

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Form N-Q

August 25, 2011

**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, 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, 2011

ITEM 1.

SCHEDULE OF INVESTMENTS

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

FORM N-Q

JUNE 30, 2011

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Schedule of investments (unaudited)

June 30, 2011

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
CORPORATE BONDS & NOTES	87.5%			
CONSUMER DISCRETIONARY	22.1%			
Auto Components	0.1%			
Hertz Holdings Netherlands BV, Senior Secured Bonds	8.500%	7/31/15	300,000EUR \$	463,323(a)
Automobiles	0.8%			
Escrow GCB General Motors	7.200%	1/15/11	825,000	24,750(b)(c)(d)
Escrow GCB General Motors	7.125%	7/15/13	2,125,000	63,750(b)(c)
Escrow GCB General Motors	8.375%	7/15/33	2,540,000	76,200(b)(c)
Ford Motor Credit Co., LLC, Senior Notes	9.875%	8/10/11	1,000,000	1,007,577
Ford Motor Credit Co., LLC, Senior Notes	7.500%	8/1/12	1,785,000	1,869,763
Ford Motor Credit Co., LLC, Senior Notes	12.000%	5/15/15	685,000	850,160
<i>Total Automobiles</i>				3,892,200
Diversified Consumer Services	0.7%			
Service Corp. International, Senior Notes	7.500%	4/1/27	1,240,000	1,190,400
Sotheby's, Senior Notes	7.750%	6/15/15	1,540,000	1,701,700
Stonemor Operating LLC/Cornerstone Family Services of WV/Osiris Holding, Senior Notes	10.250%	12/1/17	360,000	360,000
<i>Total Diversified Consumer Services</i>				3,252,100
Hotels, Restaurants & Leisure	9.4%			
Boyd Gaming Corp., Senior Notes	9.125%	12/1/18	220,000	224,950(a)
Boyd Gaming Corp., Senior Subordinated Notes	7.125%	2/1/16	665,000	616,788
Caesars Entertainment Operating Co. Inc., Senior Notes	10.750%	2/1/16	2,954,000	2,909,690
Caesars Entertainment Operating Co. Inc., Senior Secured Notes	10.000%	12/15/15	780,000	795,600
Caesars Entertainment Operating Co. Inc., Senior Secured Notes	11.250%	6/1/17	1,220,000	1,352,675
CCM Merger Inc., Notes	8.000%	8/1/13	1,885,000	1,861,437(a)
CityCenter Holdings LLC / CityCenter Finance Corp., Senior Secured Notes	10.750%	1/15/17	4,560,000	4,970,400(a)(e)
Downstream Development Quapaw, Senior Notes	12.000%	10/15/15	1,695,000	1,894,162(a)
Downstream Development Quapaw, Senior Secured Notes	10.500%	7/1/19	1,190,000	1,190,000(a)
El Pollo Loco Inc.	12.000%	12/28/17	2,480,000	2,480,000(f)
El Pollo Loco Inc., Senior Notes	11.750%	11/15/13	2,425,000	2,437,125
El Pollo Loco Inc., Senior Secured Notes	11.750%	12/1/12	945,000	1,001,700
Fontainebleau Las Vegas Holdings LLC/Fontainebleau Las Vegas Capital Corp.	10.250%	6/15/15	445,000	223(a)(c)
Hoa Restaurant Group LLC/Hoa Finance Corp., Senior Secured Notes	11.250%	4/1/17	1,040,000	1,050,400(a)
Inn of the Mountain Gods Resort & Casino, Senior Secured Notes	8.750%	11/30/20	1,074,000	1,057,890(a)
Landry's Holdings Inc., Senior Secured Notes	11.500%	6/1/14	1,140,000	1,142,850(a)
Landry's Restaurants Inc., Senior Secured Notes	11.625%	12/1/15	1,140,000	1,225,500
Landry's Restaurants Inc., Senior Secured Notes	11.625%	12/1/15	340,000	365,500(a)
MGM Resorts International, Senior Notes	5.875%	2/27/14	1,270,000	1,227,137

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MGM Resorts International, Senior Notes	6.625%	7/15/15	490,000	461,825
MGM Resorts International, Senior Secured Notes	10.375%	5/15/14	150,000	171,000
MGM Resorts International, Senior Secured Notes	11.125%	11/15/17	360,000	413,100
Mohegan Tribal Gaming Authority, Senior Secured Notes	11.500%	11/1/17	60,000	62,100(a)
Mohegan Tribal Gaming Authority, Senior Subordinated Notes	8.000%	4/1/12	3,660,000	2,982,900
Mohegan Tribal Gaming Authority, Senior Subordinated Notes	6.875%	2/15/15	225,000	151,875
NCL Corp. Ltd., Senior Notes	9.500%	11/15/18	2,440,000	2,610,800(a)
NCL Corp. Ltd., Senior Secured Notes	11.750%	11/15/16	1,760,000	2,037,200
Pinnacle Entertainment Inc., Senior Notes	8.625%	8/1/17	715,000	771,306
Pinnacle Entertainment Inc., Senior Subordinated Notes	7.500%	6/15/15	330,000	337,425
Seven Seas Cruises S de RL LLC, Senior Secured Notes	9.125%	5/15/19	1,360,000	1,407,600(a)

See Notes to Schedule of Investments.

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Schedule of investments (unaudited) (cont d)

June 30, 2011

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Hotels, Restaurants & Leisure continued				
Snoqualmie Entertainment Authority, Senior Secured Notes	4.204%	2/1/14	890,000	\$ 805,450(a)(g)
Snoqualmie Entertainment Authority, Senior Secured Notes	9.125%	2/1/15	3,365,000	3,306,112(a)
Station Casinos Inc., Senior Notes	6.000%	4/1/12	1,515,000	152(b)(c)
Station Casinos Inc., Senior Notes	7.750%	8/15/16	2,265,000	227(b)(c)
Station Casinos Inc., Senior Subordinated Notes	6.625%	3/15/18	85,000	9(b)(c)
Sugarhouse HSP Gaming Prop Mezz LP/Sugarhouse HSP Gaming Finance Corp., Secured Notes	8.625%	4/15/16	1,281,000	1,325,835(a)
<i>Total Hotels, Restaurants & Leisure</i>				44,648,943
Household Durables 0.2%				
DirectBuy Holdings Inc., Senior Secured Notes	12.000%	2/1/17	370,000	146,150(a)
Standard Pacific Corp., Senior Notes	8.375%	1/15/21	1,040,000	1,024,400
<i>Total Household Durables</i>				1,170,550
Internet & Catalog Retail 0.8%				
Netflix Inc., Senior Notes	8.500%	11/15/17	1,340,000	1,510,850
QVC Inc., Senior Secured Notes	7.375%	10/15/20	1,990,000	2,104,425(a)
<i>Total Internet & Catalog Retail</i>				3,615,275
Media 6.0%				
Affinity Group LLC, Senior Secured Notes	11.500%	12/1/16	1,360,000	1,434,800(a)
CCH II LLC/CCH II Capital Corp., Senior Notes	13.500%	11/30/16	561,225	663,649
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	7.875%	4/30/18	1,860,000	1,969,275
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	8.125%	4/30/20	1,840,000	1,996,400
Cengage Learning Acquisitions Inc., Senior Notes	10.500%	1/15/15	2,400,000	2,184,000(a)
Cengage Learning Acquisitions Inc., Senior Subordinated Notes	13.250%	7/15/15	3,130,000	2,832,650(a)
Charter Communications Inc., Senior Notes	6.500%	4/30/21	1,290,000	1,278,712
CSC Holdings LLC, Senior Notes	8.500%	6/15/15	190,000	206,150
DISH DBS Corp., Senior Notes	7.875%	9/1/19	1,260,000	1,365,525
DISH DBS Corp., Senior Notes	6.750%	6/1/21	800,000	824,000(a)
Kabel BW Erste Beteiligungs GmbH/Kabel Baden-Wuerttemberg GmbH & Co. KG, Senior Secured Notes	7.500%	3/15/19	430,000	440,750(a)
LBI Media Inc., Senior Secured Notes	9.250%	4/15/19	1,290,000	1,283,550(a)
National CineMedia LLC, Senior Notes	7.875%	7/15/21	400,000	407,140(a)
Nielsen Finance LLC/Nielsen Finance Co., Senior Notes	7.750%	10/15/18	3,650,000	3,850,750(a)
Univision Communications Inc., Senior Notes	8.500%	5/15/21	950,000	952,375(a)
Univision Communications Inc., Senior Secured Notes	6.875%	5/15/19	1,430,000	1,422,850(a)
Univision Communications Inc., Senior Secured Notes	7.875%	11/1/20	1,380,000	1,421,400(a)
UPC Holding BV, Senior Notes	9.875%	4/15/18	675,000	752,625(a)
UPCB Finance III Ltd., Senior Secured Notes	6.625%	7/1/20	2,470,000	2,451,475(a)
Virgin Media Finance PLC, Senior Notes	9.125%	8/15/16	537,000	566,535
<i>Total Media</i>				28,304,611
Multiline Retail 0.5%				
Neiman Marcus Group Inc., Senior Secured Notes	7.125%	6/1/28	2,460,000	2,287,800
Specialty Retail 2.2%				
American Greetings Corp., Senior Notes	7.375%	6/1/16	2,885,000	2,985,975
American Greetings Corp., Senior Notes	7.375%	6/1/16	365,000	363,175

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American Greetings Corp., Senior Notes	7.375%	6/1/16	290,000	288,550
Edcon Proprietary Ltd., Senior Secured Notes	9.500%	3/1/18	1,970,000	1,861,650(a)
Michaels Stores Inc., Senior Subordinated Bonds	11.375%	11/1/16	1,230,000	1,316,100
Michaels Stores Inc., Senior Subordinated Notes, step bond	0.000%	11/1/16	2,880,000	2,995,200
Spencer Spirit Holdings Inc./Spencer Gifts LLC/Spirit				
Halloween Superstores, Senior Notes	11.000%	5/1/17	830,000	854,900(a)
<i>Total Specialty Retail</i>				<i>10,665,550</i>

See Notes to Schedule of Investments.

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Schedule of investments (unaudited) (cont d)

June 30, 2011

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Textiles, Apparel & Luxury Goods 1.4%				
Burlington Coat Factory Warehouse Corp., Senior Notes	10.000%	2/15/19	880,000	\$ 875,600(a)
Empire Today LLC/Empire Today Finance Corp., Senior Secured Notes	11.375%	2/1/17	600,000	621,000(a)
Giraffe Acquisition Corp., Senior Notes	9.125%	12/1/18	2,110,000	1,993,950(a)
Oxford Industries Inc., Senior Secured Notes	11.375%	7/15/15	2,570,000	2,916,950
<i>Total Textiles, Apparel & Luxury Goods</i>				<i>6,407,500</i>
TOTAL CONSUMER DISCRETIONARY				104,707,852
CONSUMER STAPLES 1.6%				
Food Products 1.5%				
Blue Merger Sub Inc., Senior Notes	7.625%	2/15/19	2,090,000	2,121,350(a)
Bumble Bee Acquisiton Co., Senior Secured Notes	9.000%	12/15/17	780,000	787,800(a)
Harmony Foods Corp., Senior Secured Notes	10.000%	5/1/16	570,000	584,250(a)
Simmons Foods Inc., Senior Secured Notes	10.500%	11/1/17	2,980,000	3,173,700(a)
Smithfield Foods Inc., Senior Secured Notes	10.000%	7/15/14	233,000	271,445
<i>Total Food Products</i>				<i>6,938,545</i>
Tobacco 0.1%				
Alliance One International Inc., Senior Notes	10.000%	7/15/16	446,000	432,620
TOTAL CONSUMER STAPLES				7,371,165
ENERGY 11.3%				
Energy Equipment & Services 1.8%				
Complete Production Services Inc., Senior Notes	8.000%	12/15/16	1,150,000	1,207,500
Hercules Offshore LLC, Senior Secured Notes	10.500%	10/15/17	2,285,000	2,399,250(a)
Parker Drilling Co., Senior Notes	9.125%	4/1/18	1,480,000	1,568,800
Precision Drilling Corp., Senior Notes	6.625%	11/15/20	360,000	365,400
Vantage Drilling Co., Senior Secured Notes	11.500%	8/1/15	2,960,000	3,233,800
<i>Total Energy Equipment & Services</i>				<i>8,774,750</i>
Oil, Gas & Consumable Fuels 9.5%				
Berry Petroleum Co., Senior Notes	10.250%	6/1/14	1,155,000	1,325,363
Calumet Specialty Products Partners LP/Calumet Finance Corp., Senior Notes	9.375%	5/1/19	2,990,000	3,094,650(a)
Chesapeake Energy Corp., Senior Notes	7.250%	12/15/18	425,000	465,375
Chesapeake Energy Corp., Senior Notes	6.625%	8/15/20	1,530,000	1,617,975
Compagnie Generale de Geophysique-Veritas, Senior Notes	9.500%	5/15/16	560,000	614,600
Compagnie Generale de Geophysique-Veritas, Senior Notes	7.750%	5/15/17	410,000	424,350
CONSOL Energy Inc., Senior Notes	8.250%	4/1/20	1,410,000	1,543,950
Corral Petroleum Holdings AB, Senior Bonds	15.000%	9/18/11	2,852,040	2,737,958(a)(b)(e)
Crosstex Energy LP/Crosstex Energy Finance Corp., Senior Notes	8.875%	2/15/18	350,000	374,500
Energy Transfer Equity LP, Senior Notes	7.500%	10/15/20	1,370,000	1,459,050
Enterprise Products Operating LLP, Junior Subordinated Notes	8.375%	8/1/66	1,270,000	1,376,199(g)
Enterprise Products Operating LLP, Subordinated Notes	7.034%	1/15/68	790,000	831,572(g)
EXCO Resources Inc., Senior Notes	7.500%	9/15/18	2,570,000	2,512,175
James River Escrow Inc., Senior Notes	7.875%	4/1/19	350,000	348,250(a)

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MarkWest Energy Partners LP/MarkWest Energy Finance Corp., Senior Notes	8.750%	4/15/18	480,000	525,600
MarkWest Energy Partners LP/MarkWest Energy Finance Corp., Senior Notes	6.750%	11/1/20	430,000	440,750
MarkWest Energy Partners LP/MarkWest Energy Finance Corp., Senior Notes	6.500%	8/15/21	260,000	258,700
Milagro Oil & Gas Inc., Secured Notes	10.500%	5/15/16	1,530,000	1,445,850(a)
Offshore Group Investments Ltd., Senior Secured Notes	11.500%	8/1/15	560,000	611,800(a)
Overseas Shipholding Group Inc., Senior Notes	8.125%	3/30/18	2,855,000	2,815,744
Peabody Energy Corp., Senior Notes	7.875%	11/1/26	470,000	529,925
Petroplus Finance Ltd., Senior Notes	6.750%	5/1/14	1,090,000	1,073,650(a)
Petroplus Finance Ltd., Senior Notes	7.000%	5/1/17	780,000	737,100(a)

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Schedule of investments (unaudited) (cont d)

June 30, 2011

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Oil, Gas & Consumable Fuels continued				
Plains Exploration & Production Co., Senior Notes	10.000%	3/1/16	1,305,000	\$ 1,474,650
Plains Exploration & Production Co., Senior Notes	8.625%	10/15/19	1,195,000	1,308,525
PT Adaro Indonesia, Senior Notes	7.625%	10/22/19	400,000	446,000(a)
Quicksilver Resources Inc., Senior Notes	11.750%	1/1/16	2,255,000	2,593,250
Quicksilver Resources Inc., Senior Notes	9.125%	8/15/19	340,000	372,300
Range Resources Corp., Senior Subordinated Notes	8.000%	5/15/19	100,000	109,000
SandRidge Energy Inc., Senior Notes	7.500%	3/15/21	670,000	679,213(a)
Teekay Corp., Senior Notes	8.500%	1/15/20	2,280,000	2,365,500
Tennessee Gas Pipeline Co., Senior Notes	8.375%	6/15/32	3,270,000	4,150,526
TNK-BP Finance SA, Senior Notes	7.875%	3/13/18	1,525,000	1,757,562(a)
Whiting Petroleum Corp., Senior Subordinated Notes	6.500%	10/1/18	1,180,000	1,233,100
Xinergy Ltd., Senior Secured Notes	9.250%	5/15/19	1,340,000	1,360,100(a)
<i>Total Oil, Gas & Consumable Fuels</i>				45,014,812
TOTAL ENERGY				53,789,562
FINANCIALS 6.3%				
Capital Markets 0.2%				
Goldman Sachs Group Inc., Subordinated Notes	6.750%	10/1/37	1,100,000	1,103,351
Commercial Banks 1.5%				
BAC Capital Trust VI, Capital Securities, Junior Subordinated Notes	5.625%	3/8/35	830,000	717,146
BankAmerica Institutional Capital A, Junior Subordinated Bonds	8.070%	12/31/26	520,000	533,000(a)
BankAmerica Institutional Capital B, Junior Subordinated Bonds	7.700%	12/31/26	600,000	613,500(a)
CIT Group Inc., Senior Secured Bonds	7.000%	5/1/16	1,130,700	1,127,873
CIT Group Inc., Senior Secured Bonds	7.000%	5/1/17	1,294,694	1,293,076
Credit Agricole SA, Subordinated Notes	8.375%	10/13/19	830,000	871,500(a)(g)(h)
NB Capital Trust II, Junior Subordinated Notes	7.830%	12/15/26	770,000	784,437
NB Capital Trust IV, Junior Subordinated Notes	8.250%	4/15/27	530,000	545,238
Royal Bank of Scotland Group PLC, Junior Subordinated Bonds	7.648%	9/30/31	790,000	714,950(g)(h)
<i>Total Commercial Banks</i>				7,200,720
Consumer Finance 1.1%				
Ally Financial Inc., Senior Bonds	0.000%	12/1/12	1,800,000	1,687,500
Ally Financial Inc., Senior Notes	7.500%	9/15/20	580,000	609,000
GMAC International Finance BV, Senior Bonds	7.500%	4/21/15	730,000EUR	1,103,600
SLM Corp., Medium-Term Notes	8.000%	3/25/20	920,000	989,462
SLM Corp., Medium-Term Notes, Senior Notes	8.450%	6/15/18	965,000	1,060,600
<i>Total Consumer Finance</i>				5,450,162
Diversified Financial Services 2.8%				
Bankrate Inc., Senior Secured Notes	11.750%	7/15/15	688,000	787,760(a)
Capital One Capital V, Junior Subordinated Notes, Cumulative Trust Preferred Securities	10.250%	8/15/39	1,120,000	1,194,200
	6.375%	3/25/13	744,000	770,040

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International Lease Finance Corp., Medium-Term Notes				
International Lease Finance Corp., Medium-Term Notes, Senior Notes	5.625%	9/20/13	1,670,000	1,701,312
International Lease Finance Corp., Senior Notes	8.625%	9/15/15	820,000	891,750
International Lease Finance Corp., Senior Notes	8.875%	9/1/17	3,810,000	4,210,050
International Lease Finance Corp., Senior Notes	8.250%	12/15/20	670,000	725,275
MBNA Capital A, Junior Subordinated Notes	8.278%	12/1/26	1,250,000	1,282,813
Residential Capital LLC, Junior Secured Notes	9.625%	5/15/15	1,500,000	1,496,250
<i>Total Diversified Financial Services</i>				<i>13,059,450</i>
Insurance 0.7%				
American International Group Inc., Senior Notes	8.250%	8/15/18	1,465,000	1,683,471
Dai-ichi Life Insurance Co., Ltd., Subordinated Notes	7.250%	7/25/21	520,000	520,612(a)(g)(h)
ING Capital Funding Trust III, Junior Subordinated Bonds	3.846%	9/30/11	410,000	389,085(g)(h)

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Schedule of investments (unaudited) (cont d)

June 30, 2011

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Insurance continued				
MetLife Capital Trust IV, Junior Subordinated Notes	7.875%	12/15/37	590,000 \$	619,327(a)
<i>Total Insurance</i>				3,212,495
TOTAL FINANCIALS				30,026,178
HEALTH CARE 5.1%				
Health Care Equipment & Supplies 0.2%				
Biomet Inc., Senior Notes	10.000%	10/15/17	180,000	197,100
Biomet Inc., Senior Toggle Notes	10.375%	10/15/17	650,000	719,875(e)
<i>Total Health Care Equipment & Supplies</i>				916,975
Health Care Providers & Services 4.7%				
American Renal Holdings, Senior Notes	9.750%	3/1/16	1,430,000	1,438,505(a)(e)
American Renal Holdings, Senior Secured Notes	8.375%	5/15/18	1,130,000	1,156,837
CRC Health Corp., Senior Subordinated Notes	10.750%	2/1/16	4,265,000	4,360,962
Fresenius Medical Care U.S. Finance Inc., Senior Notes	6.875%	7/15/17	700,000	743,750
Fresenius U.S. Finance II Inc., Senior Notes	9.000%	7/15/15	1,920,000	2,181,600(a)
HCA Inc., Debentures	7.500%	11/15/95	3,920,000	3,194,800
HCA Inc., Senior Secured Notes	7.875%	2/15/20	1,860,000	2,027,400
InVentiv Health Inc., Senior Notes	10.000%	8/15/18	1,320,000	1,258,400(a)
Symbion Inc., Senior Secured Notes	8.000%	6/15/16	210,000	206,325(a)
Tenet Healthcare Corp., Senior Secured Notes	10.000%	5/1/18	1,320,000	1,506,450
Tenet Healthcare Corp., Senior Secured Notes	8.875%	7/1/19	770,000	853,738
Universal Hospital Services Inc., Senior Secured Notes	8.500%	6/1/15	1,990,000	2,059,650(e)
US Oncology Inc.	9.125%	8/15/17	1,015,000	22,838(c)
Vanguard Health Holdings Co., II LLC, Senior Notes	8.000%	2/1/18	1,025,000	1,063,437
<i>Total Health Care Providers & Services</i>				22,074,692
Pharmaceuticals 0.2%				
Endo Pharmaceuticals Holdings Inc., Senior Notes	7.000%	7/15/19	270,000	278,100(a)
Giant Funding Corp., Senior Secured Notes	8.250%	2/1/18	700,000	733,250(a)
<i>Total Pharmaceuticals</i>				1,011,350
TOTAL HEALTH CARE				24,003,017
INDUSTRIALS 14.1%				
Aerospace & Defense 2.1%				
Ducommun Inc., Senior Notes	9.750%	7/15/18	870,000	898,275(a)
FGI Operating Co. Inc., Senior Secured Notes	10.250%	8/1/15	1,965,000	2,097,637
Kratos Defense & Security Solutions Inc., Senior Secured Notes	10.000%	6/1/17	1,030,000	1,091,800
	10.000%	6/1/17	1,010,000	1,070,600(a)

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Kratos Defense & Security Solutions Inc., Senior Secured Notes				
Northrop Grumman Corp., Senior Notes	6.875%	3/15/18	760,000	782,800(a)
Northrop Grumman Corp., Senior Notes	7.125%	3/15/21	760,000	790,400(a)
Triumph Group Inc., Senior Notes	8.625%	7/15/18	860,000	947,075
Wyle Services Corp., Senior Subordinated Notes	10.500%	4/1/18	2,105,000	2,241,825(a)
<i>Total Aerospace & Defense</i>				<i>9,920,412</i>
Airlines 2.2%				
American Airlines Pass-Through Trust, Secured Notes	7.000%	1/31/18	710,000	670,950(a)
Continental Airlines Inc., Pass-Through Certificates	9.250%	5/10/17	160,998	167,438
Continental Airlines Inc., Pass-Through Certificates, Subordinated Secured Notes	7.339%	4/19/14	1,771,925	1,767,496
Continental Airlines Inc., Senior Secured Notes	6.750%	9/15/15	750,000	757,500(a)
DAE Aviation Holdings Inc., Senior Notes	11.250%	8/1/15	3,870,000	4,044,150(a)
Delta Air Lines Inc., Pass-Through Certificates	8.954%	8/10/14	22,071	22,761
Delta Air Lines Inc., Pass-Through Certificates, Secured Notes	8.021%	8/10/22	903,443	918,079
Delta Air Lines Inc., Pass-Through Certificates, Subordinated Secured Notes	9.750%	12/17/16	438,321	464,620
Delta Air Lines Inc., Senior Secured Notes	9.500%	9/15/14	588,000	629,895(a)
United Air Lines Inc., Senior Secured Notes	9.875%	8/1/13	819,000	864,045(a)
<i>Total Airlines</i>				<i>10,306,934</i>

See Notes to Schedule of Investments.

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Schedule of investments (unaudited) (cont d)

June 30, 2011

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Building Products 0.7%				
Ashton Woods USA LLC/Ashton Woods Finance Co., Senior Subordinated Notes, step bond	0.000%	6/30/15	660,400	\$ 402,844(a)(b)
Building Materials Corp. of America, Senior Notes	6.750%	5/1/21	2,110,000	2,125,825(a)
Shea Homes LP, Senior Secured Notes	8.625%	5/15/19	890,000	878,875(a)
<i>Total Building Products</i>				3,407,544
Commercial Services & Supplies 1.9%				
ACCO Brands Corp., Senior Secured Notes	10.625%	3/15/15	1,675,000	1,878,094
Altegrity Inc., Senior Subordinated Notes	10.500%	11/1/15	210,000	218,400(a)
Altegrity Inc., Senior Subordinated Notes	11.750%	5/1/16	2,605,000	2,748,275(a)
American Reprographics Co., Senior Notes	10.500%	12/15/16	1,500,000	1,571,250
Geo Group Inc., Senior Notes	7.750%	10/15/17	1,620,000	1,725,300
RSC Equipment Rental Inc./RSC Holdings III LLC, Senior Notes	8.250%	2/1/21	730,000	730,000
<i>Total Commercial Services & Supplies</i>				8,871,319
Construction & Engineering 0.3%				
Abengoa Finance SAU, Senior Notes	8.875%	11/1/17	1,310,000	1,344,388(a)
Electrical Equipment 0.4%				
NES Rentals Holdings Inc., Senior Secured Notes	12.250%	4/15/15	1,620,000	1,575,450(a)
Industrial Conglomerates 0.3%				
Leucadia National Corp., Senior Notes	8.125%	9/15/15	1,220,000	1,351,150
Machinery 0.4%				
Dematic SA, Senior Secured Notes	8.750%	5/1/16	2,050,000	2,044,875(a)
Marine 0.7%				
Navios Maritime Acquisition Corp., Senior Secured Notes	8.625%	11/1/17	350,000	346,500(a)
Navios Maritime Acquisition Corp./Navios Acquisition Finance U.S. Inc., Senior Secured Notes	8.625%	11/1/17	2,350,000	2,326,500
Navios Maritime Holdings Inc./Navios Maritime Finance II U.S. Inc., Senior Notes	8.125%	2/15/19	740,000	714,100(a)
<i>Total Marine</i>				3,387,100
Road & Rail 3.3%				
Florida East Coast Holdings Corp., Senior Notes	10.500%	8/1/17	2,090,000	2,178,825(a)(e)
Florida East Coast Industries Inc., Senior Secured Notes	8.125%	2/1/17	1,960,000	2,033,500(a)
Jack Cooper Holdings Corp., Senior Secured Notes	12.750%	12/15/15	2,194,000	2,325,640(a)(f)
Kansas City Southern de Mexico, Senior Notes	12.500%	4/1/16	681,000	810,390
Kansas City Southern de Mexico, Senior Notes	8.000%	2/1/18	2,805,000	3,057,450
Kansas City Southern Railway, Senior Notes	13.000%	12/15/13	231,000	269,693
Kansas City Southern Railway, Senior Notes	8.000%	6/1/15	285,000	307,087
Quality Distribution LLC/QD Capital Corp., Senior Secured Notes	9.875%	11/1/18	2,675,000	2,738,531(a)
RailAmerica Inc., Senior Secured Notes	9.250%	7/1/17	1,872,000	2,063,880
<i>Total Road & Rail</i>				15,784,996
Trading Companies & Distributors 0.3%				

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Ashtead Capital Inc., Notes	9.000%	8/15/16	108,000	113,130(a)
H&E Equipment Services Inc., Senior Notes	8.375%	7/15/16	1,370,000	1,407,675
<i>Total Trading Companies & Distributors</i>				<i>1,520,805</i>
Transportation 1.4%				
CMA CGM, Senior Notes	8.500%	4/15/17	2,680,000	2,264,600(a)
Hapag-Lloyd AG, Senior Notes	9.750%	10/15/17	2,630,000	2,656,300(a)
Syncreon Global Ireland Ltd./Syncreon Global Finance US Inc., Senior Notes	9.500%	5/1/18	1,640,000	1,697,400(a)
<i>Total Transportation</i>				<i>6,618,300</i>
Transportation Infrastructure 0.1%				
Aguila 3 SA, Senior Secured Notes	7.875%	1/31/18	540,000	546,075(a)
TOTAL INDUSTRIALS				66,679,348

See Notes to Schedule of Investments.

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Schedule of investments (unaudited) (cont d)

June 30, 2011

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

	RATE	MATURITY DATE	FACE AMOUNT	VALUE
SECURITY				
INFORMATION TECHNOLOGY 4.5%				
Communications Equipment 0.6%				
Lucent Technologies Inc., Debentures	6.450%	3/15/29	3,140,000	\$ 2,841,700
Electronic Equipment, Instruments & Components 0.8%				
NXP BV/NXP Funding LLC, Senior Secured Notes	9.750%	8/1/18	3,460,000	3,892,500(a)
IT Services 1.9%				
Ceridian Corp., Senior Notes	12.250%	11/15/15	1,469,700	1,499,094(e)
First Data Corp., Senior Notes	5.625%	11/1/11	250,000	250,312
First Data Corp., Senior Notes	10.550%	9/24/15	4,252,659	4,433,397(e)
First Data Corp., Senior Notes	11.250%	3/31/16	420,000	415,800
First Data Corp., Senior Secured Notes	7.375%	6/15/19	120,000	121,500(a)
iGATE Corp., Senior Notes	9.000%	5/1/16	2,430,000	2,466,450(a)
<i>Total IT Services</i>				9,186,553
Semiconductors & Semiconductor Equipment 1.2%				
CDW LLC/CDW Finance Corp., Senior Notes	11.000%	10/12/15	710,000	750,825
CDW LLC/CDW Finance Corp., Senior Notes	11.500%	10/12/15	590,000	625,400(e)
Freescale Semiconductor Inc., Senior Notes	10.750%	8/1/20	520,000	590,200(a)
Freescale Semiconductor Inc., Senior Secured Notes	9.250%	4/15/18	860,000	930,950(a)
Freescale Semiconductor Inc., Senior Subordinated Notes	10.125%	12/15/16	1,785,000	1,930,031
Freescale Semiconductor Inc., Senior Toggle Notes	9.125%	12/15/14	381,333	400,877(e)
Sensata Technologies BV, Secured Notes	6.500%	5/15/19	390,000	390,975(a)
<i>Total Semiconductors & Semiconductor Equipment</i>				5,619,258
TOTAL INFORMATION TECHNOLOGY MATERIALS 8.0%				21,540,011
Chemicals 1.9%				
Georgia Gulf Corp., Senior Secured Notes	9.000%	1/15/17	1,175,000	1,257,250(a)
Ineos Finance PLC, Senior Secured Notes	9.000%	5/15/15	1,160,000	1,223,800(a)
Kerling PLC, Senior Secured Notes	10.625%	1/28/17	955,000EUR	1,471,449(a)
LBI Escrow Corp., Senior Secured Notes	8.000%	11/1/17	1,388,000	1,547,620(a)
Lyondell Chemical Co., Senior Secured Notes	11.000%	5/1/18	1,370,000	1,541,250
Solutia Inc., Senior Notes	8.750%	11/1/17	45,000	49,050
Solutia Inc., Senior Notes	7.875%	3/15/20	1,210,000	1,300,750
Texas Petrochemical Corp. Group LLC, Senior Secured Notes	8.250%	10/1/17	770,000	800,800(a)
<i>Total Chemicals</i>				9,191,969
Containers & Packaging 2.7%				
ARD Finance SA, Senior Secured Notes	11.125%	6/1/18	200,000	205,500(a)(e)

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Ardagh Packaging Finance PLC, Senior Notes	9.125%	10/15/20	1,330,000	1,406,475(a)
Ardagh Packaging Finance PLC, Senior Secured Notes	7.375%	10/15/17	560,000EUR	819,189(a)
Berry Plastics Corp., Secured Notes	9.750%	1/15/21	1,410,000	1,371,225
Longview Fibre Paper & Packaging Inc., Senior Secured Notes	8.000%	6/1/16	1,120,000	1,131,200(a)
Pretium Packaging LLC/Pretium Finance Inc., Senior Secured Notes	11.500%	4/1/16	2,060,000	2,096,050(a)
Reynolds Group Issuer Inc./Reynolds Group Issuer LLC, Senior Notes	9.000%	4/15/19	1,950,000	1,935,375(a)
Reynolds Group Issuer Inc./Reynolds Group Issuer LLC, Senior Notes	8.250%	2/15/21	1,600,000	1,504,000(a)
Viskase Cos. Inc., Senior Secured Notes	9.875%	1/15/18	2,090,000	2,189,275(a)(b)
Viskase Cos. Inc., Senior Secured Notes	9.875%	1/15/18	170,000	178,075(a)(b)
<i>Total Containers & Packaging</i>				<i>12,836,364</i>
Metals & Mining 1.9%				
Atkore International Inc., Senior Secured Notes	9.875%	1/1/18	840,000	886,200(a)
FMG Resources (August 2006) Pty Ltd., Senior Notes	7.000%	11/1/15	300,000	307,500(a)
Midwest Vanadium Pty Ltd., Senior Secured Notes	11.500%	2/15/18	3,400,000	3,408,500(a)
Mirabela Nickel Ltd., Senior Notes	8.750%	4/15/18	680,000	680,000(a)
Novelis Inc., Senior Notes	8.750%	12/15/20	2,040,000	2,213,400
Ryerson Holding Corp., Senior Secured Notes	0.000%	2/1/15	2,850,000	1,496,250

See Notes to Schedule of Investments.

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Schedule of investments (unaudited) (cont d)

June 30, 2011

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Metals & Mining continued				
Ryerson Inc., Senior Secured Notes	12.000%	11/1/15	30,000	\$ 32,025
<i>Total Metals & Mining</i>				9,023,875
Paper & Forest Products 1.5%				
Appleton Papers Inc., Senior Secured Notes	11.250%	12/15/15	3,415,000	3,466,225
NewPage Corp., Senior Secured Notes	11.375%	12/31/14	1,470,000	1,378,125
PE Paper Escrow GmbH, Senior Secured Notes	12.000%	8/1/14	560,000	635,600(a)
Sappi Papier Holding GmbH, Senior Secured Notes	6.625%	4/15/21	600,000	586,500(a)
Verso Paper Holdings LLC, Senior Secured Notes	11.500%	7/1/14	36,000	38,520
Verso Paper Holdings LLC, Senior Secured Notes	8.750%	2/1/19	740,000	662,300(a)
Verso Paper Holdings LLC, Senior Subordinated Notes	11.375%	8/1/16	330,000	307,725
<i>Total Paper & Forest Products</i>				7,074,995
TOTAL MATERIALS				38,127,203
TELECOMMUNICATION SERVICES				
7.0%				
Diversified Telecommunication Services 3.9%				
Cogent Communications Group Inc., Senior Secured Notes	8.375%	2/15/18	1,530,000	1,575,900(a)
Inmarsat Finance PLC, Senior Notes	7.375%	12/1/17	2,120,000	2,257,800(a)
Intelsat Jackson Holdings Ltd., Senior Notes	11.250%	6/15/16	40,000	42,500
Intelsat Jackson Holdings SA, Senior Notes	7.250%	4/1/19	2,360,000	2,348,200(a)
Level 3 Financing Inc., Senior Notes	9.250%	11/1/14	639,000	660,566
Primus Telecommunications Group Inc., Senior Subordinated Secured Notes	14.250%	5/20/13	236,811	239,179(e)
Satelite Mexicanos SA de CV, Senior Secured Notes	9.500%	5/15/17	1,000,000	1,025,000(a)
TW Telecom Holdings Inc., Senior Notes	8.000%	3/1/18	1,430,000	1,531,888
West Corp., Senior Notes	8.625%	10/1/18	1,570,000	1,593,550(a)
West Corp., Senior Notes	7.875%	1/15/19	1,840,000	1,789,400(a)
Wind Acquisition Finance SA, Senior Notes	11.750%	7/15/17	1,070,000	1,217,125(a)
Wind Acquisition Finance SA, Senior Secured Notes	7.250%	2/15/18	780,000	813,150(a)
Wind Acquisition Holdings Finance SpA, Senior Notes	12.250%	7/15/17	1,099,414	1,272,572(a)(e)
Windstream Corp., Senior Notes	7.500%	4/1/23	2,130,000	2,140,650
<i>Total Diversified Telecommunication Services</i>				18,507,480
Wireless Telecommunication Services				
3.1%				
Buccaneer Merger Sub Inc., Senior Notes	9.125%	1/15/19	1,720,000	1,797,400(a)
MetroPCS Wireless Inc., Senior Notes	7.875%	9/1/18	1,080,000	1,148,850

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Sprint Capital Corp., Global Notes	6.900%	5/1/19	870,000	900,450
Sprint Capital Corp., Senior Notes	6.875%	11/15/28	750,000	714,375
Sprint Capital Corp., Senior Notes	8.750%	3/15/32	7,065,000	7,683,187
True Move Co., Ltd., Notes	10.750%	12/16/13	2,260,000	2,449,275(a)
<i>Total Wireless Telecommunication Services</i>				<i>14,693,537</i>
TOTAL TELECOMMUNICATION SERVICES				33,201,017
UTILITIES 7.5%				
Electric Utilities 2.4%				
AES Red Oak LLC, Secured Notes	9.200%	11/30/29	3,920,000	3,998,400
Astoria Depositor Corp., Pass-Through Certificates	8.144%	5/1/21	1,550,000	1,488,000(a)
Reliant Energy Mid-Atlantic Power Holdings LLC, Senior Notes	9.681%	7/2/26	2,390,000	2,557,300
Texas Competitive Electric Holdings Co. LLC/TCEH Finance Inc., Senior Secured Notes	11.500%	10/1/20	3,430,000	3,387,125(a)
<i>Total Electric Utilities</i>				<i>11,430,825</i>
Gas Utilities 0.3%				
Southern Natural Gas Co., Senior Notes	8.000%	3/1/32	60,000	75,481
Suburban Propane Partners LP/Suburban Energy Finance Corp., Senior Notes	7.375%	3/15/20	1,210,000	1,270,500
<i>Total Gas Utilities</i>				<i>1,345,981</i>
Independent Power Producers & Energy Traders 4.8%				
Calpine Corp., Senior Secured Notes	7.875%	7/31/20	460,000	483,000(a)
Calpine Corp., Senior Secured Notes	7.500%	2/15/21	640,000	656,000(a)

See Notes to Schedule of Investments.

Schedule of investments (unaudited) (cont d)

June 30, 2011

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

SECURITY	RATE	MATURITY DATE	FACE AMOUNT
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