07 (b)	99,715
275,000 EUR	8.000% due 2/26/08 (b)	104,860
775,250	4.889% due 8/3/12 (e)	719,845
1,656,754 ARS	Bonds, 2.000% due 1/3/10 (e)	1,046,710
97,000 EUR	GDP Linked Securities, 0.000% due 12/15/35 (e)	11,452
600,000 EUR	Medium-Term Notes: 8.125% due 10/4/03 (b)	224,957
1,175,000 EUR	7.000% due 3/18/04 (b)	455,537
525,000 EUR	9.000% due 5/24/05 (a)(b)	203,538
	<b>Total Argentina</b>	3,496,812
<b>Brazil</b> 1.8%		
9,413,000	Federative Republic of Brazil: 11.000% due 8/17/40	12,081,586
2,005,000	Collective Action Securities: 8.750% due 2/4/25	2,318,281
3,449,000	Notes, 8.000% due 1/15/15	3,739,578
	<b>Total Brazil</b>	18,139,445
<b>Chile</b> 0.0%		
432,000	Republic of Chile, 5.500% due 1/15/13	427,090

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<b>Colombia</b>	<b>0.5%</b>		
		Republic of Colombia:	
	3,325,000	11.750% due 2/25/20	4,588,500
	105,000	10.375% due 1/28/33	138,600
		<b>Total Colombia</b>	<b>4,727,100</b>
<b>Ecuador</b>	<b>0.2%</b>		
	2,100,000	Republic of Ecuador, 9.000% due 8/15/30 (a)	2,131,500
<b>El Salvador</b>	<b>0.2%</b>		
	1,300,000	Republic of El Salvador:	
		7.750% due 1/24/23 (a)	1,404,000

*See Notes to Schedule of Investments.*

## Salomon Brothers High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

July 31, 2006

	Face Amount	Security	Value
<b>El Salvador 0.2% (continued)</b>			
	270,000	8.250% due 4/10/32 (a)	\$ 290,925
		<b>Total El Salvador</b>	1,694,925
<b>Indonesia 0.0%</b>	400,000	Republic of Indonesia, 8.500% due 10/12/35 (a)	452,860
<b>Mexico 1.7%</b>		United Mexican States:	
	1,020,000	11.375% due 9/15/16	1,430,550
	1,410,000	8.125% due 12/30/19	1,646,880
		Medium-Term Notes:	
	870,000	5.625% due 1/15/17	835,853
		Series A:	
	516,000	6.375% due 1/16/13	531,222
	2,894,000	5.875% due 1/15/14	2,893,276
	8,795,000	8.000% due 9/24/22	10,189,007
		<b>Total Mexico</b>	17,526,788
<b>Panama 0.2%</b>		Republic of Panama:	
	1,285,000	9.625% due 2/8/11	1,452,050
	550,000	7.250% due 3/15/15	569,112
		<b>Total Panama</b>	2,021,162
<b>Peru 0.6%</b>		Republic of Peru:	
	40,000	9.875% due 2/6/15	48,100
	1,168,000	8.750% due 11/21/33	1,354,880
	169,750	FLIRB, 5.000% due 3/7/17 (a)(e)	165,931
		Global Bonds:	
	220,000	8.375% due 5/3/16	245,025
	198,000	7.350% due 7/21/25	202,455
		PDI:	
	3,207,400	5.000% due 3/7/17 (e)	3,151,270
	550,630	5.000% due 3/7/17 (a)(e)	542,371
		<b>Total Peru</b>	5,710,032
<b>Philippines 0.3%</b>		Republic of the Philippines:	
	350,000	9.375% due 1/18/17	402,920
	1,975,000	9.500% due 2/2/30	2,340,375
		<b>Total Philippines</b>	2,743,295
<b>Russia 1.1%</b>		Russian Federation:	
	377,780	8.250% due 3/31/10 (a)	394,072
	1,225,000	11.000% due 7/24/18 (a)	1,724,188
	275,000	12.750% due 6/24/28 (a)	478,500
	8,025,000	5.000% due 3/31/30 (a)	8,739,626
		<b>Total Russia</b>	11,336,386
<b>South Africa 0.1%</b>		Republic of South Africa:	
	575,000	9.125% due 5/19/09	623,875
	725,000	6.500% due 6/2/14	746,750

**Total South Africa**

1,370,625

*See Notes to Schedule of Investments.*

**Salomon Brothers High Income Fund II Inc.**

Schedule of Investments (unaudited) (continued)

July 31, 2006

Turkey	Face Amount	Security	Value
	500,000	Republic of Turkey:	
	2,106,000	11.750% due 6/15/10	\$ 580,000
	315,000	11.500% due 1/23/12	2,516,670
	490,000	11.000% due 1/14/13	374,063
	335,000	7.000% due 6/5/20	471,012
	512,000	11.875% due 1/15/30	487,634
	1,464,000	8.000% due 2/14/34	520,960
		Collective Action Securities, Notes, 9.500% due 1/15/14	1,645,170
		<b>Total Turkey</b>	<b>6,595,509</b>
<b>Uruguay 0.1%</b>	955,000	Republic of Uruguay, Benchmark Bonds, 7.500% due 3/15/15	975,533
<b>Venezuela 0.4%</b>	965,000	Bolivarian Republic of Venezuela:	
	569,000	5.375% due 8/7/10 (a)	932,431
	241,000	5.750% due 2/26/16	521,489
	1,550,000	7.650% due 4/21/25	253,894
		Collective Action Securities, Notes, 10.750% due 9/19/13	1,884,412
		<b>Total Venezuela</b>	<b>3,592,226</b>
		<b>TOTAL SOVEREIGN BONDS</b>	
		(Cost \$79,875,222)	82,941,288
<b>U.S. GOVERNMENT &amp; AGENCY OBLIGATIONS 3.0%</b>			
<b>U.S. Government Obligations 3.0%</b>	14,000,000	U.S. Treasury Bonds, 4.500% due 2/15/36	12,782,658
	8,670,000	U.S. Treasury Notes:	
	9,570,000	4.875% due 5/31/11	8,655,781
		4.500% due 2/15/16	9,220,848
		<b>TOTAL U.S. GOVERNMENT &amp; AGENCY OBLIGATIONS</b>	
		(Cost \$30,886,356)	30,659,287
<b>Shares</b>			
<b>COMMON STOCKS 1.2%</b>			
<b>CONSUMER DISCRETIONARY 0.0%</b>			
<b>Household Durables 0.0%</b>	10,685,938	Home Interiors of Gifts Inc. (b)(c)(d)(g)*	106,859
	52,472	Mattress Discounters Corp. (c)(d)*	0
		<b>TOTAL CONSUMER DISCRETIONARY</b>	<b>106,859</b>
<b>CONSUMER STAPLES 0.0%</b>			
<b>Food Products 0.0%</b>	3,784	Imperial Sugar Co.	90,589
<b>MATERIALS 0.1%</b>			
<b>Chemicals 0.1%</b>	93,506	Applied Extrusion Technologies Inc., Class A Shares (g)*	607,789
<b>TELECOMMUNICATION SERVICES 1.1%</b>			
<b>Wireless Telecommunication Services 1.1%</b>	334,706	American Tower Corp., Class A Shares *	11,313,063
		<b>TOTAL COMMON STOCKS</b>	<b>12,118,300</b>

(Cost \$13,300,599)

**PREFERRED STOCKS 0.2%**

**CONSUMER DISCRETIONARY 0.0%**

**Automobiles 0.0%**

1,800

Ford Motor Co., 8.000%

31,986

*See Notes to Schedule of Investments.*

**Salomon Brothers High Income Fund II Inc.**

Schedule of Investments (unaudited) (continued)

July 31, 2006

Shares	Security	Value
<b>Automobiles 0.0% (continued)</b>		
800	Ford Motor Co., Series F, 7.550%	\$ 12,336
	<b>TOTAL CONSUMER DISCRETIONARY</b>	44,322
<b>ENERGY 0.2%</b>		
<b>Oil, Gas &amp; Consumable Fuels 0.2%</b>		
5,355	Chesapeake Energy Corp., 6.250%	1,499,507
<b>FINANCIALS 0.0%</b>		
<b>Diversified Financial Services 0.0%</b>		
9,400	Preferred Plus, Series FRD-1, 7.400% *	151,810
7,000	Preferred Plus Series FMC1 Trust, Senior Debentures, Series LMG-3, 8.250%	128,380
9,100	Saturns, Series F 2003-5, 8.125%	157,430
17,552	TCR Holdings Corp., Class B Shares, (c)(d)*	18
9,654	TCR Holdings Corp., Class C Shares, (c)(d)*	10
25,451	TCR Holdings Corp., Class D Shares, (c)(d)*	25
52,657	TCR Holdings Corp., Class E Shares, (c)(d)*	53
	<b>TOTAL FINANCIALS</b>	437,726
	<b>TOTAL PREFERRED STOCKS</b>	
	(Cost \$1,813,419)	1,981,555
<b>Warrants</b>		
<b>WARRANTS 0.1%</b>		
18,500	Bolivarian Republic of Venezuela, Oil-linked payment obligations, Expires 4/15/20*	656,750
3,500	Brown Jordan International Inc., Expires 8/15/07(a)(c)*	32
30,928,049	ContiFinancial Corp., Liquidating Trust, Units of Interest (Represents interest in a trust in the liquidation of ContiFinancial Corp. and its affiliates)(b)(c)*	93
2,750	Leap Wireless International Inc., Expires 4/15/10(a)(c)(d)*	0
3,500	Mattress Discounters Co., Expires 7/15/07(a)(c)(d)*	0
13,614	Pillowtex Corp., Expires 11/24/09(c)(d)*	0
5,000	UbiquiTel Inc., Expires 4/15/10(a)(c)(d)*	50
20,000	United Mexican States, Series XW05, Expires 11/9/06*	70,000
16,250	United Mexican States, Series XW10, Expires 10/10/06*	60,937
15,000	United Mexican States, Series XW20, Expires 9/1/06*	105,000
	<b>TOTAL WARRANTS</b>	
	(Cost \$689,986)	892,862
	<b>TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS</b>	
	(Cost \$997,459,297)	985,020,101
<b>Face Amount</b>		
<b>SHORT-TERM INVESTMENTS 2.5%</b>		
<b>Repurchase Agreement 2.2%</b>		
\$ 22,292,000	Merrill Lynch, Pierce, Fenner & Smith Inc. repurchase agreement dated 7/31/06, 5.250% due 8/1/06; Proceeds at maturity -	22,292,000

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\$22,295,251; (Fully collateralized by U.S. Treasury Note, 4.500%  
due 11/15/15; Market value - \$22,738,131)  
(Cost \$22,292,000)

Shares

**Securities Purchased from Securities Lending Collateral 0.3%**

2,960,331

State Street Navigator Securities Lending Trust Prime Portfolio

(Cost \$2,960,331)

2,960,331

**TOTAL SHORT-TERM INVESTMENTS**

(Cost \$25,252,331)

25,252,331

**TOTAL INVESTMENTS 100.0%** (Cost \$1,022,711,628#) \$ 1,010,272,432

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\* Non-income producing security.

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

*See Notes to Schedule of Investments.*



**Salomon Brothers High Income Fund II Inc.**

Schedule of Investments (unaudited) (continued)

July 31, 2006

- (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) Security is currently in default.
- (c) Illiquid security.
- (d) Security is valued in good faith at fair value by or under the direction of the Board of Directors (See Note 1).
- (e) Variable rate security. Interest rate disclosed is that which is in effect at July 31, 2006.
- (f) Payment-in-kind security for which part of the income earned may be paid as additional principal.
- (g) All or a portion of this security is on loan (See Notes 1 and 2).
- # Aggregate cost for federal income tax purposes is substantially the same.

Abbreviations used in this schedule:

ARS - Argentine Peso

EUR - Euro

FLIRB - Front-Loaded Interest Reduction Bonds

GDP - Gross Domestic Product

MXN - Mexican Peso

PDI - Past Due Interest

*See Notes to Schedule of Investments.*

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

**1. Organization and Significant Accounting Policies**

The Salomon Brothers High Income Fund II Inc. (the Fund) was incorporated in Maryland and is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940, as amended, (the 1940 Act). The Fund seeks to maximize current income by investing at least 80% of its net assets plus any borrowings for investment purposes in high yield debt securities (as defined in the Fund's prospectus). As a secondary objective, the Fund seeks capital appreciation to the extent consistent with its objective of seeking to maximize current income.

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 bid and asked prices provided by an independent pricing service that are based on transactions in debt obligations, quotations from bond dealers, market transactions in comparable securities and various other relationships between securities. Equity securities for which market quotations are available are valued at the last sale price or official closing price on the primary market or exchange on which they trade. Publicly traded foreign government debt securities are typically traded internationally in the over-the-counter market, and are valued at the mean between the bid and asked prices as of the close business of the market. 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 may value these investments at fair value as determined in accordance with the 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 market value.

**(b) Repurchase Agreements.** When entering into repurchase agreements, it is the Fund's policy that its custodian or a third party custodian take possession of the underlying collateral securities, the market value of which at least equals the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market to ensure the adequacy of the collateral. If the seller defaults, and the market value of the collateral declines 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) Lending of Portfolio Securities.** The Fund has an agreement with its custodian whereby the custodian may lend securities owned by the Fund to brokers, dealers and other financial organizations. In exchange for lending securities under the terms of the agreement with its custodian, the Fund receives a lender's fee. Fees earned by the Fund on securities lending are recorded as securities lending income. Loans of securities by the Fund are collateralized by cash, U.S. government securities or high quality money market instruments that are maintained at all times in an amount at least equal to the current market value of the loaned securities, plus a margin which varies depending on the type of

securities loaned. The custodian establishes and maintains the collateral in a segregated account. The Fund has the right under the lending agreement to recover the securities from the borrower on demand.

The Fund maintains the risk of any loss on the securities on loan as well as the potential loss on investments purchased with cash collateral received from securities lending.

**(d) 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.

**(e) Credit and Market Risk.** The Fund invests in high yield and emerging market instruments that are subject to certain credit and market risks. The yields of high yield and emerging market debt obligations reflect, among other things, perceived credit and market risks. The Fund's investment in securities rated below investment grade typically involve risks not associated with higher rated securities including, among others, greater risk related to timely and

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

ultimate payment of interest and principal, greater market price volatility and less liquid secondary market trading. The consequences of political, social, economic or diplomatic changes may have disruptive effects on the market prices of investments held by the Fund. The Fund's investment in non-dollar denominated securities may also result in foreign currency losses caused by devaluations and exchange rate fluctuations.

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

**2. Investments**

At July 31, 2006, the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were substantially as follows:

Gross unrealized appreciation	\$	35,063,862
Gross unrealized depreciation		(47,503,058)
Net unrealized depreciation	\$	(12,439,196)

At July 31, 2006, the Fund loaned securities having a market value of \$2,877,955. The Fund received cash collateral amounting to \$2,960,331 which was invested into the State Street Navigator Securities Lending Trust Prime Portfolio, a Rule 2a-7 money market fund, registered under the 1940 Act.

**3. Loan**

At July 31, 2006, the Fund had a \$125,000,000 loan pursuant to a revolving credit and security agreement with Crown Point Capital Company LLC and Citicorp North America, Inc. ( "CNA" ). In addition, CNA acts as administrative agent of the credit facility. The loan generally bear interest at a variable rate based on the weighted average interest rates of the underlying commercial paper or LIBOR plus any applicable margin. Securities held by the Fund are subject to a lien, granted to the lenders, to the extent of the borrowings outstanding and any additional expenses.

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**



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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.

**Salomon Brothers High Income Fund II Inc.**

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

Date: September 28, 2006

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: September 28, 2006

By /s/ Frances M. Guggino  
Frances M. Guggino  
Chief Financial Officer

Date: September 28, 2006

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