

FEDERATED PREMIER MUNICIPAL INCOME FUND
Form N-CSR
February 05, 2007

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

FORM N-CSR
CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

811-21235

(Investment Company Act File Number)

Federated Premier Municipal Income Fund

(Exact Name of Registrant as Specified in Charter)

Federated Investors Funds
5800 Corporate Drive
Pittsburgh, Pennsylvania 15237-7000
(Address of Principal Executive Offices)

(412) 288-1900
(Registrant's Telephone Number)

John W. McGonigle, Esquire
Federated Investors Tower
1001 Liberty Avenue
Pittsburgh, Pennsylvania 15222-3779
(Name and Address of Agent for Service)
(Notices should be sent to the Agent for Service)

Date of Fiscal Year End: 11/30/06

Date of Reporting Period: Fiscal year ended 11/30/06

**Federated
World-Class Investment Manager**

Federated Premier Municipal Income Fund

Federated Premier Intermediate Municipal Income Fund

4TH ANNUAL SHAREHOLDER REPORT

November 30, 2006

**FEDERATED INVESTORS'
CLOSED-END MUNICIPAL FUNDS**

Established 2002

FINANCIAL HIGHLIGHTS

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CERTIFICATION DISCLOSURE

Not FDIC Insured * May Lose Value * No Bank Guarantee

Financial Highlights - Federated Premier Municipal Income Fund

(For a Common Share Outstanding Throughout Each Period)

	Year Ended November 30,			Period
	2006	2005	2004	Ended
				11/30/2003₁
Net Asset Value, Beginning of Period	\$15.05	\$14.66	\$14.56	\$14.33

Income From Investment Operations:

Net investment income				
	1.12 ₂	1.12 ₂	1.13 ₂	0.98 ₂
Net realized and unrealized gain on investments, swap contracts and futures contracts				
	0.55	0.43	0.07	0.32
Distributions to preferred shareholders from net investment income	(0.29) ³	(0.19) ³	(0.10) ³	(0.08) ³
<i>TOTAL FROM INVESTMENT OPERATIONS</i>	1.38	1.36	1.10	1.22

Less Distributions to Common Shareholders:

From net investment income	(0.87)	(0.97)	(1.00)	(0.84)
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Capital Charges With Respect to Issuance of:

Common shares	--	--	--	(0.03)
Preferred shares	--	--	--	(0.12)
<i>TOTAL CAPITAL CHARGES</i>	--	--	--	(0.15)

Net Asset Value, End of Period	\$15.56	\$15.05	\$14.66	\$14.56
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Market Price, End of Period	\$15.80	\$14.44	\$14.31	\$14.25
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Total Return at Net Asset Value⁴	9.51%	9.49%	8.05%	7.70%
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Total Return at Market Price⁵	15.90%	7.75%	7.76%	0.70%
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Ratios to Average Net Assets:

Net expenses ⁶	0.85%	0.85%	0.85%	0.77% ⁷
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Net investment income ⁸	5.49%	6.16%	7.13%	6.68% ⁷
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Expense waiver/reimbursement ⁹	0.13%	0.14%	0.17%	0.12% ⁷
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Supplemental Data:

Net assets, end of period (000 omitted)	\$95,291	\$92,013	\$89,590	\$88,951
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Portfolio turnover	21%	3%	12%	54%
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Asset Coverage Requirements for Investment Company Act of 1940 - Preferred Shares

	Total Amount Outstanding	Asset Coverage Per Share	Minimum Required Asset Coverage Per Share	Involuntary Liquidating Preference Per Share	Average Market Value Per Share
11/30/2006	\$53,675,000	\$69,383	\$50,034	\$25,017	\$25,000
11/30/2005	\$53,675,000	\$67,857	\$50,024	\$25,012	\$25,000
11/30/2004	\$53,675,000	\$66,728	\$50,010	\$25,005	\$25,000
11/30/2003 ¹⁰	\$53,675,000	\$66,430	\$50,004	\$25,002	\$25,000

1 Reflects operations for the period from December 20, 2002 (date of initial public investment) to November 30, 2003.

2 Per share numbers have been calculated using the average shares method.

3 The amounts shown are based on Common Share equivalents.

4 Total Return at Net Asset Value is the combination of changes in the Common Share net asset value, reinvested dividend income and reinvested capital gains distributions at net asset value, if any, and does not reflect the sales charge, if applicable. Total returns for periods of less than one year, if any, are not annualized. Total returns for the periods ended November 30, 2004 and 2003 were calculated utilizing the average price paid per share at the time of reinvestment. If net asset value had been utilized, the total returns would have been 7.89% and 7.67%, respectively.

5 Total Return at Market Price is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of the reinvestment. Total returns for periods of less than one year, if any, are not annualized.

6 Ratios do not reflect the effect of dividend payments to preferred shareholders and any associated commission costs.

7 Computed on an annualized basis.

8 Ratios reflect reductions for dividend payments to preferred shareholders.

9 This expense decrease is reflected in both the net expense and the net investment income ratios shown above.

10 On February 13, 2003, the Fund began offering Auction Market Preferred Shares.

See Notes which are an integral part of the Financial Statements

Financial Highlights-Federated Premier Intermediate Municipal Income Fund

(For a Common Share Outstanding Throughout Each Period)

Year Ended November 30,

**Period
Ended**

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	2006	2005	2004	11/30/2003 ¹
Net Asset Value, Beginning of Period	\$14.41	\$14.53	\$14.65	\$14.33
Income From Investment Operations:				
Net investment income	0.96 ₂	0.92 ₂	0.90 ₂	0.79 ₂
Net realized and unrealized gain (loss) on investments, swap contracts and futures contracts	0.44	(0.08)	(0.14)	0.40
Distributions to preferred shareholders from net investment income	(0.29) ³	(0.20) ³	(0.10) ³	(0.08) ³
<i>TOTAL FROM INVESTMENT OPERATIONS</i>	1.11	0.64	0.66	1.11
Less Distributions to Common Shareholders:				
From net investment income	(0.69)	(0.76)	(0.78)	(0.64)
Capital Charges With Respect to Issuance of:				
Common shares	--	--	--	(0.03)
Preferred shares	--	--	--	(0.12)
<i>TOTAL CAPITAL CHARGES</i>	--	--	--	(0.15)
Net Asset Value, End of Period	\$14.83	\$14.41	\$14.53	\$14.65
Market Price, End of Period	\$13.81	\$12.68	\$13.50	\$13.47
Total Return at Net Asset Value⁴	7.94%	4.46%	5.03%	7.05%
Total Return at Market Price⁵	14.63%	(0.66)%	6.14%	(5.97)%
Ratios to Average Net Assets:				
Net expenses ⁶	0.89%	0.89%	0.89%	0.80% ⁷
Net investment income ⁸	4.61%	4.97%	5.51%	5.20% ⁷
Expense waiver/reimbursement ⁹	0.07%	0.08%	0.07%	0.04% ⁷
Supplemental Data:				
Net assets, end of period (000 omitted)	\$103,017	\$100,124	\$100,908	\$101,782

Portfolio turnover	46%	15%	11%	41%
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Asset Coverage Requirements for Investment Company Act of 1940 - Preferred Shares

	Total Amount Outstanding	Asset Coverage Per Share	Minimum Required Asset Coverage Per Share	Involuntary Liquidating Preference Per Share	Average Market Value Per Share
11/30/2006	\$61,025,000	\$67,203	\$50,010	\$25,005	\$25,000
11/31/2005	\$61,025,000	\$66,017	\$50,004	\$25,002	\$25,000
11/30/2004	\$61,025,000	\$66,339	\$50,016	\$25,008	\$25,000
11/30/2003 ¹⁰	\$61,025,000	\$66,697	\$50,008	\$25,004	\$25,000

1 Reflects operations for the period from December 20, 2002 (date of initial public investment) to November 30, 2003.

2 Per share numbers have been calculated using the average shares method.

3 The amounts shown are based on Common Share equivalents.

4 Total Return at Net Asset Value is the combination of changes in the Common Share net asset value, reinvested dividend income and reinvested capital gains distributions at net asset value, if any, and does not reflect the sales charge, if applicable. Total returns for periods of less than one year, if any, are not annualized. Total returns for the periods ended November 30, 2004 and 2003 were calculated utilizing the average price paid per share at the time of reinvestment. If net asset value had been utilized, the total returns would have been 4.63% and 6.83%, respectively.

5 Total Return at Market Price is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of the reinvestment. Total returns for periods of less than one year, if any, are not annualized.

6 Ratios do not reflect the effect of dividend payments to preferred shareholders and any associated commission costs.

7 Computed on an annualized basis.

8 Ratios reflect reductions for dividend payments to preferred shareholders.

9 This expense decrease is reflected in both the net expense and the net investment income ratios shown above.

10 On February 13, 2003, the Fund began offering Auction Market Preferred Shares.

See Notes which are an integral part of the Financial Statements

Federated Premier Municipal Income Fund - Portfolio of Investments Summary Table

At November 30, 2006, the Fund's sector composition ¹ was as follows:

Sector Composition	Percentage of Total Investments
Insured	34.6%
Hospital	17.5%
Refunded	10.4%
Senior Care	8.4%
Special Tax	8.3%
Education	4.3%
IDB/PCR	3.5%
Tobacco	2.9%
Electric & Gas	2.2%
Other ²	7.9%
TOTAL	100.0%

1 Sector classifications and the assignment of holdings to such sectors, are based upon the economic sector and/or revenue source of the underlying borrower, as determined by the Fund's adviser. For securities that have been enhanced by a third-party, such as guarantor, sector classifications are based upon the economic sector and/or revenue source of the third party, as determined by the Fund's adviser. Securities that are insured by a bond insurer are assigned to the "Insured" sector. Prerefunded securities are those whose debt is paid from escrowed funds, usually U.S. government securities.

2 For purposes of this table, sector classifications which constitute less than 2.0% of the Fund's total investments have been aggregated under the designation "Other."

Federated Premier Municipal Income Fund - Portfolio of Investments

November 30, 2006

Principal Amount	Value
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	MUNICIPAL BONDS--99.8%	
	Alabama--0.4%	
\$ 550,000	Courtland, AL IDB, PCR Refunding Bonds (Series 2005A), 5.00% (International Paper Co.), 6/1/2025	\$ 570,036
	Arizona--1.5%	
500,000	Arizona Tourism & Sports Authority, Multipurpose Stadium Facilities Tax Revenue Bonds (Series A), 5.00% (MBIA Insurance Corp. INS), 7/1/2024	531,660
750,000	Tempe, AZ IDA, Senior Living Revenue Bonds (Series A), 6.75% (Friendship Village of Tempe), 12/1/2030	817,628
750,000	Verrado Community Facilities District No. 1, AZ, Revenue Bonds, 6.50%, 7/15/2027	815,370
	TOTAL	2,164,658
	Arkansas--0.8%	
1,000,000	Arkansas Development Finance Authority, Hospital Revenue Bonds (Series 2000), 7.375% (Washington Regional Medical Center)/(United States Treasury PRF 2/1/2010@100)/(Original Issue Yield: 7.50%), 2/1/2029	1,107,940
	California--5.2%	
1,000,000	California State Department of Water Resources Power Supply Program, Power Supply Revenue Bonds (Series A), 5.375% (United States Treasury PRF 5/1/2012@101)/(Original Issue Yield: 5.48%), 5/1/2022	1,103,210
1,000,000	California State, Refunding UT GO Bonds, 5.25%, 2/1/2020	1,081,880
1,000,000	California State, UT GO Bonds, 5.25%, 10/1/2020	1,074,120
250,000	Golden State Tobacco Securitization Corp., CA, Tobacco Settlement Asset-Backed Revenue Bonds (Series 2003A-1), 6.75% (Original Issue Yield: 7.00%), 6/1/2039	287,482
750,000	Golden State Tobacco Securitization Corp., CA, Tobacco Settlement Revenue Bonds (Series 2003A-2), 7.90%, 6/1/2042	922,305
500,000	La Verne, CA, Revenue COPs (Series 2003B), 6.625% (Brethren Hillcrest Homes)/(Original Issue Yield: 6.70%), 2/15/2025	557,580
1,000,000	Stockton, CA Public Financing Authority, Redevelopment Projects Revenue Bonds (Series 2006A), 5.25% (Radian Asset Assurance INS), 9/1/2031	1,084,920
1,500,000	Upland, CA Public Financing Authority, Water System Improvement Lease Revenue Bonds (Issue of 2003), 5.00% (AMBAC INS), 10/1/2027	1,587,945
	TOTAL	7,699,442

Principal Amount		Value
	MUNICIPAL BONDS--continued	
	Colorado--5.5%	
\$ 725,000	Antelope Heights Metropolitan District, CO, LT GO Bonds, 8.00%, 12/1/2023	\$ 804,264
1,000,000	Buckhorn Valley Metropolitan District No. 2, CO, LT GO Bonds, 7.00%, 12/1/2023	1,021,580
500,000	Colorado Educational & Cultural Facilities Authority, Revenue Refunding Bonds (Series A), 7.00% (Denver Academy)/(Original Issue Yield: 7.25%), 11/1/2023	562,525
1,000,000	Colorado Health Facilities Authority, Revenue Bonds (Series 2002A), 6.125% (Covenant Retirement Communities, Inc.)/(Original Issue Yield: 6.40%), 12/1/2033	1,102,010
2,000,000	Colorado Health Facilities Authority, Revenue Bonds (Series 2006A), 4.75% (Catholic Health Initiatives)/(Original Issue Yield: 4.828%), 9/1/2040	2,050,100
250,000	Conservatory Metropolitan District, CO, LT GO Bonds, 6.75%, 12/1/2034	270,620
500,000	Conservatory Metropolitan District, CO, LT GO Bonds, 7.55%, 12/1/2032	564,190
1,000,000	Denver, CO Health & Hospital Authority, Revenue Bonds, 6.25% (Original Issue Yield: 6.28%), 12/1/2033	1,132,310
500,000	Southlands, CO Metropolitan District No. 1, LT GO Bonds (Series 2004), 7.00% (Original Issue Yield: 7.05%), 12/1/2024	556,580
	TOTAL	8,064,179
	Connecticut--1.5%	
1,250,000	Connecticut State Development Authority, First Mortgage Gross Revenue Health Care Project Bonds (Series 2003), 5.85% (Elim Park Baptist Home, Inc.)/ (Original Issue Yield: 5.98%), 12/1/2033	1,347,537
825,000	Connecticut State HEFA, Revenue Bonds (Series 2006B), 5.00% (Canterbury School)/ (Radian Asset Assurance INS), 7/1/2036	872,602
	TOTAL	2,220,139
	District of Columbia--2.0%	
2,500,000	District of Columbia Tobacco Settlement Financing Corp., Asset Backed Revenue Bonds, 6.50% (Original Issue Yield: 6.67%), 5/15/2033	3,019,650
	Florida--7.2%	

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600,000	Broward County, FL Educational Facilities Authority, Educational Facilities Revenue Bonds (Series 2004B), 5.60% (Nova Southeastern University)/ (Original Issue Yield: 5.625%), 4/1/2029	642,588
400,000	¹ Capital Trust Agency, FL, Revenue Bonds (Series 2003A), 8.95% (Seminole Tribe of Florida Convention and Resort Hotel Facilities)/(United States Treasury PRF 10/1/2012@102), 10/1/2033	493,780
1,490,000	Citrus County, FL Hospital Board, Revenue Refunding Bonds, 6.375% (Citrus Memorial Hospital)/(Original Issue Yield: 6.50%), 8/15/2032	1,654,660
1,290,000	Harbor Bay, FL Community Development District, Special Assessment Revenue Bonds, 6.75%, 5/1/2034	1,424,237
2,000,000	Jacksonville, FL Sales Tax, Revenue Bonds (Series 2003), 5.00% (MBIA Insurance Corp. INS), 10/1/2024	2,133,280
Principal Amount		Value
MUNICIPAL BONDS--continued		
Florida--continued		
\$ 400,000	Midtown Miami, FL Community Development District, Special Assessment Bonds (Series 2004A), 6.00%, 5/1/2024	\$ 433,800
400,000	Orlando, FL Urban Community Development District, Capital Improvement Revenue Bonds, 6.25%, 5/1/2034	434,208
1,000,000	South Lake County, FL Hospital District, Revenue Bonds, 6.625% (South Lake Hospital, Inc.), 10/1/2023	1,140,820
500,000	Tuscany Reserve Community Development District, FL, Capital Improvement Revenue Bonds (Series 2005A), 5.55%, 5/1/2036	516,265
1,045,000	Verandah West, FL Community Development District, Capital Improvement Revenue Bonds (Series 2003A), 6.625% (Original Issue Yield: 6.75%), 5/1/2033	1,143,617
500,000	Winter Garden Village at Fowler Groves Community Development District, FL, Special Assessment Bonds (Series 2006), 5.65%, 5/1/2037	521,105
	TOTAL	10,538,360
Hawaii--1.1%		
1,400,000	Hawaii State Department of Budget & Finance, Special Purpose Revenue Bonds (Series A), 8.00% (Kahala Nui)/(Original Issue Yield: 8.175%), 11/15/2033	1,638,252
Illinois--4.7%		
1,000,000	Antioch Village, IL Special Service Area No. 1, Special Tax Revenue Bonds, 6.625% (Deercrest Project), 3/1/2033	1,071,880

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2,500,000	Chicago, IL Sales Tax, Revenue Bonds, 5.25% (FGIC INS)/(Original Issue Yield: 5.385%), 1/1/2028	2,602,300
1,000,000	Chicago, IL Special Assessment, Improvement Revenue Bonds, 6.75% (Lakeshore East Project)/(Original Issue Yield: 6.769%), 12/1/2032	1,088,770
420,000	DuPage County, IL, Special Tax Bonds (Series 2006), 5.625% (Naperville Campus LLC), 3/1/2036	442,399
1,000,000	Illinois Educational Facilities Authority, Revenue Refunding Bonds (Series A), 5.70% (Augustana College)/(Original Issue Yield: 5.90%), 10/1/2032	1,058,190
625,000	Illinois Finance Authority, Revenue Bonds (Series 2005A), 6.00% (Landing at Plymouth Place)/(Original Issue Yield: 6.04%), 5/15/2037	665,669
	TOTAL	6,929,208
	Indiana--1.4%	
1,930,000	Indiana Health & Educational Facility Financing Authority, Revenue Bonds (Series 2005), 5.25% (Baptist Homes of Indiana), 11/15/2035	2,047,556
	Kentucky--1.1%	
325,000	Kentucky EDFA, Revenue Bonds (Series 2000A), 6.625% (Norton Healthcare, Inc.)/(Original Issue Yield: 6.97%), 10/1/2028	362,499
1,175,000	Kentucky EDFA, Revenue Bonds (Series 2000A), 6.625% (Norton Healthcare, Inc.)/(United States Treasury PRF 10/1/2010@101)/ (Original Issue Yield: 6.97%), 10/1/2028	1,310,125
	TOTAL	1,672,624

Principal Amount

Value

	MUNICIPAL BONDS--continued	
	Louisiana--1.4%	
\$ 2,000,000	Louisiana State, Gasoline & Fuels Tax Revenue Bonds (Series 2006A), 4.75% (Louisiana State Gas & Fuels)/(FSA INS), 5/1/2039	\$ 2,078,460
	Massachusetts--2.2%	
1,000,000	Massachusetts HEFA, Revenue Bonds (Series 2003E), 6.75% (Jordan Hospital)/(Original Issue Yield: 7.00%), 10/1/2033	1,116,740
2,000,000	Massachusetts State Development Finance Agency, Revenue Bonds, 5.75% (Massachusetts College of Pharmacy & Allied Health Sciences), 7/1/2033	2,161,900
	TOTAL	3,278,640

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Michigan--2.2%		
2,000,000	Cornell Township MI, Economic Development Corp., Refunding Revenue Bonds, 5.875% (MeadWestvaco Corp.)/(United States Treasury PRF 5/1/2012@100), 5/1/2018	
		2,226,300
1,000,000	Detroit, MI Sewage Disposal System, Refunding Senior Lien Revenue Bonds (Series 2003A), 5.00% (FSA INS), 7/1/2024	1,064,510
	TOTAL	3,290,810
Minnesota--0.7%		
900,000	St. Paul, MN Port Authority, Hotel Facility Revenue Bonds (Series 2), 7.375% (Radisson Kellogg Project)/(United States Treasury PRF 8/1/2008@103)/(Original Issue Yield: 7.50%), 8/1/2029	980,100
Mississippi--3.1%		
2,000,000	Lowndes County, MS Solid Waste Disposal, PCR Refunding Bonds (Series 1992B), 6.70% (Weyerhaeuser Co.), 4/1/2022	2,427,340
2,000,000	Mississippi Development Bank, Special Obligation Bonds (Series 2006A), 5.00% (Municipal Energy Agency of Mississippi)/(XL Capital Assurance Inc. INS), 3/1/2041	2,119,920
	TOTAL	4,547,260
Missouri--0.4%		
500,000	Missouri Development Finance Board, Infrastructure Facilities Revenue Bonds (Series 2003A), 5.50% (Branson, MO)/(Original Issue Yield: 5.56%), 12/1/2032	528,200
Nevada--3.3%		
650,000	¹ Director of the State of Nevada Department of Business and Industry, Revenue Bonds (Series 2004A), 7.00% (Las Ventanas Retirement Community)/(Original Issue Yield: 7.125%), 11/15/2034	664,904
2,000,000	Nevada State, COPs (Series 2004: Capitol Complex Building 1), 5.00% (FGIC INS), 4/1/2032	2,109,060
2,000,000	Truckee Meadows, NV Water Authority, Water Revenue Bonds (Series 2001A), 5.00% (FSA INS)/(Original Issue Yield: 5.36%), 7/1/2025	2,095,780
	TOTAL	4,869,744
New Hampshire--2.3%		
3,000,000	Manchester, NH School Facilities, Revenue Bonds, 5.50% (United States Treasury PRF 6/1/2013@100), 6/1/2028	3,322,350
Principal Amount		Value

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MUNICIPAL BONDS--continued		
New Jersey--1.9%		
\$ 200,000	New Jersey EDA, First Mortgage Refunding Revenue Bonds (Series 2006), 5.375% (Seashore Gardens Living Center)/(Original Issue Yield: 5.40%), 11/1/2036	\$ 202,368
500,000	New Jersey EDA, Revenue Bonds, (Series 2004), 5.75% (NJ Dedicated Cigarette Excise Tax)/(Original Issue Yield: 5.89%), 6/15/2029	546,365
300,000	New Jersey EDA, Revenue Refunding Bonds (Series A), 5.80% (Winchester Gardens at Ward Homestead)/(Original Issue Yield: 5.82%), 11/1/2031	329,457
600,000	New Jersey Health Care Facilities Financing Authority, Revenue Bonds, 6.50% (Pascack Valley Hospital Association)/(Original Issue Yield: 6.72%), 7/1/2023	637,842
1,000,000	New Jersey State Educational Facilities Authority, Revenue Bonds, Project C, 6.50% (Georgian Court College), 7/1/2033	1,129,870
	TOTAL	2,845,902
New Mexico--0.6%		
750,000	^{1,2} Jicarilla, NM Apache Nation, Revenue Bonds, 5.50%, 9/1/2023	819,825
New York--7.4%		
750,000	Dutchess County, NY IDA, Civic Facility Revenue Bonds (Series 2004B), 7.50% (St. Francis Hospital and Health Centers), 3/1/2029	835,740
750,000	Dutchess County, NY IDA, Revenue Bonds, 5.00% (Marist College)/ (Original Issue Yield: 5.25%), 7/1/2022	786,825
1,000,000	Metropolitan Transportation Authority, NY, MTA State Service Contract Revenue Refunding Bonds, (Series A), 5.00% (New York State)/ (FGIC INS)/(Original Issue Yield: 5.14%), 7/1/2022	1,060,890
2,000,000	Metropolitan Transportation Authority, NY, Revenue Bonds (Series 2006A), 5.00% (MTA Transportation Revenue), 11/15/2031	2,147,620
800,000	¹ New York City, NY IDA, Liberty Revenue Bonds (Series A), 6.50% (7 World Trade Center LLC), 3/1/2035	856,272
1,000,000	New York City, NY IDA, PILOT Revenue Bonds (Series 2006), 4.75% (Yankee Stadium LLC)/(MBIA Insurance Corp. INS), 3/1/2046	1,042,360
1,900,000	New York City, NY IDA, Revenue Bonds (Series 2006: Queens Baseball Stadium), 4.75% (Queens Ballpark Company LLC)/(AMBAC INS), 1/1/2042	1,978,793
2,000,000	New York State Dormitory Authority, Revenue Bonds (Series 2003A), 5.50%	2,179,980

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(Brooklyn Law School)/(Radian Asset Assurance INS), 7/1/2019

TOTAL 10,888,480

North Carolina--2.0%

1,000,000 Haywood County, NC Industrial Facilities & PCFA, Refunding Revenue Bonds, 6.00% (Champion International Corp.), 3/1/2020

1,021,400

1,000,000 North Carolina Eastern Municipal Power Agency, Power System Refunding Revenue Bonds (Series 2003C), 5.375% (Original Issue Yield: 5.57%), 1/1/2017

1,070,250

800,000 North Carolina Medical Care Commission, Health Care Housing Revenue Bonds (Series 2004A), 5.80% (Arc of North Carolina Projects), 10/1/2034

873,632

TOTAL 2,965,282

Principal Amount

Value

MUNICIPAL BONDS--continued

North Dakota--2.8%

\$ 2,000,000 Fargo, ND, Health System Revenue Bonds (Series 2000A), 5.60% (Meritcare Obligated Group)/(FSA INS)/(Original Issue Yield: 5.70%), 6/1/2021

\$ 2,128,460

2,000,000 Ward County, ND Health Care Facility, Revenue Bonds (Series A), 6.25% (Trinity Obligated Group, ND)/(Original Issue Yield: 6.375%), 7/1/2026

2,069,320

TOTAL 4,197,780

Ohio--0.7%

1,000,000 Ohio State Air Quality Development Authority, PCR Refunding Bonds (Series 2002A), 6.00% (Cleveland Electric Illuminating Co.), 12/1/2013

1,027,770

Oregon--0.3%

500,000 ¹Cow Creek Band of Umpqua Tribe of Indians, Tax-Exempt Tax Revenue Bonds (Series 2006C), 5.625%, 10/1/2026

512,600

Pennsylvania--4.6%

1,165,000 Allegheny County, PA HDA, Health System Revenue Bonds (Series 2000B), 9.25% (West Penn Allegheny Health System)/(Original Issue Yield: 9.70%), 11/15/2030

1,389,670

360,000 Cumberland County, PA Municipal Authority, Retirement Community Revenue Bonds (Series 2002A), 7.25% (Wesley Affiliated Services, Inc. Obligated Group)/(United States Treasury PRF 1/1/2013@101)/(Original Issue Yield: 7.50%), 1/1/2035

426,103

935,000 Cumberland County, PA Municipal Authority, Retirement Community Revenue Bonds (Series 2002A), 7.25% (Wesley Affiliated Services, Inc. Obligated

1,124,113

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Group)/(United States Treasury PRF 1/1/2013@101)/(Original Issue Yield: 7.50%), 1/1/2035

2,000,000	Montgomery County, PA Higher Education & Health Authority Hospital, Revenue Bonds (Series 2006FF1), 5.00% (Dickinson College)/(CDC IXIS Financial Guaranty N.A. INS), 5/1/2031	2,150,740
500,000	Pennsylvania State Higher Education Facilities Authority, Revenue Bonds, (Series A), 6.00% (UPMC Health System)/(Original Issue Yield: 6.16%), 1/15/2031	545,685
1,000,000	Pennsylvania State Turnpike Commission, Oil Franchise Tax Revenue Bonds (Series 2003A), 5.25% (United States Treasury PRF 12/1/2013@100), 12/1/2023	1,104,590
TOTAL		6,740,901

South Carolina--5.5%

1,000,000	Clemson University, SC, University Revenue Bonds, 5.00% (XL Capital Assurance Inc. INS), 5/1/2023	1,064,280
2,000,000	Kershaw County, SC Public Schools Foundation, Installment Purchase Revenue Bonds (Series 2006), 5.00% (Kershaw County, SC School District)/(CDC IXIS Financial Guaranty N.A. INS), 12/1/2029	2,141,400
1,940,000	Myrtle Beach, SC, Hospitality Fee Revenue Bonds (Series 2004A), 5.375% (FGIC INS), 6/1/2023	2,137,841
2,500,000	South Carolina Jobs-EDA, Health System Revenue Bonds (Series A), 5.625% (Bon Secours Health System)/(Original Issue Yield: 5.84%), 11/15/2030	2,692,850
TOTAL		8,036,371

Principal Amount

Value

MUNICIPAL BONDS--continued

South Dakota--1.3%

\$ 1,750,000	South Dakota State Health & Educational Authority, Revenue Bonds, 5.65% (Westhills Village Retirement Community)/(Original Issue Yield: 5.75%), 9/1/2023	\$ 1,885,818
--------------	--	--------------

Tennessee--3.8%

2,000,000	Johnson City, TN Health & Education Facilities Board, Hospital Revenue Refunding Bonds (Series A), 7.50% (Mountain States Health Alliance), 7/1/2025	2,357,620
1,535,000	Knox County, TN Health Education & Housing Facilities Board, Refunding Improvement Revenue Bonds (Series 2003B), 5.75% (East Tennessee Children's Hospital)/(Original Issue Yield: 5.90%), 7/1/2033	1,660,502
1,500,000		1,631,190

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Knox County, TN Health Education & Housing Facilities Board, Revenue Bonds, 6.375% (Baptist Health System of East Tennessee)/(Original Issue Yield: 6.50%), 4/15/2022

TOTAL 5,649,312

Texas--10.4%

600,000	Abilene, TX Health Facilities Development Corp., Retirement Facilities Revenue Bonds (Series 2003A), 7.00% (Sears Methodist Retirement)/(Original Issue Yield: 7.25%), 11/15/2033	665,598
700,000	Decatur, TX Hospital Authority, Hospital Revenue Bonds (Series 2004A), 7.125% (Wise Regional Health System), 9/1/2034	771,631
1,470,000	Harlandale, TX ISD, UT GO School Building Bonds, 4.75% (PSFG GTD)/(Original Issue Yield: 4.80%), 8/15/2040	1,521,965
2,500,000	Houston, TX Combined Utility System, First Lien Revenue Refunding Bonds (Series 2004A), 5.25% (FGIC INS), 5/15/2023	2,725,000
200,000	Matagorda County, TX Navigation District No. 1, Collateralized Refunding Revenue Bonds, 5.60% (Centerpoint Energy Houston Electric), 3/1/2027	213,052
4,000,000	North Central Texas HFDC, Hospital Revenue Refunding Bonds (Series 2002), 5.25% (Children's Medical Center of Dallas)/(AMBAC INS)/(Original Issue Yield: 5.35%), 8/15/2022	4,280,360
1,350,000	North Central Texas HFDC, Retirement Facility Revenue Bonds (Series 1999), 7.50% (Northwest Senior Housing Corp. Edgemere Project)/(United States Treasury PRF 11/15/2009@102)/(Original Issue Yield: 7.75%), 11/15/2029	1,516,293
500,000	Sabine River Authority, TX, PCR Refunding Bonds (Series 2001C), 5.20% (TXU Energy Co. LLC), 5/1/2028	520,800
1,050,000	Sabine River Authority, TX, PCR Refunding Bonds (Series 2003B), 6.15% (TXU Energy Co. LLC), 8/1/2022	1,144,805
335,000	Sabine River Authority, TX, PCR Refunding Bonds (Series 2003A), 5.80% (TXU Energy Co. LLC), 7/1/2022	361,971
500,000	Tarrant County, TX Cultural Education Facilities Finance Corp., Revenue Bonds, (Series 2006A), 6.00% (Northwest Senior Housing Corp. Edgemere Project), 11/15/2036	535,105
1,000,000	Tyler, TX Health Facilities Development Corp., Hospital Revenue Bonds, 5.75% (Mother Frances Hospital)/(Original Issue Yield: 5.84%), 7/1/2027	1,075,830
	<i>TOTAL</i>	15,332,410

Principal Amount		Value
	MUNICIPAL BONDS--continued	
	Virginia--3.6%	
\$ 1,000,000	Broad Street CDA, VA, Revenue Bonds, 7.50% (Original Issue Yield: 7.625%), 6/1/2033	
		\$ 1,116,920
1,280,000	Hampton, VA Convention Center, Revenue Bonds, 5.125% (AMBAC INS), 1/15/2028	
		1,359,770
1,400,000	Peninsula Port Authority, VA, Residential Care Facility Revenue Bonds (Series 2003A), 7.375% (Virginia Baptist Homes Obligated Group)/ (United States Treasury PRF 12/1/2013@100)/(Original Issue Yield: 7.625%), 12/1/2032	
		1,718,738
1,000,000	Virginia Peninsula Port Authority, Coal Terminal Revenue Refunding Bonds (Series 2003), 6.00% (Brinks Co. (The)), 4/1/2033	
		1,092,840
	TOTAL	5,288,268
	Washington--2.8%	
1,910,000	King County, WA Public Hospital District No. 1, Refunding LT GO Bonds, 5.00% (FSA INS)/(Original Issue Yield: 5.17%), 12/1/2021	
		2,021,563
2,000,000	Washington State, Various Purpose UT GO Bonds (Series 2002A), 5.00% (FSA INS)/ (Original Issue Yield: 5.09%), 7/1/2022	
		2,094,920
	TOTAL	4,116,483
	Wisconsin--4.1%	
3,000,000	Wisconsin State HEFA, Health Facilities Revenue Bonds (Series A), 5.25% (Ministry Health Care)/(MBIA Insurance Corp. INS)/(Original Issue Yield: 5.38%), 2/15/2032	
		3,192,690
160,000	Wisconsin State HEFA, Revenue Bonds (Series 2004), 5.75% (Blood Center of Wisconsin, Inc.)/(Original Issue Yield: 5.82%), 6/1/2034	
		175,992
500,000	Wisconsin State HEFA, Revenue Bonds, 6.50% (Tomah Memorial Hospital, Inc.)/(Original Issue Yield: 6.75%), 7/1/2023	
		530,115
500,000	Wisconsin State HEFA, Revenue Bonds, 6.625% (Tomah Memorial Hospital, Inc.)/(Original Issue Yield: 6.875%), 7/1/2028	
		529,565
1,000,000	Wisconsin State HEFA, Revenue Bonds, 7.25% (Community Memorial Hospital)/(Original Issue Yield: 7.45%), 1/15/2033	
		1,072,540
500,000	Wisconsin State HEFA, Revenue Bonds, (Series 2006A), 5.375% (Marshfield	536,120

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Clinic, WI), 2/15/2034

<i>TOTAL</i>	6,037,022
<i>TOTAL MUNICIPAL BONDS (IDENTIFIED COST \$136,074,398)</i>	146,911,832

Principal Amount	Value
SHORT-TERM MUNICIPALS--0.2% ³ Massachusetts--0.2%	
\$ 300,000 Commonwealth of Massachusetts, (Series 2000A) Daily VRDNs (Landesbank Baden-Wuerttemberg (GTD) LIQ), 3.650%, 12/1/2006 (AT COST)	\$ 300,000
<i>TOTAL MUNICIPAL INVESTMENTS--100.0%</i> <i>(IDENTIFIED COST \$136,374,398)⁴</i>	147,211,832
<i>OTHER ASSETS AND LIABILITIES--NET</i>	1,754,388
<i>LIQUIDATION VALUE OF AUCTION PREFERRED SHARES</i>	(53,675,000)
<i>TOTAL NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>	\$ 95,291,220

At November 30, 2006, the fund holds no securities that are subject to the federal alternative minimum tax (AMT) (unaudited).

1 Denotes a restricted security that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) is subject to a contractual restriction on public sales. At November 30, 2006, these restricted securities amounted to \$3,347,381 which represented 2.3% of total market value.

2 Denotes a restricted security that may be resold without restriction to "qualified institutional buyers" as defined in Rule 144A under the Securities Act of 1933 and that the Fund has determined to be liquid under criteria established by the Fund's Board of Trustees. At November 30, 2006, these liquid restricted securities amounted to \$819,825 which represented 0.6% of total market value.

3 Current rate and next reset date shown for Variable Rate Demand Notes.

4 The cost of investments for federal tax purposes amounts to \$136,373,807.

Note: The categories of investments are shown as a percentage of total market value at November 30, 2006.

The following acronyms are used throughout this portfolio:

AMBAC --American Municipal Bond Assurance Corporation
 CDA --Community Development Authority
 COPs --Certificates of Participation
 EDA --Economic Development Authority
 EDFFA --Economic Development Finance Authority

FGIC	--Financial Guaranty Insurance Company
FSA	--Financial Security Assurance
GO	--General Obligation
GTD	--Guaranteed
HDA	--Hospital Development Authority
HEFA	--Health and Education Facilities Authority
HFDC	--Health Facility Development Corporation
IDA	--Industrial Development Authority
IDB	--Industrial Development Bond
INS	--Insured
ISD	--Independent School District
LIQ	--Liquidity Agreement
LT	--Limited Tax
PCFA	--Pollution Control Financing Authority
PCR	--Pollution Control Revenue
PRF	--Prerefunded
PSFG	--Permanent School Fund Guarantee
UT	--Unlimited Tax
VRDNs	--Variable Rate Demand Notes

See Notes which are an integral part of the Financial Statements

Federated Premier Intermediate Municipal Income Fund - Portfolio of Investments Summary Table

At November 30, 2006, the Fund's sector composition ¹ was as follows:

Sector Composition	Percentage of Total Investments
Insured	35.2%
Hospital	14.2%
Senior Care	10.0%
Special Tax	8.3%
Electric & Gas	6.4%
Education	5.1%
Refunded	4.8%
Public Power	4.1%
IDB/PCR	3.2%
Tobacco	— 2.3%

General Obligation--Local	2.1%
Other ²	4.3%
TOTAL	100.0%

1 Sector classifications and the assignment of holdings to such sectors, are based upon the economic sector and/or revenue source of the underlying borrower, as determined by the Fund's adviser. For securities that have been enhanced by a third-party, such as guarantor, sector classifications are based upon the economic sector and/or revenue source of the third party, as determined by the Fund's adviser. Securities that are insured by a bond insurer are assigned to the "Insured" sector. Prerefunded securities are those whose debt is paid from escrowed funds, usually U.S. government securities.

2 For purposes of this table, sector classifications which constitute less than 2.0% of the Fund's total investments have been aggregated under the designation "Other."

Federated Premier Intermediate Municipal Income Fund - Portfolio of Investments

November 30, 2006

Principal Amount	Value
MUNICIPAL BONDS--99.8%	
Alabama--1.7%	
\$ 2,000,000	
Birmingham-Baptist Medical Centers, AL Special Care Facilities Financing Authority, Revenue Bonds (Series 2005A), 5.25% (Baptist Health System of Birmingham), 11/15/2020	
	\$ 2,126,220
550,000	
Courtland, AL IDB, PCR Refunding Bonds (Series 2005A), 5.00% (International Paper Co.), 6/1/2025	
	570,037
TOTAL	2,696,257
Alaska--1.6%	
2,500,000	
Alaska State Housing Finance Corp., State Capitalization Project Revenue Bonds, (Series A), 5.00% (MBIA Insurance Corp. INS), 7/1/2011	
	2,643,425
Arizona--1.0%	
1,500,000	
Verrado Community Facilities District No. 1, AZ, Revenue Bonds, 6.15%, 7/15/2017	
	1,620,375
Arkansas--1.5%	
1,000,000	
Arkansas Development Finance Authority, Revenue Bonds, 7.25% (Washington Regional Medical Center)/(United States Treasury PRF 2/1/2010@100)/(Original Issue Yield: 7.40%), 2/1/2020	
	1,104,230

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1,000,000	Independence County, AR, PCR Refunding Bonds (Series 2005), 5.00% (Entergy Arkansas, Inc.), 1/1/2021	1,032,690
300,000	Jefferson County, AR, PCR Refunding Bonds (Series 2006), 4.60% (Entergy Arkansas, Inc.), 10/1/2017	305,748
TOTAL		2,442,668
California--5.5%		
1,250,000	California Educational Facilities Authority, Revenue Bonds (Series 2000A), 6.75% (Fresno Pacific University), 3/1/2019	1,348,275
570,000	California Health Facilities Financing Authority, Health Facility Revenue Bonds (Series 2004I), 4.95% TOBs (Catholic Healthcare West), Mandatory Tender 7/1/2014	604,348
1,500,000	California State, Refunding UT GO Bonds, 5.25%, 2/1/2014	1,633,860
2,000,000	Golden State Tobacco Securitization Corp., CA, Tobacco Settlement Asset-Backed Revenue Bonds (Series 2003A-1), 6.25% (Original Issue Yield: 6.55%), 6/1/2033	2,243,280
1,700,000	Stockton, CA Public Financing Authority, Redevelopment Projects Revenue Bonds (Series 2006A), 5.00% (Radian Asset Assurance INS), 9/1/2016	1,844,211
1,195,000	Stockton, CA Public Financing Authority, Redevelopment Projects Revenue Bonds (Series 2006A), 5.00% (Radian Asset Assurance INS), 9/1/2018	1,287,947
TOTAL		8,961,921

Principal Amount

Value

MUNICIPAL BONDS--continued		
Colorado--5.5%		
\$ 725,000	Antelope Heights Metropolitan District, CO, LT GO Bonds, 8.00%, 12/1/2023	\$ 804,264
500,000	Buckhorn Valley Metropolitan District No. 2, CO, LT GO Bonds, 7.00%, 12/1/2023	510,790
500,000	Colorado Educational & Cultural Facilities Authority, Revenue Refunding Bonds (Series A), 6.25% (Denver Academy)/(Original Issue Yield: 6.50%), 11/1/2013	537,970
1,265,000	Colorado Health Facilities Authority, Revenue Bonds (Series 2005), 5.00% (Covenant Retirement Communities, Inc.), 12/1/2013	1,328,275
1,080,000	Colorado Springs, CO Utility System, Revenue Bonds (Series 2003A), 5.00%, 11/15/2021	1,164,045

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865,000	Conservatory Metropolitan District, CO, LT GO Bonds, 7.40%, 12/1/2016	983,202
1,855,000	Denver, CO City & County Airport Authority, Airport Revenue Bonds, (Series E), 6.00% (MBIA Insurance Corp. INS), 11/15/2011	2,055,488
700,000	High Plains, CO Metropolitan District, Revenue Bonds (Series 2005A), 6.125% (Original Issue Yield: 6.25%), 12/1/2025	750,239
270,000	High Plains, CO Metropolitan District, Revenue Bonds (Series 2005B), 4.375% (Compass Bank, Birmingham LOC)/(Original Issue Yield: 4.50%), 12/1/2015	278,149
500,000	Southlands, CO Metropolitan District No. 1, LT GO Bonds (Series 2004), 7.00% (Original Issue Yield: 7.05%), 12/1/2024	556,580
	TOTAL	8,969,002
	Connecticut--0.5%	
750,000	Connecticut State Development Authority, First Mortgage Gross Revenue Health Care Project Bonds (Series 2003), 5.75% (Elim Park Baptist Home, Inc.)/(Original Issue Yield: 5.90%), 12/1/2023	806,738
	District of Columbia--1.4%	
1,000,000	District of Columbia, Ballpark Revenue Bonds (Series 2006B-1), 5.25% (FGIC INS), 2/1/2016	1,116,090
1,000,000	District of Columbia, COP, 5.25% (FGIC INS), 1/1/2016	1,112,120
	TOTAL	2,228,210
	Florida--8.5%	
600,000	¹ Capital Trust Agency, FL, Revenue Bonds (Series 2003A), 8.95% (Seminole Tribe of Florida Convention and Resort Hotel Facilities)/(United States Treasury PRF 10/1/2012@102), 10/1/2033	740,670
490,000	East Homestead, FL Community Development District, Special Assessment Revenue Bonds (Series 2006B), 5.00%, 5/1/2011	496,546
370,000	Fishhawk Community Development District II, Special Assessment Revenue Bonds (Series 2004B), 5.125% (Original Issue Yield: 5.20%), 11/1/2009	370,130
1,000,000	Florida Municipal Loan Council, Revenue Bonds (Series 2003B), 5.25% (MBIA Insurance Corp. INS), 12/1/2019	1,091,630
2,000,000	Florida State Department of Environmental Protection, Revenue Bonds (Series 2003C), 5.00% (AMBAC INS), 7/1/2020	2,163,940
465,000	Gateway Services, FL Community Development District, Special Assessment Bonds (Series 2003B), 5.50% (Original Issue Yield: 5.65%), 5/1/2010	466,962

Principal Amount		Value
	MUNICIPAL BONDS--continued	
	Florida--continued	
\$ 10,000	Heritage Harbour South Community Development District, FL, Capital Improvement Revenue Bonds (Series 2002B), 5.40% (Original Issue Yield: 5.50%), 11/1/2008	\$ 10,019
750,000	Miami Beach, FL Health Facilities Authority, Hospital Revenue Bonds (Series 2001A), 6.70% (Mt. Sinai Medical Center, FL)/(Original Issue Yield: 6.80%), 11/15/2019	834,143
2,000,000	Miami-Dade County, FL School Board, COP (Series 2003D), 5.00% (FGIC INS), 8/1/2021	2,120,760
470,000	Orlando, FL Urban Community Development District, Capital Improvement Revenue Bonds, 6.00%, 5/1/2020	513,682
1,960,000	Palm Beach County, FL Health Facilities Authority, Revenue Bonds, 5.625% (Adult Communities Total Services, Inc.)/(Original Issue Yield: 5.889%), 11/15/2020	2,001,376
375,000	Tuscany Reserve Community Development District, FL, Capital Improvement Revenue Bonds (Series 2005B), 5.25%, 5/1/2016	389,554
2,390,000	University of Central Florida Athletics Association, Inc., FL, COP (Series 2004A), 5.125% (FGIC INS), 10/1/2022	2,584,235
	TOTAL	13,783,647
	Georgia--1.9%	
750,000	Fulton County, GA Residential Care Facilities, Revenue Bonds (Series 2004A), 6.00% (Canterbury Court), 2/15/2022	763,395
2,115,000	Municipal Electric Authority of Georgia, Revenue Bonds (Series 2002A), 5.25% (MBIA Insurance Corp. INS), 11/1/2015	2,294,796
	TOTAL	3,058,191
	Hawaii--1.0%	
1,550,000	Hawaii State Department of Budget & Finance, Special Purpose Revenue Bonds (Series A), 7.00% (Kahala Nui)/(Original Issue Yield: 7.00%), 11/15/2012	1,678,061
	Illinois--4.7%	
500,000	Bolingbrook, IL, Special Service Area No. 2005-1 Special Tax Bonds (Series 2005) (Forest City Project)/(0% Step Coupon 9/1/2007 @ 5.90%), 3/1/2027	513,415

1,790,000	Chicago, IL O'Hare International Airport, Second Lien Passenger Facilities Revenue Bonds (Series B), 5.50% (AMBAC INS), 1/1/2015	1,920,150
1,000,000	Chicago, IL Special Assessment, Improvement Bonds (Series 2002), 6.625% (Lakeshore East Project)/(Original Issue Yield: 6.637%), 12/1/2022	1,090,080
1,000,000	Illinois Educational Facilities Authority, Revenue Refunding Bonds (Series A), 5.00% (Augustana College)/(Original Issue Yield: 5.05%), 10/1/2014	1,047,300
875,000	Illinois Finance Authority, Revenue Bonds (Series 2005A), 6.00% (Landing at Plymouth Place), 5/15/2025	932,138
1,000,000	Illinois Finance Authority, Revenue Bonds (Series 2006A), 5.00% (Illinois Institute of Technology), 4/1/2024	1,054,090
1,000,000	Illinois Finance Authority, Revenue Refunding Bonds (Series 2005A), 5.00% (Depaul University), 10/1/2014	1,085,910
	TOTAL	7,643,083

Principal Amount**Value**

	MUNICIPAL BONDS--continued	
	Indiana--1.3%	
\$ 1,050,000	Indiana Health & Educational Facility Financing Authority, Revenue Bonds (Series 2005), 5.00% (Baptist Homes of Indiana), 11/15/2014	\$ 1,113,084
1,000,000	Indiana Health Facility Financing Authority, Hospital Revenue Refunding Bonds (Series 2006B), 5.00% (Clarian Health Partners, Inc.), 2/15/2023	1,059,730
	TOTAL	2,172,814
	Iowa--0.3%	
500,000	Scott County, IA, Revenue Refunding Bonds (Series 2004), 5.625% (Ridgecrest Village), 11/15/2018	524,680
	Kansas--1.0%	
1,055,000	Butler County, KS Union School District No. 394, UT GO Bonds, 5.00% (FSA INS), 9/1/2020	1,139,262
500,000	Lawrence, KS, Hospital Revenue Bonds (Series 2006), 5.125% (Lawrence Memorial Hospital), 7/1/2026	533,730
	TOTAL	1,672,992
	Kentucky--1.3%	

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1,335,000	Kentucky EDFFA, Revenue Bonds (Series 2000A), 6.25% (Norton Healthcare, Inc.)/(Original Issue Yield: 6.45%), 10/1/2012	1,438,489
665,000	Kentucky EDFFA, Revenue Bonds (Series 2000A), 6.25% (Norton Healthcare, Inc.)/(United States Treasury PRF 10/1/2010@101)/ (Original Issue Yield: 6.45%), 10/1/2012	732,870
TOTAL		2,171,359
Louisiana--3.7%		
1,535,000	Louisiana Local Government Environmental Facilities Community Development Authority, Revenue Bonds, 5.375% (BRCC Facilities Corp.)/(MBIA Insurance Corp. INS), 12/1/2014	1,671,492
1,630,000	Louisiana Local Government Environmental Facilities Community Development Authority, Revenue Bonds, 5.375% (BRCC Facilities Corp.)/(MBIA Insurance Corp. INS), 12/1/2015	1,764,817
1,000,000	Louisiana State Citizens Property Insurance Corp., Assessment Revenue Bonds (Series 2006B), 5.25% (AMBAC INS), 6/1/2013	1,092,480
1,500,000	West Feliciana Parish, LA, PCRBs, 7.00% (Entergy Gulf States, Inc.), 11/1/2015	1,518,045
TOTAL		6,046,834
Michigan--4.6%		
2,000,000	Cornell Township MI, Economic Development Corp., Refunding Revenue Bonds, 5.875% (MeadWestvaco Corp.)/(United States Treasury PRF 5/1/2012@100), 5/1/2018	2,226,300
500,000	Gaylord, MI Hospital Finance Authority, Hospital Revenue Refunding Bonds (Series 2004), 6.20% (Otsego Memorial Hospital Obligated Group)/(Original Issue Yield: 6.45%), 1/1/2025	523,035
Principal Amount		Value
MUNICIPAL BONDS--continued		
Michigan--continued		
\$ 250,000	Kent Hospital Finance Authority, MI, Revenue Bonds (Series 2005A), 5.50% (Metropolitan Hospital), 7/1/2020	\$ 270,035
1,000,000	Michigan State Hospital Finance Authority, Hospital Refunding Revenue Bonds (Series 2003A), 5.625% (Henry Ford Health System, MI)/(United States Treasury PRF 3/1/2013@100), 3/1/2017	1,110,640
1,085,000	Otsego, MI Public School District, School Building & Site UT GO Bonds, 5.00% (FSA INS), 5/1/2021	1,162,664

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2,000,000	Oxford, MI Area Community Schools, UT GO Bonds, 5.00% (FSA INS)/ (Original Issue Yield: 5.12%), 5/1/2022	2,129,800
TOTAL		7,422,474
Mississippi--2.4%		
1,500,000	Lowndes County, MS Solid Waste Disposal, Refunding PCRBs (Series 1992B), 6.70% (Weyerhaeuser Co.), 4/1/2022	1,820,505
1,000,000	Mississippi Development Bank, Special Obligation Bonds (Series 2006A), 5.00% (Municipal Energy Agency of Mississippi)/(XL Capital Assurance Inc. INS), 3/1/2018	1,087,770
1,000,000	Mississippi Hospital Equipment & Facilities Authority, Refunding & Improvement Revenue Bonds, 5.75% (Southwest Mississippi Regional Medical Center)/(Original Issue Yield: 5.85%), 4/1/2023	1,063,170
TOTAL		3,971,445
Missouri--1.9%		
2,000,000	Missouri State HEFA, Health Facilities Revenue Bonds, 5.25% (BJC Health System, MO), 5/15/2018	2,153,520
910,000	St. Louis, MO, Airport Revenue Bonds (Series A), 5.25% (MBIA Insurance Corp. INS), 7/1/2011	974,910
TOTAL		3,128,430
Nevada--3.0%		
2,000,000	Clark County, NV, IDRBS (Series 2003C), 5.45% TOBs (Southwest Gas Corp.), Mandatory Tender 3/1/2013	2,124,800
800,000	¹ Director of the State of Nevada Department of Business and Industry, Revenue Bonds (Series 2004B), 6.75% (Las Ventanas Retirement Community)/(Original Issue Yield: 6.875%), 11/15/2023	818,520
1,000,000	Las Vegas, NV, Local Improvement Special Assessment Bonds (Series 2004), 5.50% (Providence SID No. 607), 6/1/2013	1,035,010
950,000	North Las Vegas, NV Special Improvement District No. 60, Subordinate LT Obligation Refunding Bonds (Series 2006B), 5.00% (Aliante SID No. 60)/ (Original Issue Yield: 5.05%), 12/1/2017	978,985
TOTAL		4,957,315

**Principal
Amount**

Value

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MUNICIPAL BONDS--continued

New Jersey--1.3%

\$ 190,000	New Jersey EDA, First Mortgage Refunding Revenue Bonds (Series 2006), 5.30% (Seashore Gardens Living Center), 11/1/2026	
		\$ 192,214
600,000	New Jersey EDA, Revenue Refunding Bonds (Series A), 5.75% (Winchester Gardens at Ward Homestead)/(Original Issue Yield: 5.75%), 11/1/2024	
		656,586
820,000	New Jersey Health Care Facilities Financing Authority, Revenue Bonds, 6.00% (Pascack Valley Hospital Association)/(Original Issue Yield: 6.25%), 7/1/2013	
		858,474
400,000	New Jersey Health Care Facilities Financing Authority, Revenue Bonds, (Series 2005A), 5.00% (Children's Specialized Hospital)/(Original Issue Yield: 5.01%), 7/1/2024	
		412,948
	TOTAL	2,120,222

New Mexico--1.0%

1,000,000	Farmington, NM, Refunding Revenue Bonds (Series 2002A), 4.00% TOBs (El Paso Electric Co.)/(FGIC INS), Mandatory Tender 8/1/2012	
		1,003,220
655,000	Mariposa East Public Improvement District, NM, UT GO Bonds, (Series 2006), 5.75%, 9/1/2021	
		686,826
	TOTAL	1,690,046

New York--3.4%

365,000	Dutchess County, NY IDA, Civic Facility Revenue Bonds (Series 2004B), 7.25% (St. Francis Hospital and Health Centers), 3/1/2019	
		402,507
2,000,000	Dutchess County, NY IDA, Revenue Bonds, 5.00% (Marist College)/(Original Issue Yield: 5.15%), 7/1/2020	
		2,098,200
800,000	¹ New York City, NY IDA, Liberty Revenue Bonds (Series A), 6.25% (7 World Trade Center LLC), 3/1/2015	
		853,824
2,000,000	New York City, NY, UT GO Bonds (Fiscal 2002 Series D), 5.00% (Original Issue Yield: 5.21%), 6/1/2017	
		2,113,080
	TOTAL	5,467,611

North Carolina--5.6%

2,000,000	North Carolina Eastern Municipal Power Agency, Power System Refunding Revenue Bonds (Series 2005A), 5.00% (AMBAC INS), 1/1/2016	
		2,194,160
1,000,000	North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds (SeriesD), 5.50%, 1/1/2014	
		1,095,600

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500,000	North Carolina Medical Care Commission, Health Care Facilities First Mortgage Revenue Refunding Bonds (Series 2004A), 5.00% (Deerfield Episcopal Retirement Community), 11/1/2023	521,560
965,000	North Carolina Medical Care Commission, Health Care Housing Revenue Bonds (Series 2004A), 5.50% (Arc of North Carolina Projects), 10/1/2024	1,042,847
3,000,000	North Carolina Municipal Power Agency No. 1, Electric Revenue Bonds (Series 2003A), 5.50%, 1/1/2014	3,250,950
1,000,000	Onslow County, NC Hospital Authority, Insured Mortgage Revenue Bonds, 5.00% (Onslow Memorial Hospital)/(MBIA Insurance Corp. INS), 4/1/2023	1,075,550
	TOTAL	9,180,667

Principal Amount

Value

	MUNICIPAL BONDS--continued	
	Ohio--3.3%	
\$ 1,275,000	Cuyahoga, OH Community College District, General Receipts Revenue Bonds (Series 2002A), 5.00% (AMBAC INS), 12/1/2022	\$ 1,361,828
925,000	Ohio State Air Quality Development Authority, Environmental Improvement Refunding Revenue Bonds (Series 1995), 5.00% TOBs (Marathon Oil Corp.), Mandatory Tender 11/1/2011	978,817
3,000,000	Ohio State Air Quality Development Authority, PCR Refunding Bonds (Series 2002A), 6.00% (Cleveland Electric Illuminating Co.), 12/1/2013	3,083,310
	TOTAL	5,423,955
	Oregon--1.0%	
500,000	¹ Cow Creek Band of Umpqua Tribe of Indians, Tax-Exempt Tax Revenue Bonds (Series 2006C), 5.625%, 10/1/2026	512,600
1,000,000	Yamhill County, OR Hospital Authority, Revenue Bonds, 6.50% (Friendsview Retirement Community), 12/1/2018	1,087,990
	TOTAL	1,600,590
	Pennsylvania--7.2%	
1,350,000	Allegheny County, PA HDA, Health System Revenue Bonds, (Series 2000B), 9.25% (West Penn Allegheny Health System)/(Original Issue Yield: 9.30%), 11/15/2015	1,615,815
435,000	Allegheny County, PA IDA, Environmental Improvement Refunding Revenue Bonds (Series 2005), 5.50% (United States Steel Corp.), 11/1/2016	462,461

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400,000	Crawford County, PA Hospital Authority, Senior Living Facilities Revenue Bonds (Series 1999), 6.125% (Wesbury United Methodist Community Obligated Group)/(Original Issue Yield: 6.32%), 8/15/2019	412,996
179,000	Crawford County, PA Hospital Authority, Senior Living Facilities Revenue Bonds, 5.90% (Wesbury United Methodist Community Obligated Group), 8/15/2009	179,208
660,000	Cumberland County, PA Municipal Authority, Retirement Community Revenue Bonds (Series 2002A), 6.00% (Wesley Affiliated Services, Inc. Obligated Group)/(United States Treasury PRF 1/1/2008@100), 1/1/2013	672,481
1,000,000	Lancaster, PA Higher Education Authority, College Revenue Bonds, 5.00% (Franklin & Marshall College), 4/15/2019	1,082,940
1,500,000	Pennsylvania State Higher Education Facilities Authority, Health System Revenue Bonds (Series A), 6.25% (UPMC Health System), 1/15/2018	1,659,120
2,000,000	Philadelphia, PA Gas Works, Revenue Bonds (17th Series), 5.375% (FSA INS), 7/1/2021	2,180,740
1,090,000	Pittsburgh, PA, UT GO Bonds (Series 1993A), 5.50% (AMBAC INS), 9/1/2014	1,174,813
2,000,000	Pittsburgh, PA, UT GO Bonds (Series B), 5.25% (FSA INS), 9/1/2017	2,239,060
	TOTAL	11,679,634

Principal Amount

Value

	MUNICIPAL BONDS--continued	
	South Carolina--2.0%	
\$ 1,000,000	Georgetown County, SC Environmental Improvements, Refunding Revenue Bonds (Series 2000A), 5.95% (International Paper Co.), 3/15/2014	\$ 1,102,920
2,000,000	Kershaw County, SC Public Schools Foundation, Installment Purchase Revenue Bonds (Series 2006), 5.00% (Kershaw County, SC School District)/(CDC IXIS Financial Guaranty N.A. INS), 12/1/2019	2,170,600
	TOTAL	3,273,520
	Tennessee--0.7%	
1,000,000	Memphis-Shelby County, TN Airport Authority, Special Facilities Revenue Refunding Bonds, 5.05% (FedEx Corp.), 9/1/2012	1,056,260
	Texas--11.3%	
1,000,000	Abilene, TX Health Facilities Development Corp., Retirement Facilities Revenue Bonds (Series 2003A), 6.50% (Sears Methodist Retirement), 11/15/2020	1,026,310

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1,000,000	Austin, TX Convention Center Enterprises, Inc., Convention Center Hotel First Tier Revenue Refunding Bonds (Series 2006A), 5.25% (XL Capital Assurance Inc. INS), 1/1/2020	1,108,130
1,000,000	Brazos River Authority, TX, PCR Refunding Bonds (Series 2003D), 5.40% TOBs (TXU Energy Co. LLC), Mandatory Tender 10/1/2014	1,072,460
1,000,000	Decatur, TX Hospital Authority, Hospital Revenue Bonds (Series 2004A), 6.50% (Wise Regional Health System), 9/1/2014	1,080,460
500,000	Houston, TX HFDC, Retirement Facilities Revenue Bonds (Series 2004A), 6.25% (Buckingham Senior Living Community), 2/15/2020	512,240
1,125,000	Houston, TX Hotel Occupancy Tax, Convention & Entertainment Special Revenue Bonds (Series 2001B), 5.375% (AMBAC INS), 9/1/2013	1,209,420
1,250,000	Mesquite, TX Health Facilities Development Corp., Retirement Facility Revenue Bonds (Series 2005), 5.50% (Christian Care Centers, Inc.), 2/15/2025	1,325,875
3,000,000	Montgomery County, TX, UT GO Bonds (Series 2002A), 5.20% (FSA INS), 3/1/2021	3,196,050
1,000,000	Sabine River Authority, TX, PCR Revenue Refunding Bonds (Series 2001A), 5.50% TOBs (TXU Energy Co. LLC), Mandatory Tender 11/1/2011	1,063,690
250,000	Sabine River Authority, TX, Refunding PCRBs (Series 2003A), 5.80% (TXU Energy Co. LLC), 7/1/2022	270,128
1,250,000	Spring, TX Independent School District, UT GO Bonds, 5.00% (PSFG GTD)/(Original Issue Yield: 5.07%), 8/15/2017	1,319,013
500,000	Tarrant County, TX Cultural Education Facilities Finance Corp., Revenue Bonds, (Series 2006A), 6.00% (Northwest Senior Housing Corp. Edgemere Project), 11/15/2026	538,425
1,000,000	Tyler, TX Health Facilities Development Corp., Hospital Revenue Bonds, 5.25% (Mother Frances Hospital), 7/1/2012	1,059,680
1,050,000	University of North Texas, TX, Revenue Financing System Bonds (Series 2002), 5.00% (FGIC INS), 4/15/2017	1,114,365
2,235,000	West Harris County, TX Regional Water Authority, Water System Revenue Bonds (Series 2006), 5.00% (AMBAC INS), 12/15/2021	2,429,870
	<i>TOTAL</i>	18,326,116
		Value

Principal Amount		
	MUNICIPAL BONDS--continued	
	Virginia--2.6%	
\$ 487,000	Bell Creek CDA, VA, Special Assessment Revenue Bonds (Series 2003), 6.75%, 3/1/2022	\$ 497,056
1,000,000	Broad Street Community Development Authority, VA, Revenue Bonds, 7.10% (Original Issue Yield: 7.15%), 6/1/2016	1,105,630
1,000,000	Peninsula Port Authority, VA, Residential Care Facility Revenue Bonds (Series 2003A), 7.375% (Virginia Baptist Homes Obligated Group)/(United States Treasury PRF 12/1/2013@100)/(Original Issue Yield: 7.50%), 12/1/2023	1,227,670
1,250,000	Virginia Beach, VA Development Authority, Public Facilities Revenue Bonds (Series 2003A), 5.00%, 12/1/2019	1,345,450
	TOTAL	4,175,806
	Washington--2.9%	
500,000	Skagit County, WA Public Hospital District No. 1, Refunding Revenue Bonds (Series 2003), 6.00% (Skagit Valley Hospital), 12/1/2018	545,595
1,450,000	Snohomish County, WA School District No. 4, UT GO Bonds (Series 2006), 5.00% (FSA INS), 12/1/2021	1,579,804
1,380,000	Tobacco Settlement Authority, WA, Tobacco Settlement Asset Backed Revenue Bonds, 6.50% (Original Issue Yield: 6.65%), 6/1/2026	1,523,479
1,000,000	Washington State Public Power Supply System, Nuclear Project No. 2 Revenue Refunding Bonds (Series 1992A), 6.30% (Energy Northwest, WA)/(Original Issue Yield: 6.40%), 7/1/2012	1,133,700
	TOTAL	4,782,578
	Wisconsin--3.2%	
200,000	Wisconsin State HEFA, Revenue Bonds (Series 2004), 5.50% (Blood Center of Wisconsin, Inc.)/(Original Issue Yield: 5.583%), 6/1/2024	215,518
500,000	Wisconsin State HEFA, Revenue Bonds (Series 2004A), 6.125% (Southwest Health Center)/(Original Issue Yield: 6.15%), 4/1/2024	519,220
2,000,000	Wisconsin State HEFA, Revenue Bonds, 5.75% (SynergyHealth, Inc.), 11/15/2015	2,191,100
940,000	Wisconsin State HEFA, Revenue Bonds, 7.125% (Community Memorial Hospital)/(Original Issue Yield: 7.25%), 1/15/2022	1,008,676

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1,250,000	Wisconsin State HEFA, Revenue Bonds, (Series 2006A), 5.125% (Marshfield Clinic, WI), 2/15/2026	1,321,800
TOTAL		5,256,314
TOTAL MUNICIPAL BONDS (IDENTIFIED COST \$155,553,692)		162,633,240

Principal Amount		Value
	SHORT-TERM MUNICIPALS--0.2% ²	
	Alaska--0.2%	
\$ 300,000	Valdez, AK Marine Terminal, (Series 2003B) Daily VRDNs (BP Pipelines (Alaska) Inc.)/(BP PLC GTD), 3.650%, 12/1/2006 (AT COST)	\$ 300,000
TOTAL MUNICIPAL INVESTMENTS--100.0% (IDENTIFIED COST \$155,830,748)³		162,933,240
OTHER ASSETS AND LIABILITIES--NET		1,108,833
LIQUIDATION VALUE OF AUCTION PREFERRED SHARES		(61,025,000)
TOTAL NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS		\$ 103,017,073

At November 30, 2006, the Fund holds no securities that are subject to the federal alternative minimum tax (AMT) (unaudited).

1 Denotes a restricted security that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) is subject to a contractual restriction on public sales. At November 30, 2006, these restricted securities amounted to \$2,925,614, which represented 1.8% of total market value.

2 Current rate and next reset date shown for Variable Rate Demand Notes.

3 The cost of investments for federal tax purposes amounts to \$155,853,691.

Note: The categories of investments are shown as a percentage of total market value at November 30, 2006.

The following acronyms are used throughout this portfolio:

AMBAC	--American Municipal Bond Assurance Corporation
CDA	--Community Development Administration
COP	--Certificate of Participation
EDA	--Economic Development Authority
EDFA	--Economic Development Finance Authority
FGIC	--Financial Guaranty Insurance Company
FSA	--Financial Security Assurance
GO	--General Obligation
GTD	--Guaranteed

HDA --Hospital Development Authority
 HEFA --Health and Education Facilities Authority
 HFDC --Health Facility Development Corporation
 IDA --Industrial Development Authority
 IDB --Industrial Development Bond
 IDRBs --Industrial Development Revenue Bonds
 INS --Insured
 LOC --Letter of Credit
 LT --Limited Tax
 PCR --Pollution Control Revenue
 PCRBs --Pollution Control Revenue Bonds
 PRF --Prerefunded
 PSFG --Permanent School Fund Guarantee
 TOBs --Tender Option Bonds
 UT --Unlimited Tax
 VRDNs --Variable Rate Demand Notes
 See Notes which are an integral part of the Financial Statements

Statements of Assets and Liabilities

November 30, 2006

	Federated Premier Municipal Income Fund	Federated Premier Intermediate Municipal Income Fund
Assets:		
Investments in securities, at value	\$ 147,211,832	\$ 162,933,240
Cash	18,378	77,984
Income receivable	2,228,809	2,432,622
Receivable for investments sold	--	155,900
<i>TOTAL ASSETS</i>	149,459,019	165,599,746
Liabilities:		
Income distribution payable--Common Shares	410,263	399,452
Income distribution payable--Preferred Shares	36,842	11,968
Payable for audit fees	25,882	25,882

Payable for investments purchased		
	--	1,100,970
Accrued expenses	19,812	19,401
TOTAL LIABILITIES	492,799	1,557,673
Auction Market Preferred Shares (2,147 and 2,441 shares, respectively, authorized and issued at \$25,000 per share)	\$ 53,675,000	\$ 61,025,000
Net Assets Applicable to Common Shares Consist of:		
Paid-in capital	\$ 86,786,799	\$ 98,478,870
Net unrealized appreciation of investments	10,837,434	7,102,492
Accumulated net realized loss on investments, swap contracts and futures contracts	(2,410,727)	(2,802,589)
Undistributed net investment income	77,714	238,300
TOTAL NET ASSETS APPLICABLE TO COMMON SHARES	\$ 95,291,220	\$ 103,017,073
Common Shares Outstanding, (\$0.01 par value, unlimited shares authorized)	6,123,331	6,946,981
Net asset value per share	\$ 15.56	\$ 14.83
Investments, at identified cost	\$ 136,374,398	\$ 155,830,748

See Notes which are an integral part of the Financial Statements

Statements of Operations

Year Ended November 30, 2006

	Federated Premier Municipal Income Fund	Federated Premier Intermediate Municipal Income Fund
Investment Income:		
Interest	\$ 7,772,425	\$ 7,725,357
Expenses:		
Investment adviser fee (Note 5)	803,943	888,120

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Administrative personnel and services fee (Note 5)		
	150,000	150,000
Custodian fees		
	1,326	3,185
Transfer and dividend disbursing agent fees and expenses		
	34,034	33,665
Directors'/Trustees' fees		
	11,635	11,750
Auditing fees		
	40,894	40,895
Legal fees		
	11,625	11,625
Portfolio accounting fees		
	74,725	77,540
Printing and postage		
	19,900	17,594
Insurance premiums		
	6,811	6,816
Auction agent fees		
	6,500	6,500
Trailer commission fees (Note 2)		
	136,051	154,681
Miscellaneous		
	45,723	45,435
<i>TOTAL EXPENSES</i>	1,343,167	1,447,806
Waivers (Note 5):		
Waiver of investment adviser fee		
	(292,343)	(322,953)
Waiver of administrative personnel and services fee		
	(124,120)	(71,333)
<i>TOTAL WAIVERS</i>	(416,463)	(394,286)
Net expenses	926,704	1,053,520
Net investment income	6,845,721	6,671,837
Realized and Unrealized Gain (Loss) on Investments and Futures Contracts:		
Net realized gain (loss) on investments		
	787,160	(194,393)
Net realized gain on futures contracts		
	--	257,292
Net change in unrealized appreciation of investments		
	2,621,582	2,999,837

Net change in unrealized appreciation of futures contracts	--	(10,523)
Net realized and unrealized gain on investments and futures contracts	3,408,742	3,052,213
Income distributions declared to Preferred Shareholders	(1,769,763)	(2,037,144)
Change in net assets resulting from operations applicable to Common Shares	\$ 8,484,700	\$ 7,686,906

See Notes which are an integral part of the Financial Statements

Statements of Changes in Net Assets

Year Ended November 30	Federated Premier Municipal Income Fund		Federated Premier Intermediate Municipal Income Fund	
	2006	2005	2006	2005
Increase (Decrease) in Net Assets				
Operations:				
Net investment income	\$ 6,845,721	\$ 6,849,950	\$ 6,671,837	\$ 6,407,176
Net realized gain (loss) on investments, swap contracts and futures contracts	787,160	(678,904)	62,899	(1,191,339)
Net change in unrealized appreciation/depreciation of investments, swap contracts and futures contracts	2,621,582	3,318,476	2,989,314	633,617
Distributions from net investment income - Preferred Shares	(1,769,763)	(1,162,750)	(2,037,144)	(1,371,769)
<i>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS APPLICABLE TO COMMON SHARES</i>	8,484,700	8,326,772	7,686,906	4,477,685
Distributions to Common Shareholders:				
Distributions from net investment income - Common Shares	(5,323,237)	(5,947,075)	(4,793,417)	(5,262,338)
Share Transactions Applicable to Common Shares:				

Net asset value of shares issued to shareholders in payment of distributions declared	116,561	43,091	--	--
<hr/>				
<i>CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS</i>	116,561	43,091	--	--
<hr/>				
Change in net assets	3,278,024	2,422,788	2,893,489	(784,653)
<hr/>				
Net Assets Applicable to Common Shares:				
<hr/>				
Beginning of period	92,013,196	89,590,408	100,123,584	100,908,237
<hr/>				
End of period	\$ 95,291,220	\$ 92,013,196	\$ 103,017,073	\$ 100,123,584
<hr/>				
Undistributed net investment income included at end of period	\$ 77,714	\$ 325,182	\$ 238,300	\$ 373,584
<hr/>				

See Notes which are an integral part of the Financial Statements

Notes to Financial Statements

November 30, 2006

1. ORGANIZATION

Federated Premier Municipal Income Fund and Federated Premier Intermediate Municipal Income Fund (individually referred to as the "Fund", or collectively as the "Funds") are registered under the Investment Company Act of 1940, as amended (the "Act"), as diversified, closed-end management investment companies.

Prior to commencing operations on December 20, 2002, Federated Premier Municipal Income Fund had no operations other than matters relating to its organization and registration and the sale and issuance of 6,981 common shares of beneficial interest (common shares) to Federated Investment Management Company (the "Investment Adviser"). The Fund issued 5,850,000 shares of common stock in its initial public offering on December 20, 2002. These shares were issued at \$15.00 per share before underwriting discount of \$0.68 per share. Offering costs of \$175,500 (representing \$0.03 per share) were offset against proceeds of the offering and have been charged to paid-in capital. The Investment Adviser paid all offering costs (other than underwriting discount) and organizational expenses regarding the common share offering which exceed \$0.03 per share of the Fund. An additional 250,000 common shares were issued on February 3, 2003 at \$15.00 per share. On February 13, 2003, the Fund issued 2,147 preferred shares at \$25,000 per share before underwriting discount of \$0.69 per share. Offering costs of \$726,739 (representing \$0.12 per share) were offset against proceeds of the offering and have been charged to paid-in capital.

Prior to commencing operations on December 20, 2002, Federated Premier Intermediate Municipal Income Fund had no operations other than matters relating to its organization and registration and the sale and issuance of 6,981 common shares to the Investment Adviser. The Fund issued 6,400,000 shares of common stock in its initial public offering on December 20, 2002. These shares were issued at \$15.00 per share before underwriting discount of \$0.68 per share. Offering costs of \$192,000 (representing \$0.03 per share) were offset against proceeds of the offering and have been charged to paid-in capital. The Investment Adviser paid all offering costs (other than underwriting

discount) and organizational expenses regarding the common share offering which exceeded \$0.03 per share of the Fund. An additional 540,000 common shares were issued on February 3, 2003 at \$15.00 per share. On February 13, 2003, the Fund issued 2,441 preferred shares at \$25,000 per share before underwriting discount of \$0.70 per share. Offering costs of \$793,521 (representing \$0.12 per share) were offset against proceeds of the offering and have been charged to paid-in capital.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Funds in the preparation of their financial statements. These policies are in conformity with generally accepted accounting principles (GAAP) in the United States of America.

Investment Valuation

Market values of the Funds' portfolio securities are determined as follows:

- futures contracts and options are generally valued at market values established by the exchanges on which they are traded at the close of trading on such exchanges. Options traded in the over-the-counter market are generally valued according to the mean between the last bid and the last asked price for the option as provided by an investment dealer or other financial institution that deals in the option. The Board of Trustees (the "Trustees") may determine in good faith that another method of valuing such investments is necessary to appraise their fair market value;
- for investments in other open-end regulated investment companies, based on net asset value;
- for fixed-income securities, according to prices as furnished by an independent pricing service, except that fixed-income securities with remaining maturities of less than 60 days at the time of purchase are valued at amortized cost; and
- for all other securities at fair value as determined in accordance with procedures established by and under the general supervision of the Trustees.

Prices for fixed-income securities furnished by a pricing service may be based on a valuation matrix which incorporates both dealer-supplied valuations and electronic data processing techniques. Such prices are generally intended to be indicative of the bid prices currently offered to institutional investors for the securities. The Trustees have approved the use of such pricing services. A number of pricing services are available, and the Funds may use various pricing services or discontinue the use of any pricing service.

Prices provided by independent pricing services may be determined without relying exclusively on quoted prices and may consider institutional trading in similar groups of securities, yield, quality, stability, risk, coupon rate, maturity, type of issue, trading characteristics, and other market data or factors. From time to time, when prices cannot be obtained from an independent pricing service, securities may be valued based on quotes from broker-dealers or other financial institutions that trade the securities.

Investment Income, Expenses and Distributions

Interest income and expenses are accrued daily. Non-cash dividends included in dividend income, if any, are recorded at fair value. Distributions to common shareholders are recorded on the ex-dividend date and are declared and paid monthly. Distributions to preferred shareholders are recorded daily and paid weekly at a rate set through auction procedures. The dividend rate to preferred shareholders for Federated Premier Municipal Income Fund and Federated Premier Intermediate Municipal Income Fund at November 30, 2006 was 3.55% and 3.58%, respectively.

Each auction requires the participation of one or more Broker-Dealers. The auction agent, currently Deutsche Bank Trust Company Americas, will enter into agreements with one or more Broker-Dealers selected by the Funds, which provide for the participation of those Broker-Dealers in auctions for preferred shares. The auction agent will pay each Broker-Dealer after each auction, from funds provided by the Funds. The trailer commissions for Federated Premier Municipal Income Fund and Federated Premier Intermediate Municipal Income Fund for the year ended November 30, 2006 were \$136,051 and \$154,681, respectively.

Premium and Discount Amortization

All premiums and discounts on fixed-income securities are amortized/accreted for financial statement purposes.

Federal Taxes

It is the Funds' policy to comply with the Subchapter M provision of the Internal Revenue Code (the "Code") and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary.

When-Issued and Delayed Delivery Transactions

The Funds may engage in when-issued or delayed delivery transactions. The Funds record when-issued securities on the trade date and maintain security positions such that sufficient liquid assets will be available to make payment for the securities purchased. Securities purchased on a when-issued or delayed delivery basis are marked to market daily and begin earning interest on the settlement date. Losses may occur on these transactions due to changes in market conditions or the failure of counterparties to perform under the contract.

Restricted Securities

Restricted securities are securities that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) are subject to contractual restrictions on public sales. In some cases, when a security cannot be offered for public sale without first being registered, the issuer of the restricted security has agreed to register such securities for resale, at the issuer's expense, either upon demand by the Funds or in connection with another registered offering of the securities. Many such restricted securities may be resold in the secondary market in transactions exempt from registration. Restricted securities may be determined to be liquid under criteria established by the Trustees. The Funds will not incur any registration costs upon such resales. The Funds' restricted securities are valued at the price provided by dealers in the secondary market or, if no market prices are available, at the fair value as determined in accordance with procedures established by and under the general supervision of the Trustees.

Additional information on restricted securities, excluding securities purchased under Rule 144A that have been deemed liquid by the Trustees, held at November 30, 2006, is as follows:

Federated Premier Municipal Income Fund:

Security	Acquisition Date	Acquisition Cost
Capital Trust Agency, FL, Revenue Bonds (Series 2003A), 8.95% (Seminole Tribe of Florida Convention and Resort Hotel Facilities)/(United States Treasury PRF 10/1/2012@102), 10/1/2033	5/9/2003	\$400,000

Cow Creek Band of Umpqua Tribe of Indians, Tax-Exempt Tax Revenue Bonds (Series 2006C), 5.625%, 10/1/2026	6/9/2006	\$500,000
Director of the State of Nevada Department of Business and Industry, Revenue Bonds (Series 2004A), 7.00% (Las Ventanas Retirement Community)/(Original Issue Yield: 7.125%), 11/15/2034	12/23/2004	\$639,925
New York City, NY IDA, Liberty Revenue Bonds (Series A), 6.50% (7 World Trade Center LLC), 3/1/2035	3/15/2005	\$800,000

Federated Premier Intermediate Municipal Income Fund:

Security	Acquisition Date	Acquisition Cost
Capital Trust Agency, FL, Revenue Bonds (Series 2003A), 8.95% (Seminole Tribe of Florida Convention and Resort Hotel Facilities)/ (United States Treasury PRF 10/1/2012@102), 10/1/2033	5/9/2003	\$600,000
Cow Creek Band of Umpqua Tribe of Indians, Tax-Exempt Tax Revenue Bonds (Series 2006C), 5.625%, 10/1/2026	6/9/2006	\$500,000
Director of the State of Nevada Department of Business and Industry, Revenue Bonds (Series 2004B), 6.75% (Las Ventanas Retirement Community)/(Original Issue Yield: 6.875%), 11/15/2023	12/9/2004	\$789,424
New York City, NY IDA, Liberty Revenue Bonds (Series A), 6.25% (7 World Trade Center LLC), 3/1/2015	3/15/2005	\$800,000

Futures Contracts

The Funds may periodically purchase and sell bond interest rate futures contracts to manage duration and to potentially reduce transaction costs. Upon entering into a bond interest rate futures contract with a broker, the Funds are required to deposit in a segregated account a specified amount of cash or U.S. government securities. Futures contracts are valued daily and unrealized gains or losses are recorded in a "variation margin" account. Daily, the Funds receive from or pay to the broker a specified amount of cash based upon changes in the variation margin account. When a contract is closed, each Fund recognizes a realized gain or loss. Futures contracts have market risks, including the risk that the change in the value of the contract may not correlate with the changes in the value of the underlying securities. For the year ended November 30, 2006, the Funds had net realized gains on futures contracts as follows:

Federated Premier Intermediate Municipal Income Fund	\$257,292
--	-----------

Futures contracts outstanding at period end, if any, are listed after the Funds' portfolios of investments.

Swap Agreements

The Funds may enter into swap contracts. A swap is an exchange of cash payments between the Fund and another party, which is based on a specific financial index or other reference instrument. The value of the swap is adjusted daily and the change in value is recorded as unrealized appreciation or depreciation. The swap contracts entered into by the Funds are on a forward settling basis. When a swap contract is closed, the Fund recognizes a realized gain or loss. For the year ended November 30, 2006, the Funds had no realized gains or losses on swap contracts.

Risks may arise upon entering into swap agreements from the potential inability of the counterparties to meet the terms of their contract, from unanticipated changes in the value of the financial index on which the swap agreement is based. The Funds use swaps for hedging purposes to reduce their exposure to interest rate fluctuations.

Swap contracts outstanding at period end, if any, are listed after the Funds' portfolios of investments.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets, liabilities, expenses and revenues reported in the financial statements. Actual results could differ from those estimated.

Other

Investment transactions are accounted for on a trade date basis. Realized gains and losses from investment transactions are recorded on an identified cost basis.

3. COMMON SHARES

The following tables summarize share activity:

Federated Premier Municipal Income Fund

Year Ended November 30	2006	2005
Shares issued	--	--
Shares issued to shareholders in payment of distributions declared	7,708	2,808
<i>NET CHANGE RESULTING FROM SHARE TRANSACTIONS</i>	7,708	2,808

Federated Premier Intermediate Municipal Income Fund

Year Ended November 30	2006	2005
Shares issued	--	--
<i>NET CHANGE RESULTING FROM SHARE TRANSACTIONS</i>	--	--

4. FEDERAL TAX INFORMATION

The timing and character of income and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP. These differences are due to differing treatments for discount accretion/premium amortization on debt securities.

For the year ended November 30, 2006, permanent differences identified and reclassified among the components of net assets were as follows:

	Increase (Decrease)	
	Undistributed Net Investment Income	Accumulated Net Realized Losses
Federated Premier Municipal Income Fund	\$(189)	\$189
Federated Premier Intermediate Municipal Income Fund	\$23,440	\$(23,440)

Net investment income (loss), net realized gains (losses), and net assets were not affected by this reclassification.

The tax character of distributions as reported on the Statement of Changes in Net Assets for the years ended November 30, 2006 and 2005, was as follows:

	2006 Tax-Exempt Income	2005 Tax-Exempt Income
Federated Premier Municipal Income Fund	\$7,093,000	\$7,109,825
Federated Premier Intermediate Municipal Income Fund	\$6,830,561	\$6,634,107

As of November 30, 2006, the components of distributable earnings on a tax basis were as follows:

	Federated Premier Municipal Income Fund	Federated Premier Intermediate Municipal Income Fund
Undistributed tax-exempt income	\$77,714	\$238,300
Net unrealized appreciation	\$10,838,025	\$7,079,549
Capital loss carryforward	\$(2,411,318)	\$(2,779,646)

The difference between book-basis and tax-basis net unrealized appreciation/depreciation is attributable to differing treatments for discount accretion/premium amortization on debt securities.

At November 30, 2006, the following amounts apply for federal income tax purposes:

	Cost of Investments	Unrealized Appreciation	Unrealized Depreciation	Net Unrealized Appreciation
Federated Premier Municipal Income Fund	\$136,373,807	\$10,838,025	\$ --	\$10,838,025
Federated Premier Intermediate Municipal Income Fund	\$155,853,691	\$ 7,083,898	\$4,349	\$ 7,079,549

At November 30, 2006, Federated Premier Municipal Income Fund and Federated Premier Intermediate Municipal Income Fund had capital loss carryforwards of \$2,411,318 and \$2,779,646, respectively, which will reduce the Funds' taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Code and thus will reduce the amount of distributions to shareholders which would otherwise be necessary to relieve the Funds of any liability for federal income tax. Pursuant to the Code, such capital loss carryforwards will expire as follows:

	2011	2012	2013	Total Capital Loss Carryforward
Federated Premier Municipal Income Fund	\$ --	\$1,732,414	\$ 678,904	\$2,411,318
Federated Premier Intermediate Municipal Income Fund	\$5,504	\$1,598,165	\$1,175,977	\$2,779,646

Federated Premier Municipal Income Fund and Federated Premier Intermediate Municipal Income Fund used capital loss carryforwards of \$787,160 and \$52,386, respectively, to offset taxable capital gains realized during the year ended November 30, 2006.

5. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Adviser Fee

Each Fund has entered into an Investment Management Agreement (the "Agreement") with Federated Investment Management Company (the "Adviser"), to serve as investment manager to the Fund. Pursuant to the Agreement, each Fund pays the Adviser an annual management fee, payable daily, at the annual rate of 0.55% of the Fund's managed assets.

In order to reduce the fund expenses, the Adviser has contractually agreed to waive a portion of its investment adviser fee at the annual rate of 0.20% of the average daily net value of each Fund's managed assets, inclusive of any assets attributable to any preferred shares that may be issued, from the commencement of operations through December 31, 2007, and at a declining rate thereafter through December 31, 2010.

Administrative Fee

Federated Administrative Services (FAS), under the Administrative Services Agreement, provides each Fund with administrative personnel and services. The fee paid to FAS is based on the average aggregate daily net assets of certain Federated funds as specified below:

Maximum Administrative Fee	Average Aggregate Daily Net Assets —of the Federated Funds
---------------------------------------	---

0.150%	on the first \$5 billion
0.125%	on the next \$5 billion
0.100%	on the next \$10 billion
0.075%	on assets in excess of \$20 billion

The administrative fee received during any fiscal year shall be at least \$150,000 per portfolio and \$40,000 per each additional class of Shares. FAS may voluntarily choose to waive any portion of its fee. FAS can modify or terminate this voluntary waiver at any time at its sole discretion. For the year ended November 30, 2006, the net fee paid to FAS by Federated Premier Municipal Income Fund, and Federated Premier Intermediate Municipal Income Fund, was 0.028% and 0.078%, respectively, of average aggregate daily net assets of the Fund.

Organizational Expenses

Each Fund paid its organizational and offering expenses of up to \$0.03 per common share in the fiscal year ended November 30, 2003. The Adviser paid organizational expenses and offering costs of each Fund that exceeded \$0.03 per Common Share.

Interfund Transactions

During the year ended November 30, 2006, the Funds engaged in purchase and sale transactions with funds that have a common investment adviser (or affiliated investment advisers), common Directors/Trustees, and /or common Officers. These purchase and sale transactions complied with Rule 17a-7 under the Act and were as follows:

	Purchases	Sales
Federated Premier Municipal Income Fund	7,500,000	7,900,000
Federated Premier Intermediate Municipal Income Fund	24,610,000	24,080,000

General

Certain of the Officers and Trustees of the Funds are Officers and Directors or Trustees of the above companies.

6. PREFERRED SHARES

On February 13, 2003, Federated Premier Municipal Income Fund and Federated Premier Intermediate Municipal Income Fund offered and currently have outstanding 2,147 and 2,441 Auction Market Preferred Shares (AMPS), respectively. The AMPS are redeemable at the option of the Funds at the redemption price of \$25,000 per share plus an amount equal to accumulated, but unpaid dividends thereon through the redemption date.

Whenever AMPS are outstanding, common shareholders will not be entitled to receive any distributions from the Funds unless all accrued dividends on preferred shares have been paid, the Funds satisfy the 200% asset coverage requirement, and certain other requirements imposed by any Nationally Recognized Statistical Ratings Organizations (NRSROs) rating the preferred shares have been met. Should these requirements not be met, or should dividends

accrued on the AMPS not be paid, the Funds may be restricted in their ability to declare dividends to common shareholders or may be required to redeem certain of the AMPS. At November 30, 2006, there were no such restrictions on the Funds.

7. INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding long-term U.S. government securities and short-term obligations, for the year ended November 30, 2006, were as follows:

	Purchases	Sales
Federated Premier Municipal Income Fund	29,730,950	29,777,285
Federated Premier Intermediate Municipal Income Fund	73,696,211	72,955,842

8. LEGAL PROCEEDINGS

Beginning in October 2003, Federated Investors, Inc. and various subsidiaries thereof (including the advisers and distributor for various investment companies, collectively, "Federated"), along with various investment companies sponsored by Federated ("Funds") were named as defendants in several class action lawsuits now pending in the United States District Court for the District of Maryland. The lawsuits were purportedly filed on behalf of people who purchased, owned and/or redeemed shares of Federated-sponsored mutual funds during specified periods beginning November 1, 1998. The suits are generally similar in alleging that Federated engaged in illegal and improper trading practices including market timing and late trading in concert with certain institutional traders, which allegedly caused financial injury to the mutual fund shareholders. These lawsuits began to be filed shortly after Federated's first public announcement that it had received requests for information on shareholder trading activities in the Funds from the Securities and Exchange Commission ("SEC"), the Office of the New York State Attorney General ("NYAG"), and other authorities. In that regard, on November 28, 2005, Federated announced that it had reached final settlements with the SEC and the NYAG with respect to those matters. As Federated previously reported in 2004, it has already paid approximately \$8.0 million to certain funds as determined by an independent consultant. As part of these settlements, Federated agreed to pay for the benefit of fund shareholders additional disgorgement and a civil money penalty in the aggregate amount of an additional \$72 million. Federated and various Funds have also been named as defendants in several additional lawsuits, the majority of which are now pending in the United States District Court for the Western District of Pennsylvania, alleging, among other things, excessive advisory and Rule 12b-1 fees. The Board of the Funds has retained the law firm of Dickstein Shapiro LLP to represent the Funds in these lawsuits. Federated and the Funds, and their respective counsel, are reviewing the allegations and intend to defend this litigation. Additional lawsuits based upon similar allegations may be filed in the future. The potential impact of these lawsuits, all of which seek unquantified damages, attorneys' fees and expenses, and future potential similar suits is uncertain. Although we do not believe that these lawsuits will have a material adverse effect on the Funds, there can be no assurance that these suits, the ongoing adverse publicity and/or other developments resulting from the regulatory investigations will not result in increased Fund redemptions, reduced sales of Fund shares, or other adverse consequences for the Funds.

9. SUBSEQUENT DIVIDEND DECLARATIONS--COMMON SHARES

On December 12, 2006, the Funds declared common share dividend distributions from their respective tax-exempt net investment income which were payable on January 2, 2007, to shareholders of record on December 22, 2006, as follows:

	Federated Premier Municipal Income Fund	Federated Premier Intermediate Municipal Income Fund
Dividend per share	\$0.0670	\$0.0575

10. RECENT ACCOUNTING PRONOUNCEMENTS

On July 13, 2006, the Financial Accounting Standards Board (FASB) released FASB Interpretation *No. 48 "Accounting for Uncertainty in Income Taxes"* (FIN 48). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense in the current year. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006 and is to be applied to all open tax years no later than May 30, 2008. At this time, management is evaluating the implications of FIN 48 and its impact in the financial statements has not yet been determined.

In addition, in September 2006, FASB issued *Statement on Financial Accounting Standards No. 157, "Fair Value Measurements"* (FAS 157) which is effective for fiscal years beginning after November 15, 2007. FAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Management is currently evaluating the impact the adoption of FAS 157 will have on the Funds' financial statement disclosures.

11. FEDERAL TAX INFORMATION (UNAUDITED)

At November 30, 2006, 100.0% of the distributions from net investment income for each Fund are exempt from federal income tax, other than AMT.

Report of Independent Registered Public Accounting Firm

TO THE SHAREHOLDERS AND BOARD OF TRUSTEES OF FEDERATED PREMIER MUNICIPAL INCOME FUND AND FEDERATED PREMIER INTERMEDIATE MUNICIPAL INCOME FUND:

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Federated Premier Municipal Income Fund and Federated Premier Intermediate Municipal Income Fund (the "Funds") as of November 30, 2006, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the periods indicated therein. These financial statements and financial highlights are the responsibility of the Fund'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 the standards of the Public Company Accounting Oversight Board (United States). 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. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal

control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of November 30, 2006, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. 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 positions of Federated Premier Municipal Income Fund and Federated Premier Intermediate Municipal Income Fund at November 30, 2006, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and their financial highlights for each of periods indicated therein, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Boston, Massachusetts

January 12, 2007

Board of Trustees and Fund Officers

The Board is responsible for managing the Funds' business affairs and for exercising all the Funds' powers except those reserved for the shareholders. The following tables give information about each Board member and the senior officers of the Funds. Where required, the tables separately list Board members who are "interested persons" of the Fund (i.e. , "Interested" Board members) and those who are not (i.e. , "Independent" Board members). Unless otherwise noted, the address of each person listed is Federated Investors Tower, 1001 Liberty Avenue, Pittsburgh, PA. As of December 31, 2006, the Federated Fund Complex consisted of 45 investment companies (comprising 148 portfolios). Unless otherwise noted, each Officer is elected annually. Unless otherwise noted, each Board member oversees all portfolios in the Federated Fund Complex.

INTERESTED TRUSTEES BACKGROUND

Name	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)	Year of Term Expiration
John F. Donahue*+ Birth Date: July 28, 1924 TRUSTEE Began serving: December 2002	Principal Occupations : Director or Trustee of the Federated Fund Complex; Chairman and Director, Federated Investors, Inc.; Chairman of the Federated Fund Complex's Executive Committee. Previous Positions : Chairman of the Federated Fund Complex; Trustee, Federated Investment Management Company and Chairman and Director, Federated Investment Counseling.	2007

<p>J. Christopher Donahue* Birth Date: April 11, 1949 PRESIDENT AND TRUSTEE Began serving: December 2002</p>	<p>Principal Occupations : Principal Executive Officer and President of the Federated Fund Complex; Director or Trustee of some of the Funds in the Federated Fund Complex; President, Chief Executive Officer and Director, Federated Investors, Inc.; Chairman and Trustee, Federated Investment Management Company; Trustee, Federated Investment Counseling; Chairman and Director, Federated Global Investment Management Corp.; Chairman, Federated Equity Management Company of Pennsylvania and Passport Research, Ltd. (Investment advisory subsidiary of Federated); Trustee, Federated Shareholder Services Company; Director, Federated Services Company.</p> <p>Previous Positions : President, Federated Investment Counseling; President and Chief Executive Officer, Federated Investment Management Company, Federated Global Investment Management Corp. and Passport Research, Ltd.</p>	<p>2008</p>
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Name	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)	Year of Term Expiration
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<p>Lawrence D. Ellis, M.D.* Birth Date: October 11, 1932 3471 Fifth Avenue Suite 1111 Pittsburgh, PA TRUSTEE Began serving: December 2002</p>	<p>Principal Occupations : Director or Trustee of the Federated Fund Complex; Professor of Medicine, University of Pittsburgh; Medical Director, University of Pittsburgh Medical Center Downtown; Hematologist, Oncologist and Internist, University of Pittsburgh Medical Center.</p> <p>Other Directorships Held : Member, National Board of Trustees, Leukemia Society of America.</p> <p>Previous Positions : Trustee, University of Pittsburgh; Director, University of Pittsburgh Medical Center.</p>	<p>2009</p>
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* Family relationships and reasons for "interested" status: John F. Donahue is the father of J. Christopher Donahue; both are "interested" due to the positions they hold with Federated and its subsidiaries. Lawrence D. Ellis, M.D. is "interested" because his son-in-law is employed by Federated Securities Corp., an affiliate of the Funds' adviser.

INDEPENDENT TRUSTEES BACKGROUND

Name	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)	Year of Term Expiration
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Date Service Began

Thomas G. Bigley++** 2007
 Birth Date: February 3, 1934
 15 Old Timber Trail
 Pittsburgh, PA
 TRUSTEE
 Began serving: December 2002
Principal Occupation : Director or Trustee of the Federated Fund Complex.
Other Directorships Held : Director, Member of Executive Committee, Children's Hospital of Pittsburgh; Director, University of Pittsburgh.
Previous Position : Senior Partner, Ernst & Young LLP.

John T. Conroy, Jr.++** 2007
 Birth Date: June 23, 1937
 Investment Properties Corporation
 3838 North Tamiami Trail
 Suite 402
 Naples, FL
 TRUSTEE
 Began serving: December 2002
Principal Occupations : Director or Trustee of the Federated Fund Complex; Chairman of the Board, Investment Properties Corporation; Partner or Trustee in private real estate ventures in Southwest Florida.
Previous Positions : President, Investment Properties Corporation; Senior Vice President, John R. Wood and Associates, Inc., Realtors; President, Naples Property Management, Inc. and Northgate Village Development Corporation.

Name	Birth Date	Address	Positions Held with Funds	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)	Year of Term Expiration
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Nicholas P. Constantakis++** 2008
 Birth Date: September 3, 1939
 175 Woodshire Drive
 Pittsburgh, PA
 TRUSTEE
 Began serving: December 2002
Principal Occupation : Director or Trustee of the Federated Fund Complex.
Other Directorships Held : Director and Member of the Audit Committee, Michael Baker Corporation (engineering and energy services worldwide).
Previous Position : Partner, Andersen Worldwide SC.

John F. Cunningham++ 2008
 Birth Date: March 5, 1943
 353 El Brillo Way
 Palm Beach, FL
Principal Occupation : Director or Trustee of the Federated Fund Complex; Director, WinsorTech.
Other Directorships Held : Chairman, President and Chief Executive Officer, Cunningham & Co., Inc. (strategic business consulting); Trustee Associate, Boston College.

TRUSTEE

Began serving: **Previous Positions** : Director, Redgate Communications and EMC Corporation
December 2002 (computer storage systems); Chairman of the Board and Chief Executive
Officer, Computer Consoles, Inc.; President and Chief Operating Officer, Wang
Laboratories; Director, First National Bank of Boston; Director, Apollo
Computer, Inc.

Peter E. Madden++ **Principal Occupation** : Director or Trustee of the Federated Fund Complex. 2007
Birth Date: March 16, 1942 **Other Directorships Held** : Board of Overseers, Babson College.
One Royal Palm Way **Previous Positions** : Representative, Commonwealth of Massachusetts General
100 Royal Palm Way Court; President, State Street Bank and Trust Company and State Street
Palm Beach, FL Corporation (retired); Director, VISA USA and VISA International; Chairman
TRUSTEE and Director, Massachusetts Bankers Association; Director, Depository Trust
Began serving: Corporation; Director, The Boston Stock Exchange.
December 2002

Name

Birth Date

Address

Positions Held with

Funds

Date Service Began

Principal Occupation(s) for Past Five Years,
Other Directorships Held and Previous Position(s)

Year of

Term

Expiration

Charles F. Mansfield, Jr.++** **Principal Occupations** : Director or Trustee of the Federated Fund Complex; 2009
Management Consultant.
Birth Date: April 10, 1945 **Previous Positions** : Chief Executive Officer, PBTC International Bank;
80 South Road Partner, Arthur Young & Company (now Ernst & Young LLP); Chief Financial
Westhampton Beach, NY Officer of Retail Banking Sector, Chase Manhattan Bank; Senior Vice
TRUSTEE President, HSBC Bank USA (formerly, Marine Midland Bank); Vice President,
Began serving: Citibank; Assistant Professor of Banking and Finance, Frank G. Zarb School of
December 2002 Business, Hofstra University; Executive Vice President DVC Group, Inc.
(marketing, communications and technology).

John E. Murray, Jr., J.D., S.J.D.+ ++ **Principal Occupations** : Director or Trustee, and Chairman of the Board of 2009
Directors or Trustees, of the Federated Fund Complex; Chancellor and Law
Birth Date: December Professor, Duquesne University; Partner, Murray, Hogue & Lannis.
20, 1932 **Other Directorships Held** : Director, Michael Baker Corp. (engineering,
Chancellor, Duquesne construction, operations and technical services).
University **Previous Positions** : President, Duquesne University; Dean and Professor of
Pittsburgh, PA Law, University of Pittsburgh School of Law; Dean and Professor of Law,
TRUSTEE Villanova University School of Law.
Began serving: December 2002

Thomas M. O'Neill++ **Principal Occupations** : Director or Trustee of the Federated Fund Complex; 2007
Managing Director and Partner, Navigator Management Company, L.P.
Birth Date: June 14, (investment and strategic consulting).

1951
 95 Standish Street
 P.O. Box 2779
 Duxbury, MA
 TRUSTEE
 Began serving:
 October 2006

Other Directorships Held : Director, Midway Pacific (lumber); Board of Overseers, Children's Hospital of Boston; Visiting Committee on Athletics, Harvard College.

Previous Positions : Chief Executive Officer and President, Managing Director and Chief Investment Officer, Fleet Investment Advisors; President and Chief Executive Officer, Aeltus Investment Management, Inc.; General Partner, Hellman, Jordan Management Co., Boston, MA; Chief Investment Officer, The Putnam Companies, Boston, MA; and Credit Analyst and Lending Officer, Fleet Bank.

Name	Birth Date	Address	Positions Held with Funds	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)	Year of Term Expiration
Marjorie P. Smuts++	Birth Date: June 21, 1935	4905 Bayard Street Pittsburgh, PA TRUSTEE	Began serving: December 2002	Principal Occupations : Director or Trustee of the Federated Fund Complex; Public Relations/Marketing Consultant/Conference Coordinator. Previous Positions : National Spokesperson, Aluminum Company of America; television producer; President, Marj Palmer Assoc.; Owner, Scandia Bord.	2008
John S. Walsh++	Birth Date: November 28, 1957	2604 William Drive Valparaiso, IN TRUSTEE	Began serving: December 2002	Principal Occupations : Director or Trustee of the Federated Fund Complex; President and Director, Heat Wagon, Inc. (manufacturer of construction temporary heaters); President and Director, Manufacturers Products, Inc. (distributor of portable construction heaters); President, Portable Heater Parts, a division of Manufacturers Products, Inc. Previous Position : Vice President, Walsh & Kelly, Inc.	2007
James F. Will++	Birth Date: October 12, 1938	Saint Vincent College Latrobe, PA TRUSTEE	Began serving: April 2006	Principal Occupations : Director or Trustee of the Federated Fund Complex; Vice Chancellor and President, Saint Vincent College. Other Directorships Held : Alleghany Corporation. Previous Positions : Chairman, President and Chief Executive Officer, Armco, Inc.; President and Chief Executive Officer, Cyclops Industries; President and Chief Operating Officer, Kaiser Steel Corporation.	2009

+Member of Executive Committee

**Member of Audit Committee

++Member of Nominating Committee

OFFICERS**Name****Birth Date****Positions Held****with Funds****Date Service****Began****Principal Occupation(s) and Previous Position(s)****John W.****McGonigle**Birth Date: October
26, 1938

EXECUTIVE

VICE PRESIDENT
AND

SECRETARY

Began serving:
December 2002**Principal Occupations** : Executive Vice President and Secretary of the Federated Fund Complex; Vice Chairman, Executive Vice President, Secretary and Director, Federated Investors, Inc.**Previous Positions** : Trustee, Federated Investment Management Company and Federated Investment Counseling; Director, Federated Global Investment Management Corp., Federated Services Company and Federated Securities Corp.**Richard A. Novak**

Birth Date:

December 25, 1963

TREASURER

Began serving:
January 2006**Principal Occupations** : Principal Financial Officer and Treasurer of the Federated Fund Complex; Senior Vice President, Federated Administrative Services; Financial and Operations Principal for Federated Securities Corp., Edgewood Services, Inc. and Southpointe Distribution Services, Inc.**Previous Positions** : Controller of Federated Investors, Inc.; Vice President, Finance of Federated Services Company; held various financial management positions within The Mercy Hospital of Pittsburgh; Auditor, Arthur Andersen & Co.**Richard B. Fisher**Birth Date: May
17, 1923

VICE

CHAIRMAN

Began serving:
December 2002**Principal Occupations** : Vice Chairman or Vice President of some of the Funds in the Federated Fund Complex; Vice Chairman, Federated Investors, Inc.; Chairman, Federated Securities Corp.**Previous Positions** : President and Director or Trustee of some of the Funds in the Federated Fund Complex; Executive Vice President, Federated Investors, Inc. and Director and Chief Executive Officer, Federated Securities Corp.**Mary Jo Ochson**

Birth Date:

September 12,
1953

CHIEF

INVESTMENT
OFFICER,

TAX-FREE

FIXED INCOME,
AND VICE**Principal Occupations:** Mary Jo Ochson has been the Fund's Portfolio Manager since December 2002. Ms. Ochson was named Chief Investment Officer of tax-exempt fixed-income products in 2004 and is a Vice President of the Funds. She joined Federated in 1982 and has been a Senior Portfolio Manager and a Senior Vice President of the Fund's Adviser since 1996. Ms. Ochson is a Chartered Financial Analyst and received her M.B.A. in Finance from the University of Pittsburgh.

PRESIDENT
 Began serving:
 December 2002

Last Meeting of Shareholders

FEDERATED PREMIER MUNICIPAL INCOME FUND

An Annual Meeting of Fund shareholders (Common Shares and Preferred Shares) was held on September 22, 2006. On July 13, 2006, the record date for shareholders voting at the meeting, there were 6,122,105 total outstanding shares. The following item was considered by shareholders and the results of their voting are listed below. Unless otherwise noted, each matter was approved.

ELECTION OF FOUR CLASS III TRUSTEES - COMMON SHARES AND PREFERRED SHARES:

1. Lawrence D. Ellis, M.D.

For	Withheld Authority to Vote
5,820,240	101,681

2. Charles F. Mansfield, Jr.

For	Withheld Authority to Vote
5,827,895	94,026

3. John E. Murray, Jr.

For	Withheld Authority to Vote
5,821,040	100,881

4. James F. Will

For	Withheld Authority to Vote
5,814,641	107,280

An Annual Meeting of Fund shareholders (Preferred Shares) was held on September 22, 2006. On July 13, 2006, the record date for shareholders voting at the meeting, there were 2,147 total outstanding shares. The following item was considered by shareholders and the results of their voting are listed below. Unless otherwise noted, each matter was approved.

ELECTION OF TWO TRUSTEES - PREFERRED SHARES ONLY:

1. Peter E. Madden

For	Withheld Authority to Vote
1,927	5

2. John S. Walsh

For	Withheld Authority to Vote
1,927	5

The following Trustees of the Fund continued their terms as Trustees of the Fund: John F. Donahue, J. Christopher Donahue, Thomas G. Bigley, John T. Conroy, Jr., Nicholas P. Constantakis, John F. Cunningham, and Marjorie P. Smuts.

FEDERATED PREMIER INTERMEDIATE MUNICIPAL INCOME FUND

An Annual Meeting of Fund shareholders (Common Shares and Preferred Shares) was held on September 22, 2006. On July 13, 2006, the record date for shareholders voting at the meeting, there were 6,949,422 total outstanding shares. The following item was considered by shareholders and the results of their voting are listed below. Unless otherwise noted, each matter was approved.

ELECTION OF FOUR CLASS III TRUSTEES - COMMON SHARES AND PREFERRED SHARES:

1. Lawrence D. Ellis, M.D.

For	Withheld Authority to Vote
6,518,366	270,930

2. Charles F. Mansfield, Jr.

For	Withheld Authority

to Vote

6,528,511	260,785
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3. John E. Murray, Jr.

**Withheld
Authority
to Vote**

For	
6,518,366	270,930

4. James F. Will

**Withheld
Authority
to Vote**

For	
6,527,207	262,089

An Annual Meeting of Fund shareholders (Preferred Shares) was held on September 22, 2006. On July 13, 2006, the record date for shareholders voting at the meeting, there were 2,441 total outstanding shares. The following item was considered by shareholders and the results of their voting are listed below. Unless otherwise noted, each matter was approved.

ELECTION OF TWO TRUSTEES - PREFERRED SHARES ONLY:

1. Peter E. Madden

**Withheld
Authority
to Vote**

For	
2,214	0

2. John S. Walsh

**Withheld
Authority
to Vote**

For	
2,214	0

The following Trustees of the Fund continued their terms as Trustees of the Fund: John F. Donahue, J. Christopher Donahue, Thomas G. Bigley, John T. Conroy, Jr., Nicholas P. Constantakis, John F. Cunningham, and Marjorie P. Smuts.

Evaluation and Approval of Advisory Contract

FEDERATED PREMIER MUNICIPAL INCOME FUND ("FMN" OR THE "FUND") FEDERATED PREMIER INTERMEDIATE MUNICIPAL INCOME FUND ("FPT" OR THE "FUND")

The Fund's Board reviewed each Fund's investment advisory contract at meetings held in May 2006. The Board's decision regarding these contracts reflects the exercise of its business judgment on whether to continue the existing arrangements.

Prior to the meeting, the Adviser had recommended that the Federated funds appoint a Senior Officer, whose duties include specified responsibilities relating to the process by which advisory fees are to be charged to a Federated fund. The Senior Officer appointed by the funds has the authority to retain consultants, experts, or staff as may be reasonably necessary to assist in the performance of his duties, reports directly to the Board, and may be terminated only with the approval of a majority of the independent members of the Board. The Senior Officer prepared and furnished to the Board an independent written evaluation that covered topics discussed below, which the Board considered, along with other information, in deciding to approve the advisory contract.

During its review of these contracts, the Board considered compensation and benefits received by the Adviser. This included the fees received for services provided to the Fund by other entities in the Federated organization and research services received by the Adviser from brokers that execute Federated fund trades, as well as advisory fees. The Board is also familiar with judicial decisions concerning allegedly excessive investment advisory fees which have indicated that the following factors may be relevant to an Adviser's fiduciary duty with respect to its receipt of compensation from a fund: the nature and quality of the services provided by the Adviser, including the performance of the Fund; the Adviser's cost of providing the services; the extent to which the Adviser may realize "economies of scale" as the Fund grows larger; any indirect benefits that may accrue to the Adviser and its affiliates as a result of the Adviser's relationship with the Fund; performance and expenses of comparable funds; and the extent to which the independent Board members are fully informed about all facts the Board deems relevant bearing on the Adviser's services and fees. The Board further considered management fees (including any components thereof) charged to institutional and other clients of the Adviser for like services and costs to the Adviser and its affiliates of supplying services pursuant to the management fee agreements, excluding any intra-corporate profit and profit margins of the Adviser and its affiliates from supplying such services. The Board was aware of these considerations and was guided by them in its review of the Fund's advisory contract to the extent they are appropriate and relevant, as discussed further below.

The Board considered and weighed these circumstances in light of its substantial accumulated experience in governing the Fund and working with Federated on matters relating to the Federated funds, and was assisted in its deliberations by the advice of independent legal counsel. Throughout the year, the Board has requested and received substantial and detailed information about the Fund and the Federated organization that was in addition to the extensive materials that comprise the Senior Officer's evaluation. Federated provided much of this information at each regular meeting of the Board, and furnished additional reports in connection with the particular meeting at which the Board's formal review of the advisory contract occurred. Between regularly scheduled meetings, the Board has received information on particular matters as the need arose. Thus, the Board's consideration of the advisory contract included review of the Senior Officer's evaluation, accompanying data and additional reports covering such matters as: the Adviser's investment philosophy, revenue, profitability, personnel and processes; investment and operating strategies; the Fund's short- and long-term performance (in absolute terms, both on a gross basis and net of expenses, as well as in relationship to its particular investment program and certain competitor or "peer group" funds and/or other benchmarks, as appropriate), and comments on the reasons for performance; the Fund's investment objectives; the Fund's expenses (including the advisory fee itself and the overall expense structure of the Fund, both in absolute terms

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and relative to similar and/or competing funds, with due regard for contractual or voluntary expense limitations); the use and allocation of brokerage commissions derived from trading the Fund's portfolio securities (if any); the nature, quality and extent of the advisory and other services provided to the Fund by the Adviser and its affiliates; the preferences and expectations of Fund shareholders and their relative sophistication; the continuing state of competition in the investment company industry and market practices; the range of comparable fees for similar funds; compliance and audit reports concerning the Federated funds and the Federated companies that service them (including communications from regulatory agencies), as well as Federated's responses to any issues raised therein; and relevant developments in the fund industry and how the Federated funds and/or Federated are responding to them. The Board's evaluation process is evolutionary. The criteria considered and the emphasis placed on relevant criteria change in recognition of changing circumstances in the mutual fund marketplace.

With respect to the Fund's performance and expenses in particular, the Board has found the use of comparisons to other closed-end funds with comparable investment programs to be particularly useful, given the high degree of competition in the investment company industry. The Board focused on comparisons with other similar funds more heavily than non-fund products or services because, simply put, they are more relevant. For example, other closed-end funds are the products most like the Fund, they are readily available to Fund shareholders as alternative investment vehicles, and they are the type of investment vehicle in fact chosen and maintained by the Fund's investors. The range of their fees and expenses therefore appears to be a generally reliable indication of what consumers have found to be reasonable in the precise marketplace in which the Fund competes. The Fund's ability to deliver competitive performance when compared to its peer group was a useful indicator of how the Adviser is executing the Fund's investment program, which in turn assisted the Board in reaching a conclusion that the nature, extent, and quality of the Adviser's investment management services were such as to warrant continuation of the advisory contract. In this regard, the Senior Officer has reviewed Federated's fees for providing advisory services to Federated registered investment companies as well as products outside the Federated family of funds (e.g. , institutional and separate accounts). He concluded that registered investment companies and institutional accounts are inherently different products. Those differences included, but are not limited to targeting different investors, being subject to different laws and regulations, different legal structure, and portfolio management techniques made necessary by such differences. The Senior Officer did not consider these fee schedules to be significant in determining the appropriateness of closed-end fund advisory contracts.

The Senior Officer reviewed reports compiled by Federated, and directed the preparation of independent reports, regarding the performance of, and fees charged by, other regulated investment companies, noting his view that comparisons to fund peer groups is of significance in judging the reasonableness of proposed fees.

For both the one and three year periods ending December 31, 2005, FMN's performance was above the median of the relevant peer group.

FPT's performance fell below the median of the relevant peer group for both the one and three year periods ending December 31, 2005. The Board discussed FPT's performance with the Adviser and recognized the efforts being undertaken by the Adviser. The Board will continue to monitor these efforts and the performance of FPT.

The Board also received financial information about Federated, including reports on the compensation and benefits Federated derived from its relationships with the Federated funds. These reports covered not only the fees under the advisory contracts, but also fees received by Federated's subsidiaries for providing other services to the Federated Funds under separate contracts (e.g., for serving as the Federated funds' administrator). The reports also discussed any indirect benefit Federated may derive from its receipt of research services from brokers who execute Federated fund trades as well as waivers of fees and/or reimbursements of expenses. In order for a fund to be competitive in the marketplace, Federated and its affiliates frequently waived fees and/or reimbursed expenses and have indicated to the Board their intention to do so in the future, where appropriate.

Federated furnished reports, requested by the Senior Officer, that reported revenues on a fund by fund basis and made estimates of the allocation of expenses on a fund by fund basis, using allocation methodologies specified by the Senior Officer. The Senior Officer noted that, although they may apply consistent allocation processes, the inherent difficulties in allocating costs and the lack of consensus on how to allocate those costs causes such allocation reports to be of questionable value. The allocation reports were considered in the analysis by the Board but were determined to be of limited use.

The Board also reviewed profitability information for Federated and other publicly held fund management companies, provided by the Senior Officer, who noted the limited availability of such information, and concluded that Federated's profit margins did not appear to be excessive.

The Board also considered whether the Fund might benefit from "economies of scale" and noted that, as a "closed-end fund" which has made an offering of a fixed number of common shares and (other than the issuance of preferred shares contemplated at the time of the Fund's initial public offering), has not made and does not expect to make additional offerings to raise more assets, there are no meaningful "economies of scale" to be realized. Accordingly, the Board concluded that this was not a relevant consideration in its overall evaluation.

During the year ending December 31, 2005, the Fund's investment advisory fees after waivers and expense reimbursements, if any, for both Funds were above the median of the relevant peer group. The Board reviewed the fees and other expenses of the Fund with the Adviser and was satisfied that the overall expense structure of the Fund remained competitive. The Board will continue to monitor advisory fees and other expenses borne by the Fund.

No changes were recommended to, and no objection was raised to the continuation of the Fund's advisory contracts, and the Senior Officer noted that Federated appeared to provide appropriate administrative services to the Funds for the fees paid. For 2005, the Board concluded that the nature, quality and scope of services provided the Funds by the Adviser and its affiliates was satisfactory.

In its decision to continue an existing investment advisory contract, the Board was mindful of the potential disruptions of the Fund's operations and various risks, uncertainties and other effects that could occur as a result of a decision to terminate or not renew an advisory contract. In particular, the Board recognized that most shareholders have invested in the Fund on the strength of the Adviser's industry standing and reputation and in the expectation that the Adviser will have a continuing role in providing advisory services to the Fund. Thus, the Board's approval of the advisory contract reflected the fact that it is the shareholders who have effectively selected the Adviser by virtue of having invested in the Fund.

The Board based its decision to approve the advisory contract on the totality of the circumstances and relevant factors and with a view to past and future long-term considerations. Not all of the factors and considerations identified above were relevant to every Federated fund, nor did the Board consider any one of them to be determinative. With respect to the factors that were relevant, the Board's decision to approve the contract reflects its determination that Federated's performance and actions provided a satisfactory basis to support the decision to continue the existing arrangements.

The Senior Officer also made recommendations relating to the organization and availability of data and verification of processes for purposes of implementing future evaluations which the Adviser has agreed to implement.

Dividend Reinvestment Plan

The following description of each Fund's Dividend Reinvestment Plan (the "Plan") is furnished to you annually as required by federal securities laws.

Unless the registered owner of a Fund's common shares elects to receive cash by contacting Computershare Trust Co., N.A. (the "Plan Administrator"), all dividends declared on common shares of the Fund will be automatically reinvested by the Plan Administrator, as agent for shareholders in the Plan, in additional common shares of the Fund. Common shareholders who elect not to participate in the Plan will receive all dividends and other distributions in cash. You may elect not to participate in the Plan and to receive all dividends in cash by contacting the Plan Administrator at the address set forth below if your Shares are registered in your name, or by contacting your bank, broker, or other nominee if your Shares are held in street or other nominee name. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by written notice to the Plan Administrator. Such notice will be effective for a dividend if received and processed by the Plan Administrator prior to the dividend record date; otherwise the notice will be effective with respect to any subsequently declared dividend or other distribution. Some brokers may automatically elect to receive cash on your behalf and may reinvest that cash in additional common shares of the Fund for you. If you wish for all dividends declared on your common shares to be automatically reinvested pursuant to the Plan, please contact your broker.

The Plan Administrator will open an account for each common shareholder under the Plan in the same name in which the shareholder's common shares are registered. Whenever the Fund declares a dividend or other distribution payable in cash (together, a "dividend"), non-participants in the Plan will receive cash, and participants in the Plan will receive the equivalent in common shares. The common shares will be acquired by the Plan Administrator for the participants' accounts, depending upon the circumstances described below, either: (1) through receipt from the Fund of additional authorized but unissued common shares ("newly issued common shares"); or (2) by purchase of outstanding common shares on the open market ("open-market purchases") on the New York Stock Exchange or elsewhere. If, on the payment date for a dividend, the closing market price plus estimated brokerage commissions per common share is equal to or greater than the net asset value (NAV) per common share, the Plan Administrator will invest the dividend amount on behalf of the participants in newly issued common shares. The number of newly issued common shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by the NAV per common share on the payment date; provided that, if the NAV is less than or equal to 95% of the closing market value on the payment date, the dollar amount of the dividend will be divided by 95% of the closing market price per common share on the payment date. If, on the payment date for any dividend, the NAV per common share is greater than the closing market value plus estimated brokerage commissions, the Plan Administrator will invest the dividend amount in common shares acquired on behalf of the participants in open-market purchases.

In the event of a market discount on the payment date for any dividend, the Plan Administrator will have until the last business day before the next date on which the common shares trade on an "ex-dividend" basis or 30 days after the payment date for such dividend, whichever is sooner (the "last purchase date"), to invest the dividend amount in common shares acquired in open-market purchases. It is contemplated that the Funds will pay monthly income dividends. Therefore, the period during which open-market purchases can be made will exist only from the payment date of each dividend through the day before the next "ex-dividend" date, which will be approximately ten days. If, before the Plan Administrator has completed its open-market purchases, the market price per common share exceeds the NAV per common share, the average per share purchase price paid by the Plan Administrator may exceed the NAV of the common shares, resulting in the acquisition of fewer common shares than if the dividend had been paid in newly issued common shares on the dividend payment date. Because of the foregoing difficulty with respect to open-market purchases, the Plan provides that if the Plan Administrator is unable to invest the full dividend amount in open-market purchases during the purchase period or if the market discount shifts to a market premium during the purchase period, the Plan Administrator may cease making open-market purchases and may invest the uninvested portion of the dividend amount in newly issued common shares at the NAV per common share at the close of business on the last purchase date; provided that, if the NAV is less than or equal to 95% of the then current market price per common share, the dollar amount of the dividend will be divided by 95% of the market price on the payment date.

The Plan Administrator maintains all shareholders' accounts in the Plan and furnishes written confirmation of all transactions in the accounts, including information needed by shareholders for tax records. Common shares in the account of each Plan participant will be held by the Plan Administrator on behalf of the Plan participant, and each

shareholder proxy will include those shares purchased or received pursuant to the Plan. The Plan Administrator will forward all proxy solicitation materials to participants and vote proxies for shares held under the Plan in accordance with the instructions of the participants.

In the case of record shareholders such as banks, brokers, or nominees which hold common shares for others who are the beneficial owners, the Plan Administrator will administer the Plan on the basis of the number of common shares certified from time to time by the record holder as held for the account of beneficial owners who participate in the Plan.

There will be no brokerage charges with respect to common shares issued directly by the Fund. However, each participant will pay a pro-rata share of brokerage commissions incurred in connection with open-market purchases. The automatic reinvestment of dividends will not relieve participants of any federal, state, or local income tax that may be payable (or required to be withheld) on such dividends. Participants that request a sale of shares through the Plan Administrator are subject to a \$15.00 sales fee and a \$0.12 per share sold brokerage commission.

Each Fund reserves the right to amend or terminate its Plan. There is no direct service charge to participants with regard to purchases in the Plan; however, each Fund reserves the right to amend its Plan to include a service charge payable by the participants.

All correspondence or questions concerning the Plan should be directed to the Plan Administrator, Computershare Trust Company, N.A., P.O. Box 43011, Providence, RI 02940-3011 or by telephone at (800) 730-6001.

Disclosure Updates

The Funds may invest in tax-exempt commercial paper. Tax-exempt commercial paper is a tax-exempt issuer's obligation with a maturity of less than nine months. Tax-exempt issuers may issue commercial paper to pay for current expenditures or other permissible activities. Tax-exempt issuers may constantly reissue their commercial paper and use the proceeds (or other sources) to repay maturing paper. If the tax-exempt issuer cannot continue to obtain liquidity in this fashion, its commercial paper may default.

The following investment strategy update for Federated Premier Municipal Income Fund (FMN) was previously disclosed to shareholders in the Market Overview section of the July 2003 Semi-Annual Report. It is being restated here to comply with Rule 8(b)-16, which requires that changes be filed as part of the official shareholder report. As previously, FMN will under normal circumstances maintain a dollar-weighted average portfolio maturity of 15 to 30 years. FMN will continue to maintain a dollar-weighted average duration of 13 years or less but no longer has an investment strategy to maintain a minimum dollar-weighted average duration of 7 years. FMN's average portfolio maturity represents an average based on the actual stated maturity dates of the debt securities in FMN's portfolio, except that: (1) variable-rate securities are deemed to mature at the next interest-rate adjustment date, unless subject to a demand feature; (2) variable-rate securities subject to a demand feature are deemed to mature on the longer of the next interest-rate adjustment date or the date on which principal can be recovered through demand; (3) floating-rate securities subject to a demand feature are deemed to mature on the date on which the principal can be recovered through demand; and (4) securities being hedged with futures contracts may be deemed to have a longer maturity, in the case of purchases of futures contracts, and a shorter maturity, in the case of sales of futures contracts, than they would otherwise be deemed to have. The average portfolio maturity of the Fund is dollar-weighted based upon the market value of FMN's securities at the time of calculation. FMN's average portfolio maturity will be determined based on the actual stated maturity dates of the debt securities in FMN's portfolio whether or not a security is subject to redemption at the option of the issuer prior to the security's stated maturity.

The address of the principal office of the Funds is 5800 Corporate Drive, Pittsburgh, PA 15237-7000.

The Funds' transfer agent is Computershare Trust Company, N.A., P.O. Box 43011, Providence, RI 02940-3011.

Voting Proxies on Fund Portfolio Securities

A description of the policies and procedures that each Fund uses to determine how to vote proxies relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling 1-800-341-7400. A report on "Form N-PX" of how each Fund voted any such proxies during the most recent 12-month period ended June 30 is available through Federated's website. Go to FederatedInvestors.com, select "Products," select "Closed-End Funds," select the name of the Fund, then select "sec.gov" opposite "SEC filings" to access the link to Form N-PX. This information is also available directly from the EDGAR database on the SEC's website at www.sec.gov.

Quarterly Portfolio Schedule

Each Fund files with the SEC a complete schedule of its portfolio holdings, as of the close of the first and third quarters of its fiscal year, on "Form N-Q." These filings are available on the SEC's website at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. (Call 1-800-SEC-0330 for information on the operation of the Public Reference Room.) You may also access this information from the "Products" section of the Federated Investors website at FederatedInvestors.com by clicking on "Closed-End Funds," selecting the name of the Fund, and then selecting "sec.gov" opposite "SEC filings" to access the link to Form N-Q.

Certification Disclosure

In October 2006, the Funds' Chief Executive Officer submitted to the New York Stock Exchange the annual certification as to compliance with the Exchange's Corporate Governance Listing Standards required by Section 303A.12(a) of the Exchange's Listed Company Manual. The certification was unqualified.

The Funds' reports on Form N-CSR and Form N-Q filed with the SEC during the past fiscal year, including the annual report for the year ended November 30, 2005, have contained the certifications of the Funds' Chief Executive Officer and Chief Financial Officer regarding the quality of the Funds' public disclosure required by Section 302 of the Sarbanes-Oxley Act.

IMPORTANT NOTICE ABOUT FUND DOCUMENT DELIVERY

In an effort to reduce costs and avoid duplicate mailings, the Fund(s) intend to deliver a single copy of certain documents to each household in which more than one shareholder of the Fund(s) resides (so-called "householding"), as permitted by applicable rules. The Fund's "householding" program covers its Semi-Annual and Annual Shareholder Reports and any Proxies or information statements. Shareholders must give their written consent to participate in the "householding" program. The Fund is also permitted to treat a shareholder as having given consent ("implied consent") if (i) shareholders with the same last name, or believed to be members of the same family, reside at the same street address or receive mail at the same post office box, (ii) the Fund gives notice of its intent to "household" at least sixty (60) days before it begins "householding" and (iii) none of the shareholders in the household have notified the Fund(s) or their agent of the desire to "opt out" of "householding." Shareholders who have granted written consent, or have been deemed to have granted implied consent, can revoke that consent and opt out of "householding" at any time: shareholders who purchased shares through an intermediary should contact their representative; other shareholders may call the Fund at 1-800-730-6001 or email CEinfo@federatedinvestors.com.

Closed-End funds are not bank deposits or obligations, are not guaranteed by any bank, and are not insured or guaranteed by the U.S. government, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency. Investment in closed-end funds involves investment risk, including the possible loss of

principal.

This Overview and Report is for shareholder information. This is not a Prospectus intended for use in the sale of Fund Shares. Statements and other information contained in this Overview and Report are as dated and subject to change.

Federated World-Class Investment Manager

Federated Premier Municipal Income Fund
Federated Investors Funds
5800 Corporate Drive
Pittsburgh, PA 15237-7000
Contact us at **FederatedInvestors.com**
or call 1-800-341-7400.

Federated Securities Corp., Distributor

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Cusip 31423M204

29861 (1/07)

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ITEM 2. CODE OF ETHICS

(a) As of the end of the period covered by this report, the registrant has adopted a code of ethics (the "Section 406 Standards for Investment Companies - Ethical Standards for Principal Executive and Financial Officers") that applies to the registrant's Principal Executive Officer and Principal Financial Officer; the registrant's Principal Financial Officer also serves as the Principal Accounting Officer.

(c) Not Applicable

(d) Not Applicable

(e) Not Applicable

(f) (3) The registrant hereby undertakes to provide any person, without charge, upon request, a copy of the code of ethics. To request a copy of the code of ethics, contact the registrant at 1-800-341-7400, and ask for a copy of the Section 406 Standards for Investment Companies - Ethical Standards for Principal Executive and Financial Officers.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT

The registrant's Board has determined that each member of the Board's Audit Committee is an "audit committee financial expert," and that each such member is "independent," for purposes of this Item. The Audit Committee consists of the following Board members: Thomas G. Bigley, John T. Conroy, Jr., Nicholas P. Constantakis and Charles F. Mansfield, Jr.

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ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

(a) Audit Fees billed to the registrant for the two most recent fiscal years:

Fiscal year ended 2006 - \$28,000

Fiscal year ended 2005 - \$25,895

(b) Audit-Related Fees billed to the registrant for the two most recent fiscal years:

Fiscal year ended 2006 - \$20,000

Fiscal year ended 2005 - \$20,081

Quarterly review of Preferred Shares asset maintenance test calculations, and Quarterly review of Preferred Shares asset maintenance test calculations and transfer agent testing, respectively.

Amount requiring approval of the registrant's audit committee pursuant to paragraph (c) (7) (ii) of Rule 2-01 of Regulation S-X, \$0 and \$111,153 respectively. Sarbanes Oxley sec. 302 procedures.

(c) Tax Fees billed to the registrant for the two most recent fiscal years:

Fiscal year ended 2006 - \$0

Fiscal year ended 2005 - \$0

Amount requiring approval of the registrant's audit committee pursuant to paragraph (c) (7) (ii) of Rule 2-01 of Regulation S-X, \$0 and \$0 respectively.

(d) All Other Fees billed to the registrant for the two most recent fiscal years:

Fiscal year ended 2006 - \$0

Fiscal year ended 2005 - \$0

Amount requiring approval of the registrant's audit committee pursuant to paragraph (c) (7) (ii) of Rule 2-01 of Regulation S-X, \$0 and \$0 respectively.

(e) (1) Audit Committee Policies regarding Pre-approval of Services.

The Audit Committee is required to pre-approve audit and non-audit services performed by the independent auditor in order to assure that the provision of such services does not impair the auditor's independence. Unless a type of service to be provided by the independent auditor has received general pre-approval, it will require specific pre-approval by the Audit Committee. Any proposed services exceeding pre-approved cost levels will require specific pre-approval by the Audit Committee.

Certain services have the general pre-approval of the Audit Committee. The term of the general pre-approval is 12 months from the date of pre-approval, unless the Audit Committee specifically provides for a different period. The Audit Committee will annually review the services that may be

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provided by the independent auditor without obtaining specific pre-approval from the Audit Committee and may grant general pre-approval for such services. The Audit Committee will revise the list of general pre-approved services from time to time, based on subsequent determinations. The Audit Committee will not delegate its responsibilities to pre-approve services performed by the independent auditor to management.

The Audit Committee has delegated pre-approval authority to its Chairman. The Chairman will report any pre-approval decisions to the Audit Committee at its next scheduled meeting. The Committee will designate another member with such pre-approval authority when the Chairman is unavailable.

AUDIT SERVICES

The annual Audit services engagement terms and fees will be subject to the specific pre-approval of the Audit Committee. The Audit Committee must approve any changes in terms, conditions and fees resulting from changes in audit scope, registered investment company (RIC) structure or other matters.

In addition to the annual Audit services engagement specifically approved by the Audit Committee, the Audit Committee may grant general pre-approval for other Audit Services, which are those services that only the independent auditor reasonably can provide. The Audit Committee has pre-approved certain Audit services; all other Audit services must be specifically pre-approved by the Audit Committee.

AUDIT-RELATED SERVICES

Audit-related services are assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements or that are traditionally performed by the independent auditor. The Audit Committee believes that the provision of Audit-related services does not impair the independence of the auditor, and has pre-approved certain Audit-related services; all other Audit-related services must be specifically pre-approved by the Audit Committee.

TAX SERVICES

The Audit Committee believes that the independent auditor can provide Tax services to the Company such as tax compliance, tax planning and tax advice without impairing the auditor's independence. However, the Audit Committee will not permit the retention of the independent auditor in connection with a transaction initially recommended by the independent auditor, the purpose of which may be tax avoidance and the tax treatment of which may not be supported in the Internal Revenue Code and related regulations. The Audit Committee has pre-approved certain Tax services, all Tax services involving large and complex transactions must be specifically pre-approved by the Audit Committee.

ALL OTHER SERVICES

With respect to the provision of services other than audit, review or attest services the pre-approval requirement is waived if:

- (1) The aggregate amount of all such services provided constitutes no more than five percent of the total amount of revenues paid by the registrant, the registrant's adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides

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- ongoing services to the registrant to its accountant during the fiscal year in which the services are provided;
- (2) Such services were not recognized by the registrant, the registrant's adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant at the time of the engagement to be non-audit services; and
- (3) Such services are promptly brought to the attention of the Audit Committee of the issuer and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the Audit Committee.

The Audit Committee may grant general pre-approval to those permissible non-audit services classified as All Other services that it believes are routine and recurring services, and would not impair the independence of the auditor.

The SEC's rules and relevant guidance should be consulted to determine the precise definitions of prohibited non-audit services and the applicability of exceptions to certain of the prohibitions.

PRE-APPROVAL FEE LEVELS

Pre-approval fee levels for all services to be provided by the independent auditor will be established annually by the Audit Committee. Any proposed services exceeding these levels will require specific pre-approval by the Audit Committee.

PROCEDURES

Requests or applications to provide services that require specific approval by the Audit Committee will be submitted to the Audit Committee by both the independent auditor and the Principal Accounting Officer and/or Internal Auditor, and must include a joint statement as to whether, in their view, the request or application is consistent with the SEC's rules on auditor independence.

(e) (2) Percentage of services identified in items 4(b) through 4(d) that were approved by the registrant's audit committee pursuant to paragraph (c) (7) (i) (C) of Rule 2-01 of Regulation S-X:

4(b)

Fiscal year ended 2006 - 0%

Fiscal year ended 2005 - 0%

Percentage of services provided to the registrants investment adviser and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were approved by the registrants audit committee pursuant to paragraph (c) (7) (i) (C) of Rule 2-01 of Regulation S-X, 0% and 0% respectively.

4(c)

Fiscal year ended 2006 - 0%

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Fiscal year ended 2005 - 0%

Percentage of services provided to the registrants investment adviser and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were approved by the registrants audit committee pursuant to paragraph (c) (7) (i) (C) of Rule 2-01 of Regulation S-X, 0% and 0% respectively.

4(d)

Fiscal year ended 2006 - 0%

Fiscal year ended 2005 - 0%

Percentage of services provided to the registrants investment adviser and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were approved by the registrants audit committee pursuant to paragraph (c) (7) (i) (C) of Rule 2-01 of Regulation S-X, 0% and 0% respectively.

(f) NA

(g) Non-Audit Fees billed to the registrant, the registrant's investment adviser, and certain entities controlling, controlled by or under common control with the investment adviser:

Fiscal year ended 2006 - \$177,119

Fiscal year ended 2005 - \$202,136

(h) The registrant's Audit Committee has considered that the provision of non-audit services that were rendered to the registrant's adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c) (7) (ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS

The registrant has established an Audit Committee of the Board as described in Section 3(a) (58) (A) of the Securities Exchange Act of 1934. The Audit Committee consists of the following Board members: Thomas G. Bigley, John T. Conroy, Jr., Nicholas P. Constantakis and Charles F. Mansfield, Jr.

ITEM 6. SCHEDULE OF INVESTMENTS

Not Applicable

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

VOTING PROXIES ON REGISTRANT PORTFOLIO SECURITIES

The registrant's Board of Trustees has delegated to the registrant's Adviser authority to vote proxies on the securities held in the registrant's portfolio. The Board has also approved the Adviser's policies and procedures for voting the proxies, which are described below.

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PROXY VOTING POLICIES

The Adviser's general policy is to cast proxy votes in favor of proposals that the Adviser anticipates will enhance the long-term value of the securities being voted. Generally, this will mean voting for proposals that the Adviser believes will: improve the management of a company; increase the rights or preferences of the voted securities; and/or increase the chance that a premium offer would be made for the company or for the voted securities.

The following examples illustrate how these general policies may apply to proposals submitted by a company's board of directors. However, whether the Adviser supports or opposes a proposal will always depend on the specific circumstances described in the proxy statement and other available information. On matters of corporate governance, generally the Adviser will vote for proposals to: require independent tabulation of proxies and/or confidential voting by shareholders; reorganize in another jurisdiction (unless it would reduce the rights or preferences of the securities being voted); and repeal a shareholder rights plan (also known as a "poison pill"). The Adviser will generally vote against the adoption of such a plan (unless the plan is designed to facilitate, rather than prevent, unsolicited offers for the company). On matters of capital structure, generally the Adviser will vote: against proposals to authorize or issue shares that are senior in priority or voting rights to the securities being voted; for proposals to grant preemptive rights to the securities being voted; and against proposals to eliminate such preemptive rights.

On matters relating to management compensation, generally the Adviser will vote: for stock incentive plans that align the recipients' interests with the interests of shareholders without creating undue dilution; and against proposals that would permit the amendment or replacement of outstanding stock incentives with new stock incentives having more favorable terms.

On matters relating to corporate transactions, the Adviser will vote proxies relating to proposed mergers, capital reorganizations, and similar transactions in accordance with the general policy, based upon its analysis of the proposed transaction. The Adviser will vote proxies in contested elections of directors in accordance with the general policy, based upon its analysis of the opposing slates and their respective proposed business strategies. Some transactions may also involve proposed changes to the company's corporate governance, capital structure or management compensation. The Adviser will vote on such changes based on its evaluation of the proposed transaction or contested election. In these circumstances, the Adviser may vote in a manner contrary to the general practice for similar proposals made outside the context of such a proposed transaction or change in the board. For example, if the Adviser decides to vote against a proposed transaction, it may vote for anti-takeover measures reasonably designed to prevent the transaction, even though the Adviser typically votes against such measures in other contexts.

The Adviser generally votes against proposals submitted by shareholders without the favorable recommendation of a company's board. The Adviser believes that a company's board should manage its business and policies, and that shareholders who seek specific changes should strive to convince the board of their merits or seek direct representation on the board.

In addition, the Adviser will not vote if it determines that the consequences or costs outweigh the potential benefit of voting. For example, if a foreign market requires shareholders casting proxies to retain the voted shares until the meeting date (thereby rendering the shares "illiquid" for some period of time), the Adviser will not vote proxies for such shares.

PROXY VOTING PROCEDURES

The Adviser has established a Proxy Voting Committee (Proxy Committee), to exercise all voting discretion granted to the Adviser by the Board in accordance with the proxy voting policies. The Adviser has hired Institutional Shareholder Services (ISS) to obtain, vote, and record proxies in accordance with the Proxy Committee's directions. The Proxy Committee directs ISS by means of Proxy Voting Guidelines, and ISS may vote any proxy as directed in the Proxy Voting Guidelines without further direction from the Proxy Committee (and may make any

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determinations required to implement the Proxy Voting Guidelines). However, if the Proxy Voting Guidelines require case-by-case direction for a proposal, ISS will provide the Proxy Committee with all information that it has obtained regarding the proposal and the Proxy Committee will provide specific direction to ISS. The Adviser's proxy voting procedures generally permit the Proxy Committee to amend the Proxy Voting Guidelines, or override the directions provided in such Guidelines, whenever necessary to comply with the proxy voting policies.

CONFLICTS OF INTEREST

The Adviser has adopted procedures to address situations where a matter on which a proxy is sought may present a potential conflict between the interests of the Fund (and its shareholders) and those of the Adviser or Distributor. This may occur where a significant business relationship exists between the Adviser (or its affiliates) and a company involved with a proxy vote. A company that is a proponent, opponent, or the subject of a proxy vote, and which to the knowledge of the Proxy Committee has this type of significant business relationship, is referred to as an "Interested Company."

The Adviser has implemented the following procedures in order to avoid concerns that the conflicting interests of the Adviser have influenced proxy votes. Any employee of the Adviser who is contacted by an Interested Company regarding proxies to be voted by the Adviser must refer the Interested Company to a member of the Proxy Committee, and must inform the Interested Company that the Proxy Committee has exclusive authority to determine how the Adviser will vote. Any Proxy Committee member contacted by an Interested Company must report it to the full Proxy Committee and provide a written summary of the communication. Under no circumstances will the Proxy Committee or any member of the Proxy Committee make a commitment to an Interested Company regarding the voting of proxies or disclose to an Interested Company how the Proxy Committee has directed such proxies to be voted. If the Proxy Voting Guidelines already provide specific direction on the proposal in question, the Proxy Committee shall not alter or amend such directions. If the Proxy Voting Guidelines require the Proxy Committee to provide further direction, the Proxy Committee shall do so in accordance with the proxy voting policies, without regard for the interests of the Adviser with respect to the Interested Company. If the Proxy Committee provides any direction as to the voting of proxies relating to a proposal affecting an Interested Company, it must disclose to the Fund's Board information regarding: the significant business relationship; any material communication with the Interested Company; the matter(s) voted on; and how, and why, the Adviser voted as it did.

If the Fund holds shares of another investment company for which the Adviser (or an affiliate) acts as an investment adviser, the Proxy Committee will vote the Fund's proxies in the same proportion as the votes cast by shareholders who are not clients of the Adviser at any shareholders' meeting called by such investment company, unless otherwise directed by the Board.

PROXY VOTING REPORT

A report on "Form N-PX" of how the Fund voted any proxies during the most recent 12-month period ended June 30 is available through Federated's website. Go to FederatedInvestors.com; select "Products;" select the Fund; then use the link to "Prospectuses and Regulatory Reports" to access the link to Form N-PX. Form N-PX filings are also available at the SEC's website at www.sec.gov.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES

The Portfolio Managers listed below are jointly and primarily responsible for managing the Fund's assets.

LEE R. CUNNINGHAM II

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The information provided in the following paragraph is as of February 5, 2007.

Lee R. Cunningham II has been a Portfolio Manager of the Fund since December 2002. Mr. Cunningham joined Federated in 1995 as an Investment Analyst and has been a Portfolio Manager since 1998. He was named an Assistant Vice President of the Fund's Adviser in January 1998 and became a Vice President of the Fund's Adviser in July 2000. From 1986 through 1994, Mr. Cunningham was a Project Engineer with Pennsylvania Power and Light Company. Mr. Cunningham received his M.B.A. with concentrations in Finance and Operations from the University of Pittsburgh.

PORTFOLIO MANAGER INFORMATION

The following information about the Fund's portfolio manager is provided as of the end of the fund's most recently completed fiscal year.

Other Accounts Managed	Total Number of Other Accounts Managed / Total Assets*
Registered Investment Companies	4 Funds / \$434.52 million
Other Pooled Investment Vehicles	0
Other Accounts	0

* None of the Accounts has an advisory fee that is based on the performance of the account.

Dollar value range of shares owned in the Fund: none.

Lee Cunningham II is paid a fixed base salary and a variable annual incentive. Base salary is determined within a market competitive position-specific salary range, based on the portfolio manager's experience and performance. The annual incentive amount is determined based on multiple performance criteria using a Balanced Scorecard methodology, and may be paid entirely in cash, or in a combination of cash and restricted stock of Federated Investors, Inc. (Federated). There are five weighted performance categories in the Balanced Scorecard. Investment Product Performance (IPP) is the predominant factor. Of lesser importance are: Leadership/Teamwork/Communication, Client Satisfaction and Service, Research Performance and Financial Success. The total Balanced Scorecard "score" is applied against an annual incentive opportunity that is competitive in the market for this portfolio manager role to determine the annual incentive payment.

IPP is predicated on meeting rolling 1, 3, and 5 calendar year pre-tax gross total return targets vs. a designated peer group of comparable accounts. If the gross total return targets are met, IPP is calculated based on 1, 3, and 5 calendar year pre-tax gross income return vs. the designated peer group of comparable accounts. Performance periods are adjusted if a portfolio manager has been managing an account for less than five years; accounts with less than one-year of performance history under a portfolio manager may be excluded. As noted above, Mr. Cunningham is also the portfolio manager for other accounts in addition to the Fund. Such other accounts may have different benchmarks. IPP is calculated with an equal weighting of each account managed by the portfolio manager. In this regard, any account for which the total return target is not met will receive a score of zero. Additionally, a portion of Mr. Cunningham's IPP score is based on the performance of portfolios for which he provides research and analytical support.

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Leadership/Teamwork/Communication is assessed by Federated's management.

Client Satisfaction and Service is assessed by Federated's senior management considering the quality, amount, and effectiveness of client support activities, with input from sales management.

The Financial Success category is designed to tie the portfolio manager's bonus, in part, to Federated's overall financial health, and any awards are predicated on Federated's attainment of specified financial targets. Senior management determines individual Financial Success scores on a discretionary basis, considering overall contributions, including factors not fully reflected in the other Balanced Scorecard categories.

As a general matter, certain conflicts of interest may arise in connection with a portfolio manager's management of a fund's investments, on the one hand, and the investments of other accounts for which the portfolio manager is responsible, on the other. For example, it is possible that the various accounts managed could have different investment strategies that, at times, might conflict with one another to the possible detriment of the Fund. Alternatively, to the extent that the same investment opportunities might be desirable for more than one account, possible conflicts could arise in determining how to allocate them. Other potential conflicts might include conflicts created by specific portfolio manager compensation arrangements, and conflicts relating to selection of brokers or dealers to execute fund portfolio trades and/or specific uses of commissions from Fund portfolio trades (for example, research, or "soft dollars"). The Adviser has structured the portfolio managers' compensation in a manner, and the Fund has adopted policies and procedures, reasonably designed to safeguard the Fund from being negatively affected as a result of any such potential conflicts.

R.J. GALLO

The information provided in the following paragraph is as of February 5, 2007.

R.J. Gallo has been the Fund's Portfolio Manager since December 2002. Mr. Gallo joined Federated in 2000 as an Investment Analyst. He became a Vice President of the Fund's Adviser in January 2005 and served as Assistant Vice President of the Fund's Adviser from January 2002 through 2004. He has been a Portfolio Manager since December 2002. From 1996 to 2000, Mr. Gallo was a Financial Analyst and Trader at the Federal Reserve Bank of New York. Mr. Gallo is a Chartered Financial Analyst. Mr. Gallo received a Master's in Public Affairs with a concentration in Economics and Public Policy from Princeton University.

PORTFOLIO MANAGER INFORMATION

The following information about the Fund's portfolio manager is provided as of the end of the fund's most recently completed fiscal year.

Other Accounts Managed

Total Number of Other Accounts Managed / Total Assets*

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Registered Investment Companies 2 Funds / \$603.26 million
Other Pooled Investment Vehicles 0
Other Accounts 0

* None of the Accounts has an advisory fee that is based on the performance of the account.

Dollar value range of shares owned in the Fund: none.

Richard J. Gallo is paid a fixed base salary and a variable annual incentive. Base salary is determined within a market competitive position-specific salary range, based on the portfolio manager's experience and performance. The annual incentive amount is determined based on multiple performance criteria using a Balanced Scorecard methodology, and may be paid entirely in cash, or in a combination of cash and restricted stock of Federated Investors, Inc. (Federated). There are five weighted performance categories in the Balanced Scorecard. Investment Product Performance (IPP) is the predominant factor. Of lesser importance are: Leadership/Teamwork/Communication, Client Satisfaction and Service, Research Performance and Financial Success. The total Balanced Scorecard "score" is applied against an annual incentive opportunity that is competitive in the market for this portfolio manager role to determine the annual incentive payment.

IPP is predicated on meeting rolling 1, 3, and 5 calendar year pre-tax gross total return targets vs. a designated peer group of comparable accounts. If the gross total return targets are met, IPP is calculated based on 1, 3, and 5 calendar year pre-tax gross income return vs. the designated peer group of comparable accounts. In addition, for certain accounts, performance is measured on a rolling 1, 3, and 5 calendar year taxable equivalent gross total return and taxable equivalent average one-year gross distribution yield basis vs. a designated peer group of comparable accounts. Performance periods are adjusted if a portfolio manager has been managing an account for less than five years; accounts with less than one-year of performance history under a portfolio manager may be excluded. As noted above, Mr. Gallo is also the portfolio manager for other accounts in addition to the Fund. Such other accounts may have different benchmarks and IPP measurements. IPP is calculated with an equal weighting of each account managed by the portfolio manager. Additionally, a portion of Mr. Gallo's IPP score is based on the performance of portfolios for which he provides research and analytical support.

Leadership/Teamwork/Communication is assessed by Federated's management.

Client Satisfaction and Service is assessed by Federated's senior management considering the quality, amount, and effectiveness of client support activities, with input from sales management.

Research performance focuses on the quality of security recommendations, timeliness and other qualitative factors and is assessed by the Chief Investment Officer and other managers in portfolio manager's group.

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The Financial Success category is designed to tie the portfolio manager's bonus, in part, to Federated's overall financial health, and any awards are predicated on Federated's attainment of specified financial targets. Senior management determines individual Financial Success scores on a discretionary basis, considering overall contributions, including factors not fully reflected in the other Balanced Scorecard categories.

In addition, Richard J. Gallo was awarded a grant of restricted Federated stock. Awards of restricted stock are discretionary and are made in variable amounts based on the subjective judgment of Federated's senior management.

As a general matter, certain conflicts of interest may arise in connection with a portfolio manager's management of a fund's investments, on the one hand, and the investments of other accounts for which the portfolio manager is responsible, on the other. For example, it is possible that the various accounts managed could have different investment strategies that, at times, might conflict with one another to the possible detriment of the Fund. Alternatively, to the extent that the same investment opportunities might be desirable for more than one account, possible conflicts could arise in determining how to allocate them. Other potential conflicts might include conflicts created by specific portfolio manager compensation arrangements, and conflicts relating to selection of brokers or dealers to execute fund portfolio trades and/or specific uses of commissions from Fund portfolio trades (for example, research, or "soft dollars"). The Adviser has structured the portfolio managers' compensation in a manner, and the Fund has adopted policies and procedures, reasonably designed to safeguard the Fund from being negatively affected as a result of any such potential conflicts.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS

PERIOD	(A) TOTAL NUMBER OF COMMON SHARES (OR UNITS) PURCHASED	(B) AVERAGE PRICE PAID PER COMMON SHARE (OR UNIT)	(C) TOTAL NUMBER OF COMMON SHARES (OR UNITS) PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS	MAXIMUM NUMBER (OR APPROXIMATE NUMBER OF UNITS) THAT MAY YET BE PURCHASED
Month #1 (June 1, 2006 - June 30, 2006)	-0-	NA	-0-	
Month #2 (July 1, 2006- July 31, 2006)	-0-	NA	-0-	
Month #3 (August 1, 2006-August 31, 2006)	-0-	NA	-0-	

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Month #4 (September 1, 2006- September 30, 2006)	-0-	NA	-0-
Month #5 (October 1, 2006- October 31, 2006)	-0-	NA	-0-
Month #6 (November 1, 2006- November 30, 2006)	-0-	NA	-0-
TOTAL	-0-	NA	-0-

PERIOD	(A) TOTAL NUMBER OF PREFERRED SHARES (OR UNITS) PURCHASED	(B) AVERAGE PRICE PAID PER PREFERRED SHARE (OR UNIT)	(C) TOTAL NUMBER OF PREFERRED SHARES (OR UNITS) PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS	MAXIMUM NUMBER (OR APPROXI SHARES (OR UNITS) THAT MAY Y P
Month #1 (June 1, 2006 - June 30, 2006)	-0-	NA	-0-	
Month #2 (July 1, 2006- July 31, 2006)	-0-	NA	-0-	
Month #3 (August 1, 2006- August 31, 2006)	-0-	NA	-0-	
Month #4 (September 1, 2006- September 30, 2006)	-0-	NA	-0-	
Month #5 (October 1, 2006- October 31, 2006)	-0-	NA	-0-	
Month #6 (November 1, 2006- November 30, 2006)	-0-	NA	-0-	
TOTAL	-0-	NA	-0-	

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No changes to report.

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ITEM 11. CONTROLS AND PROCEDURES

(a) The registrant's President and Treasurer have concluded that the registrant's disclosure controls and procedures (as defined in rule 30a-3(c) under the Act) are effective in design and operation and are sufficient to form the basis of the certifications required by Rule 30a-(2) under the Act, based on their evaluation of these disclosure controls and procedures within 90 days of the filing date of this report on Form N-CSR.

(b) Management has implemented the additional control of identifying inverse floater securities in which the Fund transferred the underlying bond to a trust in order to record this transfer in accordance with SFAS 140.

ITEM 12. EXHIBITS

The following exhibits are filed with this report:

(a) (2) Certifications of Principal Executive Officer and Principal Financial Officer.

(b) Certifications pursuant to 18 U.S.C. section 1350.

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 FEDERATED PREMIER INTERMEDIATE MUNICIPAL INCOME FUND

BY /S/ RICHARD A. NOVAK
Richard A. Novak, Principal Financial Officer
DATE January 23, 2007

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 /S/ J. CHRISTOPHER DONAHUE
J. Christopher Donahue, Principal Executive Officer
DATE January 23, 2007

BY /S/RICHARD A. NOVAK
Richard A. Novak, Principal Financial Officer
DATE January 23, 2007

