

BLACKROCK MUNICIPAL INCOME TRUST II
Form N-CSRS
May 05, 2005

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: 811-21126

BlackRock Municipal Income Trust II
(Exact name of registrant as specified in charter)

100 Bellevue Parkway, Wilmington, DE

19809

(Address of principal executive offices)

(Zip code)

Robert S. Kapito, President

BlackRock Municipal Income Trust II
40 East 52nd Street, New York, NY 10022

(Name and address of agent for service)

Registrant's telephone number, including area code: 888-825-2257

Date of fiscal year end: August 31, 2005

Date of reporting period: February 28, 2005

Item 1. Reports to Shareholders.

The Registrant's semi-annual report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940 is as follows:

FIXED INCOME

LIQUIDITY

EQUITIES

ALTERNATIVES

BLACKROCK SOLUTIONS

BlackRock Closed-End Funds Semi-Annual Report

February 28, 2005 (UNAUDITED)

BlackRock Insured Municipal Income Trust (BYM)

BlackRock Municipal Bond Trust (BBK)

BlackRock Municipal Income Trust II (BLE)

BlackRock California Insured Municipal Income Trust (BCK)

BlackRock California Municipal Bond Trust (BZA)

BlackRock California Municipal Income Trust II (BCL)

BlackRock Florida Insured Municipal Income Trust (BAF)

BlackRock Florida Municipal Bond Trust (BIE)

BlackRock Maryland Municipal Bond Trust (BZM)

BlackRock New Jersey Municipal Bond Trust (BLJ)

BlackRock New York Insured Municipal Income Trust (BSE)

BlackRock New York Municipal Bond Trust (BQH)

BlackRock New York Municipal Income Trust II (BFY)

BlackRock Virginia Municipal Bond Trust (BHV)

NOT FDIC INSURED
MAY LOSE VALUE
NO BANK GUARANTEE

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Privacy Principles of the Trusts

The Trusts are committed to maintaining the privacy of shareholders and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information the Trusts collect, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, the Trusts do not receive any non-public personal information relating to their shareholders, although certain non-public personal information of shareholders may become available to the Trusts. The Trusts do not disclose any non-public personal information about their shareholders or former shareholders to anyone, except as permitted by law or as is necessary in order to service shareholder accounts (for example, to a transfer agent or third party administrator).

The Trusts restrict access to non-public personal information about their shareholders to BlackRock employees with a legitimate business need for the information. The Trusts maintain physical, electronic and procedural safeguards designed to protect the non-public personal information of their shareholders.

LETTER TO SHAREHOLDERS

February 28, 2005

Dear Shareholder:

We are pleased to report that during the semi-annual period, the Trusts provided monthly income, as well as the opportunity to invest in various portfolios of municipal securities. This report contains the Trusts' unaudited financial statements and a listing of the portfolios' holdings.

The portfolio management team continuously monitors the municipal bond market and adjusts the portfolios in order to gain exposure to various issuers, revenue sources and security types. This strategy enables the Trusts to move among different sectors, credits and coupons to capitalize on changing market conditions.

The following table shows the Trusts' current yields, tax-equivalent yields, closing market prices per share and net asset values (NAV) per share as of February 28, 2005.

Trust (Ticker)	Current Yield¹	Tax-Equivalent Yield¹	Closing Market Price	NAV
BlackRock Insured Municipal Income Trust (BYM)	6.42%	9.88%	\$14.60	\$15.24
BlackRock Municipal Bond Trust (BBK)	6.92	10.65	14.98	15.82
BlackRock Municipal Income Trust II (BLE)	6.91	10.63	14.54	15.20
BlackRock California Insured Municipal Income Trust (BCK)	6.37	9.80	14.13	14.88
BlackRock California Municipal Bond Trust (BZA)	6.57	10.11	14.55	15.69
BlackRock California Municipal Income Trust II (BCL)	6.78	10.43	14.38	14.79
BlackRock Florida Insured Municipal Income Trust (BAF)	6.02	9.26	14.96	14.96
BlackRock Florida Municipal Bond Trust (BIE)	6.25	9.62	14.94	16.06
BlackRock Maryland Municipal Bond Trust (BZM)	5.59	8.60	15.31	15.85
BlackRock New Jersey Municipal Bond Trust (BLJ)	6.17	9.49	15.28	15.78
BlackRock New York Insured Municipal Income Trust (BSE)	6.28	9.66	14.32	14.96
BlackRock New York Municipal Bond Trust (BQH)	6.38	9.82	14.50	15.80
BlackRock New York Municipal Income Trust II (BFY)	6.47	9.95	14.60	14.91
BlackRock Virginia Municipal Bond Trust (BHV)	5.26	8.09	16.51	16.08

¹ Yields are based on closing market price. Tax-equivalent yield assumes the maximum Federal tax rate of 35%.

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BlackRock, Inc. (BlackRock), a world leader in asset management, has a proven commitment to the municipal bond market. As of February 28, 2005, BlackRock and its affiliates managed over \$22 billion in municipal bonds, including seven open-end and 37 closed-end municipal bond funds. BlackRock is recognized for its emphasis on risk management and proprietary analytics and for its reputation managing money for the world's largest institutional investors. BlackRock Advisors, Inc., and its affiliate, BlackRock Financial Management, Inc., which manage the Trusts, are wholly owned subsidiaries of BlackRock.

On behalf of BlackRock, we thank you for your continued trust and assure you that we remain committed to excellence in managing your assets.

Sincerely,

Laurence D. Fink
Chief Executive Officer
BlackRock Advisors, Inc.

Ralph L. Schlosstein
President
BlackRock Advisors, Inc.

TRUST SUMMARIES (unaudited)
FEBRUARY 28, 2005

BlackRock Insured Municipal Income Trust (BYM)

Trust Information

Symbol on New York Stock Exchange:	BYM
Initial Offering Date:	October 31, 2002
Closing Market Price as of 2/28/05:	\$14.60
Net Asset Value as of 2/28/05:	\$15.24
Yield on Closing Market Price as of 2/28/05 (\$14.60): ¹	6.42%
Current Monthly Distribution per Common Share: ²	\$ 0.078125
Current Annualized Distribution per Common Share: ²	\$ 0.937500
Leverage as of 2/28/05: ³	36%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

² The distribution is not constant and is subject to change.

³ As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

The table below summarizes the changes in the Trust's market price and NAV:

	2/28/05	8/31/04	Change	High	Low
Market Price	\$14.60	\$13.97	4.51%	\$14.90	\$13.25
NAV	\$15.24	\$14.62	4.24%	\$15.55	\$14.60

The following charts show the portfolio composition and credit quality allocations of the Trust's long-term investments:

Sector Breakdown

Sector	February 28, 2005	August 31, 2004
Water & Sewer	35%	32%
Transportation	25	23
Education	7	7

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City, County & State	6	5
Lease Revenue	5	5
Tobacco	5	10
Power	5	5
Hospitals	4	5
Resource Recovery	3	□
Industrial & Pollution Control	3	3
Tax Revenue	2	5

Credit Breakdown⁴

Credit Rating	February 28, 2005	August 31, 2004
AAA/Aaa	87%	82%
A	4	4
BBB/Baa	9	14

⁴ Using the higher of Standard & Poor's (S&P's), Moody's Investors Service (Moody's) or Fitch Ratings (Fitch's) rating.

TRUST SUMMARIES (unaudited)
FEBRUARY 28, 2005

BlackRock Municipal Bond Trust (BBK)

Trust Information

Symbol on New York Stock Exchange:	BBK
Initial Offering Date:	April 30, 2002
Closing Market Price as of 2/28/05:	\$14.98
Net Asset Value as of 2/28/05:	\$15.82
Yield on Closing Market Price as of 2/28/05 (\$14.98): ¹	6.92%
Current Monthly Distribution per Common Share: ²	\$ 0.086375
Current Annualized Distribution per Common Share: ²	\$ 1.036500
Leverage as of 2/28/05: ³	36%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

² The distribution is not constant and is subject to change.

³ As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

The table below summarizes the changes in the Trust's market price and NAV:

	2/28/05	8/31/04	Change	High	Low
Market Price	\$14.98	\$14.61	2.53%	\$15.35	\$14.11
NAV	\$15.82	\$15.00	5.47%	\$16.05	\$14.97

The following charts show the portfolio composition and credit quality allocations of the Trust's long-term investments:

Sector Breakdown

Sector	February 28, 2005	August 31, 2004
Hospitals	21%	20%
Housing	15	9
Industrial & Pollution Control	15	13

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City, County & State	14	17
Water & Sewer	8	5
Transportation	7	9
Tax Revenue	7	6
Lease Revenue	6	6
Power	3	3
Tobacco	2	5
Education	2	2
Other	□	5

Credit Breakdown⁴

Credit Rating	February 28, 2005	August 31, 2004
AAA/Aaa	34%	29%
A	22	28
BBB/Baa	28	30
BB/Ba	4	1
B	5	4
Not Rated ⁵	7	8

⁴ Using the higher of S&P's, Moody's or Fitch's rating.

⁵ The investment advisor has deemed certain of the non-rated securities to be of investment grade quality. As of August 31, 2004, the market value of these securities was \$5,679,867 representing 2.5% of the Trust's long-term investments.

TRUST SUMMARIES (unaudited)
FEBRUARY 28, 2005

BlackRock Municipal Income Trust II (BLE)

Trust Information

Symbol on American Stock Exchange:	BLE
Initial Offering Date:	July 30, 2002
Closing Market Price as of 2/28/05:	\$14.54
Net Asset Value as of 2/28/05:	\$15.20
Yield on Closing Market Price as of 2/28/05 (\$14.54): ¹	6.91%
Current Monthly Distribution per Common Share: ²	\$ 0.08375
Current Annualized Distribution per Common Share: ²	\$ 1.00500
Leverage as of 2/28/05: ³	37%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

² The distribution is not constant and is subject to change.

³ As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

The table below summarizes the changes in the Trust's market price and NAV:

	2/28/05	8/31/04	Change	High	Low
Market Price	\$14.54	\$13.92	4.45%	\$14.93	\$13.75
NAV	\$15.20	\$14.34	6.00%	\$15.45	\$14.31

The following charts show the portfolio composition and credit quality allocations of the Trust's long-term investments:

Sector Breakdown

Sector	February 28, 2005	August 31, 2004
Hospitals	23%	23%
City, County & State	17	20

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Industrial & Pollution Control	16	18
Housing	9	8
Transportation	9	8
Tax Revenue	7	4
Water & Sewer	7	5
Lease Revenue	6	6
Tobacco	4	5
Power	2	2
Education	□	1

Credit Breakdown⁴

Credit Rating	February 28, 2005	August 31, 2004
AAA/Aaa	25%	23%
AA/Aa	7	7
A	19	20
BBB/Baa	26	29
BB/Ba	3	1
B	4	2
CCC/Caa	2	4
Not Rated ⁵	14	14

⁴ Using the higher of S&P's, Moody's or Fitch's rating.

⁵ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2005 and August 31, 2004, the market value of these securities was \$13,721,257 representing 2.6% and \$13,739,067 representing 2.7%, respectively, of the Trust's long-term investments.

TRUST SUMMARIES (unaudited)
FEBRUARY 28, 2005

BlackRock California Insured Municipal Income Trust (BCK)

Trust Information

Symbol on the New York Stock Exchange:	BCK
Initial Offering Date:	October 31, 2002
Closing Market Price as of 2/28/05:	\$14.13
Net Asset Value as of 2/28/05:	\$14.88
Yield on Closing Market Price as of 2/28/05 (\$14.13): ¹	6.37%
Current Monthly Distribution per Common Share: ²	\$ 0.075
Current Annualized Distribution per Common Share: ²	\$ 0.900
Leverage as of 2/28/05: ³	37%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

² The distribution is not constant and is subject to change.

³ As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

The table below summarizes the changes in the Trust's market price and NAV:

	2/28/05	8/31/04	Change	High	Low
Market Price	\$14.13	\$14.00	0.93%	\$14.55	\$13.41
NAV	\$14.88	\$14.01	6.21%	\$15.24	\$13.98

The following charts show the portfolio composition and credit quality allocations of the Trust's long-term investments:

Sector Breakdown

Sector	February 28, 2005	August 31, 2004
Water & Sewer	31%	30%
Education	25	23
City, County & State	16	11

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Tobacco	□	11
Power	11	10
Lease Revenue	10	9
Transportation	5	4
Housing	2	2
Tax Revenue	□	□

Credit Breakdown⁴

Credit Rating	February 28, 2005	August 31, 2004
AAA/Aaa	91%	81%
A	9	8
BBB/Baa	□	11

⁴ Using the higher of S&P's, Moody's or Fitch's rating.

TRUST SUMMARIES (unaudited)
FEBRUARY 28, 2005

BlackRock California Municipal Bond Trust (BZA)

Trust Information

Symbol on New York Stock Exchange:	BZA
Initial Offering Date:	April 30, 2002
Closing Market Price as of 2/28/05:	\$14.55
Net Asset Value as of 2/28/05:	\$15.69
Yield on Closing Market Price as of 2/28/05 (\$14.55): ¹	6.57%
Current Monthly Distribution per Common Share: ²	\$ 0.079656
Current Annualized Distribution per Common Share: ²	\$ 0.955872
Leverage as of 2/28/05: ³	36%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

² The distribution is not constant and is subject to change.

³ As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

The table below summarizes the changes in the Trust's market price and NAV:

	2/28/05	8/31/04	Change	High	Low
Market Price	\$14.55	\$13.90	4.68%	\$14.95	\$13.75
NAV	\$15.69	\$14.67	6.95%	\$15.91	\$14.65

The following charts show the portfolio composition and credit quality allocations of the Trust's long-term investments:

Sector Breakdown

Sector	February 28, 2005	August 31, 2004
Education	26%	24%
Hospitals	20	18
Housing	16	13

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City, County & State	13	12
Transportation	8	5
Lease Revenue	7	7
Tobacco	4	11
Water & Sewer	4	3
Industrial & Pollution Control	2	2
Other	□	5

Credit Breakdown⁴

Credit Rating	February 28, 2005	August 31, 2004
AAA/Aaa	30%	22%
AA/Aa	5	4
A	33	31
BBB/Baa	21	26
B	2	1
CCC/Caa	□	1
Not Rated ⁵	9	15

⁴ Using the higher of S&P's, Moody's or Fitch's rating.

⁵ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2005 and August 31, 2004, the market value of these securities was \$4,398,246 representing 5.9% and \$8,834,282 representing 11.6%, respectively, of the Trust's long-term investments.

TRUST SUMMARIES (unaudited)
FEBRUARY 28, 2005

BlackRock California Municipal Income Trust II (BCL)

Trust Information

Symbol on American Stock Exchange:	BCL
Initial Offering Date:	July 30, 2002
Closing Market Price as of 2/28/05:	\$14.38
Net Asset Value as of 2/28/05:	\$14.79
Yield on Closing Market Price as of 2/28/05 (\$14.38): ¹	6.78%
Current Monthly Distribution per Common Share: ²	\$ 0.08125
Current Annualized Distribution per Common Share: ²	\$ 0.97500
Leverage as of 2/28/05: ³	38%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

² The distribution is not constant and is subject to change.

³ As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

The table below summarizes the changes in the Trust's market price and NAV:

	2/28/05	8/31/04	Change	High	Low
Market Price	\$14.38	\$13.71	4.89%	\$14.84	\$13.52
NAV	\$14.79	\$13.77	7.41%	\$15.07	\$13.77

The following charts show the portfolio composition and credit quality allocations of the Trust's long-term investments:

Sector Breakdown

Sector

February 28, 2005