

ALLIANCE WORLD DOLLAR GOVERNMENT FUND II INC
Form N-Q
August 29, 2006

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-07732

ALLIANCE WORLD DOLLAR GOVERNMENT FUND II, INC.

(Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York, New York 10105
(Address of principal executive offices) (Zip code)

Mark R. Manley
AllianceBernstein L.P.
1345 Avenue of the Americas
New York, New York 10105
(Name and address of agent for service)

Registrant's telephone number, including area code: (800) 221-5672

Date of fiscal year end: March 31, 2007

Date of reporting period: June 30, 2006

ITEM 1. SCHEDULE OF INVESTMENTS.

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ALLIANCE WORLD DOLLAR GOVERNMENT FUND II
PORTFOLIO OF INVESTMENTS
June 30, 2006 (unaudited)

| | Principal Amount (000) | U.S. \$ Value |
|-----------------------------------|------------------------------|---------------|
| | ----- | ----- |
| SOVEREIGN DEBT OBLIGATIONS--83.0% | | |
| Argentina--5.5% | | |
| Republic of Argentina | | |
| 0.00%, 12/15/35(a) | \$ 3 | \$ 257 |
| 4.889%, 8/03/12(b) | 40,342 | 37,279,354 |
| 8.28%, 12/31/33(c) | 13,461 | 11,980,020 |
| Series V | | |
| 7.00%, 3/28/11 | 2,985 | 2,769,914 |
| | | ----- |
| | | 52,029,545 |
| | | ----- |

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| | | |
|----------------------------|-----------|---------------|
| Brazil--14.0% | | |
| Federal Republic of Brazil | | |
| 7.125%, 1/20/37 (c) | 29,261 | 27,505,340 |
| 8.00%, 1/15/18 | 9,038 | 9,526,052 |
| 8.25%, 1/20/34 | 28,324 | 29,740,200 |
| 8.875%, 10/14/19 | 8,144 | 8,958,400 |
| 11.00%, 8/17/40 (c) | 45,915 | 56,934,599 |
| | | ----- |
| | | 132,664,591 |
| | | ----- |
| Bulgaria--0.4% | | |
| Republic of Bulgaria | | |
| 8.25%, 1/15/15 (d) | 3,204 | 3,609,306 |
| | | ----- |
| Colombia--2.5% | | |
| Republic of Colombia | | |
| 10.75%, 1/15/13 | 8,057 | 9,458,918 |
| 11.75%, 2/25/20 | 10,919 | 14,276,593 |
| | | ----- |
| | | 23,735,511 |
| | | ----- |
| Costa Rica--0.4% | | |
| Republic of Costa Rica | | |
| 8.05%, 1/31/13 (d) | 1,669 | 1,752,450 |
| 8.11%, 2/01/12 (d) | 1,964 | 2,067,110 |
| | | ----- |
| | | 3,819,560 |
| | | ----- |
| Dominican Republic--0.2% | | |
| Dominican Republic | | |
| 4.75%, 9/27/11 (d) | 2,101 | 2,205,828 |
| | | ----- |
| Ecuador--2.2% | | |
| Republic of Ecuador | | |
| 9.00%, 8/15/30 (d) (e) | 17,823 | 17,193,453 |
| 9.375%, 12/15/15 (d) | 3,834 | 3,795,660 |
| | | ----- |
| | | 20,989,113 |
| | | ----- |
| El Salvador--1.1% | | |
| Republic of El Salvador | | |
| 7.625%, 9/21/34 (d) | 2,290 | 2,370,150 |
| 7.65%, 6/15/35 (d) | 3,691 | 3,580,270 |
| 8.50%, 7/25/11 (d) | 3,700 | 4,005,250 |
| | | ----- |
| | | 9,955,670 |
| | | ----- |
| | Principal | |
| | Amount | |
| | (000) | U.S. \$ Value |
| | ----- | ----- |
| Indonesia--1.8% | | |
| Republic of Indonesia | | |
| 6.75%, 3/10/14 (d) | \$ 8,585 | \$ 8,370,375 |
| 6.875%, 3/09/17 (d) | 3,954 | 3,855,150 |
| 7.25%, 4/20/15 (d) | 2,480 | 2,458,920 |
| 8.50%, 10/12/35 (d) | 2,048 | 2,191,360 |
| | | ----- |
| | | 16,875,805 |

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| | | |
|-------------------------|--------|-------------|
| ----- | | |
| Jamaica--0.3% | | |
| Government of Jamaica | | |
| 10.625%, 6/20/17 | 2,332 | 2,530,220 |
| ----- | | |
| Lebanon--1.2% | | |
| Lebanese Republic | | |
| 7.875%, 5/20/11 (d) | 2,475 | 2,518,313 |
| 10.125%, 8/06/08 (d) | 7,501 | 7,951,060 |
| 11.625%, 5/11/16 (d) | 1,114 | 1,378,575 |
| ----- | | |
| | | 11,847,948 |
| ----- | | |
| Malaysia--1.1% | | |
| Malaysia | | |
| 8.75%, 6/01/09 | 9,420 | 10,127,593 |
| ----- | | |
| Mexico--13.5% | | |
| United Mexican States | | |
| 7.50%, 1/14/12 | 7,400 | 7,844,000 |
| 8.125%, 12/30/19 | 42,200 | 47,685,999 |
| 11.375%, 9/15/16 | 11,110 | 15,081,825 |
| Series A | | |
| 6.375%, 1/16/13 | 2,782 | 2,788,955 |
| 8.00%, 9/24/22 | 37,632 | 41,865,599 |
| 9.875%, 2/01/10 | 11,800 | 13,275,000 |
| ----- | | |
| | | 128,541,378 |
| ----- | | |
| Nigeria--1.8% | | |
| Central Bank of Nigeria | | |
| 6.25%, 11/15/20 (e) | 17,250 | 17,186,175 |
| ----- | | |
| Panama--3.0% | | |
| Republic of Panama | | |
| 6.70%, 1/26/36 | 2,929 | 2,596,559 |
| 7.125%, 1/29/26 | 4,794 | 4,626,210 |
| 7.25%, 3/15/15 | 600 | 606,000 |
| 8.875%, 9/30/27 | 6,113 | 6,871,012 |
| 9.375%, 7/23/12-4/01/29 | 6,885 | 7,854,225 |
| 9.625%, 2/08/11 | 5,206 | 5,752,630 |
| ----- | | |
| | | 28,306,636 |
| ----- | | |
| Peru--2.4% | | |
| Republic of Peru | | |
| 7.35%, 7/21/25 (c) | 2,097 | 2,055,060 |
| 8.375%, 5/03/16 | 4,791 | 5,126,370 |
| 8.75%, 11/21/33 (c) | 13,866 | 15,217,935 |
| 9.875%, 2/06/15 | 157 | 183,690 |
| ----- | | |
| | | 22,583,055 |
| ----- | | |
| Philippines--6.5% | | |
| Republic of Philippines | | |
| 7.75%, 1/14/31 (c) | 6,378 | 6,314,220 |
| 8.25%, 1/15/14 | 12,842 | 13,323,575 |

Principal
Amount

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| | (000) | U.S. \$ Value |
|----------------------------------|--------|---------------|
| | ----- | ----- |
| 8.375%, 2/15/11 | \$ 684 | \$ 707,940 |
| 8.875%, 3/17/15 (c) | 17,505 | 18,756,608 |
| 9.00%, 2/15/13 | 4,775 | 5,001,813 |
| 9.875%, 1/15/19 | 12,750 | 14,694,375 |
| 10.625%, 3/16/25 (c) | 2,055 | 2,537,925 |
| | | ----- |
| | | 61,336,456 |
| | | ----- |
| Russia--12.4% | | |
| Russian Federation | | |
| 5.00%, 3/31/30 (d) (e) | 37,641 | 39,898,930 |
| 11.00%, 7/24/18 (d) | 4,340 | 5,978,350 |
| Russian Ministry of Finance | | |
| Series V | | |
| 3.00%, 5/14/08 | 70,752 | 66,775,737 |
| Series VII | | |
| 3.00%, 5/14/11 | 5,870 | 5,033,525 |
| | | ----- |
| | | 117,686,542 |
| | | ----- |
| Turkey--4.2% | | |
| Republic of Turkey | | |
| 6.875%, 3/17/36 | 18,028 | 14,963,240 |
| 7.00%, 6/05/20 (c) | 12,100 | 10,799,250 |
| 7.375%, 2/05/25 | 2,142 | 1,927,800 |
| 8.00%, 2/14/34 | 900 | 846,000 |
| 11.00%, 1/14/13 | 5,500 | 6,223,250 |
| 11.875%, 1/15/30 (c) | 3,935 | 5,347,665 |
| | | ----- |
| | | 40,107,205 |
| | | ----- |
| Ukraine--0.9% | | |
| Government of Ukraine | | |
| 7.65%, 6/11/13 (d) | 4,970 | 4,994,850 |
| 11.00%, 3/15/07 (d) | 3,743 | 3,804,896 |
| | | ----- |
| | | 8,799,746 |
| | | ----- |
| Uruguay--1.4% | | |
| Republic of Uruguay | | |
| 5.875%, 1/15/33 (f) | 4,246 | 3,842,730 |
| 7.50%, 3/15/15 | 3,691 | 3,534,133 |
| 8.00%, 11/18/22 | 2,296 | 2,204,160 |
| 9.25%, 5/17/17 | 3,488 | 3,737,392 |
| | | ----- |
| | | 13,318,415 |
| | | ----- |
| Venezuela--6.2% | | |
| Republic of Venezuela | | |
| 5.75%, 2/26/16 | 3,751 | 3,338,390 |
| 6.09%, 4/20/11 (b) (d) | 3,050 | 3,042,375 |
| 7.00%, 12/01/18 (d) | 3,540 | 3,363,000 |
| 8.50%, 10/08/14 | 5,081 | 5,373,158 |
| 9.25%, 9/15/27 (c) | 11,981 | 14,065,694 |
| 10.75%, 9/19/13 | 19,646 | 23,437,678 |
| 13.625%, 8/15/18 | 4,499 | 6,411,075 |
| | | ----- |
| | | 59,031,370 |
| | | ----- |
| Total Sovereign Debt Obligations | | |

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(cost \$758,899,847) 787,287,668

| | Principal Amount (000) | U.S. \$ Value |
|--|------------------------------|---------------|
| | ----- | ----- |
| CORPORATE DEBT OBLIGATIONS--11.4% | | |
| Brazil--0.3% | | |
| Banco BMG, SA | | |
| 9.15%, 1/15/16(d) | \$ 3,300 | \$ 3,250,500 |
| | | ----- |
| Cayman Islands--0.2% | | |
| C&M Finance Ltd. | | |
| 8.10%, 2/01/16(d) | 1,405 | 1,341,775 |
| | | ----- |
| Hong Kong--0.4% | | |
| Noble Group Ltd. | | |
| 6.625%, 3/17/15(d) | 4,731 | 4,101,091 |
| | | ----- |
| Indonesia--0.5% | | |
| Freeport-McMoran Copper & Gold | | |
| 10.125%, 2/01/10 | 4,800 | 5,094,000 |
| | | ----- |
| Jamaica--0.3% | | |
| Digicel Ltd. | | |
| 9.25%, 9/01/12(d) | 3,009 | 3,144,405 |
| | | ----- |
| Kazakhstan--0.6% | | |
| Kazkommerts International BV | | |
| 8.50%, 4/16/13(d) | 3,000 | 3,075,000 |
| TengizChevroil Finance Co. | | |
| 6.124%, 11/15/14(d) | 2,569 | 2,482,296 |
| | | ----- |
| | | 5,557,296 |
| | | ----- |
| Mexico--0.4% | | |
| America Movil SA de CV | | |
| 6.375%, 3/01/35 | 923 | 800,703 |
| Monterrey Power SA de CV | | |
| 9.625%, 11/15/09(d) | 2,526 | 2,725,582 |
| | | ----- |
| | | 3,526,285 |
| | | ----- |
| Panama--0.3% | | |
| AES El Salvador Trust | | |
| 6.75%, 2/01/16(d) | 3,100 | 2,855,881 |
| | | ----- |
| People's Republic of China--0.4% | | |
| Chooda Modern Agricultural Holdings Ltd. | | |
| 7.75%, 2/08/10(d) | 3,808 | 3,750,880 |
| | | ----- |
| Peru--0.5% | | |
| Southern Copper Corp. | | |
| 6.375%, 7/27/15 | 4,524 | 4,325,034 |
| | | ----- |
| Romania--0.4% | | |
| MobiFon Holdings BV | | |
| 12.50%, 7/31/10 | 3,075 | 3,482,438 |
| | | ----- |

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| | | |
|---------------------------|--------|------------|
| Russia--6.8% | | |
| Aries Vermögensverwaltnng | | |
| 9.60%, 10/25/14(d) | 21,750 | 27,009,149 |
| Citigroup (JSC Severstal) | | |
| 9.25%, 4/19/14(d) | 2,256 | 2,340,374 |
| Evrax Group, SA | | |
| 8.25%, 11/10/15(d) | 3,933 | 3,824,843 |
| Gallery Capital, SA | | |
| 10.125%, 5/15/13(d) | 1,667 | 1,488,631 |

| | Shares or Principal Amount (000) | U.S. \$ Value |
|--|---|----------------|
| | ----- | ----- |
| Gazprom Oao | | |
| 9.625%, 3/01/13(d) | \$ 16,100 | \$ 18,233,250 |
| Gazstream, SA | | |
| 5.625%, 7/22/13(d) | 1,898 | 1,845,708 |
| Mobile Telesystems Finance | | |
| 9.75%, 1/30/08(d) | 5,390 | 5,545,055 |
| Russian Standard Finance | | |
| 7.50%, 10/07/10(d) | 3,412 | 3,181,690 |
| Tyumen Oil | | |
| 11.00%, 11/06/07(d) | 1,075 | 1,129,288 |
| | | ----- |
| | | 64,597,988 |
| | | ----- |
| Ukraine--0.3% | | |
| Kyivstar | | |
| 7.75%, 4/27/12(d) | 900 | 867,375 |
| 10.375%, 8/17/09(d) | 1,800 | 1,912,500 |
| | | ----- |
| | | 2,779,875 |
| | | ----- |
| Total Corporate Debt Obligations | | |
| (cost \$108,772,339) | | 107,807,448 |
| | | ----- |
| WARRANTS(g)--0.1% | | |
| Central Bank of Nigeria | | |
| Warrants, expiring 11/15/20 | 9,500 | 1,425,000 |
| Republic of Venezuela | | |
| Warrants, expiring 4/15/20 | 25,000 | 0 |
| | | ----- |
| Total Warrants | | |
| (cost \$0) | | 1,425,000 |
| | | ----- |
| SHORT-TERM INVESTMENT--20.0% | | |
| Time Deposit--20.0% | | |
| Societe Generale | | |
| 5.281%,7/03/06 | | |
| (cost \$189,800,000) | \$189,800 | 189,800,000 |
| | | ----- |
| Total Investments--114.5% | | |
| (cost \$1,057,472,186) | | 1,086,320,116 |
| Other assets less liabilities--(14.5%) | | (137,588,588) |
| | | ----- |
| Net Assets--100% | | \$ 948,731,528 |
| | | ----- |

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CREDIT DEFAULT SWAP CONTRACTS

| Swap Counterparty & Referenced Obligation | Notional Amount (000) | Interest Rate | Termination Date | Unrealized Appreciation/ (Depreciation) |
|---|-----------------------------|------------------|---------------------|---|
| Buy Contracts: | | | | |
| Citigroup Global Markets, Inc. Republic of Colombia 8.375%, 2/15/27 | \$ 4,250 | 3.02% | 1/20/10 | \$ (294,395) |
| Citigroup Global Markets, Inc. Republic of Hungary 4.50%, 2/06/13 | 3,075 | 0.50 | 11/26/13 | 30,969 |
| JPMorgan Chase & Co. Republic of Hungary 4.50%, 2/06/13 | 11,300 | 0.30 | 10/20/15 | 343,671 |
| Sale Contracts: | | | | |
| Citigroup Global Markets, Inc. Federal Republic of Brazil 12.25%, 3/06/30 | 19,047 | 1.98 | 4/20/07 | 332,105 |
| Citigroup Global Markets, Inc. Federal Republic of Brazil 12.25%, 3/06/30 | 18,840 | 3.09 | 8/20/10 | 1,328,688 |
| Citigroup Global Markets, Inc. Republic of Colombia 8.375%, 2/15/27 | 8,600 | 1.13 | 1/20/07 | 85,057 |
| Citigroup Global Markets, Inc. Republic of Philippines 10.625%, 3/16/25 | 4,070 | 4.95 | 3/20/09 | 397,434 |
| Credit Suisse First Boston Federal Republic of Brazil 12.25%, 3/6/30 | 5,800 | 6.90 | 6/20/07 | 378,938 |
| Credit Suisse First Boston Federal Republic of Brazil 12.25%, 3/06/30 | 13,570 | 3.17 | 10/20/15 | 663,659 |
| Deutsche Bank AG London Federal Republic of Brazil 12.25%, 3/06/30 | 19,047 | 1.90 | 4/20/07 | 316,920 |
| JPMorgan Chase & Co. Oao Gazprom 5.875%-10.50%, 4/25/07-6/01/15 | 12,210 | 1.04 | 10/20/10 | (62,950) |
| Morgan Stanley Federal Republic of Brazil 10.125%, 5/15/27 | 7,200 | 17.75 | 2/13/08 | 2,436,855 |
| Morgan Stanley Federal Republic of Brazil 12.25%, 3/06/30 | 5,120 | 3.80 | 8/20/06 | 96,367 |

REVERSE REPURCHASE AGREEMENTS

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| Broker | Rate | Interest Maturity | Amount |
|---------------------|-------|----------------------|---------------|
| JPMorgan Chase & Co | 1.35% | 7/03/06 | \$ 1,474,776 |
| JPMorgan Chase & Co | 1.50 | 7/03/06 | 5,250,494 |
| JPMorgan Chase & Co | 2.00 | 7/03/06 | 5,626,804 |
| JPMorgan Chase & Co | 2.50 | 7/13/06 | 5,294,494 |
| JPMorgan Chase & Co | 3.50 | 7/03/06 | 2,441,186 |
| JPMorgan Chase & Co | 3.50 | 7/03/06 | 2,035,455 |
| JPMorgan Chase & Co | 4.25 | 12/29/06 | 5,412,443 |
| JPMorgan Chase & Co | 4.40 | 7/03/06 | 18,706,765 |
| JPMorgan Chase & Co | 4.75 | 7/13/06 | 56,788,380 |
| | | | |
| JPMorgan Chase & Co | 4.75 | 12/29/06 | 15,245,374 |
| JPMorgan Chase & Co | 4.80 | 7/03/06 | 10,410,936 |
| UBS AG LONDON | 4.85 | 12/29/06 | 20,771,948 |
| UBS AG LONDON | 5.10 | 12/29/06 | 13,348,725 |
| | | | ----- |
| | | | \$162,807,780 |
| | | | ===== |

- (a) Variable rate coupon, rate shown as of June 30,2006.
- (b) Floating rate security, stated interest rate was in effect at June 30, 2006.
- (c) Security or a portion of the security has been pledged as collateral for reverse repurchase agreements. At the period end, the value of securities pledged amounted to \$164,197,617.
- (d) Securities are exempt from registration under Rule 144A of the Securities Act of 1933. These securities are considered liquid and may be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2006, the aggregate market value of these securities amounted to \$224,490,904 or 23.7% of net assets.
- (e) Coupon increases periodically based upon a predetermined schedule. Stated interest rate in effect at June 30, 2006. (f) Pay-In-Kind Payments (PIK).
- (g) Non-income producing security.

Glossary of Terms:
 DCB - Debt Conversion Bonds
 FRN - Floating Rate Note

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) are effective at the reasonable assurance level based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no changes in the registrant's internal controls over financial reporting that occurred during the second fiscal quarter of the period that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

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The following exhibits are attached to this Form N-Q:

| EXHIBIT NO. | DESCRIPTION OF EXHIBIT |
|-------------|--|
| 3 (a) (1) | Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 3 (a) (2) | Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |

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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.

(Registrant Alliance World Dollar Government Fund II, Inc.

By: /s/ Marc O. Mayer

Marc O. Mayer
President

Date: August 21, 2006

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/ Marc O. Mayer

Marc O. Mayer
President

Date: August 21, 2006

By: /s/ Joseph J. Mantineo

Joseph J. Mantineo
Treasurer and Chief Financial Officer

Date: August 21, 2006

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