

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Form N-Q

August 28, 2013

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

FORM N-Q

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

Investment Company Act file number 811-07920

Western Asset High Income Opportunity Fund Inc.
(Exact name of registrant as specified in charter)

620 Eighth Avenue, 49th Floor, New York, NY
(Address of principal executive offices)

10018
(Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

100 First Stamford Place

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

Registrant's telephone number, including area code: (888)777-0102

Date of fiscal year end: September 30

Date of reporting period: June 30, 2013

ITEM 1.

SCHEDULE OF INVESTMENTS.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

FORM N-Q

June 30, 2013

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited)

June 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
CORPORATE BONDS & NOTES	88.8%			
CONSUMER DISCRETIONARY	15.8%			
Auto Components	0.2%			
American Axle & Manufacturing Inc., Senior Notes	6.625%	10/15/22	430,000 \$	438,600
Hertz Holdings Netherlands BV, Senior Secured Bonds	8.500%	7/31/15	300,000EUR	409,043(a)
<i>Total Auto Components</i>				<i>847,643</i>
Automobiles	0.3%			
Chrysler Group LLC/CG Co.-Issuer Inc., Secured Notes	8.250%	6/15/21	1,140,000	1,263,975
Jaguar Holding Co. II/Jaguar Merger Sub Inc., Senior Notes	9.500%	12/1/19	530,000	588,300(a)
<i>Total Automobiles</i>				<i>1,852,275</i>
Diversified Consumer Services	0.9%			
Laureate Education Inc., Senior Notes	9.250%	9/1/19	980,000	1,053,500(a)
Service Corp. International, Senior Notes	7.500%	4/1/27	1,280,000	1,404,800
ServiceMaster Co., Senior Notes	8.000%	2/15/20	320,000	320,800
ServiceMaster Co., Senior Notes	7.000%	8/15/20	1,220,000	1,163,575
StoneMor Partners LP/Cornerstone Family Services of WV, Senior Notes	7.875%	6/1/21	920,000	906,200(a)
<i>Total Diversified Consumer Services</i>				<i>4,848,875</i>
Hotels, Restaurants & Leisure	5.7%			
Bossier Casino Venture Holdco Inc., Senior Secured Bonds	14.000%	2/9/18	1,356,781	1,298,134(a)(b)(c)(d)
Boyd Gaming Corp., Senior Notes	9.125%	12/1/18	260,000	272,350
Boyd Gaming Corp., Senior Notes	9.000%	7/1/20	1,715,000	1,747,156
Caesars Entertainment Operating Co. Inc., Senior Secured Notes	10.000%	12/15/15	410,000	356,700
Caesars Entertainment Operating Co. Inc., Senior Secured Notes	11.250%	6/1/17	1,220,000	1,273,375
Caesars Operating Escrow LLC/Caesars Escrow Corp., Senior Secured Notes	9.000%	2/15/20	1,540,000	1,478,400(a)
Caesars Operating Escrow LLC/Caesars Escrow Corp., Senior Secured Notes	9.000%	2/15/20	160,000	153,200(a)
Carrols Restaurant Group Inc., Senior Secured Notes	11.250%	5/15/18	1,400,000	1,582,000
CCM Merger Inc., Senior Notes	9.125%	5/1/19	1,710,000	1,795,500(a)
Downstream Development Quapaw, Senior Secured Notes	10.500%	7/1/19	1,320,000	1,405,800(a)
El Pollo Loco Inc., Secured Notes	17.000%	1/1/18	1,334,294	1,421,037(a)(b)
Fontainebleau Las Vegas Holdings LLC/Fontainebleau Las Vegas Capital Corp., Senior Secured Notes	10.250%	6/15/15	445,000	834(a)(e)
Hoa Restaurant Group LLC/Hoa Finance Corp., Senior Secured Notes	11.250%	4/1/17	1,630,000	1,638,150(a)
Landry s Holdings II Inc., Senior Notes	10.250%	1/1/18	750,000	780,000(a)
Landry s Inc., Senior Notes	9.375%	5/1/20	3,598,000	3,813,880(a)
MGM Resorts International, Senior Notes	5.875%	2/27/14	1,430,000	1,469,325
Mohegan Tribal Gaming Authority, Secured Notes	11.500%	11/1/17	60,000	66,600(a)

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Mohegan Tribal Gaming Authority, Senior Secured Notes	10.500%	12/15/16	3,270,000	3,204,600(a)
Pinnacle Entertainment Inc., Senior Notes	8.625%	8/1/17	800,000	837,000
Rivers Pittsburgh Borrower LP/Rivers Pittsburgh Finance Corp., Senior Secured Notes	9.500%	6/15/19	341,000	369,985(a)
Seven Seas Cruises S de RL LLC, Senior Secured Notes	9.125%	5/15/19	1,960,000	2,087,400
Snoqualmie Entertainment Authority, Senior Secured Notes	9.125%	2/1/15	2,898,000	2,859,964(a)
<i>Total Hotels, Restaurants & Leisure</i>				<i>29,911,390</i>

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

June 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Household Durables 0.3%				
William Lyon Homes Inc., Senior Notes	8.500%	11/15/20	1,520,000 \$	1,660,600(a)
Media 5.9%				
Carmike Cinemas Inc., Secured Notes	7.375%	5/15/19	530,000	572,400
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	8.125%	4/30/20	3,000,000	3,292,500
Clear Channel Worldwide Holdings Inc., Senior Notes	6.500%	11/15/22	870,000	900,450(a)
Clear Channel Worldwide Holdings Inc., Senior Notes	6.500%	11/15/22	450,000	463,500(a)
Clear Channel Worldwide Holdings Inc., Senior Subordinated Notes	7.625%	3/15/20	130,000	134,550
CSC Holdings LLC, Senior Notes	6.750%	11/15/21	500,000	541,250
DISH DBS Corp., Senior Notes	6.625%	10/1/14	20,000	20,900
DISH DBS Corp., Senior Notes	7.125%	2/1/16	70,000	76,125
DISH DBS Corp., Senior Notes	7.875%	9/1/19	1,085,000	1,220,625
DISH DBS Corp., Senior Notes	6.750%	6/1/21	2,020,000	2,156,350
Global Generations Merger Subsidiary Inc., Senior Notes	11.000%	12/15/20	1,070,000	1,187,700(a)
Good Sam Enterprises LLC, Secured Notes	11.500%	12/1/16	1,660,000	1,776,200
Lynx II Corp., Senior Notes	6.375%	4/15/23	2,890,000	2,926,125(a)
MDC Partners Inc., Senior Notes	6.750%	4/1/20	250,000	250,625(a)
Nara Cable Funding Ltd., Senior Secured Notes	8.875%	12/1/18	2,000,000	2,090,000(a)
NET Servicos de Comunicacao SA, Bonds	7.500%	1/27/20	100,000	109,500
Ono Finance II PLC, Senior Bonds	10.875%	7/15/19	1,940,000	2,027,300(a)
Univision Communications Inc., Senior Notes	8.500%	5/15/21	1,320,000	1,409,100(a)
Univision Communications Inc., Senior Secured Notes	6.875%	5/15/19	1,430,000	1,508,650(a)
Univision Communications Inc., Senior Secured Notes	7.875%	11/1/20	1,220,000	1,326,750(a)
Univision Communications Inc., Senior Secured Notes	6.750%	9/15/22	240,000	253,200(a)
UPC Holding BV, Junior Secured Subordinated Notes	6.375%	9/15/22	2,030,000EUR	2,549,866(a)
UPC Holding BV, Senior Notes	9.875%	4/15/18	740,000	806,600(a)
UPCB Finance II Ltd., Senior Notes	6.375%	7/1/20	2,500,000EUR	3,331,409(a)
<i>Total Media</i>				30,931,675
Multiline Retail 0.3%				
Bon-Ton Department Stores Inc., Secured Notes	8.000%	6/15/21	1,320,000	1,348,050(a)
Neiman Marcus Group Inc., Senior Secured Notes	7.125%	6/1/28	330,000	331,650
<i>Total Multiline Retail</i>				1,679,700
Specialty Retail 2.1%				
American Greetings Corp., Senior Notes	7.375%	12/1/21	1,220,000	1,232,200
CST Brands Inc., Senior Notes	5.000%	5/1/23	630,000	617,400(a)
Edcon Pty Ltd., Senior Secured Notes	9.500%	3/1/18	2,180,000	2,049,200(a)
Gymboree Corp., Senior Notes	9.125%	12/1/18	2,250,000	2,126,250
Hot Topic Inc., Senior Secured Notes	9.250%	6/15/21	730,000	742,775(a)
Michaels Stores Inc., Senior Subordinated Bonds	11.375%	11/1/16	873,000	912,294
New Academy Finance Co. LLC/New Academy Finance Corp., Senior Notes	8.000%	6/15/18	280,000	288,400(a)(b)
Spencer Spirit Holdings Inc., Senior Notes	9.000%	5/1/18	2,090,000	2,048,200(a)(b)
	11.000%	5/1/17	1,160,000	1,252,800(a)

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Spencer Spirit Holdings Inc./Spencer Gifts LLC/Spirit Halloween Superstores, Senior Notes					
<i>Total Specialty Retail</i>					<i>11,269,519</i>
Textiles, Apparel & Luxury Goods 0.1%					
Empire Today LLC/Empire Today Finance Corp., Senior Secured Notes	11.375%	2/1/17	810,000		652,050(a)
TOTAL CONSUMER DISCRETIONARY					83,653,727

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

June 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
CONSUMER STAPLES 2.2%				
Food Products 1.2%				
Chiquita Brands International Inc./Chiquita Brands LLC, Senior Secured Notes	7.875%	2/1/21	1,780,000	\$ 1,869,000(a)
Harmony Foods Corp., Senior Secured Notes	10.000%	5/1/16	567,000	599,603(a)
Simmons Foods Inc., Senior Secured Notes	10.500%	11/1/17	3,190,000	3,373,425(a)
Wells Enterprises Inc., Senior Secured Notes	6.750%	2/1/20	650,000	682,500(a)
<i>Total Food Products</i>				6,524,528
Household Products 0.5%				
Harbinger Group Inc., Senior Secured Notes	7.875%	7/15/19	360,000	369,900(a)
Spectrum Brands Escrow Corp., Senior Notes	6.625%	11/15/22	580,000	609,000(a)
Sun Products Corp., Senior Notes	7.750%	3/15/21	1,380,000	1,376,550(a)
<i>Total Household Products</i>				2,355,450
Tobacco 0.5%				
Alliance One International Inc., Senior Notes	10.000%	7/15/16	2,396,000	2,461,890
TOTAL CONSUMER STAPLES				11,341,868
ENERGY 13.8%				
Energy Equipment & Services 2.4%				
Atwood Oceanics Inc., Senior Notes	6.500%	2/1/20	760,000	792,300
Basic Energy Services Inc., Senior Notes	7.750%	10/15/22	90,000	89,325
CGG, Senior Notes	9.500%	5/15/16	720,000	755,100
CGG, Senior Notes	7.750%	5/15/17	410,000	418,200
Gulfmark Offshore Inc., Senior Notes	6.375%	3/15/22	1,240,000	1,236,900
Hercules Offshore Inc., Senior Notes	10.250%	4/1/19	840,000	919,800(a)
Hercules Offshore Inc., Senior Notes	8.750%	7/15/21	1,230,000	1,230,000(a)
Hercules Offshore Inc., Senior Secured Notes	10.500%	10/15/17	2,590,000	2,777,775(a)
Parker Drilling Co., Senior Notes	9.125%	4/1/18	1,650,000	1,753,125
Petroleum Geo-Services ASA, Senior Notes	7.375%	12/15/18	1,030,000	1,125,275(a)
SESI LLC, Senior Notes	7.125%	12/15/21	1,320,000	1,432,200
<i>Total Energy Equipment & Services</i>				12,530,000
Oil, Gas & Consumable Fuels 11.4%				
Alliance Oil Co., Ltd., Senior Notes	7.000%	5/4/20	200,000	182,750(a)
Arch Coal Inc., Senior Notes	8.750%	8/1/16	1,920,000	1,929,600
Arch Coal Inc., Senior Notes	9.875%	6/15/19	690,000	658,950(a)
Atlas Pipeline Partners LP/Atlas Pipeline Finance Corp., Senior Notes	6.625%	10/1/20	470,000	473,525(a)
Berry Petroleum Co., Senior Notes	6.375%	9/15/22	1,430,000	1,431,787
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	9.375%	5/1/19	3,090,000	3,321,750
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	9.375%	5/1/19	80,000	86,000
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	9.625%	8/1/20	70,000	76,475(a)
Carrizo Oil & Gas Inc., Senior Notes	7.500%	9/15/20	770,000	804,650
Chesapeake Energy Corp., Senior Notes	6.875%	11/15/20	550,000	599,500

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Chesapeake Energy Corp., Senior Notes	6.125%	2/15/21	1,360,000	1,434,800
Comstock Resources Inc., Senior Notes	9.500%	6/15/20	1,120,000	1,215,200
CONSOL Energy Inc., Senior Notes	8.250%	4/1/20	1,550,000	1,631,375
Continental Resources Inc., Senior Notes	4.500%	4/15/23	370,000	360,288(a)
Corral Petroleum Holdings AB, Senior Notes	15.000%	12/31/17	2,318,705	2,266,534(a)(b)(c)
Crosstex Energy LP/Crosstex Energy Finance Corp., Senior Notes	8.875%	2/15/18	590,000	628,350
Crosstex Energy LP/Crosstex Energy Finance Corp., Senior Notes	7.125%	6/1/22	1,880,000	1,908,200
El Paso Corp., Medium-Term Notes	7.800%	8/1/31	870,000	923,228
Energy Transfer Equity LP, Senior Notes	7.500%	10/15/20	580,000	636,550
Enterprise Products Operating LLC, Junior Subordinated Notes	8.375%	8/1/66	680,000	758,719(f)

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

June 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT		VALUE
Oil, Gas & Consumable Fuels continued					
EPE Holdings LLC/EP Energy Bond Co. Inc., Senior Notes	8.125%	12/15/17	1,178,471	\$	1,207,933(a)(b)
EXCO Resources Inc., Senior Notes	7.500%	9/15/18	830,000		780,200
Globe Luxembourg SCA, Senior Secured Notes	9.625%	5/1/18	2,180,000		2,134,983(a)
Halcon Resources Corp., Senior Notes	9.750%	7/15/20	1,610,000		1,614,025
Halcon Resources Corp., Senior Notes	8.875%	5/15/21	1,320,000		1,287,000
Hiland Partners LP/Hiland Partners Finance Corp., Senior Notes	7.250%	10/1/20	550,000		569,250(a)
Kodiak Oil & Gas Corp., Senior Notes	8.125%	12/1/19	1,390,000		1,515,100
Lukoil International Finance BV, Bonds	6.356%	6/7/17	140,000		155,393(a)
Magnum Hunter Resources Corp., Senior Notes	9.750%	5/15/20	1,170,000		1,193,400(a)
Magnum Hunter Resources Corp., Senior Notes	9.750%	5/15/20	1,130,000		1,152,600(a)
MarkWest Energy Partners LP/MarkWest Energy Finance Corp., Senior Notes	6.750%	11/1/20	480,000		508,800
MarkWest Energy Partners LP/MarkWest Energy Finance Corp., Senior Notes	6.500%	8/15/21	182,000		188,370
Milagro Oil & Gas Inc., Secured Notes	10.500%	5/15/16	1,690,000		1,233,700
Murray Energy Corp., Senior Secured Notes	8.625%	6/15/21	900,000		904,500(a)
Overseas Shipholding Group Inc., Senior Notes	8.750%	12/1/13	240,000		210,000(e)
Overseas Shipholding Group Inc., Senior Notes	8.125%	3/30/18	2,375,000		2,054,375(e)
Pacific Drilling V Ltd., Senior Secured Notes	7.250%	12/1/17	1,270,000		1,327,150(a)
Peabody Energy Corp., Senior Notes	7.875%	11/1/26	910,000		923,650
Petrobras Global Finance BV, Senior Notes	4.375%	5/20/23	1,560,000		1,446,654
Petrobras International Finance Co., Senior Notes	6.875%	1/20/40	55,000		56,071
Petrobras International Finance Co., Senior Notes	6.750%	1/27/41	20,000		20,081
Plains Exploration & Production Co., Senior Notes	8.625%	10/15/19	1,310,000		1,442,163
Plains Exploration & Production Co., Senior Notes	6.750%	2/1/22	250,000		265,296
PT Adaro Indonesia, Senior Notes	7.625%	10/22/19	400,000		421,500(a)
Quicksilver Resources Inc., Senior Notes	11.000%	7/1/21	1,850,000		1,646,500(a)
Range Resources Corp., Senior Subordinated Notes	8.000%	5/15/19	100,000		107,000
Samson Investment Co., Senior Notes	10.000%	2/15/20	3,360,000		3,557,400(a)
Sanchez Energy Corp., Senior Notes	7.750%	6/15/21	1,020,000		997,050(a)
SandRidge Energy Inc., Senior Notes	7.500%	3/15/21	510,000		489,600
SandRidge Energy Inc., Senior Notes	7.500%	2/15/23	990,000		945,450
Shelf Drilling Holdings Ltd., Senior Secured Notes	8.625%	11/1/18	930,000		971,850(a)
Sidewinder Drilling Inc., Senior Notes	9.750%	11/15/19	560,000		569,800(a)
Summit Midstream Holdings LLC/Summit Mindstream Finance Corp., Senior Notes	7.500%	7/1/21	630,000		642,600(a)
Tennessee Gas Pipeline Co., Senior Notes	8.375%	6/15/32	3,270,000		4,390,237
TNK-BP Finance SA, Senior Notes	7.500%	7/18/16	210,000		233,888(a)
Xinergy Ltd., Senior Secured Notes	9.250%	5/15/19	2,410,000		1,662,900(a)
<i>Total Oil, Gas & Consumable Fuels</i>					<i>60,154,700</i>
TOTAL ENERGY					72,684,700
FINANCIALS 8.6%					
Capital Markets 0.2%					

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Goldman Sachs Group Inc., Subordinated Notes	6.750%	10/1/37	1,210,000	1,243,207
Commercial Banks 3.2%				
Barclays Bank PLC, Subordinated Notes	10.179%	6/12/21	1,930,000	2,458,174(a)
Barclays Bank PLC, Subordinated Notes	7.625%	11/21/22	2,000,000	1,967,500
BBVA US Senior SAU, Senior Notes	4.664%	10/9/15	840,000	865,767
Credit Agricole SA, Subordinated Notes	8.375%	10/13/19	1,660,000	1,765,825(a)(f)(g)
Intesa Sanpaolo SpA, Senior Notes	3.625%	8/12/15	2,680,000	2,687,375(a)
M&T Bank Corp., Junior Subordinated Notes	6.875%	6/15/16	1,790,000	1,863,968(a)(g)
Royal Bank of Scotland Group PLC, Junior Subordinated Bonds	7.648%	9/30/31	1,210,000	1,119,250(f)(g)
Royal Bank of Scotland Group PLC, Subordinated Notes	5.000%	10/1/14	950,000	971,622
Royal Bank of Scotland Group PLC, Subordinated Notes	6.100%	6/10/23	1,470,000	1,397,148
Royal Bank of Scotland NV, Subordinated Notes	7.750%	5/15/23	390,000	410,450

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

June 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Commercial Banks continued				
Santander Issuances SAU, Notes	5.911%	6/20/16	1,100,000 \$	1,171,025(a)
<i>Total Commercial Banks</i>				16,678,104
Consumer Finance 0.6%				
Ally Financial Inc., Senior Notes	8.000%	3/15/20	1,410,000	1,644,413
GMAC International Finance BV, Senior Bonds	7.500%	4/21/15	830,000EUR	1,152,521(a)
SLM Corp., Medium-Term Notes, Senior Notes	8.450%	6/15/18	570,000	635,550
<i>Total Consumer Finance</i>				3,432,484
Diversified Financial Services 3.6%				
Bank of America Corp., Junior Subordinated Notes	5.200%	6/1/23	800,000	756,000(f)(g)
Bank of America Corp., Senior Notes	6.500%	8/1/16	400,000	451,297
Bankrate Inc., Senior Secured Notes	11.750%	7/15/15	2,903,000	3,095,324
Compiler Finance Subordinated Inc., Senior Notes	7.000%	5/1/21	310,000	302,250(a)
ING US Inc., Junior Subordinated Notes	5.650%	5/15/53	530,000	499,525(a)(f)
International Lease Finance Corp., Medium-Term Notes, Senior Notes	5.625%	9/20/13	1,740,000	1,756,530
International Lease Finance Corp., Senior Notes	8.625%	9/15/15	820,000	900,975
International Lease Finance Corp., Senior Notes	8.750%	3/15/17	100,000	111,875
International Lease Finance Corp., Senior Notes	8.875%	9/1/17	4,200,000	4,756,500
International Lease Finance Corp., Senior Notes	8.250%	12/15/20	1,860,000	2,094,825
JPMorgan Chase & Co., Junior Subordinated Bonds	5.150%	5/1/23	630,000	603,225(f)(g)
Nationstar Mortgage LLC/Nationstar Capital Corp., Senior Notes	7.875%	10/1/20	1,020,000	1,086,300
TransUnion Holding Co. Inc., Senior Notes	9.625%	6/15/18	1,370,000	1,469,325
ZFS Finance USA Trust II, Bonds	6.450%	12/15/65	1,000,000	1,077,500(a)(f)
<i>Total Diversified Financial Services</i>				18,961,451
Insurance 1.0%				
American International Group Inc., Senior Notes	8.250%	8/15/18	1,565,000	1,945,012
Fidelity & Guaranty Life Holdings Inc., Senior Notes	6.375%	4/1/21	850,000	828,750(a)
ING Capital Funding Trust III, Junior Subordinated Bonds	3.874%	9/30/13	450,000	434,250(f)(g)
Liberty Mutual Group Inc., Junior Subordinated Bonds	7.800%	3/15/37	900,000	1,059,750(a)
MetLife Capital Trust IV, Junior Subordinated Notes	7.875%	12/15/37	650,000	777,339(a)
<i>Total Insurance</i>				5,045,101
Real Estate Management & Development 0.0%				
Realogy Group LLC, Senior Secured Notes	7.625%	1/15/20	180,000	195,750(a)
TOTAL FINANCIALS				45,556,097
HEALTH CARE 5.7%				
Health Care Equipment & Supplies 0.7%				
Alere Inc., Senior Subordinated Notes	6.500%	6/15/20	970,000	944,537(a)
Biomet Inc., Senior Notes	6.500%	8/1/20	230,000	238,194
Hologic Inc., Senior Notes	6.250%	8/1/20	690,000	718,894
Lantheus Medical Imaging Inc., Senior Notes	9.750%	5/15/17	1,810,000	1,606,375
<i>Total Health Care Equipment & Supplies</i>				3,508,000
Health Care Providers & Services 5.0%				
Acadia Healthcare Co. Inc., Senior Notes	12.875%	11/1/18	864,000	1,041,120

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Acadia Healthcare Co. Inc., Senior Notes	6.125%	3/15/21	720,000	723,600(a)
CHS/Community Health Systems Inc., Senior Notes	8.000%	11/15/19	2,390,000	2,554,312
CRC Health Corp., Senior Subordinated Notes	10.750%	2/1/16	4,650,000	4,734,281
DJO Finance LLC/DJO Finance Corp., Senior Notes	9.875%	4/15/18	1,330,000	1,396,500
ExamWorks Group Inc., Senior Notes	9.000%	7/15/19	1,460,000	1,580,450
Fresenius Medical Care U.S. Finance Inc., Senior Notes	6.875%	7/15/17	780,000	856,050
Fresenius Medical Care U.S. Finance Inc., Senior Notes	6.500%	9/15/18	280,000	305,900(a)

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

June 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Health Care Providers & Services continued				
Fresenius U.S. Finance II Inc., Senior Notes	9.000%	7/15/15	2,060,000	\$ 2,286,600(a)
HCA Inc., Debentures	7.500%	11/15/95	3,920,000	3,665,200
HCA Inc., Senior Secured Notes	7.875%	2/15/20	500,000	539,688
HCA Inc., Senior Secured Notes	7.250%	9/15/20	460,000	495,075
IASIS Healthcare LLC/IASIS Capital Corp., Senior Notes	8.375%	5/15/19	780,000	791,213
INC Research LLC, Senior Notes	11.500%	7/15/19	520,000	561,600(a)
Physiotherapy Associates Holdings Inc., Senior Notes	11.875%	5/1/19	1,610,000	925,750(a)(e)
Radnet Management Inc., Senior Notes	10.375%	4/1/18	1,580,000	1,698,500
Tenet Healthcare Corp., Senior Notes	6.750%	2/1/20	1,628,000	1,585,265
US Oncology Inc. Escrow			1,125,000	45,000*
Vanguard Health Holdings Co., II LLC, Senior Notes	8.000%	2/1/18	665,000	708,225
<i>Total Health Care Providers & Services</i>				26,494,329
TOTAL HEALTH CARE				30,002,329
INDUSTRIALS 14.7%				
Aerospace & Defense 2.0%				
Ducommun Inc., Senior Notes	9.750%	7/15/18	1,010,000	1,108,475
Erickson Air-Crane Inc., Senior Secured Notes	8.250%	5/1/20	2,110,000	2,059,887(a)
GenCorp Inc., Secured Notes	7.125%	3/15/21	760,000	790,400(a)
Kratos Defense & Security Solutions Inc., Senior Secured Notes	10.000%	6/1/17	2,850,000	3,063,750
Triumph Group Inc., Senior Notes	8.625%	7/15/18	870,000	943,950
Wyle Services Corp., Senior Subordinated Notes	10.500%	4/1/18	2,310,000	2,367,750(a)
<i>Total Aerospace & Defense</i>				10,334,212
Airlines 2.0%				
Air Canada, Pass-Through Trust, Secured Notes	6.625%	5/15/18	560,000	565,432(a)
American Airlines, Pass-Through Trust, Secured Notes	7.000%	1/31/18	676,374	711,884(a)
American Airlines, Pass-Through Trust, Secured Notes	6.125%	7/15/18	2,350,000	2,279,500(a)
DAE Aviation Holdings Inc., Senior Notes	11.250%	8/1/15	3,950,000	3,969,750(a)
Delta Air Lines Inc., Pass-Through Certificates, Secured Notes	8.021%	8/10/22	712,222	778,102
Delta Air Lines Inc., Pass-Through Certificates, Subordinated Secured Notes	9.750%	12/17/16	341,292	375,421
United Airlines Inc., Pass-Through Certificates	9.250%	5/10/17	130,225	145,201
United Airlines Inc., Pass-Through Certificates, Notes	5.500%	10/29/20	460,000	474,950
United Airlines Inc., Pass-Through Certificates, Senior Secured Notes	6.125%	4/29/18	740,000	747,400
United Airlines Inc., Pass-Through Certificates, Subordinated Secured Notes	7.339%	4/19/14	632,070	643,131
<i>Total Airlines</i>				10,690,771
Building Products 0.5%				
Ashton Woods USA LLC/Ashton Woods Finance Co., Senior Notes	6.875%	2/15/21	1,020,000	1,032,750(a)
Builders FirstSource Inc., Senior Secured Notes	7.625%	6/1/21	460,000	446,200(a)
Building Materials Corp. of America, Senior Notes	6.750%	5/1/21	600,000	639,000(a)

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Building Materials Corp. of America, Senior Secured Notes	7.500%	3/15/20	550,000	591,250(a)
Rearden G Holdings EINS GmbH, Senior Notes	7.875%	3/30/20	100,000	103,000(a)
<i>Total Building Products</i>				2,812,200
Commercial Services & Supplies 2.3%				
Altegrity Inc., Senior Subordinated Notes	10.500%	11/1/15	91,000	82,355(a)
ARC Document Solutions Inc., Senior Notes	10.500%	12/15/16	2,120,000	2,125,300
JM Huber Corp., Senior Notes	9.875%	11/1/19	860,000	967,500(a)
Monitronics International Inc., Senior Notes	9.125%	4/1/20	2,690,000	2,797,600

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

June 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Commercial Services & Supplies continued				
RSC Equipment Rental Inc./RSC Holdings III LLC, Senior Notes	8.250%	2/1/21	810,000	\$ 891,000
Taylor Morrison Communities Inc./Monarch Communities Inc., Senior Notes	7.750%	4/15/20	1,423,000	1,540,397(a)
Taylor Morrison Communities Inc./Monarch Communities Inc., Senior Notes	7.750%	4/15/20	891,000	964,508(a)
United Rentals North America Inc., Senior Notes	7.625%	4/15/22	2,608,000	2,836,200
<i>Total Commercial Services & Supplies</i>				<i>12,204,860</i>
Construction & Engineering 0.5%				
Abengoa Finance SAU, Senior Notes	8.875%	11/1/17	1,460,000	1,365,100(a)
Odebrecht Finance Ltd., Senior Notes	4.375%	4/25/25	260,000	233,350(a)
PH Holding LLC, Secured Notes	9.750%	12/31/17	1,010,000	1,051,321(c)(d)
<i>Total Construction & Engineering</i>				<i>2,649,771</i>
Electrical Equipment 0.6%				
313 Group Inc., Senior Secured Notes	6.375%	12/1/19	920,000	878,600(a)
International Wire Group Holdings Inc., Senior Secured Notes	8.500%	10/15/17	1,020,000	1,040,400(a)
NES Rentals Holdings Inc., Senior Secured Notes	7.875%	5/1/18	1,400,000	1,386,000(a)
<i>Total Electrical Equipment</i>				<i>3,305,000</i>
Industrial Conglomerates 0.3%				
Leucadia National Corp., Senior Notes	8.125%	9/15/15	1,290,000	1,452,863
Machinery 1.0%				
Dematic SA/DH Services Luxembourg Sarl, Senior Notes	7.750%	12/15/20	2,820,000	2,961,000(a)
Global Brass and Copper Inc., Senior Secured Notes	9.500%	6/1/19	1,260,000	1,354,500(a)
SPL Logistics Escrow LLC/SPL Logistics Finance Corp., Senior Secured Notes	8.875%	8/1/20	890,000	930,050(a)
<i>Total Machinery</i>				<i>5,245,550</i>
Marine 1.2%				
Horizon Lines LLC, Secured Notes	13.000%	10/15/16	1,596,301	1,500,523(b)
Horizon Lines LLC, Senior Secured Notes	11.000%	10/15/16	958,000	962,790
Navios Maritime Acquisition Corp./Navios Acquisition Finance U.S. Inc., Senior Secured Notes	8.625%	11/1/17	2,990,000	3,072,225
Ultrapetrol Bahamas Ltd., Senior Secured Mortgage Notes	8.875%	6/15/21	830,000	834,150(a)
<i>Total Marine</i>				<i>6,369,688</i>
Road & Rail 1.4%				
Florida East Coast Holdings Corp., Senior Notes	10.500%	8/1/17	3,056,108	3,224,194(b)
Jack Cooper Holdings Corp., Senior Secured Notes	9.250%	6/1/20	1,380,000	1,383,450(a)
Quality Distribution LLC/QD Capital Corp., Secured Notes	9.875%	11/1/18	2,588,000	2,827,390
<i>Total Road & Rail</i>				<i>7,435,034</i>
Trading Companies & Distributors 0.6%				
Ashtead Capital Inc., Senior Secured Notes	6.500%	7/15/22	1,340,000	1,403,650(a)
H&E Equipment Services Inc., Senior Notes	7.000%	9/1/22	1,790,000	1,875,025
<i>Total Trading Companies & Distributors</i>				<i>3,278,675</i>
Transportation 2.1%				

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CMA CGM, Senior Notes	8.500%	4/15/17	3,110,000	2,752,350(a)
Hapag-Lloyd AG, Senior Notes	9.750%	10/15/17	1,700,000	1,759,500(a)
Neovia Logistics Intermediate Holdings LLC/Logistics Intermediate Finance Corp., Senior Notes	10.000%	2/15/18	1,980,000	1,970,100(a)(b)
Syncreon Global Ireland Ltd./Syncreon Global Finance US Inc., Senior Notes	9.500%	5/1/18	2,970,000	3,163,050(a)

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

June 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Transportation continued				
Syncreon Global Ireland Ltd./Syncreon Global Finance US Inc., Senior Notes	9.500%	5/1/18	200,000	\$ 213,000(a)
Watco Cos., LLC/Watco Finance Corp., Senior Notes	6.375%	4/1/23	1,320,000	1,320,000(a)
<i>Total Transportation</i>				11,178,000
Transportation Infrastructure 0.2%				
Aguila 3 SA, Senior Secured Notes	7.875%	1/31/18	870,000	900,450(a)
TOTAL INDUSTRIALS				77,857,074
INFORMATION TECHNOLOGY 2.3%				
Communications Equipment 0.2%				
CyrusOne LP/CyrusOne Finance Corp., Senior Notes	6.375%	11/15/22	1,130,000	1,163,900(a)
Computers & Peripherals 0.5%				
Hewlett-Packard Co., Senior Notes	4.650%	12/9/21	2,750,000	2,755,008
Electronic Equipment, Instruments & Components 0.2%				
NXP BV/NXP Funding LLC, Senior Secured Notes	9.750%	8/1/18	988,000	1,110,265(a)
Internet Software & Services 0.2%				
Zayo Group LLC/Zayo Capital Inc., Senior Secured Notes	8.125%	1/1/20	990,000	1,079,100
IT Services 0.6%				
First Data Corp., Senior Notes	12.625%	1/15/21	2,130,000	2,263,125
First Data Corp., Senior Secured Notes	6.750%	11/1/20	590,000	603,275(a)
<i>Total IT Services</i>				2,866,400
Semiconductors & Semiconductor Equipment 0.1%				
Freescale Semiconductor Inc., Senior Subordinated Notes	10.125%	12/15/16	683,000	702,636
Software 0.5%				
Audatex North America Inc., Senior Notes	6.000%	6/15/21	1,080,000	1,082,700(a)
Interface Security Systems Holdings Inc./Interface Security Systems LLC, Senior Secured Notes	9.250%	1/15/18	1,240,000	1,271,000(a)
<i>Total Software</i>				2,353,700
TOTAL INFORMATION TECHNOLOGY				12,031,009
MATERIALS 11.5%				
Chemicals 0.5%				
Kerling PLC, Senior Secured Notes	10.625%	2/1/17	1,048,000EUR	1,428,925(a)
Kloeckner Pentaplast GmbH & Co. KG, Senior Secured Notes	11.625%	7/15/17	420,000EUR	606,829(a)
Kloeckner Pentaplast GmbH & Co. KG, Senior Secured Notes	11.625%	7/15/17	320,000EUR	462,346(a)
<i>Total Chemicals</i>				2,498,100
Construction Materials 0.0%				
Cemex SAB de CV, Senior Secured Notes	9.000%	1/11/18	140,000	147,700(a)

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Containers & Packaging 3.8%

Ardagh Packaging Finance PLC, Senior Notes	9.125%	10/15/20	1,130,000	1,210,512(a)
Ardagh Packaging Finance PLC, Senior Secured Notes	7.375%	10/15/17	560,000EUR	767,192(a)
Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Notes	9.125%	10/15/20	2,170,000	2,313,762(a)
Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., Senior Notes	7.000%	11/15/20	460,000	444,475(a)
Beverage Packaging Holdings Luxembourg II SA, Senior Secured Notes	8.000%	12/15/16	260,000EUR	337,752(a)
Beverage Packaging Holdings Luxembourg II SA, Senior Secured Notes	9.500%	6/15/17	1,260,000EUR	1,672,880(a)

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

June 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Containers & Packaging continued				
Longview Fibre Paper & Packaging Inc., Senior Secured Notes	8.000%	6/1/16	1,240,000	\$ 1,294,250(a)
Pretium Packaging LLC/Pretium Finance Inc., Senior Secured Notes	11.500%	4/1/16	2,280,000	2,451,000
Reynolds Group Issuer Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer (Luxembourg) SA, Senior Notes	8.500%	5/15/18	1,280,000	1,324,800
Reynolds Group Issuer Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer (Luxembourg) SA, Senior Notes	9.000%	4/15/19	2,200,000	2,282,500
Reynolds Group Issuer Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer (Luxembourg) SA, Senior Notes	9.875%	8/15/19	1,900,000	2,042,500
Reynolds Group Issuer Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer (Luxembourg) SA, Senior Notes	8.250%	2/15/21	1,170,000	1,162,688
Viskase Cos. Inc., Senior Secured Notes	9.875%	1/15/18	2,470,000	2,624,375(a)
<i>Total Containers & Packaging</i>				<i>19,928,686</i>
Metals & Mining 5.9%				
ArcelorMittal, Senior Notes	5.000%	2/25/17	810,000	824,175
ArcelorMittal, Senior Notes	6.000%	3/1/21	1,990,000	1,994,975
Barmarco Finance Pty Ltd., Senior Notes	9.000%	6/1/18	1,170,000	1,035,450(a)
Cliffs Natural Resources Inc., Senior Notes	3.950%	1/15/18	30,000	28,692
Cliffs Natural Resources Inc., Senior Notes	5.900%	3/15/20	1,540,000	1,485,972
Cliffs Natural Resources Inc., Senior Notes	4.800%	10/1/20	90,000	81,246
Coeur Mining Inc., Senior Notes	7.875%	2/1/21	1,850,000	1,831,500(a)
Evrax Group SA, Notes	9.500%	4/24/18	100,000	106,500(a)
Evrax Group SA, Senior Notes	9.500%	4/24/18	100,000	106,500(a)
FMG Resources (August 2006) Pty Ltd., Senior Notes	7.000%	11/1/15	560,000	568,400(a)
FMG Resources (August 2006) Pty Ltd., Senior Notes	6.375%	2/1/16	720,000	720,000(a)
FMG Resources (August 2006) Pty Ltd., Senior Notes	8.250%	11/1/19	2,210,000	2,287,350(a)
JW Aluminum Co., Senior Secured Notes	11.500%	11/15/17	1,730,000	1,742,975(a)
Midwest Vanadium Pty Ltd., Senior Secured Notes	11.500%	2/15/18	2,690,000	1,990,600(a)(d)
Mirabela Nickel Ltd., Senior Notes	8.750%	4/15/18	800,000	640,000(a)
Molycorp Inc., Senior Secured Notes	10.000%	6/1/20	1,450,000	1,413,750
Noranda Aluminum Acquisition Corp., Senior Notes	11.000%	6/1/19	1,130,000	1,079,150(a)
Optima Specialty Steel Inc., Senior Secured Notes	12.500%	12/15/16	1,160,000	1,212,200(a)
Prince Mineral Holding Corp., Senior Secured Notes	11.500%	12/15/19	1,280,000	1,376,000(a)
Rain CII Carbon LLC/CII Carbon Corp., Senior Secured Notes	8.250%	1/15/21	2,260,000	2,271,300(a)
Ryerson Inc./Joseph T Ryerson & Son Inc., Senior Secured Notes	9.000%	10/15/17	2,040,000	2,078,250(a)
St. Barbara Ltd., Senior Secured Notes	8.875%	4/15/18	1,440,000	1,332,000(a)
Steel Dynamics Inc., Senior Notes	6.125%	8/15/19	670,000	711,875(a)
SunCoke Energy Partners LP/SunCoke Energy Partners Finance Corp., Senior Notes	7.375%	2/1/20	610,000	625,250(a)
Tempel Steel Co., Senior Secured Notes	12.000%	8/15/16	650,000	620,750(a)
Thompson Creek Metals Co. Inc., Senior Notes	12.500%	5/1/19	1,050,000	1,013,250

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Thompson Creek Metals Co. Inc., Senior Secured Notes	9.750%	12/1/17	1,340,000	1,388,575
Vale Overseas Ltd., Notes	8.250%	1/17/34	62,000	73,124
Vale Overseas Ltd., Notes	6.875%	11/21/36	68,000	69,189
Vedanta Resources PLC, Senior Notes	8.750%	1/15/14	100,000	102,750(a)
Vedanta Resources PLC, Senior Notes	6.750%	6/7/16	200,000	203,500(a)
<i>Total Metals & Mining</i>				<i>31,015,248</i>
Paper & Forest Products 1.3%				
Appleton Papers Inc., Senior Secured Notes	10.500%	6/15/15	80,000	84,400(a)
Appleton Papers Inc., Senior Secured Notes	11.250%	12/15/15	3,591,000	4,003,965

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

June 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Paper & Forest Products continued				
Resolute Forest Products Inc., Senior Notes	5.875%	5/15/23	1,770,000	\$ 1,588,575(a)
Verso Paper Holdings LLC/Verso Paper Inc., Senior Secured Notes	11.750%	1/15/19	1,070,000	1,107,450
Verso Paper Holdings LLC/Verso Paper Inc., Senior Secured Notes	11.750%	1/15/19	232,000	160,080
Verso Paper Holdings LLC/Verso Paper Inc., Senior Subordinated Notes	11.375%	8/1/16	288,000	151,200
<i>Total Paper & Forest Products</i>				7,095,670
TOTAL MATERIALS				60,685,404
TELECOMMUNICATION SERVICES 8.3%				
Diversified Telecommunication Services 5.6%				
Axtel SAB de CV, Senior Secured Notes	7.000%	1/31/20	129,000	119,970(a)
CenturyLink Inc., Senior Notes	5.800%	3/15/22	2,350,000	2,332,375
Cogent Communications Group Inc., Senior Secured Notes	8.375%	2/15/18	1,660,000	1,817,700(a)
Inmarsat Finance PLC, Senior Notes	7.375%	12/1/17	380,000	397,100(a)
Intelsat Jackson Holdings SA, Senior Notes	7.250%	10/15/20	2,750,000	2,901,250
Intelsat Jackson Holdings SA, Senior Notes	7.500%	4/1/21	670,000	706,850
Intelsat Jackson Holdings SA, Senior Notes	5.500%	8/1/23	3,380,000	3,194,100(a)
Koninklijke KPN NV, Senior Subordinated Notes	7.000%	3/28/73	250,000	236,882(a)(f)
Level 3 Financing Inc., Senior Notes	8.625%	7/15/20	1,820,000	1,945,125
TW Telecom Holdings Inc., Senior Notes	8.000%	3/1/18	1,600,000	1,704,000
TW Telecom Holdings Inc., Senior Notes	5.375%	10/1/22	480,000	478,800
UBS Luxembourg SA for OJSC Vimpel Communications, Loan Participation Notes	8.250%	5/23/16	130,000	142,350(a)
Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH, Senior Secured Notes	7.500%	3/15/19	430,000	454,725(a)
Wind Acquisition Finance SA, Senior Notes	11.750%	7/15/17	1,610,000	1,682,450(a)
Wind Acquisition Finance SA, Senior Secured Notes	7.250%	2/15/18	200,000	200,500(a)
Wind Acquisition Holdings Finance SpA, Senior Notes	12.250%	7/15/17	4,175,381	4,227,573(a)(b)
Windstream Corp., Senior Notes	7.500%	4/1/23	4,330,000	4,416,600
Windstream Corp., Senior Notes	6.375%	8/1/23	2,910,000	2,735,400
<i>Total Diversified Telecommunication Services</i>				29,693,750
Wireless Telecommunication Services 2.7%				
MetroPCS Wireless Inc., Senior Notes	7.875%	9/1/18	160,000	171,200
Sprint Capital Corp., Senior Notes	6.875%	11/15/28	2,900,000	2,798,500
Sprint Capital Corp., Senior Notes	8.750%	3/15/32	5,335,000	5,895,175
Sprint Communications Inc., Senior Notes	6.000%	12/1/16	200,000	211,500
Sprint Communications Inc., Senior Notes	9.000%	11/15/18	2,770,000	3,247,825(a)
Sprint Communications Inc., Senior Notes	6.000%	11/15/22	40,000	39,400
Syniverse Holdings Inc., Senior Notes	9.125%	1/15/19	1,635,000	1,753,537
VimpelCom Holdings BV, Senior Notes	7.504%	3/1/22	200,000	207,500(a)
<i>Total Wireless Telecommunication Services</i>				14,324,637
TOTAL TELECOMMUNICATION SERVICES				44,018,387
UTILITIES 5.9%				

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Electric Utilities 1.7%				
AES Red Oak LLC, Secured Notes	9.200%	11/30/29	4,200,000	4,473,000
GenOn REMA LLC, Pass-Through Certificates	9.237%	7/2/17	705,647	725,052
GenOn REMA LLC, Pass-Through Certificates	9.681%	7/2/26	2,680,000	2,787,200
Midwest Generation LLC, Pass-Through Certificates	8.560%	1/2/16	776,473	729,885(e)
<i>Total Electric Utilities</i>				8,715,137
Gas Utilities 0.3%				
Southern Natural Gas Co., Senior Notes	8.000%	3/1/32	60,000	79,885

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WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

June 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Gas Utilities continued				
Suburban Propane Partners LP/Suburban Energy Finance Corp., Senior Notes	7.375%	3/15/20	1,330,000	\$ 1,389,850
<i>Total Gas Utilities</i>				<i>1,469,735</i>
Independent Power Producers & Energy Traders 3.9%				
Atlantic Power Corp., Senior Notes	9.000%	11/15/18	1,190,000	1,213,800
Calpine Corp., Senior Secured Notes	7.875%	7/31/20	198,000	215,820(a)
Calpine Corp., Senior Secured Notes	7.875%	1/15/23	1,467,000	1,584,360(a)
Colbun SA, Senior Notes	6.000%	1/21/20	100,000	107,010(a)
Dynegy Inc., Bonds	7.670%	11/8/16	380,000	6,650(c)(d)(e)
Energy Future Intermediate Holding Co. LLC/EFIH Finance Inc., Secured Notes	12.250%	3/1/22	3,110,000	3,452,100(a)
Energy Future Intermediate Holding Co. LLC/EFIH Finance Inc., Senior Secured Notes	6.875%	8/15/17	780,000	795,600(a)
Energy Future Intermediate Holding Co. LLC/EFIH Finance Inc., Senior Secured Notes	10.000%	12/1/20	1,325,000	1,457,500
First Wind Holdings Inc., Senior Secured Notes	10.250%	6/1/18	1,740,000	1,835,700(a)
Foresight Energy LLC/Foresight Energy Corp., Senior Notes	9.625%	8/15/17	3,530,000	3,724,150(a)
Mirant Americas Generation LLC, Senior Notes	9.125%	5/1/31	4,863,000	5,227,725
Mirant Mid Atlantic LLC, Pass-Through Certificates	9.125%	6/30/17	159,687	176,454
Mirant Mid Atlantic LLC, Pass-Through Certificates	10.060%	12/30/28	858,353	954,146
<i>Total Independent Power Producers & Energy Traders</i>				<i>20,751,015</i>
TOTAL UTILITIES				30,935,887
TOTAL CORPORATE BONDS & NOTES (Cost \$453,651,176)				468,766,482
COLLATERALIZED MORTGAGE OBLIGATIONS 0.1%				
Countrywide Home Loan Mortgage Pass-Through Trust, 2004-HYB5 7A1 (Cost - \$591,217)	2.413%	4/20/35	871,991	720,715(f)
SENIOR LOANS 2.9%				
CONSUMER DISCRETIONARY 1.2%				
Hotels, Restaurants & Leisure 1.1%				
El Pollo Loco Inc., First Lien Term Loan	9.250 -			
	10.000%	7/14/17	1,479,800	1,511,246(h)
Equinox Holdings Inc., Second Lien Term Loan	9.750%	5/16/20	1,290,000	1,309,350(h)
Stockbridge SBE Holdings LLC, Term Loan B	13.000%	5/2/17	2,670,000	2,776,800(h)
<i>Total Hotels, Restaurants & Leisure</i>				<i>5,597,396</i>
Specialty Retail 0.1%				
Gymboree Corp., Initial Term Loan	5.000%	2/23/18	620,000	600,108(h)
TOTAL CONSUMER DISCRETIONARY				6,197,504
CONSUMER STAPLES 0.1%				
Food Products 0.1%				
AdvancePierre Foods Inc., Second Lien Term Loan	9.500%	10/10/17	550,000	561,917(h)

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ENERGY	0.3%			
Energy Equipment & Services	0.0%			
Frac Tech International LLC, Term Loan B	8.500%	5/6/16	120,000	116,143(h)
Oil, Gas & Consumable Fuels	0.3%			
Chesapeake Energy Corp., New Term Loan	5.750%	12/1/17	980,000	992,930(h)
Rice Energy LLC, Second Lien Term Loan	8.500%	10/25/18	350,000	347,375(h)
<i>Total Oil, Gas & Consumable Fuels</i>				1,340,305
TOTAL ENERGY				1,456,448
INDUSTRIALS	0.9%			
Machinery	0.9%			
Gardner Denver Inc., Bridge Loan		7/1/13	2,420,000	2,420,000(c)(d)(i)
Intelligrated Inc., Second Lien Term Loan	10.500%	12/31/19	2,180,000	2,223,600(h)
TOTAL INDUSTRIALS				4,643,600

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

June 30, 2013

	RATE	MATURITY DATE	FACE AMOUNT	VALUE
SECURITY MATERIALS 0.2%				
Chemicals 0.2%				
Kronos Inc., Second Lien Term Loan	9.750%	4/30/20	980,000 \$	1,016,750(h)
TELECOMMUNICATION SERVICES 0.2%				
Wireless Telecommunication Services 0.2%				
Vodafone Americas Finance 2 Inc., PIK Term Loan	6.875%	8/11/15	1,131,292	1,151,090(h)
TOTAL SENIOR LOANS (Cost \$14,497,483)				15,027,309
SOVEREIGN BONDS 0.3%				
Argentina 0.1%				
Republic of Argentina, Senior Bonds	7.000%	9/12/13	358,000	359,391
Colombia 0.0%				
Republic of Colombia, Senior Notes	7.375%	3/18/19	100,000	122,100
Russia 0.0%				
RSHB Capital, Loan Participation Notes, Senior Notes	6.299%	5/15/17	140,000	149,268(a)
Turkey 0.1%				
Republic of Turkey, Senior Notes	7.000%	6/5/20	12,000	13,890
Republic of Turkey, Senior Notes	6.875%	3/17/36	377,000	421,769
<i>Total Turkey</i>				435,659
Venezuela 0.1%				
Bolivarian Republic of Venezuela, Collective Action Securities, Senior Notes	10.750%	9/19/13	28,000	28,210
Bolivarian Republic of Venezuela, Global Senior Bonds	8.500%	10/8/14	12,000	11,970
Bolivarian Republic of Venezuela, Senior Bonds	5.750%	2/26/16	386,000	346,435(a)
Bolivarian Republic of Venezuela, Senior Bonds	9.375%	1/13/34	53,000	43,593
Bolivarian Republic of Venezuela, Senior Notes	7.650%	4/21/25	16,000	12,000
<i>Total Venezuela</i>				442,208
TOTAL SOVEREIGN BONDS (Cost \$1,476,477)				1,508,626
			SHARES	
COMMON STOCKS 2.2%				
CONSUMER DISCRETIONARY 0.0%				
Hotels, Restaurants & Leisure 0.0%				
Bossier Casino Venture Holdco Inc.			86,730	173,460*(c)(d)
Household Durables 0.0%				
William Lyon Homes, Class A Shares			3,328	83,899*
TOTAL CONSUMER DISCRETIONARY				257,359
ENERGY 0.5%				

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Energy Equipment & Services 0.5%		
KCAD Holdings I Ltd.	275,927,431	2,557,847*(c)(d)
FINANCIALS 1.0%		
Diversified Financial Services 0.6%		
Citigroup Inc.	64,503	3,094,209
Real Estate Management & Development 0.4%		
Realogy Holdings Corp.	24,418	1,173,046*
Realogy Holdings Corp.	17,805	855,357*(c)(d)
<i>Total Real Estate Management & Development</i>		2,028,403
TOTAL FINANCIALS		5,122,612

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

June 30, 2013

		SHARES	VALUE
SECURITY			
INDUSTRIALS 0.7%			
Building Products 0.0%			
Nortek Inc.		1,112	\$ 71,646*
Marine 0.7%			
DeepOcean Group Holding AS		106,322	2,357,159*(c)(d)
Horizon Lines Inc., Class A Shares		758,779	1,024,352*
<i>Total Marine</i>			3,381,511
TOTAL INDUSTRIALS			3,453,157
TOTAL COMMON STOCKS (Cost \$11,590,312)			11,390,975
	RATE		
CONVERTIBLE PREFERRED STOCKS 0.0%			
MATERIALS 0.0%			
Metals & Mining 0.0%			
ArcelorMittal (Cost - \$265,000)	6.000%	10,600	198,962
PREFERRED STOCKS 1.9%			
ENERGY 0.3%			
Oil, Gas & Consumable Fuels 0.3%			
Sanchez Energy Corp., Series B	6.500%	23,400	1,390,662(a)
FINANCIALS 1.5%			
Consumer Finance 1.0%			
GMAC Capital Trust I	8.125%	216,388	5,636,907(f)
Diversified Financial Services 0.5%			
Citigroup Capital XIII	7.875%	92,250	2,569,163(f)
TOTAL FINANCIALS			8,206,070
INDUSTRIALS 0.1%			
Road & Rail 0.1%			
Jack Cooper Holdings Corp.	20.000%	4,541	551,731(a)(c)(d)(f)
TOTAL PREFERRED STOCKS (Cost \$9,362,973)			10,148,463
	EXPIRATION DATE	NOTIONAL AMOUNT	
PURCHASED OPTIONS 0.0%			
Credit default swaption with BNP Paribas to buy protection on Markit CDX.NA.HY.20 Index, Put @ \$103.00 (Cost - \$122,850)	7/17/13	10,500,000	117,411
		WARRANTS	
WARRANTS 0.1%			
Jack Cooper Holdings Corp.	12/15/17	2,184	240,240*
Jack Cooper Holdings Corp.	5/6/18	1,018	111,980*
SemGroup Corp.	11/30/14	10,404	300,676*(c)(d)
			652,896

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TOTAL WARRANTS (Cost
\$55,657)

TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS (Cost \$491,613,145)

508,531,839

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

June 30, 2013

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
SHORT-TERM INVESTMENTS 2.6%				
Repurchase Agreements 2.6%				
Barclays Capital Inc., repurchase agreement dated 6/28/13; Proceeds at maturity - \$13,600,068; (Fully collateralized by U.S. government obligations, 0.625% due 5/31/17; Market value - \$13,872,843) (Cost - \$13,600,000)	0.060%	7/1/13	13,600,000	\$ 13,600,000
TOTAL INVESTMENTS 98.9% (Cost \$505,213,145#)				522,131,839
Other Assets in Excess of Liabilities 1.1%				6,027,194
TOTAL NET ASSETS 100.0%				\$ 528,159,033

Face amount/notional amount denominated in U.S. dollars, unless otherwise noted.

* Non-income producing security.

- (a) 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. This security has been deemed liquid pursuant to guidelines approved by the Board of Directors, unless otherwise noted.
- (b) Payment-in-kind security for which the issuer has the option at each interest payment date of making interest payments in cash or additional debt securities.
- (c) Security is valued in good faith in accordance with procedures approved by the Board of Directors (See Note 1).
- (d) Illiquid security.
- (e) The coupon payment on these securities is currently in default as of June 30, 2013.
- (f) Variable rate security. Interest rate disclosed is as of the most recent information available.
- (g) Security has no maturity date. The date shown represents the next call date.
- (h) Interest rates disclosed represent the effective rates on senior loans. Ranges in interest rates are attributable to multiple contracts under the same loan.
- (i) All or a portion of this loan is unfunded as of June 30, 2013. The interest rate for fully unfunded term loans is to be determined.
- # Aggregate cost for federal income tax purposes is substantially the same.

Abbreviations used in this schedule:

EUR - Euro
OJSC - Open Joint Stock Company

SCHEDULE OF WRITTEN OPTIONS

SECURITY	EXPIRATION DATE	STRIKE PRICE	NOTIONAL AMOUNT ¹	VALUE
Credit default swaption with BNP Paribas to sell protection on Markit CDX.NA.HY.20 Index, Put (Premiums received - \$46,200)	7/17/13	\$ 100.00	10,500,000	\$ 31,445

¹ In the event an option is exercised and a credit event occurs as defined under the terms of the swap agreement, the notional amount is the maximum potential amount that could be required to be paid as a seller of credit protection or received as a buyer of credit protection.

Notional amount denominated in U.S. dollars, unless otherwise noted.

See Notes to Schedule of Investments.

Notes to schedule of investments (unaudited)

1. Organization and significant accounting policies

Western Asset High Income Opportunity Fund 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 1940 Act). The Fund's primary investment objective is to seek high current income. Capital appreciation is a secondary objective.

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

(a) Investment valuation. The valuations for fixed income securities (which may include, but are not limited to, corporate, government, municipal, mortgage-backed, collateralized mortgage obligations and asset-backed securities) and certain derivative instruments are typically the prices supplied by independent third party pricing services, which may use market prices or broker/dealer quotations or a variety of valuation techniques and methodologies. The independent third party pricing services use inputs that are observable such as issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar securities. Short-term fixed income securities that will mature in 60 days or less are valued at amortized cost, unless it is determined that using this method would not reflect an investment's fair value. Futures contracts are valued daily at the settlement price established by the board of trade or exchange on which they are traded. Equity securities for which market quotations are available are valued at the last reported sales price or official closing price on the primary market or exchange on which they trade. When the Fund holds securities or other assets that are denominated in a foreign currency, the Fund will normally use the currency exchange rates as of 4:00 p.m. (Eastern Time). If independent third party pricing services are unable to supply prices for a portfolio investment, or if the prices supplied are deemed by the manager to be unreliable, the market price may be determined by the manager using quotations from one or more broker/dealers or at the transaction price if the security has recently been purchased and no value has yet been obtained from a pricing service or pricing broker. When reliable prices are not readily available, 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 values these securities as determined in accordance with procedures approved by the Fund's Board of Directors.

The Board of Directors is responsible for the valuation process and has delegated the supervision of the daily valuation process to the Legg Mason North American Fund Valuation Committee (the Valuation Committee). The Valuation Committee, pursuant to the policies adopted by the Board of Directors, is responsible for making fair value determinations, evaluating the effectiveness of the Fund's pricing policies, and reporting to the Board of Directors. When determining the reliability of third party pricing information for investments owned by the Fund, the Valuation Committee, among other things, conducts due diligence reviews of pricing vendors, monitors the daily change in prices and reviews transactions among market participants.

The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making fair value determinations. Examples of possible methodologies include, but are not limited to, multiple of earnings; discount from market of a similar freely traded security; discounted cash-flow analysis; book value or a multiple thereof; risk premium/yield analysis; yield to maturity; and/or fundamental investment analysis. The Valuation Committee will also consider factors it deems relevant and appropriate in light of the facts and circumstances. Examples of possible factors include, but are not limited to, the type of security; the issuer's financial statements; the purchase price of the security; the discount from market value of unrestricted securities of the same class at the time of purchase; analysts' research and observations from financial institutions; information regarding any transactions or offers with respect to the security; the existence of merger proposals or tender offers affecting the security; the price and extent of public trading in similar securities of the issuer or comparable companies; and the existence of a shelf registration for restricted securities.

For each portfolio security that has been fair valued pursuant to the policies adopted by the Board of Directors, the fair value price is compared against the last available and next available market quotations. The Valuation Committee reviews the results of such back testing monthly and fair valuation occurrences are reported to the Board of Directors quarterly.

The Fund uses valuation techniques to measure fair value that are consistent with the market approach and/or income approach, depending on the type of security and the particular circumstance. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable securities. The income approach uses valuation techniques to discount estimated future cash flows to present value.

Notes to schedule of investments (unaudited) (continued)

GAAP establishes a disclosure hierarchy that categorizes the inputs to valuation techniques used to value assets and liabilities at measurement date. These inputs are summarized in the three broad levels listed below:

- Level 1 quoted prices in active markets for identical investments
- Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used in valuing the Fund's assets and liabilities carried at fair value:

Description	ASSETS			Total
	Quoted Prices (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Long-term investments :				
Corporate bonds & notes		\$ 464,143,843	\$ 4,622,639	\$ 468,766,482
Collateralized mortgage obligations		720,715		720,715
Collateralized senior loans		15,027,309		15,027,309
Sovereign bonds		1,508,626		1,508,626
Common stocks:				
Consumer discretionary	\$ 83,899		173,460	257,359
Energy			2,557,847	2,557,847
Financials	4,267,255	855,357		5,122,612
Industrials	1,095,998		2,357,159	3,453,157
Convertible preferred stocks	198,962			198,962
Preferred stocks:				
Energy		1,390,662		1,390,662
Financials	8,206,070			8,206,070
Industrials		551,731		551,731
Purchased options		117,411		117,411
Warrants		652,896		652,896
Total long-term investments	\$ 13,852,184	\$ 484,968,550	\$ 9,711,105	\$ 508,531,839
Short-term investments		13,600,000		13,600,000
Total investments	\$ 13,852,184	\$ 498,568,550	\$ 9,711,105	\$ 522,131,839
Other financial instruments:				
Forward foreign currency contracts		\$ 96,388		\$ 96,388
Total	\$ 13,852,184	\$ 498,664,938	\$ 9,711,105	\$ 522,228,227

LIABILITIES

Description	Quoted Prices (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Other financial instruments:				
Written options		\$ 31,445		\$ 31,445
Futures contracts	\$ 41,129			41,129
Forward foreign currency contracts		3,439		3,439
Total	\$ 41,129	\$ 34,884		\$ 76,013

See Schedule of Investments for additional detailed categorizations.

Notes to schedule of investments (unaudited) (continued)

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

INVESTMENTS IN SECURITIES	CORPORATE		COMMON STOCKS			PREFERRED STOCKS		TOTAL
	BONDS & NOTES	CONSUMER DISCRETIONARY	ENERGY	INDUSTRIALS	CONSUMER DISCRETIONARY	WARRANTS		
Balance as of September 30, 2012	\$ 4,899,929	\$ 156,398	\$ 2,738,739	\$ 1,760,905	\$ 0*	\$ 27,590	\$ 9,583,561	
Accrued premiums/discounts	19,148						19,148	
Realized gain (loss)(1)	(99,330)						(99,330)	
Change in unrealized appreciation (depreciation)(2)	768,463		(377,101)	378,931		42,765	813,058	
Purchases	585,946	17,062	196,209	217,323			1,016,540	
Sales	(2,609,488)				(0)*	(70,355)	(2,679,843)	
Transfers into Level 3								