

WESTERN ASSET HIGH INCOME FUND II INC.  
Form N-Q  
March 28, 2008

**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

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

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

10041  
(Zip code)

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

Registrant's telephone number, including area code: 1-800-451-2010

Date of fiscal year end: April 30

Date of reporting period: January 31, 2008

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ITEM 1.

SCHEDULE OF INVESTMENTS

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

**FORM N-Q**

**JANUARY 31, 2008**

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## Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited)

January 31, 2008

Face Amount	Security	Value
<b>CORPORATE BONDS &amp; NOTES</b> 89.0%		
<b>Aerospace &amp; Defense</b> 1.8%		
1,585,000	Alliant Techsystems Inc., Senior Subordinated Notes, 6.750% due 4/1/16	\$ 1,537,450
1,535,000	DRS Technologies Inc., Senior Subordinated Notes: 6.625% due 2/1/16	1,508,138
3,320,000	7.625% due 2/1/18	3,295,100
5,965,000	Hawker Beechcraft Acquisition Co.:	
2,550,000	Senior Notes, 8.875% due 4/1/15 (a)(b)	5,860,612
106,119	Senior Subordinated Notes, 9.750% due 4/1/17 (a)	2,435,250
	Kac Acquisition Co., Subordinated Notes, 0.000% due 4/26/26 (c)(d)(e)	0
2,935,000	L-3 Communications Corp., Senior Subordinated Notes: 7.625% due 6/15/12	3,023,050
2,600,000	6.125% due 1/15/14	2,574,000
	<b>Total Aerospace &amp; Defense</b>	<b>20,233,600</b>
<b>Airlines</b> 2.1%		
500,000	Continental Airlines Inc.:	
	Notes, 8.750% due 12/1/11	452,500
172,837	Pass-Through Certificates:	
1,195,107	6.541% due 9/15/08	172,837
1,765,000	8.312% due 10/2/12	1,177,180
7,870,000	7.339% due 4/19/14	1,614,975
	DAE Aviation Holdings Inc., Senior Notes, 11.250% due 8/1/15 (a)(f)	8,184,800
1,675,000	Delta Air Lines Inc.:	
	8.954% due 8/10/14 (a)	1,603,812
1,781,295	Pass-Through Certificates:	
6,135,000	6.619% due 3/18/11	1,754,576
2,135,000	7.111% due 9/18/11	6,113,103
	7.711% due 9/18/11	2,026,227
	<b>Total Airlines</b>	<b>23,100,010</b>
<b>Auto Components</b> 1.6%		
2,120,000	Allison Transmission Inc.:	
4,190,000	11.000% due 11/1/15 (a)	1,791,400
3,335,000	Senior Notes, 11.250% due 11/1/15 (a)(b)	3,414,850
	Keystone Automotive Operations Inc., Senior Subordinated Notes, 9.750% due 11/1/13	2,251,125
12,180,000	Visteon Corp., Senior Notes, 8.250% due 8/1/10	10,018,050
	<b>Total Auto Components</b>	<b>17,475,425</b>
<b>Automobiles</b> 2.3%		
	Ford Motor Co.:	
1,880,000	Debentures:	
3,425,000	8.875% due 1/15/22	1,419,400
2,025,000	8.900% due 1/15/32	2,688,625
	Notes, 7.450% due 7/16/31	1,503,563

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5,320,000	General Motors Corp.:	
	Notes, 7.200% due 1/15/11	4,881,100
2,375,000	Senior Debentures:	
16,625,000	8.250% due 7/15/23	1,911,875
	8.375% due 7/15/33 (f)	13,590,937
	<b>Total Automobiles</b>	<b>25,995,500</b>
<b>Building Products 1.8%</b>		
	Associated Materials Inc.:	
9,725,000	Senior Discount Notes, step bond to yield 14.468% due	
2,585,000	3/1/14	6,369,875
	Senior Subordinated Notes, 9.750% due 4/15/12	2,546,225

*See Notes to Schedule of Investments.*

## Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2008

Face Amount		Security	Value
<b>Building Products</b>	<b>1.8% (continued)</b>		
2,302,000		GTL Trade Finance Inc.:	
2,360,000		7.250% due 10/20/17 (a)**	\$ 2,405,841
2,345,000		7.250% due 10/20/17 (a)	2,390,326
		Nortek Inc., Senior Subordinated Notes, 8.500% due 9/1/14	1,840,825
8,825,000		NTK Holdings Inc., Senior Discount Notes, step bond to yield 11.589% due 3/1/14	4,986,125
		<b>Total Building Products</b>	<b>20,539,217</b>
<b>Chemicals</b>	<b>1.3%</b>		
3,630,000		Georgia Gulf Corp., Senior Notes:	
3,110,000		9.500% due 10/15/14	2,831,400
		10.750% due 10/15/16	2,021,500
2,390,000		Huntsman International LLC, Senior Subordinated Notes,	
3,075,000		7.875% due 11/15/14	2,497,550
		Methanex Corp., Senior Notes, 8.750% due 8/15/12	3,313,313
4,475,000		Montell Finance Co. BV, Debentures, 8.100% due 3/15/27 (a)	3,468,125
1,015,000		Westlake Chemical Corp., Senior Notes, 6.625% due 1/15/16	928,725
		<b>Total Chemicals</b>	<b>15,060,613</b>
<b>Commercial Banks</b>	<b>1.8%</b>		
5,260,000		ATF Capital BV, Senior Notes, 9.250% due 2/21/14 (a)**	5,325,750
4,490,000		HSBK Europe BV, 7.250% due 5/3/17 (a)**	3,928,750
		ICICI Bank Ltd., Subordinated Bonds:	
1,174,000		6.375% due 4/30/22 (a)(g)**	992,304
1,170,000		6.375% due 4/30/22 (a)(g)**	980,541
76,695,000	RUB	JPMorgan Chase Bank, 9.500% due 2/11/11	3,216,970
		Russian Agricultural Bank, Loan Participation Notes:	
1,654,000		7.175% due 5/16/13 (a)**	1,699,485
1,055,000		6.299% due 5/15/17 (a)**	1,002,250
		TuranAlem Finance BV, Bonds:	
2,785,000		8.250% due 1/22/37 (a)**	2,443,837
1,059,000		8.250% due 1/22/37 (a)**	929,273
		<b>Total Commercial Banks</b>	<b>20,519,160</b>
<b>Commercial Services &amp; Supplies</b>	<b>2.5%</b>		
5,635,000		Allied Security Escrow Corp., Senior Subordinated Notes, 11.375% due 7/15/11	5,113,762
3,690,000		Allied Waste North America Inc., Senior Notes, 7.375% due 4/15/14	3,588,525
675,000		Ashtead Holdings PLC, Secured Notes, 8.625% due 8/1/15 (a)	556,875
7,693,000		DynCorp International LLC/DIV Capital Corp., Senior Subordinated Notes, 9.500% due 2/15/13	8,019,952
		Interface Inc.:	
2,875,000		Senior Notes, 10.375% due 2/1/10	2,975,625
1,500,000		Senior Subordinated Notes, 9.500% due 2/1/14	1,541,250

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4,755,000		Rental Services Corp., Senior Notes, 9.500% due 12/1/14	4,053,638
2,380,000		US Investigations Services Inc., 11.750% due 5/1/16 (a)	2,011,100
		<b>Total Commercial Services &amp; Supplies</b>	<b>27,860,727</b>
<b>Communications Equipment</b>	<b>0.4%</b>		
6,100,000		Lucent Technologies Inc., Debentures, 6.450% due 3/15/29	4,941,000
<b>Construction &amp; Engineering</b>	<b>0.1%</b>		
1,240,000		Odebrecht Finance Ltd., 7.500% due 10/18/17 (a)**	1,243,100
<b>Consumer Finance</b>	<b>3.1%</b>		
4,080,000		AmeriCredit Corp., 8.500% due 7/1/15	2,988,600
		Ford Motor Credit Co.:	
		Notes:	

*See Notes to Schedule of Investments.*

## Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2008

Face Amount		Security	Value
<b>Consumer Finance</b>	<b>3.1% (continued)</b>		
3,075,000		7.875% due 6/15/10	\$ 2,896,247
3,320,000		7.000% due 10/1/13	2,786,307
		Senior Notes:	
4,248,000		10.241% due 6/15/11 (g)	3,826,900
1,950,000		9.875% due 8/10/11	1,872,322
1,210,000		7.127% due 1/13/12 (g)	1,020,100
2,490,000		8.000% due 12/15/16	2,093,736
		General Motors Acceptance Corp.:	
14,270,000		Bonds, 8.000% due 11/1/31 (f)	11,854,274
6,890,000		Notes, 6.875% due 8/28/12	5,855,398
		<b>Total Consumer Finance</b>	<b>35,193,884</b>
<b>Containers &amp; Packaging</b>	<b>1.0%</b>		
2,000,000		Berry Plastics Holding Corp., 8.875% due 9/15/14	1,785,000
1,295,000		Graham Packaging Co. Inc., Senior Subordinated Notes, 9.875% due 10/15/14	1,100,750
500,000		Graphic Packaging International Corp.:	
4,725,000		Senior Notes, 8.500% due 8/15/11	487,500
		Senior Subordinated Notes, 9.500% due 8/15/13	4,476,937
1,490,000		Plastipak Holdings Inc., Senior Notes, 8.500% due 12/15/15 (a)	1,408,050
1,975,000		Radnor Holdings Corp., Senior Notes, 11.000% due 3/15/10 (d)	24,688
195,000		Smurfit-Stone Container Corp., Senior Notes, 8.000% due 3/15/17	181,838
1,955,000		Smurfit-Stone Container Enterprises Inc., Senior Notes, 8.375% due 7/1/12	1,901,237
		<b>Total Containers &amp; Packaging</b>	<b>11,366,000</b>
<b>Diversified Consumer Services</b>	<b>0.8%</b>		
6,870,000		Education Management LLC/Education Management Finance Corp., Senior Notes, 8.750% due 6/1/14	6,646,725
650,000		Service Corp. International: Debentures, 7.875% due 2/1/13	650,869
1,200,000		Senior Notes: 7.625% due 10/1/18	1,230,000
1,010,000		7.500% due 4/1/27	909,000
		<b>Total Diversified Consumer Services</b>	<b>9,436,594</b>
<b>Diversified Financial Services</b>	<b>2.7%</b>		
4,060,000		Basell AF SCA, Senior Secured Subordinated Second Priority Notes, 8.375% due 8/15/15 (a)	3,085,600
2,110,000		CCM Merger Inc., Notes, 8.000% due 8/1/13 (a)	1,899,000
135,000		El Paso Performance-Linked Trust Certificates, Notes, 7.750% due 7/15/11 (a)	139,517
4,400,000		Hexion U.S. Finance Corp./Hexion Nova Scotia Finance ULC, 7.565% due 11/15/14 (g)	4,290,000



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2,610,000	Leucadia National Corp., Senior Notes, 8.125% due 9/15/15	2,610,000
1,580,000	LVB Acquisition Merger, 11.625% due 10/15/17 (a)	1,550,375
	Residential Capital LLC:	
2,402,000	7.328% due 4/17/09 (a)(g)	1,176,980
1,520,000	8.375% due 6/30/15	957,600
4,290,000	Notes, 8.375% due 6/30/10	2,809,950
5,125,000	Senior Notes, 8.000% due 2/22/11 (g)	3,228,750
700,000	Smurfit Kappa Funding PLC, Senior Subordinated Notes, 7.750% due 4/1/15	647,500
	TNK-BP Finance SA:	
1,360,000	7.500% due 7/18/16 (a)**	1,322,600
1,070,000	Senior Notes, 7.875% due 3/13/18 (a)	1,064,650
4,000,000	Vanguard Health Holdings Co. I LLC, Senior Discount Notes, step bond to yield 10.653% due 10/1/15	2,860,000

*See Notes to Schedule of Investments.*

## Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2008

Face Amount	Security	Value
<b>Diversified Financial Services 2.7% (continued)</b>		
3,135,000	Vanguard Health Holdings Co. II LLC, Senior Subordinated Notes, 9.000% due 10/1/14	\$ 2,986,088
	<b>Total Diversified Financial Services</b>	<b>30,628,610</b>
<b>Diversified Telecommunication Services 5.8%</b>		
370,000	Axtel SAB de CV: 7.625% due 2/1/17 (a)**	368,150
4,740,000	Senior Notes, 7.625% due 2/1/17 (a)**	4,704,450
1,005,000	Cincinnati Bell Inc., Senior Notes, 7.000% due 2/15/15	944,700
1,260,000	Cincinnati Bell Telephone Co., Senior Debentures, 6.300% due 12/1/28	1,077,300
315,000	Citizens Communications Co.: 7.050% due 10/1/46	248,850
4,220,000	Senior Notes, 7.875% due 1/15/27	3,882,400
3,000,000	Hawaiian Telcom Communications Inc.: Senior Notes, 9.750% due 5/1/13	2,775,000
2,171,000	Senior Subordinated Notes, 12.500% due 5/1/15	1,943,045
6,530,000	Intelsat Bermuda Ltd., Senior Notes, 11.250% due 6/15/16	6,562,650
1,355,000	Intelsat Corp., Senior Notes, 9.000% due 8/15/14	1,351,612
150,000	L-3 Communications Corp., Senior Subordinated Notes, 6.375% due 10/15/15	149,625
3,000,000	Level 3 Financing Inc.: 6.704% due 2/15/15 (g)	2,250,000
4,915,000	Senior Notes, 9.250% due 11/1/14	4,251,475
4,525,000	Nordic Telephone Co. Holdings, Senior Secured Bonds, 8.875% due 5/1/16 (a)	4,615,500
1,250,000	Qwest Communications International Inc., Senior Notes: 6.565% due 2/15/09 (g)	1,250,000
2,100,000	7.500% due 2/15/14	2,089,500
2,378,000	Qwest Corp.: Debentures, 6.875% due 9/15/33	2,163,980
5,995,000	Notes, 8.875% due 3/15/12	6,362,194
4,770,000	Telcordia Technologies Inc., Senior Subordinated Notes, 10.000% due 3/15/13 (a)	3,601,350
9,400,000	Virgin Media Finance PLC, Senior Notes, 9.125% due 8/15/16 (f)	8,554,000
610,000	Wind Acquisition Finance SA, Senior Bonds, 10.750% due 12/1/15 (a)	649,650
5,680,000	Windstream Corp., Senior Notes, 8.625% due 8/1/16	5,907,200
	<b>Total Diversified Telecommunication Services</b>	<b>65,702,631</b>
<b>Electric Utilities 1.8%</b>		
2,880,000	EEB International Ltd., Senior Bonds, 8.750% due 10/31/14 (a)**	2,973,600
202,000	Enersis SA, Notes, 7.375% due 1/15/14	215,177
1,665,000	IPALCO Enterprises Inc., Secured Notes, 8.625% due 11/14/11	1,773,225

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221,222	Midwest Generation LLC, Pass-Through Certificates, 8.560% due 1/2/16	238,090
3,999,000	Orion Power Holdings Inc., Senior Notes, 12.000% due 5/1/10	4,368,908
7,620,000	Texas Competitive Electric Holding Co. LLC, 10.500% due 11/1/16 (a)(b)	7,429,500
4,165,000	VeraSun Energy Corp., Senior Notes, 9.375% due 6/1/17 (a)	3,332,000
	<b>Total Electric Utilities</b>	<b>20,330,500</b>
<b>Electronic Equipment &amp; Instruments 0.4%</b>		
2,795,000	NXP BV/NXP Funding LLC: Senior Notes, 9.500% due 10/15/15	2,449,119
2,495,000	Senior Secured Notes, 7.875% due 10/15/14	2,298,519
	<b>Total Electronic Equipment &amp; Instruments</b>	<b>4,747,638</b>
<b>Energy Equipment &amp; Services 0.7%</b>		
3,270,000	Complete Production Services Inc., Senior Notes, 8.000% due 12/15/16	3,188,250
1,145,000	GulfMark Offshore Inc., Senior Subordinated Notes, 7.750% due 7/15/14	1,167,900
1,600,000	Key Energy Services Inc., Senior Notes, 8.375% due 12/1/14 (a)	1,612,000

*See Notes to Schedule of Investments.*

## Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2008

Face Amount	Security	Value
<b>Energy Equipment &amp; Services 0.7% (continued)</b>		
1,210,000	Pride International Inc., Senior Notes, 7.375% due 7/15/14	\$ 1,252,350
400,000	Southern Natural Gas Co., Senior Notes, 8.000% due 3/1/32	450,628
	<b>Total Energy Equipment &amp; Services</b>	<b>7,671,128</b>
<b>Food &amp; Staples Retailing 0.3%</b>		
2,591,000	Delhaize America Inc., Debentures, 9.000% due 4/15/31	3,075,421
<b>Food Products 0.4%</b>		
1,600,000	Dole Food Co. Inc.:	
	Debentures, 8.750% due 7/15/13	1,360,000
	Senior Notes:	
2,065,000	7.250% due 6/15/10	1,827,525
1,050,000	8.875% due 3/15/11	939,750
	<b>Total Food Products</b>	<b>4,127,275</b>
<b>Gas Utilities 0.6%</b>		
7,425,000	Suburban Propane Partners LP/Suburban Energy Finance Corp., Senior Notes, 6.875% due 12/15/13	7,239,375
<b>Health Care Equipment &amp; Supplies 0.2%</b>		
1,960,000	Advanced Medical Optics Inc., 7.500% due 5/1/17	1,666,000
<b>Health Care Providers &amp; Services 5.0%</b>		
1,680,000	Community Health Systems Inc., Senior Notes, 8.875% due 7/15/15	1,698,900
4,885,000	DaVita Inc., Senior Subordinated Notes, 7.250% due 3/15/15	4,885,000
	HCA Inc.:	
950,000	Debentures, 7.500% due 11/15/95	709,882
1,500,000	Notes, 6.375% due 1/15/15	1,286,250
	Senior Notes:	
6,115,000	6.500% due 2/15/16	5,220,681
3,580,000	9.250% due 11/15/16	3,763,475
9,560,000	Senior Secured Notes, 9.625% due 11/15/16 (b)(f)	10,085,800
4,800,000	IASIS Healthcare LLC/IASIS Capital Corp., Senior Subordinated Notes, 8.750% due 6/15/14	4,824,000
	Tenet Healthcare Corp., Senior Notes:	
3,555,000	6.375% due 12/1/11	3,279,488
1,500,000	6.500% due 6/1/12	1,323,750
6,000,000	7.375% due 2/1/13	5,310,000
2,195,000	9.875% due 7/1/14	2,107,200
1,470,000	6.875% due 11/15/31	1,073,100
	Universal Hospital Services Inc.:	
910,000	8.288% due 6/1/15 (g)	869,050
4,505,000	8.500% due 6/1/15 (b)	4,572,575
6,290,000	US Oncology Holdings Inc., Senior Notes, 10.759% due 3/15/12 (b)	4,764,675

<b>Hotels, Restaurants &amp; Leisure 4.4%</b>	<b>Total Health Care Providers &amp; Services</b>	
600,000	Boyd Gaming Corp., Senior Subordinated Notes: 7.750% due 12/15/12	55,773,826 568,500
1,000,000	6.750% due 4/15/14	875,000
3,820,000	Buffets Inc., Senior Notes, 12.500% due 11/1/14 (d)	267,400
2,725,000	Carrols Corp., Senior Subordinated Notes, 9.000% due 1/15/13	2,384,375
484,000	Choctaw Resort Development Enterprise, Senior Notes, 7.250% due 11/15/19 (a)	459,800
4,515,000	Denny s Holdings Inc., Senior Notes, 10.000% due 10/1/12	4,266,675
1,740,000	Downstream Development Quapaw, Senior Notes, 12.000% due 10/15/15 (a)	1,531,200
2,360,000	El Pollo Loco Inc., Senior Notes, 11.750% due 11/15/13	2,265,600

*See Notes to Schedule of Investments.*

## Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2008

Face Amount	Security	Value
<b>Hotels, Restaurants &amp; Leisure 4.4% (continued)</b>		
975,000	Fontainebleau Las Vegas Holdings LLC/Fontainebleau Las Vegas Capital Corp., 10.250% due 6/15/15 (a)	\$ 736,125
4,150,000	Herbst Gaming Inc., Senior Subordinated Notes, 7.000% due 11/15/14	1,649,625
3,020,000	Indianapolis Downs LLC & Capital Corp., 11.000% due 11/1/12 (a)	2,823,700
4,070,000	Inn of the Mountain Gods Resort & Casino, Senior Notes, 12.000% due 11/15/10	4,070,000
3,850,000	Las Vegas Sands Corp., Senior Notes, 6.375% due 2/15/15	3,465,000
955,000	MGM MIRAGE Inc.: Notes, 6.750% due 9/1/12	923,963
355,000	Senior Notes: 8.500% due 9/15/10	370,975
450,000	5.875% due 2/27/14	409,500
620,000	7.500% due 6/1/16	598,300
4,470,000	7.625% due 1/15/17	4,358,250
455,000	Senior Subordinated Notes, 8.375% due 2/1/11	467,513
380,000	Mohegan Tribal Gaming Authority, Senior Subordinated Notes, 6.875% due 2/15/15	342,000
4,700,000	Pinnacle Entertainment Inc., Senior Subordinated Notes, 8.250% due 3/15/12	4,535,500
3,930,000	Pokagon Gaming Authority, Senior Notes, 10.375% due 6/15/14 (a)	4,082,287
2,485,000	Sbarro Inc., Senior Notes, 10.375% due 2/1/15	2,124,675
885,000	Snoqualmie Entertainment Authority, Senior Secured Notes: 9.063% due 2/1/14 (a)(g)	800,925
840,000	9.125% due 2/1/15 (a)	772,800
	Station Casinos Inc.: Senior Notes: 6.000% due 4/1/12	35,100
40,000	7.750% due 8/15/16	3,677,937
4,150,000	Senior Subordinated Notes, 6.625% due 3/15/18	1,058,662
1,635,000	<b>Total Hotels, Restaurants &amp; Leisure</b>	<b>49,921,387</b>
<b>Household Durables 1.4%</b>		
310,000	American Greetings Corp., Senior Notes, 7.375% due 6/1/16	308,450
4,000,000	Holt Group Inc., Senior Notes, 9.750% due 1/15/06 (c)(d)(e)	0
3,355,000	Jarden Corp., Senior Subordinated Notes, 7.500% due 5/1/17	2,885,300
2,605,000	K Hovnanian Enterprises Inc., Senior Notes, 7.500% due 5/15/16	1,875,600
	KB Home: 7.750% due 2/1/10	1,707,200
1,760,000	Senior Subordinated Notes, 8.625% due 12/15/08	520,000
520,000	Norcraft Cos. LP/Norcraft Finance Corp., Senior Subordinated Notes, 9.000% due 11/1/11	3,730,000
3,730,000		5,044,375
5,765,000		

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		Norcraft Holdings LP/Norcraft Capital Corp., Senior Discount Notes, step bond to yield 9.952% due 9/1/12	
		<b>Total Household Durables</b>	16,070,925
<b>Household Products</b>	<b>0.3%</b>		
		American Achievement Corp., Senior Subordinated Notes, 8.250% due 4/1/12	1,163,800
1,265,000		Visant Holding Corp., Senior Notes, 8.750% due 12/1/13	1,838,025
		<b>Total Household Products</b>	3,001,825
1,890,000			
<b>Independent Power Producers &amp; Energy Traders</b>	<b>7.8%</b>		
		AES China Generating Co., Ltd., 8.250% due 6/26/10	2,433,257
2,480,000		AES Corp.:	
		8.000% due 10/15/17	6,800,875
6,635,000		Senior Notes:	
		9.500% due 6/1/09	1,218,195
1,177,000		9.375% due 9/15/10	1,995,000
1,900,000		Dynegy Holdings Inc.:	

*See Notes to Schedule of Investments.*

## Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2008

Face Amount	Security	Value
<b>Independent Power Producers &amp; Energy Traders 7.8% (continued)</b>		
3,605,000	Senior Debentures, 7.625% due 10/15/26	\$ 3,100,300
3,770,000	Senior Notes, 7.750% due 6/1/19	3,449,550
4,000,000	Dynegy Inc., 7.670% due 11/8/16	3,995,000
	Edison Mission Energy, Senior Notes:	
2,600,000	7.750% due 6/15/16	2,665,000
2,500,000	7.200% due 5/15/19	2,450,000
4,275,000	7.625% due 5/15/27	4,029,187
34,380,000	Energy Future Holdings, Senior Notes, 11.250% due 11/1/17 (a)(b)	34,036,200
	Mirant Mid Atlantic LLC:	
584,577	10.060% due 12/30/28	695,646
1,923,235	Pass-Through Certificates, 9.125% due 6/30/17	2,127,579
4,235,000	Mirant North America LLC, Senior Notes, 7.375% due 12/31/13	4,256,175
	NRG Energy Inc., Senior Notes:	
890,000	7.250% due 2/1/14	868,863
11,570,000	7.375% due 2/1/16 (f)	11,208,437
1,800,000	7.375% due 1/15/17	1,748,250
890,000	TXU Corp., Senior Notes, 6.500% due 11/15/24	663,413
	<b>Total Independent Power Producers &amp; Energy Traders</b>	<b>87,740,927</b>
<b>Industrial Conglomerates 0.1%</b>		
680,000	Koppers Inc., Senior Notes, 9.875% due 10/15/13	727,600
2,750,000	Moll Industries Inc., Senior Subordinated Notes, 10.500% due 7/1/08 (c)(d)(e)	0
	<b>Total Industrial Conglomerates</b>	<b>727,600</b>
<b>IT Services 1.5%</b>		
2,380,000	Ceridian Corp., Senior Notes, 12.250% due 11/15/15 (a)(b)	2,011,100
	First Data Corp.:	
2,600,000	5.625% due 11/1/11	1,956,679
5,040,000	9.875% due 9/24/15 (a)	4,466,700
	SunGard Data Systems Inc.:	
2,900,000	Senior Notes, 9.125% due 8/15/13	2,958,000
5,390,000	Senior Subordinated Notes, 10.250% due 8/15/15	5,416,950
	<b>Total IT Services</b>	<b>16,809,429</b>
<b>Machinery 0.2%</b>		
1,260,000	American Railcar Industries Inc., Senior Notes, 7.500% due 3/1/14	1,140,300
1,390,000	Terex Corp., Senior Subordinated Notes, 7.375% due 1/15/14	1,379,575
	<b>Total Machinery</b>	<b>2,519,875</b>
<b>Media 6.8%</b>		
	Affinion Group Inc.:	
4,465,000	Senior Notes, 10.125% due 10/15/13	4,442,675
4,030,000	Senior Subordinated Notes, 11.500% due 10/15/15	3,747,900
	CCH I Holdings LLC/CCH I Holdings Capital Corp.:	



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2,265,000	Senior Accreting Notes, 12.125% due 1/15/15	1,211,775
4,495,000	Senior Notes, 11.750% due 5/15/14	2,427,300
14,781,000	CCH I LLC/CCH Capital Corp., Senior Secured Notes, 11.000% due 10/1/15 (f)	10,660,796
2,890,000	CCH II LLC/CCH II Capital Corp., Senior Notes: 10.250% due 9/15/10	2,752,725
293,000	10.250% due 10/1/13	272,490
1,500,000	Charter Communications Holdings LLC, Senior Discount Notes, 12.125% due 1/15/12	948,750
1,325,000	Charter Communications Holdings LLC/Charter Communications Holdings Capital Corp., Senior Discount Notes, 11.750% due 5/15/11	856,281
3,270,000	CMP Susquehanna Corp., 9.875% due 5/15/14 CSC Holdings Inc.:	2,272,650

*See Notes to Schedule of Investments.*

## Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2008

Face Amount	Security	Value
<b>Media 6.8% (continued)</b>		
4,210,000	Senior Debentures, 8.125% due 8/15/09	\$ 4,294,200
	Senior Notes:	
280,000	8.125% due 7/15/09	285,600
3,400,000	7.625% due 4/1/11	3,383,000
3,350,000	Dex Media Inc., Discount Notes, step bond to yield 8.367% due 11/15/13	2,989,875
2,344,000	Dex Media West LLC/Dex Media Finance Co., Senior Subordinated Notes, 9.875% due 8/15/13	2,396,740
4,010,000	DIRECTV Holdings LLC/DIRECTV Financing Co. Inc., Senior Notes, 8.375% due 3/15/13	4,165,387
3,410,000	EchoStar DBS Corp., Senior Notes, 7.000% due 10/1/13	3,435,575
2,419,000	Globo Comunicacoes e Participacoes SA, Bonds, 7.250% due 4/26/22 (a) **	2,358,525
8,395,000	Idearc Inc., Senior Notes, 8.000% due 11/15/16	7,555,500
1,260,000	Lamar Media Corp., Senior Subordinated Notes, 6.625% due 8/15/15	1,200,150
	R.H. Donnelley Corp.:	
3,200,000	Senior Discount Notes, 6.875% due 1/15/13	2,704,000
1,560,000	Senior Notes, 8.875% due 1/15/16	1,345,500
2,345,000	Sun Media Corp., 7.625% due 2/15/13	2,233,613
	TL Acquisitions Inc.:	
4,350,000	Senior Notes, 10.500% due 1/15/15 (a)	3,980,250
3,380,000	Senior Subordinated Notes, step bond to yield 13.358% due 7/15/15 (a)	2,585,700
	XM Satellite Radio Inc., Senior Notes:	
2,065,000	7.739% due 5/1/13 (g)	1,775,900
790,000	9.750% due 5/1/14	720,875
	<b>Total Media</b>	<b>77,003,732</b>
<b>Metals &amp; Mining 4.1%</b>		
13,010,000	Freeport-McMoRan Copper & Gold Inc., Senior Notes, 8.375% due 4/1/17 (f)	13,855,650
2,545,000	Metals USA Holdings Corp., Senior Notes, 10.729% due 7/1/12 (a)(b)	1,883,300
4,225,000	Metals USA Inc., Senior Secured Notes, 11.125% due 12/1/15	4,214,437
1,240,000	Noranda Aluminum Acquisition Corp., 8.738% due 5/15/15 (a)(b)	948,600
3,375,000	Noranda Aluminum Holding Corp., Senior Notes, 10.488% due 11/15/14 (a)(b)	2,581,875
5,140,000	Novelis Inc., Senior Notes, 7.250% due 2/15/15	4,767,350
7,415,000	Ryerson Inc., Senior Secured Notes, 12.000% due 11/1/15 (a)	7,007,175
1,720,000	Steel Dynamics Inc., 7.375% due 11/1/12 (a)	1,724,300
4,930,000	Tube City IMS Corp., Senior Subordinated Notes, 9.750% due 2/1/15	4,461,650
	Vale Overseas Ltd., Notes:	

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1,284,000	8.250% due 1/17/34 **	1,387,055
4,158,000	6.875% due 11/21/36 **	3,872,304
	<b>Total Metals &amp; Mining</b>	<b>46,703,696</b>
<b>Multiline Retail 1.2%</b>		
6,470,000	Dollar General Corp., Senior Subordinated Notes, 11.875% due 7/15/17 (a)(b)	5,208,350
1,040,000	Neiman Marcus Group Inc.:	
930,000	7.125% due 6/1/28	930,800
6,700,000	Senior Notes, 9.000% due 10/15/15 (b)	934,650
	Senior Subordinated Notes, 10.375% due 10/15/15	6,700,000
	<b>Total Multiline Retail</b>	<b>13,773,800</b>
<b>Oil, Gas &amp; Consumable Fuels 10.4%</b>		
6,995,000	Belden & Blake Corp., Secured Notes, 8.750% due 7/15/12	6,995,000
4,430,000	Chesapeake Energy Corp., Senior Notes:	
2,755,000	6.625% due 1/15/16	4,352,475
	6.500% due 8/15/17	2,679,237
1,005,000	Compagnie Generale de Geophysique SA, Senior Notes,	
2,072,228	7.500% due 5/15/15	994,950
	Corral Finans AB, 5.758% due 4/15/10 (a)(b)	1,719,949
	El Paso Corp.:	

*See Notes to Schedule of Investments.*

## Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2008

Face Amount		Security	Value
<b>Oil, Gas &amp; Consumable Fuels 10.4% (continued)</b>			
5,025,000		Medium-Term Notes:	
6,385,000		7.800% due 8/1/31	\$ 5,022,216
5,200,000		7.750% due 1/15/32	6,380,716
3,000,000		Notes, 7.875% due 6/15/12	5,431,868
		Senior Subordinated Notes, 7.000% due 6/15/17	3,058,602
		Enterprise Products Operating LP:	
4,740,000		7.034% due 1/15/68 (g)	4,217,965
2,250,000		Junior Subordinated Notes, 8.375% due 8/1/66 (g)	2,251,847
5,670,000		EXCO Resources Inc., Senior Notes, 7.250% due 1/15/11	5,443,200
		Gazprom:	
		Bonds:	
104,590,000	RUB	6.790% due 10/29/09	4,279,467
34,860,000	RUB	7.000% due 10/27/11	1,425,123
		Loan Participation Notes:	
873,000		6.212% due 11/22/16 (a) **	853,358
1,770,000		Senior Notes, 6.510% due 3/7/22 (a) **	1,677,075
50,960,000	RUB	Gazprom OAO, 6.950% due 8/6/09	2,091,961
3,705,000		International Coal Group Inc., Senior Notes, 10.250% due 7/15/14	3,473,437
1,720,000		LUKOIL International Finance BV, 6.356% due 6/7/17 (a) **	1,646,900
		Mariner Energy Inc., Senior Notes:	
1,465,000		7.500% due 4/15/13	1,410,063
1,110,000		8.000% due 5/15/17	1,065,600
995,000		Northwest Pipeline Corp., Senior Notes, 7.000% due 6/15/16	1,057,188
2,525,000		OPTI Canada Inc., Senior Secured Notes, 8.250% due 12/15/14 (a)	2,487,125
		Pemex Project Funding Master Trust:	
64,000		6.125% due 8/15/08	64,864
245,000		6.291% due 6/15/10 (a)(g)	246,470
142,000		6.291% due 6/15/10 (a)(g)	142,852
836,000		6.625% due 6/15/35 (a)	862,752
230,000		6.625% due 6/15/35 (a)	237,360
5,198,000		Senior Bonds, 6.625% due 6/15/35 (a) **	5,344,843
908,000		Senior Notes, 5.724% due 12/3/12 (a)(g)	883,257
1,705,000		Petrohawk Energy Corp., Senior Notes, 9.125% due 7/15/13	1,768,938
		Petroplus Finance Ltd.:	
1,500,000		6.750% due 5/1/14 (a)	1,380,000
2,250,000		Senior Note, 7.000% due 5/1/17 (a)	2,053,125
		Petrozuata Finance Inc.:	
4,276,000		8.220% due 4/1/17 (a) **	4,393,590
268,000		8.220% due 4/1/17 (a)	277,380
5,665,000		SemGroup LP, Senior Notes, 8.750% due 11/15/15 (a)	5,325,100
2,560,000		Southwestern Energy Co., Senior Notes, 7.500% due 2/1/18 (a)	2,643,200

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230,000	TNK-BP Finance SA, 6.625% due 3/20/17 (a)	210,450
2,275,000	W&T Offshore Inc., Senior Notes, 8.250% due 6/15/14 (a)	2,149,875
	Whiting Petroleum Corp., Senior Subordinated Notes:	
2,550,000	7.250% due 5/1/12	2,537,250
1,975,000	7.000% due 2/1/14	1,945,375
	Williams Cos. Inc.:	
	Notes:	
3,650,000	7.875% due 9/1/21	4,042,375
5,625,000	8.750% due 3/15/32	6,750,000
3,700,000	Senior Notes, 7.625% due 7/15/19	4,005,250
	<b>Total Oil, Gas &amp; Consumable Fuels</b>	<b>117,279,628</b>
<b>Paper &amp; Forest Products 2.5%</b>		
1,100,000	Abitibi-Consolidated Co. of Canada, Senior Notes:	
	7.750% due 6/15/11	844,250

*See Notes to Schedule of Investments.*

## Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2008

Face Amount	Security	Value
<b>Paper &amp; Forest Products 2.5% (continued)</b>		
1,530,000	8.491% due 6/15/11 (g)	\$ 1,118,813
2,180,000	8.375% due 4/1/15	1,553,250
	Abitibi-Consolidated Inc.:	
2,220,000	7.875% due 8/1/09	2,131,200
1,750,000	Debentures, 7.400% due 4/1/18	1,120,000
1,335,000	Notes, 8.550% due 8/1/10	1,101,375
	Appleton Papers Inc.:	
3,895,000	Senior Notes, 8.125% due 6/15/11	3,817,100
4,685,000	Senior Subordinated Notes, 9.750% due 6/15/14	4,579,587
	NewPage Corp.:	
8,140,000	Senior Secured Notes, 9.489% due 5/1/12 (g)	8,017,900
830,000	Senior Subordinated Notes, 12.000% due 5/1/13	825,850
1,960,000	Newpage Holding Corp., 11.818% due 11/1/13 (b)(g)	1,715,000
	Smurfit Capital Funding PLC, Debentures, 7.500% due 11/20/25	1,419,875
1,535,000		1,419,875
	<b>Total Paper &amp; Forest Products</b>	<b>28,244,200</b>
<b>Pharmaceuticals 0.4%</b>		
10,855,000	Leiner Health Products Inc., Senior Subordinated Notes, 11.000% due 6/1/12 (d)	4,396,275
<b>Real Estate Investment Trusts (REITs) 0.8%</b>		
130,000	Forest City Enterprises Inc., Senior Notes, 7.625% due 6/1/15	125,450
	Host Marriott LP, Senior Notes:	
2,500,000	7.125% due 11/1/13	2,487,500
1,860,000	6.375% due 3/15/15	1,785,600
	Ventas Realty LP/Ventas Capital Corp., Senior Notes:	
1,245,000	6.500% due 6/1/16	1,245,000
3,105,000	6.750% due 4/1/17	3,136,050
	<b>Total Real Estate Investment Trusts (REITs)</b>	<b>8,779,600</b>
<b>Real Estate Management &amp; Development 0.6%</b>		
2,180,000	Ashton Woods USA LLC/Ashton Woods Finance Co., Senior Subordinated Notes, 9.500% due 10/1/15	1,068,200
	Realogy Corp.:	
710,000	Senior Notes, 10.500% due 4/15/14 (a)	511,200
8,450,000	Senior Subordinated Notes, 12.375% due 4/15/15 (a)	5,070,000
	<b>Total Real Estate Management &amp; Development</b>	<b>6,649,400</b>
<b>Road &amp; Rail 1.8%</b>		
6,240,000	Grupo Transportacion Ferroviaria Mexicana SA de CV, Senior Notes, 9.375% due 5/1/12	6,458,400
	Hertz Corp.:	
3,930,000	Senior Notes, 8.875% due 1/1/14	3,812,100
8,125,000	Senior Subordinated Notes, 10.500% due 1/1/16	7,850,781
	Kansas City Southern de Mexico, Senior Notes:	
910,000	7.625% due 12/1/13	882,700
125,000	7.375% due 3/1/14 (a)	119,063

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820,000	Kansas City Southern Railway, Senior Notes, 7.500% due 6/15/09	829,225
<b>Software 0.2%</b>	<b>Total Road &amp; Rail</b>	19,952,269
2,960,000	Activant Solutions Inc., Senior Subordinated Notes, 9.500% due 5/1/16	2,512,300
<b>Specialty Retail 0.9%</b>		
850,000	AutoNation Inc., Senior Notes: 6.258% due 4/15/13 (g)	716,125
830,000	7.000% due 4/15/14	742,850
4,005,000	Blockbuster Inc., Senior Subordinated Notes, 9.000% due 9/1/12	3,183,975

*See Notes to Schedule of Investments.*

## Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2008

Face Amount	Security	Value
<b>Specialty Retail 0.9% (continued)</b>		
1,995,000	Eye Care Centers of America, Senior Subordinated Notes, 10.750% due 2/15/15	\$ 2,119,688
1,830,000	Michaels Stores Inc.:	
2,410,000	11.375% due 11/1/16	1,491,450
	Senior Notes, 10.000% due 11/1/14	2,156,950
	<b>Total Specialty Retail</b>	<b>10,411,038</b>
<b>Textiles, Apparel &amp; Luxury Goods 0.2%</b>		
2,950,000	Simmons Co., Senior Discount Notes, step bond to yield 9.995% due 12/15/14	1,961,750
<b>Tobacco 0.4%</b>		
875,000	Alliance One International Inc., Senior Notes: 8.500% due 5/15/12	818,125
3,780,000	11.000% due 5/15/12	3,874,500
	<b>Total Tobacco</b>	<b>4,692,625</b>
<b>Trading Companies &amp; Distributors 1.1%</b>		
2,955,000	Ashtead Capital Inc., Notes, 9.000% due 8/15/16 (a)	2,482,200
5,965,000	H&E Equipment Services Inc., Senior Notes, 8.375% due 7/15/16	5,517,625
5,865,000	Penhall International Corp., Senior Secured Notes, 12.000% due 8/1/14 (a)	4,897,275
	<b>Total Trading Companies &amp; Distributors</b>	<b>12,897,100</b>
<b>Transportation Infrastructure 0.4%</b>		
4,625,000	Saint Acquisition Corp.:	
5,410,000	Secured Notes, 12.500% due 5/15/17 (a)	1,850,000
	Senior Secured Notes, 10.815% due 5/15/15 (a)(g)	2,082,850
	<b>Total Transportation Infrastructure</b>	<b>3,932,850</b>
<b>Wireless Telecommunication Services 3.0%</b>		
2,900,000	ALLTEL Communications Inc., Senior Notes, 10.375% due 12/1/17 (a)(b)	2,523,000
1,825,000	American Tower Corp., Senior Notes, 7.500% due 5/1/12	1,884,312
4,860,000	MetroPCS Wireless Inc., Senior Notes, 9.250% due 11/1/14	4,495,500
4,180,000	Nextel Communications Inc., Senior Notes, 7.375% due 8/1/15	3,826,644
1,575,000	Rural Cellular Corp.:	
2,105,000	Senior Notes, 9.875% due 2/1/10	1,638,000
2,590,000	Senior Secured Notes, 8.250% due 3/15/12	2,178,675
13,510,000	Senior Subordinated Notes, 8.124% due 6/1/13 (g)	2,628,850
2,220,000	True Move Co., Ltd., 10.750% due 12/16/13 (a) **	12,902,050
	UBS Luxembourg SA for OJSC Vimpel Communications, Loan Participation Notes, 8.250% due 5/23/16 (a) **	2,222,886
	<b>Total Wireless Telecommunication Services</b>	<b>34,299,917</b>
	<b>TOTAL CORPORATE BONDS &amp; NOTES</b>	
	(Cost \$1,087,867,292)	1,004,209,382



**ASSET-BACKED SECURITY 0.0%**

**Diversified Financial Services 0.0%**

1,975,400

Airplanes Pass-Through Trust, Subordinated Notes, 10.875%  
due 3/15/19 (c)(d)(e) (Cost - \$2,052,466)

0

**CONVERTIBLE BOND & NOTE 0.1%**

**Airlines 0.1%**

565,265

Delta Air Lines Inc., Pass-Through Certificates, 7.379% due  
5/18/10  
(Cost - \$570,352)

564,907

*See Notes to Schedule of Investments.*

## Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2008

Face Amount		Security	Value
<b>SOVEREIGN BONDS</b>	<b>5.5%</b>		
<b>Argentina</b>	<b>0.5%</b>		
1,400,000	EUR	Republic of Argentina: 9.250% due 10/21/02 (d)	\$ 635,143
300,000	EUR	9.000% due 6/20/03 (d)	140,243
250,000	EUR	10.250% due 1/26/07 (d)	122,434
275,000	EUR	8.000% due 2/26/08 (d)	131,209
4,427,573	ARS	Bonds, 2.000% due 1/3/10 (g)	3,072,580
665,000		Bonds, Series VII, 7.000% due 9/12/13 **	590,649
97,000	EUR	GDP Linked Securities, 1.262% due 12/15/35 (g)	15,295
		Medium-Term Notes:	
1,175,000	EUR	7.000% due 3/18/04 (d)	553,469
600,000	EUR	8.125% due 10/4/04 (d)	274,920
525,000	EUR	9.000% due 5/24/05 (a)(d)	247,061
		<b>Total Argentina</b>	<b>5,783,003</b>
<b>Brazil</b>	<b>1.3%</b>		
1,000	BRL	Brazil Nota do Tesouro Nacional: 10.000% due 1/1/10	544
18,729,000	BRL	10.000% due 7/1/10 (f)	10,057,323
2,177,000	BRL	Series B, 6.000% due 5/15/17	1,914,652
4,315,000	BRL	Series F, 10.000% due 1/1/12	2,249,012
		<b>Total Brazil</b>	<b>14,221,531</b>
<b>Colombia</b>	<b>0.2%</b>		
2,055,000		Republic of Colombia, 7.375% due 9/18/37 **	2,191,144
<b>Ecuador</b>	<b>0.2%</b>		
2,100,000		Republic of Ecuador, 10.000% due 8/15/30 (a) **	2,034,375
<b>Indonesia</b>	<b>0.3%</b>		
8,077,000,000	IDR	Republic of Indonesia: Series FR40, 11.000% due 9/15/25	899,987
6,948,000,000	IDR	Series FR42, 10.250% due 7/15/27	726,584
11,011,000,000	IDR	Series FR43, 10.250% due 7/15/22	1,169,662
8,327,000,000	IDR	Series FR45, 9.750% due 5/15/37	816,378
		<b>Total Indonesia</b>	<b>3,612,611</b>
<b>Mexico</b>	<b>0.5%</b>		
3,230,000		United Mexican States, Medium-Term Notes: 6.050% due 1/11/40	3,194,470
2,423,000		Series A, 6.750% due 9/27/34 **	2,629,561
		<b>Total Mexico</b>	<b>5,824,031</b>
<b>Panama</b>	<b>0.5%</b>		
1,285,000		Republic of Panama: 9.625% due 2/8/11 **	1,465,221
350,000		7.250% due 3/15/15 **	388,500
4,130,000		6.700% due 1/26/36 **	4,184,723
		<b>Total Panama</b>	<b>6,038,444</b>

**Peru 0.0%**

259,000  
198,000

Republic of Peru:  
Bonds, 6.550% due 3/14/37  
Global Bonds, 7.350% due 7/21/25  
**Total Peru**

266,770  
225,621  
492,391

**Turkey 1.1%**

2,023,000 TRY  
490,000

Republic of Turkey:  
14.000% due 1/19/11  
7.000% due 6/5/20 \*\*

1,639,161  
511,438

*See Notes to Schedule of Investments.*

## Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2008

Face Amount	Security	Value
<b>Turkey 1.1% (continued)</b>		
1,175,000	11.875% due 1/15/30 **	\$ 1,844,750
594,000	Bonds, 7.000% due 9/26/16 **	631,125
7,954,000	Notes, 6.875% due 3/17/36 **	7,810,828
	<b>Total Turkey</b>	<b>12,437,302</b>
<b>Uruguay 0.1%</b>		
1,026,307	Oriental Republic of Uruguay, Bonds, 7.625% due 3/21/36 **	1,084,037
<b>Venezuela 0.8%</b>		
	Bolivarian Republic of Venezuela:	
273,000	8.500% due 10/8/14	272,318
8,258,000	5.750% due 2/26/16 **	6,926,397
241,000	7.650% due 4/21/25	209,429
	Collective Action Securities:	
1,164,000	9.375% due 1/13/34 **	1,182,333
183,000	Notes, 10.750% due 9/19/13	201,071
	<b>Total Venezuela</b>	<b>8,791,548</b>
	<b>TOTAL SOVEREIGN BONDS</b>	
	(Cost \$61,444,890)	62,510,417
<b>COLLATERALIZED SENIOR LOANS 2.6%</b>		
<b>Auto Components 0.4%</b>		
4,987,500	Allison Transmission, Term Loan B, 8.170% due 8/7/14 (g)	4,386,327
<b>Containers &amp; Packaging 0.3%</b>		
5,187,704	Berry Plastics Corp., Senior Term Loan, 11.646% due 6/15/14 (g)	3,942,655
<b>Media 0.4%</b>		
5,000,000	Univision Communications Inc., Term Loan B, 7.095% due 9/15/14 (g)	4,125,520
<b>Oil, Gas &amp; Consumable Fuels 1.1%</b>		
	Ashmore Energy International:	
279,613	Synthetic Revolving Credit Facility, 5.098% due 3/30/14 (g)	258,642
2,084,796	Term Loan, 7.830% due 3/30/14 (g)	1,928,437
7,500,000	SandRidge Energy, Term Loan, 8.625% due 4/1/15 (g)	7,443,750
3,000,000	Stallion Oilfield Services, Term Loan, 9.384% due 7/31/12 (g)	2,700,000
	<b>Total Oil, Gas &amp; Consumable Fuels</b>	<b>12,330,829</b>
<b>Paper &amp; Forest Products 0.2%</b>		
2,500,000	Verso Paper Holdings Term Loan, 11.210% due 2/1/12 (g)	2,312,500
<b>Trading Companies &amp; Distributors 0.2%</b>		
2,000,000	Penhall International Corp., Term Loan, 12.824% due 4/1/12 (g)	1,780,000

	<b>TOTAL COLLATERALIZED SENIOR LOANS</b>	
	(Cost \$31,900,364)	28,877,831
<b>Shares</b>		
<b>COMMON STOCKS 0.0%</b>		
<b>CONSUMER DISCRETIONARY 0.0%</b>		
<b>Household Durables 0.0%</b>		
10,685,938	Home Interiors & Gifts Inc. (c)(e)*	11
52,472	Mattress Discounters Corp. (c)(e)*	0
	<b>TOTAL COMMON STOCKS</b>	
	(Cost \$7,763,106)	11
<b>CONVERTIBLE PREFERRED STOCKS 0.8%</b>		
<b>FINANCIALS 0.8%</b>		
4,260	Bank of America Corp., 7.250% due 12/31/49	4,779,720
69,700	Citigroup Inc., 6.500% due 12/31/49	3,767,285
	<b>TOTAL CONVERTIBLE PREFERRED STOCKS</b>	
	(Cost \$7,745,000)	8,547,005

*See Notes to Schedule of Investments.*

## Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2008

Shares	Security	Value
<b>ESCROWED SHARES 0.0%</b>		
2,025,000	Pillowtex Corp. (c)(d)(e)* (Cost - \$0)	\$ 0
<b>PREFERRED STOCKS 0.4%</b>		
<b>CONSUMER DISCRETIONARY 0.1%</b>		
<b>Automobiles 0.1%</b>		
65,000	Ford Motor Co., 7.400%	1,028,300
1,800	Ford Motor Co., 8.000%	30,330
1,800	Ford Motor Co., Series F, 7.550%	30,420
	<b>Total Automobiles</b>	<b>1,089,050</b>
<b>Media 0.0%</b>		
8	ION Media Networks Inc., Series B, 12.000% *	34,125
	<b>TOTAL CONSUMER DISCRETIONARY</b>	<b>1,123,175</b>
<b>FINANCIALS 0.3%</b>		
<b>Diversified Financial Services 0.1%</b>		
12,100	Preferred Plus, Trust Series FRD-1, 7.400%	191,664
8,200	Preferred Plus, Series FMC1 Trust, Senior Debentures, Series LMG-3, 8.250%	148,420
44,100	Saturns, Series F 2003-5, 8.125%	736,470
17,552	TCR Holdings Corp., Class B Shares (c)(e)*	17
9,654	TCR Holdings Corp., Class C Shares (c)(e)*	10
25,451	TCR Holdings Corp., Class D Shares (c)(e)*	25
52,657	TCR Holdings Corp., Class E Shares (c)(e)*	53
		<b>1,076,659</b>
<b>Thrifts &amp; Mortgage Finance 0.2%</b>		
110,000	Federal National Mortgage Association (FNMA), 8.250%	2,906,200
	<b>TOTAL FINANCIALS</b>	<b>3,982,859</b>
	<b>TOTAL PREFERRED STOCKS</b>	
	(Cost \$5,137,505)	5,106,034
<b>Warrants</b>		
<b>WARRANTS 0.1%</b>		
18,500	Bolivarian Republic of Venezuela, Oil-linked payment obligations, expires 4/15/20*	679,875
31,517,970	ContiFinancial Corp., Liquidating Trust, Units of Interest (Represents interest in a trust in the liquidation of ContiFinancial Corp. and its affiliates) (c)(e)*	32
2,750	Leap Wireless International Inc., Expires 4/15/10(c)(e)*	0
13,614	Pillowtex Corp., Expires 11/24/09(c)(e)*	0
	<b>TOTAL WARRANTS</b>	
	(Cost \$10,069)	679,907
	<b>TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS</b>	
	(Cost \$1,204,491,044)	1,110,495,494

Face Amount				
<b>SHORT-TERM INVESTMENTS</b>	<b>1.5%</b>			
<b>Sovereign Bonds</b>	<b>1.5%</b>			
4,491,000	MYR	Bank Negara Malaysia Monetary Notes: Series 0207, 3.569% due 2/14/08		1,388,594
3,346,000	MYR	Series 4207, zero coupon bond to yield 3.390% due 4/22/08		1,026,499
43,825,000	EGP	Egypt Treasury Bills: Zero coupon bond to yield 7.470% due 10/28/08		7,488,693

*See Notes to Schedule of Investments.*

## Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2008

Face Amount		Security	Value
<b>Sovereign Bonds</b>	<b>1.5% (continued)</b>		
42,275,000	EGP	Zero coupon bond to yield 20.240% due 11/11/08	\$ 7,203,675
		<b>Total Sovereign Bonds</b>	
		(Cost \$17,116,426)	17,107,461
<b>U.S. Government Agency</b>	<b>0.0%</b>		
27,000		Federal National Mortgage Association (FNMA), Discount Notes, 4.030% -4.365% due 3/17/08 (h)	
		(Cost - \$26,856)	26,856
		<b>TOTAL SHORT-TERM INVESTMENTS</b>	
		(Cost \$17,143,282)	17,134,317
		<b>TOTAL INVESTMENTS</b>	
		<b>100.0%</b> (Cost \$1,221,634,326#)	1,127,629,811

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- \* Non-income producing security.  
Face amount denominated in U.S. dollars, unless otherwise noted.
- (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) Illiquid security.
- (d) Security is currently in default.
- (e) Security is valued in good faith at fair value by or under the direction of the Board of Directors (See Note 1).
- (f) All or a portion of this security is segregated for open futures contracts, reverse repurchase agreements and foreign currency contracts.
- (g) Variable rate security. Interest rate disclosed is that which is in effect at January 31, 2008.
- (h) Rate shown represents yield-to-maturity.
- # Aggregate cost for federal income tax purposes is substantially the same.
- \*\* All or a portion of this security is held by the counterparty as collateral for open reverse repurchase agreements.

- - Abbreviations used in this schedule:

ARS - Argentine Peso  
 BRL - Brazilian Real  
 EGP - Egyptian Pound  
 EUR - Euro  
 GDP - Gross Domestic Product  
 IDR - Indonesian Rupiah  
 MYR - Malaysian Ringgit  
 OJSC - Open Joint Stock Company  
 RUB - Russian Ruble  
 TRY - Turkish Lira

*See Notes to Schedule of Investments.*





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

**1. Organization and Significant Accounting Policies**

Western Asset 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 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 last quoted 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. 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 securities 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 fair value.

**(b) Reverse Repurchase Agreements.** The Fund may enter into a reverse repurchase agreement in which the Fund sells a portfolio security at a specified price with an agreement to purchase the same or substantially the same security from the same counterparty at a fixed or determinable price at a future date. When entering into reverse repurchase agreements, the Fund's custodian delivers to the counterparty liquid assets, the market value of which, at the inception of the transaction, at least equals the repurchase price (including accrued interest). The Fund pays interest on amounts obtained pursuant to reverse repurchase agreements. Reverse repurchase agreements are considered to be borrowings, which may create leverage risk to the Fund.

**(c) Financial Futures Contracts.** The Fund may enter into financial futures contracts typically, but not necessarily, to hedge a portion of the portfolio. Upon entering into a financial futures contract, the Fund is required to deposit cash or securities as initial margin, equal to a certain percentage of the contract amount (initial margin deposit). Additional securities are also segregated up to the current market value of the financial futures contracts. Subsequent payments, known as variation margin, are made or received by the Fund each day, depending on the daily fluctuations in the value of the underlying financial instruments. For foreign denominated futures, variation margins are not settled daily. The Fund recognizes an unrealized gain or loss equal to the fluctuation in the value. When the financial futures contracts are closed, a realized gain or loss is recognized equal to the difference between the proceeds from (or cost of) the closing transactions and the Fund's basis in the contracts.

The risks associated with entering into financial futures contracts include the possibility that a change in the value of the contract may not correlate with the changes in the value of the underlying financial instruments. In addition, investing in financial futures contracts involves the risk that the Fund could lose more than the initial margin deposit and subsequent payments required for a futures transaction. Risks may also arise upon entering into these contracts from the potential inability of the counterparties to meet the terms of their contracts.

**(d) 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 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 records 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 was closed.

Forward foreign currency contracts involve elements of market risk in excess of the amounts reflected in the Statement of Assets and Liabilities. 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.

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**(e) 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 at 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.

**(f) 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 involves risks not associated with higher rated securities including, among others, greater risk related to timely and 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.

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

## 2. Investments

At January 31, 2008, the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were substantially as follows:

Gross unrealized appreciation	\$18,175,836
Gross unrealized depreciation	(112,180,351)
Net unrealized depreciation	\$(94,004,515)

At January 31, 2008, the Fund had the following open futures contracts:

	Number of Contracts	Expiration Date	Basis Value	Market Value	Unrealized Loss
<b>Contracts to Sell:</b>					
U.S. Treasury 10 Year Notes	10	3/08	\$1,138,302	\$1,167,188	\$(28,886)

At January 31, 2008, the Fund had the following open forward foreign currency contracts:

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Foreign Currency	Local Currency	Market Value	Settlement Date	Unrealized Gain (Loss)
<b>Contracts to Buy:</b>				
Indian Rupee	19,552,500	\$495,134	3/14/08	\$134
Indian Rupee	58,622,700	1,484,521	3/14/08	(1,480)
Indian Rupee	19,567,200	495,411	3/17/08	(589)
<b>Net Unrealized Loss on Open Forward Foreign Currency Contracts</b>				<b>\$(1,935)</b>

Transactions in reverse repurchase agreements for the Fund during the period ended January 31, 2008 were as follows:

Average Daily Balance	Weighted Average Interest Rate	Maximum Amount Outstanding
\$93,194,606	5.068%	\$122,354,452

Interest rates on reverse repurchase agreements ranged from 1.000% to 5.850% during the period ended January 31, 2008. Interest expense incurred on reverse repurchase agreements totaled \$3,620,967.

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At January 31, 2008, the Fund had the following open reverse repurchase agreements:

Face Amount	Security	Value
\$ 5,036,450	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 4.200% to be repurchased at \$5,042,913 on 2/4/08, collateralized by: \$5,260,000 ATF Capital BV, 9.250% due 2/21/14; Market value (including accrued interest) - \$5,542,582.	\$ 5,036,450
4,386,396	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 4.000% to be repurchased at \$4,391,757 on 2/4/08, collateralized by: \$4,740,000 Axtel Sab de CV, 7.625% due 2/1/17; Market value (including accrued interest) - \$4,885,163.	4,386,396
1,956,200	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 3.750% to be repurchased at \$1,958,442 on 2/4/08, collateralized by: \$2,000,000 Republic of Colombia, 7.375% due 9/18/37; Market value (including accrued interest) - \$2,187,610.	1,956,200
2,674,080	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 4.150% to be repurchased at \$2,677,471 on 2/4/08, collateralized by: \$2,880,000 EEB International Ltd., 8.750% due 10/31/14; Market value (including accrued interest) - \$3,037,627.	2,674,080
2,115,538	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 4.150% to be repurchased at \$2,188,221 on 2/4/08, collateralized by: \$2,302,000 GTL Trade Finance Inc., 7.250% due 10/20/17; Market value (including accrued interest) - \$2,452,344.	2,115,538
770,859	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 4.250% to be repurchased at \$771,860 on 2/4/08, collateralized by: \$873,000 Gaz Cap SA Luxembourg, 6.212% due 11/22/16; Market value (including accrued interest) - \$863,935.	770,859
1,720,440	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 4.050% to be repurchased at \$1,722,569 on 2/4/08, collateralized by: \$1,770,000 Gaz Cap SA Luxembourg, 6.510% due 3/7/22; Market value (including accrued interest) - \$1,723,609.	1,720,440
1,777,481	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 4.000% to be repurchased at \$1,779,654 on 2/4/08, collateralized by: \$2,419,000 Globo Comunicacoes Part, 7.250% due 4/26/22; Market value (including accrued interest) - \$2,405,484.	1,777,481
3,646,329	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 4.000% to be repurchased at \$3,650,786 on 2/4/08, collateralized by: \$4,490,000 HSBK Europe BV, 7.250% due 5/3/17; Market value (including accrued interest) - \$4,009,237.	3,646,329
1,020,147	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 4.100% to be repurchased at \$1,021,425 on 2/4/08, collateralized by: \$1,174,000 ICICI Bank Ltd., 6.375% due 4/30/22; Market value (including accrued interest) - \$1,011,525.	1,020,147
1,149,480	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 4.000% to be repurchased at \$1,150,885 on 2/4/08,	

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collateralized by: \$1,240,000 Odebrecht Finance Ltd.,

7.500% due 10/18/17; Market value (including accrued interest) - \$1,270,034.

1,149,480

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\$	1,381,889	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 4.000% to be repurchased at \$1,383,578 on 2/4/08, collateralized by: \$1,285,000 Republic of Panama, 9.625% due 2/8/11; Market value (including accrued interest) - \$1,524,709.	\$ 1,381,889
	366,170	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 3.750% to be repurchased at \$366,590 on 2/4/08, collateralized by: \$350,000 Republic of Panama, 7.250% due 3/15/15; Market value (including accrued interest) - \$398,190.	366,170
	1,255,320	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 3.750% to be repurchased at \$1,256,758 on 2/4/08, collateralized by: \$1,320,000 Republic of Panama, 6.700% due 1/26/36; Market value (including accrued interest) - \$1,338,948.	1,255,320
	2,672,310	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 3.750% to be repurchased at \$2,675,372 on 2/4/08, collateralized by: \$2,810,000 Republic of Panama, 6.700% due 1/26/36; Market value (including accrued interest) - \$2,850,336.	2,672,310
	3,157,000	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 3.750% to be repurchased at \$3,160,617 on 2/4/08, collateralized by: \$3,500,000 Pemex Project Funding Master Trust, 6.625% due 6/15/35; Market value (including accrued interest) - \$3,629,249.	3,157,000
	1,532,100	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 4.000% to be repurchased at \$1,533,973 on 2/4/08, collateralized by: \$1,654,000 Russian Agricultural Bank, 7.175% due 5/16/13; Market value (including accrued interest) - \$1,724,589.	1,532,100
	919,960	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 4.200% to be repurchased at \$921,141 on 2/4/08, collateralized by: \$1,055,000 Russian Agricultural Bank, 6.299% due 5/15/17; Market value (including accrued interest) - \$1,016,490.	919,960
	1,138,174	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 3.650% to be repurchased at \$1,139,444 on 2/4/08, collateralized by: \$1,026,307 Oriental Republic of Uruguay, 7.625% due 3/21/36; Market value (including accrued interest) - \$1,112,630.	1,138,174
	1,181,160	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 4.150% to be repurchased at \$1,182,658 on 2/4/08, collateralized by: \$1,360,000 TNK-BP Finance SA, 7.500% due 7/18/16; Market value (including accrued interest) - \$1,326,523.	1,181,160
	11,393,136	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 4.000% to be repurchased at \$11,407,061 on 2/4/08, collateralized by: \$13,410,000 True Move Co., Ltd., 10.750% due 12/16/13; Market value (including accrued interest) - \$12,991,670.	11,393,136
	2,417,380	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 3.850% to be repurchased at \$2,420,224 on 2/4/08, collateralized by: \$2,785,000 TuranAlem Finance BV Global, 8.250% due 1/22/37; Market value (including accrued interest) - \$2,450,150.	2,417,380



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\$	1,660,745	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 3.750% to be repurchased at \$1,662,648 on 2/4/08, collateralized by: \$1,175,000 Republic of Turkey, 11.875% due 1/15/30; Market value (including accrued interest) - \$1,851,267.	\$ 1,660,745
	514,255	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 4.150% to be repurchased at \$514,907 on 2/4/08, collateralized by: \$490,000 Republic of Turkey, 7.000% due 6/5/20; Market value (including accrued interest) - \$516,873.	514,255
	6,937,479	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 3.750% to be repurchased at \$6,945,428 on 2/4/08, collateralized by: \$7,954,000 Republic of Turkey, 6.875% due 3/17/36; Market value (including accrued interest) - \$8,016,643.	6,937,479
	641,223	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 3.850% to be repurchased at \$641,977 on 2/4/08, collateralized by: \$594,000 Republic of Turkey, 7.000% due 9/26/16; Market value (including accrued interest) - \$645,747.	641,223
	2,302,942	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 3.750% to be repurchased at \$2,305,581 on 2/4/08, collateralized by: \$2,262,000 United Mexican States, 6.750% due 9/27/34; Market value (including accrued interest) - \$2,508,107.	2,302,942
	1,285,284	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 4.000% to be repurchased at \$1,286,855 on 2/4/08, collateralized by: \$1,284,000 Vale Overseas Ltd., 8.250% due 1/17/34; Market value (including accrued interest) - \$1,391,420.	1,285,284
	3,638,250	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 4.050% to be repurchased at \$3,642,752 on 2/4/08, collateralized by: \$4,158,000 Vale Overseas Ltd., 6.875% due 11/21/36; Market value (including accrued interest) - \$3,928,848.	3,638,250
	982,300	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 3.750% to be repurchased at \$983,425 on 2/4/08, collateralized by: \$1,164,000 Bolivarian Republic of Venezuela, 9.375% due 1/13/34; Market value (including accrued interest) - \$1,188,029.	982,300
	490,371	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 4.000% to be repurchased at \$490,970 on 2/4/08, collateralized by: \$665,000 Republic of Argentina, 7.000% due 9/12/13; Market value (including accrued interest) - \$608,809.	490,371
	3,738,603	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 4.200% to be repurchased at \$3,743,401 on 2/4/08, collateralized by: \$4,246,000 Petrozuata Finance Inc., 8.220% due 4/1/17; Market value (including accrued interest) - \$4,480,059.	3,738,603
	345,210	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 4.150% to be repurchased at \$345,648 on 2/4/08, collateralized by: \$370,000 Axtel Sab de CV, 7.625% due 2/1/17; Market value (including accrued interest) - \$382,256.	345,210
	6,325,628	Reverse Repurchase Agreement with Credit Suisse dated 1/24/08, bearing 3.750% to be repurchased at \$6,332,876 on 2/4/08, collateralized by: \$8,258,000 Bolivarian Republic of Venezuela,	

5.750% due 2/26/16; Market value (including accrued interest) - \$7,131,557.

6,325,628

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\$	877,734	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 4.000% to be repurchased at \$878,807 on 2/4/08, collateralized by: \$1,170,000 ICICI Bank Ltd., 6.375% due 4/30/22; Market value (including accrued interest) - \$999,697.	\$	877,734
	2,137,800	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 4.100% to be repurchased at \$2,140,478 on 2/4/08, collateralized by: \$2,100,000 Republic of Ecuador, 10.000% due 8/15/30; Market value (including accrued interest) - \$2,131,386.		2,137,800
	2,011,320	Reverse Repurchase Agreement with JP Morgan Chase & Co., dated 1/24/08 bearing 4.000% to be repurchased at \$2,013,778 on 2/4/08, collateralized by: \$2,220,000 UBS Luxembourg SA, 8.250% due 5/23/16; Market value (including accrued interest) - \$2,314,461.		2,011,320
	842,646	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 4.000% to be repurchased at \$843,676 on 2/4/08, collateralized by: \$1,059,000 TuranAlem Finance BV Global, 8.250% due 1/22/37; Market value (including accrued interest) - \$972,956.		842,646
	1,479,200	Reverse Repurchase Agreement with Credit Suisse, dated 1/24/08 bearing 3.750% to be repurchased at \$1,480,895 on 2/4/08, collateralized by: \$1,720,000 Lukoil International Finance BV, 6.356% due 6/7/17; Market value (including accrued interest) - \$1,663,627.		1,479,200
		<b>Total Reverse Repurchase Agreements</b> (Proceeds \$89,878,989)	\$	<b>89,878,989</b>

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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 High Income Fund II Inc.**

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

Date: March 28, 2008

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: March 28, 2008

By */s/ Kaprel Ozsolak*  
Kaprel Ozsolak  
Chief Financial Officer

Date: March 28, 2008

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