

COLONIAL INTERMEDIATE HIGH INCOME FUND
Form N-CSR
July 03, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-5567

COLONIAL INTERMEDIATE HIGH INCOME FUND

(Exact name of registrant as specified in charter)

One Financial Center, Boston, Massachusetts 02111

(Address of principal executive offices) (Zip code)

Jean S. Loewenberg, Esq.
Columbia Management Group, Inc.
One Financial Center
Boston, MA 02111

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-617-426-3750

Date of fiscal year end: October 31, 2003

Date of reporting period: April 30, 2003

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

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ITEM 1. REPORTS TO STOCKHOLDERS.

COLONIAL INTERMEDIATE HIGH INCOME FUND Semiannual Report

April 30, 2003

graphic: Pages from The Wall Street Journal, calculator.

artwork: President's Message

DEAR SHAREHOLDER:

The US bond market continued to reward investors with solid returns. Bonds reported gains across all sectors as interest rates declined. However, leadership rotated from higher quality bonds, which were the top performers in the previous period, to lower quality bonds. Corporate and high-yield bonds rebounded as investors became more willing to take on risk, as prices became more attractive and as companies cleaned up their balance sheets in the wake of last year's accounting scandals. For a more detailed discussion of the events of the period and the performance of the fund, see the Portfolio Managers' Report, that follows this letter.

CONSOLIDATION--AND A NEW NAME

I am pleased to announce that, effective April 1, 2003, six of the asset management firms brought together when Columbia Management was formed were consolidated and renamed Columbia Management Advisors, Inc. (Columbia Management). This consolidation does not affect the management or investment objectives of your fund and is the next step in our efforts to create a consistent identity and to streamline our organization. By consolidating these firms, we are able to create a more efficient organizational structure and strengthen certain key functions, such as research. Although the name of the asset manager familiar to you has changed, what hasn't changed is the commitment of our specialized investment teams to a multi-disciplined approach to investing, focused on our goal of offering shareholders the best products and services.

Sincerely,

/s/ Joseph R. Palombo

Joseph R. Palombo
President

box:

MEET THE NEW PRESIDENT

Joseph R. Palombo, president and chairman of the Board of Trustees for Liberty Funds, is also chief operating officer and executive vice president of Columbia Management. Mr. Palombo has over 19 years of experience in the financial services industry. Prior to joining Columbia Management, he was chief operating officer and chief compliance officer for Putnam Mutual Funds. Prior to that, he was a partner at Coopers & Lybrand. Mr. Palombo received his degree in economics/accounting from the College of the Holy Cross, where he was a member of Phi Beta Kappa. He earned his master's degree in taxation from Bentley College and participated in the Executive Program at the Amos B. Tuck School at Dartmouth College.

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end box

box:

O NOT FDIC INSURED O MAY LOSE VALUE O NO BANK GUARANTEE

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Economic and market conditions change frequently. There is no assurance that trends described in this report will continue or commence.

PORTFOLIO MANAGERS' REPORT

A RECOVERY FOR HIGH-YIELD BOND MARKET

Colonial Intermediate High Income Fund returned 23.14% at net asset value (NAV) for the six-month period ended April 30, 2003. Although we are pleased to report such strong performance during such a challenging time in the financial markets, we note that the fund underperformed the Lipper High Current Yield Funds (Leveraged) Category average, which returned 31.71%.¹ We believe the fund lagged its peer group primarily because of its emphasis on higher quality bonds during a period when lower quality bonds led the market.

The high-yield bond market bounced back strongly during the six-month period, led by utilities and information technology, two of the most volatile sectors in recent years. Several factors contributed to this strong recovery. At the beginning of the period, yields on high-yield bonds were at historically high levels compared to Treasuries. This yield differential narrowed, causing high-yield bond prices to rise. In addition, the portion of the market represented by distressed credits--those bonds valued at less than 50% of their original issue price--dropped to its lowest level since September 1999.

Under pressure from the accounting scandals of 2002, many companies focused on strengthening their balance sheets and making their accounting more transparent. The default rate continued to decline. As of April 30, 2003, the 12-month default rate was 4.6%-- its lowest rate since November 2000.² Lending institutions began to extend credit to firms in the high-yield universe that had demonstrated solid operations, which allowed companies to continue to fund improvements and to acquire additional assets. As optimism among high yield investors grew, inflows into high-yield bonds rose by 75% compared to the same period one year ago.

AN INCREASED FOCUS ON LOWER-RATED CREDITS

During the preceding 12-month period, the fund had increased its stake in higher quality bonds in an effort to reduce potential portfolio risk.

¹ Lipper Inc., a widely respected data provider, calculates an average total return for mutual funds with similar investment objectives.

² As measured by Moody's Investors Service, a bond-rating agency.

sidebar:

TOP CORPORATE ISSUERS AS OF
4/30/03 (%)

Allied Waste North

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America	1.9

Huntsman	1.6

Nextel Communications	1.6

CSC Holdings	1.3

Premier International Foods	1.2

J.P. Morgan Chase	1.1

D.R. Horton	1.1

Charter Communications	1.1

Quebecor Media	1.1

Pogo Producing	1.1

Corporate issuers are calculated as a percentage of total investments including short-term investments. Because the fund is actively managed, there is no guarantee the fund will continue to hold securities of these issuers in the future.

TOP 5 SECTOR BREAKDOWN AS OF 4/30/03 (%)

Amusement & Recreation	11.4

Chemicals & Allied Products	8.9

Oil & Gas Extraction	8.5

Cable	8.2

Health services	7.8

Sector breakdowns are calculated as a percentage of net assets. Because the fund is actively managed, there is no guarantee the fund will continue to hold securities in these sectors in the future.

6-MONTH DISTRIBUTIONS DECLARED PER SHARE 11/1/02 - 4/30/03	
	\$0.16

6-MONTH TOTAL RETURNS, ASSUMING REINVESTMENT OF ALL DISTRIBUTIONS (%)	
NAV	23.14

Market price	30.31

PRICE PER SHARE ON 4/30/03	
NAV	\$3.26

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Market price \$3.45

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PORTFOLIO MANAGERS' REPORT (CONTINUED)

However, as signs of the market's renewed strength began to emerge, we began to focus more aggressively on lower-rated credits that we believe offer attractive opportunity, including CCC-rated bonds--the best performing high-yield sector during the six-month period. In this regard, we increased our utilities exposure from 3.0% to 7.6%. Our additions to Williams Companies and AES in the utilities sector (1.0% and 1.2% of net assets, respectively) enabled us to participate in strong rebounds during the period.³

We also raised our wireless telecommunications exposure from 2.8% to 4.8%. In the information technology sector, we added Lucent Technology based on our conviction that its price had bottomed. We believed that negative market sentiment had unfairly penalized Lucent's valuations and investor expectations for continued industry weakness were overdone. Although our recent focus on lower-rated bonds resulted in positive performance, the timing of our shift kept us from fully participating in the sector's strong gains.

bar chart:

COLONIAL INTERMEDIATE HIGH INCOME FUND VS.
LIPPER HIGH CURRENT YIELD FUNDS
(LEVERAGED) CATEGORY AVERAGE
10/31/02-4/30/03

Colonial Intermediate High Income (NAV): 23.14

Lipper High Current Yield Funds (Leveraged) Category Average: 31.71

Past performance cannot predict future results. The principal value and investment returns will fluctuate, resulting in a gain or loss on sale. All results shown assume reinvestment of distributions. High-yield investing offers the potential for high income and attractive total returns, but also involves certain risks. These include credit risks associated with lower-rated bonds, changes in interest rates, and certain risks associated with foreign investments. Investing in high-yield bonds involves greater credit risk and other risks not associated with investing in higher quality bonds. Bond investing also involves interest rate risk, which means that bond prices may change as interest rates increase or decrease. Foreign investment involve market risk, political, accounting, and currency risks not associated with domestic investments.

Lipper, Inc., a widely respected data provider, calculates an average total return for mutual funds with similar investment objectives.

Returns are computed at net asset value.

³ Holdings are disclosed as of April 30, 2003 and are subject to change.

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PORTFOLIO MANAGERS' REPORT (CONTINUED)

HIGH YIELD POSITIONED TO BENEFIT FROM A STRONGER ECONOMY

Looking ahead, we plan to monitor both the direction of the economy and the continued default rate among high-yield issuers. While the timing of a recovery is still uncertain, we believe that the high-yield market has the potential to deliver solid total returns. Valuations remain favorable and stronger corporate earnings would have a positive impact on the high-yield universe.³

Sincerely,

/s/ Gregg R. Smalley

/s/ June M. Giroux

Gregg R. Smalley

June M. Giroux

/s/ Kevin L. Cronk

/s/ Thomas A. LaPointe

Kevin L. Cronk

Thomas A. LaPointe

Gregg R. Smalley is portfolio manager of the Colonial Intermediate High Income Fund. Mr. Smalley is a Vice President of Columbia Management Advisors, Inc.

June M. Giroux, CFA, Vice President of Columbia and a member of its High Yield Portfolio Management Team, has co-managed the Fund since February, 2003. Ms. Giroux joined Columbia in September, 2000 as a senior research analyst specializing in the energy, information technology, and packaging industries, as well as in special situations. Prior to joining the advisor, Ms. Giroux was a vice president and senior high yield analyst at State Street Research & Management from March, 1996 to August, 2000.

Kevin L. Cronk, CFA, Vice President of Columbia and a member of its High Yield Portfolio Management Team, has co-managed the Fund since February, 2003. Mr. Cronk joined Columbia in August, 1999 as a senior research analyst specializing in the chemicals, healthcare and telecom industries. Prior to joining the advisor, Mr. Cronk was an investment associate in the High Yield Group at Putnam Investments from May, 1996 to July, 1999.

Thomas A. LaPointe, CFA, Vice President of Columbia and a member of its High Yield Portfolio Management Team, has co-managed the Fund since February, 2003. Mr. LaPointe joined Columbia in February, 1999 as a senior member of the Fixed Income Department's research group and has provided high yield analytical support to mutual funds investing in the metals, gaming and European telecom industries. Prior to joining the advisor, Mr. LaPointe was a convertible arbitrage analyst at the Canadian Imperial Bank of Commerce from April, 1998 to February, 1999.

Past performance is no guarantee of future investment results.

Investing in high-yield bonds involves greater credit risk and other risks not associated with investing in higher-quality bonds. Bond investing also involves interest rate risk, which means that bond prices may change as interest rates increase or decrease.

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INVESTMENT PORTFOLIO

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April 30, 2003 (Unaudited)

CORPORATE FIXED-INCOME		
BONDS & Notes - 130.0%	Par	Value

CONSTRUCTION - 4.1%		
BUILDING CONSTRUCTION - 4.1%		
Associated Materials, Inc.,		
9.750% 04/15/12	\$ 325,000	\$ 355,875
Atrium Companies, Inc.,		
10.500% 05/01/09	210,000	218,400
D.R. Horton, Inc.,		
9.750% 09/15/10	955,000	1,052,887
K. Hovnanian Enterprises, Inc.:		
8.875% 04/01/12	170,000	178,500
10.500% 10/01/07	340,000	382,500
Standard Pacific Corp.,		
9.250% 04/15/12	415,000	428,488
William Lyon Homes, Inc.,		
10.750% 04/01/13	210,000	214,200

		2,830,850

CONSUMER STAPLES - 0.3%		
HOUSEHOLD PRODUCTS - 0.3%		
Armkel LLC,		
9.500% 08/15/09	180,000	201,600

FINANCE, INSURANCE & REAL ESTATE - 4.0%		
DEPOSITORY INSTITUTIONS - 0.9%		
Sovereign Bancorp, Inc.,		
10.500% 11/15/06	495,000	591,144

FINANCIAL SERVICES - 2.4%		
J.P. Morgan Chase & Co.,		
8.750% 11/15/07 (a)	980,000	1,058,400
MDP Acquisitions PLC,		
9.625% 10/01/12 (a)	525,000	572,250

		1,630,650

INSURANCE AGENTS & Brokers - 0.4%		
Willis Corroon Corp.,		
9.000% 02/01/09	295,000	316,387

REAL ESTATE - 0.3%		
iStar Financial, Inc.,		
8.750% 08/15/08	185,000	199,800

MANUFACTURING - 41.4%		
APPAREL - 0.6%		
Levi Strauss & Co.,		
12.250% 12/15/12 (a)	210,000	176,400
William Carter Co.,		
10.875% 08/15/11	225,000	249,750

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		----- 426,150 -----
AUTO PARTS & Equipment - 1.8%		
Cummins, Inc.,		
9.500% 12/01/10 (a)	295,000	315,650
Dana Corp.:		
9.000% 08/15/11	210,000	227,850
10.125% 03/15/10	200,000	223,000
	PAR	VALUE

Rexnord Corp.,		
10.125% 12/15/12 (a)	\$ 130,000	\$ 139,100
TRW Automotive, Inc.,		
11.000% 02/15/13 (a)	315,000	340,200
		----- 1,245,800 -----
CHEMICALS & ALLIED PRODUCTS - 8.9%		
Avecia Group PLC,		
11.000% 07/01/09	840,000	747,600
Equistar Chemicals LP:		
10.125% 09/01/08	215,000	225,750
10.625% 05/01/11 (a)	225,000	236,250
FMC Corp.,		
10.250% 11/01/09	420,000	466,200
Huntsman ICI Holdings LLC,		
(b) 12/31/09	3,975,000	1,530,375
Koppers Industries, Inc.,		
9.875% 12/01/07	490,000	494,900
Lyondell Chemical Co.,		
9.625% 05/01/07	450,000	465,188
MacDermid, Inc.,		
9.125% 07/15/11	375,000	414,375
PolyOne Corp.,		
10.625% 05/15/10 (a)	170,000	170,000
Terra Capital, Inc.,		
12.875% 10/15/08	610,000	664,900
Texas Petrochemicals Corp.,		
11.125% 07/01/06	1,125,000	630,000
		----- 6,045,538 -----
ELECTRONIC & ELECTRICAL EQUIPMENT - 1.3%		
Flextronics International Ltd.,		
9.875% 07/01/10	600,000	669,000
Ucar Finance, Inc.,		
10.250% 02/15/12	255,000	239,700
		----- 908,700 -----
FABRICATED METAL - 0.7%		
Earle M. Jorgensen Co.,		
9.750% 06/01/12	425,000	446,250

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FOOD & Kindred Products - 4.8%		
Constellation Brands, Inc.,		
8.125% 01/15/12	270,000	286,200
Del Monte Corp.,		
9.250% 05/15/11	500,000	542,500
Dole Food Co., Inc.,		
7.250% 05/01/09	415,000	448,200
Premier International Foods PLC,		
12.000% 09/01/09	1,000,000	1,100,000
Roundy's Inc.,		
8.875% 06/15/12	410,000	420,250
Smithfield Foods, Inc.,		
8.000% 10/15/09	435,000	448,050

		3,245,200

See notes to investment portfolio.

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INVESTMENT PORTFOLIO (CONTINUED)

April 30, 2003 (Unaudited)

CORPORATE FIXED-INCOME		
BONDS & NOTES (CONTINUED)		
	PAR	VALUE

FURNITURE & FIXTURES - 1.1%		
C&A Floor Covering, Inc.,		
9.750% 02/15/10	\$ 225,000	\$ 227,250
Congoleum Corp.,		
8.625% 08/01/08	225,000	118,125
Juno Lighting, Inc.,		
11.875% 07/01/09	295,000	318,600
Simmons Co.,		
10.250% 03/15/09	100,000	107,500

		771,475

MEASURING & ANALYZING INSTRUMENTS - 0.6%		
Fisher Scientific International, Inc.:		
8.125% 05/01/12	305,000	328,637
8.125% 05/01/12 (a)	70,000	75,425

		404,062

MISCELLANEOUS MANUFACTURING - 7.0%		
Actuant Corp.,		
13.000% 05/01/09	351,000	410,670
AGCO Corp.,		
9.500% 05/01/08	400,000	436,000
Applied Extrusion Technologies, Inc.,		
10.750% 07/01/11	320,000	230,400
Ball Corp.,		
6.875% 12/15/12	125,000	131,250
Crown European Holdings SA,		
10.875% 03/01/13 (a)	280,000	305,200
Flowserve Corp.,		

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12.250% 08/15/10	361,000	411,540
Owens-Illinois, Inc.:		
7.150% 05/15/05	150,000	153,000
7.500% 05/15/10	600,000	589,500
SPX Corp.,		
7.500% 01/01/13	250,000	268,750
Tekni-Plex, Inc.,		
12.750% 06/15/10	915,000	878,400
Terex Corp.,		
10.375% 04/01/11	320,000	352,000
TriMas Corp.:		
9.875% 06/15/12	340,000	353,600
9.875% 06/15/12 (a)	205,000	213,200

		4,733,510

PAPER PRODUCTS - 2.6%		
Buckeye Technologies, Inc.,		
9.250% 09/15/08	235,000	220,900
Caraustar Industries, Inc.,		
9.875% 04/01/11	435,000	439,350
Georgia-Pacific Corp.,		
8.875% 02/01/10 (a)	410,000	441,775
Jefferson Smurfit Corp.,		
8.250% 10/01/12	250,000	271,875
Tembec Industries, Inc.,		
8.500% 02/01/11	350,000	364,000

		1,737,900

	PAR	VALUE

PRIMARY METAL - 1.3%		
Bayou Steel Corp.,		
9.500% 05/15/08 (c)	\$1,000,000	\$ 190,000
Kaiser Aluminum & Chemical Corp.,		
10.875% 10/15/06 (c)	780,000	491,400
WCI Steel, Inc.,		
10.000% 12/01/04 (d)	665,000	199,500
Wheeling-Pittsburgh Corp.,		
9.250% 11/15/07 (c)	2,000,000	10,000

		890,900

PRINTING & PUBLISHING - 7.1%		
Advanstar Communications, Inc.,		
12.000% 02/15/11	500,000	425,000
American Greetings Corp.,		
11.750% 07/15/08	255,000	290,700
Dex Media East LLC,		
12.125% 11/15/12 (a)	565,000	669,525
Hollinger, Inc.,		
11.875% 03/01/11 (a)	295,000	312,700
Moore North America Finance, Inc.,		
7.875% 01/15/11 (a)	165,000	174,900
PriMedia, Inc.,		
8.875% 05/15/11	560,000	596,400
Quebecor Media, Inc.,		

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11.125% 07/15/11	925,000	1,045,250
Von Hoffman Corp.,		
10.250% 03/15/09	495,000	509,850
Yell Finance BV,		
10.750% 08/01/11	750,000	840,000

		4,864,325

TRANSPORTATION EQUIPMENT - 3.6%

BE Aerospace, Inc.,		
8.875% 05/01/11	575,000	393,875
Collins & Aikman Products Co.,		
10.750% 12/31/11	555,000	579,975
Dura Operating Corp.,		
8.625% 04/15/12	345,000	355,350
Hexcel Corp.:		
9.750% 01/15/09	220,000	216,700
9.875% 10/01/08 (a)	65,000	69,550
Lear Corp.,		
8.110% 05/15/09	500,000	562,500
Newcor, Inc.,		
6.000% 01/01/13 (d) (e)	215,562	93,599
Sequa Corp.,		
8.875% 04/01/08	200,000	207,000

		2,478,549

See notes to investment portfolio.

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INVESTMENT PORTFOLIO (CONTINUED)

April 30, 2003 (Unaudited)

CORPORATE FIXED-INCOME

BONDS & NOTES (CONTINUED)	PAR	VALUE

MINING & ENERGY - 9.8%		
OIL & GAS EXTRACTION - 8.5%		
Benton Oil & Gas Co.,		
9.375% 11/01/07	\$ 485,000	\$ 423,162
Chesapeake Energy Corp.:		
7.750% 01/15/15	280,000	296,800
8.125% 04/01/11	400,000	430,000
Compton Petroleum Corp.,		
9.900% 05/15/09	325,000	351,000
Denbury Resources, Inc.,		
7.500% 04/01/13 (a)	165,000	168,300
El Paso Energy Partners LP,		
8.500% 06/01/10 (a)	275,000	295,625
Encore Acquisition Co.,		
8.375% 06/15/12	325,000	344,500
Forest Oil Corp.,		
8.000% 06/15/08	400,000	424,000
Magnum Hunter Resources, Inc.,		
9.600% 03/15/12	135,000	145,800

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Mariner Energy, Inc., 10.500% 08/01/06	395,000	396,975
Petsec Energy, Inc., 9.500% 06/15/07 (d) (e)	1,998,420	--
Pioneer Natural Resources Co.: 7.500% 04/15/12	105,000	116,025
9.625% 04/01/10	10,000	11,975
Pogo Producing Co., 8.250% 04/15/11	965,000	1,037,375
Stone Energy Corp., 8.250% 12/15/11	220,000	228,250
Trico Marine Services, Inc., 8.875% 05/15/12	275,000	244,750
XTO Energy, Inc., 7.500% 04/15/12	800,000	880,000

		5,794,537

OIL & GAS FIELD SERVICES - 1.3%		
Frontier Escrow Corp., 8.000% 04/15/13 (a)	85,000	87,550
Newpark Resources, Inc., 8.625% 12/15/07	290,000	290,000
Premcor Refining Group, Inc.: 9.250% 02/01/10 (a)	155,000	170,500
9.500% 02/01/13 (a)	200,000	222,000
Tesoro Petroleum Corp., 8.000% 04/15/08 (a)	105,000	108,150

		878,200

RETAIL TRADE - 3.6%		
APPAREL & Accessory Stores - 0.6%		
Gap, Inc., 8.800% 12/15/08	285,000	337,725
Saks, Inc., 8.250% 11/15/08	105,000	113,400

		451,125

	PAR	VALUE
FOOD STORES - 0.5%		
Winn-Dixie Stores, Inc., 8.875% 04/01/08	\$ 310,000	\$ 333,250

MISCELLANEOUS RETAIL - 2.0%		
Hollywood Entertainment Corp., 9.625% 03/15/11	350,000	376,250
JC Penney Co., Inc., 8.000% 03/01/10	415,000	437,825
Rite Aid Corp.: 7.125% 01/15/07	300,000	291,000
8.125% 05/01/10 (a)	250,000	255,625

		1,360,700

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RESTAURANTS - 0.5%
 Yum! Brands, Inc.,
 7.700% 07/01/12 305,000 337,025

 SERVICES - 22.9%
 AMUSEMENT & RECREATION - 11.4%
 Ameristar Casinos, Inc.,
 10.750% 02/15/09 400,000 448,000
 Argosy Gaming Co.,
 10.750% 06/01/09 335,000 369,337
 Boyd Gaming Corp.,
 7.750% 12/15/12 (a) 125,000 135,000
 Circus-Circus & Eldorado/Silver Legacy,
 10.125% 03/01/12 455,000 437,937
 Coast Hotels & Casinos, Inc.,
 9.500% 04/01/09 500,000 537,500
 Hollywood Casino Corp.,
 11.250% 05/01/07 400,000 428,000
 Hollywood Casino Shreveport,
 13.000% 08/01/06 670,000 522,600
 Hollywood Park, Inc.,
 9.500% 08/01/07 1,000,000 980,000
 Majestic Investor Holdings,
 11.653% 11/30/07 225,000 222,750
 Mohegan Tribal Gaming Authority,
 8.000% 04/01/12 500,000 530,000
 Park Place Entertainment Corp.,
 9.375% 02/15/07 435,000 471,975
 Penn National Gaming, Inc.,
 11.125% 03/01/08 665,000 731,500
 Regal Cinemas, Inc.,
 9.375% 02/01/12 600,000 660,000
 Six Flags, Inc.,
 9.500% 02/01/09 745,000 764,556
 Town Sports International, Inc.,
 9.625% 04/15/11 (a) 170,000 177,650
 Venetian Casino Resort LLC,
 11.000% 06/15/10 325,000 356,688

 7,773,493

AUTO EQUIPMENT & RENTAL SERVICES - 0.4%
 United Rentals, Inc.,
 10.750% 04/15/08 255,000 274,763

See notes to investment portfolio.

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INVESTMENT PORTFOLIO (CONTINUED)
 April 30, 2003 (Unaudited)

CORPORATE FIXED-INCOME
 BONDS & NOTES (CONTINUED) PAR VALUE

 BUSINESS SERVICES - 0.3%
 Iron Mountain, Inc.,

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7.750% 01/15/15	\$ 190,000	\$ 202,350

FUNERAL SERVICES - 1.5%		
Service Corp. International,		
7.700% 04/15/09	600,000	606,000
Stewart Enterprises, Inc.,		
10.750% 07/01/08	400,000	446,000

		1,052,000

HEALTH SERVICES - 7.8%		
AmerisourceBergen Corp.:		
7.250% 11/15/12 (a)	215,000	231,125
8.125% 09/01/08	405,000	443,475
Coventry Health Care, Inc.,		
8.125% 02/15/12	525,000	567,000
HCA, Inc.,		
8.750% 09/01/10	670,000	786,439
IASIS Healthcare Corp.,		
13.000% 10/15/09	305,000	340,075
InSight Health Services Corp.,		
9.875% 11/01/11	340,000	312,800
Magellan Health Services, Inc.:		
9.000% 02/15/08 (d)	670,000	179,225
9.375% 11/15/07 (a) (d)	385,000	330,138
MedQuest Inc.,		
11.875% 08/15/12	500,000	462,500
PacifiCare Health Systems, Inc.,		
10.750% 06/01/09	500,000	551,250
Radiologix, Inc.,		
10.500% 12/15/08	95,000	82,175
Res-Care, Inc.,		
10.625% 11/15/08	170,000	154,700
Tenet Healthcare Corp.,		
6.375% 12/01/11	450,000	423,000
United Surgical Partners		
International, Inc.,		
10.000% 12/15/11	400,000	424,000

		5,287,902

HOTELS, CAMPS & LODGING - 1.5%		
Host Marriott LP,		
9.500% 01/15/07	340,000	357,000
Starwood Hotels & Resorts Worldwide, Inc.,		
7.875% 05/01/12	625,000	650,000

		1,007,000

TRANSPORTATION, COMMUNICATIONS, ELECTRIC,		
GAS & SANITARY SERVICES - 42.5%		
AEROSPACE - 2.0%		
L-3 Communications Corp.,		
7.625% 06/15/12	450,000	496,125
TransDigm, Inc.,		
10.375% 12/01/08	850,000	901,000

		1,397,125

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	PAR	VALUE

AIR TRANSPORTATION - 1.1%		
Northwest Airlines, Inc., 9.875% 03/15/07	\$ 615,000	\$ 369,000
U.S. Airways, Inc., 10.375% 03/01/13	1,600,000	400,000

		769,000

BROADCASTING - 3.8%		
CanWest Media, Inc., 10.625% 05/15/11	585,000	665,437
Clear Channel Communications, 8.000% 11/01/08	130,000	148,200
Corus Entertainment, Inc., 8.750% 03/01/12	200,000	212,000
Emmis Communications Corp., (f) 03/15/11 (12.500% 03/15/06)	561,000	493,680
TV Azteca SA de CV, 10.500% 02/15/07	745,000	707,750
XM Satellite Radio Holdings, Inc., (f) 12/31/09 (14.000% 12/31/05)	474,415	336,835

		2,563,902

CABLE - 6.7%		
British Sky Broadcasting Group PLC, 8.200% 07/15/09	190,000	217,998
Charter Communications Holdings LLC: (f) 04/01/11 (9.920% 04/01/04)	1,435,000	832,300
10.000% 04/01/09	325,000	216,125
Comcast UK Cable Partners Ltd., 11.200% 11/15/07	750,000	626,250
CSC Holdings, Inc., 7.625% 04/01/11	300,000	315,750
DirectTV Holdings LLC, 8.375% 03/15/13 (a)	300,000	333,750
EchoStar DBS Corp., 9.125% 01/15/09	435,000	487,200
Insight Communications Co., Inc., (f) 02/15/11 (12.250% 02/15/06)	620,000	478,950
Insight Midwest LP, 9.750% 10/01/09 (a)	335,000	359,706
Northland Cable Television, Inc., 10.250% 11/15/07	740,000	673,400
Ono Finance PLC, (b) 03/16/11	175	2

		4,541,431

COMMUNICATION SERVICES - 1.4%		

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Crown Castle International Corp.:		
(f) 05/15/11		
(10.375% 05/15/04)	250,000	223,125
10.750% 08/01/11	350,000	360,500
SBA Communications Corp.,		
10.250% 02/01/09	440,000	378,400

		962,025

See notes to investment portfolio.

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INVESTMENT PORTFOLIO (CONTINUED)

April 30, 2003 (Unaudited)

CORPORATE FIXED-INCOME		
BONDS & NOTES (CONTINUED)	PAR	VALUE

TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS & SANITARY SERVICES (CONTINUED)		
ELECTRIC, GAS & SANITARY SERVICES - 4.6%		
Allied Waste North America, Inc.:		
8.500% 12/01/08	\$ 475,000	\$ 509,437
10.000% 08/01/09	1,215,000	1,301,569
CMS Energy Corp.,		
8.900% 07/15/08	415,000	415,000
HydroChem Industrial Services, Inc.,		
10.375% 08/01/07	750,000	562,500
Mirant Americas Generation, Inc.,		
8.300% 05/01/11	460,000	340,400

		3,128,906

ELECTRIC SERVICES - 6.2%		
AES Corp.,		
9.500% 06/01/09	855,000	846,450
Beaver Valley Funding Corp.,		
9.000% 06/01/17	355,000	407,281
Caithness Coso Funding Corp.,		
9.050% 12/15/09	556,889	579,164
Calpine Corp.,		
8.500% 02/15/11	975,000	711,750
Edison Mission Energy,		
9.875% 04/15/11	300,000	271,500
Nevada Power Co.,		
10.875% 10/15/09 (a)	260,000	275,600
Orion Power Holdings, Inc.,		
12.000% 05/01/10	150,000	162,750
PSE&G Energy Holdings, Inc.,		
8.625% 02/15/08	395,000	422,650
TECO Energy, Inc.,		
10.500% 12/01/07	210,000	233,100
Western Resources, Inc.,		
7.875% 05/01/07	275,000	305,938

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4,216,183

MOTOR FREIGHT & WAREHOUSING - 0.4%

QDI LLC:

12.000% 06/15/09 (a)	158,974	23,647
12.500% 06/15/08 (a)	668,000	266,365

290,012

PIPELINES - 2.8%

Coastal Corp.,		
7.750% 06/15/10	545,000	479,600
Dynegy Holdings, Inc.,		
8.750% 02/15/12	300,000	283,500
Northwest Pipeline Corp.,		
8.125% 03/01/10 (a)	130,000	142,217
Sonat, Inc.,		
7.625% 07/15/11	215,000	184,900
Southern Natural Gas Co.,		
8.875% 03/15/10 (a)	125,000	140,000
Williams Companies, Inc.,		
8.125% 03/15/12 (a)	665,000	658,350

1,888,567

PAR VALUE

POLLUTION CONTROL - 0.4%

EnviroSource, Inc.,		
14.000% 12/15/08	\$ 273,663	\$ 246,297

RADIOTELEPHONE COMMUNICATIONS - 4.3%

AirGate PCS, Inc.,		
(f) 10/01/09		
(13.500% 10/01/04)	399,000	103,740
AT&T Wireless Services, Inc.,		
7.875% 03/01/11	215,000	246,521
Nextel Communications, Inc.,		
9.375% 11/15/09	1,310,000	1,414,800
Nextel Partners, Inc.,		
11.000% 03/15/10	290,000	307,400
Rogers Cantel, Inc.,		
9.750% 06/01/16	635,000	679,450
US Unwired, Inc.,		
(f) 11/01/09		
(13.375% 11/01/04)	800,000	168,000

2,919,911

RAILROAD - 0.9%

Kansas City Southern Railway Co.,		
7.500% 06/15/09	215,000	222,525
TFM SA de CV,		
12.500% 06/15/12	380,000	399,000

621,525

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TELECOMMUNICATIONS - 6.2%		
Amkor Technology, Inc.,		
9.250% 02/15/08	285,000	304,237
Carrier1 International SA,		
13.250% 02/15/09 (c)	750,000	22,500
Colt Telecom Group PLC,		
12.000% 12/15/06	95,000	84,550
Fairpoint Communications, Inc.,		
11.875% 03/01/10 (a)	175,000	194,250
Horizon PCS, Inc.,		
13.750% 06/15/11	415,000	45,650
Level 3 Communications, Inc.,		
(f) 12/01/08		
(10.500% 12/01/03)	625,000	462,500
Lucent Technologies, Inc.:		
6.450% 03/15/29	335,000	249,575
7.250% 07/15/06	235,000	223,250
Nortel Networks Ltd.,		
6.125% 02/15/06	510,000	494,700
Qwest Corp.:		
8.875% 03/15/12 (a)	425,000	467,500
13.500% 12/15/10 (a)	385,000	428,313
RCN Corp.,		
11.125% 10/15/07	750,000	255,000
Time Warner Telecom, Inc.:		
9.750% 07/15/08	470,000	394,800
10.125% 02/01/11	405,000	340,200
Vivendi Universal,		
9.250% 04/15/10 (a)	250,000	280,445

		4,247,470

See notes to investment portfolio.

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INVESTMENT PORTFOLIO (CONTINUED)

April 30, 2003 (Unaudited)

CORPORATE FIXED-INCOME		
BONDS & NOTES (CONTINUED)	PAR	VALUE

TRANSPORTATION SERVICES - 1.7%		
Allied Holdings, Inc.,		
8.625% 10/01/07	\$ 190,000	\$ 142,500
Petroleum Helicopters, Inc.,		
9.375% 05/01/09	530,000	580,350
Stena AB,		
9.625% 12/01/12	255,000	280,500
Teekay Shipping Corp.,		
8.875% 07/15/11	150,000	160,500

		1,163,850

WHOLESALE TRADE- 1.4%		

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DURABLE GOODS - 1.4%		
Playtex Products		
9.375% 06/01/11	380,000	421,800
Steinway Musical Instruments, Inc.,		
8.750% 04/15/11	550,000	544,500

		966,300

TOTAL CORPORATE FIXED-INCOME		
BONDS & NOTES		
(cost of \$96,601,837)		88,643,639

PREFERRED STOCKS - 2.3%		
	SHARES	

TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS & SANITARY SERVICES - 2.3%		
BROADCASTING - 0.5%		
Sinclair Capital,		
11.625%	3,250	351,000

CABLE - 1.3%		
CSC Holdings, Inc.:		
11.125%	349	36,471
11.750%	7,979	835,800

		872,271

COMMUNICATION SERVICES - 0.4%		
Dobson Communications Corp.,		
12.250% PIK	324	275,400

POLLUTION CONTROL - 0.1%		
EnviroSource, Inc.,		
7.250%	929	43,009

TELECOMMUNICATIONS - 0.0%		
XO Communications, Inc.:		
13.500% PIK (d)	788	1
14.000% (d)	28,530	286

		287

TOTAL PREFERRED STOCKS		
(cost of \$3,763,287)		1,541,967

CONVERTIBLE BONDS - 0.6%		
	PAR	VALUE

TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS & SANITARY SERVICES - 0.6%		
Telecommunications - 0.6%		
Amkor Technology, Inc.,		
5.750% 06/01/06	\$ 270,000	\$ 238,040
Colt Telecom Group PLC,		
2.000% 03/29/06 (a)	265,000	207,408

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TOTAL CONVERTIBLE BONDS		
(cost of \$400,665)		445,448

WARRANTS - 0.3% (g)	UNITS	

TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS & SANITARY SERVICES - 0.3% BROADCASTING - 0.3%		
XM Satellite Radio Holdings, Inc.:		
Expires 12/31/09	330	202,950
Expires 03/15/10 (a)	600	60

		203,010

CABLE - 0.0%		
Cable Satisfaction International, Inc.,		
Expires 03/01/05	970	10
Ono Finance PLC,		
Expires 05/31/09 (a)	750	2

		12

COMMUNICATION SERVICES - 0.0%		
UbiquiTel, Inc.,		
Expires 04/15/10 (a)	525	131

MOTOR FREIGHT & WAREHOUSING - 0.0%		
QDI LLC,		
Expires 01/15/07 (a) (h)	2,041	--

TELECOMMUNICATIONS - 0.0%		
AT&T Canada, Inc.,		
Expires 08/15/07 (a) (e)	250	--
Carrier1 International SA,		
Expires 02/19/09 (a) (c)	347	3
Horizon PCS, Inc.,		
Expires 10/01/10 (a)	665	1
Jazztel PLC,		
Expires 07/15/10 (a) (h)	350	--

		4

TOTAL WARRANTS		
(cost of \$174,924)		203,157

See notes to investment portfolio.

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INVESTMENT PORTFOLIO (CONTINUED)

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April 30, 2003 (Unaudited)

COMMON STOCKS - 0.3% (g)	SHARES	VALUE

TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS & SANITARY SERVICES - 0.3% CABLE - 0.2%		
NTL, Inc.	5,942	\$ 101,014

POLLUTION CONTROL - 0.0%		
EnviroSource, Inc.	8,000	1,840
Fairlane Management Corp. (e)	8,000	--

		1,840

RADIOTELEPHONE COMMUNICATIONS - 0.1%		
Nextel Communications, Inc., Class A	6,196	91,639

TOTAL COMMON STOCKS		
(cost of \$1,197,188)		194,493

SHORT-TERM OBLIGATION - 4.2%		
	PAR	

Federal National Mortgage Association, 1.250% 05/01/03 (i)		
(cost of \$2,900,000)	\$2,900,000	2,900,000

TOTAL INVESTMENTS - 137.7%		
(cost of \$105,037,901) (j)		93,928,704

OTHER ASSETS & LIABILITIES, NET - (37.7)%		(25,720,264)

NET ASSETS - 100.0%		\$68,208,440
=====		

NOTES TO INVESTMENT PORTFOLIO:

-
- (a) This security is exempt from registration under Rule 144A of the Securities Act of 1933 and may be resold in transactions exempt from registration, normally to qualified institutional buyers. At April 30, 2003, the value of these securities amounted to \$11,229,936 or 16.5% of net assets.
 - (b) Zero coupon bond.
 - (c) As of April 30, 2003, the Fund held securities of certain issuers that have filed for bankruptcy protection under Chapter 11 representing 1.0% of net assets. These issuers are in default of certain debt covenants. Income is not being accrued.
 - (d) This issuer is in default of certain debt covenants. Income is not being accrued.
 - (e) Represents fair value as determined in good faith under the direction of the Board of Trustees.
 - (f) Stepped coupon bond. Currently accruing at zero. Shown parenthetically is the next interest rate to be paid and the date the Fund will begin accruing this rate.
 - (g) Non-income producing.
 - (h) Amount rounds to less than \$1.
 - (i) Rate represents yield at date of purchase.

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(j) Cost for federal income tax purposes is \$104,942,794.

ACRONYM	NAME
PIK	Payment-In-Kind

See notes to financial statements.

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STATEMENT OF ASSETS AND LIABILITIES

April 30, 2003 (Unaudited)

ASSETS:	
Investments, at cost	\$105,037,901
Investments, at value	\$ 93,928,704
Cash	188,500
Receivable for:	
Investments sold	461,995
Interest	2,350,088
Deferred Trustees' compensation plan	4,928
Total Assets	96,934,215
LIABILITIES:	
Payable for:	
Interest	545,630
Investments purchased	2,032,482
Distributions	564,564
Management fee	33,055
Deferred Trustees' fee	4,928
Other liabilities	45,116
Notes payable - short-term	15,800,000
Notes payable - long-term	9,700,000
Total Liabilities	28,725,775
NET ASSETS	\$ 68,208,440
COMPOSITION OF NET ASSETS:	
Paid-in capital	\$143,580,648
Overdistributed net investment income	(880,623)
Accumulated net realized loss	(63,382,381)
Net unrealized depreciation on:	
Investments	(11,109,197)
Foreign currency translations	(7)
NET ASSETS	\$ 68,208,440
Shares outstanding	20,909,792
Net asset value per share	\$ 3.26

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STATEMENT OF OPERATIONS

FOR THE SIX MONTHS ENDED APRIL 30, 2003 (UNAUDITED)

INVESTMENT INCOME:

Interest	\$ 3,968,808
Dividends	112,172

Total Investment Income	
(net of foreign taxes withheld of \$1,484)	4,080,980

EXPENSES:

Management fee	293,082
Pricing and bookkeeping fees	20,925
Trustees' fee	3,691
Custody fee	4,487
Other expenses	69,611

Total Operating Expenses	391,796
Custody earnings credit	(555)

Net Operating Expenses	391,241
Interest expense	790,077

Net Expenses	1,181,318

Net Investment Income	2,899,662

NET REALIZED AND UNREALIZED GAIN

(LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:

Net realized loss on:

Investments	(1,597,841)
Foreign currency transactions	(139)

Net realized loss	(1,597,980)

Net change in unrealized appreciation/ depreciation on:

Investments	11,882,086
Foreign currency translations	(7)

Net change in unrealized appreciation/depreciation	11,882,079

Net Gain	10,284,099

Net Increase in Net Assets from Operations	\$ 13,183,761
	=====

See notes to financial statements.

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STATEMENT OF CHANGES IN NET ASSETS

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INCREASE (DECREASE) IN NET ASSETS:

OPERATIONS:

Net investment income
 Net realized loss on investments and foreign currency transactions
 Net change in unrealized appreciation/depreciation on investments
 and foreign currency translations
 Net Increase (Decrease) from Operations

DISTRIBUTIONS DECLARED TO SHAREHOLDERS:

From net investment income
 Return of capital

Total Distributions Declared to Shareholders

SHARE TRANSACTIONS:

Distributions reinvested

Total Increase (Decrease) in Net Assets

NET ASSETS:

Beginning of period

End of period (including overdistributed net investment income
 of \$(880,623) and \$(401,061), respectively)

CHANGES IN SHARES:

Issued for distributions reinvested

See notes to financial statements.

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STATEMENT OF CASH FLOWS

For the Six Months Ended April 30, 2003 (Unaudited)

INCREASE (DECREASE) IN CASH

CASH FLOWS FROM OPERATING ACTIVITIES:

Net investment income	\$ 2,899,662
Adjustments to reconcile net investment income to net cash provided by operating activities:	
Purchase of investment securities	(36,191,496)
Proceeds from disposition of investment securities	35,319,462
Purchase of short-term investments, net	(1,420,969)
Net realized loss due to foreign currency transactions	(139)
Decrease in interest receivable	51,785

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Increase in receivable for investments sold	(144,620)
Increase in payable for investments purchased	1,598,857
Decrease in accrued expenses and other liabilities	(7,022)
Net amortization/accretion of income	151,468

Net cash provided by operating activities	2,256,988

 CASH FLOWS FROM FINANCING ACTIVITIES:	
Increase in notes payable	1,000,000
Decrease in interest payable	(12,854)
Distributions paid in cash	(3,107,212)

Net cash used by financing activities	(2,120,066)

Net increase in cash	136,922
 CASH:	
Beginning of period	51,578

End of period	\$ 188,500
	=====

Supplemental disclosure of cash flow information:

Non-cash financing activities not included herein consist of reinvestment of distributions of \$269,653.

See notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS

April 30, 2003 (Unaudited)

NOTE 1. ACCOUNTING POLICIES

ORGANIZATION:

Colonial Intermediate High Income Fund (the "Fund") is a Massachusetts business trust registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company. The Fund's investment goal is to seek high current income and total return by investing primarily in high yield fixed income securities in lower-rated categories. The Fund is authorized to issue an unlimited number of shares.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

SECURITY VALUATION AND TRANSACTIONS:

Debt securities generally are valued by a pricing service based upon market transactions for normal, institutional-size trading units of similar securities. Such services may use various pricing techniques which take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics and other data, as well as broker quotes. When

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management deems it appropriate, an over-the-counter or exchange bid quotation is used.

Equity securities generally are valued at the last sale price or, in the case of unlisted or listed securities for which there were no sales during the day, at the current quoted bid price.

Forward currency contracts are valued based on the weighted value of exchange-traded contracts with similar durations.

Short-term obligations with a maturity of 60 days or less are valued at amortized cost.

Investments for which market quotations are not readily available, or quotations which management believes are not appropriate, are valued at fair value under procedures approved by the Board of Trustees.

Security transactions are accounted for on the date the securities are purchased, sold or mature.

Cost is determined and gains (losses) are based upon the specific identification method for both financial statement and federal income tax purposes.

The Fund may trade securities on other than normal settlement terms. This may increase the risk if the other party to the transaction fails to deliver and causes the Fund to subsequently invest at less advantageous prices.

STATEMENT OF CASH FLOWS:

Information on financial transactions which have been settled through the receipt or disbursement of cash is presented in the Statement of Cash Flows. The cash amount shown in the Statement of Cash Flows is the amount included in the Fund's Statement of Assets and Liabilities and represents cash on hand at its custodian bank account and does not include any short-term investments at April 30, 2003.

FEDERAL INCOME TAXES:

Consistent with the Fund's policy to qualify as a regulated investment company and to distribute all of its taxable income, no federal income tax has been accrued.

INTEREST INCOME, DEBT DISCOUNT AND PREMIUM:

Interest income is recorded on the accrual basis. Premium and discount are amortized and accreted, respectively, on all debt securities.

The value of additional securities received as an interest payment is recorded as income and as the cost basis of such securities.

DISTRIBUTIONS TO SHAREHOLDERS:

Distributions to shareholders are recorded on the ex-date.

FOREIGN CURRENCY TRANSACTIONS:

Net realized and unrealized gains (losses) on foreign currency transactions include gains (losses) arising from the fluctuations in exchange rates between trade and settlement dates on securities transactions, gains (losses) arising from the disposition of foreign currency and currency gains (losses) between the accrual and payment dates on dividends and interest income and foreign withholding taxes.

The Fund does not distinguish that portion of gains (losses) on investments which is due to changes in foreign exchange rates from that which is due to changes in market prices of the investments. Such fluctuations are included with the net realized and unrealized gains (losses) on investments.

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FORWARD CURRENCY CONTRACTS:

The Fund may enter into forward currency contracts to purchase or sell foreign currencies at predetermined exchange rates in connection with the settlement of purchases and sales of securities. The Fund may also enter into forward currency contracts to hedge certain other foreign currency denominated assets. The contracts are used to minimize the exposure to foreign exchange rate fluctuations during the period between trade and settlement date of the contracts. All contracts are marked-to-market daily, resulting in unrealized gains (losses) which become realized at the time the forward currency contracts are closed or mature. Realized and unrealized gains (losses) arising from such transactions are included in net realized and unrealized gains (losses) on foreign currency transactions. Forward currency contracts do not eliminate fluctuations in the prices of the Fund's portfolio securities.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

April 30, 2003 (Unaudited)

While the maximum potential loss from such contracts is the aggregate face value in U.S. dollars at the time the contract was opened, exposure is typically limited to the change in value of the contract (in U.S. dollars) over the period it remains open. Risks may also arise if counterparties fail to perform their obligations under the contracts.

OTHER:

Corporate actions and dividend income are recorded on the ex-date (except for certain foreign securities which are recorded as soon after ex-date as the Fund becomes aware of such), net of non-reclaimable tax withholdings. Where a high level of uncertainty as to collection exists, income on securities is recorded net of all tax withholdings with any rebates recorded when received.

The Fund's custodian takes possession through the federal book-entry system of securities collateralizing repurchase agreements. Collateral is marked-to-market daily to ensure that the market value of the underlying assets remains sufficient to protect the Fund. The Fund may experience costs and delays in liquidating the collateral if the issuer defaults or enters bankruptcy.

NOTE 2. FEDERAL TAX INFORMATION

Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. Reclassifications are made to the Fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryforwards) under income tax regulations.

The following capital loss carryforwards, determined as of October 31, 2002, are available to reduce taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Internal Revenue Code:

YEAR OF EXPIRATION	CAPITAL LOSS CARRYFORWARD
2003	\$ 2,102,577
2007	3,282,077
2008	10,437,671
2009	22,694,029
2010	23,203,433

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\$61,719,787
=====

NOTE 3. FEES AND COMPENSATION PAID TO AFFILIATES
MANAGEMENT FEE:

Columbia Management Advisors, Inc. ("Columbia") is the investment advisor of the Fund and furnishes accounting and other services and office facilities for a fee to be paid monthly at the annual rate of 0.65% of the average weekly net assets of the Fund.

In addition, the Fund shall pay Columbia monthly a fee equal to 20% of the Fund's monthly "leverage income" (as that term is defined in the management contract); provided, however, if the Fund's monthly leverage income is less than zero then Columbia shall pay the Fund 20% of the Fund's monthly leverage income. For the six months ended April 30, 2003, the fee paid to Columbia under this agreement amounted to \$90,906, which represents 0.29% annually of the Fund's average daily net assets.

On April 1, 2003, Colonial Management Associates, Inc. ("Colonial"), the previous advisor to the Fund merged into Columbia. At the time of the merger, Columbia assumed the obligations of Colonial with respect to the Fund. The merger did not change the way the Fund is managed, the investment personnel assigned to manage the Fund or the fees paid by the Fund to Columbia.

PRICING AND BOOKKEEPING FEES:

Columbia is responsible for providing pricing and bookkeeping services to the Fund under a Pricing and Bookkeeping Agreement. Under a separate agreement (the "Outsourcing Agreement"), Columbia has delegated those functions to State Street Bank and Trust Company ("State Street"). Columbia pays fees to State Street under the Outsourcing Agreement.

Under its pricing and bookkeeping agreement with the Fund, Columbia receives from the Fund an annual flat fee of \$10,000, paid monthly, and in any month that the Fund's average net assets are more than \$50 million, a monthly fee equal to the average net assets of the Fund for that month multiplied by a fee rate that is calculated by taking into account the fees payable to State Street under the Outsourcing Agreement. For the six months ended April 30, 2003, the annualized net asset based fee rate was 0.041%. The Fund also pays out-of-pocket costs for pricing services.

OTHER:

The Fund pays no compensation to its officers, all of whom are employees of Columbia or its affiliates.

The Fund's Independent Trustees may participate in a deferred compensation plan which may be terminated at any time. Obligations of the plan will be paid solely out of the Fund's assets.

The Fund has an agreement with its custodian bank under which \$555 of custody fees were reduced by balance credits for the six months ended April 30, 2003. The Fund could have invested a portion of the assets utilized in connection with the expense offset arrangement in an income-producing asset if it had not entered into such an agreement.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

April 30, 2003 (Unaudited)

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NOTE 4. PORTFOLIO INFORMATION

INVESTMENT ACTIVITY:

For the six months ended April 30, 2003, purchases and sales of investments, other than short-term obligations, were \$36,191,496 and \$35,319,462, respectively.

Unrealized appreciation (depreciation) at April 30, 2003, based on cost of investments for federal income tax purposes, was:

Gross unrealized appreciation	\$ 5,791,410
Gross unrealized depreciation	(16,805,500)

Net unrealized depreciation	\$(11,014,090)
	=====

OTHER:

Investing in high-yield securities involves greater credit risk and other risks not associated with investing in higher-quality securities.

There are certain additional risks involved when investing in foreign securities that are not inherent with investments in domestic securities. These risks may involve foreign currency exchange rate fluctuations, adverse political and economic developments and the possible prevention of foreign currency exchange or the imposition of other foreign governmental laws or restrictions.

The Fund may focus its investments in certain industries, subjecting it to greater risk than a fund that is more diversified.

NOTE 5. LOAN AGREEMENT

At April 30, 2003, the Fund had two term loans and a revolving loan outstanding with Bank of America NA, totaling \$25,500,000. These loans are comprised of a \$13,700,000 term loan which bears interest at 7.74% per annum, due June 12, 2003, a \$2,100,000 term loan which bears interest at 4.75% per annum, due June 12, 2003 and a \$9,700,000 revolving loan which bears interest at 4.37% per annum, due June 13, 2004. The average daily loan balance was \$25,234,807 at a weighted average interest rate of 6.21%. The Fund is subject to certain covenants including, but not limited to, requirements with respect to asset coverage, portfolio diversification and liquidity.

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FINANCIAL HIGHLIGHTS

Selected data for a share outstanding throughout each period is as follows:

	(UNAUDITED)			
	SIX MONTHS			YEAR ENDED
	ENDED	-----		-----
	APRIL 30,	2002	2001	2000
	2003	2002	2001	2000
	-----	-----	-----	-----
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 2.79	\$ 3.51	\$ 4.83	\$ 4.83
INCOME FROM INVESTMENT OPERATIONS:				
Net investment income	0.14 (a)	0.38 (a) (b)	0.51 (a)	0.51 (a)
Net realized and unrealized gain (loss) on				

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investments and foreign currency	0.49	(0.73) (b)	(1.26)	(
	-----	-----	-----	-----
Total from Investment Operations	0.63	(0.35)	(0.75)	(
	-----	-----	-----	-----
LESS DISTRIBUTIONS DECLARED TO SHAREHOLDERS:				
From net investment income	(0.16)	(0.36)	(0.55)	(
In excess of net investment income	--	--	--	(
Return of capital	--	(0.01)	(0.02)	(
	-----	-----	-----	-----
Total Distributions Declared to Shareholders	(0.16)	(0.37)	(0.57)	(
	=====	=====	=====	=====
NET ASSET VALUE, END OF PERIOD	\$ 3.26	\$ 2.79	\$ 3.51	\$
	=====	=====	=====	=====
Market price per share	\$ 3.45	\$ 2.79	\$ 3.49	\$
	=====	=====	=====	=====
Total return-- based on market value (c)	30.31% (d)	(10.43)%	(14.26)%	(
	=====	=====	=====	=====
RATIOS TO AVERAGE NET ASSETS/SUPPLEMENTAL DATA:				
Operating expenses (e)	1.26% (f)	1.25%	1.31%	
Interest and amortization of deferred debt issuance expenses	2.54% (f)	2.73%	2.98%	
Total expenses (e)	3.80% (f)	3.98%	4.29%	
Net investment income (e)	9.32% (f)	11.38% (b)	11.96%	1
Portfolio turnover rate	43% (d)	54%	52%	
Net assets, end of period (000's)	\$ 68,208	\$ 58,134	\$ 72,353	\$ 98

- (a) Per share data was calculated using average shares outstanding during the period.
- (b) Effective November 1, 2001, the Fund adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and began amortizing premium and accreting discount on all debt securities. The effect of this change for the year ended October 31, 2002, was to increase net investment income per share by \$0.02, increase net realized and unrealized loss per share by \$0.02 and increase ratio of net investment income to average net assets from 10.92% to 11.38%. Per share data and ratios for periods prior to October 31, 2002 have not been restated to reflect this change in presentation.
- (c) Total return at market value assuming all distributions reinvested at prices calculated in accordance with the Dividend Reinvestment Plan.
- (d) Not annualized.
- (e) The benefits derived from custody credits and directed brokerage arrangements, if applicable, had an impact of less than 0.01%.
- (f) Annualized.

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FINANCIAL HIGHLIGHTS (CONTINUED)

Selected data for a share outstanding throughout each period is as follows:

	YEAR END	
	-----	-----
	1997	1996
	-----	-----

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NET ASSET VALUE, BEGINNING OF PERIOD	\$ 6.89	\$ 6.62	\$
INCOME FROM INVESTMENT OPERATIONS:			
Net investment income	0.70	0.70	
Net realized and unrealized gain (loss) on investments and foreign currency	0.38	0.26	
Total from Investment Operations	1.08	0.96	
LESS DISTRIBUTIONS DECLARED TO SHAREHOLDERS:			
From net investment income	(0.70)	(0.69)	(
NET ASSET VALUE, END OF PERIOD	\$ 7.27	\$ 6.89	\$
Market price per share	\$ 7.56	\$ 7.13	\$
Total return-- based on market value (a)	16.97%	14.62%	3
RATIOS TO AVERAGE NET ASSETS/SUPPLEMENTAL DATA:			
Operating expenses (b)	0.89%	0.98%	
Interest and amortization of deferred debt issuance expenses	1.96%	2.07%	
Total expenses (b)	2.85%	3.05%	
Net investment income (b)	9.63%	10.11%	1
Portfolio turnover rate	92%	92%	
Net assets, end of period (000's)	\$ 107,774	\$ 99,925	\$ 93

(a) Total return at market value assuming all distributions reinvested at prices calculated in accordance with the Dividend Reinvestment Plan.

(b) The benefits derived from custody credits and directed brokerage arrangements, if applicable, had an impact of less than 0.01%, except for the year ended 1997 which had a 0.01% impact.

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Financial Highlights (continued)

LOAN AGREEMENT ASSET COVERAGE REQUIREMENTS

DATE	TOTAL AMOUNT OUTSTANDING	ASSET COVERAGE PER \$1,000 OF INDEBTEDNESS
-----	-----	-----
04/30/03*	\$25,500,000	\$3,675
10/31/02	24,500,000	3,373
10/31/01	30,500,000	3,372
10/31/00	47,300,000	3,079
10/31/99	47,300,000	3,558
10/31/98	47,300,000	3,632
10/31/97	27,400,000	4,933
10/31/96	27,400,000	4,647
10/31/95	27,400,000	4,430
10/31/94	27,400,000	4,194
10/31/93	27,400,000	4,473
* Unaudited		

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RESULTS OF ANNUAL MEETING OF SHAREHOLDERS

On May 21, 2003, the Annual Meeting of Shareholders of the Fund was held to conduct a vote for or against the approval of the following Item listed on the Fund's Proxy Statement for said Meeting. On February 28, 2003, the record date for the Meeting, the Fund had 20,867,809 shares outstanding. The votes cast were as follows:

PROPOSAL 1. ELECTION OF TRUSTEES: -----	FOR -----	WITHHELD -----
Douglas A. Hacker	18,228,140	433,268
Janet Langford Kelly	18,250,790	410,618
John J. Neuhauser	18,250,534	410,874
Joseph R. Palombo	18,235,184	426,224

Mr. Hacker, Ms. Kelly, Mr. Neuhauser and Mr. Palombo were elected as Trustees of the Fund. Each will serve for three years or until a successor is elected.

The Board of Trustees is divided into the following three classes, each with a term expiring in the indicated year:

2004 ----	2005 ----	2006 ----
Mr. Macera*	Mr. Lowry	Mr. Hacker
Mr. Stitzel	Mr. Mayer	Ms. Kelly
Mr. Theobald	Mr. Nelson	Mr. Neuhauser
Ms. Verville		Mr. Palombo

*Effective June 18, 2003, Mr. Macera is retiring from the Board of Trustees.

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graphic: Transfer Agent

Important Information About This Report
The Transfer Agent for Colonial Intermediate High Income Fund is:

PFPC,
P.O. Box 8030
Boston, MA 02266-8030
1-800-331-1710

The fund mails one shareholder report to each shareholder address. Shareholders can order additional reports by calling 800-345-6611. In addition, representatives at that number can provide shareholders information about the fund.

Financial advisors who want additional information about the fund may speak to a representative at 800-426-3750.

SEMIANNUAL REPORT
Colonial Intermediate High Income Fund

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COLONIAL INTERMEDIATE HIGH INCOME FUND Semiannual Report

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ITEM 2. CODE OF ETHICS.

Not applicable at this time.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable at this time.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable at this time.

ITEMS 5-6. [RESERVED]

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not applicable at this time.

ITEM 8. [RESERVED]

ITEM 9. CONTROLS AND PROCEDURES.

(a) The Registrant's Chief Executive Officer and Chief Financial Officer, based on their evaluation of the Registrant's disclosure controls and procedures as of June 20, 2003, have concluded that such controls and procedures are adequately designed to ensure that information required to be disclosed by the Registrant in its reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to the Registrant's management, including the Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

(b) There were no significant changes in the registrant's internal controls or in other factors that could affect these controls subsequent to the date of our evaluation.

ITEM 10. EXHIBITS.

File the exhibits listed below as part of this Form. Letter or number the exhibits in the sequence indicated.

(a) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable at this time.

(b) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2 under the Act (17 CFR 270.30a-2) in the exact form set forth below: 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) Colonial Intermediate High Income Fund

By (Signature and Title)* /s/ Joseph R. Palombo

Joseph R. Palombo, President

Date June 20, 2003

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 dates indicated.

By (Signature and Title)* /s/ Joseph R. Palombo

Joseph R. Palombo, President

Date June 20, 2003

By (Signature and Title)* /s/ J. Kevin Connaughton

J. Kevin Connaughton, Treasurer

Date June 20, 2003

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