

WESTERN ASSET MUNICIPAL PARTNERS FUND II INC.
Form N-CSRS
March 09, 2007

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

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number **811-7812**

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

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

10004
(Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

300 First Stamford Place, 4th Floor

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

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

Date of fiscal year **June 30**
end:

Date of reporting period: **December 31, 2006**

ITEM 1.

REPORT TO STOCKHOLDERS.

The **Semi-Annual** Report to Stockholders is filed herewith.

**Western Asset
Municipal Partners Fund II Inc.**

SEMI-ANNUAL

REPORT

DECEMBER 31, 2006

INVESTMENT PRODUCTS: NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE

**Western Asset
Municipal Partners Fund II Inc.**

Semi-Annual Report December 31, 2006

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The Fund's primary investment objective is to seek a high level of current income, which is exempt from regular federal income taxes,* consistent with the preservation of capital. As a secondary investment objective, the Fund intends to enhance portfolio value by purchasing tax exempt securities that, in the opinion of the investment manager, may appreciate in value relative to other similar obligations in the marketplace.	Financial Highlights	13
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* Certain investors may be subject to the Federal Alternative Minimum Tax, and state and local taxes may apply. Capital gains, if any, are fully taxable. Please consult your personal tax advisor.

Letter from the Chairman

Dear Shareholder,

U.S. economic growth was mixed during the six-month reporting period. Gross domestic product (GDP) increased a sharp 5.6% in the first quarter of 2006, its highest reading since the third quarter of 2003. In the second quarter of 2006, GDP growth was 2.6% and it further moderated to 2.0% in the third quarter. The economy then strengthened in the fourth quarter, due largely to increased consumer spending. Over this time, the advance estimate for GDP growth was 3.5%.

R. JAY GERKEN, CFA
Chairman, President and
Chief Executive Officer

After increasing the federal funds rateⁱⁱ to 5.25% in June its 17th consecutive rate hike the Federal Reserve Board (Fedⁱ) paused from raising rates at its next five meetings. In its statement accompanying the January 2007 meeting, the Fed stated, Recent indicators have suggested somewhat firmer economic growth, and some tentative signs of stabilization have appeared in the housing market. Readings on core inflation have improved modestly in recent months, and inflation pressures seem likely to moderate over time.

After a prolonged period of rising interest rates, both short- and long-term yields declined over the reporting period. After peaking in late June when two- and 10-year Treasuries hit 5.29% and 5.25%, respectively rates fell sharply as the Fed paused from its tightening cycle. In addition, inflationary pressures eased as oil prices fell after reaching a record high in mid-July. Overall, during the six months ended December 31, 2006, two-year Treasury yields fell to 4.82% versus 5.16% when the reporting began. Over the same period, 10-year Treasury yields declined from 5.15% to 4.71%.

Looking at the municipal market, it lagged its taxable bond counterparts over the six months ended December 31, 2006. Over that period, the Lehman Brothers Municipal Bond Indexiv and the Lehman Brothers U.S. Aggregate Indexv, returned 4.55% and 5.09%, respectively.

Western Asset Municipal Partners Fund II Inc. I

Performance Review

For the six months ended December 31, 2006, the Western Asset Municipal Partners Fund II Inc. returned 6.43% based on its net asset value (NAV)vi and 10.51% based on its New York Stock Exchange (NYSE) market price per share. In comparison, the Fund s unmanaged benchmark, the Lehman Brothers Municipal Bond Index returned 4.55%, for the same time frame. The Lipper General Municipal Debt (Leveraged) Closed-End Funds Category Averagevii increased 6.39%. Please note that Lipper performance returns are based on each fund s NAV per share.

During this six-month period, the Fund made distributions to shareholders totaling \$0.27 per share. The performance table shows the Fund s six-month total return based on its NAV and market price as of December 31, 2006. **Past performance is no guarantee of future results.**

Performance Snapshot as of December 31, 2006 (unaudited)

Price Per Share	6-Month Total Return
\$14.53 (NAV)	6.43%
\$13.06 (Market Price)	10.51%

All figures represent past performance and are not a guarantee of future results.

Total returns are based on changes in NAV or market price, respectively. Total returns assume the reinvestment of all distributions, if any, in additional shares

Special Shareholder Notices

Effective August 1, 2006, Legg Mason Partners Fund Advisor, LLC (LMPFA) became the Fund s investment manager. Western Asset Management Company (Western Asset) became the Fund s subadviser under a new sub-advisory agreement between LMPFA and Western Asset. LMPFA and Western Asset are wholly-owned subsidiaries of Legg Mason, Inc. The portfolio managers who are responsible for the day-to-day management of the Fund remained the same immediately prior to and immediately after the date of these changes. LMPFA provides administrative and certain oversight services to the Fund. LMPFA has delegated to the subadviser the day-to-day management of the Fund. The management fee for the Fund remains unchanged.

II Western Asset Municipal Partners Fund II Inc.

Prior to October 9, 2006, the Fund was known as Salomon Brothers Municipal Partners Fund II Inc.

Information About Your Fund

As you may be aware, several issues in the mutual fund industry (not directly affecting closed-end investment companies, such as this Fund) have come under the scrutiny of federal and state regulators. Affiliates of the Fund's manager have, in recent years, received requests for information from various government regulators regarding market timing, late trading, fees, and other mutual fund issues in connection with various investigations. The regulators appear to be examining, among other things, the open-end funds' response to market timing and shareholder exchange activity, including compliance with prospectus disclosure related to these subjects. The Fund is not in a position to predict the outcome of these requests and investigations, or whether these may affect the Fund.

Important information with regard to recent regulatory developments that may affect the Fund is contained in the Notes to Financial Statements included in this report.

Looking for Additional Information?

The Fund is traded under the symbol *MPT* and its closing market price is available in most newspapers under the NYSE listings. The daily NAV is available on-line under symbol *XMPTX* on most financial websites. *Barron's* and *The Wall Street Journal's* Monday edition both carry closed-end fund tables that provide additional information. In addition, the Fund issues a quarterly press release that can be found on most major financial websites as well as www.leggmason.com/InvestorServices.

In a continuing effort to provide information concerning the Fund, shareholders may call 1-888-777-0102 (toll free), Monday through Friday from 8:00 a.m. to 6:00 p.m. Eastern Time, for the Fund's current NAV, market price and other information.

As always, thank you for your confidence in our stewardship of your assets. We look forward to helping you meet your financial goals.

Sincerely,

R. Jay Gerken, CFA
Chairman, President and Chief Executive Officer

January 31, 2007

The information provided is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed may differ from those of the firm as a whole.

RISKS: An investment in the Fund is subject to risk, including the possible loss of the principal amount that you invest in the Fund. Certain investors may be subject to the Federal Alternative Minimum Tax (AMT), and state and local taxes will apply. Capital gains, if any, are fully taxable. As interest rates rise, bond prices fall, reducing the value of the Fund's fixed income securities. Lower-rated higher-yielding bonds are subject to greater credit risk, than higher-rated obligations.

All index performance reflects no deduction for fees, expenses or taxes. Please note that an investor cannot invest directly in an index.

- i Gross domestic product is a market value of goods and services produced by labor and property in a given country.
- ii The federal funds rate is the interest rate that banks with excess reserves at a Federal Reserve district bank charge other banks that need overnight loans.
- iii The Federal Reserve Board is responsible for the formulation of a policy designed to promote economic growth, full employment, stable prices, and a sustainable pattern of international trade and payments.
- iv The Lehman Brothers Municipal Bond Index is a broad measure of the municipal bond market with maturities of at least one year.

- v The Lehman Brothers U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.
- vi NAV is calculated by subtracting total liabilities and outstanding preferred stock from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is at the Fund's market price as determined by supply of and demand for the Fund's shares.
- vii Lipper, Inc. is a major independent mutual-fund tracking organization. Returns are based on the 6-month period ended December 31, 2006, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 56 funds in the Fund's Lipper category.

IV Western Asset Municipal Partners Fund II Inc.

Fund at a Glance (unaudited)

Investment Breakdown

As a Percentage of Total Investments

Schedule of Investments (December 31, 2006) (unaudited)

WESTERN ASSET MUNICIPAL PARTNERS FUND II INC.

Face Amount	Rating	Security	Value
MUNICIPAL BONDS 95.4%			
California 11.4%			
\$ 1,000,000	A3(a)	California Health Facilities Financing Authority Revenue, Cedars-Sinai Medical Center, 5.000% due 11/15/34	\$ 1,039,260
1,500,000	A+	California State, GO, 5.125% due 6/1/24	1,563,405
2,500,000	AAA	Huntington Beach, CA, Union High School District, GO, Election 2004, FSA-Insured, 5.000% due 8/1/29	2,642,050
3,000,000	AAA	Los Angeles, CA, Department of Water & Power Revenue, Power Systems, Subordinated Series A-1, FSA-Insured, 5.000% due 7/1/35	3,183,390
1,000,000	AAA	Mojave Water Agency, Improvement California District M, GO, Refunding, Electric of 1990-Morongo Basin, AMBAC-Insured, 5.000% due 9/1/18	1,089,810
2,500,000	AAA	Napa Valley, CA, Community College District GO, Election of 2002, Series B, MBIA-Insured, Call 8/1/15 @ 100, 5.000% due 8/1/23 (b)	2,740,650
2,500,000	AAA	Turlock, CA, Public Financing Authority, Tax Allocation Revenue, FSA-Insured, 5.000% due 9/1/30	2,655,450
		Total California	14,914,015
Colorado 5.4%			
1,750,000	BBB+	Colorado Health Facilities Authority Revenue: Poudre Valley Health Care, Series F, 5.000% due 3/1/25	1,806,752
5,000,000	A+	Refunding Adventist Health, Sunbelt, Series D, 5.250% due 11/15/35 (c)	5,308,850
		Total Colorado	7,115,602
Connecticut 2.5%			
3,000,000	AAA	Connecticut State Special Tax Obligation Revenue, Transportation Infrastructure, Series A, AMBAC-Insured, 5.000% due 7/1/23	3,214,500
Illinois 12.5%			
1,000,000	AAA	Chicago, IL, Board of Education, GO, Chicago School Reform, AMBAC-Insured, Call 12/1/07 @ 102, 5.750% due 12/1/27 (b)	1,038,810
1,750,000	AAA	Chicago, IL, Midway Airport Revenue, Series B, MBIA-Insured, 5.625% due 1/1/29 (d)	1,769,652
3,000,000	AAA	Chicago, IL, Park District, Refunding, Series D, FGIC-Insured, 5.000% due 1/1/29	3,185,340
1,000,000	AAA	Chicago, IL, Public Building Commission, Building Revenue, Chicago School Reform, Series B, FGIC-Insured, 5.250% due 12/1/18	1,121,620
250,000	AAA	Cook County, IL, Refunding GO, Series A, MBIA-Insured, 5.625% due 11/15/16	256,463
1,000,000	AA+		1,083,260

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		Illinois EFA Revenue, Northwestern University, 5.500% due 12/1/13	
1,850,000	AAA	Illinois Health Facilities Authority Revenue: Refunding, SSM Health Care, MBIA-Insured, 6.550% due 6/1/13 (e)	2,125,169
2,000,000	AAA	Servantoor Project, Series A, FSA-Insured, 6.000% due 8/15/12 (e)	2,199,080
605,000	A	South Suburban Hospital Project, 7.000% due 2/15/18 (e)	718,450

See Notes to Financial Statements.

2 Western Asset Municipal Partners Fund II Inc. 2006 Semi-Annual Report

Schedule of Investments (December 31, 2006) (unaudited) (continued)

	Face Amount	Rating	Security	Value
Illinois 12.5% (continued)				
\$	2,645,000	AAA	Illinois State, Sales Tax Revenue, 5.500% due 6/15/16	\$ 2,839,090
			Total Illinois	16,336,934
Indiana 2.8%				
	160,000	AAA	Indiana Bond Bank Revenue, Series B: 5.000% due 8/1/23	165,895
	90,000	AAA	Call 8/1/10 @ 101, 5.000% due 8/1/23 (b)	94,778
	1,195,000	AAA	Indiana Health Facility Financing Authority, Hospital Revenue, Community Hospital Project, Series A, AMBAC-Insured, 5.000% due 5/1/35	1,254,738
	2,000,000	BBB+	Indiana State DFA Environment Improvement Revenue, USX Corp. Project, 5.250% due 12/1/22	2,137,880
			Total Indiana	3,653,291
Maryland 4.6%				
	1,500,000	Baa1(a)	Maryland State Health & Higher Educational Facilities Authority Revenue: Carroll County General Hospital, 6.000% due 7/1/37	1,619,640
	1,500,000	A	Suburban Hospital, Series A, 5.500% due 7/1/16	1,631,970
	500,000	A	University of Maryland Medical Systems, 6.000% due 7/1/32	544,340
	2,000,000	Aaa(a)	Northeast Maryland Waste Disposal Authority, Solid Waste Revenue, AMBAC-Insured, 5.500% due 4/1/16 (d)	2,152,760
			Total Maryland	5,948,710
Massachusetts 2.1%				
	2,125,000	AAA	Massachusetts State Water Pollution Abatement Trust Revenue, MWRA Program, Series A: 5.750% due 8/1/29	2,248,144
	525,000	AAA	Call 8/1/09 @ 101, 5.750% due 8/1/29 (b)	557,833
			Total Massachusetts	2,805,977
Michigan 2.1%				
	1,000,000	AAA	Detroit, MI, City School District, GO, School Building & Site Improvement, Series A, FGIC-Insured, Call 5/1/13 @ 100, 5.500% due 5/1/17 (b)	1,102,010
	1,500,000	AA-	Michigan State, Hospital Finance Authority Revenue, Trinity Health, Series C, 5.375% due 12/1/30	1,595,550
			Total Michigan	2,697,560
Missouri 2.8%				
	2,500,000	AA	Missouri State Environmental Improvement & Energy Research Authority: PCR Refunding Revenue, Associated Electric Co-op Thomas Hill, 5.500% due 12/1/10	2,528,500
	1,000,000	Aaa(a)	Water Pollution Refunding Revenue, State Revolving Funds, Program A, 5.000% due 7/1/20	1,113,530
			Total Missouri	3,642,030

See Notes to Financial Statements.

Schedule of Investments (December 31, 2006) (unaudited) (continued)

Face Amount	Rating	Security	Value
New Jersey 2.9%			
\$ 2,500,000	AAA	New Jersey EDA: Motor Vehicle Surcharges Revenue, Series A, MBIA-Insured, 5.250% due 7/1/16	\$ 2,727,975
1,000,000	AAA	Water Facilities Revenue, New Jersey American Water Co. Inc. Project, Series A, FGIC-Insured, 6.875% due 11/1/34 (d)	1,002,540
		Total New Jersey	3,730,515
New York 15.9%			
2,415,000	A-	Long Island Power Authority, NY, Electric System Revenue, Gen-Series B, 5.000% due 12/1/35	2,550,506
		New York City, NY, GO: Series A:	
10,000	AA-	6.000% due 5/15/30	10,739
990,000	AA-	Call 5/15/10 @ 101, 6.000% due 5/15/30 (b)	1,073,002
1,500,000	AA-	Series G, 5.000% due 12/1/33	1,571,865
2,000,000	AA+	New York City, NY, Municipal Water Finance Authority, Water & Sewer Systems Revenue, Series D, 5.000% due 6/15/37	2,108,540
4,500,000	AAA	New York City, NY, TFA Revenue, Series A, 5.500% due 11/15/17	4,914,225
5,000,000	AAA	New York State Dormitory Authority Revenue, Court Facilities Lease, NYC Issue, AMBAC-Insured, 5.500% due 5/15/25	5,925,900
2,385,000	AAA	New York State Environmental Facilities Corp., State Clean Water & Drinking, NYC Municipal Water Finance Authority, Series A, 5.000% due 6/15/17	2,605,684
		Total New York	20,760,461
North Carolina 3.3%			
4,000,000	AA+	University of North Carolina, University Revenue, Series A, 5.000% due 12/1/34	4,254,640
Ohio 0.9%			
1,000,000	AAA	Cincinnati, OH, City School District, GO, Refunding, Classroom Construction & Improvement, FGIC-Insured, 5.250% due 12/1/31	1,180,180
Pennsylvania 1.8%			
2,000,000	AAA	Allegheny County, PA, Airport Authority, Airport Revenue, Refunding, Pittsburgh International, Series B, MBIA-Insured, 5.000% due 1/1/17 (d)	2,136,360
250,000	AAA	Philadelphia, PA, School District GO, Series A, FSA-Insured, Call 2/1/12 @ 100, 5.500% due 2/1/31 (b)	271,295
		Total Pennsylvania	2,407,655

See Notes to Financial Statements.

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Schedule of Investments (December 31, 2006) (unaudited) (continued)

Face Amount	Rating	Security	Value
Puerto Rico 1.4%			
\$ 1,600,000	AAA	Puerto Rico Commonwealth Highway & Transportation Authority, Highway Revenue, Series X, FSA-Insured, 5.500% due 7/1/15	\$ 1,804,784
Tennessee 1.0%			
1,200,000	AAA	Memphis-Shelby County, TN, Airport Authority Revenue, Series D, AMBAC-Insured, 6.000% due 3/1/24 (d)	1,281,336
55,000	AA	Tennessee Housing Development Agency Revenue, Homeownership Program, Series 2B, 6.350% due 1/1/31 (d)	56,149
		Total Tennessee	1,337,485
Texas 13.4%			
2,500,000	AAA	Aledo, TX, GO, ISD, School Building, Series A, PSF-Insured, 5.000% due 2/15/30	2,636,400
330,000	AAA	Austin, TX, Airport Systems Revenue, Series A, MBIA-Insured, Call 11/15/07 @ 100, 6.200% due 11/15/15 (b)(d)	336,778
1,000,000	Aaa(a)	Edgewood, TX, GO, ISD, Bexar County, PSF-Insured, 5.250% due 2/15/17	1,090,890
3,500,000	AAA	Houston, TX, Utility System Revenue, Combined First Lien, FSA-Insured, 5.000% due 11/15/35	3,694,915
1,600,000	AAA	Lake Dallas, TX, GO, ISD, School Building, PSF-Insured, 5.000% due 8/15/34	1,678,464
1,000,000	AAA	Mesquite, TX, Independent School District No. 1, GO, Capital Appreciation, Series A, PSFG-Insured, zero coupon bond to yield 5.169% due 8/15/27	365,770
1,380,000	AAA	North Harris Montgomery Community College District, TX, GO, FGIC-Insured, 5.375% due 2/15/16	1,480,271
2,225,000	Aaa(a)	Northwest Texas, GO, ISD, PSF-Insured, 5.250% due 8/15/18	2,431,925
1,000,000	BBB-	Sabine River Authority, Texas Pollution Control, Refunding, Remarketed 11/29/05, 5.200% due 5/1/28	1,035,390
1,500,000	AAA	Texas State Turnpike Authority Revenue, First Tier, Series A, AMBAC-Insured, 5.500% due 8/15/39	1,619,370
1,000,000	AAA	Williamson County, TX, GO, MBIA-Insured, 5.250% due 2/15/21	1,102,330
		Total Texas	17,472,503
Virginia 3.4%			
2,915,000	AAA	Greater Richmond, VA, Convention Center Authority, Hotel Tax Revenue, Convention Center Expansion Project, Call 6/15/10 @ 101, 6.125% due 6/15/20 (b)	3,168,780
1,260,000	AA+	Virginia State Public Building Authority, Public Facilities Revenue, Series A, 5.000% due 8/1/11	1,331,228
		Total Virginia	4,500,008
Washington 5.2%			
1,900,000	AAA		2,028,744

Chelan County, WA, Public Utility District, Chelan
Hydro System No.1, Construction Revenue, Series A,
AMBAC-Insured, 5.450% due 7/1/37 (d)

See Notes to Financial Statements.

Western Asset Municipal Partners Fund II Inc. 2006 Semi-Annual Report

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Schedule of Investments (December 31, 2006) (unaudited) (continued)

	Face Amount	Rating	Security	Value
Washington	5.2% (continued)			
\$	1,000,000	AAA	King County, WA, GO, Refunding, Series B, MBIA-Insured, 5.000% due 1/1/30	\$ 1,018,770
	2,000,000	AAA	Port of Seattle, WA, Revenue, Refunding, Intermediate Lien, Series A, MBIA-Insured, 5.000% due 3/1/30	2,115,260
	400,000	AAA	Seattle, WA, GO, Series B, FSA-Insured, Call 12/1/09 @ 101, 5.750% due 12/1/28 (b)	427,588
	1,200,000	AAA	Washington State Public Power Supply System Revenue, Nuclear Project No. 1, Series A, MBIA-Insured, 5.125% due 7/1/17	1,244,292
			Total Washington	6,834,654
			TOTAL INVESTMENTS BEFORE	
			SHORT-TERM INVESTMENTS	
			(Cost \$120,608,530)	124,611,504
SHORT-TERM INVESTMENTS(f)	4.6%			
Colorado	0.4%			
	500,000	VMIG1(a)	Colorado Educational & Cultural Facilities Authority, JFMC Facilities Corp., LOC-Bank of America, 4.000%, 1/2/07	500,000
Missouri	1.1%			
	1,400,000	A-1+	Missouri Development Finance Board Cultural Facilities Revenue, Nelson Gallery Foundation, Series A, SPA-JPMorgan Chase, 3.980%, 1/2/07	1,400,000
Texas	2.8%			
	3,600,000	A-1+	Harris County, TX, Health Facilities Development Corp. Revenue, Refunding, Methodist Hospital Systems, Series A, 3.990%, 1/2/07	3,600,000
Wisconsin	0.2%			
	300,000	A-1+	Wisconsin State, HEFA Revenue., Gundersen Lutheran, Series B, FGIC-Insured, SPA-Dexia Credit Local, 4.050%, 1/2/07	300,000