

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Form N-Q

February 25, 2015

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, N.Y. 10018

(Address of principal executive offices) (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: **December 31, 2014**

ITEM 1. SCHEDULE OF INVESTMENTS.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

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DECEMBER 31, 2014

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited)

December 31, 2014

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
CORPORATE BONDS & NOTES - 89.3%				
CONSUMER DISCRETIONARY - 17.4%				
Automobiles - 0.2%				
Chrysler Group LLC/CG Co.-Issuer Inc., Secured Notes	8.250%	6/15/21	1,140,000	\$ 1,268,250
Diversified Consumer Services - 0.5%				
Service Corp. International, Senior Notes	7.500%	4/1/27	1,280,000	1,446,400
StoneMor Partners LP/Cornerstone Family Services of WV, Senior Bonds	7.875%	6/1/21	920,000	943,000 ^(a)
<i>Total Diversified Consumer Services</i>				2,389,400
Hotels, Restaurants & Leisure - 4.3%				
24 Hour Holdings III LLC, Senior Notes	8.000%	6/1/22	980,000	788,900 ^(a)
Bossier Casino Venture Holdco Inc.	11.000%	2/9/18	274,920	268,184 ^{(b)(c)}
Bossier Casino Venture Holdco Inc., Senior Secured Bonds	14.000%	2/9/18	1,692,952	1,440,533 ^{(a)(b)(c)(d)}
Boyd Gaming Corp., Senior Notes	9.125%	12/1/18	260,000	267,800
Caesars Entertainment Operating Co. Inc., Senior Secured Notes	11.250%	6/1/17	740,000	546,120
Caesars Entertainment Operating Co. Inc., Senior Secured Notes	9.000%	2/15/20	2,490,000	1,855,050
Caesars Entertainment Resort Properties LLC, Secured Notes	11.000%	10/1/21	800,000	732,000 ^(a)
Carlson Travel Holdings Inc., Senior Notes	7.500%	8/15/19	520,000	525,200 ^{(a)(d)}
Carrols Restaurant Group Inc., Senior Secured Notes	11.250%	5/15/18	1,400,000	1,512,000
CCM Merger Inc., Senior Notes	9.125%	5/1/19	1,710,000	1,804,050 ^(a)
CEC Entertainment Inc., Senior Notes	8.000%	2/15/22	1,960,000	1,911,000 ^(a)
Downstream Development Quapaw, Senior Secured Notes	10.500%	7/1/19	1,320,000	1,234,200 ^(a)
Fontainebleau Las Vegas Holdings LLC/Fontainebleau Las Vegas Capital Corp., Senior Secured Notes	10.250%	6/15/15	445,000	5,585 ^{(a)(e)}
Greektown Holdings LLC/Greektown Mothership Corp., Senior Secured Notes	8.875%	3/15/19	1,010,000	1,012,525 ^(a)
Landry's Holdings II Inc., Senior Notes	10.250%	1/1/18	750,000	776,250 ^(a)
Landry's Inc., Senior Notes	9.375%	5/1/20	3,598,000	3,831,870 ^(a)
Paris Las Vegas Holding LLC/Harrah's Las Vegas LLC/Flamingo Las Vegas Holding LLC, Senior Secured Notes	8.000%	10/1/20	2,870,000	2,826,950 ^(a)
Rivers Pittsburgh Borrower LP/Rivers Pittsburgh Finance Corp., Senior Secured Notes	9.500%	6/15/19	267,000	284,355 ^(a)
<i>Total Hotels, Restaurants & Leisure</i>				21,622,572
Household Durables - 1.4%				
Century Intermediate Holding Co. 2, Senior Notes	9.750%	2/15/19	1,980,000	2,088,900 ^{(a)(d)}
William Lyon Homes Inc., Senior Notes	8.500%	11/15/20	1,520,000	1,645,400
William Lyon Homes PNW Finance Corp., Senior Notes	7.000%	8/15/22	1,190,000	1,201,900 ^(a)
Woodside Homes Co., LLC/Woodside Homes Finance Inc., Senior Notes	6.750%	12/15/21	2,020,000	2,020,000 ^(a)

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Total Household Durables

6,956,200

Media - 8.6%

Altice SA, Senior Secured Notes	7.750%	5/15/22	840,000	843,675 ^(a)
Carmike Cinemas Inc., Secured Notes	7.375%	5/15/19	530,000	565,775
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	8.125%	4/30/20	3,000,000	3,165,000
Clear Channel Worldwide Holdings Inc., Senior Notes	6.500%	11/15/22	450,000	460,125
CSC Holdings LLC, Senior Notes	6.750%	11/15/21	500,000	554,375
DISH DBS Corp., Senior Notes	7.875%	9/1/19	1,085,000	1,234,188
DISH DBS Corp., Senior Notes	6.750%	6/1/21	2,020,000	2,176,550

See Notes to Schedule of Investments.

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Schedule of investments (unaudited) (cont d)

December 31, 2014

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Media - (continued)				
DISH DBS Corp., Senior Notes	5.000%	3/15/23	70,000	\$ 67,900
DISH DBS Corp., Senior Notes	5.875%	11/15/24	2,860,000	2,881,450 ^(a)
Gibson Brands Inc., Senior Secured Notes	8.875%	8/1/18	1,380,000	1,331,700 ^(a)
iHeartCommunications Inc., Senior Notes	10.000%	1/15/18	1,110,000	955,988
MDC Partners Inc., Senior Notes	6.750%	4/1/20	250,000	258,438 ^(a)
New Cotai LLC/New Cotai Capital Corp., Senior Secured Notes	10.625%	5/1/19	1,617,634	1,722,780 ^{(a)(d)}
Numericable-SFR, Senior Secured Bonds	6.000%	5/15/22	2,710,000	2,728,292 ^(a)
Numericable-SFR, Senior Secured Bonds	6.250%	5/15/24	2,330,000	2,350,387 ^(a)
Ono Finance II PLC, Senior Bonds	10.875%	7/15/19	2,760,000	2,929,050 ^(a)
Time Warner Cable Inc., Senior Notes	8.750%	2/14/19	1,490,000	1,846,043
Time Warner Cable Inc., Senior Notes	8.250%	4/1/19	678,000	830,733
Univision Communications Inc., Senior Notes	8.500%	5/15/21	1,320,000	1,412,400 ^(a)
Univision Communications Inc., Senior Secured Notes	6.875%	5/15/19	1,430,000	1,492,562 ^(a)
Univision Communications Inc., Senior Secured Notes	7.875%	11/1/20	770,000	823,900 ^(a)
Univision Communications Inc., Senior Secured Notes	6.750%	9/15/22	217,000	233,275 ^(a)
UPC Holding BV, Junior Secured Subordinated Notes	6.375%	9/15/22	2,030,000 ^{EUR}	2,665,196 ^(a)
UPCB Finance II Ltd., Senior Notes	6.375%	7/1/20	2,500,000 ^{EUR}	3,180,163 ^(f)
Virgin Media Finance PLC, Senior Notes	6.375%	4/15/23	2,890,000	3,041,725 ^(a)
Virgin Media Finance PLC, Senior Notes	6.000%	10/15/24	2,000,000	2,100,000 ^(a)
WMG Acquisition Corp., Senior Notes	6.750%	4/15/22	1,620,000	1,482,300 ^(a)
<i>Total Media</i>				43,333,970