

WESTERN ASSET HIGH INCOME FUND II INC.

Form N-Q

March 27, 2013

**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 811-08709

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, 2013

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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, 2013

## WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited)

January 31, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
CORPORATE BONDS & NOTES 110.8%				
CONSUMER DISCRETIONARY 21.2%				
<b>Auto Components 0.5%</b>				
American Axle & Manufacturing Inc., Senior Notes	6.625%	10/15/22	700,000 \$	731,500
Europcar Groupe SA	11.500%	5/15/17	380,000EUR	559,924(a)
Europcar Groupe SA, Senior Notes	9.375%	4/15/18	2,010,000EUR	2,514,257(a)
<i>Total Auto Components</i>				3,805,681
<b>Automobiles 0.5%</b>				
Chrysler Group LLC/CG Co.-Issuer Inc., Secured Notes	8.250%	6/15/21	2,862,000	3,191,130(b)
Escrow GCB General Motors			6,185,000	0*(c)(d)(e)
Escrow GCB General Motors			7,855,000	0*(c)(d)(e)
Jaguar Holding Co. II/Jaguar Merger Sub Inc., Senior Notes	9.500%	12/1/19	1,020,000	1,162,800(a)(b)
<i>Total Automobiles</i>				4,353,930
<b>Diversified Consumer Services 0.8%</b>				
Laureate Education Inc., Senior Notes	9.250%	9/1/19	1,910,000	2,091,450(a)
Service Corp. International, Senior Notes	7.500%	4/1/27	2,090,000	2,314,675(b)
ServiceMaster Co., Senior Notes	8.000%	2/15/20	1,390,000	1,480,350(b)
ServiceMaster Co., Senior Notes	7.000%	8/15/20	460,000	469,200(a)
<i>Total Diversified Consumer Services</i>				6,355,675
<b>Hotels, Restaurants &amp; Leisure 7.5%</b>				
Affinity Gaming LLC/Affinity Gaming Finance Corp., Senior Notes	9.000%	5/15/18	2,310,000	2,460,150(a)(b)
Bossier Casino Venture Holdco Inc., Senior Secured Bonds	14.000%	2/9/18	2,543,227	2,318,055(a)(c)(d)(f)
Boyd Gaming Corp., Senior Notes	9.125%	12/1/18	1,470,000	1,536,150(b)
Boyd Gaming Corp., Senior Notes	9.000%	7/1/20	2,370,000	2,417,400(a)(b)
Caesars Entertainment Operating Co. Inc., Senior Notes	10.750%	2/1/16	6,106,000	5,449,605(b)
Caesars Entertainment Operating Co. Inc., Senior Secured Notes	10.000%	12/15/15	10,000	9,050(b)
Caesars Entertainment Operating Co. Inc., Senior Secured Notes	11.250%	6/1/17	2,875,000	3,090,625(b)
Caesars Operating Escrow LLC/Caesars Escrow Corp., Senior Secured Notes	9.000%	2/15/20	200,000	204,500(a)
Carrols Restaurant Group Inc., Senior Secured Notes	11.250%	5/15/18	2,720,000	3,046,400
CCM Merger Inc., Senior Notes	9.125%	5/1/19	3,360,000	3,385,200(a)(b)
Downstream Development Quapaw, Senior Secured Notes	10.500%	7/1/19	2,580,000	2,870,250(a)(b)
El Pollo Loco Inc., Secured Notes	17.000%	1/1/18	1,071,657	1,146,673(a)(f)
Fontainebleau Las Vegas Holdings LLC/Fontainebleau Las Vegas Capital Corp.	10.250%	6/15/15	975,000	1,828(a)(g)(h)
Hoa Restaurant Group LLC/Hoa Finance Corp., Senior Secured Notes	11.250%	4/1/17	3,140,000	2,751,425(a)(b)
Landry's Holdings II Inc., Senior Notes	10.250%	1/1/18	1,530,000	1,598,850(a)

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Landry's Inc., Senior Notes	9.375%	5/1/20	2,540,000	2,755,900(a)(b)
Mastro's Restaurants LLC/RRG Finance Corp., Senior Secured Notes	12.000%	6/1/17	2,449,586	2,670,049(a)(b)
MGM Resorts International, Senior Notes	5.875%	2/27/14	1,610,000	1,670,375(b)
Mohegan Tribal Gaming Authority, Secured Notes	11.500%	11/1/17	1,445,000	1,589,500(a)(b)
Mohegan Tribal Gaming Authority, Senior Secured Notes	10.500%	12/15/16	4,820,000	4,856,150(a)(b)
NCL Corp. Ltd., Senior Notes	9.500%	11/15/18	3,276,000	3,619,980(b)
NCL Corp. Ltd., Senior Secured Notes	11.750%	11/15/16	3,990,000	4,528,650(b)
Pinnacle Entertainment Inc., Senior Notes	8.625%	8/1/17	1,665,000	1,789,875(b)
Rivers Pittsburgh Borrower LP/Rivers Pittsburgh Finance Corp., Senior Secured Notes	9.500%	6/15/19	710,000	770,350(a)(b)

*See Notes to Schedule of Investments.*

## WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

January 31, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Hotels, Restaurants &amp; Leisure continued</b>				
Seven Seas Cruises S de RL LLC, Senior Secured Notes	9.125%	5/15/19	3,770,000	\$ 4,015,050(b)
<i>Total Hotels, Restaurants &amp; Leisure</i>				<i>60,552,040</i>
<b>Household Durables 0.4%</b>				
William Lyon Homes Inc., Senior Notes	8.500%	11/15/20	2,980,000	3,203,500(a)
<b>Internet &amp; Catalog Retail 0.1%</b>				
Netflix Inc., Senior Notes	8.500%	11/15/17	920,000	1,017,759(b)
<b>Media 8.0%</b>				
Carmike Cinemas Inc., Secured Notes	7.375%	5/15/19	1,040,000	1,141,400(b)
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	7.875%	4/30/18	840,000	901,950(b)
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	8.125%	4/30/20	5,050,000	5,693,875(b)
Cengage Learning Acquisitions Inc., Senior Secured Notes	11.500%	4/15/20	4,000,000	3,200,000(a)(b)
Cerved Technologies SpA, Senior Secured Notes	6.375%	1/15/20	200,000EUR	264,262(a)
Cerved Technologies SpA, Senior Subordinated Notes	8.000%	1/15/21	300,000EUR	405,813(a)(c)
Clear Channel Worldwide Holdings Inc., Senior Notes	6.500%	11/15/22	1,960,000	2,097,200(a)
Clear Channel Worldwide Holdings Inc., Senior Notes	6.500%	11/15/22	900,000	954,000(a)
Clear Channel Worldwide Holdings Inc., Senior Subordinated Notes	7.625%	3/15/20	1,850,000	1,942,500
Clear Channel Worldwide Holdings Inc., Senior Subordinated Notes	7.625%	3/15/20	260,000	270,400
CSC Holdings Inc., Senior Debentures	7.875%	2/15/18	1,500,000	1,755,000(b)
DISH DBS Corp., Senior Notes	7.875%	9/1/19	1,815,000	2,155,312(b)
DISH DBS Corp., Senior Notes	6.750%	6/1/21	1,050,000	1,181,250(b)
Global Generations Merger Subsidiary Inc., Senior Notes	11.000%	12/15/20	2,100,000	2,220,750(a)
Good Sam Enterprises LLC, Secured Notes	11.500%	12/1/16	3,220,000	3,437,350
LBI Media Inc., Senior Secured Notes	10.000%	4/15/19	2,610,000	2,453,400(a)(b)
Nara Cable Funding Ltd., Senior Secured Notes	8.875%	12/1/18	5,000,000EUR	6,996,069(a)
Ono Finance II PLC, Senior Bonds	10.875%	7/15/19	4,061,000	4,121,915(a)
Univision Communications Inc., Senior Notes	8.500%	5/15/21	1,060,000	1,134,200(a)(b)
Univision Communications Inc., Senior Secured Notes	6.875%	5/15/19	1,780,000	1,877,900(a)(b)
Univision Communications Inc., Senior Secured Notes	7.875%	11/1/20	2,020,000	2,196,750(a)(b)
Univision Communications Inc., Senior Secured Notes	6.750%	9/15/22	3,300,000	3,465,000(a)
UPC Holding BV, Junior Secured Subordinated Notes	6.375%	9/15/22	5,060,000EUR	6,978,683(a)
UPC Holding BV, Senior Notes	9.875%	4/15/18	1,265,000	1,435,775(a)(b)
UPCB Finance II Ltd., Senior Notes	6.375%	7/1/20	4,500,000EUR	6,461,435(a)
<i>Total Media</i>				<i>64,742,189</i>
<b>Multiline Retail 0.6%</b>				
Bon-Ton Department Stores Inc., Senior Notes	10.250%	3/15/14	460,000	462,300
Bon-Ton Department Stores Inc., Senior Secured Notes	10.625%	7/15/17	1,900,000	1,900,000(a)(b)
Neiman Marcus Group Inc., Senior Secured Notes	7.125%	6/1/28	2,620,000	2,652,750(b)
<i>Total Multiline Retail</i>				<i>5,015,050</i>

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**Specialty Retail 2.1%**

American Greetings Corp., Senior Notes	7.375%	12/1/21	2,480,000	2,538,900(b)
Edcon Proprietary Ltd., Senior Secured Notes	9.500%	3/1/18	3,550,000EUR	4,856,345(a)
Edcon Proprietary Ltd., Senior Secured Notes	9.500%	3/1/18	760,000	763,800(a)
Gymboree Corp., Senior Notes	9.125%	12/1/18	4,540,000	4,290,300(b)
Michaels Stores Inc., Senior Subordinated Bonds	11.375%	11/1/16	1,303,000	1,363,277(b)

*See Notes to Schedule of Investments.*

## WESTERN ASSET HIGH INCOME FUND II INC.

Schedule of investments (unaudited) (cont d)

January 31, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
<b>Specialty Retail continued</b>				
New Academy Finance Co. LLC/New Academy Finance Corp., Senior Notes	8.000%	6/15/18	530,000 \$	549,212(a)(f)
Spencer Spirit Holdings Inc./Spencer Gifts LLC/Spirit Halloween Superstores, Senior Notes	11.000%	5/1/17	2,260,000	2,452,100(a)(b)
<i>Total Specialty Retail</i>				16,813,934
<b>Textiles, Apparel &amp; Luxury Goods 0.7%</b>				
Boardriders SA, Senior Notes	8.875%	12/15/17	2,900,000EUR	4,223,100(a)
Empire Today LLC/Empire Today Finance Corp., Senior Secured Notes	11.375%	2/1/17	1,300,000	1,400,750(a)(b)
<i>Total Textiles, Apparel &amp; Luxury Goods</i>				5,623,850
TOTAL CONSUMER DISCRETIONARY				171,483,608
<b>CONSUMER STAPLES 2.3%</b>				
<b>Food Products 1.3%</b>				
Chiquita Brands International Inc./Chiquita Brands LLC, Senior Secured Notes	7.875%	2/1/21	1,980,000	2,002,275(a)
Harmony Foods Corp., Senior Secured Notes	10.000%	5/1/16	1,250,000	1,348,438(a)(b)
Post Holdings Inc., Senior Notes	7.375%	2/15/22	3,140,000	3,501,100
Simmons Foods Inc., Senior Secured Notes	10.500%	11/1/17	2,800,000	2,716,000(a)(b)
Wells Enterprises Inc., Senior Secured Notes	6.750%	2/1/20	1,280,000	1,331,200(a)
<i>Total Food Products</i>				10,899,013
<b>Household Products 0.2%</b>				
Harbinger Group Inc., Senior Secured Notes	7.875%	7/15/19	1,710,000	1,765,575(a)
<b>Personal Products 0.2%</b>				
Hypermecas SA, Notes	6.500%	4/20/21	1,230,000	1,334,550(a)
<b>Tobacco 0.6%</b>				
Alliance One International Inc., Senior Notes	10.000%	7/15/16	4,650,000	4,963,875(b)
TOTAL CONSUMER STAPLES				18,963,013
<b>ENERGY 16.9%</b>				
<b>Energy Equipment &amp; Services 2.6%</b>				
Atwood Oceanics Inc., Senior Notes	6.500%	2/1/20	1,470,000	1,605,975(b)
GulfMark Offshore Inc., Senior Notes	6.375%	3/15/22	2,420,000	2,510,750(a)
Hercules Offshore Inc., Senior Notes	10.250%	4/1/19	1,760,000	1,958,000(a)(b)
Hercules Offshore Inc., Senior Secured Notes	10.500%	10/15/17	4,905,000	5,346,450(a)(b)
Parker Drilling Co., Senior Notes	9.125%	4/1/18	3,240,000	3,515,400(b)
Petroleum Geo-Services ASA, Senior Notes	7.375%	12/15/18	1,720,000	1,883,400(a)(b)
SESI LLC, Senior Notes	7.125%	12/15/21	2,780,000	3,106,650
Vantage Drilling Co., Senior Secured Notes	11.500%	8/1/15	1,023,000	1,112,513
<i>Total Energy Equipment &amp; Services</i>				21,039,138
<b>Oil, Gas &amp; Consumable Fuels 14.3%</b>				
Arch Coal Inc., Senior Notes	8.750%	8/1/16	3,710,000	3,830,575(b)
Arch Coal Inc., Senior Notes	9.875%	6/15/19	1,360,000	1,417,800(a)
	6.625%	10/1/20	1,010,000	1,065,550(a)



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Atlas Pipeline Partners LP/Atlas Pipeline Finance Corp., Senior Notes				
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	9.375%	5/1/19	2,140,000	2,362,025(b)
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	9.375%	5/1/19	690,000	761,588(b)
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	9.625%	8/1/20	1,570,000	1,762,325(a)(b)
Carrizo Oil & Gas Inc., Senior Notes	7.500%	9/15/20	1,140,000	1,191,300
Chesapeake Energy Corp., Senior Notes	6.775%	3/15/19	410,000	414,613(b)
Chesapeake Energy Corp., Senior Notes	6.625%	8/15/20	2,100,000	2,315,250
Chesapeake Energy Corp., Senior Notes	6.125%	2/15/21	2,700,000	2,902,500
Compagnie Generale de Geophysique-Veritas, Senior Notes	9.500%	5/15/16	1,545,000	1,649,287(b)
Compagnie Generale de Geophysique-Veritas, Senior Notes	7.750%	5/15/17	1,120,000	1,170,400(b)

*See Notes to Schedule of Investments.*

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

Schedule of investments (unaudited) (cont d)

January 31, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT		VALUE
<b>Oil, Gas &amp; Consumable Fuels continued</b>					
Comstock Resources Inc., Senior Notes	9.500%	6/15/20	2,130,000	\$	2,311,050(b)
CONSOL Energy Inc., Senior Notes	8.250%	4/1/20	2,870,000		3,121,125(b)
Corral Petroleum Holdings AB, Senior Notes	15.000%	12/31/17	4,451,416		3,650,161(a)(c)(f)
Crosstex Energy LP/Crosstex Energy Finance Corp., Senior Notes	8.875%	2/15/18	1,600,000		1,726,000(b)
Crosstex Energy LP/Crosstex Energy Finance Corp., Senior Notes	7.125%	6/1/22	2,720,000		2,862,800(a)(b)
Denbury Resources Inc., Senior Subordinated Notes	8.250%	2/15/20	1,875,000		2,100,000(b)
Energy Transfer Equity LP, Senior Notes	7.500%	10/15/20	1,135,000		1,313,762
Enterprise Products Operating LLC, Junior Subordinated Notes	8.375%	8/1/66	285,000		325,862(b)(h)
EP Energy AS, Senior Secured Notes	5.875%	11/1/19	1,270,000	EUR	1,836,494(a)
EP Energy LLC/EP Energy Finance Inc., Senior Notes	9.375%	5/1/20	910,000		1,023,750
EPE Holdings LLC/EP Energy Bond Co. Inc., Senior Notes	8.125%	12/15/17	2,230,000		2,257,875