

WESTERN ASSET HIGH INCOME FUND II INC.
Form N-Q
March 27, 2009

**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

100 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, 2009

ITEM 1. SCHEDULE OF INVESTMENTS

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

FORM N-Q

JANUARY 31, 2009

Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited)

January 31, 2009

Face Amount	Security	Value
CORPORATE BONDS & NOTES 90.6%		
CONSUMER DISCRETIONARY 14.0%		
Auto Components 0.7%		
6,998,000	Allison Transmission Inc., Senior Notes, 11.250% due 11/1/15 (a)(b)	\$ 3,184,090
	Visteon Corp., Senior Notes:	
1,031,000	8.250% due 8/1/10	190,735
11,316,000	12.250% due 12/31/16 (a)	1,301,340
	Total Auto Components	4,676,165
Automobiles 0.8%		
1,985,000	Ford Motor Co., Debentures:	
3,425,000	8.875% due 1/15/22	397,000
	8.900% due 1/15/32	565,125
15,665,000	General Motors Corp.:	
8,845,000	Notes, 7.200% due 1/15/11	3,250,488
	Senior Debentures, 8.375% due 7/15/33	1,282,525
	Total Automobiles	5,495,138
Diversified Consumer Services 0.4%		
590,000	Education Management LLC/Education Management Finance Corp., Senior Notes, 8.750% due 6/1/14	505,925
	Service Corp. International, Senior Notes:	
1,200,000	7.625% due 10/1/18	1,110,000
1,090,000	7.500% due 4/1/27	779,350
	Total Diversified Consumer Services	2,395,275
Hotels, Restaurants & Leisure 3.5%		
1,000,000	Boyd Gaming Corp., Senior Subordinated Notes, 6.750% due 4/15/14	670,000
4,130,000	Buffets Inc., Senior Notes, 12.500% due 11/1/14 (c)(d)	22,715
3,705,000	Caesars Entertainment Inc., Senior Subordinated Notes, 8.125% due 5/15/11	1,463,475
2,765,000	Carrolls Corp., Senior Subordinated Notes, 9.000% due 1/15/13	2,032,275
468,000	Choctaw Resort Development Enterprise, Senior Notes, 7.250% due 11/15/19 (a)	152,100
4,675,000	Denny's Holdings Inc., Senior Notes, 10.000% due 10/1/12	3,810,125
2,310,000	Downstream Development Quapaw, Senior Notes, 12.000% due 10/15/15 (a)	1,235,850
2,550,000	El Pollo Loco Inc., Senior Notes, 11.750% due 11/15/13	1,963,500
975,000	Fontainebleau Las Vegas Holdings LLC/Fontainebleau Las Vegas Capital Corp., 10.250% due 6/15/15 (a)	112,125
	Harrah's Operating Co. Inc.:	
1,318,000	Senior Notes, 10.750% due 2/1/16 (a)	316,320
302,400	Senior Secured Notes, 10.000% due 12/15/18 (a)	110,376
3,725,000	Indianapolis Downs LLC & Capital Corp., Senior Secured Notes, 11.000% due 11/1/12 (a)	2,011,500
5,865,000	Inn of the Mountain Gods Resort & Casino, Senior Notes, 12.000% due 11/15/10	1,202,325
2,470,000	MGM MIRAGE Inc., Senior Notes, 13.000% due 11/15/13 (a)	2,260,050

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420,000		Mohegan Tribal Gaming Authority, Senior Subordinated Notes, 6.875% due 2/15/15	226,800
4,037,000		Pokagon Gaming Authority, Senior Notes, 10.375% due 6/15/14 (a)	3,552,560
1,800,000		Snoqualmie Entertainment Authority, Senior Secured Notes, 6.875% due 2/1/14 (a)(e)	1,053,000
7,305,000		Station Casinos Inc.: Senior Notes, 6.000% due 4/1/12 (f)	1,424,475
1,450,000		Senior Subordinated Notes, 6.625% due 3/15/18 (f)	50,750
		Total Hotels, Restaurants & Leisure	23,670,321
Household Durables	1.9%		
4,000,000		Holt Group Inc., Senior Notes, 9.750% due 1/15/06 (c)(d)(g)	0
6,000,000		K Hovnanian Enterprises Inc., Senior Notes, 11.500% due 5/1/13	4,965,000
4,055,000		Norcraft Cos. LP/Norcraft Finance Corp., Senior Subordinated Notes, 9.000% due 11/1/11	3,588,675

See Notes to Schedule of Investments.

Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2009

Face Amount	Security	Value
Household Durables 1.9% (continued)		
5,245,000	Norcraft Holdings LP/Norcraft Capital Corp., Senior Discount Notes, 9.750% due 9/1/12	\$ 4,064,875
	Total Household Durables	12,618,550
Internet & Catalog Retail 0.2%		
2,330,000	Ticketmaster, Senior Notes, 10.750% due 8/1/16 (a)	1,409,650
Media 4.1%		
755,000	Affinion Group Inc.:	
	Senior Notes, 10.125% due 10/15/13	592,675
6,800,000	Senior Subordinated Notes, 11.500% due 10/15/15	4,454,000
	CCH I LLC/CCH I Capital Corp.:	
1,980,000	Senior Notes, 11.000% due 10/1/15 (d)	316,800
14,774,000	Senior Secured Notes, 11.000% due 10/1/15 (d)	2,659,320
	Cengage Learning Acquisitions Inc.:	
3,435,000	Senior Notes, 10.500% due 1/15/15 (a)	1,734,675
3,710,000	Senior Subordinated Notes, step bond to yield 13.355% due 7/15/15 (a)	1,233,575
1,100,000	Charter Communications Holdings LLC, Senior Discount Notes, 12.125% due 1/15/12 (c)(d)(g)	22,000
1,105,000	Charter Communications Holdings LLC/Charter Communications Holdings Capital Corp., Senior Discount Notes, 11.750% due 5/15/11 (c)(d)	26,244
8,660,000	Charter Communications Inc., Senior Secured Notes, 10.875% due 9/15/14 (a)(d)	7,534,200
3,180,000	CMP Susquehanna Corp., 9.875% due 5/15/14	119,250
3,350,000	Dex Media Inc., Discount Notes, 9.000% due 11/15/13	435,500
4,868,000	Dex Media West LLC/Dex Media Finance Co., Senior Subordinated Notes, 9.875% due 8/15/13	1,423,890
	EchoStar DBS Corp., Senior Notes:	
1,940,000	6.625% due 10/1/14	1,770,250
200,000	7.750% due 5/31/15	188,000
2,419,000	Globo Comunicacoes e Participacoes SA, Bonds, 7.250% due 4/26/22 (a) (h)	2,261,765
4,930,000	Idearc Inc., Senior Notes, 8.000% due 11/15/16	178,712
1,695,000	R.H. Donnelley Corp., Senior Notes, 8.875% due 1/15/16	186,450
750,000	R.H. Donnelley Inc., 11.750% due 5/15/15 (a)	225,000
2,525,000	Sun Media Corp., 7.625% due 2/15/13	2,057,875
975,000	Univision Communications Inc., Senior Notes, 7.850% due 7/15/11	663,000
	Total Media	28,083,181
Multiline Retail 1.4%		
1,920,000	Dollar General Corp.:	
	Senior Notes, 10.625% due 7/15/15	1,920,000
3,130,000	Senior Subordinated Notes, 11.875% due 7/15/17 (b)	2,895,250
	Neiman Marcus Group Inc.:	
8,740,000	Senior Notes, 9.000% due 10/15/15 (b)	3,933,000
1,080,000	Senior Secured Notes, 7.125% due 6/1/28	502,200
	Total Multiline Retail	9,250,450
Specialty Retail 0.8%		

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885,000	AutoNation Inc., Senior Notes, 7.000% due 4/15/14	783,225
3,980,000	Blockbuster Inc., Senior Subordinated Notes, 9.000% due 9/1/12	2,029,800
2,350,000	Eye Care Centers of America, Senior Subordinated Notes, 10.750% due 2/15/15	2,197,250
1,505,000	Michaels Stores Inc., Senior Notes, 10.000% due 11/1/14	684,775
	Total Specialty Retail	5,695,050
Textiles, Apparel & Luxury Goods 0.2%		
1,780,000	Oxford Industries Inc., Senior Notes, 8.875% due 6/1/11	1,343,900
	TOTAL CONSUMER DISCRETIONARY	94,637,680

See Notes to Schedule of Investments.

Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2009

Face Amount	Security	Value
CONSUMER STAPLES 2.3%		
Food & Staples Retailing 0.1%		
576,000	Delhaize America Inc., Debentures, 9.000% due 4/15/31	\$ 661,387
Food Products 0.8%		
2,245,000	Dole Food Co. Inc., Senior Notes: 8.625% due 5/1/09	2,127,138
2,715,000	7.250% due 6/15/10	2,307,750
1,150,000	8.875% due 3/15/11	868,250
	Total Food Products	5,303,138
Household Products 0.4%		
1,265,000	American Achievement Corp., Senior Subordinated Notes, 8.250% due 4/1/12 (a)	1,018,325
2,100,000	Visant Holding Corp., Senior Notes, 8.750% due 12/1/13	1,858,500
	Total Household Products	2,876,825
Tobacco 1.0%		
960,000	Alliance One International Inc., Senior Notes: 8.500% due 5/15/12	763,200
4,025,000	11.000% due 5/15/12	3,521,875
1,970,000	Altria Group Inc., Senior Notes, 9.700% due 11/10/18	2,159,248
	Total Tobacco	6,444,323
	TOTAL CONSUMER STAPLES	15,285,673
ENERGY 14.1%		
Energy Equipment & Services 0.8%		
210,000	ANR Pipeline Co., Debentures, 9.625% due 11/1/21	225,419
2,645,000	Complete Production Services Inc., Senior Notes, 8.000% due 12/15/16	1,864,725
1,145,000	GulfMark Offshore Inc., Senior Subordinated Notes, 7.750% due 7/15/14	898,825
1,820,000	Key Energy Services Inc., Senior Notes, 8.375% due 12/1/14	1,319,500
1,320,000	Pride International Inc., Senior Notes, 7.375% due 7/15/14	1,273,800
	Total Energy Equipment & Services	5,582,269
Oil, Gas & Consumable Fuels 13.3%		
3,980,000	Atlas Pipeline Partners LP, Senior Notes, 8.750% due 6/15/18	2,646,700
7,595,000	Belden & Blake Corp., Secured Notes, 8.750% due 7/15/12	5,544,350
940,000	Chesapeake Energy Corp., Senior Notes: 9.500% due 2/15/15	925,900
2,000,000	6.625% due 1/15/16	1,700,000
1,885,000	6.500% due 8/15/17	1,545,700
2,240,000	7.250% due 12/15/18	1,887,200
6,808,196	Corral Petroleum Holdings AB, Senior Secured Subordinated Bonds, 6.094% due 4/15/10 (a)(b)(e)	3,778,549
3,445,000	El Paso Corp.: Medium-Term Notes, 7.800% due 8/1/31	2,687,100
5,200,000	Notes, 7.875% due 6/15/12	5,083,000
	Enterprise Products Operating LP:	

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285,000	Junior Subordinated Notes, 8.375% due 8/1/66 (e)	179,764
4,825,000	Subordinated Notes, 7.034% due 1/15/68 (e)	2,705,706
4,000,000	EXCO Resources Inc., Senior Notes, 7.250% due 1/15/11	3,380,000
153,000	Gazprom, Loan Participation Notes, 6.212% due 11/22/16 (a)	112,455
1,045,000	Inergy LP/Inergy Finance Corp., Senior Notes, 8.250% due 3/1/16	950,950
5,415,000	International Coal Group Inc., Senior Notes, 10.250% due 7/15/14	4,061,250
2,070,000	KazMunaiGaz Finance Sub B.V., Senior Notes, 8.375% due 7/2/13 (a)(h)	1,687,050
1,720,000	LUKOIL International Finance BV, 6.356% due 6/7/17 (a)(h)	1,298,600
1,630,000	Mariner Energy Inc., Senior Notes: 7.500% due 4/15/13	1,230,650
1,215,000	8.000% due 5/15/17	783,675

See Notes to Schedule of Investments.

Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2009

Face Amount	Security	Value
Oil, Gas & Consumable Fuels 13.3% (continued)		
2,440,000	MarkWest Energy Partners LP/MarkWest Energy Finance Corp., Senior Notes, 8.750% due 4/15/18	\$ 1,762,900
	OPTI Canada Inc., Senior Secured Notes:	
1,030,000	7.875% due 12/15/14	463,500
455,000	8.250% due 12/15/14	211,575
3,215,000	Parallel Petroleum Corp., 10.250% due 8/1/14	2,073,675
6,067,000	Pemex Project Funding Master Trust, Senior Bonds, 6.625% due 6/15/35 (h)	4,845,149
3,435,000	Petrohawk Energy Corp., Senior Notes, 9.125% due 7/15/13	3,177,375
1,610,000	Petroplus Finance Ltd., Senior Notes, 6.750% due 5/1/14 (a)	1,207,500
2,740,000	Quicksilver Resources Inc., 8.250% due 8/1/15	2,219,400
	SandRidge Energy Inc., Senior Notes:	
7,670,000	8.625% due 4/1/15 (b)	5,177,250
2,370,000	8.000% due 6/1/18 (a)	1,884,150
7,887,000	SemGroup LP, Senior Notes, 8.750% due 11/15/15 (a)(c)(d)	315,480
2,310,000	Southwestern Energy Co., Senior Notes, 7.500% due 2/1/18 (a)	2,194,500
800,000	Targa Resources Partners LP, Senior Notes, 8.250% due 7/1/16 (a)	580,000
3,725,000	Teekay Corp., Senior Notes, 8.875% due 7/15/11	3,361,812
1,205,000	Tennessee Gas Pipeline Co., Senior Notes, 8.000% due 2/1/16 (a)	1,201,987
2,000,000	Tesoro Corp., Senior Notes, 6.250% due 11/1/12	1,735,000
230,000	TNK-BP Finance SA, 6.625% due 3/20/17 (a)	133,975
2,910,000	VeraSun Energy Corp., Senior Notes, 9.375% due 6/1/17 (c)	305,550
2,515,000	W&T Offshore Inc., Senior Notes, 8.250% due 6/15/14 (a)	1,747,925
	Whiting Petroleum Corp., Senior Subordinated Notes:	
1,350,000	7.250% due 5/1/12	1,154,250
2,205,000	7.000% due 2/1/14	1,775,025
	Williams Cos. Inc.:	
	Notes:	
3,080,000	7.875% due 9/1/21	2,931,676
3,899,000	8.750% due 3/15/32	3,575,921
3,975,000	Senior Notes, 7.625% due 7/15/19	3,792,830
	Total Oil, Gas & Consumable Fuels	90,017,004
	TOTAL ENERGY	95,599,273
FINANCIALS 11.1%		
Commercial Banks 2.3%		
5,360,000	ATF Capital BV, Senior Notes, 9.250% due 2/21/14 (a)(h)	3,510,800
4,490,000	HSBK Europe BV, 7.250% due 5/3/17 (a)(h)	2,536,850
	ICICI Bank Ltd., Subordinated Bonds:	
1,170,000	6.375% due 4/30/22 (a)(e)	682,969

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1,174,000		6.375% due 4/30/22 (a)(e)(h)	664,156
76,695,000	RUB	JPMorgan Chase Bank, Credit-Linked Notes (Russian Agricultural Bank), 9.500% due 2/11/11 (g)	1,397,561
		RSMB Capital, Loan Participation Notes:	
1,055,000		6.299% due 5/15/17 (a)(h)	664,650
		Secured Notes:	
1,204,000		7.175% due 5/16/13 (a)(h)	969,220
1,320,000		7.125% due 1/14/14 (a)(h)	1,009,800
670,000		7.125% due 1/14/14 (a)	519,478
		TuranAlem Finance BV, Bonds:	
3,025,000		8.250% due 1/22/37 (a)(h)	1,315,875
1,059,000		8.250% due 1/22/37 (a)(h)	433,734
2,360,000		Wells Fargo Capital XV, Junior Subordinated Notes, 9.750% due 9/26/44 (e)	2,220,406
		Total Commercial Banks	15,925,499
Consumer Finance	5.6%		
		Ford Motor Credit Co.:	
3,325,000		Notes, 7.875% due 6/15/10	2,747,285
		Senior Notes:	

See Notes to Schedule of Investments.

Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2009

Face Amount	Security	Value
Consumer Finance 5.6% (continued)		
4,464,000	7.246% due 6/15/11 (e)	\$ 3,085,740
2,045,000	4.011% due 1/13/12 (e)	1,270,456
20,430,000	12.000% due 5/15/15 GMAC LLC:	15,126,821
2,389,000	7.500% due 12/31/13 (a)	1,410,609
6,140,000	6.750% due 12/1/14 (a)	3,994,776
259,000	8.000% due 12/31/18 (a)	102,396
1,261,000	8.000% due 11/1/31 (a)	756,693
4,290,000	Debentures, zero coupon bond to yield 27.702% due 6/15/15	836,769
2,390,000	Senior Bonds, zero coupon bond to yield 37.540% due 12/1/12	574,224
3,166,000	Senior Notes, 6.875% due 8/28/12 (a)	2,265,558
6,240,000	SLM Corp., Senior Notes, 1.319% due 7/26/10 (e)	5,509,558
	Total Consumer Finance	37,680,885
Diversified Financial Services 2.1%		
2,390,000	Capmark Financial Group Inc., 5.875% due 5/10/12	907,908
2,325,000	CCM Merger Inc., Notes, 8.000% due 8/1/13 (a)(d)	988,125
4,520,000	Citigroup Inc., Junior Subordinated Notes, Preferred Securities, 8.400% due 4/30/18 (e)(i)	1,656,490
4,400,000	Hexion U.S. Finance Corp./Hexion Nova Scotia Finance ULC, 6.649% due 11/15/14 (e)	374,000
330,000	JPMorgan Chase & Co., Junior Subordinated Notes, 7.900% due 4/30/18 (e)(i)	251,422
3,670,000	Leucadia National Corp., Senior Notes:	2,991,050
80,000	8.125% due 9/15/15	59,200
	7.125% due 3/15/17	
200,000	TNK-BP Finance SA:	124,000
	7.875% due 3/13/18 (a)	
	Senior Notes:	
1,540,000	7.500% due 7/18/16 (a)	977,900
1,390,000	7.875% due 3/13/18 (a)	854,850
4,000,000	Vanguard Health Holdings Co., I LLC, Senior Discount Notes, step bond to yield 10.653% due 10/1/15	3,400,000
1,635,000	Vanguard Health Holdings Co., II LLC, Senior Subordinated Notes, 9.000% due 10/1/14	1,463,325
	Total Diversified Financial Services	14,048,270
Insurance 0.4%		
6,510,000	American International Group Inc., Junior Subordinated Debentures, 8.175% due 5/15/58 (a)(e)	2,419,227
Real Estate Investment Trusts (REITs) 0.3%		
2,500,000	Host Marriott LP, Senior Notes, 7.125% due 11/1/13	2,175,000
Real Estate Management & Development 0.3%		
2,495,000	Ashton Woods USA LLC/Ashton Woods Finance Co., Senior Subordinated Notes, 9.500% due 10/1/15 (c)(d)	386,725
	Realogy Corp.:	
4,100,000	10.500% due 4/15/14	943,000
350,231	11.000% due 4/15/14 (b)	47,281

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4,695,000	Senior Subordinated Notes, 12.375% due 4/15/15	563,400
Thriffs & Mortgage Finance 0.1%	Total Real Estate Management & Development	1,940,406
1,370,000	Ocwen Capital Trust I, Junior Subordinated Capital Securities, 10.875% due 8/1/27 (g)	945,300
	TOTAL FINANCIALS	75,134,587

See Notes to Schedule of Investments.

Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2009

Face Amount	Security	Value
HEALTH CARE 7.7%		
Health Care Equipment & Supplies 1.1%		
2,885,000	Advanced Medical Optics Inc., Senior Subordinated Notes, 7.500% due 5/1/17	\$ 3,216,775
4,420,000	Biomet Inc., Senior Notes, 10.375% due 10/15/17 (b)	3,955,900
	Total Health Care Equipment & Supplies	7,172,675
Health Care Providers & Services 6.6%		
890,000	Community Health Systems Inc., Senior Notes, 8.875% due 7/15/15	861,075
6,175,000	CRC Health Corp., 10.750% due 2/1/16	3,674,125
2,350,000	DaVita Inc., Senior Notes, 6.625% due 3/15/13	2,285,375
	HCA Inc.:	
1,325,000	Debentures, 7.500% due 11/15/95	539,552
	Senior Secured Notes:	
1,245,000	9.250% due 11/15/16	1,192,088
17,535,000	9.625% due 11/15/16 (b)	14,773,237
2,250,000	IASIS Healthcare LLC/IASIS Capital Corp., Senior Subordinated Notes, 8.750% due 6/15/14	1,991,250
	Tenet Healthcare Corp., Senior Notes:	
3,960,000	6.375% due 12/1/11	3,544,200
2,240,000	6.500% due 6/1/12	1,982,400
3,750,000	7.375% due 2/1/13	3,056,250
985,000	9.875% due 7/1/14	797,850
1,470,000	6.875% due 11/15/31	727,650
	Universal Hospital Services Inc., Senior Secured Notes:	
1,010,000	5.943% due 6/1/15 (e)	681,750
4,840,000	8.500% due 6/1/15 (b)	4,114,000
8,652,000	US Oncology Holdings Inc., Senior Notes, 8.334% due 3/15/12 (b)(e)	4,369,260
	Total Health Care Providers & Services	44,590,062
Pharmaceuticals 0.0%		
11,725,000	Leiner Health Products Inc., Senior Subordinated Notes, 11.000% due 6/1/12 (c)(d)	58,625
	TOTAL HEALTH CARE	51,821,362
INDUSTRIALS 12.2%		
Aerospace & Defense 0.5%		
1,160,000	BE Aerospace Inc., 8.500% due 7/1/18	1,093,300
8,775,000	Hawker Beechcraft Acquisition Co., Senior Notes, 8.875% due 4/1/15 (b)	2,237,625
106,119	Kac Acquisition Co., Subordinated Notes, 1.000% due 4/26/26 (c)(d)(g)	0
	Total Aerospace & Defense	3,330,925
Airlines 2.2%		
957,295	Continental Airlines Inc., Pass-Through Certificates:	
	8.312% due 10/2/12	727,544
1,930,000	7.339% due 4/19/14	1,215,900
8,570,000	DAE Aviation Holdings Inc., Senior Notes, 11.250% due 8/1/15 (a)	3,042,350
	Delta Air Lines Inc.:	

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1,810,287	8.954% due 8/10/14	1,013,761
	Pass-Through Certificates:	
1,559,796	6.619% due 3/18/11	1,419,414
6,135,000	7.111% due 9/18/11	5,429,475
2,135,000	7.711% due 9/18/11	1,547,875
	United Airlines Inc., Pass-Through Certificates:	
397,660	7.811% due 10/1/09	391,695
185,000	6.831% due 3/1/10	170,200
167,472	8.030% due 7/1/11	167,472
	Total Airlines	15,125,686

See Notes to Schedule of Investments.

Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2009

Face Amount	Security	Value
Building Products 2.0%		
9,230,000	Associated Materials Inc.: Senior Discount Notes, step bond to yield 14.852% due 3/1/14	\$ 4,199,650
3,195,000	Senior Subordinated Notes, 9.750% due 4/15/12	2,859,525
2,360,000	GTL Trade Finance Inc.: 7.250% due 10/20/17 (a)(h)	2,063,091
2,302,000	7.250% due 10/20/17 (a)(h)	2,050,506
2,170,000	Nortek Inc., Senior Secured Notes, 10.000% due 12/1/13	1,269,450
7,315,000	NTK Holdings Inc., Senior Discount Notes, step bond to yield 11.600% due 3/1/14	877,800
	Total Building Products	13,320,022
Commercial Services & Supplies 2.9%		
3,640,000	DynCorp International LLC/DIV Capital Corp.: 9.500% due 2/15/13 (a)	3,194,100
8,428,000	Senior Subordinated Notes, 9.500% due 2/15/13	7,332,360
1,500,000	Interface Inc., Senior Subordinated Notes, 9.500% due 2/1/14	1,147,500
5,715,000	Rental Services Corp., Senior Notes, 9.500% due 12/1/14	3,643,312
4,775,000	US Investigations Services Inc.: 11.750% due 5/1/16 (a)	3,270,875
1,060,000	Senior Subordinated Notes, 10.500% due 11/1/15 (a)	832,100
	Total Commercial Services & Supplies	19,420,247
Construction & Engineering 1.1%		
3,935,000	CSC Holdings Inc., Senior Notes, 8.500% due 6/15/15 (a)	3,807,113
3,740,000	Odebrecht Finance Ltd., 7.500% due 10/18/17 (a)(h)	3,412,750
	Total Construction & Engineering	7,219,863
Electrical Equipment 0.1%		
890,000	Sensata Technologies B.V., Senior Notes, 8.000% due 5/1/14	404,950
Industrial Conglomerates 0.2%		
1,940,000	Sequa Corp., Senior Notes: 11.750% due 12/1/15 (a)	785,700
2,073,159	13.500% due 12/1/15 (a)(b)	735,971
	Total Industrial Conglomerates	1,521,671
Machinery 0.1%		
1,390,000	American Railcar Industries Inc., Senior Notes, 7.500% due 3/1/14	973,000
Road & Rail 2.0%		
10,510,000	Hertz Corp., Senior Subordinated Notes, 10.500% due 1/1/16	5,530,888
7,415,000	Kansas City Southern de Mexico, Senior Notes: 9.375% due 5/1/12 (h)	7,099,862
1,100,000	7.625% due 12/1/13 (h)	929,500
280,000	Kansas City Southern Railway, Senior Notes, 13.000% due 12/15/13	291,200
	Total Road & Rail	13,851,450
Trading Companies & Distributors 1.0%		
1,660,000	Ashtead Capital Inc., Notes, 9.000% due 8/15/16 (a)	1,004,300

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1,410,000	Ashtead Holdings PLC, Senior Secured Notes, 8.625% due 8/1/15 (a)	867,150
3,045,000	H&E Equipment Services Inc., Senior Notes, 8.375% due 7/15/16	1,827,000
6,680,000	Penhall International Corp., Senior Secured Notes, 12.000% due 8/1/14 (a)	3,373,400
	Total Trading Companies & Distributors	7,071,850
Transportation Infrastructure 0.1%		
5,465,000	Swift Transportation Co., Senior Secured Notes: 9.899% due 5/15/15 (a)(e)	464,525

See Notes to Schedule of Investments.

Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2009

Face Amount	Security	Value
Transportation Infrastructure 0.1% (continued)		
2,810,000	12.500% due 5/15/17 (a)	\$ 266,950
	Total Transportation Infrastructure	731,475
	TOTAL INDUSTRIALS	82,971,139
INFORMATION TECHNOLOGY 1.3%		
Communications Equipment 0.3%		
6,100,000	Lucent Technologies Inc., Debentures, 6.450% due 3/15/29	2,074,000
Electronic Equipment, Instruments & Components 0.0%		
780,000	NXP BV/NXP Funding LLC, Senior Secured Notes, 3.844% due 10/15/13 (e)	190,125
IT Services 0.6%		
3,285,000	Ceridian Corp., Senior Notes, 12.250% due 11/15/15 (a)(b)	1,667,138
3,100,000	First Data Corp.: 5.625% due 11/1/11	1,565,500
550,000	Senior Notes: 9.875% due 9/24/15 (a)	310,750
440,000	9.875% due 9/24/15	248,600
	Total IT Services	3,791,988
Semiconductors & Semiconductor Equipment 0.1%		
2,180,000	Freescall Semiconductor Inc., Senior Notes: 8.875% due 12/15/14	490,500
1,210,000	9.125% due 12/15/14 (b)	166,375
	Total Semiconductors & Semiconductor Equipment	656,875
Software 0.3%		
4,200,000	Activant Solutions Inc., Senior Subordinated Notes, 9.500% due 5/1/16	2,205,000
	TOTAL INFORMATION TECHNOLOGY	8,917,988
MATERIALS 7.0%		
Chemicals 0.7%		
2,000,000	Georgia Gulf Corp., Senior Notes: 9.500% due 10/15/14	310,000
5,905,000	10.750% due 10/15/16	206,675
600,000	Huntsman International LLC, Senior Subordinated Notes, 7.875% due 11/15/14	315,000
2,335,000	Methanex Corp., Senior Notes, 8.750% due 8/15/12 (g)	2,199,878
4,810,000	Montell Finance Co. BV, Debentures, 8.100% due 3/15/27 (a)	793,650
1,215,000	Westlake Chemical Corp., Senior Notes, 6.625% due 1/15/16	650,025
	Total Chemicals	4,475,228
Containers & Packaging 0.6%		
2,000,000	Berry Plastics Holding Corp., 8.875% due 9/15/14	990,000
1,205,000	Plastipak Holdings Inc., Senior Notes, 8.500% due 12/15/15 (a)	885,675
2,100,000	Radnor Holdings Inc., Senior Notes, 11.000% due 3/15/10 (c)(d)(g)	0
2,740,000	Solo Cup Co., Senior Subordinated Notes, 8.500% due 2/15/14	1,849,500
	Total Containers & Packaging	3,725,175

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Metals & Mining 3.7%

1,590,000	Evraz Group SA, Notes: 8.875% due 4/24/13 (a)(h)	993,750
680,000	9.500% due 4/24/18 (a)	411,400
4,360,000	Freeport-McMoRan Copper & Gold Inc., Senior Notes, 6.875% due 2/1/14	4,037,138
1,173,092	Metals USA Holdings Corp., 7.435% due 7/1/12 (b)(e)	316,735
5,395,000	Metals USA Inc., Senior Secured Notes, 11.125% due 12/1/15	3,641,625
9,050,000	Noranda Aluminium Holding Corp., Senior Notes, 8.345% due 11/15/14 (b)(d)(e)	1,402,750
5,550,000	Novelis Inc., Senior Notes, 7.250% due 2/15/15	3,135,750
9,330,000	Ryerson Inc., Senior Secured Notes, 12.000% due 11/1/15 (a)	5,877,900
	Vale Overseas Ltd., Notes:	

See Notes to Schedule of Investments.

Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2009

Face Amount		Security	Value
Metals & Mining	3.7% (continued)		
1,284,000		8.250% due 1/17/34 (h)	\$ 1,313,880
3,268,000		6.875% due 11/21/36 (h)	2,822,359
2,070,000		Vedanta Resources PLC, Senior Notes, 8.750% due 1/15/14 (a)(h)	1,397,250
		Total Metals & Mining	25,350,537
Paper & Forest Products	2.0%		
3,546,000		Abitibi-Consolidated Co. of Canada: 15.500% due 7/15/10 (a)	1,010,610
8,135,000		Senior Secured Notes, 13.750% due 4/1/11 (a)	5,897,875
		Appleton Papers Inc.:	
1,470,000		Senior Notes, 8.125% due 6/15/11	995,925
4,900,000		Senior Subordinated Notes, 9.750% due 6/15/14	1,114,750
		NewPage Corp.:	
5,535,000		Senior Secured Notes, 9.443% due 5/1/12 (e)	1,909,575
520,000		Senior Subordinated Notes, 12.000% due 5/1/13	127,400
3,141,020		Newpage Holding Corp., 10.265% due 11/1/13 (b)(e)	1,044,389
1,935,000		Smurfit Capital Funding PLC, Debentures, 7.500% due 11/20/25	1,112,625
		Verso Paper Holdings LLC, 11.375% due 8/1/16	490,200
1,720,000		Total Paper & Forest Products	13,703,349
		TOTAL MATERIALS	47,254,289
TELECOMMUNICATION SERVICES	11.3%		
Diversified Telecommunication Services	7.3%		
4,740,000		Axtel SAB de CV, Senior Notes: 7.625% due 2/1/17 (a)(h)	3,092,850
370,000		7.625% due 2/1/17 (a)(h)	242,350
1,305,000		Cincinnati Bell Telephone Co., Senior Debentures, 6.300% due 12/1/28	939,600
		Frontier Communications Corp.:	
380,000		Debentures, 7.050% due 10/1/46	212,800
1,780,000		Senior Notes, 7.875% due 1/15/27	1,328,325
5,441,000		Hawaiian Telcom Communications Inc., Senior Subordinated Notes, 12.500% due 5/1/15 (c)(d)	54,410
1,925,000		Intelsat Bermuda Ltd., Senior Notes, 11.250% due 6/15/16	1,850,406
4,290,000		Intelsat Corp., Senior Notes, 9.250% due 8/15/14 (a)	4,032,600
1,620,000		Intelsat Intermediate Holding Co., Ltd., Senior Discount Notes, step bond to yield 12.019% due 2/1/15 (a)	1,304,100
		Intelsat Jackson Holdings Ltd., Senior Notes:	
2,915,000		9.500% due 6/15/16 (a)	2,725,525
5,755,000		11.500% due 6/15/16 (a)	5,380,925
1,900,000		L-3 Communications Corp., Senior Subordinated Notes, 6.375% due 10/15/15	1,790,750
		Level 3 Financing Inc., Senior Notes:	
1,660,000		12.250% due 3/15/13	1,269,900
5,840,000		9.250% due 11/1/14	4,263,200
4,915,000		Nordic Telephone Co. Holdings, Senior Secured Bonds, 8.875% due 5/1/16 (a)	4,005,725
2,520,000			2,167,200

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5,495,000	Qwest Communications International Inc., Senior Notes, 7.500% due 2/15/14	
2,220,000	Telcordia Technologies Inc., Senior Subordinated Notes, 10.000% due 3/15/13 (a)	2,115,575
700,000	UBS Luxembourg SA for OJSC Vimpel Communications, Loan Participation Notes, 8.250% due 5/23/16 (a)(h)	1,381,950
3,605,000	Vimpel Communications, Loan Participation Notes,, 8.375% due 4/30/13 (a)	514,500
3,770,000	Virgin Media Finance PLC, Senior Notes, 9.125% due 8/15/16	3,046,225
4,370,000	Wind Acquisition Finance SA, Senior Bonds, 10.750% due 12/1/15 (a)	3,374,150
	Windstream Corp., Senior Notes, 8.625% due 8/1/16	4,326,300
	Total Diversified Telecommunication Services	49,419,366
Wireless Telecommunication Services 4.0%		
3,130,000	ALLTEL Communications Inc., Senior Notes, 10.375% due 12/1/17 (a)(b)	3,646,450
210,000	iPCS Inc., Senior Secured Notes, 5.318% due 5/1/13 (e)	150,150

See Notes to Schedule of Investments.

Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2009

Face Amount	Security	Value
Wireless Telecommunication Services 4.0% (continued)		
4,995,000	MetroPCS Wireless Inc., Senior Notes, 9.250% due 11/1/14	\$ 4,651,594
4,020,000	Nextel Communications Inc., Senior Notes, 7.375% due 8/1/15	1,890,260
3,450,000	Sprint Capital Corp., Senior Notes: 7.625% due 1/30/11	2,873,357
5,330,000	8.375% due 3/15/12	4,266,718
3,225,000	6.875% due 11/15/28	1,833,787
3,790,000	8.750% due 3/15/32	2,344,426
14,185,000	True Move Co., Ltd., Notes, 10.750% due 12/16/13 (a)(h)	5,603,075
	Total Wireless Telecommunication Services	27,259,817
	TOTAL TELECOMMUNICATION SERVICES	76,679,183
UTILITIES 9.6%		
Electric Utilities 1.2%		
2,880,000	EEB International Ltd., Senior Bonds, 8.750% due 10/31/14 (a)(h)	2,779,200
202,000	Enerjis SA, Notes, 7.375% due 1/15/14	206,698
1,665,000	IPALCO Enterprises Inc., Senior Secured Notes, 8.625% due 11/14/11	1,665,000
6,030,000	Texas Competitive Electric Holding Co. LLC, Senior Notes, 10.500% due 11/1/16 (a)(b)	3,467,250
	Total Electric Utilities	8,118,148
Gas Utilities 0.2%		
1,887,000	Suburban Propane Partners LP/Suburban Energy Finance Corp., Senior Notes, 6.875% due 12/15/13	1,750,192
Independent Power Producers & Energy Traders 8.2%		
1,900,000	AES Corp., Senior Notes: 9.375% due 9/15/10	1,914,250
7,290,000	8.000% due 10/15/17	6,889,050
3,975,000	Dynegy Holdings Inc., Senior Debentures, 7.625% due 10/15/26	2,245,875
4,100,000	Dynegy Inc., Bonds, 7.670% due 11/8/16	3,464,500
2,890,000	Edison Mission Energy, Senior Notes: 7.750% due 6/15/16	2,788,850
2,750,000	7.200% due 5/15/19	2,509,375
4,605,000	7.625% due 5/15/27	3,764,587
38,700,000	Energy Future Holdings, Senior Notes, 11.250% due 11/1/17 (a)(b)	22,639,500
2,143,448	Mirant Mid Atlantic LLC, Pass-Through Certificates, 10.060% due 12/30/28	1,988,048
3,420,000	Mirant North America LLC, Senior Notes, 7.375% due 12/31/13	3,317,400
2,750,000	NRG Energy Inc., Senior Notes: 7.250% due 2/1/14	2,633,125
1,190,000	7.375% due 1/15/17	1,118,600
	Total Independent Power Producers & Energy Traders	55,273,160
	TOTAL UTILITIES	65,141,500
	TOTAL CORPORATE BONDS & NOTES	613,442,674

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(Cost \$945,802,542)

ASSET-BACKED SECURITY 0.0%

FINANCIAL 0.0%

Diversified Financial Services 0.0%

3,698,937

Airplanes Pass-Through Trust, Subordinated Notes, 10.875% due 3/15/19 (c)(d)(g) (Cost - \$3,942,677)

0

CONVERTIBLE BONDS & NOTES 0.7%

CONSUMER DISCRETIONARY 0.4%

Media 0.4%

5,980,000

Virgin Media Inc., Senior Notes, 6.500% due 11/15/16 (a)

2,728,375

INDUSTRIALS 0.3%

Airlines 0.0%

330,445

Delta Air Lines Inc., Pass-Through Certificates, 7.379% due 5/18/10

313,923

See Notes to Schedule of Investments.

Western Asset High Income Fund II Inc.

Schedule of Investments (unaudited) (continued)

January 31, 2009

Face Amount	Security	Value
Marine 0.3% 3,895,000	Horizon Lines Inc., Senior Notes, 4.250% due 8/15/12	\$ 1,889,075
	TOTAL INDUSTRIALS	2,202,998