

WESTERN ASSET INTERMEDIATE MUNI FUND INC.
Form N-Q
October 26, 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 811-6506

Western Asset Intermediate Muni 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: 1-888-777-0102

Date of fiscal year end: November 30

Date of reporting period: August 31, 2011

ITEM 1. SCHEDULE OF INVESTMENTS

WESTERN ASSET INTERMEDIATE MUNI FUND INC.

FORM N-Q

AUGUST 31, 2011

WESTERN ASSET INTERMEDIATE MUNI FUND INC.

Schedule of investments (unaudited)

August 31, 2011

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
MUNICIPAL BONDS 95.7%				
Alaska 1.1%				
Anchorage, AK, GO, Refunding, FGIC	6.000%	10/1/14	\$ 500,000	\$ 577,850
North Slope Boro, AK, Refunding, NATL	5.000%	6/30/15	1,250,000	1,439,813
<i>Total Alaska</i>				<i>2,017,663</i>
Arkansas 0.6%				
Warren County, AR, Solid Waste Disposal Revenue, Potlatch Corp. Project	7.000%	4/1/12	1,000,000	1,021,360(a)
California 8.4%				
California Statewide CDA Revenue:				
Lodi Memorial Hospital, CMI	5.000%	12/1/22	2,000,000	2,110,420
Proposition 1A Receivables Program	5.000%	6/15/13	3,000,000	3,219,930
Los Angeles, CA, COP, Hollywood Presbyterian Medical Center, INDLC	9.625%	7/1/13	350,000	390,540(b)
M-S-R Energy Authority, CA, Gas Revenue	6.125%	11/1/29	3,000,000	3,135,840
Modesto, CA, Irrigation District Electric Revenue	5.000%	7/1/24	4,130,000	4,532,799
Modesto, CA, Irrigation District Electric Revenue	5.000%	7/1/25	2,000,000	2,171,140
San Francisco, CA, Airport Improvement Corp., Lease Revenue, United Airlines Inc.	8.000%	7/1/13	115,000	125,818(b)
<i>Total California</i>				<i>15,686,487</i>
Colorado 4.8%				
Colorado Educational & Cultural Facilities Authority Revenue Charter School:				
Bromley East Project	7.000%	9/15/20	1,000,000	1,001,670(c)
Bromley School Project, XLCA	5.125%	9/15/20	1,155,000	1,183,424
Refunding & Improvement, University Lab School, XLCA	5.250%	6/1/24	1,350,000	1,357,398
Denver, CO, Health & Hospital Authority	6.250%	12/1/16	710,000	720,132(c)
E-470 Public Highway Authority Revenue, CO	5.250%	9/1/25	2,000,000	1,899,240
Public Authority for Colorado Energy, Natural Gas Purchase Revenue	6.125%	11/15/23	2,000,000	2,122,580
SBC Metropolitan District, CO, GO, ACA	5.000%	12/1/25	750,000	722,565
<i>Total Colorado</i>				<i>9,007,009</i>
Connecticut 1.6%				
Connecticut State HEFA Revenue, Bristol Hospital	5.500%	7/1/21	2,000,000	1,922,540
Connecticut State Special Obligation Parking Revenue, Bradley International Airport, ACA	6.375%	7/1/12	960,000	965,808(a)
<i>Total Connecticut</i>				<i>2,888,348</i>
Florida 5.4%				
Citizens Property Insurance Corp., FL	5.000%	6/1/16	5,000,000	5,431,300
Miami-Dade County, FL, School Board, COP	5.000%	2/1/24	2,000,000	2,168,300
Old Palm Community Development District, FL, Palm Beach Gardens	5.375%	5/1/14	960,000	902,218
Orange County, FL, Health Facilities Authority Revenue, Hospital Adventist Health Systems	6.250%	11/15/24	1,500,000	1,601,025(c)

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<i>Total Florida</i>				10,102,843
Georgia 6.2%				
Athens, GA, Housing Authority Student Housing Lease Revenue, University of Georgia East Campus, AMBAC	5.250%	12/1/23	970,000	1,028,317(c)
Atlanta, GA, Water & Wastewater Revenue	6.000%	11/1/23	2,000,000	2,333,340
Chatham County, GA, Hospital Authority Revenue, Hospital Memorial Health Medical Center	6.000%	1/1/17	650,000	652,821
DeKalb Private Hospital Authority Revenue, GA, Anticipation CTFS, Children s Health Care of Atlanta Inc.	5.000%	11/15/29	2,000,000	2,071,920

See Notes to Schedule of Investments.

WESTERN ASSET INTERMEDIATE MUNI FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2011

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Georgia continued				
DeKalb, Newton & Gwinnett Counties, GA, Joint Development Authority Revenue, GGC Foundation LLC Project	6.000%	7/1/29	\$ 1,000,000	\$ 1,086,900
Georgia Municipal Electric Authority: Power Revenue, Refunding, AGM	5.000%	1/1/18	3,000,000	3,170,730
Power System Revenue	6.500%	1/1/12	110,000	112,016
Griffin, GA, Combined Public Utilities Revenue, Refunding & Improvement, AMBAC	5.000%	1/1/21	1,000,000	1,041,010
<i>Total Georgia</i>				<i>11,497,054</i>
Illinois 2.2%				
Chicago, IL, O Hare International Airport Revenue, Refunding Bonds, Lien A-2, AGM	5.750%	1/1/19	1,500,000	1,584,090(a)
Glendale Heights, IL, Hospital Revenue, Refunding Glendale Heights Project	7.100%	12/1/15	660,000	707,639(b)
Illinois Development Finance Authority, Chicago Charter School Foundation Project A	5.250%	12/1/12	155,000	159,688(b)
Illinois Finance Authority Revenue, Memorial Health System	5.250%	4/1/29	1,670,000	1,649,192
<i>Total Illinois</i>				<i>4,100,609</i>
Indiana 2.8%				
Ball State University, Indiana University Revenue, Student Fee, FGIC	5.750%	7/1/20	800,000	814,248(c)
Indianapolis, IN, Thermal Energy System, Multi-Mode	5.000%	10/1/23	4,000,000	4,367,560(d)
<i>Total Indiana</i>				<i>5,181,808</i>
Iowa 0.2%				
Muscatine, IA, Electric Revenue	9.700%	1/1/13	320,000	342,973(b)
Kansas 1.4%				
Burlington, KS, Environmental Improvement Revenue, Kansas City Power & Light	5.250%	4/1/13	2,500,000	2,629,250(e)
Louisiana 0.0%				
Louisiana Public Facilities Authority Hospital Revenue, Southern Baptist Hospital Inc. Project, Aetna	8.000%	5/15/12	55,000	55,817(b)
Maryland 0.2%				
Maryland State Health & Higher EFA Revenue, Refunding Mercy Medical Center, AGM	6.500%	7/1/13	380,000	393,019
Massachusetts 1.9%				
Lancaster, MA, GO, AMBAC	5.375%	4/15/17	1,130,000	1,166,895
Massachusetts State DFA Revenue: Curry College, ACA	6.000%	3/1/20	435,000	435,387
VOA Concord, GNMA-Collateralized	6.700%	10/20/21	340,000	359,693(c)
Massachusetts State HEFA Revenue: Caritas Christi Obligation	6.500%	7/1/12	535,000	561,124(b)
Milford-Whitinsville Regional Hospital	6.500%	7/15/23	1,000,000	1,062,900(c)
<i>Total Massachusetts</i>				<i>3,585,999</i>
Michigan 7.0%				

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Jenison, MI, Public Schools GO, Building and Site, FGIC	5.500%	5/1/20	1,000,000	1,034,760(c)
Michigan State Housing Development Authority Rental Housing Revenue	5.250%	10/1/24	2,640,000	2,707,399
Michigan State, Hospital Finance Authority Revenue: Oakwood Obligated Group	5.500%	11/1/18	1,000,000	1,045,310
Refunding, Hospital Sparrow Obligated	5.000%	11/15/12	500,000	521,795
Refunding, Hospital Sparrow Obligated	5.000%	11/15/14	1,190,000	1,297,112
Walled Lake, MI, Consolidated School District, NATL	5.000%	5/1/22	1,000,000	1,062,970

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WESTERN ASSET INTERMEDIATE MUNI FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2011

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Michigan continued				
Wayne County, MI, Airport Authority Revenue, Detroit Metropolitan Airport	5.000%	12/1/16	\$ 5,000,000	\$ 5,380,500(a)
<i>Total Michigan</i>				<i>13,049,846</i>
Missouri 1.4%				
Missouri State Environmental Improvement & Energy Resources Authority, KC Power & Light Co. Project	4.900%	7/1/13	2,500,000	2,595,100(a)(e)
Nevada 2.2%				
Humboldt County, NV, PCR, Idaho Power Co. Project	5.150%	12/1/24	4,000,000	4,180,320
New Hampshire 3.6%				
New Hampshire HEFA Revenue:				
Covenant Health	6.500%	7/1/17	445,000	458,439(c)
Covenant Health, Unrefunded Balance	6.500%	7/1/17	75,000	76,477
Healthcare Systems Covenant Health	5.000%	7/1/28	6,400,000	6,264,192
<i>Total New Hampshire</i>				<i>6,799,108</i>
New Jersey 5.0%				
New Jersey State EFA Revenue, University of Medicine & Dentistry	7.125%	12/1/23	2,000,000	2,353,900
New Jersey State Higher Education Assistance Authority, Student Loan Revenue	5.375%	6/1/24	4,000,000	4,282,880
New Jersey State Higher Education Assistance Authority, Student Loan Revenue, AGC	5.875%	6/1/21	2,450,000	2,643,697(a)
Ringwood Borough, NJ, Sewer Authority Special Obligation	9.875%	7/1/13	50,000	56,104(b)
<i>Total New Jersey</i>				<i>9,336,581</i>
New Mexico 1.6%				
Bernalillo County, NM, Gross Receipts Tax Revenue, AMBAC	5.250%	10/1/18	1,100,000	1,344,310
New Mexico Finance Authority Revenue, Subordinated Lien, Public Project Revolving Fund, NATL	5.000%	6/15/19	1,415,000	1,600,464
<i>Total New Mexico</i>				<i>2,944,774</i>
New York 2.9%				
New York State Dormitory Authority, New York & Presbyterian Hospital, AGM	5.250%	2/15/24	3,025,000	3,215,212
New York State Thruway Authority Highway & Bridge Trust Fund Revenue, AMBAC	5.000%	4/1/21	2,000,000	2,200,420
<i>Total New York</i>				<i>5,415,632</i>
North Carolina 1.0%				
North Carolina Eastern Municipal Power Agency, Power Systems Revenue	5.000%	1/1/26	1,750,000	1,854,300
Ohio 5.1%				
American Municipal Power-Ohio Inc., Electricity Purchase Revenue	5.000%	2/1/13	2,000,000	2,089,640
Kettering, OH, City School District, School Improvement, AGM	5.000%	12/1/19	1,000,000	1,082,400

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Ohio State Air Quality Development Authority Revenue, FirstEnergy Generation Corp.	5.625%	6/1/18	1,000,000	1,125,840
Ohio State Water Development Authority, Pollution Control Facilities Revenue, FirstEnergy Nuclear Generation Corp.	3.375%	7/1/15	5,000,000	5,189,800(e)
<i>Total Ohio</i>				<i>9,487,680</i>
Oklahoma 1.4%				
Grand River Dam Authority, OK, Revenue	5.000%	6/1/30	2,500,000	2,671,250

See Notes to Schedule of Investments.

WESTERN ASSET INTERMEDIATE MUNI FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2011

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Pennsylvania 6.7%				
Conneaut, PA, School District, GO, AMBAC	9.500%	5/1/12	\$ 15,000	\$ 15,881(b)
Harrisburg, PA, Parking Authority Parking Revenue, AGM	5.500%	5/15/20	1,000,000	1,036,830(c)
Montgomery County, PA, IDA Revenue, New Regional Medical Center Project, FHA	5.000%	8/1/24	2,000,000	2,160,940
Northampton County, PA, IDA Revenue, Mortgage Moravian Hall Square Project, Radian	5.500%	7/1/19	1,365,000	1,369,887
Pennsylvania State IDA Revenue, Economic Development, AMBAC	5.500%	7/1/21	1,000,000	1,034,030
Pennsylvania State Public School Building Authority Lease Revenue, Philadelphia School District Project, AGM	5.000%	6/1/27	2,000,000	2,146,880
Philadelphia, PA, Gas Works Revenue, 7th General Ordinance, AMBAC	5.000%	10/1/17	1,000,000	1,091,640
Philadelphia, PA, Water & Wastewater, FGIC	5.250%	11/1/14	2,000,000	2,099,760
Pittsburgh, PA, School District GO, AGM	5.375%	9/1/16	1,350,000	1,574,262
<i>Total Pennsylvania</i>				<i>12,530,110</i>
Puerto Rico 1.1%				
Puerto Rico Commonwealth Government Development Bank, NATL	4.750%	12/1/15	2,000,000	2,088,800
Rhode Island 0.5%				
Central Falls, RI, GO, Radian	5.875%	5/15/15	1,000,000	854,590
South Carolina 0.6%				
Greenville County, SC, School District Installment Purchase, Revenue, Refunding, Building Equity	6.000%	12/1/21	1,100,000	1,188,693(c)
Tennessee 3.7%				
Jackson, TN, Water & Sewer Revenue	7.200%	7/1/12	15,000	15,863(b)
Tennessee Energy Acquisition Corp., Gas Revenue	5.250%	9/1/20	2,030,000	2,034,304
Tennessee Energy Acquisition Corp., Gas Revenue	5.250%	9/1/23	4,940,000	4,888,031
<i>Total Tennessee</i>				<i>6,938,198</i>
Texas 9.9%				
Brazos River, TX, Harbor Navigation District, BASF Corp. Project	6.750%	2/1/12	400,000	400,120
Dallas-Fort Worth, TX, International Airport Revenue, Refunding, AGM	5.500%	11/1/20	1,000,000	1,060,390(a)
El Paso County, TX, Housing Finance Corp., La Plaza Apartments, Subordinated	8.000%	7/1/30	240,000	219,989
El Paso County, TX, Housing Finance Corp., MFH Revenue, American Village Communities	6.250%	12/1/24	360,000	361,526
El Paso, TX, Water & Sewer Revenue: Refunding & Improvement, AGM	6.000%	3/1/15	955,000	982,046(c)
Refunding & Improvement, AGM, Unrefunded Balance	6.000%	3/1/15	45,000	46,182
Fort Worth, TX, Water & Sewer Revenue	5.625%	2/15/17	2,000,000	2,048,140(c)
Harris County, TX, Industrial Development Corp., Solid Waste Disposal Revenue, Deer Park Refining Project	4.700%	5/1/18	6,250,000	6,786,875
North Texas Tollway Authority Revenue, NATL	5.125%	1/1/28	2,000,000	2,050,260

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Sabine River Authority, Texas PCR, Southwestern Electric Power Co., NATL	4.950%	3/1/18	3,000,000	3,274,080
Southwest Higher Education Authority Inc., Southern Methodist University Project, AMBAC	5.500%	10/1/19	1,000,000	1,056,370(c)
Texas State Department Housing Community Affairs Home Mortgage Revenue, RIBS, GNMA/FNMA/FHLMC-Collateralized	12.948%	7/2/24	125,000	140,607(a)(d)(f)
<i>Total Texas</i>				<i>18,426,585</i>

See Notes to Schedule of Investments.

WESTERN ASSET INTERMEDIATE MUNI FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2011

SECURITY	RATE	MATURITY DATE	FACE AMOUNT	VALUE
Utah 0.8%				
Spanish Fork City, UT, Water Revenue:				
AGM	5.500%	6/1/16	\$ 350,000	\$ 363,584(c)
AGM, Unrefunded Balance	5.500%	6/1/16	1,135,000	1,179,049(c)
<i>Total Utah</i>				<i>1,542,633</i>
Virginia 2.5%				
Pittsylvania County, VA, GO	5.500%	2/1/22	540,000	632,135
Pittsylvania County, VA, GO	5.500%	2/1/23	1,030,000	1,197,540
Pittsylvania County, VA, GO	5.600%	2/1/24	2,490,000	2,877,493
<i>Total Virginia</i>				<i>4,707,168</i>
Washington 0.6%				
Washington State Health Care Facilities				
Authority Revenue, Multicare Health System	5.750%	8/15/29	1,000,000	1,095,240
Wisconsin 1.3%				
La Crosse, WI, Resource Recovery Revenue,				
Refunding Bonds, Northern States Power Co.				
Project	6.000%	11/1/21	2,000,000	2,330,960(a)
TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS (Cost \$169,847,441)				178,547,807
SHORT-TERM INVESTMENTS 4.3%				
Maryland 0.8%				
Maryland State Stadium Authority, Sports				
Facilities Lease Revenue, Football Stadium,				
SPA-Dexia Credit Local	2.100%	3/1/26	1,600,000	1,600,000(g)(h)
New York 0.3%				
New York City, NY, GO, LOC-Bank of				
America N.A.	0.160%	4/1/36	100,000	100,000(g)(h)
New York City, NY, Municipal Water Finance				
Authority, Water & Sewer System Revenue,				
Second General Resolution, SPA-Fortis Bank				
S.A.	0.080%	6/15/36	400,000	400,000(g)(h)
<i>Total New York</i>				<i>500,000</i>
North Carolina 3.2%				
Charlotte-Mecklenburg Hospital Authority,				
NC, Health Care System Revenue, AGM,				
SPA-Dexia Credit Local	0.500%	1/15/43	6,000,000	6,000,000(g)(h)
TOTAL SHORT-TERM INVESTMENTS (Cost \$8,100,000)				8,100,000
TOTAL INVESTMENTS 100.0% (Cost \$177,947,441#)				\$ 186,647,807

(a) Income from this issue is considered a preference item for purposes of calculating the alternative minimum tax (AMT).

(b) Bonds are escrowed to maturity by government securities and/or U.S. government agency securities and are considered by the manager to be triple-A rated even if issuer has not applied for new ratings.

(c) Pre-Refunded bonds are escrowed with U.S. government obligations and/or U.S. government agency securities and are considered by the manager to be triple-A rated even if issuer has not applied for new ratings.

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- (d) Variable rate security. Interest rate disclosed is as of the most recent information available.
- (e) Maturity date shown represents the mandatory tender date.
- (f) Residual interest bonds coupon varies inversely with level of short-term tax-exempt interest rates.
- (g) Variable rate demand obligations have a demand feature under which the Fund can tender them back to the issuer or liquidity provider on no more than 7 days notice.
- (h) Maturity date shown is the final maturity date. The security may be sold back to the issuer before final maturity.
- # Aggregate cost for federal income tax purposes is substantially the same.

Abbreviations used in this schedule:

ACA	- American Capital Assurance - Insured Bonds
AGC	- Assured Guaranty Corporation - Insured Bonds
AGM	- Assured Guaranty Municipal Corporation - Insured Bonds
AMBAC	- American Municipal Bond Assurance Corporation - Insured Bonds
CDA	- Communities Development Authority
CMI	- California Mortgage Insurance Program - Insured Bonds
COP	- Certificates of Participation
CTFS	- Certificates
DFA	- Development Finance Agency

See Notes to Schedule of Investments.

WESTERN ASSET INTERMEDIATE MUNI FUND INC.

Schedule of investments (unaudited) (cont d)

August 31, 2011

EFA	- Educational Facilities Authority
FGIC	- Financial Guaranty Insurance Company - Insured Bonds
FHA	- Federal Housing Administration
FHLMC	- Federal Home Loan Mortgage Corporation
FNMA	- Federal National Mortgage Association
GNMA	- Government National Mortgage Association
GO	- General Obligation
HEFA	- Health & Educational Facilities Authority
IDA	- Industrial Development Authority
INDLC	- Industrial Indemnity Company - Insured Bonds
LOC	- Letter of Credit
MFH	- Multi-Family Housing
NATL	- National Public Finance Guarantee Corporation - Insured Bonds
PCR	- Pollution Control Revenue
Radian	- Radian Asset Assurance - Insured Bonds
RIBS	- Residual Interest Bonds
SPA	- Standby Bond Purchase Agreement - Insured Bonds
XLCA	- XL Capital Assurance Inc. - Insured Bonds

Summary of Investments by Industry

Industrial Revenue	18.9%
Power	15.6
Health Care	13.9
Pre-Refunded/Escrowed to Maturity	9.8
Transportation	8.1
Local General Obligation	7.1
Education	5.8
Special Tax Obligation	5.1
Leasing	3.7
Water & Sewer	2.4
Solid Waste/Resource Recovery	1.9
Housing	1.8