

SALOMON BROTHERS HIGH INCOME FUND II INC  
Form N-Q  
March 29, 2005

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

**FORM N-Q**

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

Investment Company Act file number **811-8709**

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

(Exact name of registrant as specified in charter)

125 Broad Street, New York, NY 10004  
(Address of principal executive offices) (Zip code)

Robert I. Frenkel, Esq.  
Salomon Brothers Asset Management Inc.  
300 First Stamford Place  
Stamford, CT 06902

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-725-6666

Date of fiscal year end: **October 31**  
Date of reporting period: **January 31, 2005**

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**SALOMON BROTHERS**

**HIGH INCOME FUND II INC.**

FORM N-Q  
JANUARY 31, 2005

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ITEM 1. SCHEDULE OF INVESTMENTS

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**SALOMON BROTHERS HIGH INCOME FUND II INC.****Schedule of Investments (unaudited)****January 31, 2005**

| FACE<br>AMOUNT                             | SECURITY *   | VALUE        |
|--|--|--------------|
| <b>CORPORATE BONDS &amp; NOTES - 54.8%</b> |  |              |
| <b>Basic Industries - 9.8%</b>             |  |              |
| \$ 3,850,000                               | Abitibi-Consolidated Inc., Debentures, 8.850% due 8/1/30 (a)   | \$ 3,888,500 |
| 7,230,000                                  | Acetex Corp., Sr. Notes, 10.875% due 8/1/09  | 7,862,625    |
| 2,500,000                                  | Airgas, Inc., Sr. Sub. Notes, 9.125% due 10/1/11   | 2,781,250    |
| 2,575,000                                  | Ak Steel Corp., Sr. Notes, 7.875% due 2/15/09 (a)  | 2,652,250    |
| 4,475,000                                  | Anchor Glass Container Corp., Sr. Secured Notes, 11.000% due 2/15/13   | 4,833,000    |
| 4,375,000                                  | Appleton Papers Inc., Sr. Sub. Notes, Series B, 9.750% due 6/15/14 (a)   | 4,725,000    |
| 5,400,000                                  | Applied Extrusion Technologies, Inc., Sr. Notes, Series B,<br>10.750% due 7/1/11 (a)(b)(c)   | 3,132,000    |
| 4,775,000                                  | BCP Caylux Holdings Luxembourg SCA, Sr. Sub. Notes,<br>9.625% due 6/15/14 (d)  | 5,324,125    |
| 3,250,000                                  | Berry Plastics Corp., Sr. Sub. Notes, 10.750% due 7/15/12 (a)  | 3,721,250    |
| 2,800,000                                  | Borden Chemicals & Plastics L.P., Notes, 9.500% due 5/1/05 (b)(c)(e)<br>Buckeye Technologies Inc., Sr. Sub. Notes:<br>9.250% due 9/15/08 (a) | 280          |
| 1,750,000                                  | 8.000% due 10/15/10 (a)  | 1,758,750    |
| 1,750,000                                  | Equistar Chemicals L.P., Sr. Notes, 10.625% due 5/1/11   | 1,763,125    |
| 3,500,000                                  | FMC Corp., Debentures, 7.750% due 7/1/11   | 4,042,500    |
| 8,500,000                                  | Huntsman International LLC, Sr. Sub. Notes, 10.125% due 7/1/09 (a)   | 9,010,000    |
| 3,873,000                                  | IMCO Recycling Escrow Inc., Sr. Notes, 9.000% due 11/15/14 (d)   | 4,086,015    |
| 1,525,000                                  | IMCO Recycling Inc., Sr. Secured Notes, 10.375% due 10/15/10   | 1,589,812    |
| 2,850,000                                  | Innophos Inc., Sr. Sub. Notes, 8.875% due 8/15/14 (d)  | 3,220,500    |
| 3,675,000                                  | ISP Chemco Inc., Sr. Sub. Notes, Series B, 10.250% due 7/1/11  | 3,978,187    |
| 6,950,000                                  | Ispat Inland ULC, Sr. Secured Notes, 9.750% due 4/1/14   | 7,784,000    |
| 276,000                                    | Jefferson Smurfit Corp., Sr. Notes, 8.250% due 10/1/12   | 341,550      |
| 3,800,000                                  | JSG Funding PLC, Sr. Notes, 9.625% due 10/1/12   | 4,047,000    |
| 3,750,000                                  | KI Holdings Inc., Sr. Discount Notes, zero coupon until 11/15/09,<br>9.875% thereafter, due 11/15/14 (d)                                     | 4,162,500    |
| 7,000,000                                  | Lyondell Chemical Co., Sr. Secured Notes:<br>9.500% due 12/15/08   | 4,410,000    |
| 2,575,000                                  | 11.125% due 7/15/12 (a)  | 2,793,875    |
| 1,400,000                                  | Series B, 9.875% due 5/1/07 (a)  | 1,652,000    |
| 294,000                                    | Methanex Corp., Sr. Notes, 8.750% due 8/15/12 (a)  | 308,700      |
| 3,075,000                                  | Millennium America Inc., Sr. Notes, 9.250% due 6/15/08 (a)   | 3,647,719    |
| 3,550,000                                  | Mueller Group Inc., Sr. Sub. Notes, 10.000% due 5/1/12   | 3,958,250    |
| 1,525,000                                  | Mueller Holdings Inc., Discount Notes, zero coupon until 4/15/09,<br>14.750% thereafter, due 4/15/14   | 1,654,625    |
| 4,375,000                                  | Nalco Co., Sr. Sub. Notes, 8.875% due 11/15/13   | 2,996,875    |
| 1,000,000                                  | Newark Group, Inc., Sr. Sub. Notes, 9.750% due 3/15/14   | 1,095,000    |
| 1,000,000                                  | OM Group, Inc., Sr. Sub. Notes, 9.250% due 12/15/11  | 1,052,500    |
| 1,325,000                                  | Plastipak Holdings, Inc., Sr. Notes, 10.750% due 9/1/11  | 1,417,750    |
| 7,000,000                                  | Pliant Corp., Sr. Secured Notes, 11.125% due 9/1/09  | 7,910,000    |
| 2,000,000                                  | Radnor Holdings Corp., Sr. Notes, 11.000% due 3/15/10  | 2,192,500    |
| 2,700,000                                  |  | 2,463,750    |

5,000,000 Republic Technologies International, LLC, Sr. Notes,  
13.750% due 7/15/09 (b)(c)(e)

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**See Notes to Schedule of Investments.**

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**SALOMON BROTHERS HIGH INCOME FUND II INC.****Schedule of Investments (unaudited) (continued)****January 31, 2005**

| FACE<br>AMOUNT                             | SECURITY *  | VALUE        |
|--|---|--------------|
| <b>Basic Industries - 9.8% (continued)</b> |   |              |
| \$ 4,075,000                               | Resolution Performance Products, Inc., Sr. Sub. Notes,<br>13.500%, due 11/15/10 (a)<br>Rhodia S.A.:   | \$ 4,513,063 |
| 575,000                                    | Sr. Notes, 10.250% due 6/1/10 (a)   | 656,938      |
| 5,850,000                                  | Sr. Sub. Notes, 8.875% due 6/1/11 (a)   | 6,025,500    |
| 1,000,000                                  | Smurfit Capital Funding PLC, Debentures, 7.500% due 11/20/25  | 1,000,000    |
| 4,950,000                                  | Stone Container Corp., Sr. Notes, 8.375% due 7/1/12 (a)<br>Tekni-Plex, Inc.:  | 5,271,750    |
| 1,525,000                                  | Sr. Secured Notes, 8.750% due 11/15/13 (d)  | 1,532,625    |
| 2,850,000                                  | Sr. Sub. Notes, Series B, 12.750% due 6/15/10 (a)   | 2,643,375    |
| 1,657,000                                  | Westlake Chemical Corp., Sr. Notes, 8.750% due 7/15/11  | 1,851,698    |
|  |   | 145,752,712  |
| <b>Consumer Cyclicals - 3.8%</b>           |   |              |
| 5,000,000                                  | AMF Bowling Worldwide, Inc., Sr. Sub. Notes, 10.000% due 3/1/10   | 5,225,000    |
| 4,050,000                                  | Buffets Inc., Sr. Sub. Notes, 11.250% due 7/15/10   | 4,343,625    |
| 6,325,000                                  | Cinemark Inc., Sr. Discount Notes, zero coupon until 3/15/09,<br>9.750% thereafter, due 3/15/14<br>Eye Care Centers of America, Inc., Sr. Sub. Notes: | 4,807,000    |
| 1,000,000                                  | 9.125% due 5/1/08   | 1,037,920    |
| 2,000,000                                  | 10.750% due 2/15/15 (d)   | 1,980,000    |
|  | Host Marriott, L.P., Sr. Notes:   |              |
| 2,500,000                                  | 7.125% due 11/1/13 (a)  | 2,643,750    |
| 350,000                                    | Series E, 8.375% due 2/15/06  | 365,750      |
| 1,625,000                                  | Series I, 9.500% due 1/15/07  | 1,767,187    |
|  | Interface, Inc.:  |              |
| 2,875,000                                  | Sr. Notes, 10.375% due 2/1/10   | 3,320,625    |
| 1,500,000                                  | Sr. Sub. Notes, 9.500% due 2/1/14 (a)   | 1,635,000    |
| 3,000,000                                  | John Q. Hammons Hotels L.P., 1st Mortgage Notes, Series B, 8.875% due 5/15/12<br>Levi Strauss & Co., Sr. Notes:                                       | 3,390,000    |
| 2,535,000                                  | 11.625% due 1/15/08 (a)   | 2,668,087    |
| 25,000                                     | 9.750% due 1/15/15 (d)  | 24,437       |
| 3,525,000                                  | MeriStar Hospitality Corp., Sr. Notes, 9.125% due 1/15/11   | 3,824,625    |
| 825,000                                    | MeriStar Hospitality Operating Partnership, L.P., Sr. Notes,<br>10.500% due 6/15/09   | 897,187      |
|  | Saks Inc., Notes:   |              |
| 1,543,000                                  | 9.875% due 10/1/11  | 1,832,313    |
| 1,574,000                                  | 7.000% due 12/1/13  | 1,621,220    |
| 2,825,000                                  | Sbarro, Inc., Sr. Notes, 11.000% due 9/15/09 (a)<br>Six Flags Inc., Sr. Notes:  | 2,853,250    |
| 84,000                                     | 8.875% due 2/1/10 (a)   | 80,430       |
| 1,500,000                                  | 9.750% due 4/15/13 (a)  | 1,436,250    |

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|           |                       |           |
|-----------|-----------------------|-----------|
| 1,150,000 | 9.625% due 6/1/14 (a) | 1,089,625 |
| 1,075,000 | 9.625% due 6/1/14 (d) | 1,018,563 |

**See Notes to Schedule of Investments.**

**SALOMON BROTHERS HIGH INCOME FUND II INC.****Schedule of Investments (unaudited) (continued)****January 31, 2005**

| FACE<br>AMOUNT                              | SECURITY *   | VALUE        |
|---|--|--------------|
| <b>Consumer Cyclical - 3.8% (continued)</b> |  |              |
| \$ 4,300,000                                | Starwood Hotels & Resorts Worldwide, Inc., Sr. Notes, 7.875% due 5/1/12                | \$ 4,923,500 |
| 3,275,000                                   | Tommy Hilfiger U.S.A., Inc., Notes, 6.850% due 6/1/08 (a)                              | 3,315,937    |
|   |  | 56,101,281   |
| <b>Consumer Non-Cyclicals - 11.5%</b>       |  |              |
| 3,975,000                                   | aaiPharma Inc., Sr. Sub. Notes, 12.000% due 4/1/10 (a)(f)                              | 3,001,125    |
| 4,425,000                                   | AmeriPath, Inc., Sr. Notes, 10.500% due 4/1/13 (a)                                     | 4,646,250    |
| 3,055,000                                   | Ameristar Casinos, Inc., Sr. Sub. Notes, 10.750% due 2/15/09                           | 3,436,875    |
| 1,961,000                                   | Applica Inc., Sr. Sub. Notes, 10.000% due 7/31/08 (a)                                  | 1,965,903    |
| 3,550,000                                   | Argosy Gaming Co., Sr. Sub. Notes, 7.000% due 1/15/14                                  | 3,922,750    |
| 4,675,000                                   | Athena Neurosciences Finance LLC, Sr. Notes, 7.250% due 2/21/08                        | 4,838,625    |
|   | Caesars Entertainment Inc., Sr. Sub. Notes:  |              |
| 700,000                                     | 9.375% due 2/15/07   | 767,375      |
| 4,500,000                                   | 8.875% due 9/15/08   | 5,079,375    |
| 3,000,000                                   | 8.125% due 5/15/11 (a)   | 3,450,000    |
| 3,015,163                                   | Dade Behring Holdings Inc., Sr. Sub. Notes, 11.910% due 10/3/10                        | 3,346,831    |
| 4,725,000                                   | Denny's Corp., Sr. Notes, 10.000% due 10/1/12 (a)(d)                                   | 5,103,000    |
| 5,250,000                                   | Doane Pet Care Co., Sr. Sub. Notes, 9.750% due 5/15/07 (a)                             | 5,118,750    |
| 1,600,000                                   | Dole Food Co. Inc., Debentures, 8.750% due 7/15/13                                     | 1,784,000    |
| 279,000                                     | Elan Pharmaceutical Investments III, Notes, 7.720% due 3/15/05                         | 280,395      |
| 5,120,000                                   | Extendicare Health Services, Inc., Sr. Notes, 9.500% due 7/1/10                        | 5,708,800    |
| 1,475,000                                   | Hanger Orthopedic Group, Inc., Sr. Notes, 10.375% due 2/15/09 (a)                      | 1,482,375    |
| 2,100,000                                   | HCA Inc., Notes, 6.375% due 1/15/15 (a)  | 2,122,846    |
| 4,150,000                                   | Herbst Gaming Inc., Sr. Sub. Notes, 7.000% due 11/15/14 (d)                            | 4,191,500    |
| 3,325,000                                   | Hines Nurseries, Inc., Sr. Notes, 10.250% due 10/1/11                                  | 3,649,187    |
| 6,500,000                                   | Home Interiors & Gifts, Inc., Sr. Sub. Notes, 10.125% due 6/1/08 (a)                   | 5,362,500    |
| 4,800,000                                   | IASIS Healthcare LLC, Sr. Sub. Notes, 8.750% due 6/15/14                               | 5,196,000    |
| 3,925,000                                   | Icon Health & Fitness, Inc., Sr. Sub. Notes, 11.250% due 4/1/12 (a)                    | 3,297,000    |
| 3,780,000                                   | Inn of the Mountain Gods Resort & Casino, Sr. Notes, 12.000% due 11/15/10              | 4,422,600    |
| 2,350,000                                   | InSight Health Services, Corp., Sr. Sub. Notes, Series B, 9.875% due 11/1/11 (a)       | 2,350,000    |
| 6,032,666                                   | Iowa Select Farms, L.P., Sr. Secured Notes, Payment-in-Kind,<br>6.500% due 12/1/06 (d) | 3,016,333    |
| 4,800,000                                   | Isle of Capri Casinos Inc., Sr. Sub. Notes, 7.000% due 3/1/14 (a)                      | 4,884,000    |
| 3,500,000                                   | Jafra Cosmetics International Inc., Sr. Sub. Notes, 10.750% due 5/15/11                | 4,033,750    |
| 2,100,000                                   | Jean Coutu Group, Inc., Sr. Sub. Notes, 8.500% due 8/1/14 (a)(d)                       | 2,105,250    |
| 3,750,000                                   | Kerzner International Ltd., Sr. Sub. Notes, 8.875% due 8/15/11                         | 4,106,250    |
| 2,025,000                                   | Leiner Health Products Inc., Sr. Sub. Notes, 11.000% due 6/1/12                        | 2,217,375    |
| 3,045,000                                   | Medical Device Manufacturing Inc., Sr. Sub. Notes, 10.000% due 7/15/12 (d)             | 3,303,825    |
|   | MGM MIRAGE:  |              |
| 1,775,000                                   | Sr. Notes, 6.750% due 9/1/12   | 1,868,187    |
| 6,375,000                                   | Sr. Sub. Notes, 9.750% due 6/1/07 (a)  | 7,108,125    |
| 1,117,365                                   | Nutritional Sourcing Corp., Notes, 10.125% due 8/1/09                                  | 821,263      |

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|           |  |           |
|-----------|--|-----------|
| 4,700,000 | Pinnacle Entertainment Inc., Sr. Sub. Notes, 8.250% due 3/15/12  | 5,029,000 |
| 4,675,000 | Pinnacle Foods Holding Corp., Sr. Sub. Notes, 8.250% due 12/1/13 | 4,301,000 |
| 3,400,000 | Playtex Products, Inc., Sr. Sub. Notes, 9.375% due 6/1/11 (a)    | 3,655,000 |

**See Notes to Schedule of Investments.**

**SALOMON BROTHERS HIGH INCOME FUND II INC.****Schedule of Investments (unaudited) (continued)****January 31, 2005**

| FACE<br>AMOUNT                                    | SECURITY *   | VALUE        |
|---|--|--------------|
| <b>Consumer Non-Cyclicals - 11.5% (continued)</b> |  |              |
|   | Rite Aid Corp.:  |              |
|   | Notes:   |              |
| \$ 1,000,000                                      | 6.000% due 12/15/05 (a)(d)   | \$ 1,018,750 |
| 310,000   | 7.125% due 1/15/07 (a)   | 310,000      |
| 5,265,000   | Sr. Notes, 7.625% due 4/15/05 (a)  | 5,311,069    |
| 4,425,000   | Sealy Mattress Co., Sr. Sub. Notes, 8.250% due 6/15/14 (a)   | 4,535,625    |
| 2,950,000   | Simmons Bedding Co., Sr. Discount Notes, zero coupon until 12/15/09,<br>10.000% thereafter, due 12/15/14 (d) | 1,829,000    |
| 475,000   | Station Casinos, Inc., Sr. Sub. Notes, 6.875% due 3/1/16   | 495,188      |
| 2,500,000   | Sybron Dental Specialties, Inc., Sr. Sub. Notes, 8.125% due 6/15/12  | 2,725,000    |
| 2,145,000   | Tempur-Pedic Inc. and Tempur Production U.S.A. Inc., Sr. Sub. Notes,<br>10.250% due 8/15/10                  | 2,445,300    |
|   | Tenet Healthcare Corp.:  |              |
| 6,000,000   | Notes, 7.375% due 2/1/13 (a)   | 5,550,000    |
|   | Sr. Notes:   |              |
| 1,800,000   | 6.500% due 6/1/12  | 1,611,000    |
| 150,000   | 9.875% due 7/1/14 (d)  | 156,375      |
| 1,525,000   | 6.875% due 11/15/31  | 1,235,250    |
| 7,775,000   | United Industries Corp., Sr. Notes, Series D, 9.875% due 4/1/09  | 8,173,469    |
| 3,525,000   | Venetian Casino Resort, LLC, Mortgage Notes, 11.000% due 6/15/10   | 4,000,875    |
|   |  | 170,370,321  |
| <b>Energy - 4.2%</b>                              |  |              |
| 3,000,000   | BRL Universal Equipment 2001 A, L.P., Sr. Secured Notes, 8.875% due 2/15/08                                  | 3,142,500    |
|   | Dynegy Holdings Inc.:  |              |
|   | Debentures:  |              |
| 4,550,000   | 7.125% due 5/15/18 (a)   | 3,878,875    |
| 8,350,000   | 7.625% due 10/15/26  | 6,993,125    |
| 2,000,000   | Sr. Secured Notes, 9.875% due 7/15/10 (d)  | 2,200,000    |
|   | El Paso Corp.:   |              |
| 5,200,000   | Notes, 7.875% due 6/15/12 (a)  | 5,434,000    |
|   | Sr. Notes:   |              |
| 5,425,000   | 7.800% due 8/1/31 (a)  | 5,289,375    |
| 6,325,000   | 7.750% due 1/15/32 (a)   | 6,182,687    |
| 3,175,000   | Hanover Compressor Co., Sr. Notes, 9.000% due 6/1/14   | 3,508,375    |
| 5,127,000   | Magnum Hunter Resources, Inc., Sr. Notes, 9.600% due 3/15/12 (a)   | 5,883,232    |
| 4,575,000   | Plains Exploration & Production Co., Sr. Notes, 7.125% due 6/15/14   | 5,043,938    |
| 2,000,000   | Pogo Producing Co., Sr. Sub. Notes, Series B, 8.250% due 4/15/11   | 2,150,000    |
| 1,000,000   | Swift Energy Co., Sr. Sub. Notes, 9.375% due 5/1/12  | 1,115,000    |
|   | The Williams Cos., Inc., Notes:  |              |
| 3,700,000   | 7.625% due 7/15/19 (a)   | 4,125,500    |
| 3,650,000   | 7.875% due 9/1/21 (a)  | 4,161,000    |

|           |                    |            |
|-----------|--------------------|------------|
| 3,225,000 | 8.750% due 3/15/32 | 3,886,125  |
|           |                    | 62,993,732 |

**Financial - 0.0%**

|           |   |   |
|-----------|---|---|
| 1,975,400 | Airplanes Pass-Through Trust, Series D, 10.875% due 3/15/19 (b)(c)(e) | 0 |
|-----------|---|---|

**See Notes to Schedule of Investments.**

**SALOMON BROTHERS HIGH INCOME FUND II INC.****Schedule of Investments (unaudited) (continued)****January 31, 2005**

| FACE<br>AMOUNT                  | SECURITY *   | VALUE        |
|---------------------------------|--|--------------|
| <b>Housing Related - 1.2%</b>   |  |              |
| \$ 8,500,000                    | Associated Materials Inc., Sr. Discount Notes, zero coupon until 3/1/09,<br>11.250% thereafter, due 3/1/14 | \$ 6,120,000 |
| 3,275,000                       | Collins & Aikman Floor Coverings Inc., Sr. Sub. Notes, Series B,<br>9.750% due 2/15/10 (a)                 | 3,487,875    |
| 5,075,000                       | Ply Gem Industries, Inc., Sr. Sub. Notes, 9.000% due 2/15/12 (a)   | 5,075,000    |
| 2,550,000                       | THL Buildco Inc, Sr. Sub. Notes, 8.500% due 9/1/14 (d)   | 2,632,875    |
|                                 |  | 17,315,750   |
| <b>Manufacturing - 3.4%</b>     |  |              |
| 3,325,000                       | Alliant Techsystems Inc., Sr. Sub. Notes, 8.500% due 5/15/11   | 3,599,312    |
| 4,200,000                       | Argo-Tech Corp., Sr. Notes, 9.250% due 6/1/11  | 4,620,000    |
| 450,000                         | Case New Holland Inc., Sr. Notes, 9.250% due 8/1/11 (d)  | 493,875      |
| 3,825,000                       | Flowserve Corp., Sr. Sub. Notes, 12.250% due 8/15/10 (a)   | 4,197,937    |
| 2,150,000                       | Ford Motor Co., Notes, 7.450% due 7.450% due 7/16/31(a)  | 2,151,112    |
| 1,750,000                       | General Binding Corp., Sr. Sub. Notes, 9.375% due 6/1/08 (a)   | 1,741,250    |
| 5,750,000                       | General Motors Corp., Debentures, 8.375% due 7/15/33 (a)   | 5,805,821    |
| 2,100,000                       | Invensys PLC, Sr. Notes, 9.875% due 3/15/11 (a)(d)   | 2,262,750    |
| 8,000,000                       | Key Plastics Inc., Sr. Sub. Notes, Series B, 10.250% due 3/15/07 (b)(c)(e)                                 | 10,000       |
| 2,100,000                       | Keystone Automotive Operations Inc., Sr. Sub. Notes, 9.750% due 11/1/13                                    | 2,252,250    |
| 1,750,000                       | Kinetek, Inc., Sr. Notes, Series D, 10.750% due 11/15/06   | 1,706,250    |
| 5,500,000                       | L-3 Communications Corp., Sr. Sub. Notes, 7.625% due 6/15/12 (a)   | 6,022,500    |
| 2,750,000                       | Moll Industries, Inc., Sr. Sub. Notes, 10.500% due 7/1/08 (b)(c)(e)  | 0            |
| 1,850,000                       | NMHG Holding Co., Sr. Notes, 10.000% due 5/15/09   | 2,053,500    |
| 4,000,000                       | Sequa Corp., Sr. Notes, 9.000% due 8/1/09 (a)  | 4,420,000    |
| 1,700,000                       | Tenneco Automotive Inc., Sr. Secured Notes, Series B, 10.250% due 7/15/13 (a)                              | 2,006,000    |
| 4,000,000                       | Terex Corp., Sr. Sub. Notes, Series B, 10.375% due 4/1/11 (a)  | 4,460,000    |
| 2,409,000                       | TRW Automotive Inc., Sr. Notes, 9.375% due 2/15/13   | 2,722,170    |
|                                 |  | 50,524,727   |
| <b>Media &amp; Cable - 6.7%</b> |  |              |
| 4,726,575                       | Avalon Cable LLC, Sr. Discount Notes, 11.875% due 12/1/08  | 4,939,271    |
| 6,435,325                       | Canwest Media Inc., Sr. Sub. Notes, 8.000% due 9/15/12 (d)   | 6,917,974    |
|                                 | Charter Communications Holdings, LLC:  |              |
|                                 | Sr. Discount Notes:  |              |
| 4,530,000                       | 11.750% due 1/15/10 (a)  | 4,031,700    |
| 13,000,000                      | Zero coupon until 5/15/06, 11.750% thereafter, due 5/15/11 (a)   | 9,100,000    |
| 10,000,000                      | Zero coupon until 1/15/07, 12.125% thereafter, due 1/15/12 (a)   | 6,450,000    |
|                                 | Sr. Notes:   |              |
| 350,000                         | 8.625% due 4/1/09 (a)  | 281,750      |
| 50,000                          | 10.750% due 10/1/09  | 42,875       |

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|            |  |            |
|------------|--|------------|
| 10,500,000 | CSC Holdings, Inc., Sr. Sub. Debentures, 10.500% due 5/15/16 (a)                               | 11,838,750 |
|            | Dex Media East LLC/Dex Media East Finance Co., Sr. Notes:                                      |            |
| 1,750,000  | 9.875% due 11/15/09 (a)  | 1,968,750  |
| 813,000    | 12.125% due 11/15/12   | 977,632    |
| 4,500,000  | Dex Media Inc., Discount Notes, zero coupon until 11/15/08,<br>9.000% thereafter, due 11/15/13 | 3,408,750  |

**See Notes to Schedule of Investments.**

**SALOMON BROTHERS HIGH INCOME FUND II INC.****Schedule of Investments (unaudited) (continued)****January 31, 2005**

| FACE<br>AMOUNT                              | SECURITY *   | VALUE              |
|---|--|--------------------|
| <b>Media &amp; Cable - 6.7% (continued)</b> |  |                    |
| \$ 2,344,000                                | Dex Media West LLC/Dex Media West Finance Co., Sr. Sub. Notes, Series B, 9.875% due 8/15/13 (a)            | \$ 2,669,230       |
| 4,650,000                                   | DirecTV Holdings LLC, Sr. Notes, 8.375% due 3/15/13  | 5,260,312          |
| 7,183,000                                   | EchoStar DBS Corp., Sr. Notes, 9.125% due 1/15/09  | 7,847,427          |
| 2,500,000                                   | Houghton Mifflin Co., Sr. Discount Notes, zero coupon until 10/15/08, 11.500% thereafter, due 10/15/13 (a) | 1,712,500          |
| 4,350,000                                   | Insight Midwest, L.P., Sr. Notes, 10.500% due 11/1/10  | 4,763,250          |
| 2,100,000                                   | Interp National Radio Sales, Inc., Sr. Sub. Notes, Series B, 10.000% due 7/1/08 (a)                        | 1,611,750          |
| 4,875,000                                   | Mediacom LLC, Sr. Notes, 9.500% due 1/15/13 (a)  | 4,887,187          |
| 6,275,000                                   | NextMedia Operating, Inc., Sr. Sub. Notes, 10.750% due 7/1/11(a)   | 7,090,750          |
| 2,200,000                                   | PanAmSat Corp., Sr. Notes, 9.000% due 8/15/14 (d)  | 2,403,500          |
| 900,000                                     | R.H. Donnelley Finance Corp. I, Sr. Sub. Notes, 10.875% due 12/15/12 (d)                                   | 1,057,500          |
| 3,475,000                                   | Radio One, Inc., Sr. Sub. Notes, Series B, 8.875% due 7/1/11 (a)   | 3,796,438          |
| 6,776,000                                   | Yell Finance B.V.:<br>Sr. Discount Notes, zero coupon until 8/1/06, 13.500% thereafter, due 8/1/11 (a)     | 6,674,360          |
| 606,000                                     | Sr. Notes, 10.750% due 8/1/11 (a)  | 687,810            |
|   |  | <b>100,419,466</b> |
| <b>Services &amp; Other - 1.9%</b>          |  |                    |
| 2,100,000                                   | Allied Security Escrow Corp., Sr. Sub. Notes, 11.375% due 7/15/11 (d)                                      | 2,210,250          |
|   | Allied Waste North America, Inc., Sr. Notes, Series B:   |                    |
| 250,000                                     | 8.875% due 4/1/08  | 262,500            |
| 2,425,000                                   | 9.250% due 9/1/12  | 2,582,625          |
| 6,000,000                                   | 7.375% due 4/15/14 (a)   | 5,490,000          |
| 3,200,000                                   | Brand Services, Inc., Sr. Sub. Notes, 12.000% due 10/15/12   | 3,624,000          |
|   | Cenveo Corp.:  |                    |
| 1,000,000                                   | Sr. Notes, 9.625 due 3/15/12 (a)   | 1,080,000          |
| 3,675,000                                   | Sr. Sub. Notes, 7.875% due 12/1/13 (a)   | 3,234,000          |
| 4,000,000                                   | The Holt Group, Inc., Sr. Notes, 9.750% due 1/15/06 (b)(c)(e)  | 0                  |
| 4,035,000                                   | Iron Mountain Inc., Sr. Sub. Notes, 8.625% due 4/1/13  | 4,287,187          |
| 2,325,000                                   | Muzak LLC, Sr. Notes, 10.000% due 2/15/09  | 2,191,313          |
| 3,600,000                                   | SITEL Corp., Sr. Sub. Notes, 9.250% due 3/15/06  | 3,654,000          |
|   |  | <b>28,615,875</b>  |
| <b>Technology - 1.9%</b>                    |  |                    |
|   | Amkor Technology, Inc.:  |                    |
| 2,575,000                                   | Sr. Notes, 9.250% due 2/15/08 (a)  | 2,562,125          |
| 2,300,000                                   | Sr. Sub. Notes, 10.500% due 5/1/09 (a)   | 2,231,000          |

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|            |  |            |
|------------|--|------------|
| 12,600,000 | Lucent Technologies Inc., Debentures, 6.450% due 3/15/29 (a)       | 11,308,500 |
| 3,775,000  | Nortel Networks Ltd., Notes, 6.125% due 2/15/06 (a)                | 3,845,781  |
| 3,000,000  | Seagate Technology HDD Holdings, Sr. Notes, 8.000% due 5/15/09 (a) | 3,240,000  |
| 5,175,000  | Unisys Corp., Sr. Notes, 8.125% due 6/1/06 (a)                     | 5,433,750  |
| <hr/>      |  |            |
|            |  | 28,621,156 |
| <hr/>      |  |            |

**See Notes to Schedule of Investments.**

## SALOMON BROTHERS HIGH INCOME FUND II INC.

## Schedule of Investments (unaudited) (continued)

January 31, 2005

| FACE<br>AMOUNT                   | SECURITY *  | VALUE        |
|----------------------------------|---|--------------|
| <b>Telecommunications - 6.1%</b> |   |              |
|                                  | Alamosa (Delaware) Inc.:  |              |
| \$ 4,430,000                     | Sr. Discount Notes, zero coupon until 7/31/05, 12.000% thereafter,<br>due 7/31/09 | \$ 4,795,475 |
| 1,950,000                        | Sr. Notes, 11.000% due 7/31/10  | 2,281,500    |
|                                  | American Tower Corp., Sr. Notes:  |              |
| 6,995,000                        | 9.375% due 2/1/09 (a)   | 7,388,469    |
| 1,825,000                        | 7.500% due 5/1/12 (a)   | 1,884,312    |
| 1,800,000                        | American Tower Escrow Corp., Discount Notes, zero coupon due 8/1/08               | 1,361,250    |
| 4,600,000                        | AT&T Corp., Sr. Notes, 9.750% due 11/15/31  | 5,882,250    |
|                                  | Crown Castle International Corp., Sr. Notes:                                      |              |
| 2,300,000                        | 9.375% due 8/1/11   | 2,564,500    |
| 5,140,000                        | 10.750% due 8/1/11 (a)  | 5,576,900    |
| 600,000                          | 7.500% due 12/1/13 (a)  | 639,750      |
| 950,000                          | Series B, 7.500% due 12/1/13 (a)  | 1,012,937    |
| 1,375,000                        | Intelsat Bermuda Ltd., Sr. Notes, 7.794% due 1/15/12 (d)(f)                       | 1,423,125    |
| 400,000                          | MCI Inc., Sr. Notes, 8.735% due 5/1/14  | 438,500      |
| 14,050,000                       | Nextel Communications, Inc., Sr. Notes, 7.375% due 8/1/15 (a)                     | 15,560,375   |
| 7,325,000                        | Qwest Corp., Notes, 9.125% due 3/15/12 (d)  | 8,368,813    |
|                                  | Qwest Services Corp., Notes:  |              |
| 8,325,000                        | 14.000% due 12/15/10 (d)  | 9,927,563    |
| 2,071,000                        | 14.500% due 12/15/14 (d)  | 2,604,283    |
| 4,175,000                        | SBA Communications Corp., Sr. Notes, 8.500% due 12/1/12 (a)(d)                    | 4,368,094    |
| 850,000                          | SpectraSite, Inc., Sr. Notes, 8.250% due 5/15/10                                  | 911,625      |
|                                  | UbiquiTel Operating Co., Sr. Notes:   |              |
| 1,575,000                        | 9.875% due 3/1/11 (a)   | 1,744,313    |
| 2,325,000                        | 9.875% due 3/1/11 (d)   | 2,574,938    |
| 3,800,000                        | U.S. Unwired Inc., Sr. Secured Notes, Series B, 10.000% due 6/15/12               | 4,256,000    |
| 4,175,000                        | Western Wireless Corp., Sr. Notes, 9.250% due 7/15/13 (a)                         | 4,884,750    |
|                                  |   | 90,449,722   |
| <b>Transportation - 0.4%</b>     |   |              |
|                                  | Continental Airlines, Inc., Pass-Through Certificates:                            |              |
| 1,764,635                        | Series 00-2, 8.312% due 4/2/11  | 1,403,145    |
| 675,000                          | Series 98-3, 7.250% due 11/1/05   | 623,507      |
| 2,336,559                        | Series 981C, 6.541% due 9/15/08   | 2,073,854    |
| 1,675,000                        | General Maritime Corp., Sr. Notes, 10.000% due 3/15/13                            | 1,922,062    |
|                                  |   | 6,022,568    |
| <b>Utilities - 3.9%</b>          |   |              |
|                                  | The AES Corp., Sr. Notes:   |              |

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|           |  |           |
|-----------|--|-----------|
| 1,325,000 | 9.500% due 6/1/09 (a)  | 1,490,625 |
| 1,400,000 | 9.375% due 9/15/10   | 1,590,750 |
| 4,425,000 | 7.750% due 3/1/14 (a)  | 4,707,094 |
| 3,450,000 | Allegheny Energy Supply Statutory Trust 2001, Sr. Secured Notes,<br>10.250% due 11/15/07 (d) | 3,881,250 |

**See Notes to Schedule of Investments.**

## SALOMON BROTHERS HIGH INCOME FUND II INC.

## Schedule of Investments (unaudited) (continued)

January 31, 2005

| FACE<br>AMOUNT                      | SECURITY *  | VALUE      |
|-------------------------------------|---|------------|
| <b>Utilities - 3.9% (continued)</b> |   |            |
|                                     | Calpine Corp., Sr. Secured Notes:                                     |            |
| \$ 500,000                          | 7.875% due 4/1/08 (a)   | \$ 370,000 |
| 6,180,000                           | 8.500% due 7/15/10 (a)(d)   | 4,882,200  |
| 1,575,000                           | 8.750% due 7/15/13 (a)(d)   | 1,204,875  |
| 2,500,000                           | Calpine Generating Co. LLC, Sr. Secured Notes, 11.169% due 4/1/11 (f) | 2,412,500  |
|                                     | Edison Mission Energy, Sr. Notes:                                     |            |
| 4,575,000                           | 7.730% due 6/15/09  | 4,872,375  |
| 5,175,000                           | 9.875% due 4/15/11 (a)  | 6,074,156  |
|                                     | Mirant Americas Generation, LLC, Sr. Notes:                           |            |
| 2,075,000                           | 7.625% due 5/1/06 (b)(c)  | 2,344,750  |
| 2,925,000                           | 9.125% due 5/1/31 (b)(c)  | 3,166,313  |
| 9,350,000                           | NRG Energy, Inc., Sr. Secured Notes, 8.000% due 12/15/13 (d)          | 10,121,375 |
|                                     | Reliant Resources, Inc., Sr. Secured Notes:                           |            |
| 5,325,000                           | 9.250% due 7/15/10  | 5,950,688  |
| 3,975,000                           | 9.500% due 7/15/13  | 4,471,875  |

57,540,826

**TOTAL CORPORATE BONDS & NOTES**

(Cost - \$782,124,062)

**814,728,136****CONVERTIBLE BONDS & NOTES - 0.3%****Technology - 0.1%**

|           |   |           |
|-----------|---|-----------|
| 4,450,000 | Sanmina-SCI Corp., Sub. Debentures, zero coupon due 9/12/20 | 2,347,375 |
|-----------|---|-----------|

**Telecommunications - 0.2%**

|           |   |           |
|-----------|---|-----------|
| 2,675,000 | American Tower Corp., Notes, 5.000% due 2/15/10 (a) | 2,685,031 |
|-----------|---|-----------|

**TOTAL CONVERTIBLE BONDS & NOTES**

(Cost - \$3,601,713)

**5,032,406****FACE  
AMOUNT +****SOVEREIGN BONDS - 23.7%****Argentina - 0.6%**

|           |  |   |
|-----------|--|---|
|           | Republic of Argentina:                       |   |
|           | Argentina Coupon:                            |   |
| 5,675,000 | ARS Series 2701, zero coupon due 1/2/49 (e)  | 0 |
| 5,675,000 | ARS Series 2780, zero coupon due 1/29/49 (e) | 0 |
| 4         | ARS 10.000% due 9/19/08 (b)(c)               | 0 |

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|            |  |           |
|------------|--|-----------|
| 5,810,000  | Discount Bond, Series L-GL, 3.500% due 3/31/23 (b)(c)(f) | 3,253,600 |
| 11,075,000 | Par Bond, Series L-GP, 6.000% due 3/31/23 (b)(c)         | 6,202,000 |

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9,455,600

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**Brazil - 4.8%**

|            |   |            |
|------------|---|------------|
|            | Federative Republic of Brazil:                    |            |
| 12,365,000 | 12.250% due 3/6/30                                | 16,028,131 |
| 35,306,780 | C Bond, 8.000% due 4/15/14                        | 36,156,349 |
| 3,000,000  | Collective Action Securities, 10.500% due 7/14/14 | 3,502,500  |
| 12,203,039 | DCB, Series L, 3.125% due 4/15/12 (f)             | 11,676,783 |

**See Notes to Schedule of Investments.**

## SALOMON BROTHERS HIGH INCOME FUND II INC.

## Schedule of Investments (unaudited) (continued)

January 31, 2005

| FACE<br>AMOUNT +                 | SECURITY *                                      | VALUE      |
|----------------------------------|---|------------|
| <b>Brazil - 4.8% (continued)</b> |   |            |
|                                  | FLIRB, Series L:                                |            |
| \$ 657,692                       | Bearer, 3.063% due 4/15/09 (f)                  | \$ 644,538 |
| 1,869,231                        | Registered, 3.063% due 4/15/09 (f)              | 1,831,846  |
| 1,429,488                        | NMB, Series L, 3.125% due 4/15/09 (f)           | 1,420,554  |
|                                  |   | 71,260,701 |
| <b>Bulgaria - 0.2%</b>           |   |            |
| 2,625,000                        | Republic of Bulgaria, 8.250% due 1/15/15 (d)    | 3,333,750  |
| <b>Chile - 0.4%</b>              |   |            |
| 5,900,000                        | Republic of Chile, 5.500% due 1/15/13           | 6,233,648  |
| <b>Colombia - 1.5%</b>           |   |            |
|                                  | Republic of Colombia:                           |            |
| 325,000                          | 9.750% due 4/23/09                              | 367,900    |
| 4,425,000                        | 10.000% due 1/23/12                             | 5,000,250  |
| 2,500,000                        | 10.750% due 1/15/13                             | 2,931,250  |
| 6,025,000                        | 11.750% due 2/25/20                             | 7,674,344  |
| 4,805,000                        | 10.375% due 1/28/33                             | 5,465,687  |
|                                  |   | 21,439,431 |
| <b>Ecuador - 0.8%</b>            |   |            |
| 10,740,000                       | Republic of Ecuador, 12.000% due 11/15/12 (d)   | 11,169,600 |
| <b>El Salvador - 0.2%</b>        |   |            |
| 3,165,000                        | Republic of El Salvador, 7.750% due 1/24/23 (d) | 3,481,500  |
| <b>Mexico - 4.0%</b>             |   |            |
|                                  | PEMEX Project Funding Master Trust:             |            |
| 3,100,000                        | 6.125% due 8/15/08                              | 3,264,300  |
| 250,000                          | 7.375% due 12/15/14                             | 280,000    |
|                                  | United Mexican States:                          |            |
| 950,000                          | 11.375% due 9/15/16                             | 1,420,250  |
| 1,650,000                        | 8.125% due 12/30/19                             | 1,991,137  |
|                                  | Medium-Term Notes:                              |            |
| 500,000                          | 8.300% due 8/15/31                              | 607,250    |
|                                  | Series A:                                       |            |
| 1,075,000                        | 6.375% due 1/16/13                              | 1,153,475  |
| 12,819,000                       | 5.875% due 1/15/14                              | 13,296,508 |
| 32,795,000                       | 6.625% due 3/3/15                               | 35,590,774 |

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|           |                   |           |
|-----------|-------------------|-----------|
| 2,090,000 | 7.500% due 4/8/33 | 2,342,890 |
|-----------|-------------------|-----------|

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59,946,584

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**Panama - 0.9%**

Republic of Panama:

|           |                             |           |
|-----------|-----------------------------|-----------|
| 2,685,000 | 9.625% due 2/8/11           | 3,168,300 |
| 1,675,000 | 7.250% due 3/15/15          | 1,725,250 |
| 5,545,000 | 9.375% due 1/16/23          | 6,515,375 |
| 400,000   | 8.875% due 9/30/27          | 446,000   |
| 1,689,509 | PDI, 3.750% due 7/17/16 (f) | 1,596,586 |

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13,451,511

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**See Notes to Schedule of Investments.**

**SALOMON BROTHERS HIGH INCOME FUND II INC.****Schedule of Investments (unaudited) (continued)****January 31, 2005**

| FACE<br>AMOUNT +              | SECURITY *  | VALUE        |
|-------------------------------|---|--------------|
| <b>Peru - 1.2%</b>            |   |              |
|                               | Republic of Peru:   |              |
| \$ 2,150,000                  | 9.875% due 2/6/15   | \$ 2,582,688 |
| 4,025,000                     | 8.750% due 11/21/33   | 4,312,788    |
|                               | FLIRB:  |              |
| 10,565,000                    | 4.500% due 3/7/17 (f)   | 9,865,069    |
| 175,000                       | 4.500% due 3/7/17 (d)(f)  | 163,406      |
|                               |   | 16,923,951   |
| <b>The Philippines - 1.0%</b> |   |              |
|                               | Republic of the Philippines:  |              |
| 1,900,000                     | 9.375% due 1/18/17  | 2,028,250    |
| 4,975,000                     | 9.875% due 1/15/19  | 5,288,923    |
| 6,975,000                     | 10.625% due 3/16/25   | 7,707,026    |
|                               |   | 15,024,199   |
| <b>Russia - 4.5%</b>          |   |              |
| 2,975,000                     | Aries Vermögensverwaltungs GmbH, Russian Federation Credit-Linked<br>Notes, Series C, 9.600% due 10/25/14 (d) | 3,692,719    |
|                               | Russian Federation:   |              |
| 2,520,000                     | 11.000% due 7/24/18 (d)   | 3,578,400    |
| 1,925,000                     | 12.750% due 6/24/28 (d)   | 3,238,812    |
| 53,085,000                    | 5.000% due 3/31/30 (d)(f)   | 55,802,952   |
|                               |   | 66,312,883   |
| <b>South Africa - 0.5%</b>    |   |              |
|                               | Republic of South Africa:   |              |
| 575,000                       | 9.125% due 5/19/09  | 677,063      |
| 6,550,000                     | 6.500% due 6/2/14   | 7,213,188    |
|                               |   | 7,890,251    |
| <b>Turkey - 1.4%</b>          |   |              |
|                               | Republic of Turkey:   |              |
| 500,000                       | 11.750% due 6/15/10   | 623,750      |
| 11,175,000                    | 11.500% due 1/23/12   | 14,304,000   |
| 625,000                       | 11.000% due 1/14/13   | 793,750      |
| 3,225,000                     | 11.875% due 1/15/30   | 4,611,750    |
|                               |   | 20,333,250   |

**Ukraine - 0.4%**

Republic of Ukraine:

|           |                         |           |
|-----------|-------------------------|-----------|
| 3,745,107 | 11.000% due 3/15/07 (d) | 4,016,627 |
| 2,150,000 | 7.650% due 6/11/13 (d)  | 2,365,000 |

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6,381,627

**Venezuela - 1.3%**

Bolivarian Republic of Venezuela:

|           |                    |           |
|-----------|--------------------|-----------|
| 7,875,000 | 5.375% due 8/7/10  | 7,262,719 |
| 2,550,000 | 8.500% due 10/8/14 | 2,602,913 |

**See Notes to Schedule of Investments.**

**SALOMON BROTHERS HIGH INCOME FUND II INC.****Schedule of Investments (unaudited) (continued)****January 31, 2005**

| <b>FACE<br/>AMOUNT +</b>                               | <b>SECURITY *</b>  | <b>VA</b>      |
|--|--|----------------|
| <b>Venezuela - 1.3% (continued)</b>                    |  |                |
|  | Collective Action Securities:  |                |
| \$ 7,600,000   | 10.750% due 9/19/13  | \$ 8,797       |
| 500,000  | 9.375% due 1/13/34   | 518            |
| 425,000  | Par Bond, Series A, 6.750% due 3/31/20   | 420            |
|  |  | 19,601         |
| <b>TOTAL SOVEREIGN BONDS</b><br>(Cost - \$329,264,940) |  | <b>352,239</b> |
| <b>LOAN PARTICIPATION (f)(g) - 0.1%</b>                |  |                |
| 1,117,556  | Kingdom of Morocco, Tranche A, 2.781% due 1/2/09<br>(UBS Warburg Securities LLC)(Cost - \$1,104,294) | <b>1,100</b>   |
| <b>SHARES</b>  |  |                |
| <b>COMMON STOCK (c) - 3.0%</b>                         |  |                |
| 52,472   | Mattress Discounters Corp. (e)   |                |
| 229,356  | NTL Inc.   | 15,603         |
| 283,656  | SpectraSite, Inc. (a)  | 16,622         |
| 375,814  | Telewest Global Inc.   | 6,332          |
| 658,202  | UnitedGlobalCom Inc., Class A Shares   | 6,430          |
| <b>TOTAL COMMON STOCK</b> (Cost - \$45,524,670)        |  | <b>44,988</b>  |
| <b>ESCROW SHARES (c)(e) - 0.0%</b>                     |  |                |
| 8,800,000  | BREED Technologies, Inc. (b)(d)  |                |
| 5,500,000  | Imperial Holly Co.   |                |
| 2,025,000  | Pillowtex Corp.  |                |
| 2,648,056  | Vlasic Foods International Inc.  | 238            |
| <b>TOTAL ESCROW SHARES</b> (Cost - \$0)                |  | <b>238</b>     |
| <b>PREFERRED STOCK - 0.5%</b>                          |  |                |
| 6,845  | Alamosa Holdings, Inc., 7.500% Cumulative Convertible, Series B<br>TCR Holding Corp.:                | 6,579          |
| 17,552   | Class B (c)(e)   |                |
| 9,654  | Class C (c)(e)   |                |
| 25,451   | Class D (c)(e)   |                |
| 52,657   | Class E (c)(e)   |                |
| <b>TOTAL PREFERRED STOCK</b> (Cost - \$2,110,899)      |  | <b>6,579</b>   |

**WARRANTS**

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**WARRANTS (c) - 0.2%**

- 1,800 American Tower Escrow Corp. (Exercise price of \$0.01 per share expiring 8/1/08.  
Each warrant exercisable for 14.10 shares of common stock.) (d) 414
- 5,000 Asia Pulp & Paper (Exercise price of \$7.8375 per share expiring on 3/15/05.  
Each warrant exercisable for 12.914 shares of common stock.) (d)(e)
- 3,500 Brown Jordan International Inc., (Exercise price of \$0.01 per share expiring 8/15/07.  
Each warrant exercisable for 0.2298 shares of common stock.) (d)
- 30,928,049 ContiFinancial Corp. Liquidating Trust, Units of Interest. (Represents interests in  
a trust in the liquidation of ContiFinancial Corp. and its affiliates.) 773
- 2,750 Leap Wireless International Inc. (Exercise price of \$96.80 per share expiring 4/15/10.  
Each warrant exercisable for 5.146 shares of common stock.) (d)(e)

**See Notes to Schedule of Investments.**

**SALOMON BROTHERS HIGH INCOME FUND II INC.****Schedule of Investments (unaudited) (continued)****January 31, 2005**

| <b>WARRANTS</b>  | <b>SECURITY *</b>  | <b>VALUE</b>       |
|--|--|--------------------|
| <b>WARRANTS (c) - 0.2% (continued)</b>                                 |  |                    |
| 3,500  | Mattress Discounters Corp. (Exercise price of \$0.01 per share expiring on 7/15/07. Each warrant exercisable for 4.85 shares of Class A common stock and 0.539 shares of Class L common stock.) (d)(e)   | \$ 0               |
| 2,000  | Mueller Holdings, Inc., (Exercise price of \$0.01 per share expiring on 4/15/14. Each warrant exercisable for 109.820 shares of common stock.) (d)   | 140,000            |
| 13,614   | Pillowtex Corp. (Exercise price of \$28.99 per share expiring on 11/24/09. Each warrant exercisable for 1 share of common stock.) (e)  | 14                 |
| 5,000  | Ubiquitel Operating Co. (Exercise price of \$22.74 per share expiring on 4/15/10. Each warrant exercisable for 5.965 shares of common stock.) (d)  | 50                 |
| 57,120   | Bolivarian Republic of Venezuela (Oil-Linked Payment Obligation, expires 4/15/20)  | 856,800            |
| <b>TOTAL WARRANTS &amp; RIGHTS</b><br>(Cost - \$1,141,384)             |  | <b>2,184,996</b>   |
| <b>FACE AMOUNT</b>   |  |                    |
| <b>SHORT-TERM INVESTMENTS - 17.4%</b>                                  |  |                    |
| <b>REPURCHASE AGREEMENTS - 1.8%</b>                                    |  |                    |
| \$ 10,000,000  | Deutsche Bank Securities Inc. dated 1/31/05, 2.500% due 2/1/05; Proceeds at maturity - \$10,000,694; (Fully collateralized by various U.S. government agency obligations, 0.000% to 7.625% due 2/3/05 to 7/15/32; Market value - \$10,200,018) | 10,000,000         |
| 6,101,000  | Morgan Stanley dated 1/31/05, 2.500% due 2/1/05; Proceeds at maturity - \$6,101,424; (Fully collateralized by various U.S. government agency obligations, 0.000% to 6.000% due 5/4/05 to 4/26/24; Market value - \$6,283,073)                  | 6,101,000          |
| 10,000,000   | UBS Securities LLC dated 1/31/05, 2.500% due 2/1/05; Proceeds at maturity - \$10,000,694; (Fully collateralized by various U.S. government agency obligations, 0.000% to 8.050% due 2/4/05 to 8/6/38; Market value - \$10,200,032)             | 10,000,000         |
| <b>TOTAL REPURCHASE AGREEMENTS</b><br>(Cost - \$26,101,000)            |  | <b>26,101,000</b>  |
| <b>SHARES</b>  |  |                    |
| <b>SECURITIES PURCHASED FROM SECURITIES LENDING COLLATERAL - 15.6%</b> |  |                    |
| 232,399,476  | State Street Navigator Securities Lending Trust Prime Portfolio<br>(Cost - \$232,399,476)  | <b>232,399,476</b> |
| <b>TOTAL SHORT-TERM INVESTMENTS</b><br>(Cost - \$258,500,476)          |  | <b>258,500,476</b> |

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**TOTAL INVESTMENTS - 100.0%**

(Cost - \$1,423,372,438\*\*)

**\$ 1,485,593,026**

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**See Notes to Schedule of Investments.**

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**SALOMON BROTHERS HIGH INCOME FUND II INC.**

**Schedule of Investments (unaudited) (continued)**

**January 31, 2005**

- \* All securities except for those that are on loan are segregated as collateral pursuant to a loan agreement and/or reverse repurchase agreements.
- + Face amount denominated in U.S. dollars unless otherwise indicated.
- (a) All or portion of this security is on loan.
- (b) Security is currently in default.
- (c) Non-income producing security.
- (d) 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.
- (e) Security is valued in accordance with fair valuation procedures.
- (f) Rate shown reflects current rate on instrument with variable rate or step coupon rates.
- (g) Participation interest was acquired through the financial institution indicated parenthetically.
- \*\* Aggregate cost for federal income tax purposes is substantially the same.

Abbreviations used in this schedule:

ARS - Argentina Peso.

DCB - Debt Conversion Bond.

FLIRB - Front-Loaded Interest Reduction Bond.

NMB - New Money Bond.

PDI - Past Due Interest.

**See Notes to Schedule of Investments.**

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

**1. Organization and Significant Accounting Policies**

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

The following are significant accounting policies consistently followed by the Fund. These policies are in conformity with U.S. generally accepted accounting principles (GAAP).

**(a) Investment Valuation** In valuing the Fund's assets, all securities for which market quotations are readily available are valued (i) at the last sale price prior to the time of determination if there were a sale on the date of determination, (ii) at the mean between the last current bid and asked prices if there were no sales on such date and bid and asked quotations are available, and (iii) at the bid price if there were no sales price on such date and only bid quotations are available. Publicly traded foreign government debt securities are typically traded internationally in the over-the-counter market, and are valued at the mean between the last current bid and asked price as of the close of business of that market. However, when the spread between bid and asked price exceeds five percent of the par value of the security, the security is valued at the bid price. Securities may also be valued by independent pricing services which use prices provided by market-makers or estimates of market values obtained from yield data relating to instruments or securities with similar characteristics. When market quotations are not readily available, or are determined not to reflect accurately fair value, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded, but before the Fund calculates its net asset value, the Fund may value these investments at fair value as determined in accordance with the procedures approved by the Fund's Board of Directors. Short-term investments having a maturity of 60 days or less are valued at amortized cost, which approximates market value.

**(b) Repurchase Agreements.** When entering into repurchase agreements, it is the Fund's policy that a custodian take possession of the underlying collateral securities, the value of which at least equals the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market to ensure the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited.

**(c) Reverse Repurchase Agreements.** The Fund may enter into reverse repurchase agreements in which the Fund sells portfolio securities and agrees to repurchase them from the buyer at a specified date and price. Whenever the Fund enters into a reverse repurchase agreement, the Fund's custodian delivers liquid assets to the counterparty in an amount at least equal to the repurchase price marked-to-market daily (including accrued interest), and the counterparty subsequently monitors the account to ensure that such equivalent value is maintained. The Fund pays interest on amounts obtained pursuant to reverse repurchase agreements. Reverse repurchase agreements are considered to be borrowings by the Fund. Reverse repurchase agreements involve leverage risk and the risk that the market value of securities purchased

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

with the proceeds from the reverse repurchase agreement may decline below the repurchase price of the securities sold by the Fund which, it is obligated to repurchase.

**(d) Lending of Portfolio Securities.** The Fund has an agreement with its custodian whereby the custodian may lend securities owned by the Fund to brokers, dealers and other financial organizations, and receives a lender's fee. Fees earned by the Fund on securities lending are recorded as investment income. Loans of securities by the Fund are collateralized by cash, U.S. government securities or high quality money market instruments that are maintained at all times in an amount at least equal to the current market value of the loaned securities, plus a margin which may vary depending on the type of securities loaned. The custodian establishes and maintains the collateral in a segregated account. The Fund maintains exposure for the risk of any losses in the investment of amounts received as collateral. The Fund has the right under the lending agreement to recover the securities from the borrower on demand.

**(e) Loan Participations.** The Fund invests in fixed and floating rate loans arranged through private negotiations between a foreign sovereign entity and one or more financial institutions (lenders). The Fund's investment in any such loan may be in the form of a participation in or an assignment of the loan. In connection with purchasing participations, the Fund generally will have no right to enforce compliance by the borrower with the terms of the loan agreement relating to the loan, nor any rights of set-off against the borrower, and the Fund may not benefit directly from any collateral supporting the loan in which it has purchased the participation. As a result, the Fund will assume the credit risk of both the borrower and the lender that is selling the participation. In the event of the insolvency of the lender selling the participation, the Fund may be treated as a general creditor of the lender and may not benefit from any set-off between the lender and the borrower. When the Fund purchases assignments from lenders, the Fund will acquire direct rights against the borrower on the loan, except that under certain circumstances such rights may be more limited than those held by the assigning lender. The Fund may have difficulty disposing of participation/assignments because the market for certain instruments may not be highly liquid.

**(f) Credit and Market Risk.** The yields of emerging markets debt obligations and high-yield corporate debt obligations reflect, among other things, perceived credit and market risk. The Fund's investment in securities rated below investment grade typically involves risks not associated with higher rated securities including, among others, overall greater risk of 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.

**(g) Investment Transactions.** Investment transactions are recorded on a trade date basis.

**2. Investments**

At January 31, 2005, the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were substantially as follows:

|                               |                |
|-------------------------------|----------------|
| Gross unrealized appreciation | \$ 108,769,877 |
| Gross unrealized depreciation | (46,549,289)   |
| Net unrealized appreciation   | \$ 62,220,588  |

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

Transactions in reverse repurchase agreements for the Fund during the period ended January 31, 2005 were as follows:

| <b>Average<br/>Daily<br/>Balance</b> | <b>Weighted<br/>Average<br/>Interest Rate</b> | <b>Maximum<br/>Amount<br/>Outstanding</b> |
|--------------------------------------|---|---|
| \$70,725,239                         | 1.71%   | \$223,611,250                             |

Interest rates on reverse repurchase agreements ranged from 1.00% to 2.40% during the period ended January 31, 2005.

At January 31, 2005, the Fund had the following open reverse repurchase agreements outstanding:

| <b>Face<br/>Amount</b> | <b>Security</b>   | <b>Value</b>  |
|------------------------|---|---------------|
| \$ 10,739,750          | Reverse Repurchase Agreement with UBS Financial Services Inc., dated 8/20/04 bearing 1.550% to be repurchased at \$10,908,528 on 8/20/05, collateralized by: \$10,000,000 Federative Republic of Brazil, 12.250% due 3/6/30; Market value (including receive interest) - \$13,463,329                 | \$ 10,739,750 |
| 12,576,000             | Reverse Repurchase Agreement with JPMorgan Chase & Co., dated 12/16/04 bearing 1.900% to be repurchased at \$12,818,263 on 12/16/05, collateralized by: \$12,000,000 United Mexican States, Medium-Term Notes, Series A, 5.875% due 1/15/14; Market value (including receive interest) - \$12,480,108 | 12,576,000    |
| 29,770,000             | Reverse Repurchase Agreement with JPMorgan Chase & Co., dated 12/16/04 bearing 1.950% to be repurchased at \$30,358,578 on 12/16/05, collateralized by: \$26,000,000 Federative Republic of Brazil, C Bond, 8.000% due 4/15/14; Market value (including receive interest) - \$27,245,795              | 29,770,000    |
| 15,281,000             | Reverse Repurchase Agreement with JPMorgan Chase & Co., dated 12/16/04 bearing 2.150% to be repurchased at \$15,614,105 on 12/16/05, collateralized by: \$14,000,000 United Mexican States, Medium-Term Notes, 6.625% due 3/3/15; Market value (including receive interest) - \$15,580,286            | 15,281,000    |
| 6,678,000              | Reverse Repurchase Agreement with JPMorgan Chase & Co., dated 12/16/04 bearing 2.250% to be repurchased at \$6,830,342 on 12/16/05, collateralized by: \$7,000,000 Bolivarian Republic of Venezuela, 5.375% due 8/7/10; Market value (including receive interest) - \$6,637,741                       | 6,678,000     |
| 32,532,500             | Reverse Repurchase Agreement with CS First Boston Corp., dated 1/11/05 bearing 2.400% to be repurchased at \$33,324,124 on 1/11/06, collateralized by: \$35,000,000 Russian Federation, 5.000% due 3/31/30; Market value (including receive interest) - \$37,391,424                                  | 32,532,500    |

**Total Reverse Repurchase Agreements**

(Cost - \$107,577,250 )

**\$ 107,577,250**

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

At January 31, 2005, the Fund loaned securities having a market value of \$227,297,561. The Fund received cash collateral amounting to \$232,399,476 which was invested in the State Street Navigator Securities Lending Trust Prime Portfolio, a Rule 2a-7 money market fund, registered under the 1940 Act.

At January 31, 2005, the Fund held one loan participation with a total cost of \$1,104,294 and a total market value of \$1,100,792.

**3. Loan**

At January 31, 2005, the Fund had outstanding a \$300,000,000 loan pursuant to a revolving credit and security agreement with Crown Capital Company LLC, and Citicorp North America Inc. (CNA), an affiliate of SBAM. In addition, CNA acts as administrative agent. The loans generally bear interest at a variable rate based on the weighted average interest rates of the underlying commercial paper or LIBOR, plus any applicable margin. Securities held by the Fund are subject to a lien, granted to the lenders, to the extent of the borrowing outstanding and any additional expenses.

ITEM 2. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the disclosure controls and procedures required by Rule 30a-3(b) under the 1940 Act and 15d-15(b) under the Securities Exchange Act of 1934
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are likely to materially affect the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940, as amended, are attached hereto.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

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

By           /s/ R. Jay Gerken          

R. Jay Gerken  
Chief Executive Officer

Date: March 29, 2005

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 29, 2005

By           /s/ Frances M. Guggino          

Frances M. Guggino  
Chief Financial Officer

Date: March 29, 2005

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