

MFS INTERMEDIATE INCOME TRUST
Form N-Q
October 01, 2004

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-5440

MFS INTERMEDIATE INCOME TRUST

(Exact name of registrant as specified in charter)

500 Boylston Street, Boston, Massachusetts 02116

(Address of principal executive offices) (Zip code)

James R. Bordewick, Jr.
Massachusetts Financial Services Company
500 Boylston Street
Boston, Massachusetts 02116

(Name and address of agents for service)

Registrant's telephone number, including area code: (617) 954-5000

Date of fiscal year end: October 31

Date of reporting period: July 31, 2004

ITEM 1. SCHEDULE OF INVESTMENTS.

MFS(R) Mutual Funds

QUARTERLY PORTFOLIO 7/31/04

MFS(R) INTERMEDIATE INCOME TRUST

[graphic omitted]

[logo] M F S(R)
INVESTMENT MANAGEMENT

The Trust is a closed-end investment product. Shares of the Trust are only available for purchase/sale on the NYSE at the current market price. Shares may trade at a discount to NAV.

Visit MFS.COM for the latest information about your investment.

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- o Annual and semiannual reports contain information regarding the specific securities held in the fund and how the fund has performed over the period.
- o Week in Review provides a look at key events influencing U.S. and global financial markets for the week.
- o MFS Global Perspective is a commentary and analysis of markets around the globe.
- o Chief Investment Strategist Corner is a commentary by James Swanson, MFS' Chief Investment Strategist.

A fact sheet, annual, and semiannual report for the fund can be accessed by clicking "Closed End Funds" on the home page. Week in Review, MFS Global Perspective, and Chief Investment Strategist Corner are located under "Updates and Announcements."

PORTFOLIO OF INVESTMENTS (UNAUDITED) 07/31/2004 MFS(R) INTERMEDIATE INCOME TRUST

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BONDS - 94.7%

U.S. BONDS - 66.4%

Asset Backed & Securitized - 2.4%

Commercial Mortgage Acceptance Corp., 1.0245%, 2008^^ \$

Commercial Mortgage Acceptance Corp., 6.04%, 2030

DLJ Commercial Mortgage Corp., 0.9064%, 2005^^

Falcon Franchise Loan LLC, 3.0699%, 2023^^##

First Union-Lehman Brothers Bank of America, 6.56%, 2035

Multi-Family Capital Access One, Inc., 6.65%, 2024

Mortgage Backed - 20.6%

Fannie Mae, 5.669%, 2006

Fannie Mae, 6.942%, 2007

Fannie Mae, 4.652%, 2014

Fannie Mae, 6%, 2016 - 2033

Fannie Mae, 5.5%, 2017 - 2018

Fannie Mae, 5%, 2018 - 2034

Fannie Mae, 4.5%, 2019

Fannie Mae, 6.5%, 2031

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Freddie Mac, 6%, 2017

Freddie Mac, 5.5%, 2017

Freddie Mac, 5%, 2019 - 2023

Freddie Mac, 3%, 2021

Ginnie Mae, 8.5%, 2005 - 2009

Ginnie Mae, 7.5%, 2022 - 2032

Ginnie Mae, 8%, 2026 - 2026

Ginnie Mae, 6.5%, 2028 - 2032

Ginnie Mae, 7%, 2031 - 2031

Ginnie Mae, 6%, 2033

U.S. Government Agencies - 17.0%

Fannie Mae, 5.5%, 2006

Fannie Mae, 4.75%, 2007

Fannie Mae, 6.625%, 2007

Fannie Mae, 6%, 2008

Federal Home Loan Bank, 2.25%, 2006

Federal Home Loan Bank, 3.625%, 2008

Freddie Mac, 6.875%, 2010

Freddie Mac, 5.125%, 2012

Small Business Administration, 7.64%, 2010

Small Business Administration, 6.35%, 2021

Small Business Administration, 6.34%, 2021

Small Business Administration, 6.44%, 2021

Small Business Administration, 6.625%, 2021

Small Business Administration, 5.34%, 2021

Small Business Administration, 4.93%, 2024

U.S. Department of Housing & Urban Development, 5.53%, 2008

U.S. Department of Housing & Urban Development, 7.198%, 2009

U.S. Department of Veteran Affairs, 6%, 2021

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U.S. Treasury Obligations - 26.4%	
U.S. Treasury Bonds, 10.375%, 2009 - 2012	\$
U.S. Treasury Bonds, 13.875%, 2011	
U.S. Treasury Bonds, 12%, 2013	
U.S. Treasury Notes, 4.625%, 2006	
U.S. Treasury Notes, 4.375%, 2007	
U.S. Treasury Notes, 6.125%, 2007	
U.S. Treasury Notes, 2.625%, 2008	
U.S. Treasury Notes, 4.75%, 2008	
U.S. Treasury Notes, 6.5%, 2010	
U.S. Treasury Notes, 4.875%, 2012	
U.S. Treasury Notes, 4.25%, 2013	

Total U.S.Bonds	

FOREIGN BONDS - 28.3%	

Australia - 0.3%	

Government of Australia, 6.25%, 2015 (International Market Sovereign)	AUD

Austria - 1.6%	

Republic of Austria, 5.5%, 2007 (International Market Sovereign)	EUR

Republic of Austria, 5%, 2012 (International Market Sovereign)	

Republic of Austria, 4.65%, 2018 (International Market Sovereign)	

Belgium - 0.9%	

Kingdom of Belgium, 3.75%, 2009 (International Market Sovereign)	EUR

Kingdom of Belgium, 5%, 2012 (International Market Sovereign)	

Brazil - 0.4%	

Federal Republic of Brazil, 8%, 2014 (Emerging Market Sovereign)	

Bulgaria - 0.2%	

Republic of Bulgaria, 8.25%, 2015 (Emerging Market Sovereign)	

Republic of Bulgaria, 8.25%, 2015 (Emerging Market Sovereign)##	

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Canada - 1.8%

Government of Canada, 5.5%, 2009 (International Market Sovereign)

CAD

Government of Canada, 5.25%, 2012 (International Market Sovereign)

Government of Canada, 8%, 2023 (International Market Sovereign)

Province of Ontario, 7%, 2005 (International Market Agencies)

Chile - 0.1%

HQI Transelec Chile S.A., 7.875%, 2011 (Utilities - Electric Power)

Denmark - 1.1%

Kingdom of Denmark, 7%, 2007 (International Market Sovereign)

DKK

Kingdom of Denmark, 6%, 2009 - 2011 (International Market Sovereign)

Kingdom of Denmark, 5%, 2013 (International Market Sovereign)

Finland - 1.9%

Republic of Finland, 2.75%, 2006 (International Market Sovereign)

EUR

Republic of Finland, 3%, 2008 (International Market Sovereign)

France - 1.6%

Republic of France, 4.75%, 2007 (International Market Sovereign)

EUR

Republic of France, 4%, 2009 (International Market Sovereign)

SG Capital Trust I, 7.875%, 2049 (Banks & Credit Companies)

Germany - 7.1%

Aries Vermögensverwaltungs, 9.6%, 2014 (Emerging Market Sovereign)##

Federal Republic of Germany, 4%, 2007 (International Market Sovereign)

EUR

Federal Republic of Germany, 3.5%, 2008 (International Market Sovereign)

Federal Republic of Germany, 5.25%, 2010 (International Market Sovereign)

KFW International Finance, Inc., 4.25%, 2005 (International Market Agencies)

\$

KFW International Finance, Inc., 2.375%, 2006 (International Market Agencies)

KFW International Finance, Inc., 3.25%, 2007 (International Market Agencies)

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Kreditanstalt fur Wiederaufbau, 3.25%, 2008 (International Market Agencies)	EUR
Landesbank Baden-Wurttemberg, 5.125%, 2007 (International Market Agencies)	

Ireland - 1.9%	
Republic of Ireland, 4.25%, 2007 (International Market Sovereign)	EUR
Israel - 0.5%	
State of Israel, 5.125%, 2014 (International Market Sovereign)	
Malaysia - 0.2%	
Petroliam Nasional Berhad, 7.75%, 2015 (Emerging Market Agencies)	
Mexico - 1.3%	
BBVA Bancomer Capital Trust I, 10.5%, 2011 (Banks & Credit Companies)##	
Pemex Project Funding Master Trust, 8.625%, 2022 (Emerging Market Agencies)	
Petroleos Mexicanos, 9.375%, 2008 (Emerging Market Agencies)	
United Mexican States, 8.125%, 2019 (Emerging Market Sovereign)	
United Mexican States, 8%, 2022 (Emerging Market Sovereign)	

Netherlands - 2.2%	
Kingdom of Netherlands, 5.75%, 2007 (International Market Sovereign)	EUR
Kingdom of Netherlands, 3.75%, 2009 (International Market Sovereign)	

New Zealand - 1.3%	
Government of New Zealand, 7%, 2009 (International Market Sovereign)	NZD
Government of New Zealand, 6.5%, 2013 (International Market Sovereign)	

Panama - 0.2%	
Republic of Panama, 9.375%, 2023 - 2029 (Emerging Market Sovereign)	
Portugal - 0.4%	
Republic of Portugal, 5.45%, 2013 (International Market Sovereign)	EUR
Qatar - 0.3%	
State of Qatar, 9.75%, 2030 (Emerging Market Sovereign)	
Russia - 0.2%	

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 Russian Ministry of Finance, 12.75%, 2028 (Emerging Market Sovereign)

South Africa - 0.2%

 Republic of South Africa, 9.125%, 2009 (Emerging Market Sovereign)

South Korea - 0.2%

 Korea Development Bank, 4.75%, 2009 (Banks & Credit Companies)

Spain - 2.0%

 Kingdom of Spain, 7%, 2005 (International Market Sovereign)

Kingdom of Spain, 6%, 2008 (International Market Sovereign)

EUR

 Kingdom of Spain, 5.35%, 2011 (International Market Sovereign)

 United Kingdom - 0.4%

 United Kingdom Treasury, 7.25%, 2007 (International Market Sovereign)

GBP

 United Kingdom Treasury, 5%, 2012 (International Market Sovereign)

 Total Foreign Bonds

 Total Bonds (Identified Cost, \$850,106,608)

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 Collateral for Securities Loaned - 8.1%

 Navigator Securities Lending Prime Portfolio, at Cost and Net Asset Value

73,1

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 REPURCHASE AGREEMENT - 3.9%

 Goldman Sachs, 1.36%, dated 07/30/2004, due 08/02/2004,
 total to be received \$35,232,993 (secured by various U.S.
 Treasury and Federal Agency obligations in a jointly traded account), at Cost

\$

 Total Investments (Identified Cost, \$958,533,962)

 OTHER ASSETS, LESS LIABILITIES - (6.7)%

 Net Assets - 100.0%

 ## SEC Rule 144A restriction

^^ Interest only security.

 Abbreviations have been used throughout this report to indicate amounts shown in currencies other than U.S. dollars. A list of these abbreviations is shown below

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AUD = Australian Dollar
 CAD = Canadian Dollar
 DKK = Danish Krone
 EUR = Euro
 GBP = British Pound
 JPY = Japanese Yen
 NZD = New Zealand Dollar
 SEK = Swedish Kroner

SEE ATTACHED SCHEDULES. SEE NOTES TO FINANCIAL STATEMENTS AS DISCLOSED IN THE MOST RECENT SEMI-ANNUAL REPORT. THIS INFORMATION IS INCORPORATED BY REFERENCE.

 SUPPLEMENTAL SCHEDULES (UNAUDITED)

(1) PORTFOLIO SECURITIES

The cost and unrealized appreciation and depreciation in the value of the investments owned by the trust on an income tax basis, are as follows:

Aggregate cost	\$981,559,924

Gross unrealized appreciation	\$13,971,883

Gross unrealized depreciation	(31,457,246)

Net unrealized appreciation	\$ (17,485,363)

(2) FINANCIAL INSTRUMENTS

The trust trades financial instruments with off-balance-sheet risk in the normal course of its investment management to manage exposure to market risks such as interest rates and foreign currency exchange rates. These risks are managed through forward foreign currency exchange contracts. The notional or contractual amounts of these instruments do not necessarily represent the risk. The measurement of the risks associated with these instruments is meaningful only when all relevant transactions are considered.

FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS

SETTLEMENT DATE	CONTRACTS TO DELIVER/RECEIVE	IN EXCHANGE FOR	CONTRACTS AT VALUE

SALES			

8/16/04	AUD	3,613,449	\$2,525,375
8/16/04	DKK	63,451,541	10,305,083
8/4/2004-10/6/2004	EUR	135,985,022	164,398,132
8/17/04	GBP	2,334,326	4,240,006
8/9/04	NZD	18,480,562	11,736,278
8/16/04	SEK	15,560,969	2,025,769

		\$195,107,224	\$194,216,164
			=====

PURCHASES

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8/4/04	EUR	29,472,092	\$35,705,203	\$35,428,090
8/17/04	GBP	1,250,000	2,314,281	2,270,466
8/11/04	JPY	1,314,263,789	12,018,830	11,821,134
8/16/04	SEK	33,224,994	4,414,150	4,325,320

			\$54,452,464	\$53,845,010
			=====	

At July 31, 2004, forward foreign currency purchases and sales under master netting agreements payable of \$213, 281 with Merrill Lynch International.

At July 31, 2004 the trust had sufficient cash and/or securities to cover any commitments under t

(C) 2004 MFS Investment Management

ITEM 2. CONTROLS AND PROCEDURES.

- (a) Based upon their evaluation of the registrant's disclosure controls and procedures as conducted within 90 days of the filing date of this Form N-Q, the registrant's principal financial officer and principal executive officer have concluded that those disclosure controls and procedures provide reasonable assurance that the material information required to be disclosed by the registrant on this report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.
- (b) There were no changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940 (the "Act")) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2): Attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: MFS INTERMEDIATE INCOME TRUST

By (Signature and Title)* ROBERT J. MANNING

 Robert J. Manning, President

Date: September 22, 2004

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the

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dates indicated.

By (Signature and Title)* ROBERT J. MANNING

Robert J. Manning, President
(Principal Executive Officer)

Date: September 22, 2004

By (Signature and Title)* RICHARD M. HISEY

Richard M. Hisey, Treasurer
(Principal Financial Officer and Accounting Officer)

Date: September 22, 2004

* Print name and title of each signing officer under his or her signature.