

WESTERN ASSET HIGH INCOME FUND II INC.

Form N-Q

March 27, 2012

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

FORM N-Q

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

Investment Company Act file number 811-8709

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

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

10018
(Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

100 First Stamford Place

Stamford, CT 06902
(Name and address of agent for service)

Registrant's telephone number, including area code: (888) 777-0102

Date of fiscal year April 30
end:

Date of reporting period: January 31, 2012

ITEM 1. SCHEDULE OF INVESTMENTS.

WESTERN ASSET HIGH INCOME FUND II INC.

FORM N-Q

JANUARY 31, 2012

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited)

January 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
CORPORATE BONDS & NOTES	87.6%			
CONSUMER DISCRETIONARY	18.7%			
Auto Components	0.3%			
Allison Transmission Inc., Senior Notes	11.000%	11/1/15	980,000	\$ 1,040,025(a)
Europcar Groupe SA, Senior Notes	9.375%	4/15/18	2,010,000EUR	1,564,362(a)
<i>Total Auto Components</i>				2,604,387
Automobiles	1.0%			
Chrysler Group LLC/CG Co.-Issuer Inc., Senior Notes	8.250%	6/15/21	1,910,000	1,833,600(a)
Escrow GCB General Motors			6,185,000	108,238*
Escrow GCB General Motors			7,855,000	137,462*
Ford Motor Credit Co., LLC, Senior Notes	12.000%	5/15/15	4,270,000	5,358,850(b)
Ford Motor Credit Co., LLC, Senior Notes	5.000%	5/15/18	600,000	622,335
Jaguar Holding Co. II/Jaguar Merger Sub Inc., Senior Notes	9.500%	12/1/19	1,020,000	1,107,975(a)
<i>Total Automobiles</i>				9,168,460
Diversified Consumer Services	0.7%			
Service Corp. International, Senior Notes	7.500%	4/1/27	2,690,000	2,653,012(b)
Sotheby's, Senior Notes	7.750%	6/15/15	3,310,000	3,607,900(b)
Stonemor Operating LLC/Cornerstone Family Services of WV/Osiris Holding, Senior Notes	10.250%	12/1/17	791,000	731,675(b)
<i>Total Diversified Consumer Services</i>				6,992,587
Hotels, Restaurants & Leisure	6.8%			
Boyd Gaming Corp., Senior Notes	9.125%	12/1/18	590,000	594,425
Caesars Entertainment Operating Co. Inc., Senior Notes	10.750%	2/1/16	6,166,000	5,040,705(b)
Caesars Entertainment Operating Co. Inc., Senior Secured Notes	10.000%	12/15/15	1,640,000	1,394,000(b)
Caesars Entertainment Operating Co. Inc., Senior Secured Notes	11.250%	6/1/17	2,875,000	3,130,156(b)
CityCenter Holdings LLC/CityCenter Finance Corp., Secured Notes	10.750%	1/15/17	5,012,094	5,348,551(c)
Downstream Development Quapaw, Senior Secured Notes	10.500%	7/1/19	2,580,000	2,528,400(a)(b)
El Pollo Loco Inc., Secured Notes	17.000%	1/1/18	4,504,264	3,873,667(a)
Fiesta Restaurant Group, Secured Notes	8.875%	8/15/16	1,420,000	1,455,500(a)(b)
Fontainebleau Las Vegas Holdings LLC/Fontainebleau Las Vegas Capital Corp.	10.250%	6/15/15	975,000	609(a)(d)(e)
Hoa Restaurant Group LLC/Hoa Finance Corp., Senior Secured Notes	11.250%	4/1/17	2,260,000	2,113,100(a)(b)
Inn of the Mountain Gods Resort & Casino, Senior Secured Notes	8.750%	11/30/20	1,483,000	1,468,170(a)
Landry's Acquisition Co., Secured Notes	11.625%	12/1/15	320,000	344,800(a)
Landry's Holdings Inc., Senior Secured Notes	11.500%	6/1/14	2,990,000	2,997,475(a)(b)
Landry's Restaurants Inc., Senior Secured Notes	11.625%	12/1/15	2,890,000	3,113,975(b)
MGM Resorts International, Senior Notes	5.875%	2/27/14	1,610,000	1,610,000(b)
MGM Resorts International, Senior Secured Notes	10.375%	5/15/14	890,000	1,019,050(b)

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

MGM Resorts International, Senior Secured Notes	11.125%	11/15/17	2,135,000	2,439,238(b)
Mohegan Tribal Gaming Authority, Senior Secured Notes	11.500%	11/1/17	1,445,000	1,365,525(a)(b)
Mohegan Tribal Gaming Authority, Senior Subordinated Notes	8.000%	4/1/12	6,540,000	5,379,150(b)
Mohegan Tribal Gaming Authority, Senior Subordinated Notes	6.875%	2/15/15	420,000	283,500(b)
NCL Corp. Ltd., Senior Notes	9.500%	11/15/18	5,040,000	5,481,000(b)
NCL Corp. Ltd., Senior Secured Notes	11.750%	11/15/16	3,990,000	4,668,300(b)
Pinnacle Entertainment Inc., Senior Notes	8.625%	8/1/17	1,665,000	1,798,200(b)
Seven Seas Cruises S de RL LLC, Senior Secured Notes	9.125%	5/15/19	2,980,000	3,061,950(a)(b)
Snoqualmie Entertainment Authority, Senior Secured Notes	4.179%	2/1/14	1,800,000	1,620,000(a)(e)
Station Casinos Inc., Senior Subordinated Notes	6.625%	3/15/18	1,450,000	0(d)(f)(g)(h)

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

January 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Hotels, Restaurants & Leisure continued				
Sugarhouse HSP Gaming Prop Mezz LP/Sugarhouse HSP Gaming Finance Corp., Secured Notes	8.625%	4/15/16	2,291,000	\$ 2,365,458(a)(b)
<i>Total Hotels, Restaurants & Leisure</i>				<i>64,494,904</i>
Internet & Catalog Retail 0.5%				
Netflix Inc., Senior Notes	8.500%	11/15/17	2,790,000	3,079,462(b)
QVC Inc., Senior Secured Notes	7.375%	10/15/20	1,515,000	1,662,713(a)(b)
<i>Total Internet & Catalog Retail</i>				<i>4,742,175</i>
Media 5.4%				
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	7.875%	4/30/18	840,000	915,600(b)
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	8.125%	4/30/20	5,050,000	5,611,812(b)
Cengage Learning Acquisitions Inc., Senior Notes	10.500%	1/15/15	8,615,000	6,310,487(a)(b)
Cengage Learning Acquisitions Inc., Senior Subordinated Notes	13.250%	7/15/15	1,530,000	998,325(a)(b)
CSC Holdings Inc., Senior Debentures	7.875%	2/15/18	1,500,000	1,683,750(b)
DISH DBS Corp., Senior Notes	7.875%	9/1/19	1,815,000	2,100,862(b)
DISH DBS Corp., Senior Notes	6.750%	6/1/21	1,050,000	1,149,750
Entercom Radio LLC, Senior Notes	10.500%	12/1/19	2,190,000	2,299,500
Globo Comunicacoes e Participacoes SA, Bonds	7.250%	4/26/22	2,039,000	2,161,340(a)(i)
Good Sam Enterprises LLC, Secured Notes	11.500%	12/1/16	2,360,000	2,442,600
Kabel BW Erste Beteiligungs GmbH/Kabel Baden-Wuerttemberg GmbH & Co. KG, Senior Secured Notes	7.500%	3/15/19	260,000	278,850(a)(b)
LBI Media Inc., Senior Secured Notes	9.250%	4/15/19	2,800,000	2,436,000(a)(b)
Nara Cable Funding Ltd., Senior Secured Notes	8.875%	12/1/18	5,000,000EUR	6,049,729(a)
Nielsen Finance LLC/Nielsen Finance Co., Senior Notes	11.500%	5/1/16	740,000	852,850(b)
Nielsen Finance LLC/Nielsen Finance Co., Senior Notes	7.750%	10/15/18	250,000	279,688(b)
Ono Finance II PLC, Senior Bonds	11.125%	7/15/19	2,960,000EUR	3,474,965(a)
Univision Communications Inc., Senior Notes	8.500%	5/15/21	1,060,000	1,033,500(a)(b)
Univision Communications Inc., Senior Secured Notes	6.875%	5/15/19	2,100,000	2,100,000(a)(b)
Univision Communications Inc., Senior Secured Notes	7.875%	11/1/20	2,020,000	2,110,900(a)(b)
UPC Holding BV, Senior Notes	9.875%	4/15/18	1,265,000	1,382,013(a)(b)
UPCB Finance II Ltd., Senior Notes	6.375%	7/1/20	4,500,000EUR	5,709,637(a)
<i>Total Media</i>				<i>51,382,158</i>
Multiline Retail 0.4%				
Neiman Marcus Group Inc., Senior Secured Notes	7.125%	6/1/28	3,780,000	3,491,775(b)
Specialty Retail 2.5%				
American Greetings Corp., Senior Notes	7.375%	12/1/21	3,300,000	3,353,625
Edcon Proprietary Ltd., Senior Secured Notes	9.500%	3/1/18	3,550,000EUR	3,970,258(a)
Edcon Proprietary Ltd., Senior Secured Notes	9.500%	3/1/18	760,000	649,800(a)
Gymboree Corp., Senior Notes	9.125%	12/1/18	4,540,000	4,063,300(b)
Michaels Stores Inc., Senior Subordinated Bonds	11.375%	11/1/16	2,000,000	2,129,800(b)

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Michaels Stores Inc., Senior Subordinated Notes	13.000%	11/1/16	7,020,000	7,510,698(b)
Spencer Spirit Holdings Inc./Spencer Gifts LLC/Spirit				
Halloween Superstores, Senior Notes	11.000%	5/1/17	1,800,000	1,818,000(a)(b)
<i>Total Specialty Retail</i>				<i>23,495,481</i>
Textiles, Apparel & Luxury Goods 1.1%				
Boardriders SA, Senior Notes	8.875%	12/15/17	2,900,000EUR	3,603,677(a)
Empire Today LLC/Empire Today Finance Corp., Senior				
Secured Notes	11.375%	2/1/17	1,300,000	1,235,000(a)(b)
Oxford Industries Inc., Senior Secured Notes	11.375%	7/15/15	5,285,000	5,820,106(b)
<i>Total Textiles, Apparel & Luxury Goods</i>				<i>10,658,783</i>
TOTAL CONSUMER DISCRETIONARY				177,030,710

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

January 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
CONSUMER STAPLES 1.6%				
Food & Staples Retailing 0.2%				
Post Holdings Inc., Senior Notes	7.375%	2/15/22	1,900,000	\$ 1,971,250(a)
Food Products 1.0%				
Del Monte Corp., Senior Notes	7.625%	2/15/19	4,990,000	4,933,862
Harmony Foods Corp., Senior Secured Notes	10.000%	5/1/16	1,250,000	1,276,563(a)(b)
Simmons Foods Inc., Senior Secured Notes	10.500%	11/1/17	2,800,000	2,527,000(a)(b)
Smithfield Foods Inc., Senior Secured Notes	10.000%	7/15/14	514,000	606,520(b)
<i>Total Food Products</i>				9,343,945
Household Products 0.1%				
Reynolds Group DL Escrow Inc./Reynolds Group Escrow LLC, Senior Secured Notes	7.750%	10/15/16	300,000	321,000(a)(b)
Personal Products 0.2%				
Hypermecas SA, Notes	6.500%	4/20/21	1,230,000	1,162,350(a)
Prestige Brands International Inc., Senior Notes	8.125%	2/1/20	800,000	834,000(a)
<i>Total Personal Products</i>				1,996,350
Tobacco 0.1%				
Alliance One International Inc., Senior Notes	10.000%	7/15/16	1,180,000	1,153,450(b)
TOTAL CONSUMER STAPLES				14,785,995
ENERGY 11.9%				
Energy Equipment & Services 2.8%				
Atwood Oceanics Inc., Senior Notes	6.500%	2/1/20	1,480,000	1,539,200
Complete Production Services Inc., Senior Notes	8.000%	12/15/16	225,000	235,969(b)
Hercules Offshore LLC, Senior Secured Notes	10.500%	10/15/17	4,905,000	4,929,525(a)(b)
Parker Drilling Co., Senior Notes	9.125%	4/1/18	2,730,000	2,907,450(b)
Petroleum Geo-Services ASA, Senior Notes	7.375%	12/15/18	1,320,000	1,379,400(a)
Pioneer Drilling Co., Senior Notes	9.875%	3/15/18	1,710,000	1,829,700(a)(b)
Precision Drilling Corp., Senior Notes	6.625%	11/15/20	770,000	812,350(b)
SESI LLC, Senior Notes	7.125%	12/15/21	4,190,000	4,556,625(a)
Vantage Drilling Co., Senior Secured Notes	11.500%	8/1/15	7,450,000	8,288,125(b)
<i>Total Energy Equipment & Services</i>				26,478,344
Oil, Gas & Consumable Fuels 9.1%				
Berry Petroleum Co., Senior Notes	10.250%	6/1/14	2,280,000	2,604,900(b)
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	9.375%	5/1/19	2,140,000	2,161,400(a)
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	9.375%	5/1/19	690,000	696,900(a)
Chesapeake Energy Corp., Senior Notes	6.625%	8/15/20	1,340,000	1,353,400(b)
Coffeyville Resources LLC/Coffeyville Finance Inc., Senior Secured Notes	9.000%	4/1/15	2,160,000	2,322,000(a)
Compagnie Generale de Geophysique-Veritas, Senior Notes	9.500%	5/15/16	1,545,000	1,687,913(b)
	7.750%	5/15/17	1,120,000	1,159,200(b)

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Compagnie Generale de Geophysique-Veritas, Senior Notes				
CONSOL Energy Inc., Senior Notes	8.250%	4/1/20	2,870,000	3,124,712(b)
Corral Petroleum Holdings AB, Senior Notes	15.000%	12/31/17	6,326,375	4,934,572(a)(c)(f)
Crosstex Energy LP/Crosstex Energy Finance Corp., Senior Notes	8.875%	2/15/18	1,600,000	1,744,000(b)
Denbury Resources Inc., Senior Subordinated Notes	8.250%	2/15/20	1,875,000	2,142,188(b)
Energy Transfer Equity LP, Senior Notes	7.500%	10/15/20	2,810,000	3,119,100(b)
Enterprise Products Operating LLP, Junior Subordinated Notes	8.375%	8/1/66	285,000	308,088(b)(e)
EXCO Resources Inc., Senior Notes	7.500%	9/15/18	4,440,000	3,885,000(b)
Kodiak Oil & Gas Corp., Senior Notes	8.125%	12/1/19	2,480,000	2,631,900(a)(b)
LUKOIL International Finance BV, Bonds	6.356%	6/7/17	1,720,000	1,836,100(a)(i)
Milagro Oil & Gas Inc., Secured Notes	10.500%	5/15/16	3,290,000	2,385,250
Novatek Finance Ltd., Notes	6.604%	2/3/21	2,300,000	2,417,875(a)(i)
Overseas Shipholding Group Inc., Senior Notes	8.125%	3/30/18	4,830,000	3,489,675(b)

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

January 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Oil, Gas & Consumable Fuels continued				
Peabody Energy Corp., Senior Notes	7.875%	11/1/26	1,220,000	\$ 1,314,550(b)
Pemex Project Funding Master Trust, Senior Bonds	6.625%	6/15/35	6,067,000	6,870,877
Petrobras International Finance Co., Senior Notes	6.875%	1/20/40	1,145,000	1,325,736(i)
Petrobras International Finance Co., Senior Notes	6.750%	1/27/41	360,000	411,737(b)
Petroplus Finance Ltd., Senior Notes	6.750%	5/1/14	3,640,000	1,092,000(a)(b)(d)
Petroplus Finance Ltd., Senior Notes	7.000%	5/1/17	320,000	96,000(a)(b)(d)
Plains Exploration & Production Co., Senior Notes	10.000%	3/1/16	2,915,000	3,293,950(b)
Plains Exploration & Production Co., Senior Notes	8.625%	10/15/19	2,260,000	2,553,800(b)
PT Adaro Indonesia, Senior Notes	7.625%	10/22/19	770,000	868,175(a)(b)
Quicksilver Resources Inc., Senior Notes	11.750%	1/1/16	7,344,000	7,876,440(b)
Quicksilver Resources Inc., Senior Notes	9.125%	8/15/19	820,000	803,600
Range Resources Corp., Senior Subordinated Notes	8.000%	5/15/19	530,000	586,975(b)
SandRidge Energy Inc., Senior Notes	7.500%	3/15/21	990,000	1,009,800
Teekay Corp., Senior Notes	8.500%	1/15/20	4,810,000	4,834,050(b)
Tesoro Corp., Senior Notes	6.250%	11/1/12	2,000,000	2,060,000(b)
TNK-BP Finance SA	6.625%	3/20/17	230,000	245,813(a)
TNK-BP Finance SA, Senior Notes	7.500%	7/18/16	270,000	297,675(a)(i)
TNK-BP Finance SA, Senior Notes	7.875%	3/13/18	1,390,000	1,567,225(a)(i)
TNK-BP Finance SA, Senior Notes	7.875%	3/13/18	200,000	225,500(a)
Westmoreland Coal Co./Westmoreland Partners, Senior Secured Notes	10.750%	2/1/18	1,400,000	1,344,000(a)
Whiting Petroleum Corp., Senior Subordinated Notes	6.500%	10/1/18	1,160,000	1,238,300(b)
Xinergy Ltd., Senior Secured Notes	9.250%	5/15/19	2,940,000	2,396,100(a)(b)
<i>Total Oil, Gas & Consumable Fuels</i>				86,316,476
TOTAL ENERGY				112,794,820
FINANCIALS 6.0%				
Capital Markets 0.3%				
Goldman Sachs Group Inc., Subordinated Notes	6.750%	10/1/37	2,320,000	2,304,328(b)
Commercial Banks 1.5%				
BankAmerica Institutional Capital A, Junior Subordinated Bonds	8.070%	12/31/26	970,000	955,450(a)(b)
Barclays Bank PLC, Subordinated Notes	6.050%	12/4/17	1,560,000	1,580,391(a)
Barclays Bank PLC, Subordinated Notes	10.179%	6/12/21	630,000	732,047(a)
CIT Group Inc., Senior Secured Bonds	7.000%	5/1/16	2,106,264	2,108,897(b)
Credit Agricole SA, Subordinated Notes	8.375%	10/13/19	1,710,000	1,410,750(a)(b)(e)(j)
Intesa Sanpaolo SpA, Senior Notes	3.625%	8/12/15	3,920,000	3,554,382(a)
Royal Bank of Scotland Group PLC, Junior Subordinated Bonds	7.648%	9/30/31	2,970,000	2,316,600(b)(e)(j)
Royal Bank of Scotland Group PLC, Subordinated Notes	5.000%	10/1/14	1,840,000	1,762,703
<i>Total Commercial Banks</i>				14,421,220
Consumer Finance 1.1%				
Ally Financial Inc., Senior Bonds	0.000%	12/1/12	4,210,000	4,053,178
Ally Financial Inc., Senior Notes	6.750%	12/1/14	6,140,000	6,431,650(b)

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

<i>Total Consumer Finance</i>				10,484,828
Diversified Financial Services 2.5%				
Bank of America Corp., Senior Notes	6.500%	8/1/16	820,000	875,209
Bankrate Inc., Senior Secured Notes	11.750%	7/15/15	2,498,000	2,891,435(b)
Capital One Capital V, Junior Subordinated Notes, Cumulative Trust Preferred Securities	10.250%	8/15/39	2,160,000	2,273,400(b)
International Lease Finance Corp., Medium-Term Notes	6.375%	3/25/13	2,402,000	2,447,038(b)
International Lease Finance Corp., Senior Notes	5.750%	5/15/16	1,480,000	1,460,474
International Lease Finance Corp., Senior Notes	8.750%	3/15/17	3,385,000	3,715,037(b)
International Lease Finance Corp., Senior Notes	8.875%	9/1/17	5,180,000	5,736,850(b)
International Lease Finance Corp., Senior Notes	8.250%	12/15/20	2,160,000	2,311,200(b)

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

January 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Diversified Financial Services continued				
MBNA Capital A, Junior Subordinated Notes	8.278%	12/1/26	2,150,000	\$ 2,136,563(b)
<i>Total Diversified Financial Services</i>				23,847,206
Insurance 0.6%				
American International Group Inc., Junior Subordinated Notes	8.175%	5/15/68	400,000	390,000(e)
American International Group Inc., Senior Notes	8.250%	8/15/18	3,180,000	3,671,218(b)
ING Capital Funding Trust III, Junior Subordinated Bonds	4.179%	3/31/12	890,000	715,159(b)(e)(j)
MetLife Capital Trust IV, Junior Subordinated Notes	7.875%	12/15/37	1,100,000	1,179,750(a)(b)
<i>Total Insurance</i>				5,956,127
TOTAL FINANCIALS				
				57,013,709
HEALTH CARE 5.9%				
Biotechnology 0.2%				
Grifols Inc., Senior Notes	8.250%	2/1/18	1,390,000	1,532,475
Health Care Equipment & Supplies 0.2%				
Biomet Inc., Senior Notes	10.000%	10/15/17	520,000	564,200(b)
Biomet Inc., Senior Toggle Notes	10.375%	10/15/17	1,370,000	1,493,300(b)(c)
<i>Total Health Care Equipment & Supplies</i>				2,057,500
Health Care Providers & Services 5.2%				
Acadia Healthcare Co. Inc., Senior Notes	12.875%	11/1/18	1,920,000	1,929,600
American Renal Associates Holdings Inc., Senior Notes	10.250%	3/1/16	3,344,167	3,375,656(b)
American Renal Holdings, Senior Secured Notes	8.375%	5/15/18	2,390,000	2,593,150(b)
AMERIGROUP Corp., Senior Notes	7.500%	11/15/19	1,880,000	2,016,300
Community Health Systems Inc., Senior Notes	8.000%	11/15/19	4,050,000	4,166,437(a)
CRC Health Corp., Senior Subordinated Notes	10.750%	2/1/16	9,225,000	8,533,125(b)
ExamWorks Group Inc., Senior Notes	9.000%	7/15/19	1,840,000	1,757,200(a)(b)
Fresenius Medical Care U.S. Finance Inc., Senior Notes	6.875%	7/15/17	1,610,000	1,740,813(b)
Fresenius Medical Care U.S. Finance Inc., Senior Notes	6.500%	9/15/18	460,000	495,650(a)(b)
Fresenius U.S. Finance II Inc., Senior Notes	9.000%	7/15/15	1,020,000	1,155,150(a)(b)
HCA Inc., Debentures	7.500%	11/15/95	1,325,000	1,023,563(b)
HCA Inc., Senior Secured Notes	8.500%	4/15/19	3,520,000	3,924,800(b)
HCA Inc., Senior Secured Notes	6.500%	2/15/20	960,000	1,020,000(b)
INC Research LLC, Senior Notes	11.500%	7/15/19	1,380,000	1,276,500(a)(b)
InVentiv Health Inc., Senior Notes	10.000%	8/15/18	2,850,000	2,593,500(a)(b)
Tenet Healthcare Corp., Senior Notes	6.875%	11/15/31	1,480,000	1,246,900(b)
Tenet Healthcare Corp., Senior Secured Notes	10.000%	5/1/18	2,277,000	2,635,627(b)
Tenet Healthcare Corp., Senior Secured Notes	8.875%	7/1/19	1,120,000	1,272,600(b)
Universal Hospital Services Inc., Senior Secured Notes	8.500%	6/1/15	4,030,000	4,171,050(b)(c)
US Oncology Inc. Escrow			1,760,000	26,400*
Vanguard Health Holdings Co., II LLC, Senior Notes	8.000%	2/1/18	2,225,000	2,341,812(b)
<i>Total Health Care Providers & Services</i>				49,295,833
Pharmaceuticals 0.3%				
ConvaTec Healthcare E SA, Senior Notes	10.875%	12/15/18	2,500,000EUR	3,106,618(a)
TOTAL HEALTH CARE				55,992,426

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

INDUSTRIALS 15.4%

Aerospace & Defense 1.9%

Ducommun Inc., Senior Notes	9.750%	7/15/18	1,880,000	1,931,700(a)(b)
FGI Operating Co. Inc., Senior Secured Notes	10.250%	8/1/15	3,717,000	3,986,482(b)
Huntington Ingalls Industries Inc., Senior Notes	6.875%	3/15/18	170,000	176,800(a)(b)
Huntington Ingalls Industries Inc., Senior Notes	7.125%	3/15/21	370,000	388,500(a)(b)
Kratos Defense & Security Solutions Inc., Senior Secured Notes	10.000%	6/1/17	4,820,000	5,121,250(b)
Triumph Group Inc., Senior Notes	8.625%	7/15/18	1,660,000	1,859,200(b)

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

January 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Aerospace & Defense continued				
Wyle Services Corp., Senior Subordinated Notes	10.500%	4/1/18	4,360,000	\$ 4,381,800(a)(b)
<i>Total Aerospace & Defense</i>				<i>17,845,732</i>
Air Freight & Logistics 0.1%				
TGI International Ltd., Senior Notes	9.500%	10/3/17	500,000	545,625(a)(i)
Airlines 2.6%				
American Airlines Pass-Through Trust, Secured Notes	7.000%	1/31/18	1,529,834	1,438,044(a)
BAA SH PLC, Senior Secured Notes	7.125%	3/1/17	2,450,000GBP	3,744,504
Continental Airlines Inc., Pass-Through Certificates	5.983%	4/19/22	4,647,386	4,955,508(b)
DAE Aviation Holdings Inc., Senior Notes	11.250%	8/1/15	8,390,000	8,809,500(a)(b)
Delta Air Lines Inc., Pass-Through Certificates	8.954%	8/10/14	7,016	7,051
Delta Air Lines Inc., Pass-Through Certificates, Secured Notes	8.021%	8/10/22	1,677,884	1,686,273(b)
Delta Air Lines Inc., Pass-Through Certificates, Subordinated Secured Notes	9.750%	12/17/16	636,436	665,076(b)
Delta Air Lines Inc., Senior Secured Notes	9.500%	9/15/14	1,040,000	1,112,800(a)(b)
United Air Lines Inc., Senior Secured Notes	9.875%	8/1/13	1,737,000	1,823,850(a)(b)
<i>Total Airlines</i>				<i>24,242,606</i>
Building Products 1.3%				
Ashton Woods USA LLC/Ashton Woods Finance Co., Senior Subordinated Notes, step bond	0.000%	6/30/15	1,067,400	864,594(a)(g)
Building Materials Corp. of America, Senior Notes	6.750%	5/1/21	3,970,000	4,277,675(a)(b)
GTL Trade Finance Inc., Senior Notes	7.250%	10/20/17	2,260,000	2,508,600(a)(i)
GTL Trade Finance Inc., Senior Notes	7.250%	10/20/17	1,424,000	1,580,640(a)(i)
Rearden G Holdings EINS GmbH, Senior Notes	7.875%	3/30/20	800,000	820,000(a)(i)
Shea Homes LP, Senior Secured Notes	8.625%	5/15/19	1,940,000	1,944,850(a)(b)
<i>Total Building Products</i>				<i>11,996,359</i>
Commercial Services & Supplies 1.6%				
Altegrity Inc., Senior Subordinated Notes	10.500%	11/1/15	800,000	748,000(a)(b)
Altegrity Inc., Senior Subordinated Notes	11.750%	5/1/16	5,495,000	5,082,875(a)(b)
American Reprographics Co., Senior Notes	10.500%	12/15/16	3,260,000	3,211,100(b)
Geo Group Inc., Senior Notes	7.750%	10/15/17	2,965,000	3,187,375(b)
JM Huber Corp., Senior Notes	9.875%	11/1/19	1,490,000	1,557,050(a)
RSC Equipment Rental Inc./RSC Holdings III LLC, Senior Notes	8.250%	2/1/21	1,600,000	1,660,000(b)
<i>Total Commercial Services & Supplies</i>				<i>15,446,400</i>
Construction & Engineering 0.8%				
Abengoa Finance SAU, Senior Notes	8.875%	11/1/17	2,710,000	2,655,800(a)(b)
Odebrecht Finance Ltd., Senior Notes	6.000%	4/5/23	4,730,000	4,785,341(a)(i)
<i>Total Construction & Engineering</i>				<i>7,441,141</i>
Electrical Equipment 0.4%				
NES Rentals Holdings Inc., Senior Secured Notes	12.250%	4/15/15	4,510,000	3,957,525(a)(b)
Industrial Conglomerates 0.3%				

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Leucadia National Corp., Senior Notes	8.125%	9/15/15	2,840,000	3,067,200(b)
Machinery 0.5%				
Dematic SA, Senior Secured Notes	8.750%	5/1/16	4,460,000	4,526,900(a)(b)
Marine 1.0%				
Horizon Lines LLC, Senior Secured Notes	11.000%	10/15/16	1,910,000	1,871,800(a)(g)
Horizon Lines LLC, Senior Secured Notes	13.000%	10/15/16	2,520,000	2,349,900(a)(c)(g)
Navios Maritime Acquisition Corp./Navios Acquisition Finance U.S. Inc., Senior Secured Notes	8.625%	11/1/17	5,880,000	4,439,400(b)
Navios Maritime Holdings Inc./Navios Maritime Finance II U.S. Inc., Senior Notes	8.125%	2/15/19	1,600,000	1,268,000(b)
<i>Total Marine</i>				<i>9,929,100</i>

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

January 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Road & Rail 2.9%				
Avis Budget Car Rental LLC/Avis Budget Finance Inc., Senior Notes	9.750%	3/15/20	1,920,000	\$ 2,102,400
Florida East Coast Holdings Corp., Senior Notes	10.500%	8/1/17	7,075,843	5,250,162(c)
Florida East Coast Railway Corp., Senior Secured Notes	8.125%	2/1/17	2,140,000	2,150,700(b)
Kansas City Southern de Mexico, Senior Notes	12.500%	4/1/16	1,699,000	1,987,830(b)
Kansas City Southern de Mexico, Senior Notes	8.000%	2/1/18	6,215,000	6,968,569(b)
Kansas City Southern Railway, Senior Notes	8.000%	6/1/15	600,000	639,000(b)
Quality Distribution LLC/QD Capital Corp., Secured Notes	9.875%	11/1/18	4,000,000	4,280,000(b)
RailAmerica Inc., Senior Secured Notes	9.250%	7/1/17	3,276,000	3,660,930(b)
<i>Total Road & Rail</i>				27,039,591
Trading Companies & Distributors 0.5%				
Ashtead Capital Inc., Notes	9.000%	8/15/16	1,280,000	1,347,200(a)(b)
H&E Equipment Services Inc., Senior Notes	8.375%	7/15/16	3,475,000	3,596,625(b)
<i>Total Trading Companies & Distributors</i>				4,943,825
Transportation 1.4%				
CMA CGM, Senior Notes	8.500%	4/15/17	5,840,000	2,657,200(a)(b)
Hapag-Lloyd AG, Senior Notes	9.750%	10/15/17	5,420,000	4,634,100(a)(b)
Syncreon Global Ireland Ltd./Syncreon Global Finance US Inc., Senior Notes	9.500%	5/1/18	6,740,000	6,419,850(a)(b)
<i>Total Transportation</i>				13,711,150
Transportation Infrastructure 0.1%				
Aguila 3 SA, Senior Secured Notes	7.875%	1/31/18	950,000	970,188(a)(b)
TOTAL INDUSTRIALS				145,663,342
INFORMATION TECHNOLOGY				
3.1%				
Communications Equipment 0.5%				
Lucent Technologies Inc., Debentures	6.450%	3/15/29	6,100,000	4,636,000(b)
Electronic Equipment, Instruments & Components 0.7%				
NXP BV/NXP Funding LLC, Senior Secured Notes	9.750%	8/1/18	6,320,000	7,094,200(a)(b)
IT Services 0.8%				
First Data Corp., Senior Notes	10.550%	9/24/15	6,116,818	5,866,395(b)
First Data Corp., Senior Notes	12.625%	1/15/21	1,140,000	1,108,650

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

First Data Corp., Senior Secured Notes	7.375%	6/15/19	250,000	250,625(a)(b)
Sterling Merger Inc., Senior Notes	11.000%	10/1/19	590,000	600,325(a)(b)
<i>Total IT Services</i>				7,825,995
Semiconductors & Semiconductor Equipment 1.0%				
CDW LLC/CDW Finance Corp., Senior Notes	11.000%	10/12/15	1,520,000	1,603,600(b)
CDW LLC/CDW Finance Corp., Senior Notes	11.500%	10/12/15	1,290,000	1,360,950(b)(c)
CEVA Group PLC, Senior Secured Notes	12.750%	3/31/20	1,100,000	1,085,491(a)(f)
Freescale Semiconductor Inc., Senior Secured Notes	9.250%	4/15/18	1,590,000	1,745,025(a)(b)
Freescale Semiconductor Inc., Senior Subordinated Notes	10.125%	12/15/16	3,430,000	3,661,525(b)
<i>Total Semiconductors & Semiconductor Equipment</i>				9,456,591
Software 0.1%				
Sophia LP/Sophia Finance Inc., Senior Notes	9.750%	1/15/19	630,000	658,350(a)
TOTAL INFORMATION TECHNOLOGY				29,671,136
MATERIALS 9.6%				
Chemicals 1.1%				
Georgia Gulf Corp., Senior Secured Notes	9.000%	1/15/17	2,120,000	2,379,700(a)(b)
Ineos Finance PLC, Senior Secured Notes	9.000%	5/15/15	2,430,000	2,521,125(a)(b)
Lyondell Chemical Co., Senior Secured Notes	8.000%	11/1/17	976,000	1,093,120(b)
Lyondell Chemical Co., Senior Secured Notes	11.000%	5/1/18	993,207	1,092,528(b)
Solutia Inc., Senior Notes	8.750%	11/1/17	635,000	722,312(b)

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

January 31, 2012

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Chemicals continued				
Solutia Inc., Senior Notes	7.875%	3/15/20	2,050,000	\$ 2,419,000(b)
<i>Total Chemicals</i>				<i>10,227,785</i>
Containers & Packaging 2.7%				
ARD Finance SA, Senior Secured Notes	11.125%	6/1/18	1,006,660	890,894(a)(b)(c)
Ardagh Packaging Finance PLC, Senior Notes	9.125%	10/15/20	3,370,000	3,454,250(a)(b)
Ardagh Packaging Finance PLC, Senior Secured Notes	7.375%	10/15/17	1,160,000EUR	1,555,271(a)
Berry Plastics Corp., Secured Notes	9.750%	1/15/21	3,880,000	4,074,000(b)
Berry Plastics Corp., Senior Secured Notes	9.500%	5/15/18	410,000	428,450(b)
Longview Fibre Paper & Packaging Inc., Senior Secured Notes	8.000%	6/1/16	2,460,000	2,586,075(a)(b)
Reynolds Group Issuer Inc./Reynolds Group Issuer LLC, Senior Notes	8.500%	5/15/18	2,120,000	2,125,300(a)(b)
Reynolds Group Issuer Inc./Reynolds Group Issuer LLC, Senior Notes	9.875%	8/15/19	5,810,000	5,940,725(a)
Viskase Cos. Inc., Senior Secured Notes	9.875%	1/15/18	4,650,000	4,777,875(a)(b)
<i>Total Containers & Packaging</i>				<i>25,832,840</i>
Metals & Mining 4.8%				
CSN Resources SA, Senior Bonds	6.500%	7/21/20	990,000	1,052,370(a)(i)
Evrax Group SA, Notes	8.250%	11/10/15	170,000	178,500(a)
Evrax Group SA, Notes	9.500%	4/24/18	680,000	733,550(a)(b)
Evrax Group SA, Notes	6.750%	4/27/18	4,550,000	4,333,875(a)
Evrax Group SA, Senior Notes	9.500%	4/24/18	330,000	355,987(a)
FMG Resources (August 2006) Pty Ltd., Senior Notes	7.000%	11/1/15	750,000	778,125(a)(b)
FMG Resources (August 2006) Pty Ltd., Senior Notes	8.250%	11/1/19	5,240,000	5,646,100(a)
Midwest Vanadium Pty Ltd., Senior Secured Notes	11.500%	2/15/18	7,400,000	5,244,750(a)(b)
Mirabela Nickel Ltd., Senior Notes	8.750%	4/15/18	2,570,000	2,248,750(a)(b)
New World Resources NV, Senior Bonds	7.375%	5/15/15	1,300,000EUR	1,683,460(a)
Novelis Inc., Senior Notes	8.750%	12/15/20	3,910,000	4,388,975(b)
Optima Specialty Steel Inc., Senior Secured Notes	12.500%	12/15/16	2,190,000	2,255,700(a)
Rio Tinto Finance USA Ltd., Senior Notes	9.000%	5/1/19	1,820,000	2,536,385(b)
Ryerson Holding Corp., Senior Secured Notes	0.000%	2/1/15	5,220,000	2,244,600
Ryerson Inc., Senior Secured Notes	12.000%	11/1/15	310,000	314,650(b)
Tempel Steel Co., Senior Secured Notes	12.000%	8/15/16	1,840,000	1,784,800(a)(b)
Vale Overseas Ltd., Notes	8.250%	1/17/34	1,846,000	2,455,413(i)
Vale Overseas Ltd., Notes	6.875%	11/21/36	1,826,000	2,155,955(i)
Vedanta Resources PLC, Senior Notes	8.750%	1/15/14	2,070,000	2,111,400(a)(i)

Edgar Filing: WESTERN ASSET HIGH INCOME FUND II INC. - Form N-Q

Vedanta Resources PLC, Senior Notes	6.750%	6/7/16	3,630,000	3,239,775(a)
<i>Total Metals & Mining</i>				<i>45,743,120</i>
Paper & Forest Products 1.0%				
Appleton Papers Inc., Senior Secured Notes	11.250%	12/15/15	3,615,000	3,271,575(b)
PE Paper Escrow GmbH, Senior Secured Notes	12.000%	8/1/14	1,070,000	1,166,300(a)(b)
Sappi Papier Holding GmbH, Senior Secured Notes	6.625%	4/15/21	740,000	680,800(a)(b)
Verso Paper Holdings LLC, Senior Secured Notes	11.500%	7/1/14	120,000	124,200
Verso Paper Holdings LLC, Senior Subordinated Notes	11.375%	8/1/16	4,000,000	1,640,000(b)
Verso Paper Holdings LLC/Verso Paper Inc., Senior Secured Notes	8.750%	2/1/19	4,510,000	2,525,600(b)
<i>Total Paper & Forest Products</i>				<i>9,408,475</i>
TOTAL MATERIALS				91,212,220
TELECOMMUNICATION SERVICES				
9.1%				
Diversified Telecommunication Services 5.9%				
Axtel SAB de CV, Senior Notes	7.625%	2/1/17	4,620,000	3,626,700(a)(i)
Axtel SAB de CV, Senior Notes	7.625%	2/1/17	370,000	290,450(a)(i)
Axtel SAB de CV, Senior Notes	9.000%	9/22/19	98,000	79,870(a)
Cogent Communications Group Inc., Senior Secured Notes	8.375%	2/15/18	3,340,000	3,481,950(a)(b)
Inmarsat Finance PLC, Senior Notes	7.375%	12/1/17	4,330,000	4,584,387(a)(b)

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

January 31, 2012

SECURITY	RATE	MATURITY DATE	FACE	
			AMOUNT	VALUE
Diversified Telecommunication Services continued				
Intelsat Jackson Holdings Ltd., Senior Notes	9.500%	6/15/16	4,225,000	\$ 4,446,813(b)
Intelsat Jackson Holdings Ltd., Senior Notes	11.250%	6/15/16	1,630,000	1,731,875(b)
Intelsat Luxembourg SA, Senior Notes	11.250%	2/4/17	900,000	911,250(b)
Level 3 Financing Inc., Senior Notes	9.250%	11/1/14	2,305,000	2,374,150(b)
Level 3 Financing Inc., Senior Notes	8.625%	7/15/20	2,440,000	2,507,100(a)
Primus Telecommunications Holding Inc., Senior Notes	10.000%	4/15/17	514,708	501,840(a)
Satmex Escrow SA de CV, Secured Senior Notes	9.500%	5/15/17	2,170,000	2,278,500(b)
TW Telecom Holdings Inc., Senior Notes	8.000%	3/1/18	3,120,000	3,393,000(b)
UBS Luxembourg SA for OJSC Vimpel Communications, Loan Participation Notes	8.250%	5/23/16	2,220,000	2,344,986(a)(i)
Vimpel Communications, Loan Participation Notes	8.375%	4/30/13	700,000	735,840(a)(b)
Vimpel Communications, Notes	6.493%	2/2/16	375,000	375,938(a)
West Corp., Senior Notes	8.625%	10/1/18	2,680,000	2,827,400(b)
West Corp., Senior Notes	7.875%	1/15/19	4,000,000	4,210,000(b)
West Corp., Senior Subordinated Notes	11.000%	10/15/16	2,370,000	2,527,013(b)
Wind Acquisition Finance SA, Senior Notes	11.750%	7/15/17	1,620,000	1,611,900(a)(b)
Wind Acquisition Finance SA, Senior Secured Notes	7.250%	2/15/18	1,690,000	