

NEUBERGER BERMAN CALIFORNIA INTERMEDIATE MUNICIPAL FUND INC
Form N-CSR
January 05, 2007

As filed with the Securities and Exchange Commission on January 5, 2007

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-21167

NEUBERGER BERMAN CALIFORNIA INTERMEDIATE MUNICIPAL FUND INC.

(Exact Name of the Registrant as Specified in Charter)
c/o Neuberger Berman Management Inc.
605 Third Avenue, 2nd Floor
New York, New York 10158-0180
(Address of Principal Executive Offices - Zip Code)

Registrant's telephone number, including area code: (212) 476-8800

Peter E. Sundman, Chief Executive Officer
c/o Neuberger Berman Management Inc.
Neuberger Berman California Intermediate Municipal Fund Inc.
605 Third Avenue, 2nd Floor
New York, New York 10158-0180

Arthur C. Delibert, Esq.
Kirkpatrick & Lockhart Preston Gates Ellis LLP
1601 K Street, N.W.
Washington, D.C. 20006-1600
(Names and Addresses of agents for service)

Date of fiscal year end: October 31, 2006

Date of reporting period: October 31, 2006

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

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. REPORTS TO SHAREHOLDERS

ANNUAL REPORT
OCTOBER 31, 2006

NEUBERGER BERMAN
A LEHMAN BROTHERS COMPANY

NEUBERGER BERMAN
INTERMEDIATE
MUNICIPAL
CLOSED-END FUNDS

CALIFORNIA INTERMEDIATE MUNICIPAL FUND INC.

INTERMEDIATE MUNICIPAL FUND INC.

NEW YORK INTERMEDIATE MUNICIPAL FUND INC.

NEUBERGER BERMAN OCTOBER 31, 2006

CHAIRMAN'S LETTER

Dear Shareholder,

I am pleased to present to you this annual report for the Neuberger Berman Intermediate Municipal Closed-End Funds for the 12 months ended October 31, 2006. The report includes portfolio commentary, a listing of the Funds' investments, and their audited financial statements for the reporting period.

Each Fund's investment objective is to provide a high level of current income exempt from regular federal income tax and, for each state-specific fund, a high level of current income exempt from that state's personal income taxes (and in the case of the New York Fund, New York City personal income tax).

We invest in intermediate-term municipal bonds because our experience and research indicate strongly that this maturity range has historically offered the best risk/reward profile on the yield curve, providing much of the return of longer-term bonds--with less volatility and risk.

We believe that our conservative investment philosophy and disciplined investment process will benefit you with superior tax exempt current income over the long term.

Thank you for your confidence in Neuberger Berman. We will continue to do our best to earn it.

Sincerely,

/s/ PETER SUNDMAN

PETER SUNDMAN
CHAIRMAN OF THE BOARD
CALIFORNIA INTERMEDIATE MUNICIPAL FUND INC.
INTERMEDIATE MUNICIPAL FUND INC.
NEW YORK INTERMEDIATE MUNICIPAL FUND INC.

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INTERMEDIATE MUNICIPAL CLOSED-END FUNDS PORTFOLIO COMMENTARIES

Mixed economic signals and uncertainty regarding future Federal Reserve monetary policy decisions restrained bond returns in the first half of the fiscal year ended October 31, 2006. However, as investors saw more evidence that the economy was beginning to decelerate and gained confidence that the extended Federal Reserve tightening cycle was nearing an end, fixed income markets firmed. The Fed's August 8 decision to leave the Fed Funds Rate unchanged at 5.25% (a neutral posture that has remained intact through subsequent Fed meetings) contributed to a bond market rally that resulted in respectable returns for the fiscal year.

We are pleased to report that on a net asset value (NAV) basis, all three of Neuberger Berman's Intermediate Municipal Closed-End Funds posted healthy gains and materially outperformed the Lehman 10-Year Municipal Bond Index for the

fiscal year.

Throughout the year, the Funds' weighted average maturities and durations were maintained in a narrow range reflecting our modestly bullish posture. Sector allocations remained heavily weighted in advantageously priced revenue bonds. During the first half of the fiscal year, our high credit quality standards restrained relative returns as lower rated bonds outperformed. However, credit quality did not have a material impact on relative returns in the second half. And with today's historically tight credit spreads (or a minimal yield differential between higher and lower rated bonds), there is even less incentive to sacrifice quality for yield. In fact, we think that the credit risk of some lower rated bonds has increased substantially. For example, real estate developments financed partially through the issuance of municipal debt (in the lingo of municipal bond investors, "dirt deals") may be especially risky in view of the current housing market slump.

Although investors' perspective has changed since the beginning of last year, all eyes remain on the Federal Reserve. The questions DU JOUR are now "How long will the Fed maintain a neutral posture?" and "Is the next move to hike or cut rates?" Following the announcement of surprisingly weak 1.6% third quarter GDP growth (later revised up to 2.2%) and a chorus of bad news from homebuilding companies, the bond market seemed to be pricing in anticipation of a Fed rate cut in first quarter 2007. Then, much better-than-anticipated third quarter corporate profits and a strong October jobs report led economists and market strategists to not only question whether the Fed might begin easing interest rates, but also to consider whether there could actually be one or two more rate hikes in the offing. With today's flat yield curve providing no financial incentive to lengthen the Funds' weighted average maturities or durations, we will likely maintain the portfolios' current interest rate exposure until we see a clearer direction for the economy and the Fed.

Our outlook for the municipal securities market remains largely constructive. There are some potholes in the market in the form of municipal entities suffering financial stress due to underfunded pension plans and/or rising health care costs. That's why our internal credit analysis remains critical. However, in general, we believe that municipal balance sheets are strong enough to accommodate any decrease in revenues resulting from a slower growth economy or even a mild recession. Most importantly, municipal bond yields still provide a meaningful return advantage for investors in high federal income tax brackets.

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CALIFORNIA INTERMEDIATE MUNICIPAL FUND INC.

For the 12 months ended October 31, 2006, on a net asset value (NAV) basis, the California Intermediate Municipal Fund returned 7.51% compared to the Lehman 10-Year Municipal Bond Index's 5.99% gain.

As of October 31, 2006, the portfolio was comprised of 84.6% revenue bonds, 10.3% general obligation bonds, and 5.1% short-term investments. Bonds subject to the Alternative Minimum Tax (AMT) equaled 14.8% of assets. At the close of the reporting period, the Fund's duration was 4.8 years and the portfolio's leverage position was 36.7% of assets.

INTERMEDIATE MUNICIPAL FUND INC.

For the 12 months ended October 31, 2006, on a net asset value (NAV) basis the Intermediate Municipal Fund returned 7.22% compared to the Lehman 10-Year Municipal Bond Index's 5.99% gain.

As of October 31, 2006, the portfolio was comprised of 77.9% revenue bonds,

16.1% general obligation bonds, 4.2% pre-refunded/escrow bonds, and 1.8% short-term investments. Bonds subject to the Alternative Minimum Tax (AMT) equaled 14.4% of assets. At the close of the reporting period, the Fund's duration was 5.1 years and the portfolio's leverage position was 36.8% of assets.

NEW YORK INTERMEDIATE MUNICIPAL FUND INC.

For the 12 months ended October 31, 2006, on a net asset value (NAV) basis, the New York Intermediate Municipal Fund returned 7.05% compared to the Lehman 10-Year Municipal Bond Index's 5.99% gain.

As of October 31, 2006, the portfolio was comprised of 93.7% revenue bonds, 4.6% general obligation bonds, and 1.7% short-term investments. Bonds subject to the Alternative Minimum Tax (AMT) equaled 20.5% of assets. At the close of the reporting period, the Fund's duration was 4.9 years and the portfolio's leverage position was 37.1% of assets.

Sincerely,

/s/ THOMAS BROPHY /s/ LORI CANELL

 THOMAS BROPHY AND LORI CANELL
 PORTFOLIO CO-MANAGERS

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INTERMEDIATE MUNICIPAL CLOSED-END FUNDS

	CALIFORNIA INTERMEDIATE MUNICIPAL FUND AMEX TICKER SYMBOL NBW	INTERMEDIATE MUNICIPAL FUND AMEX TICKER SYMBOL NBH	NEW YORK INTERMEDIATE MUNICIPAL FUND AMEX TICKER SYMBOL NBO
1 YEAR TOTAL RETURN			
NAV(1), (3), (4)	7.51%	7.22%	7.05%
MARKET PRICE(2), (3), (4)	12.10%	10.22%	13.70%
AVERAGE ANNUAL TOTAL RETURN (Life of Fund as of October 31, 2006)			
NAV(1), (3), (4)	6.61%	6.71%	6.27%
MARKET PRICE(2), (3), (4)	4.82%	4.31%	4.93%
INCEPTION DATE	09/24/2002	09/24/2002	09/24/2002

CALIFORNIA INTERMEDIATE MUNICIPAL FUND RATING DIVERSIFICATION

(% BY RATINGS)

AAA	53.5%
AA	2.4
A	19.7
BBB	18.0
BB	1.3
B	1.0
CCC	0.3
CC	0.0
C	0.0
D	0.0
Not Rated	3.4
Short Term	0.4

INTERMEDIATE MUNICIPAL FUND RATING DIVERSIFICATION

(% BY RATINGS)

AAA	54.5%
-----	-------

AA	8.2
A	11.4
BBB	17.0
BB	1.4
B	1.5
CCC	0.4
CC	0.0
C	0.0
D	0.0
Not Rated	5.0
Short Term	0.6

NEW YORK INTERMEDIATE MUNICIPAL FUND RATING DIVERSIFICATION
(% BY RATINGS)

AAA	26.6%
AA	27.6
A	12.1
BBB	15.9
BB	10.6
B	1.8
CCC	0.4
CC	0.0
C	0.0
D	0.0
Not Rated	4.5
Short Term	0.5

Closed-end funds, unlike open-end funds, are not continually offered. There is an initial public offering and once issued, common shares of closed-end funds are sold in the open market through a stock exchange.

The composition, industries and holdings of the Fund are subject to change. Investment return will fluctuate. Past performance is no guarantee of future results.

ENDNOTES

- (1) Returns based on Net Asset Value ("NAV") of the Funds.
- (2) Returns based on market price of Fund shares on the American Stock Exchange.
- (3) A portion of the income from each Fund may be a tax preference item for purposes of the Federal alternative minimum tax for certain investors.
- (4) Neuberger Berman Management Inc. has contractually agreed to waive a portion of the management fees that it is entitled to receive from each Fund. Each undertaking lasts until October 31, 2011. Please see the notes to the financial statements for specific information regarding the rate of the management fees waived by Neuberger Berman Management Inc. Absent such a waiver, the performance of each Fund would be lower.
- (5) Unaudited performance data current to the most recent month-end are available at www.nb.com.

GLOSSARY OF INDICES

LEHMAN 10-YEAR MUNICIPAL BOND INDEX: The index is the 10-year (8-12) component of the Lehman Municipal Bond Index which is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. To be included in the index, bonds must have a minimum credit rating of Baa. They must have an outstanding par value of at least \$5 million and be issued as part of a transaction of at least \$50 million. The bonds must have a dated-date after December 31, 1990 and must be at least one year from their maturity date. Remarketed issues, taxable municipal bonds, bonds with floating rates, and derivatives, are excluded from the benchmark.

Please note that the index does not take into account any fees and expenses or any tax consequences of investing in the individual securities that it tracks and that investors cannot invest directly in any index or average. Data about the performance of each index or average are prepared or obtained by Neuberger Berman Management Inc. and include reinvestment of all dividends and capital gain distributions. Each Fund may invest in securities not included in its respective index.

NEUBERGER BERMAN OC

SCHEDULE OF INVESTMENTS CALIFORNIA INTERMEDIATE MUNICIPAL FUND INC.

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY @	RATING@@ MOODY'S	S&P
ARIZONA (0.8%)			
\$ 750	Verrado Comm. Fac. Dist. Number 1 G.O., Ser. 2003, 6.15%, due 7/15/17		
CALIFORNIA (133.7%)			
780	Abag Fin. Au. Cert. of Participation Rev. (Channing House), Ser. 1999, 4.90%, due 2/15/09		BBB
3,050	Abag Fin. Au. Cert. of Participation Rev. (Episcopal Homes Foundation), Ser. 1998, 5.13%, due 7/1/18		BBB+
1,000	Abag Fin. Au. Rev. (San Diego Hosp. Assoc.), Ser. 2003 C, 5.13%, due 3/1/18	Baa1	BBB+
1,250	Alameda Co. Cert. of Participation Ref. Rev., Ser. 2001 A, (MBIA Insured), 5.38%, due 12/1/17	Aaa	
1,285	Bay Area Governments Assoc. BART SFO Extension Rev. (Arpt. Premium Fare), Ser. 2002 A, (AMBAC Insured), 5.00%, due 8/1/21	Aaa	AAA
1,000	Burbank Pub. Svc. Dept. Elec. Rev., Ser. 1998, (FSA Insured), 5.13%, due 6/1/16	Aaa	AAA
555	California Co. Tobacco Securitization Agcy. Tobacco Settlement Asset-Backed Rev., Ser. 2002, 4.75%, due 6/1/19	Baa3	

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1,750	California Ed. Fac. Au. Ref. Rev. (Stanford Univ.), Ser. 2001 R, 5.00%, due 11/1/21	Aaa	AAA
2,000	California Hlth. Fac. Fin. Au. Rev. (Catholic Healthcare West), Ser. 2004 I, 4.95%, due 7/1/26	A2	A
2,000	California Hlth. Fac. Fin. Au. Rev. (Cedars-Sinai Med. Ctr.), Ser. 1999 A, 6.13%, due 12/1/19	A3	
2,000	California Hlth. Fac. Fin. Au. Rev. (Cedars-Sinai Med. Ctr.), Ser. 2005, 5.00%, due 11/15/21	A3	
1,000	California Hlth. Fac. Fin. Au. Rev. (Kaiser Permanente), Ser. 1998 B, 5.00%, due 10/1/20	A3	AAA
2,000	California Hsg. Fin. Agcy. Home Mtge. Rev., Ser. 2006 E, (FGIC Insured), 4.88%, due 2/1/17	Aaa	AAA
100	California Hsg. Fin. Agcy. Rev. (AMT Home Mtge.), Ser. 2006 F, (LOC: Fortis Bank), 3.62%, due 11/1/06	VMIG1	A-1+
500	California Muni. Fin. Au. Ed. Rev. (American Heritage Ed. Foundation Proj.), Ser. 2006 A, 5.00%, due 6/1/16		BBB-
4,000	California Poll. Ctrl. Fin. Au. Ref. PCR (Pacific Gas & Elec. Co.), Ser. 1996 A, (MBIA Insured), 5.35%, due 12/1/16	Aaa	AAA
300	California Poll. Ctrl. Fin. Au. Res. Rec. Rev. (Atlantic Richfield Co. Proj.), Ser. 1994 A, 3.62%, due 11/1/06	VMIG1	A-1+
1,500	California Poll. Ctrl. Fin. Au. Solid Waste Disp. Rev. (Republic Svc., Inc. Proj.), Ser. 2002 B, 5.25%, due 6/1/23 Putable 12/1/17	Baa2	BBB+
1,000	California Poll. Ctrl. Fin. Au. Solid Waste Disp. Rev. (Waste Management, Inc. Proj.), Ser. 2002 C, 4.85%, due 12/1/27 Putable 11/30/07		BBB
3,000	California Poll. Ctrl. Fin. Au. Solid Waste Disp. Rev. (Waste Management, Inc. Proj.), Ser. 2005 C, 5.13%, due 11/1/23		BBB
4,500	California St. Dept. of Wtr. Res. Pwr. Supply Rev., Ser. 2002 A, 5.75%, due 5/1/17	Aaa	A-
1,000	California St. Dept. of Wtr. Res. Pwr. Supply Rev., Ser. 2002 A, 5.38%, due 5/1/22	Aaa	A-
200	California St. Econ. Rec., Ser. 2004 C-8, (LOC: Lloyds Bank), 3.42%, due 11/1/06	VMIG1	A-1+

See Notes to Schedule of Investments

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SCHEDULE OF INVESTMENTS CALIFORNIA INTERMEDIATE MUNICIPAL FUND INC. CONT'D

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY @	RATING@@ MOODY'S	S&P
\$2,250	California St. G.O., Ser. 2002, 5.00%, due 10/1/17	A1	A+
1,000	California St. Pub. Works Board Lease (Dept. of Gen. Svc.) Rev. (Cap. East End Complex), Ser. 2002 A, (AMBAC Insured), 5.25%, due 12/1/16	Aaa	AAA
1,095	California St. Pub. Works Board Lease Rev. (California Comm. Colleges), Ser. 2004 B, 5.50%, due 6/1/20	A2	A
3,000	California St. Pub. Works Board Lease Rev. (Regents of the Univ. of California, UCLA Replacement Hosp.), Ser. 2002 A, (FSA Insured), 5.38%, due 10/1/13	Aaa	AAA
1,000	California St. Univ. Fresno Assoc., Inc. Rev. (Auxiliary Organization Event Ctr.), Ser. 2002, 5.00%, due 7/1/12	Baa3	
2,000	California Statewide CDA Cert. of Participation Rev.		

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1,890	(Children's Hosp. Los Angeles), Ser. 1999, 5.13%, due 8/15/19 California Statewide CDA Cert. of Participation Rev. (The Internext Group), Ser. 1999, 5.38%, due 4/1/17	A3	A
1,000	California Statewide CDA Hlth. Fac. Rev. (Adventist Hlth.), Ser. 2005 A, 5.00%, due 3/1/20		BBB
5,000	California Statewide CDA Hlth. Fac. Rev. (Mem. Hlth. Svcs.), Ser. 2003 A, 6.00%, due 10/1/16	A3	A+
1,000	California Statewide CDA Rev. (Daughters of Charity Hlth.), Ser. 2005 G, 5.00%, due 7/1/22		BBB+
3,000	California Statewide CDA Rev. (Kaiser Permanente), Ser. 2002 E, 4.70%, due 11/1/36 Putable 6/1/09	A3	A+
1,000	Central Joint Pwr. Hlth. Fin. Au. Cert. of Participation Rev. (Comm. Hosp. of Central California Proj.), Ser. 2000, 5.50%, due 2/1/14	Baa2	BBB-
1,020	Cerritos Pub. Fin. Au. Sub. Tax Allocation Rev. (Cerritos Redev. Proj.), Ser. 2002 B, 4.40%, due 11/1/16		BBB
2,550	Contra Costa Comm. College Dist. G.O., Ser. 2002, (FGIC Insured), 5.25%, due 8/1/17	Aaa	AAA
710	Elk Grove Spec. Tax Rev. (East Franklin Comm. Fac. Dist. Number 1), Ser. 2002 A, 5.38%, due 8/1/17		
1,000	Fresno Unified Sch. Dist. Ref. G.O., Ser. 2002 A, (MBIA Insured), 6.00%, due 2/1/17	Aaa	AAA
2,835	Glendale Redev. Agcy. Tax Allocation Rev. (Central Glendale Redev. Proj.), Ser. 2002, (MBIA Insured), 5.00%, due 12/1/16	Aaa	AAA
2,480	Glendale Redev. Agcy. Tax Allocation Rev. (Central Glendale Redev. Proj.), Ser. 2002, (MBIA Insured), 5.25%, due 12/1/17	Aaa	AAA
1,000	Kings Canyon Joint Unified Sch. Dist. G.O., Ser. 2002, (FGIC Insured), 5.38%, due 8/1/17	Aaa	AAA
1,245	Long Beach Bond Fin. Au. Tax Allocation Rev. (Downtown, North Long Beach, Poly High, & West Beach Redev. Proj.), Ser. 2002 A, (AMBAC Insured), 5.38%, due 8/1/17	Aaa	AAA
660	Long Beach Bond Fin. Au. Tax Allocation Rev. (North Long Beach Proj.), Ser. 2002 A, (AMBAC Insured), 5.38%, due 8/1/17	Aaa	AAA
500	Long Beach Fin. Au. Rev., Ser. 1992, (AMBAC Insured), 6.00%, due 11/1/17	Aaa	AAA
1,275	Los Angeles Co. Long Beach Unified Sch. Dist. G.O., Ser. 2002 D, (FSA Insured), 5.00%, due 8/1/17	Aaa	
5,000	Los Angeles Dept. of Arpts. Rev. (Los Angeles Int'l. Arpt.), Ser. 2002 A, (FGIC Insured), 5.25%, due 5/15/18	Aaa	AAA
500	Marin Co. Dixie Elementary Sch. Dist. G.O., Ser. 2000 A, (FSA Insured), 5.38%, due 8/1/17	Aaa	AAA
1,045	Marin Co. Muni. Wtr. Dist. Wtr. Ref. Rev., Ser. 2002, (AMBAC Insured), 5.00%, due 7/1/17	Aaa	AAA

SCHEDULE OF INVESTMENTS CALIFORNIA INTERMEDIATE MUNICIPAL FUND INC. CONT'D

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY @	RATING@@ MOODY'S	S&P
\$1,090	Moreland Sch. Dist. Ref. G.O., Ser. 2002, (FGIC Insured), 5.13%, due 9/1/17	Aaa	AAA
535	Nevada & Placer Cos. Irrigation Dist. Cert. of Participation Rev., Ser. 2002, (FGIC Insured), 5.00%, due 1/1/16	Aaa	AAA

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565	Nevada & Placer Cos. Irrigation Dist. Cert. of Participation Rev., Ser. 2002, (FGIC Insured), 5.00%, due 1/1/17	Aaa	AAA
1,045	Oakland G.O., Ser. 2002 A, (FGIC Insured), 5.00%, due 1/15/15	Aaa	AAA
1,210	Oakland G.O., Ser. 2002 A, (FGIC Insured), 5.00%, due 1/15/18	Aaa	AAA
605	Oakland Redev. Agcy. Rev. (Coliseum Area Redev. Proj.), Ser. 2003, 5.00%, due 9/1/16		A
635	Oakland Redev. Agcy. Rev. (Coliseum Area Redev. Proj.), Ser. 2003, 5.00%, due 9/1/17		A
1,290	Oakland Redev. Agcy. Sub. Tax Allocation Rev. (Central Dist. Redev. Proj.), Ser. 2003, (FGIC Insured), 5.50%, due 9/1/17	Aaa	AAA
1,445	Oceanside Cert. of Participation Ref. Rev., Ser. 2003 A, (AMBAC Insured), 5.25%, due 4/1/14	Aaa	AAA
3,890	Port of Oakland Ref. Rev., Ser. 2002 N, (MBIA Insured), 5.00%, due 11/1/13	Aaa	AAA
2,655	Riverside Co. Eastern Muni. Wtr. Dist. Cert. of Participation Wtr. & Swr. Rev., Ser. 2001 A, (FGIC Insured), 5.00%, due 7/1/19	Aaa	AAA
440	Roseville Stone Point Comm. Fac. District No. 1 Special Tax Rev., Ser. 2003, 5.70%, due 9/1/17		
2,600	Sacramento Muni. Util. Dist. Elec. Rev., Ser. 1997 K, (AMBAC Insured), 5.70%, due 7/1/17	Aaa	AAA
830	San Diego Redev. Agcy. Sub. Parking Rev. (Centre City Redev. Proj.), Ser. 2003 B, 4.80%, due 9/1/15	Baa2	
820	San Diego Redev. Agcy. Sub. Parking Rev. (Centre City Redev. Proj.), Ser. 2003 B, 4.90%, due 9/1/16	Baa2	
2,000	San Diego Unified Sch. Dist. G.O., Ser. 2002 D, (FGIC Insured), 5.25%, due 7/1/21	Aaa	AAA
3,000	San Francisco Bay Area Toll Au. Toll Bridge Rev., Ser. 2001 D, 5.00%, due 4/1/17	Aa3	AA
1,500	San Francisco City & Co. Int'l. Arpt. Second Ser. Rev., (FGIC Insured), 5.25%, due 5/1/16	Aaa	AAA
5,000	San Francisco City & Co. Redev. Agcy. Lease Ref. Rev. (George R. Moscone Convention Ctr.), Ser. 2002, (FSA Insured), 5.00%, due 7/1/17	Aaa	AAA
1,000	San Jose Arpt. Ref. Rev., Ser. 2002 B, (FSA Insured), 5.00%, due 3/1/11	Aaa	AAA
1,615	San Jose Arpt. Ref. Rev., Ser. 2002 B, (FSA Insured), 5.00%, due 3/1/12	Aaa	AAA
2,500	San Jose Fin. Au. Lease Rev. (Civic Ctr. Proj.), Ser. 2002 B, (AMBAC Insured), 5.25%, due 6/1/17	Aaa	AAA
1,000	San Jose Multi-Family Hsg. Rev. (Fallen Leaves Apts. Proj.), Ser. 2002 J-1, (AMBAC Insured), 4.95%, due 12/1/22	Aaa	AAA
1,620	Santa Clara Co. Fremont Union High Sch. Dist. G.O., Ser. 2002 C, (FSA Insured), 5.00%, due 9/1/20	Aaa	AAA
1,000	Santa Rosa Rancheria Tachi Yokut Tribe Enterprise Rev., Ser. 2003, 6.13%, due 3/1/13		
3,905	Solano Co. Cert. of Participation Rev., Ser. 2002, (MBIA Insured), 5.25%, due 11/1/17	Aaa	AAA
1,000	South Gate Pub. Fin. Au. Tax Allocation Rev. (South Gate Redev. Proj. No. 1), Ser. 2002, 5.00%, due 9/1/16	Aaa	AAA
600	Univ. of California Regents Cert. of Participation Rev. (San Diego Campus & Sacramento Proj.), Ser. 2002 A, 5.25%, due 1/1/18	Aa2	

See Notes to Schedule of Investments

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PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY @	RATING@@ MOODY'S	S&P
\$1,000	Univ. of California Regents Rev. (Multi. Purp. Proj.), Ser. 2000 K, (MBIA Insured), 5.00%, due 9/1/12	Aaa	AAA
FLORIDA (0.8%)			
750	Miami Beach Hlth. Fac. Au. Hosp. Ref. Rev. (Mount Sinai Med. Ctr. of Florida Proj.), Ser. 2004, 6.25%, due 11/15/09	Ba1	BB+
GEORGIA (1.0%)			
1,000	De Kalb Co. Dev. Au. Ref. PCR (General Motors Corp. Proj.), Ser. 2002, 6.00%, due 3/15/21	Caa1	B-
GUAM (0.7%)			
700	Guam Gov't. Waterworks Au. Wtr. & Wastewater Sys. Rev., Ser. 2005, 5.50%, due 7/1/16	Ba2	
LOUISIANA (2.9%)			
1,500	Morehouse Parish Ref. PCR (Int'l. Paper Co. Proj.), Ser. 2001 A, 5.25%, due 11/15/13	Baa3	BBB
1,250	Tobacco Settlement Fin. Corp. Tobacco Settlement Asset-Backed Rev., Ser. 2001 B, 5.50%, due 5/15/30	Baa3	BBB
NEW YORK (1.1%)			
500	New York City IDA Liberty Rev. (7 World Trade Center, LLC Proj.), Ser. 2005 A, 6.25%, due 3/1/15		
500	New York City IDA Spec. Fac. Rev. (American Airlines, Inc. J.F.K. Int'l. Arpt. Proj.), Ser. 2005, 7.50%, due 8/1/16		B
NORTH CAROLINA (1.5%)			
1,405	North Carolina Muni. Pwr. Agcy. Number 1 Catawba Elec. Rev., Ser. 2003 A, 5.50%, due 1/1/14	A3	BBB+
OHIO (0.5%)			
500	Coshocton Co. Env. Imp. Ref. Rev. (Smurfit-Stone Container Enterprises, Inc. Proj.), Ser. 2005, 5.13%, due 8/1/13		CCC+
PENNSYLVANIA (1.1%)			
1,000	Cumberland Co. West Shore Area Au. Hosp. Rev. (Holy Spirit Hosp. of the Sisters of Christian Charity Proj.), Ser. 2001, 6.00%, due 1/1/18		BBB
PUERTO RICO (6.6%)			
1,300	Puerto Rico Children's Trust Tobacco Settlement Asset-Backed Rev., Ser. 2002, 5.38%, due 5/15/33	Baa3	BBB
1,000	Puerto Rico Ind., Tourist, Ed., Med. & Env. Ctrl. Fac. Rev. (Polytechnic Univ. of Puerto Rico Proj.), Ser. 2002 A, (ACA Insured), 5.25%, due 8/1/15		A
3,000	Puerto Rico Muni. Fin. Agcy. Rev., Ser. 2002 A, (FSA Insured), 5.25%, due 8/1/17	Aaa	AAA
1,000	Puerto Rico Muni. Fin. Agcy. Rev., Ser. 2002 A, (FSA Insured), 5.25%, due 8/1/21	Aaa	AAA

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TEXAS (3.3%)			
900	Brazos River Au. Ref. PCR (TXU Energy Co. LLC Proj.), Ser. 2003 A, 6.75%, due 4/1/38 Putable 4/1/13	Baa2	BBB-
750	Brazos River Au. Ref. Rev. (Reliant Energy, Inc. Proj.), Ser. 1999 B, 7.75%, due 12/1/18	Ba1	BBB-
1,000	Brazos River Harbor Navigation Dist. of Brazoria Co. Env. Fac. Rev. (Dow Chemical Co. Proj.), Ser. 2002 A-4, 5.20%, due 5/15/33	A3	A-

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NEUBERGER BERMAN OC

SCHEDULE OF INVESTMENTS CALIFORNIA INTERMEDIATE MUNICIPAL FUND INC. CONT'D

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY @	RATING@@ MOODY'S	S&P
\$ 500	Dallas-Fort Worth Int'l. Arpt. Fac. Imp. Corp. Rev., Ser. 2004 A-1, 6.15%, due 1/1/16	Ba2	

VIRGIN ISLANDS (2.0%)

250	Virgin Islands Pub. Fin. Au. Refinery Fac. Rev. (HOVENSA Refinery), Ser. 2003, 6.13%, due 7/1/22	Baa3	BBB
750	Virgin Islands Pub. Fin. Au. Rev. (Virgin Islands Matching Fund Loan Notes), Ser. 1998 E, 6.00%, due 10/1/22		
1,000	Virgin Islands Wtr. & Pwr. Au. Elec. Sys. Ref. Rev., Ser. 1998, 5.30%, due 7/1/18		

TOTAL INVESTMENTS (156.0%) (COST \$153,312)

Cash, receivables and other assets, less liabilities (1.9%)
Liquidation Value of Auction Market Preferred Shares [(57.9%)]

TOTAL NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS (100.0%)

See Notes to Schedule of Investments

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SCHEDULE OF INVESTMENTS INTERMEDIATE MUNICIPAL FUND INC.

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY @	RATING@@ MOODY'S	S&P
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ALABAMA (1.5%)			
\$4,210	DCH Hlth. Care Au. Hlth. Care Fac. Rev., Ser. 2002, 5.25%, due 6/1/14	A1	A+
ARIZONA (1.9%)			
1,465	Arizona Energy Management Svcs. (Main) LLC Energy Conservation Rev. (Arizona St. Univ. Proj.-Main Campus), Ser. 2002, (MBIA Insured), 5.25%, due 7/1/17	Aaa	AAA
1,750	Verrado Comm. Fac. Dist. Number 1 G.O., Ser. 2003, 6.15%, due 7/15/17		
2,325	Verrado Comm. Fac. Dist. Number 1 G.O., Ser. 2006, 5.05%, due 7/15/18		
CALIFORNIA (7.6%)			
3,500	California Poll. Ctrl. Fin. Au. Solid Waste Disp. Rev. (Republic Svc., Inc. Proj.), Ser. 2002 B, 5.25%, due 6/1/23 Putable 12/1/17	Baa2	BBB+
2,000	California Poll. Ctrl. Fin. Au. Solid Waste Disp. Rev. (Waste Management, Inc. Proj.), Ser. 2005 C, 5.13%, due 11/1/23		BBB
2,500	California St. Dept. of Wtr. Res. Pwr. Supply Rev., Ser. 2002 A, 5.75%, due 5/1/17	Aaa	A-
3,460	California St. Dept. of Wtr. Res. Pwr. Supply Rev., Ser. 2002 A, 5.38%, due 5/1/22	Aaa	A-
1,500	California St. Pub. Works Board Lease Rev., Ser. 2002 A, (AMBAC Insured), 5.25%, due 12/1/17	Aaa	AAA
1,240	California Statewide CDA Hlth. Fac. Rev. (Mem. Hlth. Svcs.), Ser. 2003 A, 6.00%, due 10/1/16	A3	A+
3,000	Golden St. Tobacco Securitization Corp. Tobacco Settlement Asset-Backed Rev., Ser. 2003 A-1, 6.25%, due 6/1/33	Baa3	BBB
2,080	Oakland Redev. Agcy. Sub. Tax Allocation Rev. (Central Dist. Redev. Proj.), Ser. 2003, (FGIC Insured), 5.50%, due 9/1/18	Aaa	AAA
740	San Diego Redev. Agcy. Sub. Parking Rev. (Centre City Redev. Proj.), Ser. 2003 B, 5.00%, due 9/1/17	Baa2	
1,500	Santa Rosa Rancheria Tachi Yokut Tribe Enterprise Rev., Ser. 2006, 4.88%, due 3/1/16		
COLORADO (5.3%)			
4,220	Colorado Springs Util. Sys. Sub. Lien Ref. Rev., Ser. 2002 A, (AMBAC Insured), 5.38%, due 11/15/18	Aaa	AAA
4,000	Denver City & Co. Arpt. Sys. Ref. Rev., Ser. 2002 E, (FGIC Insured), 5.25%, due 11/15/14	Aaa	AAA
2,000	Denver City & Co. Arpt. Sys. Rev., Ser. 1991 D, 7.75%, due 11/15/13	A1	AAA
4,610	Thornton Cert. of Participation, Ser. 2002, (AMBAC Insured), 5.38%, due 12/1/16	Aaa	AAA
CONNECTICUT (0.8%)			
2,400	Mashantucket Western Pequot Tribe Spec. Rev., Sub. Ser. 1997 B, 5.70%, due 9/1/12	Baa3	
DISTRICT OF COLUMBIA (1.6%)			
4,495	Dist. of Columbia (Washington, D.C.) Ref. G.O., Ser. 2002 C, 5.25%, due 6/1/13	Aaa	AAA
FLORIDA (8.8%)			

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2,500	Broward Co. G.O., Ser. 2001 A, 5.25%, due 1/1/18	Aa1	AA+
2,805	Fiddlers Creek Comm. Dev. Dist. Number 2 Spec. Assessment Rev., Ser. 2003 A, 6.00%, due 5/1/16		

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NEUBERGER BERMAN OO

SCHEDULE OF INVESTMENTS INTERMEDIATE MUNICIPAL FUND INC. CONT'D

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY @	RATING@@ MOODY'S	S&P
\$1,750	Miami Beach Hlth. Fac. Au. Hosp. Ref. Rev. (Mount Sinai Med. Ctr. of Florida Proj.), Ser. 2004, 6.25%, due 11/15/09	Ba1	BB+
8,140	Orange Co. Sales Tax Ref. Rev., Ser. 2002 A, (FGIC Insured), 5.13%, due 1/1/18	Aaa	AAA
2,085	Palm Beach Co. Hlth. Fac. Au. Hosp. Ref. Rev. (BRCH Corp. Oblig. Group), Ser. 2001, 5.00%, due 12/1/12		A
7,000	Palm Beach Co. Sch. Board Cert. of Participation, Ser. 2001 B, (AMBAC Insured), 5.38%, due 8/1/17	Aaa	AAA
1,000	Sarasota Co. Util. Sys. Ref. Rev., Ser. 2002 C, (FGIC Insured), 5.25%, due 10/1/20	Aaa	AAA
GEORGIA (2.6%)			
4,575	Henry Co. Wtr. & Swr. Au. Wtr. & Swr. Ref. Rev., Ser. 2002 A, (MBIA Insured), 5.13%, due 2/1/17	Aaa	AAA
2,710	Newnan Hosp. Au. Rev. Anticipation Cert. (Newnan Hosp., Inc. Proj.), Ser. 2002, (MBIA Insured), 5.50%, due 1/1/18	Aaa	
ILLINOIS (9.9%)			
5,940	Chicago G.O., Ser. 2002 A, (AMBAC Insured), 5.38%, due 1/1/17 P/R 7/1/12	Aaa	AAA
180	Chicago G.O., Ser. 2002 A, (AMBAC Insured), 5.38%, due 1/1/17	Aaa	AAA
1,500	Chicago Metro. Wtr. Reclamation Dist. Cap. Imp. G.O., Ser. 2002 C, 5.38%, due 12/1/16	Aaa	AAA
5,130	Illinois Ed. Fac. Au. Rev. (Field Museum of Natural History), Ser. 2002, 4.30%, due 11/1/36	A2	A
4,000	Illinois Fin. Au. Rev. (Clare Oaks Proj.), Ser. 2006 A, 5.75%, due 11/15/16		
5,000	Illinois G.O., Ser. 2002, (MBIA Insured), 5.25%, due 10/1/14	Aaa	AAA
3,000	Illinois Hlth. Fac. Au. Rev. (Loyola Univ. Hlth. Sys.), Ser. 1997 A, (MBIA Insured), 6.00%, due 7/1/14	Aaa	AAA
1,670	Illinois Metro. Pier & Exposition Au. Dedicated St. Tax Ref. Rev., Ser. 1998 A, 5.50%, due 6/15/17	Aaa	AAA
2,000	Kane, Cooke, & DuPage Cos. Elgin Sch. Dist. Number U-46 G.O., Ser. 1998, (FSA Insured), 5.35%, due 1/1/15	Aaa	
INDIANA (9.6%)			
1,995	Indiana Bond Bank Rev. (St. Revolving Fund Prog.), Ser. 2001 A,		

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	5.38%, due 2/1/17			AAA
760	Indiana Bond Bank Rev. (St. Revolving Fund Prog.), Ser. 2001 B, 5.25%, due 2/1/18			AAA
8,005	Indiana Bond Bank Rev. (Unrefunded Bal. Revolving Fund Prog.), Ser. 2001 A, 5.38%, due 2/1/17			AAA
2,800	Indiana Bond Bank Rev. (Unrefunded Bal. Revolving Fund Prog.), Ser. 2002 B, 5.25%, due 2/1/18			AAA
4,000	Indiana Hlth. & Ed. Fac. Fin. Au. Hosp. Ref. Rev. (Clarian Hlth. Oblig. Group), Ser. 2006 B, 5.00%, due 2/15/21		A2	A+
1,000	Indiana Muni. Pwr. Agcy. Pwr. Supply Sys. Rev., Ser. 2002 B, (MBIA Insured), 5.25%, due 1/1/18		Aaa	AAA
2,050	Indiana St. Hlth. Fac. Fin. Au. Rev. (Hlth. Sys. Sisters of St. Francis), Ser. 2001, 5.35%, due 11/1/15		Aa3	
1,065	Indiana St. Recreational Dev. Comm. Rev., Ser. 2002, (AMBAC Insured), 5.25%, due 7/1/18		Aaa	AAA
1,125	Indiana St. Recreational Dev. Comm. Rev., Ser. 2002, (AMBAC Insured), 5.25%, due 7/1/19		Aaa	AAA

See Notes to Schedule of Investments

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SCHEDULE OF INVESTMENTS INTERMEDIATE MUNICIPAL FUND INC. CONT'D

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY @	RATING@@ MOODY'S	S&P
\$2,580	Indianapolis Local Pub. Imp. Rev. (Indianapolis Arpt. Au. Proj.), Ser. 2003 A, (FSA Insured), 5.63%, due 1/1/17	Aaa	AAA
2,000	Jasper Hosp. Au. Hosp. Fac. Ref. Rev. (Mem. Hosp. & Hlth. Care Ctr. Proj.), Ser. 2002, 5.50%, due 11/1/17		AA
IOWA (2.1%)			
3,000	Iowa Tobacco Settlement Au. Tobacco Settlement Asset-Backed Rev., Ser. 2001 B, 5.30%, due 6/1/25		AAA
3,000	Iowa Tobacco Settlement Au. Tobacco Settlement Asset-Backed Rev., Ser. 2005 C, 5.38%, due 6/1/38	Baa3	BBB
KENTUCKY (0.6%)			
2,000	Louisville & Jefferson Co. Kentucky Reg. Arpt. Au. Spec. Fac. Rev. (UPS Worldwide Forwarding), Ser. 1999 A, 3.64%, due 11/1/06	Aaa	AAA
LOUISIANA (1.2%)			
2,500	Morehouse Parish Ref. PCR (Int'l. Paper Co. Proj.), Ser. 2001 A, 5.25%, due 11/15/13	Baa3	BBB
1,000	Tobacco Settlement Fin. Corp. Tobacco Settlement Asset-Backed Rev., Ser. 2001 B, 5.50%, due 5/15/30	Baa3	BBB
MARYLAND (0.5%)			

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1,000	Maryland St. Hlth. & Higher Ed. Fac. Au. Rev. (Union Hosp. of Cecil Co.), Ser. 2002, 5.50%, due 7/1/14	A3	
400	Prince George's Co. Unrefunded Balance Cons. Pub. Imp. G.O., Ser. 2001, (FGIC Insured), 5.25%, due 12/1/16	Aaa	AAA

MASSACHUSETTS (8.6%)

3,000	Massachusetts Port Au. Spec. Fac. Rev. (Delta Air Lines, Inc. Proj.), Ser. 2001 A, (AMBAC Insured), 5.50%, due 1/1/19	Aaa	AAA
1,850	Massachusetts St. G.O., Ser. 2002 E, (MBIA Insured), 5.38%, due 1/1/18	Aaa	AAA
2,450	Massachusetts St. Hlth. & Ed. Fac. Au. Rev. (Caritas Christi Oblig. Group), Ser. 1999 A, 5.70%, due 7/1/15	Baa3	BBB
2,810	Massachusetts St. Hlth. & Ed. Fac. Au. Rev. (Milford-Whitinsville Reg. Hosp.), Ser. 1998 C, 5.75%, due 7/15/13	Baa3	BBB-
4,935	Massachusetts St. Hlth. & Ed. Fac. Au. Rev. (New England Med. Ctr. Hosp.), Ser. 2002 H, (FGIC Insured), 5.38%, due 5/15/16	Aaa	AAA
2,000	Massachusetts St. Wtr. Poll. Abatement Trust Pre-Refunded Rev. (Pool Prog.), Ser. 2001, 5.25%, due 2/1/16 P/R 8/1/11	Aaa	AAA
5,030	Massachusetts St. Wtr. Poll. Abatement Trust Rev. (MWRA Prog.), Ser. 2002 A, 5.25%, due 8/1/19	Aaa	AAA
2,775	Massachusetts St. Wtr. Poll. Abatement Trust Unrefunded Balance Rev. (Pool Prog.), Ser. 2001, 5.25%, due 2/1/16	Aaa	AAA

MICHIGAN (6.5%)

3,075	Detroit Sch. Dist. Sch. Bldg. & Site Imp. G.O., Ser. 2002 A, (FGIC Insured), 5.50%, due 5/1/15	Aaa	AAA
1,070	Ingham & Clinton Cos. East Lansing Bldg. Au. Ref. G.O., Ser. 1999, 5.25%, due 10/1/16		AA
1,375	Macomb Co. New Haven Comm. Sch. Bldg. & Site G.O., Ser. 2002, 5.25%, due 5/1/17	Aa2	AA

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SCHEDULE OF INVESTMENTS INTERMEDIATE MUNICIPAL FUND INC. CONT'D

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY @	RATING@@ MOODY'S	S&P
\$1,500	Michigan St. Bldg. Au. Rev. (Fac. Prog.), Ser. 2001 II, 5.50%, due 10/15/18	Aa3	AA-
5,000	Michigan St. Hsg. Dev. Au. Single-Family Mtge. Rev., Ser. 2001 A, (MBIA Insured), 5.30%, due 12/1/16	Aaa	AAA
3,850	Royal Oak Hosp. Fin. Au. Hosp. Ref. Rev. (William Beaumont Hosp.), Ser. 1996 I, 6.25%, due 1/1/12	Aa3	AA-
100	Royal Oak Hosp. Fin. Au. Hosp. Ref. Rev. (William Beaumont Hosp.), Ser. 2006 T, (AMBAC Insured), 3.65%, due 11/1/06	VMIG1	A-1
1,000	Summit Academy North Pub. Sch. Academy Ref. Rev., Ser. 2005, 6.00%, due 11/1/15		BB+
2,000	Summit Academy North Pub. Sch. Academy Ref. Rev., Ser. 2005, 5.25%, due 11/1/20		BB+

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MINNESOTA (1.6%)

2,000	Freeborn Co. Hsg. & Redev. Au. Lease Rev. (Criminal Justice Ctr. Proj.), Ser. 2002, 5.38%, due 2/1/17	Baa1	
2,540	St. Paul Port Au. Lease Rev. (Office Bldg. at Cedar Street), Ser. 2002, 5.00%, due 12/1/17	Aa2	AA+

MISSOURI (4.0%)

3,495	Bi State Dev. Agcy. Metro. Dist. Rev. (Metrolink Cross Co. Extension Proj.), Ser. 2002 B, (FSA Insured), 5.25%, due 10/1/16	Aaa	AAA
2,000	Boone Co. Hosp. Ref. Rev. (Boone Hosp. Ctr.), Ser. 2002, 5.05%, due 8/1/20	A3	
2,425	Branson Dev. Fin. Board Infrastructure Fac. Board Rev., Ser. 2003 A, 5.00%, due 12/1/17	Baa1	BBB+
750	Branson Ind. Dev. Au. Ltd. Oblig. Tax Increment Rev. (Branson Landing-Retail Proj.), Ser. 2005, 5.25%, due 6/1/21		
2,000	Missouri St. Env. Imp. & Energy Res. Au. Wtr. Poll. Ctrl. & Drinking Wtr. Rev., Ser. 2002 B, 5.50%, due 7/1/16	Aaa	
820	Missouri St. Hsg. Dev. Comm. Multi-Family Hsg. Rev., Ser. 2001 II, 5.25%, due 12/1/16		AA
155	Missouri St. Hsg. Dev. Comm. Multi-Family Hsg. Rev., Ser. 2001 III, 5.05%, due 12/1/15		AA

NEBRASKA (0.1%)

300	Washington Co. Ind. Dev. Rev. (Cargill Dow Polymers LLC), (LOC: Wachovia Bank & Trust Co.), Ser. 2000, 3.71%, due 11/1/06	VMIG1	A-1+
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NEVADA (5.5%)

5,335	Clark Co. Passenger Fac. Charge Ref. Rev. (Las Vegas-McCarran Int'l. Arpt. Proj.), Ser. 2002 A, (MBIA Insured), 5.25%, due 7/1/10	Aaa	AAA
900	Clark Co. Sch. Dist. G.O., Ser. 2001 A, (FSA Insured), 3.55%, due 11/1/06	VMIG1	A-1+
4,355	Las Vegas Valley Wtr. Dist. Ref. & Wtr. Imp. G.O., Ser. 2003 A, (FGIC Insured), 5.25%, due 6/1/16	Aaa	AAA
5,395	Truckee Meadows Wtr. Au. Wtr. Rev., Ser. 2001 A, (FSA Insured), 5.50%, due 7/1/15	Aaa	AAA

See Notes to Schedule of Investments

SCHEDULE OF INVESTMENTS INTERMEDIATE MUNICIPAL FUND INC. CONT'D

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY @	RATING@@	MOODY'S	S&P
NEW HAMPSHIRE (1.8%)				
\$3,310	New Hampshire Hlth. Ed. Fac. Au. Rev. (Univ. Sys. of			

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	New Hampshire), Ser. 1992, (AMBAC Insured), 5.38%, due 7/1/17	Aaa	AAA
1,700	New Hampshire Hlth. Ed. Fac. Au. Rev. (Univ. Sys. of New Hampshire), Ser. 1992, (AMBAC Insured), 5.38%, due 7/1/17	Aaa	AAA
NEW JERSEY (6.0%)			
5,000	New Jersey Bldg. Au. St. Bldg. Ref. Rev., Ser. 2002 B, (FSA Insured), 5.25%, due 12/15/15	Aaa	AAA
1,500	New Jersey Econ. Dev. Au. Cigarette Tax Rev., Ser. 2004, 5.63%, due 6/15/19	Baa2	BBB
6,900	New Jersey Ed. Fac. Au. Rev. (Stevens Institute of Technology), Ser. 2002 C, 5.25%, due 7/1/17	Baa2	BBB+
4,000	New Jersey Hlth. Care Fac. Fin. Au. Rev. (Somerset Med. Ctr. Issue), Ser. 2003, 5.50%, due 7/1/18	Baa3	
NEW YORK (5.8%)			
1,105	Lyons Comm. Hlth. Initiatives Corp. Fac. Rev., Ser. 2004, 5.50%, due 9/1/14	A2	
3,250	New York City G.O., Ser. 2002 C, 5.50%, due 8/1/15	A1	AA-
2,580	New York City IDA Civic Fac. Rev. (Lycee Francais de New York Proj.), Ser. 2002 A, 5.50%, due 6/1/14		A
2,750	New York City IDA Liberty Rev. (7 World Trade Center, LLC Proj.), Ser. 2005 A, 6.25%, due 3/1/15		
1,750	New York City IDA Spec. Fac. Rev. (American Airlines, Inc. J.F.K. Int'l. Arpt. Proj.), Ser. 2005, 7.50%, due 8/1/16		B
1,000	New York Convention Ctr. Operating Corp. Cert. of Participation (Yale Bldg. Acquisition Proj.), Ser. 2003, 5.25%, due 6/1/08		
1,250	New York Liberty Dev. Corp. Rev. (Nat'l. Sports Museum Proj.), Ser. 2006 A, 6.13%, due 2/15/19		
1,700	New York St. Dorm. Au. Personal Income Tax Rev., Ser. 2003 A, 5.38%, due 3/15/20	Aa3	AAA
1,300	New York St. Urban Dev. Corp. Ref. Rev. (Correctional Cap. Fac.), Ser. 1998, 5.00%, due 1/1/14	A1	AA-
NORTH DAKOTA (1.4%)			
4,100	Fargo Hlth. Sys. Rev. (Meritcare Obligated Group), Ser. 2002 A, (AMBAC Insured), 5.63%, due 6/1/17	Aaa	AAA
OHIO (2.7%)			
1,000	Coshocton Co. Env. Imp. Ref. Rev. (Smurfit-Stone Container Enterprises, Inc. Proj.), Ser. 2005, 5.13%, due 8/1/13		CCC+
3,000	Moraine Solid Waste Disp. Rev. (General Motors Corp. Proj.), Ser. 1994, 6.75%, due 7/1/14	Caa1	B-
3,760	Ohio Air Quality Dev. Au. Env. Imp. Ref. Rev. (USX Corp. Proj.), Ser. 1995, 5.00%, due 11/1/15	Baa1	BBB+
PENNSYLVANIA (5.6%)			
1,765	Cumberland Co. West Shore Area Au. Hosp. Rev. (Holy Spirit Hosp. of the Sisters of Christian Charity Proj.), Ser. 2001, 6.05%, due 1/1/19		BBB
565	Delaware River Joint Toll Bridge Comm. Sys. Rev., Ser. 2003, 5.25%, due 7/1/18 P/R 7/1/13	A2	A-

SCHEDULE OF INVESTMENTS INTERMEDIATE MUNICIPAL FUND INC. CONT'D

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY @	RATING@@ MOODY'S	S&P
\$ 435	Delaware River Joint Toll Bridge Comm. Sys. Rev., Ser. 2003, 5.25%, due 7/1/18	A2	A-
2,000	Lehigh Co. Gen. Purp. Au. Rev. (KidsPeace Oblig. Group), Ser. 1998, 6.00%, due 11/1/23	B2	
5,000	Montgomery Co. Higher Ed. & Hlth. Au. Hosp. Rev. (Abington Mem. Hosp. Proj.), Ser. 2002 A, 5.00%, due 6/1/19		A
1,000	Pennsylvania Econ. Dev. Fin. Au. Res. Rec. Ref. Rev. (Colver Proj.), Ser. 2005 G, 5.13%, due 12/1/15		
2,000	Philadelphia Arpt. Ref. Rev. (Philadelphia Arpt. Sys.), Ser. 1998 A, (FGIC Insured), 5.38%, due 6/15/14	Aaa	AAA
2,000	Sayre Hlth. Care Fac. Au. Rev. (Guthrie Hlth. Proj.), Ser. 2002 A, 5.75%, due 12/1/21		A-
2,000	Westmoreland Co. IDA Gtd. Rev. (National Waste & Energy Corp., Valley Landfill Expansion Proj.), Ser. 1993, 5.10%, due 5/1/18		BBB
SOUTH CAROLINA (5.4%)			
1,100	Charleston Co. Sch. Dist. G.O., Ser. 2001, (FSA Insured), 5.00%, due 2/1/18	Aaa	AAA
2,140	Mt. Pleasant Town Waterworks & Swr. Sys. Ref. & Imp. Rev., Ser. 2002, (FGIC Insured), 5.25%, due 12/1/17	Aaa	AAA
2,345	South Carolina Jobs Econ. Dev. Au. Hosp. Ref. Rev. (Palmetto Hlth. Alliance), Ser. 2003 A, 6.00%, due 8/1/13	Baa1	BBB+
2,000	South Carolina Jobs Econ. Dev. Au. Hosp. Ref. Rev. (Palmetto Hlth. Alliance), Ser. 2003 A, 6.13%, due 8/1/23	Baa1	BBB+
4,665	South Carolina St. Pub. Svc. Au. Rev., Ser. 2002 B, (FSA Insured), 5.38%, due 1/1/18	Aaa	AAA
3,500	Union Co. IDR (Federal Paper Board Co., Inc. Proj.), Ser. 1989, 4.55%, due 11/1/09	Baa3	BBB
TENNESSEE (2.1%)			
3,015	Knox Co. Hlth., Ed. & Hsg. Fac. Board Hosp. Ref. & Imp. Rev., Ser. 2002 A, (FSA Insured), 5.50%, due 1/1/18	Aaa	AAA
3,085	Memphis-Shelby Co. Arpt. Au. Spec. Fac. Ref. Rev. (Federal Express Corp.), Ser. 2002, 5.05%, due 9/1/12	Baa2	BBB
TEXAS (22.5%)			
4,145	Anson Ed. Fac. Corp. Std. Hsg. Rev. (Univ. of Texas at Dallas-Waterview Park Proj.), Ser. 2002, 5.00%, due 1/1/23		A
1,000	Austin Convention Enterprises, Inc. Convention Ctr. Hotel First Tier Rev., Ser. 2001 A, 6.38%, due 1/1/16	Baa3	BBB-
3,300	Brazos River Au. Ref. PCR (TXU Energy Co. LLC Proj.), Ser. 2003 A,		

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	6.75%, due 4/1/38 Putable 4/1/13	Baa2	BBB-
1,000	Brazos River Au. Ref. PCR (TXU Energy Co. LLC Proj.), Ser. 2003 D, 5.40%, due 10/1/29 Putable 10/1/14		BBB-
1,000	Brazos River Au. Ref. Rev. (Reliant Energy, Inc. Proj.), Ser. 1999 B, 7.75%, due 12/1/18	Ba1	BBB-
3,600	Corpus Christi Tax & Muni. Hotel Occupancy Tax G.O., Ser. 2002, (FSA Insured), 5.50%, due 9/1/17	Aaa	AAA
2,100	Dallas-Fort Worth Int'l. Arpt. Fac. Imp. Corp. Rev., Ser. 2004 A-1, 6.15%, due 1/1/16	Ba2	
1,935	Dallas-Fort Worth Int'l. Arpt. Imp. Rev., Ser. 2004 B, (FSA Insured), 5.50%, due 11/1/18	Aaa	AAA

See Notes to Schedule of Investments

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SCHEDULE OF INVESTMENTS INTERMEDIATE MUNICIPAL FUND INC. CONT'D

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY @	RATING@@	
		MOODY'S	S&P
\$1,000	Denton, Tarrant, & Wise Cos. Northwest Ind. Sch. Dist. Unlimited Sch. Bldg. & Ref. G.O., Ser. 2002, 5.50%, due 8/15/17	Aaa	
1,750	Ector Co. Hosp. Dist. Hosp. Rev., Ser. 2002 A, 5.63%, due 4/15/16	A3	BBB+
1,745	Ector Co. Hosp. Dist. Hosp. Rev., Ser. 2002 A, 5.63%, due 4/15/17	A3	BBB+
7,000	Harris Co. Toll Road Sr. Lien Ref. Rev., Ser. 2002, (FSA Insured), 5.38%, due 8/15/16	Aaa	AAA
610	HFDC Central Texas Inc. Retirement Fac. Rev., Ser. 2006 A, 5.25%, due 11/1/15		
3,235	Houston Arpt. Sys. Sub. Lien. Ref. Rev., Ser. 2001 A, (FGIC Insured), 5.50%, due 7/1/16	Aaa	AAA
4,955	Houston Pub. Imp. Ref. G.O., Ser. 2002, (MBIA Insured), 5.25%, due 3/1/17	Aaa	AAA
2,000	Lubbock Hlth. Fac. Dev. Corp. Rev. (St. Joseph Hlth. Sys.), Ser. 1998, 5.25%, due 7/1/16	Aa3	AA-
4,780	North Central Hlth. Fac. Dev. Corp. Hosp. Ref. Rev. (Baylor Hlth. Care Sys. Proj.), Ser. 1998, 5.10%, due 5/15/13	Aa3	AA-
6,795	San Antonio Ind. Sch. Dist. Unlimited Tax G.O., Ser. 2001 B, 5.38%, due 8/15/17	Aaa	AAA
20	San Antonio Pre-Refunded Cert. of Obligation G.O., Ser. 2002, 5.00%, due 2/1/14 P/R 2/1/12	Aa2	AA+
1,240	San Antonio Unrefunded Balance Cert. of Obligation G.O., Ser. 2002, 5.00%, due 2/1/14	Aa2	AA+
1,910	Southmost Reg. Wtr. Au. Wtr. Supply Contract Rev. (Desalination Plant Proj.), Ser. 2002, (MBIA Insured), 5.50%, due 9/1/19	Aaa	
4,200	Tarrant Reg. Wtr. Dist. Wtr. Ref. & Imp. Rev., Ser. 2002, (FSA Insured), 5.38%, due 3/1/16	Aaa	AAA
420	Texas Std. Hsg. Corp. Std. Hsg. Rev. (Midwestern St. Univ. Proj.), Ser. 2002, 5.50%, due 9/1/12	Baa3	
1,000	Trinity River Au. Imp. & Ref. Rev. (Tarrant Co. Wtr. Proj.), Ser. 2003, (MBIA Insured), 5.50%, due 2/1/16	Aaa	AAA
1,085	Tyler Hlth. Fac. Dev. Corp. Hosp. Rev. (Mother Frances Hosp. Reg. Hlth. Care Ctr. Proj.), Ser. 2003, 5.25%, due 7/1/13	Baa1	
2,950	Univ. of Texas Board of Regents Fin. Sys. Rev., Ser. 1999 B,		

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	5.38%, due 8/15/18	Aaa	AAA
VIRGIN ISLANDS (0.9%)			
1,000	Virgin Islands Pub. Fin. Au. Refinery Fac. Rev. (HOVENSA Refinery), Ser. 2003, 6.13%, due 7/1/22	Baa3	BBB
1,500	Virgin Islands Pub. Fin. Au. Refinery Fac. Rev. (HOVENSA Refinery), Ser. 2004, 5.88%, due 7/1/22	Baa3	BBB
VIRGINIA (1.5%)			
1,000	Hopewell Ind. Dev. Au. Env. Imp. Ref. Rev. (Smurfit-Stone Container Enterprise, Inc. Proj.), Ser. 2005, 5.25%, due 6/1/15		CCC+
2,620	Peninsula Ports Au. Res. Care Fac. Ref. Rev. (VA Baptist Homes), Ser. 2006 C, 5.25%, due 12/1/21		
1,000	Virginia Beach Dev. Au. Residential Care Fac. Mtge. Ref. Rev. (Westminster-Canterbury of Hampton Roads, Inc.), Ser. 2005, 5.00%, due 11/1/22		

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NEUBERGER BERMAN OC

SCHEDULE OF INVESTMENTS INTERMEDIATE MUNICIPAL FUND INC. CONT'D

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY @	RATING@@ MOODY'S	S&P
WASHINGTON (12.7%)			
\$3,000	CDP-King Co. III Lease Rev. (King Street Ctr. Proj.), Ser. 1997, (MBIA Insured), 5.13%, due 6/1/17	Aaa	AAA
1,000	Clark Co. Vancouver Sch. Dist. Number 37 G.O., Ser. 1998, 5.13%, due 12/1/12	Aa3	
8,800	Energy Northwest Elec. Ref. Rev. (Proj. No. 3), Ser. 2001 A, (FSA Insured), 5.50%, due 7/1/17	Aaa	AAA
5,000	King & Snohomish Cos. Northshore Sch. Dist. Number 417 G.O., Ser. 2002, (FSA Insured), 5.50%, due 12/1/17	Aaa	AAA
4,260	King Co. Pub. Trans. Sales Tax Ref. G.O., Ser. 2002, (FSA Insured), 5.38%, due 12/1/14	Aaa	AAA
6,250	Port of Seattle Sub. Lien Rev., Ser. 2002 B, (FGIC Insured), 5.50%, due 9/1/16	Aaa	AAA
1,625	Skagit Co. Pub. Hosp. Dist. Ref. Rev., Ser. 2003, 6.00%, due 12/1/18	Baa2	
2,500	Tacoma Wtr. Sys. Rev., Ser. 2001, (FGIC Insured), 5.13%, due 12/1/19	Aaa	AAA
3,125	Washington St. Hlth. Care Fac. Au. Rev. (Yakima Valley Mem. Hosp. Assoc.), Ser. 2002, 5.00%, due 12/1/17		A
1,000	Washington St. Var. Purp. G.O., Ser. 1999 A, 4.75%, due 7/1/17	Aa1	AA

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WISCONSIN (5.1%)

1,485	Badger Tobacco Asset Securitization Corp. Tobacco Settlement Asset-Backed Rev., Ser. 2002, 6.13%, due 6/1/27	Baa3	BBB
1,900	Univ. of Wisconsin Hosp. & Clinics Au. Hosp. Rev., Ser. 2002 B, 5.50%, due 4/1/12	A1	A+
1,370	Wisconsin Hlth. & Ed. Fac. Au. Rev. (Aurora Med. Group, Inc. Proj.), Ser. 1996, (FSA Insured), 6.00%, due 11/15/11	Aaa	AAA
7,205	Wisconsin St. G.O., Ser. 2002 C, 5.25%, due 5/1/17 P/R 5/1/12	Aaa	AAA
2,780	Wisconsin St. Hlth. & Ed. Fac. Au. Rev. (Kenosha Hosp. & Med. Ctr., Inc. Proj.), Ser. 1999, 5.50%, due 5/15/15		A

WYOMING (1.6%)

4,895	Wyoming Community Dev. Au. Hsg. Rev., Ser. 2006 6, 5.00%, due 12/1/21	Aa1	AA+
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OTHER (1.6%)

2,000	MuniMae Subordinated Cumulative Perpetual Preferred Shares, 4.70%, due 6/30/49 Putable 9/30/09	Baa2	
3,000	Non-Profit Pfd. Fdg. Trust I, Ser. 2006 C, 4.72%, due 9/15/37	A2	

TOTAL INVESTMENTS (157.0%) (COST \$468,543)
Cash, receivables and other assets, less liabilities (1.1%)
Liquidation Value of Auction Market Preferred Shares [(58.1%)]

TOTAL NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS (100.0%)

See Notes to Schedule of Investments

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SCHEDULE OF INVESTMENTS NEW YORK INTERMEDIATE MUNICIPAL FUND INC.

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY @	RATING@@ MOODY'S	S&P
ARIZONA (0.7%)			
\$ 500	Verrado Comm. Fac. Dist. Number 1 G.O., Ser. 2003, 6.15%, due 7/15/17		
CALIFORNIA (1.2%)			
1,000	Santa Rosa Rancheria Tachi Yokut Tribe Enterprise Rev., Ser. 2003, 6.13%, due 3/1/13		
FLORIDA (0.6%)			
500	Miami Beach Hlth. Fac. Au. Hosp. Ref. Rev. (Mount Sinai Med. Ctr. of Florida Proj.), Ser. 2004, 6.25%, due 11/15/09	Ba1	BB+
GEORGIA (1.2%)			
1,000	De Kalb Co. Dev. Au. Ref. PCR (General Motors Corp. Proj.), Ser. 2002, 6.00%, due 3/15/21	Caa1	B-

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GUAM (0.7%)				
500	Guam Gov't. Waterworks Au. Wtr. & Wastewater Sys. Rev., Ser. 2005, 5.50%, due 7/1/16		Ba2	
LOUISIANA (2.6%)				
1,000	Morehouse Parish Ref. PCR (Int'l. Paper Co. Proj.), Ser. 2001 A, 5.25%, due 11/15/13		Baa3	BBB
1,000	Tobacco Settlement Fin. Corp. Tobacco Settlement Asset-Backed Rev., Ser. 2001 B, 5.50%, due 5/15/30		Baa3	BBB
NEW YORK (140.7%)				
3,000	Albany IDA Civic Fac. Rev. (Charitable Leadership Foundation Ctr. for Med. Science Proj.), Ser. 2002 A, 6.00%, due 7/1/19		Ba2	
500	Cattaraugus Co. IDA (St. Bonaventure Univ. Proj.), Ser. 2006 A, 5.00%, due 5/1/23			BBB-
1,000	Dutchess Co. IDA Civic Fac. Ref. Rev. (Marist College Proj.), Ser. 2003 A, 5.15%, due 7/1/17		Baa1	
2,000	Dutchess Co. IDA Ind. Dev. Rev. (IBM Proj.), Ser. 1999, 5.45%, due 12/1/29		A1	A+
500	Essex Co. IDA Solid Waste Disp. Rev. (Int'l. Paper), Ser. 2005 A, 5.20%, due 12/1/23		Baa3	BBB
2,000	Long Island Pwr. Au. Elec. Sys. Gen. Rev., Ser. 1998 A, 5.50%, due 12/1/13		Aaa	AAA
1,265	Lyons Comm. Hlth. Initiatives Corp. Fac. Rev., Ser. 2004, 5.50%, due 9/1/14		A2	
2,000	Metro. Trans. Au. Ref. Rev., Ser. 2002 A, (AMBAC Insured), 5.50%, due 11/15/15		Aaa	AAA
1,000	Monroe Co. IDA Civic Fac. Rev. (Highland Hosp. Rochester), 5.00%, due 8/1/15		Baa1	BBB+
980	Monroe Co. IDA Std. Hsg. Rev. (Collegiate Hsg. Foundation - Rochester Institute of Technology Proj.), Ser. 1999 A, 5.25%, due 4/1/19		Baa3	
1,000	Monroe Co. Newpower Corp. Pwr. Fac. Rev., Ser. 2003, 5.10%, due 1/1/16			BBB
1,000	Monroe Co. Pub. Imp. Ref. G.O., Ser. 1996, 6.00%, due 3/1/13		Baa1	BBB+
600	New York City G.O., Sub. Ser. 1993 A-7, (LOC: Morgan Guaranty Trust), 3.55%, due 11/1/06		VMIG1	A-1+
1,000	New York City G.O., Ser. 2002 A, 5.75%, due 8/1/16		A1	AA-
750	New York City G.O., Ser. 2002 C, 5.50%, due 8/1/15		A1	AA-
1,410	New York City Hlth. & Hosp. Corp. Rev., Ser. 2002 A, (FSA Insured), 5.50%, due 2/15/13		Aaa	AAA
4,000	New York City Hsg. Dev. Corp. Multi-Family Hsg. Rev., Ser. 2002 E-2, 5.05%, due 11/1/23		Aa2	AA

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NEUBERGER BERMAN OC

SCHEDULE OF INVESTMENTS NEW YORK INTERMEDIATE MUNICIPAL FUND INC. CONT'D

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY @	RATING@@ MOODY'S S&P
\$1,000	New York City IDA Civic Fac. Rev. (Lycee Francais de	

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	New York Proj.), Ser. 2002 A, 5.50%, due 6/1/15		A
1,030	New York City IDA Civic Fac. Rev. (Lycee Francais de New York Proj.), Ser. 2002 A, 5.50%, due 6/1/17		A
2,920	New York City IDA Civic Fac. Rev. (Packer Collegiate Institute Proj.), Ser. 2002, (AMBAC Insured), 5.00%, due 6/1/22	Aaa	AAA
1,000	New York City IDA Ind. Dev. Rev. (Brooklyn Navy Yard Cogeneration Partners, L.P. Proj.), Ser. 1997, 6.20%, due 10/1/22	Ba1	BBB-
500	New York City IDA Ind. Dev. Rev. (Harlem Auto Mall Proj.), Ser. 2004, 5.13%, due 12/30/23	Caa1	B-
750	New York City IDA Liberty Rev. (7 World Trade Center, LLC Proj.), Ser. 2005 A, 6.25%, due 3/1/15		
750	New York City IDA Spec. Fac. Rev. (American Airlines, Inc. J.F.K. Int'l. Arpt. Proj.), Ser. 2005, 7.50%, due 8/1/16		B
2,000	New York City IDA Spec. Fac. Rev. (Term. One Group Assoc. Proj.), Ser. 2005, 5.50%, due 1/1/19	A3	BBB+
960	New York City Muni. Wtr. Fin. Au. Wtr. & Swr. Sys. Rev., Ser. 1992 A, (AMBAC Insured), 5.88%, due 6/15/13	Aaa	AAA
4,000	New York City Muni. Wtr. Fin. Au. Wtr. & Swr. Sys. Rev., Ser. 2002 D, 5.25%, due 6/15/15	Aa2	AA+
3,000	New York City Trans. Fin. Au. Ref. Rev., Ser. 2002 B, 5.25%, due 2/1/29	Aa1	AAA
2,025	New York City Trans. Fin. Au. Ref. Rev., Ser. 2002 C, (AMBAC Insured), 5.25%, due 8/1/17	Aaa	AAA
800	New York Convention Ctr. Operating Corp. Cert. of Participation (Yale Bldg. Acquisition Proj.), Ser. 2003, 5.25%, due 6/1/08		
85	New York G.O. Pre-refunded, Ser. 2011 J, 5.00%, due 8/1/11	A1	AA-
915	New York G.O. Unrefunded Balance, Ser. 1998 J, 5.00%, due 8/1/11	A1	AA-
750	New York Liberty Dev. Corp. Rev. (Nat'l. Sports Museum Proj.), Ser. 2006 A, 6.13%, due 2/15/19		
2,000	New York St. Dorm. Au. Court Fac. Lease Rev. (New York City Issue), Ser. 2003 A, 5.50%, due 5/15/17	A2	A+
2,000	New York St. Dorm. Au. Insured Rev. (Long Island Jewish Med. Ctr.), Ser. 1998, (MBIA Insured), 5.00%, due 7/1/18	Aaa	AAA
1,675	New York St. Dorm. Au. Insured Rev. (Long Island Univ.), Ser. 2003 A, 5.25%, due 9/1/15	Aa3	AA
1,600	New York St. Dorm. Au. Insured Rev. (The Culinary Institute of America), Ser. 1999, (MBIA Insured), 5.38%, due 7/1/15	Aaa	AAA
3,000	New York St. Dorm. Au. Ref. Rev. (North Gen. Hosp. Proj.), Ser. 2003, 5.75%, due 2/15/17		AA-
1,125	New York St. Dorm. Au. Rev. (City Univ. Sys. Proj.), Ser. 1995 A, 5.63%, due 7/1/16	A1	AA-
1,010	New York St. Dorm. Au. Rev. (Columbia Univ. Proj.), Ser. 2001 A, 5.25%, due 7/1/16	Aaa	AAA
2,985	New York St. Dorm. Au. Rev. (Lenox Hill Hosp. Oblig. Group Proj.), Ser. 2001, 5.75%, due 7/1/14	Ba2	
2,000	New York St. Dorm. Au. Rev. (Lenox Hill Hosp. Oblig. Group Proj.), Ser. 2001, 5.75%, due 7/1/16	Ba2	
2,000	New York St. Dorm. Au. Rev. (Mount Sinai NYU Hlth.), Ser. 2000 C, 5.50%, due 7/1/26	Baa2	BBB
1,980	New York St. Dorm. Au. Rev. (New York Med. College Proj.), Ser. 1998, (MBIA Insured), 5.00%, due 7/1/21	Aaa	AAA
525	New York St. Dorm. Au. Rev. (New York Methodist Hosp.), Ser. 2004, 5.25%, due 7/1/18	A3	

See Notes to Schedule of Investments

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SCHEDULE OF INVESTMENTS NEW YORK INTERMEDIATE MUNICIPAL FUND INC. CONT'D

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY @	RATING@@ MOODY'S	S&P
\$ 500	New York St. Dorm. Au. Rev. (North Shore-Long Island Jewish Oblig. Group), Ser. 2003, 5.00%, due 5/1/18	A3	
2,855	New York St. Dorm. Au. Rev. (Rivington House Hlth. Care Fac.), Ser. 2002, 5.25%, due 11/1/15	Aa1	
2,410	New York St. Dorm. Au. Rev. (Rochester Institute of Technology Proj.), Ser. 2002 A, (AMBAC Insured), 5.25%, due 7/1/19	Aaa	
3,000	New York St. Dorm. Au. Rev. (SS Joachim & Anne Residence Proj.), Ser. 2002, 4.60%, due 7/1/16	Aa3	
1,000	New York St. Dorm. Au. Rev. Non. St. Supported Debt (NYU Hosp. Ctr.), Ser. 2006 A, 5.00%, due 7/1/20	Ba2	BB
250	New York St. Dorm. Au. Rev. Secured Hosp. Ref. Rev. (Brookdale Hosp. Med. Ctr.), Ser. 1998 J, 5.20%, due 2/15/16	A1	AA-
3,900	New York St. Dorm. Au. Rev. St. Personal Income Tax Rev., Ser. 2003 A, 5.38%, due 3/15/17	Aa3	AAA
5,000	New York St. Energy Res. & Dev. Au. Fac. Rev. (Consolidated Edison Co. of New York, Inc. Proj.), Ser. 2001 A, 4.70%, due 6/1/36	A1	A+
1,000	New York St. Env. Fac. Corp. Solid Waste Disp. Rev. (Waste Management, Inc. Proj.), Ser. 2004 A, 4.45%, due 7/1/17 Putable 7/1/09		BBB
2,000	New York St. Mtge. Agcy. Homeowner Mtge. Rev., Ser. 1997-67, 5.70%, due 10/1/17	Aa1	
2,000	New York St. Pwr. Au. Rev., Ser. 2002 A, 5.25%, due 11/15/16	Aa2	AA-
250	New York St. Urban Dev. Corp. Correctional & Youth Fac. Svc. Rev., Ser. 2002 C, 4.00%, due 1/1/20	A1	AA-
1,325	New York St. Urban Dev. Corp. Proj. Ref. Rev. (Ctr. for Ind. Innovation), Ser. 1995, 6.25%, due 1/1/09	A1	AA-
2,000	Niagara Co. IDA Civic Fac. Rev. (Niagara Univ. Proj.), Ser. 2001 A, 5.50%, due 11/1/16		AA
2,500	Niagara Co. IDA Solid Waste Disp. Fac. Ref. Rev. (American Ref.-Fuel Co. of Niagara), Ser. 2001 C, 5.63%, due 11/15/24	Baa3	BB+
3,000	Port Authority of NY & NJ Rev., Ser. 2002, (AMBAC Insured), 5.50%, due 12/15/12	Aaa	AAA
3,000	Triborough Bridge & Tunnel Au. Gen Purp. Ref. Rev., Ser. 2002 B, 5.25%, due 11/15/18	Aa2	AA-
1,535	Ulster Co. Res. Rec. Agcy. Solid Waste Sys. Ref. Rev., Ser. 2002, (AMBAC Insured), 5.25%, due 3/1/16	Aaa	AAA
500	United Nations Dev. Corp. Sr. Lien. Ref. Rev., Ser. 2004 A, 5.25%, due 7/1/17	A3	
1,000	Westchester Co. IDA Continuing Care Retirement Comm. Rev. (Kendal on Hudson Proj.), Ser. 2003 B, 5.70%, due 1/1/34		
1,000	Yonkers IDA Civic Fac. Rev. (Comm. Dev. Properties-Yonkers, Inc.), Ser. 2001 A, 6.25%, due 2/1/16	Baa3	
OHIO (0.6%)			
500	Coshocton Co. Env. Imp. Ref. Rev. (Smurfit-Stone Container Enterprises, Inc. Proj.), Ser. 2005, 5.13%, due 8/1/13		CCC+
PENNSYLVANIA (2.1%)			
1,590	Cumberland Co. West Shore Area Au. Hosp. Rev. (Holy Spirit Hosp. of the Sisters of Christian Charity Proj.), Ser. 2001, 5.90%, due 1/1/17		BBB

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PUERTO RICO (2.5%)

895	Puerto Rico Children's Trust Tobacco Settlement Asset-Backed Rev., Ser. 2002, 5.38%, due 5/15/33	Baa3	BBB
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NEUBERGER BERMAN O

SCHEDULE OF INVESTMENTS NEW YORK INTERMEDIATE MUNICIPAL FUND INC.

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY @	RATING@@ MOODY'S	S&P
\$1,060	Puerto Rico Ind. Tourist Ed. Med. & Env. Ctrl. Fac. Rev. (Polytechnic Univ. of Puerto Rico Proj.), Ser. 2002 A, (ACA Insured), 5.25%, due 8/1/16		A

TEXAS (2.6%)

800	Brazos River Au. Ref. PCR (TXU Energy Co. LLC Proj.), Ser. 2003 A, 6.75%, due 4/1/38 Putable 4/1/13	Baa2	BBB-
750	Brazos River Au. Ref. Rev. (Reliant Energy, Inc. Proj.), Ser. 1999 B, 7.75%, due 12/1/18	Ba1	BBB-
400	Dallas-Fort Worth Int'l. Arpt. Fac. Imp. Corp. Rev., Ser. 2004 A-1, 6.15%, due 1/1/16	Ba2	

VIRGIN ISLANDS (1.3%)

250	Virgin Islands Pub. Fin. Au. Refinery Fac. Rev. (HOVENSA Refinery), Ser. 2003, 6.13%, due 7/1/22	Baa3	BBB
750	Virgin Islands Pub. Fin. Au. Rev. (Virgin Islands Matching Fund Loan Notes), Ser. 1998 E, 6.00%, due 10/1/22		

TOTAL INVESTMENTS (156.8%) (COST \$125,079)
 Cash, receivables and other assets, less liabilities (2.1%)
 Liquidation Value of Auction Market Preferred Shares [(58.9%)]

TOTAL NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS (100.0%)

See Notes to Schedule of Investments

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NOTES TO SCHEDULE OF INVESTMENTS

(+) Investments in securities by Neuberger Berman California Intermediate Municipal Fund Inc. ("California"), Neuberger Berman Intermediate Municipal Fund Inc. ("Intermediate"), and Neuberger Berman New York Intermediate Municipal Fund Inc. ("New York") (individually a "Fund", and collectively, the "Funds") are valued daily by obtaining bid price

quotations from independent pricing services on all securities available in each service's data base. For all other securities, bid prices are obtained from principal market makers in those securities or, if quotations are not readily available, by methods each Fund's Board of Directors has approved on the belief that they reflect fair value. Numerous factors may be considered when determining the fair value of a security, including available analyst, media or other reports, trading in futures or ADRs and whether the issuer of the security being fair valued has other securities outstanding. Short-term debt securities with less than 60 days until maturity may be valued at cost which, when combined with interest earned, approximates market value.

At October 31, 2006, selected Fund information on a U.S. federal income tax basis was as follows:

(000'S OMITTED)		GROSS UNREALIZED	GROSS UNREALIZED	NET UNREALIZED
NEUBERGER BERMAN CALIFORNIA	COST	APPRECIATION	DEPRECIATION	APPRECIATION
	\$153,312	\$ 5,589	\$ --	\$ 5,589
INTERMEDIATE	468,543	16,264	166	16,098
NEW YORK	125,079	3,583	181	3,402

@ At time of investment, municipal securities purchased by the Funds are within the four highest rating categories (with respect to at least 80% of total assets) assigned by a nationally recognized statistical rating organization ("NRSRO") such as Moody's Investors Service, Inc., Standard & Poor's, or Fitch Investors Services, Inc. or, where not rated, are determined by the Funds' investment manager to be of comparable quality. Approximately 81%, 69%, and 58% of the municipal securities held by California, Intermediate, and New York, respectively, have credit enhancement features backing them, which the Funds may rely on, such as letters of credit, insurance, or guarantees. Without these credit enhancement features the securities may or may not meet the quality standards of the Funds. Pre-refunded bonds are supported by securities in escrow issued or guaranteed by the U.S. Government, its agencies, or instrumentalities. The amount escrowed is sufficient to pay the periodic interest due and the principal of these bonds. Puttable bonds give the Funds the right to sell back the issue on the date specified.

~ Security is guaranteed by the corporate or non-profit obligor.

^ Restricted security subject to restrictions on resale under federal securities laws. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers under Rule 144A and have been deemed by the investment manager to be liquid. At October 31, 2006, these securities amounted to \$4,482,000 or 1.5% of net assets applicable to common shareholders for Intermediate.

^^ Not rated by a NRSRO.

* All or a portion of this security was purchased on a when-issued basis. At October 31, 2006, these securities amounted to \$2,966,000 or .96% of net assets for Intermediate.

** All or a portion of this security is segregated as collateral for when-issued purchase commitments.

Floating rate securities are securities whose yields vary with a designated market index or market rate. These securities are shown at their current rates as of October 31, 2006.

@@ Credit ratings are unaudited.

See Notes to Financial Statements

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NEUBERGER BE

STATEMENTS OF ASSETS AND LIABILITIES

NEUBERGER BERMAN INTERMEDIATE MUNICIPAL CLOSED-END FUNDS (000'S OMITTED EXCEPT PER SHARE AMOUNTS)	CALIFORNIA INTERMEDIATE MUNICIPAL FUND	INTERMED MUNICI FUND
ASSETS		
INVESTMENTS IN SECURITIES, AT MARKET VALUE (*) (NOTE A)--SEE SCHEDULE OF INVESTMENTS	\$ 158,901	\$ 484,
Cash	64	

Interest receivable	2,509	7,
Receivable from transfer agent	--	

Receivable for securities sold	5	

Prepaid expenses and other assets	3	
=====		
TOTAL ASSETS	161,482	492,
LIABILITIES		
Distributions payable--preferred shares	88	
Distributions payable--common shares	403	1,

Payable for securities purchased	--	3,
Payable to administrator (Note B)	41	

Accrued expenses and other payables	67	
=====		
TOTAL LIABILITIES	599	4,
AUCTION MARKET PREFERRED SHARES SERIES A & B AT LIQUIDATION VALUE		
3,000, 8,000 and 3,000 shares authorized; and 2,360, 7,176 and 1,930 shares issued and outstanding for California, Intermediate and New York, respectively; \$.0001 par value; \$25,000 liquidation value per share (Note A)	59,000	179,
=====		
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS AT VALUE	\$ 101,883	\$ 308,
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS CONSIST OF:		

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Paid-in capital--common shares	\$ 96,347	\$ 293
Undistributed net investment income (loss)	246	

Distributions in excess of net investment income	--	(
Accumulated net realized gains (losses) on investments	(299)	(

Net unrealized appreciation (depreciation) in value of investments	5,589	16,
=====		
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS AT VALUE	\$ 101,883	\$ 308,
=====		
COMMON SHARES OUTSTANDING (\$.0001 par value; 999,997,000, 999,992,000 and 999,997,000 shares authorized for California, Intermediate and New York, respectively)	6,792	20,
=====		
NET ASSET VALUE PER COMMON SHARE OUTSTANDING	\$ 15.00	\$ 14
=====		
(*)COST OF INVESTMENTS:	\$ 153,312	\$ 468,
=====		

See Notes to Financial Statements

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NEUBERGER BERMAN FOR THE YEAR

STATEMENTS OF OPERATIONS

NEUBERGER BERMAN INTERMEDIATE MUNICIPAL CLOSED-END FUNDS (000'S OMITTED)	CALIFORNIA INTERMEDIATE MUNICIPAL FUND	INTERM MUNI FU
INVESTMENT INCOME		
INCOME (NOTE A):		
Interest income	\$7,294	\$22,
=====		
EXPENSES:		
Investment management fees (Notes A & B)	398	1,
Administration fees (Note B)	477	1,

Stock transfer agent fees	35	
Auction agent fees (Note B)	150	

Audit fees	45	
Basic maintenance expense (Note B)	25	

Custodian fees (Note B)	86	
Insurance expense	7	

Legal fees	23	
Shareholder reports	21	

Stock exchange listing fees	3	
Directors' fees and expenses	31	

Miscellaneous	25	
=====		

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Total expenses	1,326	3,
Investment management fees waived (Note B)	(398)	(1,
Expenses reduced by custodian fee expense offset arrangement (Note B)	(2)	
=====		
Total net expenses	926	2,
=====		
Net investment income	6,368	20,
=====		
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS (NOTE A)		
Net realized gain (loss) on:		
Sales of investment securities of unaffiliated issuers	49	

Change in net unrealized appreciation (depreciation) in value of:		
Unaffiliated investment securities	2,518	5,
=====		
Net gain (loss) on investments	2,567	6,
=====		
Distributions to Preferred Shareholders	(1,867)	(5,
=====		
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS RESULTING FROM OPERATIONS	\$7,068	\$20,
=====		

See Notes to Financial Statements

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STATEMENTS OF CHANGES IN NET ASSETS

	CALIFORNIA INTERMEDIATE MUNICIPAL FUND	
	YEAR ENDED	YEAR ENDED
NEUBERGER BERMAN INTERMEDIATE MUNICIPAL CLOSED-END FUNDS (000'S OMITTED)	OCTOBER 31, 2006	OCTOBER 31, 2005
INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS: FROM OPERATIONS:		
Net investment income (loss)	\$ 6,368	\$ 6,201
Net realized gain (loss) on investments	49	(4)

Change in net unrealized appreciation (depreciation) of investments	2,518	(2,787)
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS FROM (NOTE A):		
Net investment income	(1,867)	(929)
=====		
Net increase (decrease) in net assets applicable to common shareholders resulting from operations	7,068	2,481
=====		
DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM (NOTE A):		
Net investment income	(4,882)	(5,094)
=====		
FROM CAPITAL SHARE TRANSACTIONS:		
Proceeds from reinvestment of dividends	--	--
=====		
Total net proceeds from capital share transactions	--	--
=====		

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NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	2,186	(2,613)
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS:		
Beginning of year	99,697	102,310
End of year	\$101,883	\$ 99,697
Undistributed net investment income (loss) at end of year	\$ 246	\$ 627
Distributions in excess of net investment income at end of year	\$ --	\$ --

See Notes to Financial Statements

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	INTERMEDIATE MUNICIPAL	
	YEAR ENDED OCTOBER 31, 2006	YEAR ENDED OCTOBER 2005
NEUBERGER BERMAN INTERMEDIATE MUNICIPAL CLOSED-END FUNDS (000'S OMITTED)		
INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS:		
FROM OPERATIONS:		
Net investment income (loss)	\$ 20,112	\$ 19,700
Net realized gain (loss) on investments	247	(59)
Change in net unrealized appreciation (depreciation) of investments	5,912	(8,953)
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS FROM (NOTE A):		
Net investment income	(5,952)	(3,174)
Net increase (decrease) in net assets applicable to common shareholders resulting from operations	20,319	7,514
DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM (NOTE A):		
Net investment income	(15,502)	(16,461)
FROM CAPITAL SHARE TRANSACTIONS:		
Proceeds from reinvestment of dividends	--	--
Total net proceeds from capital share transactions	--	--
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	4,817	(8,947)
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS:		
Beginning of year	303,864	312,811
End of year	\$308,681	\$303,864
Undistributed net investment income (loss) at end of year	\$ --	\$ 969
Distributions in excess of net investment income at end of year	\$ (373)	\$ --

NOTES TO FINANCIAL STATEMENTS INTERMEDIATE MUNICIPAL CLOSED-END FUNDS

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

- 1 GENERAL: Neuberger Berman California Intermediate Municipal Fund Inc. ("California"), Neuberger Berman Intermediate Municipal Fund Inc. ("Intermediate"), and Neuberger Berman New York Intermediate Municipal Fund Inc. ("New York") (individually a "Fund" and, collectively, the "Funds") were organized as Maryland corporations on July 29, 2002. California and New York are registered as non-diversified, closed-end management investment companies and Intermediate is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940, as amended. Each Fund's Board of Directors may classify or re-classify any unissued shares of capital stock into one or more classes of preferred stock without the approval of shareholders.

The assets of each Fund belong only to that Fund, and the liabilities of each Fund are borne solely by that Fund and no other.

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires Neuberger Berman Management Inc. ("Management") to make estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates.

- 2 PORTFOLIO VALUATION: Investment securities are valued as indicated in the notes following the Funds' Schedule of Investments.
- 3 SECURITIES TRANSACTIONS AND INVESTMENT INCOME: Securities transactions are recorded on trade date for financial reporting purposes. Interest income, including accretion of discount (adjusted for original issue discount, where applicable) and amortization of premium, where applicable, is recorded on the accrual basis. Realized gains and losses from securities transactions are recorded on the basis of identified cost and stated in the Statements of Operations.
- 4 INCOME TAX INFORMATION: Each Fund is treated as a separate entity for U.S. federal income tax purposes. It is the policy of each Fund to continue to qualify as a regulated investment company by complying with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its earnings to its shareholders. Therefore, no federal income or excise tax provision is required.

Income distributions and capital gain distributions are determined in accordance with income tax regulations, which may differ from U.S. generally accepted accounting principles. These differences are primarily due to differing treatments of income and gains on various investment securities held by each Fund, timing differences and differing characterization of distributions made by each Fund as a whole.

As determined on October 31, 2006, there were no permanent differences resulting from different book and tax accounting reclassified at fiscal year-end.

The tax character of distributions paid during the years ended October 31, 2006 and October 31, 2005 were as follows:

DISTRIBUTIONS PAID FROM:

	TAX-EXEMPT INCOME		ORDINARY INCOME		TOTAL	
	2006	2005	2006	2005	2006	2005
CALIFORNIA	\$ 6,741,577	\$ 6,020,445	\$ 6,567	\$ 2,558	\$ 6,748,144	\$ 6,023,003
INTERMEDIATE	21,418,996	19,596,581	35,155	37,644	21,454,151	19,634,225
NEW YORK	5,696,502	5,108,368	4,389	2,708	5,700,891	5,111,076

As of October 31, 2006, the components of distributable earnings (accumulated losses) on a U.S federal income tax basis were as follows:

	UNDISTRIBUTED TAX-EXEMPT INCOME	UNDISTRIBUTED ORDINARY INCOME	UNDISTRIBUTED LONG-TERM GAIN	UNREALIZED APPRECIATION (DEPRECIATION)	LOSS CARRYFORWARDS AND DEFERRALS
CALIFORNIA	\$ 736,945	\$--	\$--	\$ 5,589,041	\$ (299,384)
INTERMEDIATE	1,133,845	--	--	16,096,935	(897,147)
NEW YORK	373,890	--	--	3,402,826	(548,941)

The differences between book basis and tax basis distributable earnings is attributable primarily to timing differences of distribution payments.

To the extent each Fund's net realized capital gains, if any, can be offset by capital loss carryforwards, it is the policy of each Fund not to distribute such gains. As determined at October 31, 2006, the Funds had unused capital loss carryforwards available for federal income tax purposes to offset net realized capital gains, if any, as follows:

	EXPIRING IN: 2011	EXPIRING IN: 2012	EXPIRING IN: 2013
CALIFORNIA	\$ 21,173	\$273,734	\$ 4,477
INTERMEDIATE	509,968	328,363	58,816
NEW YORK	373,467	156,636	18,838

- 5 DISTRIBUTIONS TO SHAREHOLDERS: Each Fund earns income, net of expenses, daily on its investments. It is the policy of each Fund to declare quarterly and pay monthly distributions. Distributions from net realized capital gains, if any, are normally distributed in December. Distributions to common shareholders are recorded on the ex-date. Distributions to preferred shareholders are accrued and determined as described in Note A-7.

Subsequent to October 31, 2006, each Fund declared three monthly distributions to common shareholders payable December 15, 2006, January 16, 2007 and February 15, 2007 to shareholders of record on November 30, 2006, December 29, 2006 and January 31, 2007, with ex-dates of November 28, 2006, December 27, 2006 and January 29, 2007, as follows:

	DISTRIBUTION PER SHARE
CALIFORNIA	\$0.058565

INTERMEDIATE	0.055894
NEW YORK	0.056840

NOTES TO FINANCIAL STATEMENTS INTERMEDIATE MUNICIPAL CLOSED-END FUNDS CONT'D

6 EXPENSE ALLOCATION: Certain expenses are applicable to multiple funds. Expenses directly attributable to a Fund are charged to that Fund. Expenses borne by the complex of related investment companies, which includes open-end and closed-end investment companies for which Management serves as investment manager, that are not directly attributed to a Fund are allocated among the Funds and the other investment companies in the complex or series thereof on the basis of relative net assets, except where a more appropriate allocation of expenses to each investment company in the complex or series thereof can otherwise be made fairly.

7 REDEEMABLE PREFERRED SHARES: On October 21, 2002, the Funds re-classified unissued shares of capital stock into several series of Auction Market Preferred Shares ("AMPS"), as follows:

	SERIES A SHARES	SERIES B SHARES
CALIFORNIA	1,500	1,500
INTERMEDIATE	4,000	4,000
NEW YORK	1,500	1,500

On December 13, 2002, the Funds issued several series of AMPS, as follows:

	SERIES A SHARES	SERIES B SHARES
CALIFORNIA	1,180	1,180
INTERMEDIATE	3,588	3,588
NEW YORK	965	965

All shares of each series of AMPS have a liquidation preference of \$25,000 per share plus any accumulated unpaid distributions, whether or not earned or declared by the Fund, but excluding interest thereon ("Liquidation Value"). Distributions to AMPS shareholders, which are cumulative, are accrued daily. It is the policy of each Fund to pay distributions every 7 days for each Fund's AMPS Series A and every 28 days for each Fund's AMPS Series B, unless in a special rate period.

In the absence of a special rate period, distribution rates are reset every 7 days for each Fund's AMPS Series A, based on the results of an auction. For the year ended October 31, 2006, distribution rates ranged from:

	DISTRIBUTION RATE
CALIFORNIA	2.55% - 3.70%
INTERMEDIATE	2.41% - 4.00%
NEW YORK	2.45% - 3.60%

In the absence of a special rate period, distribution rates are reset every 28 days for each Fund's AMPS Series B, based on the results of an auction. For the year ended October 31, 2006, distribution rates ranged from:

	DISTRIBUTION RATE
CALIFORNIA	2.65% - 3.60%
INTERMEDIATE	2.75% - 3.85%
NEW YORK	2.54% - 3.75%

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The Funds declared distributions to AMPS shareholders for the period November 1, 2006 to November 30, 2006, for each series of the AMPS as follows:

	SERIES A SHARES	SERIES B SHARES
CALIFORNIA	\$ 72,413	\$ 82,404
INTERMEDIATE	258,346	261,113
NEW YORK	66,302	64,842

The Funds may redeem shares of each series of AMPS, in whole or in part, on the second business day preceding any distribution payment date at Liquidation Value.

The Funds are also subject to certain restrictions relating to the AMPS. Failure to comply with these restrictions could preclude the Funds from declaring any distributions to common shareholders or repurchasing common shares and/or could trigger the mandatory redemption of AMPS at Liquidation Value.

The holders of AMPS are entitled to one vote per share and will vote with holders of common shares as a single class, except that the AMPS will vote separately as a class on certain matters, as required by law or a Fund's charter. The holders of a Fund's AMPS, voting as a separate class, are entitled at all times to elect two Directors of the Fund, and to elect a majority of the Directors of a Fund if the Fund fails to pay distributions on AMPS for two consecutive years.

- 8 CONCENTRATION OF RISK: The ability of the issuers of the debt securities held by the Funds to meet their obligations may be affected by economic developments, including those particular to a specific industry or region. California and New York normally invest substantially all of their assets in municipal bonds of issuers located in the state of California and the state of New York, respectively. The value of the Funds securities are more susceptible to adverse economic, political, regulatory or other factors affecting the issuers of such municipal bonds than a fund that does not limit its investments to such issuers.
- 9 INDEMNIFICATIONS: Like many other companies, the Funds' organizational documents provide that their officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, both in some of their principal service contracts and in the normal course of their business, the Funds enter into contracts that provide indemnifications to other parties for certain types of losses or liabilities. Each Fund's maximum exposure under these arrangements is unknown as this could involve future claims against each Fund.

NOTE B--MANAGEMENT FEES, ADMINISTRATION FEES, AND OTHER TRANSACTIONS WITH AFFILIATES:

Each Fund retains Management as its investment manager under a Management Agreement. For such investment management services, each Fund pays Management a fee at the annual rate of 0.25% of its average daily Managed Assets. Managed Assets equal the total assets of the Fund, less liabilities other than the aggregate indebtedness entered into for purposes of leverage. For purposes of calculating Managed Assets, the Liquidation Value of any AMPS outstanding is not considered a liability.

NOTES TO FINANCIAL STATEMENTS INTERMEDIATE MUNICIPAL CLOSED-END FUNDS CONT'D

Management has contractually agreed to waive a portion of the management fees it is entitled to receive from each Fund at the following annual rates:

YEAR ENDED OCTOBER 31,	% OF AVERAGE DAILY MANAGED ASSETS
2006 - 2007	0.25
2008	0.20
2009	0.15
2010	0.10
2011	0.05

Management has not agreed to waive any portion of its fees beyond October 31, 2011.

For the year ended October 31, 2006, such waived fees amounted to \$397,685, \$1,208,640, and \$322,194 for California, Intermediate, and New York, respectively.

Each Fund retains Management as its administrator under an Administration Agreement. Each Fund pays Management an administration fee at the annual rate of 0.30% of its average daily Managed Assets under this agreement. Additionally, Management retains State Street Bank and Trust Company ("State Street") as its sub-administrator under a Sub-Administration Agreement. Management pays State Street a fee for all services received under the agreement.

Management and Neuberger Berman, LLC ("Neuberger"), a member firm of the New York Stock Exchange and sub-adviser to each Fund, are wholly-owned subsidiaries of Lehman Brothers Holdings Inc., a publicly-owned holding company. Neuberger is retained by Management to furnish it with investment recommendations and research information without added cost to each Fund. Several individuals who are officers and/or Directors of each Fund are also employees of Neuberger and/or Management.

Each Fund has an expense offset arrangement in connection with its custodian contract. For the year ended October 31, 2006, the impact of this arrangement was a reduction of expenses of \$2,106, \$4,763, and \$2,534 for California, Intermediate, and New York, respectively.

In connection with the settlement of each AMPS auction, each Fund pays, through the auction agent, a service fee to each participating broker-dealer based upon the aggregate liquidation preference of the AMPS held by the broker-dealer's customers. For any auction preceding a rate period of less than one year, the service fee is paid at the annual rate of 1/4 of 1%; for any auction preceding a rate period of one year or more, the service fee is paid at a rate agreed to by each Fund and the broker-dealer.

In order to satisfy rating agencies' requirements, each Fund is required to provide each rating agency a report on a monthly basis verifying that each Fund is maintaining eligible assets having a discounted value equal to or greater than the Preferred Shares Basic Maintenance Amount, which is a minimum level set by each rating agency as one of the conditions to maintain the AAA/Aaa rating on the AMPS. "Discounted value" refers to the fact that the rating agencies require each Fund, in performing this calculation, to discount portfolio securities below their face value, at rates determined by the rating agencies. Each Fund pays a fee to State Street for the preparation of this report which is reflected in the

Statements of Operations under the caption "Basic maintenance expense."

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NEUBERGER BERMAN OCTOBER 31, 2006

NOTE C--SECURITIES TRANSACTIONS:

For the year ended October 31, 2006, there were purchase and sale transactions (excluding short-term securities) as follows:

(000'S OMITTED)	PURCHASES	SALES
CALIFORNIA	\$ 4,749,582	\$ 5,238,114
INTERMEDIATE	29,916,671	28,406,432
NEW YORK	7,152,838	6,908,150

NOTE D--CAPITAL:

At October 31, 2006, the common shares outstanding and the common shares of each Fund owned by Neuberger were as follows:

	COMMON SHARES OUTSTANDING	COMMON SHARES OWNED BY NEUBERGER
CALIFORNIA	6,791,981	6,981
INTERMEDIATE	20,705,124	6,981
NEW YORK	5,578,402	6,981

Transactions in common shares for the years ended October 31, 2006 and October 31, 2005, were as follows:

	REINVESTMENT OF DIVIDENDS AND DISTRIBUTIONS		NET INCREASE IN COMMON SHARES OUTSTANDING	
	2006	2005	2006	2005
CALIFORNIA	--	--	--	--
INTERMEDIATE	--	--	--	--
NEW YORK	3,852	--	3,852	--

NOTE E--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 clarifies the accounting for income taxes, by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FIN 48 requires that a "more-likely-than-not" threshold be met before the benefit of a tax position may be recognized in the financial statements and prescribes how such benefit should be measured. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006 and is to be applied to all open tax years as of the effective date. At this time, Management is evaluating the implications of FIN 48 and its impact in the financial statements has not yet been determined.

In September 2006, FASB issued FASB Statement No. 157, "Fair Value Measurement" ("SFAS 157"), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years.

Management believes the adoption of SFAS 157 will not have a material impact on the financial positions or results of operations.

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FINANCIAL HIGHLIGHTS CALIFORNIA INTERMEDIATE MUNICIPAL FUND

The following table includes selected data for a share outstanding throughout each period and other performance information derived from the Financial Statements.

	YEAR ENDED OCTOBER 31,			
	2006	2005	2004	2003
COMMON SHARE NET ASSET VALUE, BEGINNING OF PERIOD	\$ 14.68	\$ 15.06	\$ 14.36	\$ 14.31
INCOME FROM INVESTMENT OPERATIONS APPLICABLE TO COMMON SHAREHOLDERS:				
NET INVESTMENT INCOME (LOSS)~	.94	.91	.91	.85
NET GAINS OR LOSSES ON SECURITIES (BOTH REALIZED AND UNREALIZED)	.37	(.40)	.67	.14
COMMON SHARE EQUIVALENT OF DISTRIBUTIONS TO PREFERRED SHAREHOLDERS FROM:				
NET INVESTMENT INCOME~	(.27)	(.14)	(.13)	(.08)
TOTAL FROM INVESTMENT OPERATIONS APPLICABLE TO COMMON SHAREHOLDERS	1.04	.37	1.45	.91
LESS DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM: NET INVESTMENT INCOME	(.72)	(.75)	(.75)	(.75)
LESS CAPITAL CHARGES FROM:				
ISSUANCE OF COMMON SHARES	--	--	--	--
ISSUANCE OF PREFERRED SHARES	--	--	--	(.11)
TOTAL CAPITAL CHARGES	--	--	--	(.11)
COMMON SHARE NET ASSET VALUE, END OF PERIOD	\$ 15.00	\$ 14.68	\$ 15.06	\$ 14.36
COMMON SHARE MARKET VALUE, END OF PERIOD	\$ 14.65	\$ 13.75	\$ 13.47	\$ 13.00
TOTAL RETURN, COMMON SHARE NET ASSET VALUE+	+7.51%	+2.96%	+10.97%	+6.02%
TOTAL RETURN, COMMON SHARE MARKET VALUE+	+12.10%	+7.82%	+9.63%	-8.44%
RATIOS/SUPPLEMENTAL DATA++				
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS, END OF PERIOD (IN MILLIONS)	\$ 101.9	\$ 99.7	\$ 102.3	\$ 97.5
PREFERRED SHARES, AT LIQUIDATION VALUE (\$25,000 PER SHARE LIQUIDATION PREFERENCE) (IN MILLIONS)	\$ 59.0	\$ 59.0	\$ 59.0	\$ 59.0
RATIO OF GROSS EXPENSES TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS#	.93%	.96%	.96%	.88%
RATIO OF NET EXPENSES TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS@@	.93%	.96%	.96%	.88%

RATIO OF NET INVESTMENT INCOME (LOSS) EXCLUDING PREFERRED SHARE DISTRIBUTIONS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	6.36%	6.08%	6.24%	5.88%
RATIO OF PREFERRED SHARE DISTRIBUTIONS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	1.86%	.91%	.86%	.56%
RATIO OF NET INVESTMENT INCOME (LOSS) INCLUDING PREFERRED SHARE DISTRIBUTIONS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	4.50%	5.17%	5.38%	5.32%
PORTFOLIO TURNOVER RATE	3%	3%	3%	9%
ASSET COVERAGE PER PREFERRED SHARE, END OF PERIOD	\$68,208	\$67,273	\$68,383	\$66,332

See Notes to Financial Highlights

FINANCIAL HIGHLIGHTS INTERMEDIATE MUNICIPAL FUND

The following table includes selected data for a share outstanding throughout each period and other performance information derived from the Financial Statements.

	YEAR ENDED OCTOBER 31,			
	2006	2005	2004	2003
COMMON SHARE NET ASSET VALUE, BEGINNING OF PERIOD	\$ 14.68	\$ 15.11	\$ 14.44	\$ 14.30
INCOME FROM INVESTMENT OPERATIONS APPLICABLE TO COMMON SHAREHOLDERS:				
NET INVESTMENT INCOME (LOSS)~	.97	.95	.94	.88
NET GAINS OR LOSSES ON SECURITIES (BOTH REALIZED AND UNREALIZED)	.30	(.43)	.65	.25
COMMON SHARE EQUIVALENT OF DISTRIBUTIONS TO PREFERRED SHAREHOLDERS FROM:				
NET INVESTMENT INCOME~	(.29)	(.15)	(.12)	(.09)
TOTAL FROM INVESTMENT OPERATIONS APPLICABLE TO COMMON SHAREHOLDERS	.98	.37	1.47	1.04
LESS DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM:				
NET INVESTMENT INCOME	(.75)	(.80)	(.80)	(.80)
LESS CAPITAL CHARGES FROM:				
ISSUANCE OF COMMON SHARES	--	--	--	--
ISSUANCE OF PREFERRED SHARES	--	--	--	(.10)
TOTAL CAPITAL CHARGES	--	--	--	(.10)
COMMON SHARE NET ASSET VALUE, END OF PERIOD	\$ 14.91	\$ 14.68	\$ 15.11	\$ 14.44
COMMON SHARE MARKET VALUE, END OF PERIOD	\$ 14.22	\$ 13.62	\$ 13.70	\$ 13.33
TOTAL RETURN, COMMON SHARE NET ASSET VALUE+	+7.22%	+2.93%	+10.91%	+6.88%

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TOTAL RETURN, COMMON SHARE MARKET VALUE+ RATIOS/SUPPLEMENTAL DATA++	+10.22%	+5.32%	+8.94%	-5.94%
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS, END OF PERIOD (IN MILLIONS)	\$ 308.7	\$ 303.9	\$ 312.8	\$ 299.1
PREFERRED SHARES, AT LIQUIDATION VALUE (\$25,000 PER SHARE LIQUIDATION PREFERENCE) (IN MILLIONS)	\$ 179.4	\$ 179.4	\$ 179.4	\$ 179.4
RATIO OF GROSS EXPENSES TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS#	.78%	.80%	.82%	.74%
RATIO OF NET EXPENSES TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS@@	.78%	.80%	.82%	.74%
RATIO OF NET INVESTMENT INCOME (LOSS) EXCLUDING PREFERRED SHARE DISTRIBUTIONS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	6.61%	6.33%	6.40%	6.08%
RATIO OF PREFERRED SHARE DISTRIBUTIONS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	1.95%	1.02%	.85%	.59%
RATIO OF NET INVESTMENT INCOME (LOSS) INCLUDING PREFERRED SHARE DISTRIBUTIONS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	4.66%	5.31%	5.55%	5.49%
PORTFOLIO TURNOVER RATE	6%	2%	3%	10%
ASSET COVERAGE PER PREFERRED SHARE, END OF PERIOD@	\$68,048	\$67,368	\$68,622	\$66,694

See Notes to Financial Highlights

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FINANCIAL HIGHLIGHTS NEW YORK INTERMEDIATE MUNICIPAL FUND

The following table includes selected data for a share outstanding throughout each period and other performance information derived from the Financial Statements.

	YEAR ENDED OCTO		
	2006	2005	2004
COMMON SHARE NET ASSET VALUE, BEGINNING OF PERIOD	\$ 14.47	\$ 14.90	\$ 14.90
INCOME FROM INVESTMENT OPERATIONS APPLICABLE TO COMMON SHAREHOLDERS:			
NET INVESTMENT INCOME (LOSS)~	.96	.93	(.14)
NET GAINS OR LOSSES ON SECURITIES (BOTH REALIZED AND UNREALIZED)	.29	(.44)	(.14)
COMMON SHARE EQUIVALENT OF DISTRIBUTIONS TO PREFERRED SHAREHOLDERS FROM: NET INVESTMENT INCOME~	(.28)	(.14)	(.14)
TOTAL FROM INVESTMENT OPERATIONS APPLICABLE TO COMMON SHAREHOLDERS	.97	.35	1.00
LESS DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM: NET INVESTMENT INCOME	(.75)	(.78)	(.78)
LESS CAPITAL CHARGES FROM:			
ISSUANCE OF COMMON SHARES	--	--	--
ISSUANCE OF PREFERRED SHARES	--	--	--

TOTAL CAPITAL CHARGES	-----	-----	-----
	--	--	
COMMON SHARE NET ASSET VALUE, END OF PERIOD	\$ 14.69	\$ 14.47	\$ 14.47
COMMON SHARE MARKET VALUE, END OF PERIOD	\$ 14.60	\$ 13.54	\$ 13.54
TOTAL RETURN, COMMON SHARE NET ASSET VALUE+	+7.05%	+2.87%	+9.92%
TOTAL RETURN, COMMON SHARE MARKET VALUE+	+13.70%	+7.68%	+6.52%
RATIOS/SUPPLEMENTAL DATA++			
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS, END OF PERIOD (IN MILLIONS)	\$ 81.9	\$ 80.7	\$ 80.7
PREFERRED SHARES, AT LIQUIDATION VALUE (\$25,000 PER SHARE LIQUIDATION PREFERENCE) (IN MILLIONS)	\$ 48.3	\$ 48.3	\$ 48.3
RATIO OF GROSS EXPENSES TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS#	.98%	1.02%	1.02%
RATIO OF NET EXPENSES TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS@@	.98%	1.01%	1.01%
RATIO OF NET INVESTMENT INCOME (LOSS) EXCLUDING PREFERRED SHARE DISTRIBUTIONS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	6.60%	6.30%	6.30%
RATIO OF PREFERRED SHARE DISTRIBUTIONS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	1.90%	.92%	.92%
RATIO OF NET INVESTMENT INCOME (LOSS) INCLUDING PREFERRED SHARE DISTRIBUTIONS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	4.70%	5.38%	5.38%
PORTFOLIO TURNOVER RATE	5%	2%	2%
ASSET COVERAGE PER PREFERRED SHARE, END OF PERIOD@	\$67,488	\$66,813	\$68,113

See Notes to Financial Highlights

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NEUBERGER BERMAN OCTOBER 31, 2006

NOTES TO FINANCIAL HIGHLIGHTS INTERMEDIATE MUNICIPAL CLOSED-END FUNDS

+ Total return based on per share net asset value reflects the effects of changes in net asset value on the performance of each Fund during each fiscal period. Total return based on per share market value assumes the purchase of common shares at the market price on the first day and sales of common shares at the market price on the last day of the period indicated. Dividends and distributions, if any, are assumed to be reinvested at prices obtained under each Fund's distribution reinvestment plan. Results represent past performance and do not guarantee future results. Current returns may be lower or higher than the performance data quoted. Investment returns may fluctuate and shares when sold may be worth more or less than original cost. For each Fund, total return would have been lower if Management had not waived the investment management fee.

The Fund is required to calculate an expense ratio without taking into consideration any expense reductions related to expense offset arrangements.

@@ After waiver of investment management fee by Management. Had Management not undertaken such action, the annualized ratios of net expenses to average daily net assets applicable to common shareholders would have been:

YEAR ENDED	PERIOD FROM
OCTOBER 31,	SEPTEMBER 27 TO
YEAR ENDED OCTOBER 31,	OCTOBER 31,

	2006	2005	2004	2003	2002
CALIFORNIA	1.32%	1.36%	1.35%	1.26%	1.08%
INTERMEDIATE	1.17%	1.20%	1.22%	1.13%	.76%
NEW YORK	1.38%	1.41%	1.39%	1.31%	1.18%

^ The date investment operations commenced.

* Annualized.

** Not annualized.

@ Calculated by subtracting the Fund's total liabilities (excluding accumulated unpaid distributions on AMPS) from the Fund's total assets and dividing by the number of AMPS outstanding.

++ Expense ratios do not include the effect of distributions to holders of AMPS. Income ratios include income earned on assets attributable to AMPS outstanding.

~ Calculated based on the average number of shares outstanding during each fiscal period.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
 Neuberger Berman California Intermediate Municipal Fund Inc.
 Neuberger Berman Intermediate Municipal Fund Inc.
 Neuberger Berman New York Intermediate Municipal Fund Inc.

We have audited the accompanying statements of assets and liabilities of Neuberger Berman California Intermediate Municipal Fund Inc., Neuberger Berman Intermediate Municipal Fund Inc., and Neuberger Berman New York Intermediate Municipal Fund Inc. (the "Funds"), including the schedules of investments, as of October 31, 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 Funds' 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 Funds' 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 Funds' 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 October 31, 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 position of Neuberger Berman California Intermediate Municipal Fund Inc., Neuberger Berman Intermediate Municipal Fund Inc., and Neuberger Berman New York Intermediate Municipal Fund Inc., at October 31, 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 the periods indicated therein, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Boston, Massachusetts
December 8, 2006

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NEUBERGER BERMAN OCTOBER 31, 2006

DISTRIBUTION REINVESTMENT PLAN

The Bank of New York ("Plan Agent") will act as Plan Agent for shareholders who have not elected in writing to receive dividends and distributions in cash (each a "Participant"), will open an account for each Participant under the Distribution Reinvestment Plan ("Plan") in the same name as their then current Shares are registered, and will put the Plan into effect for each Participant as of the first record date for a dividend or capital gains distribution.

Whenever the Fund declares a dividend or distribution with respect to the common stock of the Fund ("Shares"), each Participant will receive such dividends and distributions in additional Shares, including fractional Shares acquired by the Plan Agent and credited to each Participant's account. If on the payment date for a cash dividend or distribution, the net asset value is equal to or less than the market price per Share plus estimated brokerage commissions, the Plan Agent shall automatically receive such Shares, including fractions, for each Participant's account. Except in the circumstances described in the next paragraph, the number of additional Shares to be credited to each Participant's account shall be determined by dividing the dollar amount of the dividend or distribution payable on their Shares by the greater of the net asset value per Share determined as of the date of purchase or 95% of the then current market price per Share on the payment date.

Should the net asset value per Share exceed the market price per Share plus estimated brokerage commissions on the payment date for a cash dividend or distribution, the Plan Agent or a broker-dealer selected by the Plan Agent shall endeavor, for a purchase period lasting until the last business day before the next date on which the Shares trade on an "ex-dividend" basis, but in no event, except as provided below, more than 30 days after the payment date, to apply the amount of such dividend or distribution on each Participant's Shares (less their PRO RATA share of brokerage commissions incurred with respect to the Plan Agent's open-market purchases in connection with the reinvestment of such dividend or distribution) to purchase Shares on the open market for each Participant's account. No such purchases may be made more than 30 days after the payment date for such dividend or distribution except where temporary curtailment or suspension of purchase is necessary to comply with applicable provisions of federal securities laws. If, at the close of business on any day during the purchase period the net asset value per Share equals or is less than the market price per Share plus estimated brokerage commissions, the Plan Agent

will not make any further open-market purchases in connection with the reinvestment of such dividend or distribution. If the Plan Agent is unable to invest the full dividend or distribution amount through open-market purchases during the purchase period, the Plan Agent shall request that, with respect to the uninvested portion of such dividend or distribution amount, the Fund issue new Shares at the close of business on the earlier of the last day of the purchase period or the first day during the purchase period on which the net asset value per Share equals or is less than the market price per Share, plus estimated brokerage commissions, such Shares to be issued in accordance with the terms specified in the third paragraph hereof. These newly issued Shares will be valued at the then-current market price per Share at the time such Shares are to be issued.

For purposes of making the reinvestment purchase comparison under the Plan, (a) the market price of the Shares on a particular date shall be the last sales price on the New York Stock Exchange (or if the Shares are not listed on the New York Stock Exchange, such other exchange on which the Shares are principally traded) on that date, or, if there is no sale on such Exchange (or if not so listed, in the over-the-counter market) on that date, then the mean between the closing bid and asked quotations for such Shares on such Exchange on such date and (b) the net asset value per Share on a particular date shall be the net asset value per Share most recently calculated by or on behalf of the Fund. All dividends, distributions and other payments (whether made in cash or Shares) shall be made net of any applicable withholding tax.

Open-market purchases provided for above may be made on any securities exchange where the Fund's Shares are traded, in the over-the-counter market or in negotiated transactions and may be on such terms as to price, delivery and otherwise as the Plan Agent shall determine. Each Participant's uninvested funds held by the Plan Agent will not bear interest, and it is understood that, in any event, the Plan Agent shall have no liability in connection with any inability to purchase Shares within 30 days after the initial date of such purchase as herein provided, or with the timing of any purchases effected. The Plan Agent shall have no responsibility as to the value of the Shares acquired for each Participant's account. For the purpose of cash investments, the Plan Agent may commingle each Participant's funds with those of other shareholders of the Fund for whom the Plan Agent similarly acts as agent, and the average price (including brokerage commissions) of all Shares purchased by the Plan Agent as Plan Agent shall be the price per Share allocable to each Participant in connection therewith.

DISTRIBUTION REINVESTMENT PLAN CONT'D

The Plan Agent may hold each Participant's Shares acquired pursuant to the Plan together with the Shares of other shareholders of the Fund acquired pursuant to the Plan in noncertificated form in the Plan Agent's name or that of the Plan Agent's nominee. The Plan Agent will forward to each Participant any proxy solicitation material and will vote any Shares so held for each Participant only in accordance with the instructions set forth on proxies returned by the Participant to the Fund.

The Plan Agent will confirm to each Participant each acquisition made for their account as soon as practicable but not later than 60 days after the date thereof. Although each Participant may from time to time have an undivided fractional interest (computed to three decimal places) in a Share, no certificates for a fractional Share will be issued. However, dividends and distributions on fractional Shares will be credited to each Participant's account. In the event of termination of a Participant's account under the Plan,

the Plan Agent will adjust for any such undivided fractional interest in cash at the market value of the Shares at the time of termination, less the PRO RATA expense of any sale required to make such an adjustment.

Any Share dividends or split Shares distributed by the Fund on Shares held by the Plan Agent for Participants will be credited to their accounts. In the event that the Fund makes available to its shareholders rights to purchase additional Shares or other securities, the Shares held for each Participant under the Plan will be added to other Shares held by the Participant in calculating the number of rights to be issued to each Participant.

The Plan Agent's service fee for handling capital gains distributions or income dividends will be paid by the Fund. Participants will be charged their PRO RATA share of brokerage commissions on all open-market purchases.

Each Participant may terminate their account under the Plan by notifying the Plan Agent in writing. Such termination will be effective immediately if the Participant's notice is received by the Plan Agent not less than ten days prior to any dividend or distribution record date, otherwise such termination will be effective the first trading day after the payment date for such dividend or distribution with respect to any subsequent dividend or distribution. The Plan may be terminated by the Plan Agent or the Fund upon notice in writing mailed to each Participant at least 30 days prior to any record date for the payment of any dividend or distribution by the Fund.

These terms and conditions may be amended or supplemented by the Plan Agent or the Fund at any time or times but, except when necessary or appropriate to comply with applicable law or the rules or policies of the Securities and Exchange Commission or any other regulatory authority, only by mailing to each Participant appropriate written notice at least 30 days prior to the effective date thereof. The amendment or supplement shall be deemed to be accepted by each Participant unless, prior to the effective date thereof, the Plan Agent receives written notice of the termination of their account under the Plan. Any such amendment may include an appointment by the Plan Agent in its place and stead of a successor Plan Agent under these terms and conditions, with full power and authority to perform all or any of the acts to be performed by the Plan Agent under these terms and conditions. Upon any such appointment of any Plan Agent for the purpose of receiving dividends and distributions, the Fund will be authorized to pay to such successor Plan Agent, for each Participant's account, all dividends and distributions payable on Shares held in their name or under the Plan for retention or application by such successor Plan Agent as provided in these terms and conditions.

The Plan Agent shall at all times act in good faith and agrees to use its best efforts within reasonable limits to ensure the accuracy of all services performed under this Agreement and to comply with applicable law, but assumes no responsibility and shall not be liable for loss or damage due to errors unless such error is caused by the Plan Agent's negligence, bad faith, or willful misconduct or that of its employees.

These terms and conditions shall be governed by the laws of the State of Maryland.

Neuberger Berman Management Inc.
 605 Third Avenue, 2nd Floor
 New York, NY 10158-0180
 877.461.1899 or 212.476.8800

SUB-ADVISER

Neuberger Berman, LLC
 605 Third Avenue
 New York, NY 10158-3698

CUSTODIAN

State Street Bank and Trust Company
 225 Franklin Street
 Boston, MA 02110

STOCK TRANSFER AGENT

The Bank of New York
 101 Barclay Street, 11-E
 New York, NY 10286

LEGAL COUNSEL

Kirkpatrick & Lockhart Nicholson Graham LLP
 1601 K Street, NW
 Washington, DC 20006

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP
 200 Clarendon Street
 Boston, MA 02116

DIRECTORS AND OFFICERS

The following tables set forth information concerning the directors and officers of each Fund. All persons named as directors and officers also serve in similar capacities for other funds administered or managed by Management and Neuberger. Each Fund's Statement of Additional Information includes additional information about Fund directors as of the time of the Fund's most recent public offering and is available upon request, without charge, by calling (877) 461-1899.

INFORMATION ABOUT THE BOARD OF DIRECTORS

NAME, AGE, ADDRESS (1) AND POSITION (2) WITH FUND	LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) (4)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY FUND DIRECTOR (5)	OTHER

CLASS I

INDEPENDENT FUND DIRECTORS

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Faith Colish (71) Director	Since the Inception of the Fund(3)	Counsel, Carter Ledyard & Milburn LLP (law firm) since October 2002; formerly, Attorney-at-Law and President, Faith Colish, A Professional Corporation, 1980 to 2002.	56	Advi Reti Amer Asso (not asso
Cornelius T. Ryan (75) Director	Since the Inception of the Fund(3)	Founding General Partner, Oxford Partners and Oxford Bioscience Partners (venture capital investing) and President, Oxford Venture Corporation since 1981.	56	None
Peter P. Trapp (62) Director	Since the Inception of the Fund(3)	Regional Manager for Mid-Southern Region, Ford Motor Credit Company since September 1997; formerly, President, Ford Life Insurance Company, April 1995 to August 1997.	56	None

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NAME, AGE, ADDRESS(1) AND POSITION(2) WITH FUND	LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) (4)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY FUND DIRECTOR(5)	OTHE FU
Peter E. Sundman* (47) Chief Executive Officer, Director and Chairman of the Board	Since the Inception of the Fund(3)	Executive Vice President, Neuberger Berman Inc. (holding company) since 1999; Head of Neuberger Berman Inc.'s Mutual Funds Business (since 1999) and Institutional Business (1999 to October 2005); responsible for Managed Accounts Business and intermediary distribution since October 1999; President and Director, Management since 1999; Managing Director, Neuberger since 2005; formerly, Executive Vice President, Neuberger, 1999 to December 2005;	56	Dire Neub sinc Neub comp 2003 YMCA Woos

formerly, Principal,
Neuberger, 1997 to 1999;
formerly, Senior Vice
President, Management,
1996 to 1999.

CLASS II**

INDEPENDENT FUND DIRECTORS

John Cannon (76) Director	Since the Inception of the Fund(3)	Consultant; formerly, Chairman, CDC Investment Advisers (registered investment adviser), 1993 to January 1999; formerly, President and Chief Executive Officer, AMA Investment Advisors, an affiliate of the American Medical Association.	56	Inde of t Fund Muni Muni Conv sinc
C. Anne Harvey (69) Director	Since the Inception of the Fund(3)	President, C.A. Harvey Associates since October 2001; formerly, Director, AARP, 1978 to December 2001.	56	Form Asso Reha of D form Inve the Boar 2002

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DIRECTORS AND OFFICERS CONT'D

NAME, AGE, ADDRESS(1) AND POSITION(2) WITH FUND	LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) (4)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY FUND DIRECTOR(5)	OTHE FU
Tom D. Seip (56) Director	Since the Inception of the Fund(3)	General Partner, Seip Investments LP (a private investment partnership); formerly, President and CEO, Westaff, Inc. (temporary staffing), May 2001 to January 2002; formerly, Senior Executive at the Charles Schwab Corporation, 1983 to 1999, including Chief Executive Officer, Charles Schwab Investment Management, Inc. and Trustee, Schwab Family of Funds and Schwab	56	Dire (fin sinc Amer 1998 Forw mana 2006 Zool 2003 Gene soft form Corp serv

Investments, 1997 to 1998,
and Executive Vice
President-Retail
Brokerage, Charles Schwab
Investment Management,
1994 to 1997.

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FUND DIRECTOR WHO IS AN "INTERESTED PERSON"

Jack L. Rivkin* (66) President and Director	Since 2002(3)	Executive Vice President and Chief Investment Officer, Neuberger Berman Inc. (holding company) since 2002 and 2003, respectively; Managing Director and Chief Investment Officer, Neuberger since December 2005 and 2003, respectively; formerly, Executive Vice President, Neuberger, December 2002 to 2005; Director and Chairman, Management since December 2002; formerly, Executive Vice President, Citigroup Investments, Inc., September 1995 to February 2002; formerly, Executive Vice President, Citigroup Inc., September 1995 to February 2002.	56
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NAME, AGE, ADDRESS(1) AND POSITION(2) WITH FUND	LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) (4)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY FUND DIRECTOR(5)
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CLASS III

INDEPENDENT FUND DIRECTORS			
Robert A. Kavesh (79) Director	Since the Inception of the Fund(3)	Marcus Nadler Professor Emeritus of Finance and Economics, New York University Stern School of Business; formerly, Executive Secretary- Treasurer, American Finance Association, 1961 to 1979.	56

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Howard A. Mileaf (69) Director	Since the Inception of the Fund(3)	Retired; formerly, Vice President and General Counsel, WHX Corporation (holding company), 1993 to 2001.	56	Dire Corp sinc Dire (hol to J Dire Jers 2000 Dire (man othe
Edward I. O'Brien (78) Director	Since the Inception of the Fund(3)	Formerly, Member, Investment Policy Committee, Edward Jones, 1993 to 2001; President, Securities Industry Association ("SIA") (securities industry's representative in government relations and regulatory matters at the federal and state levels), 1974 to 1992; Adviser to SIA, November 1992 to November 1993.	56	Dire (fin comp Dire (rea 1993

DIRECTORS AND OFFICERS CONT'D

NAME, AGE, ADDRESS (1) AND POSITION (2) WITH FUND	LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) (4)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY FUND DIRECTOR (5)	OTHER FU
William E. Rulon (74) Director	Since the Inception of the Fund(3)	Retired; formerly, Senior Vice President, Foodmaker, Inc. (operator and franchiser of restaurants) until January 1997.	56	Form Golf golf risk form Inc. to J
Candace L. Straight (59) Director	Since the Inception of the Fund(3)	Private investor and consultant specializing in the insurance industry; formerly, Advisory Director, Securitas Capital LLC (a global private equity investment firm dedicated to making investments in the	56	Dire (rei 2006 Atla (pro comp The Comp and

insurance sector), 1998 to December 2003.

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- (1) The business address of each listed person is 605 Third Avenue, New York, New York 10158.
- (2) The Board of Directors shall at times be divided as equally as possible into three classes of Directors designated Class I, Class II, and Class III. The terms of office of Class I, Class II, and Class III Directors shall expire at the annual meeting of shareholders held in 2009, 2007, and 2008, respectively, and at each third annual meeting of stockholders thereafter.
- (3) The Director has served since the Fund's inception except for Mr. Rivkin who has served as a Director since December 2002 for the Funds with an inception date of 2002. The inception date of Neuberger Berman Intermediate Municipal Fund Inc., Neuberger Berman California Intermediate Municipal Fund Inc., Neuberger Berman New York Intermediate Municipal Fund Inc., and Neuberger Berman Real Estate Income Fund Inc. is 2002. The inception date of Neuberger Berman Realty Income Fund Inc., Neuberger Berman Real Estate Securities Income Fund Inc. and Neuberger Berman Income Opportunity Fund Inc. is 2003. The inception date of Neuberger Berman Dividend Advantage Fund Inc. is 2004.
- (4) Except as otherwise indicated, each individual has held the positions shown for at least the last five years.
- (5) For funds organized in a master-feeder structure, we count the master fund and its associated feeder funds as a single portfolio.
- * Indicates a Fund Director who is an "interested person" within the meaning of the 1940 Act. Mr. Sundman and Mr. Rivkin are interested persons of the Fund by virtue of the fact that they are officers and/or directors of Management and Neuberger.
- ** Barry Hirsch was elected as a Class II Director at the annual shareholder meeting on April 19, 2006. Mr. Hirsch passed away in July 2006. In August 2006, C. Anne Harvey, formerly a Class I Director of the Fund, was appointed as a Class II Director of the Fund.

INFORMATION ABOUT THE OFFICERS OF THE FUND

NAME, AGE, AND ADDRESS (1)	POSITION AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) (2)
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Andrew B. Allard (45)	Anti-Money Laundering Compliance Officer since inception(3)	Senior Vice President, Neuberger since 2006; Deputy General Counsel, Neuberger since 2004; formerly, Vice President, Neuberger, 2000 to 2006; formerly, Associate General Counsel, Neuberger, 1999 to 2004; Anti-Money Laundering Compliance Officer, fifteen registered investment companies for which Management acts as investment manager and administrator (seven since 2002, three since 2003, four since 2004 and one since 2005) and one registered investment company for which Lehman Brothers Asset Management Inc. acts as investment adviser (since 2006).
Michael J. Bradler (36)	Assistant Treasurer since 2005	Vice President, Neuberger since 2006; Employee, Management since 1997; Assistant Treasurer, fifteen registered investment companies for which Management acts as investment manager and administrator (fifteen since 2005) and one registered investment company for which Lehman Brothers Asset Management Inc. acts as investment adviser (since 2006).
Claudia A. Brandon (50)	Secretary since the Fund's inception(3)	Vice President-Mutual Fund Board Relations, Management since 2000 and Assistant Secretary since 2004; Vice President, Neuberger since 2002 and Employee since 1999; Secretary, fifteen registered investment companies for which Management acts as investment manager and administrator (three since 1985, four since 2002, three since 2003, four since 2004 and one since 2005) and one registered investment company for which Lehman Brothers Asset Management Inc. acts as investment adviser (since 2006).

INFORMATION ABOUT THE OFFICERS OF THE FUND CONT'D

NAME, AGE, AND ADDRESS(1)	POSITION AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) (2)
Robert Conti (50)	Vice President since the Fund's inception(3)	Senior Vice President, Neuberger since 2003; formerly, Vice President, Neuberger, 1999 to 2003; Senior Vice President, Management since 2000; Vice President, fifteen registered investment companies for which Management acts as investment manager and administrator (three since 2000, four since 2002, three since 2003

Brian J. Gaffney (53)	Vice President since the Fund's inception(3)	four since 2004 and one since 2005) and one registered investment company for which Lehman Brothers Asset Management Inc. acts as investment adviser (since 2006). Managing Director, Neuberger since 1999 Senior Vice President, Management since 2000; Vice President, fifteen registered investment companies for which Management acts as investment manager and administrator (three since 2000, four since 2002, three since 2003, four since 2004 and one since 2005) and one registered investment company for which Lehman Brothers Asset Management Inc. acts as investment adviser (since 2006).
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Maxine L. Gerson (56)	Chief Legal Officer since 2005 (only for purposes of sections 307 and 406 of the Sarbanes-Oxley Act of 2002)	Senior Vice President, Neuberger since 2002; Deputy General Counsel and Assistant Secretary, Neuberger since 2001; former Vice President, Neuberger, 2001 to 2002 formerly, Associate General Counsel, Neuberger, 2001; formerly, Counsel, Neuberger, 2000; Secretary and General Counsel, Management since 2004; Chief Legal Officer (only for purposes of sections 307 and 406 of the Sarbanes-Oxley Act of 2002), fifteen registered investment companies for which Management acts as investment manager and administrator (fifteen since 2005) and one registered investment company for which Lehman Brothers Asset Management Inc. acts as investment adviser (since 2006).
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NAME, AGE, AND ADDRESS(1)	POSITION AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) (2)
Sheila R. James (41)	Assistant Secretary since the Fund's inception(3)	Employee, Neuberger since 1999; Assistant Secretary, fifteen registered investment companies for which Management acts as investment manager and administrator (seven since 2002, three since 2003, four since 2004 and one since 2005) and one registered investment company for which Lehman Brothers Asset Management Inc. acts as investment adviser (since 2006).
Kevin Lyons (51)	Assistant Secretary since	Employee, Neuberger since 1999; Assistant

	2003(4)	Secretary, fifteen registered investment companies for which Management acts as investment manager and administrator (three since 2003, four since 2004 and one since 2005) and one registered investment company for which Lehman Brothers Asset Management Inc. acts as investment adviser (since 2006).
John M. McGovern (36)	Treasurer and Principal Financial and Accounting Officer since 2005; prior thereto, Assistant Treasurer since the Fund's inception(3)	Vice President, Neuberger since 2004; Employee, Management since 1993; Treasurer and Principal Financial and Accounting Officer, fifteen registered investment companies for which Management acts as investment manager and administrator (fifteen since 2005) and one registered investment company for which Lehman Brothers Asset Management Inc. acts as investment adviser (since 2006); former Assistant Treasurer, fifteen registered investment companies for which Management acts as investment manager and administrator, 2002 to 2005.
Frank Rosato (35)	Assistant Treasurer since 2005	Vice President, Neuberger since 2006; Employee, Management since 1995; Assistant Treasurer, fifteen registered investment companies for which Management acts as investment manager and administrator (fifteen since 2005) and one registered investment company for which Lehman Brothers Asset Management Inc. acts as investment adviser (since 2006).

INFORMATION ABOUT THE OFFICERS OF THE FUND CONT'D

NAME, AGE, AND ADDRESS(1)	POSITION AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) (2)
Frederic B. Soule (60)	Vice President since the Fund's inception(3)	Senior Vice President, Neuberger since 2003; formerly, Vice President, Neuberger 1999 to 2003; Vice President, fifteen registered investment companies for which Management acts as investment manager and administrator (three since 2000, four since 2002, three since 2003, four since 2004 and one since 2005) and one registered investment company for which Lehman Brothers Asset Management Inc. acts as investment adviser (since 2006).
Chamaine Williams (35)	Chief Compliance Officer since 2005	Vice President, Lehman Brothers Inc. since 2003; Chief Compliance Officer, fifteen registered investment companies for which Management acts as investment manager and

administrator (fifteen since 2005) and registered investment company for which Lehman Brothers Asset Management Inc. a as investment adviser (since 2005); Chief Compliance Officer, Lehman Brothers Asset Management Inc. since 2003; Chief Compliance Officer, Lehman Brothers Alternative Investment Management LLC since 2003; formerly, Vice President, U Global Asset Management (US) Inc. (formerly, Mitchell Hutchins Asset Management, a wholly-owned subsidiary of PaineWebber Inc.), 1997 to 2003.

- (1) The business address of each listed person is 605 Third Avenue, New York, New York 10158.
- (2) Except as otherwise indicated, each individual has held the positions shown for at least the last five years.
- (3) The officer has served since the Fund's inception. The inception date of Neuberger Berman Intermediate Municipal Fund Inc., Neuberger Berman California Intermediate Municipal Fund Inc., Neuberger Berman New York Intermediate Municipal Fund Inc., and Neuberger Berman Real Estate Income Fund Inc. is 2002. The inception date of Neuberger Berman Realty Income Fund Inc., Neuberger Berman Real Estate Securities Income Fund Inc. and Neuberger Berman Income Opportunity Fund Inc. is 2003. The inception date of Neuberger Berman Dividend Advantage Fund Inc. is 2004.
- (4) For Neuberger Berman Dividend Advantage Fund Inc., the officer has served since the Fund's inception in May.

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PROXY VOTING POLICIES AND PROCEDURES

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available, without charge, by calling 1-800-877-9700 (toll-free) and on the website of the Securities and Exchange Commission at www.sec.gov. Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is also available, without charge, by calling 1-800-877-9700 (toll-free), on the website of the Securities and Exchange Commission at www.sec.gov, and on Management's website at www.nb.com.

QUARTERLY PORTFOLIO SCHEDULE

The Funds file a complete schedule of portfolio holdings for each Fund with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the Securities and Exchange Commission's website at www.sec.gov and may be reviewed and copied at the Securities and Exchange Commission's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The information on Form N-Q is available upon request, without charge, by calling (800) 877-9700 (toll-free).

MARYLAND ANTI-TAKEOVER STATUTES

By resolution of the Board of Directors, each Fund has opted into the Maryland Control Share Acquisition Act and the Maryland Business Combination Act. In general, the Maryland Control Share Acquisition Act provides that "control shares" of a Maryland corporation acquired in a control share acquisition may not be voted except to the extent approved by shareholders at a special meeting by a vote of two-thirds of the votes entitled to be cast on the matter (excluding shares owned by the acquiror and by officers or directors who are employees of the corporation). "Control shares" are voting shares of stock which, if aggregated with all other shares of stock owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within certain statutorily-defined ranges (one-tenth but less than one-third, one-third but less than a majority, and more than a majority of the voting power). In general, the Maryland Business Combination Act prohibits an interested shareholder (a shareholder that holds 10% or more of the voting power of the outstanding stock of the corporation) of a Maryland corporation from engaging in a business combination (generally defined to include a merger, consolidation, share exchange, sale of a substantial amount of assets, a transfer of the corporation's securities and similar transactions to or with the interested shareholder or an entity affiliated with the interested shareholder) with the corporation for a period of five years after the most recent date on which the interested shareholder became an interested shareholder. No Fund is aware of any shareholder that holds control shares or that is an interested shareholder under the statutes.

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NOTICE TO SHAREHOLDERS

In January 2007 you will receive information to be used in filing your 2006 tax returns, which will include a notice of the exact tax status of all distributions paid to you by each Fund during calendar 2006. Please consult your own tax advisor for details as to how this information should be reflected on your tax returns.

For the fiscal year ended October 31, 2006, the percentages representing the portion of distributions from net investment income, which are exempt from federal income tax, other than alternative minimum tax are as follows:

NEUBERGER BERMAN

California Intermediate Municipal Fund Inc.	99.90%
Intermediate Municipal Fund Inc.	99.84%
New York Intermediate Municipal Fund Inc.	99.92%

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NEUBERGER BERMAN OCTOBER 31, 2006

BOARD CONSIDERATION OF THE MANAGEMENT AND SUB-ADVISORY AGREEMENTS

At a meeting held on September 27, 2006, the Boards of Directors (collectively the "Boards," each a "Board") of Neuberger Berman California Intermediate Municipal Fund Inc., Neuberger Berman Intermediate Municipal Fund Inc. and Neuberger Berman New York Intermediate Municipal Fund Inc. (each a "Fund"), including the Directors who are not "interested persons" of each Fund ("Independent Fund Directors"), approved continuance of the Management and Sub-Advisory Agreements ("Agreements") for each Fund.

In evaluating the Agreements, the Boards, including the Independent Fund Directors, reviewed materials furnished by Neuberger Berman Management Inc. ("Management") and Neuberger Berman, LLC ("Neuberger") in response to questions submitted by counsel to the Independent Fund Directors, and met with senior representatives of Management and Neuberger regarding their personnel and operations. The Independent Fund Directors were advised by counsel that is experienced in Investment Company Act of 1940 matters and that is independent of Management and Neuberger. The Independent Fund Directors received a memorandum from independent counsel discussing the legal standards for their consideration of the proposed continuance of the Agreements. They met with such counsel separately from representatives of Management to discuss the annual contract review. The annual contract review extends over two regular meetings of the Boards to ensure that Management and Neuberger have time to respond to any questions the Independent Fund Directors may have on their initial review of the report and that the Independent Fund Directors have time to consider those responses. In addition, during this process, the Boards held a separate meeting devoted to reviewing and discussing Fund performance.

Each Board considered the following factors, among others, in connection with its approval of the continuance of the Agreements: (1) the nature, extent, and quality of the services provided by Management and Neuberger; (2) the performance of each Fund compared to relevant market indices and a peer group of investment companies; (3) the costs of the services provided and profits historically realized by Management and its affiliates from the relationship with the Funds; (4) the extent to which economies of scale might be realized as each Fund grows; and (5) whether fee levels reflect those potential economies of scale for the benefit of investors in each Fund. In their deliberations, the members of each Board did not identify any particular information that was all-important or controlling, and each Director may have attributed different weights to the various factors.

Each Board evaluated the terms of the Agreements and whether the Agreements were in the best interests of each Fund and its shareholders. Each Board considered, with respect to each Fund, the nature, extent and quality of the services provided under the Agreements and the overall fairness of the Agreements to the Funds.

With respect to the nature, extent and quality of the services provided, each Board considered the performance of each Fund and the degree of risk undertaken by the portfolio managers. The Boards considered the experience and staffing of portfolio management and the investment research personnel of Management and Neuberger dedicated to performing services for the Funds. The Boards noted that Management also provides certain administrative services, including fund accounting and compliance oversight. The Boards also considered Management's and Neuberger's policies and practices regarding brokerage and allocation of portfolio transactions for the Funds. The Boards also reviewed whether Management and Neuberger used brokers to execute Fund transactions that provide research and other services to Management and Neuberger, and the types of benefits potentially derived by Management, Neuberger, the Funds and by other clients of Management and Neuberger from such services. In addition, the Boards noted the positive compliance history of Management and Neuberger, as each firm has been free of significant compliance problems.

With respect to the performance of each Fund, each Board considered the performance of each Fund on both a market return and net asset value basis relative to its benchmark and a peer group of investment companies pursuing broadly similar strategies. Each Board also considered the performance in relation to the degree of risk undertaken by the portfolio managers. Each Board discussed each Fund's performance with Management and discussed steps that Management had taken, or intended to take, to improve each Fund's performance. The Boards also considered Management's resources and responsiveness with

respect to each Fund.

With respect to the overall fairness of the Agreements, the Boards considered the fee structure of the Agreements as compared to a peer group of comparable funds and any fall-out benefits likely to accrue to Management or Neuberger or their affiliates. The Boards also considered the profitability of Management and its affiliates from their association with the Funds.

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BOARD CONSIDERATION OF THE MANAGEMENT AND SUB-ADVISORY AGREEMENTS CONT'D

The Boards reviewed a comparison of each Fund's management fee and overall expense ratio to a peer group of comparable funds. Each Board considered the mean and median of the management fees and expense ratios of the peer group. With regard to the sub-advisory fee paid to Neuberger, the Boards noted that this fee is reflective of an "at cost" basis and there is no profit to Neuberger with regard to these fees. Each Board considered each Fund's overall expenses in relation to the overall expenses of the peer group mean and median. In addition, each Board considered the contractual waiver of a portion of the management fee undertaken by Management for each Fund. For Neuberger Berman California Intermediate Municipal Fund Inc. and Neuberger Berman New York Intermediate Municipal Fund Inc., each Fund's respective Board noted that Management incurred a loss on the Fund on an after-tax basis.

The Boards considered whether there were other funds that were sub-advised by Management or its affiliates or separate accounts managed by Management with similar investment objectives, policies and strategies as the Funds. The Boards noted that there were no comparable sub-advised funds or separate accounts.

Each Board also evaluated any actual or anticipated economies of scale in relation to the services Management provides to each Fund. The Boards considered that each Fund was a closed-end fund that is not continuously offering shares and that, without daily inflows and outflows of capital, there were not at this time significant economies of scale to be realized by Management in managing each Fund's assets.

In concluding that the benefits accruing to Management and its affiliates by virtue of their relationship to the Funds were reasonable in comparison with the costs of providing the investment advisory services and the benefits accruing to each Fund, each Board reviewed specific data as to Management's profit or loss on each Fund for a recent period and the trend in profit or loss over time. The Boards also carefully examined Management's cost allocation methodology and had an independent consultant review the methodology. It also reviewed an analysis from an independent data service on investment management profitability margins. The Boards recognized that Management should be entitled to earn a reasonable level of profits for services it provides to the Funds and, based on its review, concluded it was satisfied that Management's level of profitability from its relationship with the Funds was not excessive.

CONCLUSIONS

In approving the Agreements, each Board concluded that the terms of each Agreement are fair and reasonable and that approval of the Agreements is in the best interest of each Fund and its shareholders. In reaching this determination, each Board considered that Management and Neuberger could be expected to provide a high level of service to each Fund; that it retained confidence in Management's and Neuberger's capabilities to manage the Funds; that each Fund's fee structure appeared to each Board to be reasonable given the nature and quality of services expected to be provided; and that the benefits accruing to

Management and its affiliates by virtue of their relationship to the Funds were reasonable in comparison with the costs of providing the investment advisory services and the benefits accruing to each Fund.

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Statistics and projections in this report are derived from sources deemed to be reliable but cannot be regarded as a representation of future results of the Funds. This report is prepared for the general information of shareholders and is not an offer of shares of the Funds.

NEUBERGER BERMAN
A LEHMAN BROTHERS COMPANY

NEUBERGER BERMAN MANAGEMENT INC.
605 Third Avenue, 2nd Floor
New York, NY 10158-0180
INTERNAL SALES & SERVICES
877.461.1899
www.nb.com

[GRAPHIC] CO435 12/06

ITEM 2. CODE OF ETHICS

The Board of Directors ("Board") of Neuberger Berman California Intermediate Municipal Fund Inc. ("Registrant") adopted a code of ethics that applies to the Registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions ("Code of Ethics"). For the period covered by this Form N-CSR, there were no amendments to the Code of Ethics and there were no waivers from the Code of Ethics granted to the Registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

A copy of the Code of Ethics was included as an exhibit to Registrant's Form N-CSR filed on July 10, 2006. The Code of Ethics is also available, without charge, by calling 1-800-877-9700 (toll-free).

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT

The Board has determined that the Registrant has two audit committee financial experts serving on its audit committee. The Registrant's audit committee financial experts are John Cannon and Howard Mileaf. Mr. Cannon and Mr. Mileaf are independent directors as defined by Form N-CSR.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Ernst & Young, LLP ("E&Y") serves as independent registered public accounting firm to the Registrant.

(a) Audit Fees -----

The aggregate fees billed for professional services rendered by E&Y for the audit of the annual financial statements or services that are normally provided by E&Y in connection with statutory and regulatory filings or engagements were

\$31,250 and \$33,500 for the fiscal years ended 2005 and 2006, respectively.

(b) Audit-Related Fees

The aggregate fees billed to the Registrant for assurance and related services by E&Y that are reasonably related to the performance of the audit of the Registrant's financial statements and are not reported above in AUDIT FEES were \$6,000 and \$6,250 for the fiscal years ended 2005 and 2006, respectively. The nature of the services provided involved agreed upon procedures relating to the Preferred Shares. The Audit Committee approved 0% and 0% of these services provided by E&Y for the fiscal years ended 2005 and 2006, respectively, pursuant to the waiver provisions of Rule 2-01(c) (7) (i) (C) of Regulation S-X.

The fees billed to other entities in the investment company complex for assurance and related services by E&Y that are reasonably related to the performance of the audit that the Audit Committee was required to approve because the engagement related directly to the operations and financial reporting of the Registrant were \$0 and \$0 for the fiscal years ended 2005 and 2006, respectively.

(c) Tax Fees

The aggregate fees billed to the Registrant for professional services rendered by E&Y for tax compliance, tax advice, and tax planning were \$8,700 and \$9,500 for the fiscal years ended 2005 and 2006, respectively. The nature of the services provided was tax compliance, tax advice, and tax planning. The Audit

Committee approved 0% and 0% of these services provided by E&Y for the fiscal years ended 2005 and 2006, respectively, pursuant to the waiver provisions of Rule 2-01(c) (7) (i) (C) of Regulation S-X.

The fees billed to other entities in the investment company complex for tax compliance, tax advice, and tax planning by E&Y that the Audit Committee was required to approve because the engagement related directly to the operations and financial reporting of the Registrant were \$0 and \$0 for the fiscal years ended 2005 and 2006, respectively.

(d) All Other Fees

The aggregate fees billed to the Registrant for products and services provided by E&Y, other than services reported in AUDIT FEES, AUDIT-RELATED FEES, and TAX FEES were \$0 and \$0 for the fiscal years ended 2005 and 2006, respectively.

The fees billed to other entities in the investment company complex for products and services provided by E&Y, other than services reported in AUDIT FEES, AUDIT-RELATED FEES, and TAX FEES that the Audit Committee was required to approve because the engagement related directly to the operations and financial reporting of the Registrant were \$0 and \$0 for the fiscal years ended 2005 and 2006, respectively.

(e) Audit Committee's Pre-Approval Policies and Procedures

(1) The Audit Committee's pre-approval policies and procedures for the Registrant to engage an accountant to render audit and non-audit services delegate to each member of the Committee the power to pre-approve services between meetings of the Committee.

(2) None of the services described in paragraphs (b) through (d) above were approved by the Audit Committee pursuant to paragraph (c) (7) (i) (C) of Rule 2-01 of Regulation S-X.

(f) Hours Attributed to Other Persons

Not applicable.

(g) Non-audit Fees

Non-audit fees billed by E&Y for services rendered to the Registrant were \$14,700 and \$15,750 for the fiscal years ended 2005 and 2006, respectively.

Non-audit fees billed by E&Y for services rendered to the Registrant's investment adviser and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the Registrant were \$160,650 and \$126,000 for the fiscal years ended 2005 and 2006, respectively.

(h) The Audit Committee of the Board considered whether the provision of non-audit services rendered to the Registrant's investment adviser and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the Registrant that were not pre-approved by the Audit Committee because the engagement did not relate directly to the operations and financial reporting of the Registrant is compatible with maintaining E&Y's independence.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS

The Board has established a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended ("Exchange Act"). Its members are John Cannon, Howard A. Mileaf, Cornelius T. Ryan (Chairman), Tom D. Seip, and Peter P. Trapp.

ITEM 6. SCHEDULE OF INVESTMENTS

The complete schedule of investments for each series is disclosed in the Registrant's Annual Report, which is included as Item 1 of this Form N-CSR.

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

The Board has delegated to Neuberger Berman, LLC ("Neuberger Berman") the responsibility to vote proxies related to the securities held in the Registrant's portfolio. Under this authority, Neuberger Berman is required by the Board to vote proxies related to portfolio securities in the best interests of the Registrant and its stockholders. The Board permits Neuberger Berman to contract with a third party to obtain proxy voting and related services, including research of current issues.

Neuberger Berman has implemented written Proxy Voting Policies and Procedures ("Proxy Voting Policy") that are designed to reasonably ensure that Neuberger Berman votes proxies prudently and in the best interest of its advisory clients for whom Neuberger Berman has voting authority, including the Registrant. The Proxy Voting Policy also describes how Neuberger Berman addresses any conflicts that may arise between its interests and those of its clients with respect to proxy voting.

Neuberger Berman's Proxy Committee is responsible for developing, authorizing, implementing and updating the Proxy Voting Policy, overseeing the proxy voting process and engaging and overseeing any independent third-party vendors as voting delegate to review, monitor and/or vote proxies. In order to apply the Proxy Voting Policy noted above in a timely and consistent manner, Neuberger Berman utilizes Institutional Shareholder Services Inc. ("ISS") to vote proxies in accordance with Neuberger Berman's voting guidelines.

Neuberger Berman's guidelines adopt the voting recommendations of ISS. Neuberger Berman retains final authority and fiduciary responsibility for proxy voting. Neuberger Berman believes that this process is reasonably designed to address material conflicts of interest that may arise between Neuberger Berman and a client as to how proxies are voted.

In the event that an investment professional at Neuberger Berman believes that it is in the best interests of a client or clients to vote proxies in a manner inconsistent with Neuberger Berman's proxy voting guidelines or in a manner inconsistent with ISS recommendations, the Proxy Committee will review information submitted by the investment professional to determine that there is no material conflict of interest between Neuberger Berman and the client with respect to the voting of the proxy in that manner.

If the Proxy Committee determines that the voting of a proxy as recommended by the investment professional presents a material conflict of interest between Neuberger Berman and the client or clients with respect to the voting of the proxy, the Proxy Committee shall: (i) take no further action, in which case ISS shall vote such proxy in accordance with the proxy voting guidelines or as ISS recommends; (ii) disclose such conflict to the client or clients and obtain written direction from the client as to how to vote the proxy; (iii) suggest that the client or clients engage another party to determine how to vote the proxy; or (iv) engage another independent third party to determine how to vote the proxy.

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

(a)(1) The following Portfolio Managers have day-to-day management responsibility of the Registrant's portfolio as of the date of the filing of this report.

THOMAS J. BROPHY AND LORI CANELL are Vice Presidents of Neuberger Berman Management Inc. ("NB Management") Mr. Brophy and Ms. Canell are also Managing Directors of Neuberger Berman. From 1998 to 2000, Mr. Brophy was a portfolio manager and credit analyst for Neuberger Berman. From 1997 to 1998, he was a portfolio manager at another investment firm. Mr. Brophy and Ms. Canell have been Portfolio Managers at the firm for at least the last five years and have co-managed the Registrant's assets since its inception.

(a)(2) The table below describes the other accounts for which each Portfolio Manager has day-to-day management responsibility as of October 31, 2006.

TYPE OF ACCOUNT	NUMBER OF ACCOUNTS MANAGED	TOTAL ASSETS MANAGED (\$ MILLIONS)	NUMBER OF	ASSETS MANAGED FOR
			ACCOUNTS WHICH ADVISORY FEE IS PERFORMANCE-BASED	WHICH ADVISORY FEE IS PERFORMANCE-BASED
				PERFORMANCE-BASED (\$ MILLIONS)

THOMAS BROPHY

Registered Investment Companies*	3	423	0	0
Other Pooled Investment Vehicles	0	0	0	0
Other Accounts**	470	1,704	0	0

LORI CANELL

Registered Investment Companies*	3	423	0	0
Other Pooled Investment Vehicles	0	0	0	0
Other Accounts**	4,584	2,947	0	0

*Registered Investment Companies include: Mutual Funds.

**Other Accounts include: Institutional Separate Accounts, Sub-Advised, and Managed Accounts (WRAP).

Conflicts of Interest

Actual or apparent conflicts of interest may arise when a Portfolio Manager has day-to-day management responsibilities with respect to more than one fund or other account. The management of multiple funds and accounts (including proprietary accounts) may give rise to potential conflicts of interest if the funds and accounts have different or similar objectives, benchmarks, time

horizons, and fees as the Portfolio Manager must allocate his time and investment ideas across multiple funds and accounts. The Portfolio Manager may execute transactions for another fund or account that may adversely impact the value of securities held by the Registrant. Moreover, if a Portfolio Manager identifies a limited investment opportunity that may be suitable for more than one fund or other account, the Registrant may not be able to take full advantage of that opportunity. Securities selected for funds or accounts other than the Registrant may outperform the securities selected for the Registrant. NB Management, Neuberger Berman and the Registrant have adopted certain compliance procedures which are designed to address these types of conflicts. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

(a) (3) Compensation (as of October 31, 2006)

A portion of the compensation paid to each Portfolio Manager is determined by comparisons to pre-determined peer groups and benchmarks, as opposed to a system dependent on a percent of management fees. The Portfolio Managers are paid a base salary that is not dependent on performance. Each Portfolio Manager also has a "target bonus," which is set each year and can be increased or decreased prior to payment based in part on performance measured against the relevant peer group and benchmark. Performance is measured on a three-year rolling average in order to emphasize longer-term performance. There is also a subjective component to determining the bonus, which consists of the following factors: (i) the

There were no changes to the procedures by which shareholders may recommend nominees to the Board.

ITEM 11. CONTROLS AND PROCEDURES

- (a) Based on an evaluation of the disclosure controls and procedures (as defined in rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "Act")) as of a date within 90 days of the filing date of this document, the Chief Executive Officer and Treasurer and Principal Financial and Accounting Officer of the Registrant have concluded that such disclosure controls and procedures are effectively designed to ensure that information required to be disclosed by the Registrant on Form N-CSR and Form N-Q is accumulated and communicated to the Registrant's management to allow timely decisions regarding required disclosure.
- (b) There were no significant changes in the Registrant's internal controls over financial reporting (as defined in rule 30a-3(d) under the Act) that occurred during the Registrant's second fiscal quarter of the period covered by this report that have materially affected or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

ITEM 12. EXHIBITS

- (a) (1) A copy of the Code of Ethics is incorporated by reference to Registrant's Form N-CSR, Investment Company Act file number 811-21167 (filed July 10, 2006).
- (a) (2) The certifications required by Rule 30a-2(a) of the Act and Section 302 of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley Act") are filed herewith.
- (a) (3) Not applicable to the Registrant.
- (b) The certifications required by Rule 30a-2(b) of the Act and Section 906 of the Sarbanes-Oxley Act are filed herewith.

The certifications provided pursuant to Rule 30a-2(b) of the Act and Section 906 of the Sarbanes-Oxley Act are not deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the Registrant specifically incorporates them by reference.

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.

Neuberger Berman California Intermediate Municipal Fund Inc.

By: /s/ Peter E. Sundman

Peter E. Sundman
Chief Executive Officer

Date: January 4, 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/ Peter E. Sundman

Peter E. Sundman
Chief Executive Officer

Date: January 4, 2007

By: /s/ John M. McGovern

John M. McGovern
Treasurer and Principal Financial
and Accounting Officer

Date: January 4, 2007