

MFS INTERMEDIATE INCOME TRUST
Form N-30D
December 27, 2001

[logo] M F S(R)
INVESTMENT MANAGEMENT

[graphic omitted]

MFS(R) INTERMEDIATE
INCOME TRUST

ANNUAL REPORT o OCTOBER 31, 2001

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MFS(R) PRIVACY POLICY

At MFS(R), we are committed to protecting your privacy.

On behalf of the MFS Family of Funds(R), the MFS(R) Institutional Trusts, the Vertex(SM) Funds, Massachusetts Financial Services Company, and certain affiliates(1) (collectively, "MFS," "we," "us" or "our"), this privacy policy outlines certain of our policies designed to maintain the privacy of your nonpublic personal information.

Nonpublic personal information includes much of the information you provide to us and the related information about you and your transactions involving your MFS investment product or service. Examples of nonpublic personal information include the information you provide on new account applications for MFS investment products or services, your share balance or transactional history, and the fact that you are a customer of MFS.

We may collect nonpublic personal information about you from the following sources:

- o information we receive from you on applications or other forms
- o information about your transactions with us, our affiliates, or others, and
- o information we receive from a consumer reporting agency

We do not disclose any nonpublic personal information about our customers or former customers to anyone except as permitted by law. We may disclose all of the information we collect, as described above, to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing arrangements.

We restrict access to nonpublic personal information about you to personnel who are necessary or appropriate to provide products or services to you. We

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maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Our privacy policy applies only to individual MFS investors who have a direct relationship with us. If you own MFS products or receive MFS investment services in the name of a third-party broker-dealer, bank, investment adviser or other financial service provider, that third-party's privacy policies may apply to you and our privacy policy may not.

If you have any questions with respect to MFS' privacy policy, please call 1-800-225-2606 any business day between 8 a.m. and 8 p.m. Eastern time.

- (1) MFS Institutional Advisors, Inc., Vertex Investment Management, Inc., MFS Original Research Advisors, LLC, MFS Original Research Partners, LLC, and MFS(R) Heritage Trust Company(SM).

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

LETTER FROM THE CHAIRMAN

[Photo of Jeffrey L. Shames]
Jeffrey L. Shames

Dear Shareholders,

As I write this letter, it's been just over two months since the events of September 11, among the most tragic events ever to occur on U.S. soil. The human dimensions of September 11 have rightfully overshadowed all else, but the terrorist attacks were also unprecedented in terms of a market event.

POTENTIAL RECOVERY PUSHED OUT

Prior to September 11, we felt that the market was approaching bottom and might be on a slow, uneven, but upward trend toward recovery. On September 11 political uncertainty was added to the issues buffeting the economy, and the market subsequently hit new lows. Due largely to a decrease in air travel and the ripple effects in a large number of industries, companies announced a huge number of employee layoffs in the weeks following the attacks.

On October 31, the U.S. Commerce Department announced that gross domestic product (GDP) declined 0.4% in the third quarter, the first drop in GDP since 1993. With most economists expecting GDP growth to be negative in the fourth quarter as well, this announcement virtually assured that the economy has entered a recession. (A recession is generally defined as two or more consecutive quarters of declining GDP growth.)

We think the implication for investors is that the current economic downturn may last longer than we had previously expected, with a potential recovery pushed out farther into the future. However, it is important to note that the equity market had experienced a significant downturn prior to September 11, with many stocks already factoring in a slow growth environment.

ENCOURAGING SIGNS AMID A DOWNTURN

We do, however, have a strong belief that the U.S. economy and economies around the globe will indeed recover over time and perhaps emerge even stronger. In our view, the U.S. economy is already demonstrating a tremendous resiliency. After an initial slide when the market reopened after September 11, we witnessed a market rally that seemed amazing in light of the enormity of the tragedy: as of November 14, the Dow Jones Industrial Average

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is up 19%, the Standard & Poor's 500 Stock Index is up 18%, and the NASDAQ Composite Index is up 34%, compared to their post-September 11 lows. And all three indices are above their September 10 levels.(1)

Consumer spending, which accounts for about two-thirds of GDP, is certainly down and may remain so for a while. However, it does appear to be recovering slowly from the sharp drop we experienced immediately after September 11. In fact, a Commerce Department report released on November 13 reported that retail and food services sales jumped 7.1% in October, far exceeding economists' projections of a 2% increase over September sales.(2)

Prior to September 11, corporations were responding to the economic slowdown by trimming capacity, expenses, and payrolls, and the attacks accelerated that trend. Our experience in previous downturns has been that this type of environment, although painful in the short term, allows the best firms in various industries to emerge leaner and stronger, setting the stage for a healthier economy. A recent example is the economic slowdown of 1990 - 1991, a period that included the Gulf War. Corporate earnings fell, and the markets witnessed a large selloff; yet a short time later we began a nearly decade-long climb to all-time highs in both earnings and stock prices.

GOVERNMENT IS DOING ITS PART

Also encouraging is the urgency with which the U.S. government has stepped in to bolster the economy. As of November 14, the Federal Reserve Board (the Fed) has cut interest rates three times since the attacks, bringing rates to their lowest level in four decades. By decreasing the cost of borrowing money, rate cuts encourage buying by both corporations and consumers. Rate cuts also make interest rates on money market funds and certificates of deposit less attractive. This may stimulate investors to move money off the sidelines and into potentially higher-yielding investments -- such as corporate bonds and stocks -- that may do more to drive the economy.

President Bush and Congress also seem determined to help bolster the economy, and as of mid-November, several economic stimulus packages appear to be working their way through the legislative process.

INVESTING IN UNCERTAIN TIMES

The events of September 11 have not changed what we do on a day-to-day basis. Our investment approach is still based on our own in-depth, fundamental research into companies and other issuers of securities. We remain bottom-up investors, building our portfolios one stock or bond at a time. In equity investing, we continue to believe that, over the long term, stock prices follow earnings. We also remain convinced that valuation, or a stock's price in relation to factors such as earnings and cash flow, is important. In our view, a good company selling at an overly high price is not a good stock.

If anything, we think our investment approach is more valid than ever in the current environment. Although September 11 changed the near-term outlook for many companies, our experience has been that companies we believed were good investments before that date are still, for the most part, good investments. By lowering valuations somewhat indiscriminately across the market, the post-attack downturn made some stocks even more attractive. From a long-term valuation standpoint, one could argue that it may be less risky to be in the market today than it has been in a long time.

At the present time, we see economic markets in the midst of tremendous short-term uncertainty. But we also see the seeds of economic recovery beginning to take root, and we believe that our fundamental, bottom-up investment process continues to benefit long-term investors. For further guidance in these difficult times, we believe it is critical for you to consult with your investment professional. As always, we appreciate your confidence in MFS and welcome any questions or comments you may have.

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Respectfully,

/s/ Jeffrey L. Shames

Jeffrey L. Shames
Chairman and Chief Executive Officer
MFS Investment Management (R)

November 14, 2001

The opinions expressed in this letter are those of MFS, and no forecasts can be guaranteed. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

It is not possible to invest directly in an index.

- (1) Source: Lipper Inc. and MFS research. The Dow Jones Industrial Average (DJIA) is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. The NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation system. The Standard & Poor's 500 Stock Index is an unmanaged but commonly used measure of common stock total return performance.
- (2) Source: The Wall Street Journal Online, November 14, 2001.

MANAGEMENT REVIEW AND OUTLOOK

Dear Shareholders,

For the 12 months ended October 31, 2001, the trust provided a total return of 16.93% based on its beginning and ending stock market prices and assuming the reinvestment of any distributions paid during the period. The trust's total return based on its net asset value (NAV) was 14.55%. This return compares to returns of 14.77% and 10.38%, respectively, for the trust's benchmarks, the Salomon Brothers Medium Term (1- to 10-year) Treasury Government Sponsored Index (the Salomon Index), and the J.P. Morgan Non-Dollar Government Bond Index (the Morgan Index). The Salomon Index is an unmanaged index, which includes bonds issued by the U.S. government or by government agencies with a maturity range greater than or equal to one year and less than 10 years. The Morgan Index is an unmanaged aggregate of actively traded government bonds issued from 12 countries (excluding the United States) with remaining maturities of at least one year.

The defining characteristic of the 12-month period was the gradual deceleration of the U.S. economy. The Federal Reserve Board (the Fed) became more aggressive in trying to support economic growth in 2001, by cutting short-term interest rates from 6.5% at the beginning of the year to 2.5% at the end of the period. Although businesses, particularly on the manufacturing side, were beginning to stabilize over the summer, we believe the events of September 11 will serve to further weaken consumer confidence and prolong an economic slowdown.

During the period, these sharp declines in short-term interest rates caused the yield curve -- a representation of the difference between short- and long-term rates -- to steepen. To take advantage of this environment earlier in the year, we diversified the portfolio by exposing it to more bonds with maturities in the one- to three-year range. We think negative economic factors will force the Fed to keep interest rates lower for a period of time and, therefore, the entire U.S. curve, in our opinion, is expected to go lower than present levels, with longer maturities benefiting the most. In our opinion, this means intermediate-maturity Treasuries (three- to seven-year securities) are poised to outperform. We have positioned the portfolio accordingly by

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reducing our short-term exposure in favor of intermediate-term bonds, the hallmark of the trust.

In this environment, we feel the market has had a bias toward high-quality bonds, so overall we increased our government holdings, U.S. Treasuries in particular. In our opinion, this sector could perform well, given the economic environment, low inflation, and aggressive Fed easing. We do not anticipate increasing mortgaged-backed securities since we see them as less attractive, given expected increases in refinancings and their more defensive nature.

Abroad, we have also seen signs of economic deceleration with a sharp decline in Asian regions and moderating of growth in Europe. This could be positive for bonds in those countries. Although we have increased our international exposure because of good opportunities and in order to diversify the portfolio, we invest overseas only if we feel these holdings could outperform domestic bonds. We have invested mainly in bonds offered by the dollar-block countries, including the United States, Australia, New Zealand, and Canada. Due to their more stable economies, these holdings contributed positively to performance in 2001. In addition, we have also invested a small portion of the portfolio in Europe, particularly Germany, since we felt there are opportunities for strong performance. We continued to stay away from investing in Japan because, with its continued recession and deflation, we believed it offered low yields and would not have provided sufficient income opportunity.

Our modest emerging markets debt holdings have delivered strong returns and good diversification. We have focused on countries with stable or improving fundamentals and limited financing needs. Importantly, by avoiding exposure in Argentina (and Brazil) during the recent deterioration in Argentine creditworthiness, we have steered clear of the only blemish on the asset class' overall impressive performance this year. Our positions in Russia, Bulgaria, Korea bank sub-debt, Peru and Panama have delivered substantially positive returns. While the asset class has demonstrated a healthy and encouraging decoupling from negative events in Argentina, we have maintained a cautious approach to country selection in our emerging market debt allocations in MIN.

We believe the economic recovery will take longer than initially anticipated and, given this, that inflation will remain low. An economic recovery would suggest a change in our interest-rate outlook, and we could expect to make portfolio changes accordingly.

Respectfully,

/s/ Stephen C. Bryant

/s/ Steven E. Nothern

Portfolio Manager

Portfolio Manager

The opinions expressed in this report are those of MFS and are current only through the end of the period of the report as stated on the cover. These views are subject to change at any time based on market and other conditions, and no forecasts can be guaranteed.

It is not possible to invest directly in an index.

The portfolio is actively managed, and current holdings may be different.

PORTFOLIO MANAGERS' PROFILES

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STEPHEN C. BRYANT IS SENIOR VICE PRESIDENT OF MFS INVESTMENT MANAGEMENT(R) (MFS(R)) AND PORTFOLIO MANAGER OF OUR GLOBAL FIXED-INCOME INSTITUTIONAL PRODUCTS AND THE GLOBAL GOVERNMENTS PORTFOLIOS OF OUR MUTUAL FUNDS, VARIABLE ANNUITY PRODUCTS, AND CLOSED-END FUNDS. HE JOINED MFS IN 1987 AS ASSISTANT VICE PRESIDENT. HE WAS NAMED VICE PRESIDENT IN 1989, PORTFOLIO MANAGER IN 1992, AND SENIOR VICE PRESIDENT IN 1993. STEVE IS A GRADUATE OF WESLEYAN UNIVERSITY.

STEVEN E. NOTHERN, CFA, IS SENIOR VICE PRESIDENT OF MFS INVESTMENT MANAGEMENT(R) (MFS(R)). HE IS PORTFOLIO MANAGER OF THE GOVERNMENT SECURITIES PORTFOLIOS OF OUR MUTUAL FUNDS, VARIABLE ANNUITIES, OFFSHORE INVESTMENT PRODUCTS, AND CLOSED-END FUNDS. STEVE JOINED MFS IN 1986 IN THE FIXED INCOME DEPARTMENT AND WAS NAMED VICE PRESIDENT IN 1989, PORTFOLIO MANAGER IN 1991, AND SENIOR VICE PRESIDENT IN 1993. HE IS A GRADUATE OF MIDDLEBURY COLLEGE AND HOLDS A MASTER OF BUSINESS ADMINISTRATION DEGREE FROM BOSTON UNIVERSITY. HE HOLDS THE CHARTERED FINANCIAL ANALYST (CFA) DESIGNATION AND IS A MEMBER OF THE BOSTON SECURITY ANALYSTS SOCIETY, INC.

ALL PORTFOLIO MANAGERS AT MFS ARE SUPPORTED BY AN INVESTMENT STAFF OF OVER 160 PROFESSIONALS UTILIZING MFS ORIGINAL RESEARCH(R), A GLOBAL, SECURITY-ORIENTED, BOTTOM-UP PROCESS OF SELECTING SECURITIES.

In accordance with Section 23(c) of the Investment Company Act of 1940, the trust hereby gives notice that it may from time to time repurchase shares of the trust in the open market at the option of the Board of Trustees and on such terms as the Trustees shall determine.

OBJECTIVE: To preserve capital and provide high current income.

NEW YORK STOCK EXCHANGE SYMBOL: MIN

PERFORMANCE SUMMARY

(For the year ended October 31, 2001)

NET ASSET VALUE PER SHARE

October 31, 2000	\$7.06
October 31, 2001	\$7.54

NEW YORK STOCK EXCHANGE PRICE

October 29, 2000	\$6.375
October 2, 2001 (high)*	\$7.00
November 21, 2000 (low)*	\$6.3125
October 31, 2001	\$6.95

*For the period November 1, 2000, through October 31, 2001

RISK CONSIDERATIONS

Investments in foreign securities may be unfavorably affected by interest rate and currency-exchange-rate changes as well as by market, economic, and political conditions of the countries where investments are made. There may be greater returns but also greater risk than with U.S. investments.

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The portfolio may invest in derivative securities, which may include futures and options. These types of instruments can increase price fluctuation.

As a nondiversified portfolio, the portfolio invests in a limited number of companies and may have more risk because a change in one security's value may have a more significant effect on the portfolio's net asset value. An investment in the portfolio is not a complete investment program.

Government guarantees apply to the underlying securities only and not to the prices and yields of the portfolio.

These risks may increase share price volatility. See the prospectus for details.

NUMBER OF SHAREHOLDERS

As of October 31, 2001, our records indicate that there are 10,108 registered shareholders and approximately 61,700 shareholders owning trust shares in "street" name, such as through brokers, banks, and other financial intermediaries.

If you are a "street" name shareholder and wish to directly receive our reports, which contain important information about the trust, please write or call:

State Street Bank and Trust Company
P.O. Box 8200
Boston, MA 02266-8200
1-800-637-2304

DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

MFS offers a Dividend Reinvestment and Cash Purchase Plan that allows you to reinvest either all of the distributions paid by the trust or only the long-term capital gains. Purchases are made at the market price unless that price exceeds the net asset value (the shares are trading at a premium). If the shares are trading at a premium, purchases will be made at a discounted price of either the net asset value or 95% of the market price, whichever is greater. Twice each year you can also buy shares. Investments from \$100 to \$2,500 can be made in January and July on the 15th of the month or shortly thereafter.

If your shares are in the name of a brokerage firm, bank, or other nominee, you can ask the firm or nominee to participate in the plan on your behalf. If the nominee does not offer the plan, you may wish to request that your shares be re-registered in your own name so that you can participate.

There is no service charge to reinvest distributions, nor are there brokerage charges for shares issued directly by the trust. However, when shares are bought on the New York Stock Exchange or otherwise on the open market, each participant pays a pro rata share of the commissions. The automatic reinvestment of distributions does not relieve you of any income tax that may be payable (or required to be withheld) on the distributions.

To enroll in or withdraw from the plan or if you have any questions, call 1-800-637-2304 any business day from 8 a.m. to 8 p.m. Eastern time. Please have available the name of the trust and your account and Social Security numbers. For certain types of registrations, such as corporate accounts, instructions must be submitted in writing. Please call for additional details. When you withdraw, you can receive the value of the reinvested shares in one of two ways: a check for the value of the full and fractional shares, or a

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certificate for the full shares and a check for the fractional shares.

RESULTS OF SHAREHOLDER MEETINGS (Unaudited)

At the annual meeting of shareholders of MFS Intermediate Income Trust, which was held on October 31, 2001, the following actions were taken:

ITEM 1. Trustees of the trust were elected as follows:

NOMINEE	NUMBER OF SHARES	
	FOR	WITHHOLD
Jeffrey L. Shames	189,086,297.426	1,342,563.658
John W. Ballen	189,112,945.426	1,315,915.658
Lawrence H. Cohn	189,019,517.339	1,409,343.745
J. David Gibbons, KBE	188,943,799.362	1,485,061.722
William R. Gutow	189,093,452.861	1,335,408.223
J. Atwood Ives	189,077,938.078	1,350,923.006
Abby M. O'Neill	188,961,344.534	1,467,516.550
Lawrence T. Perera	189,081,494.762	1,347,366.322
William J. Poorvu	189,051,921.078	1,376,940.006
Arnold D. Scott	189,117,969.397	1,310,891.687
Dale Sherratt	189,127,360.397	1,301,500.687
Elaine R. Smith	189,058,078.535	1,370,782.549
Ward Smith	188,993,933.907	1,434,927.177

ITEM 2. The authorization of the Trustees to adopt an Amended and Restated Declaration of Trust.

	NUMBER OF SHARES
For	130,281,667.580
Against	3,735,123.736
Abstain	2,104,644.768
Broker non-votes	54,307,425.000

ITEM 3. The amendment or removal of certain fundamental investment policies.

	NUMBER OF SHARES
For	130,324,516.449
Against	3,544,603.077
Abstain	2,252,316.558
Broker non-votes	54,307,425.000

ITEM 4. The change of the Fund's investment policy relating to investments in U.S. and foreign government securities from fundamental to non-fundamental.

	NUMBER OF SHARES
For	129,435,693.119
Against	4,153,921.674
Abstain	2,531,821.291
Broker non-votes	54,307,425.000

ITEM 5. The approval of a new investment advisory agreement with Massachusetts Financial Services Company.

NUMBER OF SHARES

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For	186,339,155.102
Against	1,888,305.241
Abstain	2,201,400.741

ITEM 6. The ratification of the election of Deloitte & Touche LLP as the independent public accountants to be employed by the trust for the fiscal year ending October 31, 2002.

	NUMBER OF SHARES
For	188,393,523.151
Against	600,228.758
Abstain	1,435,109.175

PORTFOLIO OF INVESTMENTS -- October 31, 2001

Bonds - 98.2%

ISSUER	PRINCIPAL AMOUNT (000 OMITTED)	
U.S. Bonds - 87.2%		
Banks and Credit Companies		
Societe Generale Capital Trust I, 7.875s, 2049	EUR 375	\$
Corporate Asset-Backed - 0.3%		
DLJ Commercial Mortgage Corp., 0s, 2005 (interest only)	\$ 95,100	\$ 2,
Oil Services - 0.1%		
Pemex Project Funding Master Trust, 8.5s, 2008	\$ 1,400	\$ 1,
Small Business Administration - 3.3%		
SBA, 7.64s, 2010	\$ 9,903	\$ 11,
SBA, 6.34s, 2021	4,350	4,
SBA, 6.35s, 2021	6,838	7,
SBA, 6.44s, 2021	4,000	4,
SBA, 6.625s, 2021	4,500	4,
		\$ 31,
U.S. Government Agencies - 40.1%		
AID, 6.625s, 2003 - 2004	\$ 29,600	\$ 31,
FHLM, 4.5s, 2004	2,500	2,
FHLM, 5s, 2004	16,000	16,
FHLM, 6.625s, 2009	6,000	6,
FNMA, 4.75s, 2004	4,000	4,
FNMA, 5.125s, 2004	5,000	5,
FNMA, 6.956s, 2007	5,469	6,
FNMA, 6s, 2008	10,000	10,
FNMA, 5.75s, 2010	3,650	3,
FNMA, 6.5s, 2016 - 2031 TBA	47,276	48,
FNMA, 7s, 2031 TBA	72,500	75,
GNMA, 6.5s, 2028 TBA	44,489	46,
GNMA, 7s, 2025 TBA	22,175	23,
GNMA, 7s, 2023 - 2024	24,346	25,
GNMA, 7.5s, 2022 - 2023	2,288	2,
GNMA, 7.5s, 2027 TBA	28,633	30,

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GNMA, 8s, 2030 TBA		17,391	18,
GNMA, 8.5s, 2008 TBA		1,090	1,
GNMA, 8.5s, 2009		5,954	6,
GNMA, 9.25s, 2001		842	
HUD, 5.53s, 2008		11,000	11,
HUD, 7.198s, 2009		6,000	6,
			\$ 384,
U.S. Treasury Obligations - 43.4%			
U.S. Treasury Bonds, 11.875s, 2003	\$	43,000	\$ 50,
U.S. Treasury Bonds, 12.375s, 2004		34,500	42,
U.S. Treasury Bonds, 10.375s, 2009		26,050	31,
U.S. Treasury Bonds, 13.875s, 2011		25,500	36,
U.S. Treasury Bonds, 10.375s, 2012		55,600	74,
U.S. Treasury Bonds, 12s, 2013		52,500	76,
U.S. Treasury Bonds, 6.125s, 2029		606	
U.S. Treasury Notes, 3.5s, 2011		16,318	16,
U.S. Treasury Notes, 5s, 2011		80,850	85,
			\$ 415,
Total U.S. Bonds			\$ 836,
Foreign Bonds - 11.0%			
Bulgaria - 0.4%			
National Republic of Bulgaria, 4.563s, 2011	\$	203	\$
National Republic of Bulgaria, 4.563s, 2012		486	
National Republic of Bulgaria, 4.563s, 2024		3,898	3,
			\$ 3,
Canada - 4.1%			
Government of Canada, 5.75s, 2006	CAD	12,826	\$ 8,
Government of Canada, 5.25s, 2008	\$	20,942	21,
Government of Canada, 5.5s, 2009	CAD	13,820	9,
			\$ 39,
Dominica - 0.3%			
Republic of Dominican, 9.5s, 2006##	\$	2,363	\$ 2,
Germany - 3.3%			
Federal Republic of Germany, 4.5s, 2009	EUR	10,445	\$ 9,
Federal Republic of Germany, 4.75s, 2008		24,160	22,
			\$ 31,
Kazakhstan - 0.1%			
Kaztransoil Co., 8.5s, 2006 (Oil Services)##	KTS	627	\$
Mexico - 0.9%			
BBVA Bancomer Capital Trust I, 10.5s, 2011 (Banks & Credit Cos.)##	\$	1,893	\$ 2,
Bepensa S.A., 9.75s, 2004 (Food & Beverage Products)		479	
Petroleos Mexicanos, 9.375s, 2008 (Oil Services)		2,318	2,
United Mexican States, 8.375s, 2011		1,975	2,
United Mexican States, 8.125s, 2019		860	
United Mexican States, 11.5s, 2026		678	
			\$ 8,

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New Zealand - 0.4%			
Government of New Zealand, 8s, 2006	NZD	9,120	\$ 4,
Panama - 0.2%			
Republic of Panama, 4.75s, 2014	\$	2,440	\$ 2,
Peru - 0.1%			
Republic of Peru, 4s, 2017	\$	1,604	\$ 1,
Russia - 0.1%			
Finance Ministry of Russia, 3s, 2003	\$	1,291	\$ 1,
South Korea - 0.2%			
Hanvit Bank, 12.75s, 2010 (Banks and Credit Cos.)##	\$	1,454	\$ 1,
Spain - 0.9%			
Kingdom of Spain, 7s, 2005	\$	7,800	\$ 8,
Total Foreign Bonds			\$ 105,
Total Bonds (Identified Cost, \$927,560,270)			\$ 942,
Warrants			
	SHARES		
United Mexican States (Identified Cost, \$0)*		3,307,000	\$
Put Options Purchased			
	PRINCIPAL AMOUNT OF CONTRACTS (000 OMITTED)		
ISSUER/EXPIRATION MONTH/STRIKE PRICE			
Japanese Yen/November/125 (Premiums Paid, \$394,268)		JPY3,733,600	\$
Short-Term Obligations - 7.7%			
	PRINCIPAL AMOUNT (000 OMITTED)		
Federal Home Loan Discount Note, 2.21s, due 12/11/01	\$	8,800	\$ 8,
Federal Home Loan Bank Discount Note, 2.38s, due 11/09/01		25,590	25,
Ford Motor Credit Corp., 2.80s, due 11/14/01		37,789	37,
Student Loan Marketing Association Discount Note, 2.46s, due 11/01/01		1,729	1,
Total Short-Term Obligations, at Amortized Cost			\$ 73,
Total Investments (Identified Cost, \$1,001,789,186)			\$1,015,
Put Options Written			
	PRINCIPAL AMOUNT OF CONTRACTS (000 OMITTED)		
ISSUER/EXPIRATION MONTH/STRIKE PRICE			
Japanese Yen/November/125			

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(Premiums Received, \$238,950)	JPY3,733,600	\$

Other Assets, Less Liabilities - (5.9)%		(56,

Net Assets - 100.0%		\$ 958,

* Non-income producing security.		
## SEC Rule 144A restriction.		

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

AUD = Australian Dollars	GBP = British Pounds
CAD = Canadian Dollars	JPY = Japanese Yen
DKK = Danish Kroner	NZD = New Zealand Dollars
EUR = Euro	KTS = Kazakhstan Tenge

See notes to financial statements.

FINANCIAL STATEMENTS

Statement of Assets and Liabilities

OCTOBER 31, 2001

Assets:

Investments, at value (identified cost, \$1,001,789,186)	\$1,015,920,097
Investments of cash collateral for securities loaned, (at value and identified cost)	215,476,176
Receivable for investments sold	75,173,438
Net receivable for forward foreign currency exchange contracts	3,713,553
Net receivable for forward foreign currency exchange contracts subject to master netting agreements	106,854
Interest receivable	17,571,463
Other assets	14,404

Total assets	\$1,327,975,985

Liabilities:

Payable to custodian	\$ 15,859
Payable to dividend disbursing agent	62,809
Collateral for securities loaned, at value	215,476,176
Payable for fund shares reacquired	304,279
Payable for investments purchased	149,621,875
Net payable for forward foreign currency exchange contracts	235,534
Net payable for forward foreign currency exchange contracts subject to master netting agreements	2,639,030
Written options outstanding, at value (premiums received, \$238,950)	63,471
Payable to affiliates -	
Management fee	18,453
Transfer and dividend disbursing agent fee	17,621
Accrued expenses and other liabilities	525,741

Total liabilities	\$ 368,980,848

Net assets	\$ 958,995,137
	=====

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Net assets consist of:

Paid-in capital	\$ 992,975,845
Unrealized appreciation on investments and translation of assets and liabilities in foreign currencies	15,240,963
Accumulated net realized loss on investments and foreign currency transactions	(47,530,715)
Accumulated distributions in excess of net investment income	(1,690,956)

Total	\$ 958,995,137
-------	----------------

Shares of beneficial interest outstanding (202,648,016 issued, less 75,512,700 treasury shares)	127,135,316
--	-------------

Net asset value (net assets / shares of beneficial interest outstanding)	\$7.54
---	--------

See notes to financial statements.

FINANCIAL STATEMENTS -- continued

Statement of Operations

YEAR ENDED OCTOBER 31, 2001

Net investment income:

Income -	
Interest	\$ 69,876,039
Dividends	78,152
Total investment income	\$ 69,954,191

Expenses -

Management fee	\$ 6,957,736
Trustees' compensation	178,900
Transfer and dividend disbursing agent fee	213,625
Administrative fee	104,997
Investor communication expense	398,636
Custodian fee	382,652
Auditing fees	39,408
Postage	58,610
Printing	56,509
Legal fees	11,746
Interest expense	4,257
Registration fees	161,346
Miscellaneous	58,038

Total expenses	\$ 8,626,460
Fees paid indirectly	(111,589)

Net expenses	\$ 8,514,871
--------------	--------------

Net investment income	\$ 61,439,320
-----------------------	---------------

Realized and unrealized gain (loss) on investments:

Realized gain (loss) (identified cost basis) -	
Investment transactions	\$ 9,982,018
Written option transactions	(1,856)
Foreign currency transactions	(4,020,784)

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Net realized gain on investments and foreign currency transactions	\$ 5,959,378

Change in unrealized appreciation -	
Investments	\$ 48,784,095
Written options	1,032,144
Translation of assets and liabilities in foreign currencies	4,756,323

Net unrealized gain on investments and foreign currency translation	\$ 54,572,562

Net realized and unrealized gain on investments and foreign currency	\$ 60,531,940

Increase in net assets from operations	\$121,971,260
	=====

See notes to financial statements.

FINANCIAL STATEMENTS -- continued

Statement of Changes in Net Assets

YEAR ENDED OCTOBER 31,	2001	
Increase (decrease) in net assets:		
From operations -		
Net investment income	\$ 61,439,320	\$ 6
Net realized gain (loss) on investments and foreign currency transactions	5,959,378	(2)
Net unrealized gain on investments and foreign currency translation	54,572,562	
	-----	---
Increase in net assets from operations	\$121,971,260	\$ 3
	-----	---
Distributions declared to shareholders -		
From net investment income	\$ (61,231,925)	\$ (4)
From paid-in capital	--	(2)
	-----	---
Total distributions declared to shareholders	\$ (61,231,925)	\$ (7)
	-----	---
Trust share (principal) transactions -		
Cost of shares reacquired	\$ (7,552,898)	\$ (4)
	-----	---
Total increase (decrease) in net assets	\$ 53,186,437	\$ (7)
Net assets:		
At beginning of year	905,808,700	97
	-----	---
At end of year (including distributions in excess of net investment income and accumulated undistributed net investment income of \$1,690,956 and \$3,683,141, respectively)	\$958,995,137	\$90
	=====	===

See notes to financial statements.

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FINANCIAL STATEMENTS -- continued

Financial Highlights

YEAR ENDED OCTOBER 31,	2001	2000	1999
Per share data (for a share outstanding throughout each year):			
Net asset value - beginning of year	\$ 7.06	\$ 7.25	\$ 7.75
Income from investment operations# -			
Net investment income	\$ 0.48	\$ 0.49	\$ 0.49
Net realized and unrealized gain (loss) on investments and foreign currency transactions	0.48	(0.20)	(0.53)
Total from investment operations	\$ 0.96	\$ 0.29	\$ (0.04)
Less distributions declared to shareholders -			
From net investment income	\$ (0.49)	\$ (0.33)	\$ (0.45)
In excess of net realized gain on investments and foreign currency transactions	--	--	--
From paid in capital	--	(0.21)	(0.05)
Total distributions declared to shareholders	\$ (0.49)	\$ (0.54)	\$ (0.50)
Net increase from repurchase of capital shares	\$ 0.01	\$ 0.06	\$ 0.04
Net asset value - end of year	\$ 7.54	\$ 7.06	\$ 7.25
Per share market value - end of year	\$6.950	\$6.375	\$6.250
Total return at market value	16.93%	10.95%	(2.92)%
Ratios (to average net assets)/Supplemental data:			
Expenses##	0.93%	0.95%	0.93%
Net investment income	6.62%	6.93%	6.57%
Portfolio turnover	72%	93%	85%
Net assets at end of period (000,000 Omitted)	\$959	\$906	\$977

Per share data are based on average shares outstanding.

Ratios do not reflect expense reductions from certain expense offset arrangements.

+ Per share amount was less than \$0.01.

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

(1) Business and Organization

MFS Intermediate Income Trust (the trust) is a non-diversified series of MFS Series Trust (the trust). The trust is organized as a Massachusetts business trust and is registered under the Investment Company Act of 1940, as amended, as a closed-end management investment company.

(2) Significant Accounting Policies

General - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and

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disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The trust can invest in foreign securities. Investments in foreign securities are vulnerable to the effects of changes in the relative values of the local currency and the U.S. dollar and to the effects of changes in each country's legal, political, and economic environment.

Investment Valuations - Debt securities (other than short-term obligations which mature in 60 days or less), including listed issues, forward foreign currency exchange contracts, and swap agreements, are valued on the basis of valuations furnished by dealers or by a pricing service with consideration to factors such as institutional-size trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data, without exclusive reliance upon exchange or over-the-counter prices. Short-term obligations, which mature in 60 days or less, are valued at amortized cost, which approximates market value. Option contracts listed on commodities exchanges are reported at market value using closing settlement prices. Over-the-counter options on securities are valued by brokers. Over-the-counter currency options are valued through the use of a pricing model which takes into account foreign currency exchange spot and forward rates, implied volatility, and short-term repurchase rates. Securities for which there are no such quotations or valuations are valued in good faith at the direction of the Trustees.

Repurchase Agreements - The trust may enter into repurchase agreements with institutions that the trust's investment adviser has determined are creditworthy. Each repurchase agreement is recorded at cost. The trust requires that the securities collateral in a repurchase transaction be transferred to the custodian in a manner sufficient to enable the trust to obtain those securities in the event of a default under the repurchase agreement. The trust monitors, on a daily basis, the value of the collateral to ensure that its value, including accrued interest, is greater than amounts owed to the trust under each such repurchase agreement. The trust, along with other affiliated entities of Massachusetts Financial Services Company (MFS), may utilize a joint trading account for the purpose of entering into one or more repurchase agreements.

Foreign Currency Translation - Investment valuations, other assets, and liabilities initially expressed in foreign currencies are converted each business day into U.S. dollars based upon current exchange rates. Purchases and sales of foreign investments, income, and expenses are converted into U.S. dollars based upon currency exchange rates prevailing on the respective dates of such transactions. Gains and losses attributable to foreign currency exchange rates on sales of securities are recorded for financial statement purposes as net realized gains and losses on investments. Gains and losses attributable to foreign exchange rate movements on income and expenses are recorded for financial statement purposes as foreign currency transaction gains and losses. That portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed.

Deferred Trustee Compensation - Under a Deferred Compensation Plan (the Plan) independent Trustees may elect to defer receipt of all or a portion of their annual compensation. Deferred amounts are treated as though equivalent dollar amounts had been invested in shares of the trust or other MFS trust selected by the Trustee. Deferred amounts represent an unsecured obligation of the trust until distributed in accordance with the Plan.

Written Options - The trust may write call or put options in exchange for a premium. The premium is initially recorded as a liability, which is subsequently adjusted to the current value of the option contract. When a

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written option expires, the trust realizes a gain equal to the amount of the premium received. When a written call option is exercised or closed, the premium received is offset against the proceeds to determine the realized gain or loss. When a written put option is exercised, the premium reduces the cost basis of the security purchased by the trust. The trust, as writer of an option, may have no control over whether the underlying securities may be sold (call) or purchased (put) and, as a result, bears the market risk of an unfavorable change in the price of the securities underlying the written option. In general, written call options may serve as a partial hedge against decreases in value in the underlying securities to the extent of the premium received. Written options may also be used as part of an income producing strategy reflecting the view of the trust management on the direction of interest rates.

Security Loans - State Street Bank and Trust Company ("State Street") and Chase Manhattan Bank ("Chase"), as lending agents, may loan the securities of the trust to certain qualified institutions (the "Borrowers") approved by the trust. The loans are collateralized at all times by cash and/or U.S. Treasury securities in an amount at least equal to the market value of the securities loaned. State Street provides the trust with indemnification against Borrower default. The trust bears the risk of loss with respect to the investment of cash collateral.

Cash collateral is invested in short-term securities. A portion of the income generated upon investment of the collateral is remitted to the Borrowers, and the remainder is allocated between the trust and the lending agent. On loans collateralized by U.S. Treasury securities, a fee is received from the Borrower, and is allocated between the trust and the lending agent. Income from securities lending is included in interest income on the Statement of Operations. The dividend and interest income earned on the securities loaned is accounted for in the same manner as other dividend and interest income.

At October 31, 2001, the value of securities loaned was \$211,197,790. These loans were collateralized by cash of \$215,476,176 which was invested in the following short-term obligations:

ISSUER	SHARES	VALUE
Navigator Securities Lending Prime Portfolio	215,476,176	\$215,476,176

Forward Foreign Currency Exchange Contracts - The trust may enter into forward foreign currency exchange contracts for the purchase or sale of a specific foreign currency at a fixed price on a future date. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar. The trust may enter into forward foreign currency exchange contracts for hedging purposes as well as for non-hedging purposes. For hedging purposes, the trust may enter into contracts to deliver or receive foreign currency it will receive from or require for its normal investment activities. The trust may also use contracts in a manner intended to protect foreign currency-denominated securities from declines in value due to unfavorable exchange rate movements. For non-hedging purposes, the trust may enter into contracts with the intent of changing the relative exposure of the trust portfolio of securities to different currencies to take advantage of anticipated changes. The forward foreign currency exchange contracts are adjusted by the daily exchange rate of the underlying currency and any gains or losses are recorded as unrealized until the contract settlement date. On contract settlement date, the gains or losses are recorded as realized gains or losses on foreign currency transactions.

Investment Transactions and Income - Investment transactions are recorded on the trade date. Interest income is recorded on the accrual basis. All premium

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and original issue discount is amortized or accreted for financial statement and tax reporting purposes as required by federal income tax regulations. Dividends received in cash are recorded on the ex-dividend date. Dividend and interest payments received in additional securities are recorded on the ex-dividend or ex-interest date in an amount equal to the value of the security on such date. Some securities may be purchased on a "when-issued" or "forward delivery" basis, which means that the securities will be delivered to the trust at a future date, usually beyond customary settlement time.

The trust may enter in "TBA" (to be announced) purchase commitments to purchase securities for a fixed unit price at a future date. Although the unit price has been established, the principal value has not been finalized. However, the principal amount of the commitments will not fluctuate more than 1.0%. The trust holds, and maintains until settlement date, cash or high-grade debt obligations in an amount sufficient to meet the purchase price, or the trust may enter into offsetting contracts for the forward sale of other securities it owns. Income on the securities will not be earned until settlement date. TBA purchase commitments may be considered securities in themselves, and involve a risk of loss if the value of the security to be purchased declines prior to settlement date, which is in addition to the risk of decline in the value of the trust's other assets. Unsettled TBA purchase commitments are valued at the current market value of the underlying securities, according to the procedures described under "Investment Valuations" above.

The trust may enter into "TBA" (to be announced) sale commitments to hedge its portfolio positions or to sell mortgage-backed securities it owns under delayed delivery arrangements. Proceeds of TBA sale commitments are not received until the contractual settlement date. During the time a TBA sale commitment is outstanding, equivalent deliverable securities, or an offsetting TBA purchase commitment deliverable on or before the sale commitment date, are held as "cover" for the transaction.

The trust will adopt the provisions of the AICPA Audit and Accounting Guide for Investment Companies, as revised, effective for fiscal years beginning after December 15, 2000. As required, the trust will begin amortizing premiums on debt securities effective November 1, 2001. Prior to this date, the trust did not amortize premiums on debt securities. The cumulative effect of this accounting change will have no impact on the total net assets of the trust. The impact of this accounting change has not been determined, but will result in a decrease to cost of securities and a corresponding increase in net unrealized appreciation.

Fees Paid Indirectly - The trust's custody fee is reduced according to an arrangement that measures the value of cash deposited with the custodian by the trust. This amount is shown as a reduction of total expenses on the Statement of Operations.

Tax Matters and Distributions - The trust's policy is to comply with the provisions of the Internal Revenue Code (the Code) applicable to regulated investment companies and to distribute to shareholders all of its net taxable income, including any net realized gain on investments. Accordingly, no provision for federal income or excise tax is provided.

Distributions to shareholders are recorded on the ex-dividend date. The trust distinguishes between distributions on a tax basis and a financial reporting basis and only distributions in excess of tax basis earnings and profits are reported in the financial statements as distributions from paid-in capital. Differences in the recognition or classification of income between the financial statements and tax earnings and profits, which result in temporary over-distributions for financial statement purposes, are classified as distributions in excess of net investment income or net realized gains. Common types of book and tax differences that could occur include differences in

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accounting for currency transactions, mortgage-backed securities, derivatives, real estate investment trusts, defaulted bonds, capital losses, and amortization and accretion on debt securities. During the year ended October 31, 2001, accumulated undistributed net investment income decreased by \$5,581,492, accumulated undistributed net realized gain on investments and foreign currency transactions increased by \$6,574,669 and paid-in capital decreased by \$993,177 due to differences between book and tax accounting for mortgage-backed securities and currency transactions. This change had no effect on the net assets or net asset value per share.

At October 31, 2001, the trust, for federal income tax purposes, had a capital loss carryforward of \$47,525,556 which may be applied against any net taxable realized gains of each succeeding year until the earlier of its utilization or expiration on:

EXPIRATION DATE	AMOUNT
October 31, 2002	\$ 3,662,159
October 31, 2003	6,526,984
October 31, 2004	645,525
October 31, 2006	13,874,621
October 31, 2007	11,376,973
October 31, 2008	11,439,294

Total	\$47,525,556
	=====

(3) Transactions with Affiliates

Investment Adviser - The trust has an investment advisory agreement with Massachusetts Financial Services Company (MFS) to provide overall investment advisory and administrative services, and general office facilities. The management fee is computed daily and paid monthly at an annual rate of 0.32% of the trust's average daily net assets and 5.65% of investment income.

The trust pays no compensation directly to its Trustees who are officers of the investment adviser, or to officers of the trust, all of whom receive remuneration for their services to the trust from MFS. Certain officers and Trustees of the trust are officers or directors of MFS and MFS Service Center, Inc. (MFSC). Included in Trustees' compensation is a net periodic pension expense of \$55,443 for the year ended October 31, 2001.

Administrator - The trust has an administrative services agreement with MFS to provide the trust with certain financial, legal, shareholder servicing, compliance, and other administrative services. As a partial reimbursement for the cost of providing these services, the trust pays MFS an administrative fee at the following annual percentages of the trust average daily net assets:

First \$2 billion	0.0175%
Next \$2.5 billion	0.0130%
Next \$2.5 billion	0.0005%
In excess of \$7 billion	0.0000%

Transfer Agent - MFSC acts as registrar and dividend disbursing agent for the Trust. The agreement provides that the Trust will pay MFSC an account maintenance fee of no more than \$9.00 and a dividend services fee of \$0.75 per reinvestment and will reimburse MFSC for reasonable out-of-pocket expenses.

(4) Portfolio Securities

Purchases and sales of investments, other than purchased option transactions and short-term obligations, were as follows:

PURCHASES

SALES

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U.S. government securities	\$514,239,738	\$531,053,159
Investments (non-U.S. government securities)	\$144,699,893	\$142,592,912

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

Aggregate cost	\$1,001,794,350
Gross unrealized appreciation	\$ 29,427,123
Gross unrealized depreciation	(15,301,376)
Net unrealized appreciation	\$ 14,125,747

(5) Shares of Beneficial Interest

The trust's Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest. The Trustees have authorized 202,648,016 full and fractional shares of beneficial interest.

Transactions in trust shares were as follows:

	YEAR ENDED OCTOBER 31, 2001		YEAR ENDED OCTOBER 31, 2000	
	SHARES	AMOUNT	SHARES	AMOUNT
Treasury shares reacquired	1,151,500	\$7,552,898	6,476,000	\$40,697,949

In accordance with the provisions of the trust's prospectus, 1,151,500 shares of beneficial interest were purchased by the trust during year ended October 31, 2001, at an average price per share of \$6.56 and a weighted average discount of 8.63% per share. The trust repurchased 6,476,000 shares of beneficial interest during the year ended October 31, 2000, at an average price per shares of \$6.28 and a weighted average discount of 11.46% per share.

(6) Line of Credit

The trust and other affiliated funds participate in a \$1.225 billion unsecured line of credit provided by a syndication of banks under a line of credit agreement. Borrowings may be made for temporary financing needs. Interest is charged to each fund, based on its borrowings, at a rate equal to the bank's base rate. A commitment fee of \$11,097 which is based on the average daily unused portion of the line of credit is included in miscellaneous expense. The trust had no significant borrowings during the year.

(7) Financial Instruments

The trust trades financial instruments with off-balance-sheet risk in the normal course of its investing activities in order to manage exposure to market risks such as interest rates and foreign currency exchange rates. These financial instruments include written options, forward foreign currency exchange contracts, swap agreements, and futures contracts. The notional or contractual amounts of these instruments represent the investment the trust has in particular classes of financial instruments and does not necessarily represent the amounts potentially subject to risk. The measurement of the risks associated with these instruments is meaningful only when all related and offsetting transactions are considered.

Written Option Transactions

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	NUMBER OF CONTRACTS	PREMIUMS RECEIVED
Outstanding, beginning of year	2	\$ 573,723
Options written	3	1,134,229
Options terminated in closing transactions	(3)	(1,057,435)
Options expired	(1)	(411,567)
	--	-----
Outstanding, end of year	1	\$ 238,950
	==	=====

At October 31, 2001, the trust had sufficient cash and/or securities at least equal to the value of the written options.

Forward Foreign Currency Exchange Contracts

SETTLEMENT DATE		CONTRACTS TO DELIVER/RECEIVE	IN EXCHANGE FOR	CONTRACTS AT VALUE	U APP (DEPR
Sales					
12/18/01	AUD	604,326	\$ 310,019	\$ 302,958	\$
12/18/01	EUR	49,641,842	45,791,320	44,556,928	1
12/18/01	GBP	4,156	6,088	6,021	
12/18/01	JPY	7,592,668,801	64,610,395	62,159,623	2
12/18/01	NZD	2,252,570	946,079	924,818	
			-----	-----	---
			\$111,663,901	\$107,950,348	\$3
			=====	=====	==
Purchases					
12/18/01	CAD	4,540,333	\$ 2,898,254	\$ 2,860,745	\$
12/18/01	DKK	8,082,363	984,933	974,313	
12/18/01	EUR	14,988,664	13,595,926	13,453,345	
12/18/01	GBP	2,748,707	4,026,856	3,982,032	
			-----	-----	---
			\$ 21,505,969	\$ 21,270,435	\$
			=====	=====	==

At October 31, 2001, forward foreign currency purchases and sales under master netting agreements excluded above amounted to a net receivable of \$57,735 with Merrill Lynch and \$49,119 with Warburg Dillon Read and a net payable of \$837,817 with CS First Boston, and \$1,801,213 with Deutsche Bank.

At October 31, 2001, the trust had sufficient cash and/or securities to cover any commitments under these contracts.

INDEPENDENT AUDITORS' REPORT

To the Trustees and Shareholders of MFS Intermediate Income Trust:

We have audited the accompanying statement of assets and liabilities of MFS Intermediate Income Trust (the "trust"), including the portfolio of investments, as of October 31, 2001, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and

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financial highlights are the responsibility of the trust's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 2001, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of MFS Intermediate Income Trust as of October 31, 2001, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Boston, Massachusetts

December 6, 2001

FEDERAL TAX INFORMATION

IN JANUARY 2002, SHAREHOLDERS WILL BE MAILED A FORM 1099-DIV REPORTING THE FEDERAL TAX STATUS OF ALL DISTRIBUTIONS PAID DURING THE CALENDAR YEAR 2001.

MFS(R) INTERMEDIATE INCOME TRUST

TRUSTEES

Marshall N. Cohan+(1) - Private Investor

Lawrence H. Cohn, M.D.+(2) - Chief of Cardiac Surgery, Brigham and Women's Hospital; Professor of Surgery, Harvard Medical School

The Hon. Sir J. David Gibbons, KBE+ (2) - Chief Executive Officer, Edmund Gibbons Ltd.; Chairman, Colonial Insurance Company, Ltd.

Abby M. O'Neill+(2) - Private Investor

Walter E. Robb, III+(1) - (Principal, Robb Associates) (corporate financial consultants); President, Benchmark Consulting Group, Inc.

CHAIRMAN AND PRESIDENT

Jeffrey L. Shames*

PORTFOLIO MANAGERS

Stephen C. Bryant*
Steven E. Nothern*

TREASURER

James O. Yost*

ASSISTANT TREASURERS

Mark E. Bradley*
Robert R. Flaherty*
Ellen Moynihan*

SECRETARY

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(office services)

Stephen E. Cavan*

Arnold D. Scott* - Senior Executive Vice
President and Director, MFS Investment
Management

ASSISTANT SECRETARY
James R. Bordewick, Jr.*

Jeffrey L. Shames* - Chairman and Chief
Executive Officer, MFS Investment Management

TRANSFER AGENT, REGISTRAR, AND
DIVIDEND DISBURSING AGENT
State Street Bank and Trust Company
c/o MFS Service Center, Inc.
P.O. Box 9024
Boston, MA 02205-9824
1-800-637-2304

J. Dale Sherratt+(1) - President, Insight
Resources, Inc. (acquisition planning
specialists)

Ward Smith+(1) - Private Investor

CUSTODIAN
State Street Bank and Trust Company

INVESTMENT ADVISER
Massachusetts Financial Services Company
500 Boylston Street
Boston, MA 02116-3741

AUDITORS
Deloitte & Touche LLP

+ Independent Trustee
* MFS Investment Management
(1) Member of Audit Committee
(2) Member of Portfolio Trading Committee

MFS(R) INTERMEDIATE INCOME TRUST

[logo] M F S(R)
INVESTMENT MANAGEMENT

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