

WESTERN ASSET MANAGED MUNICIPALS FUND INC.
Form N-CSRS
January 25, 2012

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 811-6629

Western Asset Managed Municipals Fund Inc.
(Exact name of registrant as specified in charter)

620 Eighth Avenue, New York, NY
(Address of principal executive offices)

10018
(Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

100 First Stamford Place

Stamford, CT 06902
(Name and address of agent for service)

Registrant's telephone number, including area code: (888) 777-0102

Date of fiscal year end: May 31

Date of reporting period: November 30, 2011

ITEM 1. REPORT TO STOCKHOLDERS.

The **Semi-Annual** Report to Stockholders is filed herewith.

November 30, 2011

Semi-Annual Report

Western Asset Managed Municipals Fund Inc.
(MMU)

INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

Western Asset Managed Municipals Fund Inc.

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Fund objective

The Fund seeks to maximize current income exempt from federal income tax* as is consistent with preservation of principal.

* Certain investors may be subject to the federal alternative minimum tax (AMT), and state and local taxes will apply. Capital gains, if any, are fully taxable. Please consult your personal tax or legal adviser.

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Letter from the chairman

Dear Shareholder,

We are pleased to provide the semi-annual report of Western Asset Managed Municipals Fund Inc. for the six-month reporting period ended November 30, 2011. Please read on for Fund performance information and a detailed look at prevailing economic and market conditions during the Fund's reporting period.

As always, we remain committed to providing you with excellent service and a full spectrum of investment choices. We also remain committed to supplementing the support you receive from your financial advisor. One way we accomplish this is through our website, www.leggmason.com/cef. Here you can gain immediate access to market and investment information, including:

- Fund prices and performance,
- Market insights and commentaries from our portfolio managers, and
- A host of educational resources.

We look forward to helping you meet your financial goals.

Sincerely,

R. Jay Gerken, CFA

Chairman, President and Chief Executive Officer

December 30, 2011

Investment commentary

Economic review

Although the U.S. economy continued to grow over the six months ended November 30, 2011, the pace of the expansion was generally disappointing. U.S. gross domestic product (GDP) growth, as reported by the U.S. Department of Commerce, has been less robust than during most other periods exiting a severe recession. Looking back, the Commerce Department reported that first and second quarter 2011 GDP growth were 0.4% and 1.3%, respectively. For comparison purposes, GDP growth was 3.0% for calendar 2010 as a whole. This moderation in growth during the first half of the calendar year was due to a variety of factors, including less robust export activity and a deceleration in consumer spending given higher oil and food prices. Third quarter GDP growth then rose to 1.8%. Improving growth was attributed, in part, to higher consumer spending, which grew 1.7% in the third quarter, versus a modest 0.7% gain in the second quarter.

Two factors holding back the economy have been the weak job market and continued strains in the housing market. While there was some improvement late in the reporting period, unemployment remained elevated. As reported by the U.S. Department of Labor, unemployment was 9.2% in June 2011, its highest reading since December 2010. Unemployment stayed at or above 9.0% over the next four months, before falling to 8.6% in November, its lowest rate since March 2009.

The housing market continued to experience challenges. Looking back, existing-home sales moved somewhat higher toward the end of 2010 and in January 2011, according to the National Association of Realtors (NAR). Existing-home sales then declined during five of the next ten months. Existing-home prices were weak versus a year ago, with the NAR reporting that the median existing-home price for all housing types was \$164,200 in November 2011, down 3.5% from November 2010.

While the manufacturing sector continued to expand, it experienced a soft patch during a portion of the reporting period. Based on the Institute for Supply Management's PMI (PMI) ⁱⁱ, in June 2011 it had a reading of 55.3 (a reading below 50 indicates a contraction, whereas a reading above 50 indicates an expansion). The PMI then declined over the next two months and was 50.6 in August 2011, its lowest reading in two years. However, the manufacturing sector gained some momentum late in the period and ended November at 52.7.

Western Asset Managed Municipals Fund Inc.

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Investment commentary (cont d)

Market review

Q. Did Treasury yields trend higher or lower during the six months ended November 30, 2011?

A. Both short- and long-term Treasury yields fluctuated but, overall, moved lower. When the period began, two- and ten-year Treasury yields were 0.45% and 3.05%, respectively. Yields initially moved higher, as two-year Treasury yields peaked at 0.50% and ten-year Treasuries peaked at 3.22% on July 1, 2011. Yields then generally declined due to disappointing economic data and increased risk aversion. During the height of the flight to quality in September 2011, two-year Treasuries hit their low for the reporting period of 0.16% and ten-year Treasuries reached their reporting period trough of 1.72%. With risk appetite increasing, yields generally moved higher in October. Two-year Treasury yields again moved higher in November, whereas ten-year Treasury yields declined during the month. When the reporting period ended on November 30, 2011, two-year Treasury yields were 0.25% and ten-year Treasury yields were 2.08%.

Q. How did the Federal Reserve Board (Fed)iii respond to the economic environment?

A. The Fed took a number of actions as it sought to meet its dual mandate of fostering maximum employment and price stability. As has been the case since December 2008, the Fed kept the federal funds rateiv at a historically low range between zero and 0.25%. In addition, in August 2011, the Fed declared its intention to keep the federal funds rate on hold until mid-2013. In September 2011, the Fed announced its intention to purchase \$400 billion of longer-term Treasury securities and to sell an equal amount of shorter-term Treasury securities by June 2012 (often referred to as Operation Twist). Finally, at its meeting in December (after the reporting period ended), the Fed potentially opened the door to another round of quantitative easing in 2012, saying it is prepared to employ its tools to promote a stronger economic recovery in a context of price stability.

Q. What factors impacted the spread sectors (non-Treasuries) during the reporting period?

A. The spread sectors experienced periods of heightened volatility during the period. Risk aversion was often elevated during the first four months of the period given a host of disappointing economic data, a further escalation of the European sovereign debt crisis and the downgrading of U.S. government securities by Standard & Poor s. Risk appetite returned in October due to some better-than-expected economic data and signs of progress in Europe. However, risk aversion increased again in November, given renewed fears regarding the European sovereign debt crisis. While most U.S. spread sectors posted positive results during the six-month reporting period, they produced mixed results versus equal-durationv Treasuries.

Q. How did the municipal bond market perform versus the taxable bond market over the reporting period?

A. The municipal bond market outperformed its taxable bond counterpart during the six months ended November 30, 2011. Over that period, the Barclays Capital Municipal Bond Index^{vi} and the Barclays Capital U.S. Aggregate Index^{vii} returned 4.40% and 3.54%, respectively. The municipal bond market outperformed the taxable bond market during four of the six months of

the period given improving tax revenues, a sharp decline in new issuance, increased demand and low default rates. Additionally, investor sentiment improved as a number of states made progress toward shoring up their financial situation by raising taxes and cutting expenses.

Performance review

For the six months ended November 30, 2011, Western Asset Managed Municipals Fund Inc. returned 7.44% based on its net asset value (NAV)^{viii} and 12.35% based on its New York Stock Exchange (NYSE) market price per share. The Fund's unmanaged benchmark, the Barclays Capital Municipal Bond Index, returned 4.40% over the same time frame. The Lipper General & Insured Municipal Debt (Leveraged) Closed-End Funds Category Average^{ix} returned 7.86% for the same period. Please note that Lipper performance returns are based on each fund's NAV.

Certain investors may be subject to the federal alternative minimum tax, and state and local taxes will apply. Capital gains, if any, are fully taxable. Please consult your personal tax or legal adviser.

During this six-month period, the Fund made distributions to common stock shareholders totaling \$0.39 per share, which may have included a return of capital. The performance table shows the Fund's six-month total return based on its NAV and market price as of November 30, 2011. **Past performance is no guarantee of future results.**

Performance Snapshot as of November 30, 2011 (unaudited)

Price Per Share	6-Month Total Return*
\$12.84 (NAV)	7.44%
\$13.35 (Market Price)	12.35%

All figures represent past performance and are not a guarantee of future results. Performance figures for periods shorter than one year represent cumulative figures and are not annualized.

* Total returns are based on changes in NAV or market price, respectively. Total returns assume the reinvestment of all distributions, including returns of capital, if any, in additional shares in accordance with the Fund's Dividend Reinvestment Plan.

Looking for additional information?

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The Fund is traded under the symbol `MMU` and its closing market price is available in most newspapers under the NYSE listings. The daily NAV is available on-line under the symbol `XMMUX` on most financial websites. *Barron's* and the *Wall Street Journal's* Monday edition both carry closed-end fund tables that provide additional information. In addition, the Fund issues a quarterly press release that can be found on most major financial websites as well as www.leggmason.com/cef.

In a continuing effort to provide information concerning the Fund, shareholders may call 1-888-777-0102 (toll free), Monday through Friday from 8:00 a.m. to 5:30 p.m. Eastern Time, for the Fund's current NAV, market price and other information.

As always, thank you for your confidence in our stewardship of your assets.

Western Asset Managed Municipals Fund Inc.

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Investment commentary (cont d)

Sincerely,

R. Jay Gerken, CFA

Chairman, President and Chief Executive Officer

December 30, 2011

RISKS: *The Fund's investments are subject to a number of risks such as liquidity risk, interest rate risk, credit risk, leveraging risk and management risk. As interest rates rise, the price of fixed-income investments declines. Lower-rated, higher-yielding bonds are subject to greater credit risk than higher-rated investment grade securities. Municipal securities purchased by the Fund may be adversely affected by changes in the financial condition of municipal issuers and insurers, regulatory and political developments, uncertainties and public perceptions, and other factors. The Fund may make significant investments in derivative instruments. Derivative instruments can be illiquid, may disproportionately increase losses and could have a potentially large impact on Fund performance. Leverage may result in greater volatility of NAV and market price of common shares and may increase a shareholder's risk of loss.*

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results. All index performance reflects no deduction for fees, expenses or taxes. Please note that an investor cannot invest directly in an index.

The information provided is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed may differ from those of the firm as a whole.

- i Gross domestic product (GDP) is the market value of all final goods and services produced within a country in a given period of time.
- ii The Institute for Supply Management's PMI is based on a survey of purchasing executives who buy the raw materials for manufacturing at more than 350 companies. It offers an early reading on the health of the manufacturing sector.
- iii The Federal Reserve Board (Fed) is responsible for the formulation of policies designed to promote economic growth, full employment, stable prices and a sustainable pattern of international trade and payments.

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- iv The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.
- v Duration is the measure of the price sensitivity of a fixed-income security to an interest rate change of 100 basis points. Calculation is based on the weighted average of the present values for all cash flows.
- vi The Barclays Capital Municipal Bond Index is a market value weighted index of investment grade municipal bonds with maturities of one year or more.
- vii The Barclays Capital U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.
- viii Net asset value (NAV) is calculated by subtracting total liabilities and outstanding preferred stock (if any) from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is the Fund's market price as determined by supply of and demand for the Fund's shares.
- ix Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the six-month period ended November 30, 2011, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 82 funds in the Fund's Lipper category.

Fund at a glance (unaudited)

Investment breakdown (%) as a percent of total investments

The bar graph above represents the composition of the Fund's investments as of November 30, 2011 and May 31, 2011 and does not include derivatives such as futures contracts. The Fund is actively managed. As a result, the composition of the Fund's investments is subject to change at any time.

Western Asset Managed Municipals Fund Inc. 2011 Semi-Annual Report

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Spread duration (unaudited)

Economic Exposure November 30, 2011

Spread duration measures the sensitivity to changes in spreads. The spread over Treasuries is the annual risk-premium demanded by investors to hold non-Treasury securities. Spread duration is quantified as the % change in price resulting from a 100 basis points change in spreads. For a security with positive spread duration, an increase in spreads would result in a price decline and a decline in spreads would result in a price increase. This chart highlights the market sector exposure of the Fund's portfolio and the exposure relative to the selected benchmark as of the end of the reporting period.

MMU	Western Asset Managed Municipals Fund Inc.
BC Muni Bond	Barclays Capital Municipal Bond Index

Effective duration (unaudited)

Interest Rate Exposure November 30, 2011

Effective duration measures the sensitivity to changes in relevant interest rates. Effective duration is quantified as the % change in price resulting from a 100 basis points change in interest rates. For a security with positive effective duration, an increase in interest rates would result in a price decline and a decline in interest rates would result in a price increase. This chart highlights the interest rate exposure of the Fund's sectors relative to the selected benchmark sectors as of the end of the reporting period.

MMU Western Asset Managed Municipals Fund Inc.
BC Muni Bond Barclays Capital Municipal Bond Index

Schedule of investments (unaudited)

November 30, 2011

Western Asset Managed Municipals Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
Municipal Bonds 99.5%				
Arizona 4.5%				
Greater Arizona Development Authority, Development Authority Infrastructure Revenue, Pinal County Road Project, NATL	5.000%	8/1/19	\$ 3,705,000	\$ 4,019,554
Phoenix, AZ, Civic Improvement Corp. Airport Revenue	5.000%	7/1/40	5,000,000	5,058,900
Phoenix, AZ, Civic Improvement Corp. Airport Revenue, Senior Lien, FGIC	5.250%	7/1/22	3,000,000	3,021,090(a)
Phoenix, AZ, GO	5.000%	7/1/27	580,000	586,786
Phoenix, AZ, GO	5.000%	7/1/27	420,000	431,399(b)
Salt Verde, AZ, Financial Corp. Gas Revenue	5.000%	12/1/32	15,000,000	13,984,500
Salt Verde, AZ, Financial Corp. Gas Revenue	5.000%	12/1/37	7,040,000	6,465,184
Salt Verde, AZ, Financial Corp. Senior Gas Revenue	5.250%	12/1/28	2,000,000	1,969,080
Total Arizona				35,536,493
California 13.6%				
Bay Area Toll Authority, CA, Toll Bridge Revenue, San Francisco Bay Area	5.125%	4/1/39	21,700,000	22,715,777
California EFA Revenue, Pooled College, Western University of Health Sciences	5.625%	7/1/23	1,170,000	1,021,047
California Health Facilities Financing Authority Revenue, Stanford Hospital & Clinics	5.150%	11/15/40	2,000,000	2,038,700
California Housing Finance Agency Revenue, Home Mortgage	4.700%	8/1/24	3,100,000	2,790,186(a)
California Statewide CDA Revenue, Methodist Hospital Project, FHA	6.625%	8/1/29	5,885,000	7,021,864
Garden Grove, CA, Agency for Community Development, Tax Allocation, Refunding, AMBAC	5.000%	10/1/29	7,375,000	6,633,444
Imperial Irrigation District, CA, Electric Revenue	5.500%	11/1/41	2,750,000	2,904,358
Los Angeles, CA, Convention & Exhibition Center Authority, Lease Revenue	5.125%	8/15/22	7,250,000	7,598,580
Los Angeles, CA, Department of Airports Revenue, Los Angeles International Airport	5.000%	5/15/40	7,215,000	7,543,283
M-S-R Energy Authority, CA	7.000%	11/1/34	3,000,000	3,503,670
M-S-R Energy Authority, CA, Gas Revenue	6.500%	11/1/39	9,000,000	9,972,270
Modesto, CA, Irrigation District, COP, Capital Improvements	6.000%	10/1/39	6,500,000	6,812,780
Rancho Cucamonga, CA, RDA, Tax Allocation, Rancho Redevelopment Projects, NATL	5.125%	9/1/30	3,340,000	3,149,653
Sacramento County, CA, COP, Unrefunded Balance, Public Facilities Project, NATL	5.375%	2/1/19	1,145,000	1,145,996
San Bernardino County, CA, COP, Arrowhead Project	5.125%	8/1/24	5,185,000	5,345,165

See Notes to Financial Statements.

Western Asset Managed Municipals Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
California continued				
San Mateo County Community College District, COP, NATL	5.000%	10/1/25	\$ 3,000,000	\$ 3,369,720(b)
Shafter Wasco Irrigation District Revenue, CA, COP	5.000%	11/1/40	5,000,000	5,049,900
Walnut, CA, Energy Center Authority Revenue	5.000%	1/1/40	7,745,000	7,775,360
Total California				106,391,753
Colorado 8.3%				
Colorado Health Facilities Authority Revenue:				
Catholic Health Initiatives	5.000%	9/1/41	4,000,000	3,963,000
Sisters Leavenworth	5.000%	1/1/35	6,000,000	5,999,760
Denver, CO, City & County Airport Revenue	6.125%	11/15/25	10,945,000	14,295,155(a)(c)
Denver, CO, City & County Airport Revenue, Unrefunded Balance	6.125%	11/15/25	13,630,000	13,668,573(a)
El Paso County, CO, COP, Detention Facility Project, AMBAC	5.000%	12/1/23	1,700,000	1,778,829(b)
Garfield County, CO, GO:				
School District No. 2, AGM, State Aid Withholding	5.000%	12/1/23	2,300,000	2,406,651(b)
School District No. 2, AGM, State Aid Withholding	5.000%	12/1/25	1,000,000	1,046,370(b)
Public Authority for Colorado Energy, Natural Gas Purchase Revenue	6.500%	11/15/38	20,000,000	21,523,400
Total Colorado				64,681,738
Delaware 0.6%				
Delaware State EDA Revenue, Indian River Power LLC	5.375%	10/1/45	5,000,000	4,623,750
District of Columbia 1.9%				
District of Columbia, Hospital Revenue, Children's Hospital Obligation, AGM	5.450%	7/15/35	14,495,000	14,921,443
Florida 8.0%				
Florida State Department of Transportation, GO, Right of Way Project, FGIC				
Jacksonville, FL, Electric Authority, Electric System Revenue	5.000%	7/1/25	1,465,000	1,498,827
Martin County, FL, IDA Revenue, Indiantown Cogeneration Project	5.000%	10/1/28	3,305,000	3,383,990
	7.875%	12/15/25	6,500,000	6,527,170(a)
Miami Beach, FL, Stormwater Revenue, FGIC	5.375%	9/1/30	1,290,000	1,297,043
Miami-Dade County, FL, Aviation Revenue	5.500%	10/1/41	10,000,000	10,261,100
Miami-Dade County, FL, Aviation Revenue, Miami International Airport	5.375%	10/1/35	10,705,000	10,949,395
Miami-Dade County, FL, Expressway Authority Toll System Revenue	5.000%	7/1/40	10,000,000	9,960,400
Orange County, FL, Health Facilities Authority Revenue, Hospital-Orlando Regional Healthcare	5.000%	11/1/35	4,545,000	4,629,764

See Notes to Financial Statements.

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Schedule of investments (unaudited) (cont d)

November 30, 2011

Western Asset Managed Municipals Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
Florida continued				
Orange County, FL, School Board, COP, AGC	5.500%	8/1/34	\$ 8,000,000	\$ 8,587,760
Orlando, FL, State Sales Tax Payments Revenue	5.000%	8/1/32	5,000,000	5,272,950
Total Florida				62,368,399
Georgia 3.6%				
Atlanta, GA, Water & Wastewater Revenue	6.250%	11/1/39	13,000,000	14,462,110
DeKalb, Newton & Gwinnett Counties, GA, Joint Development Authority Revenue, GGC Foundation LLC Project	6.125%	7/1/40	6,220,000	6,803,871
Main Street Natural Gas Inc., GA, Gas Project Revenue	5.000%	3/15/22	4,000,000	3,896,240
Private Colleges & Universities Authority Revenue:				
Mercer University Project, Refunding	5.250%	10/1/25	2,000,000	2,000,360
Mercer University Project, Refunding	5.375%	10/1/29	1,000,000	999,970
Total Georgia				28,162,551
Hawaii 0.9%				
Hawaii State Airports System Revenue	5.000%	7/1/39	7,000,000	7,092,260
Illinois 9.5%				
Chicago, IL, O Hare International Airport Revenue	5.625%	1/1/35	6,415,000	6,873,416
Chicago, IL, O Hare International Airport Revenue	5.750%	1/1/39	6,000,000	6,479,160
Illinois Finance Authority Revenue:				
Advocate Health Care & Hospitals Corp. Network	6.250%	11/1/28	2,445,000	2,704,072
Alexian, AGM	5.500%	1/1/28	12,530,000	13,293,578
Depaul University	6.125%	10/1/40	5,000,000	5,334,000
Memorial Health System	5.500%	4/1/39	7,000,000	7,070,770
Metropolitan Pier & Exposition Authority, IL, Dedicated State Tax Revenue, McCormick Project	5.250%	6/15/50	32,000,000	32,217,920(d)
Total Illinois				73,972,916
Indiana 2.0%				
Indiana Finance Authority, Wastewater Utility Revenue, CWA Authority	5.000%	10/1/41	5,000,000	5,096,900
Indianapolis, IN, Thermal Energy System	5.000%	10/1/25	5,000,000	5,376,000(e)
Richmond, IN, Hospital Authority Revenue, Reid Hospital & Health Care Services Inc. Project	6.625%	1/1/39	5,000,000	5,447,750
Total Indiana				15,920,650
Kentucky 1.4%				
Louisville & Jefferson County, KY, Metropolitan Government Health System Revenue, Norton Healthcare Inc.	5.250%	10/1/36	11,000,000	10,983,940

See Notes to Financial Statements.

Western Asset Managed Municipals Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
Maryland 1.0%				
Baltimore, MD, Project Revenue:				
Refunding, Wastewater Projects, FGIC	5.125%	7/1/32	\$ 2,500,000	\$ 2,521,625
Refunding, Wastewater Projects, FGIC	5.200%	7/1/32	2,000,000	2,018,140
Maryland State Health & Higher EFA Revenue, Johns Hopkins Hospital Issue	5.000%	11/15/26	3,075,000	3,344,924(b)
Total Maryland				7,884,689
Massachusetts 3.7%				
Massachusetts DFA Revenue, Merrimack College Issue, NATL	5.200%	7/1/32	1,125,000	1,048,297
Massachusetts State DFA Revenue:				
Boston University	5.000%	10/1/29	3,000,000	3,172,770
Boston University, AMBAC	5.000%	10/1/39	3,500,000	3,537,345
Broad Institute Inc.	5.250%	4/1/37	8,000,000	8,237,120
Massachusetts State HEFA Revenue, Suffolk University	5.750%	7/1/39	8,000,000	8,221,760
Massachusetts State Housing Finance Agency Revenue	7.000%	12/1/38	4,575,000	4,941,229
Total Massachusetts				29,158,521
Michigan 1.7%				
Lansing, MI, Board of Water & Light Utility System Revenue	5.000%	7/1/37	7,000,000	7,341,740
Michigan State Hospital Finance Authority Revenue, Refunding, Trinity Health Credit	5.375%	12/1/23	1,500,000	1,575,105(b)
Royal Oak, MI, Hospital Finance Authority Revenue, William Beaumont Hospital	8.250%	9/1/39	4,000,000	4,733,000
Total Michigan				13,649,845
Minnesota 0.2%				
Dakota County, MN, CDA, MFH Revenue, Southfork Apartments, LIQ-FNMA	5.625%	2/1/26	1,500,000	1,468,530
Missouri 1.8%				
Greene County, MO, Reorganized School District No. 8, GO,				
Missouri State Aid Direct Deposit Program, AGM	5.100%	3/1/22	1,500,000	1,516,140
Kansa City, MO, Water Revenue	5.250%	12/1/32	1,000,000	1,086,980
Missouri State HEFA Revenue, Children s Mercy Hospital	5.625%	5/15/39	6,000,000	6,264,600
Platte County, MO, IDA Revenue, Refunding & Improvement Zona Rosa Retail Project	5.000%	12/1/32	5,000,000	5,296,700
Total Missouri				14,164,420
Montana 1.1%				
Montana State Board of Investment, Resource Recovery Revenue, Yellowstone Energy LP Project	7.000%	12/31/19	8,585,000	8,267,698(a)

See Notes to Financial Statements.

Western Asset Managed Municipals Fund Inc. 2011 Semi-Annual Report

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Schedule of investments (unaudited) (cont d)

November 30, 2011

Western Asset Managed Municipals Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
Nebraska 0.4%				
Nebraska Public Power Generation Agency Revenue, Whelan Energy Center Unit 2-A, AMBAC	5.000%	1/1/25	\$ 3,000,000	\$ 3,105,750
Nevada 1.7%				
Reno, NV, Hospital Revenue, Washoe Medical Centre, AGM	5.500%	6/1/33	12,750,000	13,007,550
New Jersey 4.1%				
New Jersey State Higher Education Assistance Authority, Student Loan Revenue	5.625%	6/1/30	12,320,000	13,037,886
New Jersey State Higher Education Assistance Authority, Student Loan Revenue, AGC	6.125%	6/1/30	10,000,000	10,459,100(a)
New Jersey State Housing & Mortgage Finance Agency Revenue	6.375%	10/1/28	6,465,000	6,957,504
South Jersey Port Corp., New Jersey Revenue, Refunding	5.000%	1/1/26	1,350,000	1,372,086
Total New Jersey				31,826,576
New Mexico 0.7%				
New Mexico State Hospital Equipment Loan Council, Hospital Revenue, Presbyterian Healthcare Services	6.125%	8/1/28	5,000,000	5,516,850
New York 8.5%				
Liberty, NY, Development Corporation Revenue:				
Goldman Sachs Headquarters	5.250%	10/1/35	9,000,000	9,122,040
Goldman Sachs Headquarters	5.500%	10/1/37	8,985,000	9,058,587
Long Island Power Authority, NY, Electric System Revenue	6.000%	5/1/33	24,570,000	27,524,542
MTA, NY, Revenue	5.250%	11/15/40	5,000,000	5,187,700
New York City, NY, TFA, Building Aid Revenue	5.000%	1/15/32	4,000,000	4,212,360
New York Liberty Development Corp., Liberty Revenue:				
4 World Trade Center LLC Project	5.750%	11/15/51	5,000,000	5,298,900
Second Priority, Bank of America Tower	5.125%	1/15/44	1,000,000	1,002,250
New York State Dormitory Authority Revenue, Willow Towers Inc. Project, GNMA-Collateralized	5.250%	2/1/22	960,000	997,680
Port Authority of New York & New Jersey	5.000%	1/15/41	3,820,000	4,022,575
Total New York				66,426,634
North Carolina 0.5%				
Harnett County, NC, GO, Refunded Custody Receipts, AMBAC	5.250%	6/1/24	1,615,000	1,713,887

See Notes to Financial Statements.

Western Asset Managed Municipals Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
North Carolina continued				
North Carolina Capital Facilities Finance Agency, Educational Facilities Revenue:				
Elizabeth City State University Housing Foundation LLC Project, AMBAC	5.000%	6/1/23	\$ 1,000,000	\$ 957,820
Elizabeth City State University Housing Foundation LLC Project, AMBAC	5.000%	6/1/33	1,250,000	1,097,400
Total North Carolina				3,769,107
North Dakota 1.1%				
North Dakota State Housing Finance Agency Revenue, Housing Finance Program, Home Mortgage Finance	5.625%	1/1/39	7,970,000	8,202,565
Ohio 3.4%				
Hamilton County, OH, Hospital Facilities Revenue, Cincinnati Children's Hospital, FGIC	5.250%	5/15/23	2,000,000	2,024,140
Hamilton County, OH, Sales Tax Revenue, AMBAC	5.250%	12/1/32	5,075,000	5,075,000
Lorain County, OH, Hospital Revenue, Catholic Healthcare Partners	5.375%	10/1/30	7,500,000	7,554,900
Lucas County, OH, Hospital Revenue, Promedica Healthcare Obligation Group, AMBAC	5.375%	11/15/29	5,990,000	5,999,584
Ohio State Water Development Authority, Environmental Improvement Revenue, U.S. Steel Corp. Project	6.600%	5/1/29	3,000,000	3,052,080
Summit County, OH, GO:				
FGIC	5.000%	12/1/21	1,000,000	1,038,430
FGIC	5.000%	12/1/22	500,000	518,565
Trumbull County, OH, GO, NATL	5.200%	12/1/20	1,500,000	1,530,000
Total Ohio				26,792,699
Oregon 0.4%				
Oregon State Housing & Community Services Department, Mortgage Revenue, Single-Family Mortgage Program	5.050%	7/1/26	1,665,000	1,677,055(a)
Umatilla County, OR, Hospital Facility Authority Revenue:				
Catholic Health Initiatives	5.000%	5/1/32	535,000	540,403
Catholic Health Initiatives	5.000%	5/1/32	465,000	514,262(b)
Total Oregon				2,731,720
Pennsylvania 1.7%				
Pennsylvania State Public School Building Authority Lease Revenue, Philadelphia School District Project, AGM	5.000%	6/1/33	7,255,000	7,412,216
Pennsylvania State Turnpike Commission	5.250%	12/1/41	6,000,000	6,079,080
Total Pennsylvania				13,491,296

See Notes to Financial Statements.

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Western Asset Managed Municipals Fund Inc. 2011 Semi-Annual Report

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Schedule of investments (unaudited) (cont d)

November 30, 2011

Western Asset Managed Municipals Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
Puerto Rico 4.0%				
Puerto Rico Electric Power Authority Revenue	5.500%	7/1/38	\$ 5,000,000	\$ 5,110,300
Puerto Rico Sales Tax Financing Corp., Sales Tax Revenue	5.750%	8/1/37	6,000,000	6,369,060
Puerto Rico Sales Tax Financing Corp., Sales Tax Revenue	5.250%	8/1/41	5,550,000	5,615,046
Puerto Rico Sales Tax Financing Corp., Sales Tax Revenue	6.000%	8/1/42	4,000,000	4,309,520
Puerto Rico Sales Tax Financing Corp., Sales Tax Revenue	5.000%	8/1/43	10,000,000	9,936,400
Total Puerto Rico				31,340,326
Rhode Island 0.7%				
Rhode Island State Health & Educational Building Corp., Revenue, Hospital Financing	7.000%	5/15/39	5,000,000	5,543,000
South Carolina 0.3%				
South Carolina State Ports Authority Revenue	5.250%	7/1/40	2,500,000	2,621,175
Tennessee 0.1%				
Hardeman County, TN, Correctional Facilities Corp., Correctional Facilities Revenue	7.750%	8/1/17	705,000	705,409
Texas 7.6%				
Dallas-Fort Worth, TX, International Airport Facilities Improvement Corp. Revenue, American Airlines Inc., Guarantee Agreement	6.375%	5/1/35	5,000,000	1,000,000(a)
Dallas-Fort Worth, TX, International Airport Revenue: Joint Improvement	5.000%	11/1/45	10,000,000	10,020,900
NATL	6.000%	11/1/23	4,240,000	4,249,286(a)
Harris County, TX, Health Facilities Development Corp., School Health Care System Revenue	5.750%	7/1/27	1,000,000	1,259,530(c)
Love Field Airport Modernization Corp, TX, Special Facilities Revenue, Southwest Airlines Co. Project	5.250%	11/1/40	15,000,000	14,480,550
North Texas Tollway Authority Revenue	5.750%	1/1/33	5,000,000	5,123,100
North Texas Tollway Authority Revenue	5.750%	1/1/40	15,000,000	15,542,550
Texas Private Activity Bond Surface Transportation Corp. Revenue, LBJ Infrastructure Group LLC	7.000%	6/30/40	7,000,000	7,570,360
Total Texas				59,246,276
Virginia 0.4%				
Chesterfield County, VA, IDA, PCR, Virginia Electric & Power Co., Remarketed 11/8/02	5.875%	6/1/17	3,000,000	3,052,170

See Notes to Financial Statements.

Western Asset Managed Municipals Fund Inc.

Security	Rate	Maturity Date	Face Amount	Value
Wisconsin 0.1% Wisconsin State HEFA Revenue, Kenosha Hospital & Medical Center Project	5.700%	5/15/20	\$ 565,000	\$ 565,644
Total Investments before Short-Term Investments (Cost \$732,518,256)				777,194,343
Short-Term Investments 0.5%				
Illinois 0.4% Illinois Finance Authority Revenue, University of Chicago Medical Center, LOC-Bank of America N.A.	0.090%	8/1/43	3,220,000	3,220,000 ^{(f)(g)}
Missouri 0.0% Missouri State HEFA, Educational Facilities Revenue, St. Louis University, LOC-Bank of America N.A.	0.090%	10/1/35	200,000	200,000 ^{(f)(g)}
Virginia 0.1% Virginia College Building Authority, VA, Educational Facilities Revenue, 21st Century College, SPA-Wells Fargo Bank N.A. Refunding, University Richmond Project, SPA-SunTrust Bank	0.120%	11/1/36	500,000	500,000 ^{(f)(g)}
Total Short-Term Investments (Cost \$3,920,000)				3,920,000
Total Investments 100.0% (Cost \$736,438,256#)				781,114,343

- (a) Income from this issue is considered a preference item for purposes of calculating the alternative minimum tax (AMT).
- (b) Pre-Refunded bonds are escrowed with U.S. government obligations and/or U.S. government agency securities and are considered by the manager to be triple-A rated even if issuer has not applied for new ratings.
- (c) Bonds are escrowed to maturity by government securities and/or U.S. government agency securities and are considered by the manager to be triple-A rated even if issuer has not applied for new ratings.
- (d) All or a portion of this security is held at the broker as collateral for open futures contracts.
- (e) Variable rate security. Interest rate disclosed is as of the most recent information available.
- (f) Variable rate demand obligations have a demand feature under which the Fund can tender them back to the issuer or liquidity provider on no more than 7 days notice.
- (g) Maturity date shown is the final maturity date. The security may be sold back to the issuer before final maturity.
- # Aggregate cost for federal income tax purposes is substantially the same.

See Notes to Financial Statements.

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Schedule of investments (unaudited) (cont d)

November 30, 2011

Western Asset Managed Municipals Fund Inc.

Abbreviations used in this schedule:

AGC	Assured Guaranty Corporation Insured Bonds
AGM	Assured Guaranty Municipal Corporation Insured Bonds
AMBAC	American Municipal Bond Assurance Corporation Insured Bonds
CDA	Communities Development Authority
COP	Certificates of Participation
DFA	Development Finance Agency
EDA	Economic Development Authority
EFA	Educational Facilities Authority
FGIC	Financial Guaranty Insurance Company Insured Bonds
FHA	Federal Housing Administration
FNMA	Federal National Mortgage Association
GNMA	Government National Mortgage Association
GO	General Obligation
HEFA	Health & Educational Facilities Authority
IDA	Industrial Development Authority
LIQ	Liquidity Facility
LOC	Letter of Credit
MFH	Multi-Family Housing
MTA	Metropolitan Transportation Authority
NATL	National Public Finance Guarantee Corporation Insured Bonds
PCR	Pollution Control Revenue
RDA	Redevelopment Agency
SPA	Standby Bond Purchase Agreement Insured Bonds
TFA	Transitional Finance Authority

Summary of Investments by Industry

Transportation	22.4%
Health Care	17.4
Industrial Revenue	13.0
Special Tax Obligation	10.9
Power	10.6
Education	8.4
Leasing	4.7

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Pre-Refunded/Escrowed to Maturity	3.8
Water & Sewer	3.4
Housing	3.3
Local General Obligation	0.9
Other	0.7
Short-term investments	0.5
	100.0%

As a percentage of total investments. Please note that Fund holdings are as of November, 30, 2011 and are subject to change.

See Notes to Financial Statements.

Western Asset Managed Municipals Fund Inc.**Ratings Table***

Standard & Poor's/Moody's/Fitch**

AAA/Aaa	4.4%
AA/Aa	34.4
A	51.5
BBB/Baa	5.6
BB/Ba	1.2
B/B	0.2
CCC/Caa	0.1
A-1/VMIG 1	0.5
NR	2.1
	100.0%

* As a percentage of total investments.

** The ratings shown are based on each portfolio security's rating as determined by Standard & Poor's, Moody's or Fitch, each a Nationally Recognized Statistical Rating Organization (NRSRO). These ratings are the opinions of the NRSRO and are not measures of quality or guarantees of performance. Securities may be rated by other NRSROs, and these ratings may be higher or lower. In the event that a security is rated by multiple NRSROs and receives different ratings, the Fund will treat the security as being rated in the highest rating category received from a NRSRO.

See pages 14 through 17 for definitions of ratings.

See Notes to Financial Statements.

Bond ratings

The definitions of the applicable rating symbols are set forth below:

Long-term security ratings (unaudited)

Standard & Poor's Ratings Service (Standard & Poor's) Long-term Issue Credit Ratings Ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standings within the major rating categories.

- AAA An obligation rated AAA has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.
- AA An obligation rated AA differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.
- A An obligation rated A is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.
- BBB An obligation rated BBB exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.
- BB An obligation rated BB is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions, which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.
- B An obligation rated B is more vulnerable to nonpayment than obligations rated BB, but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation.
- CCC An obligation rated CCC is currently vulnerable to nonpayment, and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.
- CC An obligation rated CC is currently highly vulnerable to nonpayment.
- C The C rating may be used to cover a situation where a bankruptcy petition has been filed or similar action has been taken, but payments on this obligation are being continued.
- D An obligation rated D is in payment default. The D rating category is used when payments on an obligation are not made on the date due, even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The D rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments of an obligation are jeopardized.

Moody's Investors Service (Moody's) Long-term Obligation Ratings Numerical modifiers 1, 2 and 3 may be applied to each generic rating from Aa to Caa, where 1 is the highest and 3 the lowest ranking within its generic category.

Aaa	Obligations rated Aaa	are judged to be of the highest quality, with minimal credit risk.
Aa	Obligations rated Aa	are judged to be of high quality and are subject to very low credit risk.
A	Obligations rated A	are considered upper-medium grade and are subject to low credit risk.
Baa	Obligations rated Baa	are subject to moderate credit risk. They are considered medium grade and as such may possess certain speculative characteristics.
Ba	Obligations rated Ba	are judged to have speculative elements and are subject to substantial credit risk.
B	Obligations rated B	are considered speculative and are subject to high credit risk.
Caa	Obligations rated Caa	are judged to be of poor standing and are subject to very high credit risk.
Ca	Obligations rated Ca	are highly speculative and are likely in, or very near, default, with some prospect of recovery for principal and interest.
C	Obligations rated C	are the lowest rated class and are typically in default, with little prospect of recovery for principal and interest.

Fitch Ratings Service (Fitch) Structured, Project & Public Finance Obligations Ratings from AA to CCC may be modified by the addition of a plus (+) or minus () sign to show relative standings within the major rating categories.

AAA	Obligations rated AAA	by Fitch denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	Obligations rated AA	denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	Obligations rated A	denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
BBB	Obligations rated BBB	indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.
BB	Obligations rated BB	indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments.
B	Obligations rated B	indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.
CCC		Default is a real possibility.
CC		Default of some kind appears probable.
C		Default is imminent or inevitable, or the issuer is in standstill.
NR		Indicates that the obligation is not rated by Standard & Poor's, Moody's or Fitch.

Short-term security ratings (unaudited)

Standard & Poor's Municipal Short-Term Notes Ratings

- SP-1 A short-term obligation rated SP-1 is rated in the highest category by Standard & Poor's. Strong capacity to pay principal and interest. An issue determined to possess a very strong capacity to pay debt service is given a plus (+) designation.
- SP-2 A short-term obligation rated SP-2 is a Standard & Poor's rating indicating satisfactory capacity to pay principal and interest, with some vulnerability to adverse financial and economic changes over the term of the notes.
- SP-3 A short-term obligation rated SP-3 is a Standard & Poor's rating indicating speculative capacity to pay principal and interest.

Standard & Poor's Short-Term Issues Credit Ratings

- A-1 A short-term obligation rated A-1 is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.
- A-2 A short-term obligation rated A-2 by Standard & Poor's is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.
- A-3 A short-term obligation rated A-3 by Standard & Poor's exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.
- B A short-term obligation rated B by Standard & Poor's is regarded as having significant speculative characteristics. Ratings of B-1, B-2 and B-3 may be assigned to indicate finer distinctions within the B category. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

Moody's Variable Rate Demand Obligations (VRDO) Ratings

- VMIG 1 Moody's highest rating for issues having a variable rate demand feature VRDO. This designation denotes superior credit quality. Excellent protection is afforded by the superior short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price on demand.
- VMIG 2 This designation denotes strong credit quality. Good protection is afforded by the strong short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price on demand.
- VMIG 3 This designation denotes acceptable credit quality. Adequate protection is afforded by the strong short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price on demand.
- SG This designation denotes speculative-grade credit quality. Demand features rated in this category may be supported by a liquidity provider that does not have an investment grade short term rating or may lack the structural and/or legal protections necessary to ensure the timely payment of purchase price upon demand.

Moody's Short-Term Municipal Obligations Ratings

- MIG 1 Moody's highest rating for short-term municipal obligations. This designation denotes superior credit quality. Excellent protection is afforded by established cash flows, highly reliable liquidity support, or demonstrated broad-based access to the market for refinancing.
- MIG 2 This designation denotes strong credit quality. Margins of protection are ample, although not as large as the preceding group.
- MIG 3 This designation denotes acceptable credit quality. Liquidity and cash flow protection may be narrow, and market access for refinancing is likely to be less well-established.
- SG This designation denotes speculative-grade credit quality. Debt instruments in this category may lack sufficient margins of protection.

Moody's Short-Term Obligations Ratings

- P-1 Moody's highest rating for commercial paper and for VRDO prior to the advent of the VMIG 1 rating. Have a superior ability to repay short-term debt obligations.
- P-2 Have a strong ability to repay short-term debt obligations.
- P-3 Have an acceptable ability to repay short-term debt obligations.
- NP Issuers do not fall within any of the Prime rating categories.

Fitch's Short-Term Issuer or Obligations Ratings

- F1 Fitch's highest rating indicating the strongest intrinsic capacity for timely payment of financial commitments; may have an added + to denote any exceptionally strong credit feature.
- F2 Fitch rating indicating good intrinsic capacity for timely payment of financial commitments.
- F3 Fitch rating indicating intrinsic capacity for timely payment of financial commitments is adequate.
- B Fitch rating indicating minimal capacity for timely payment of financial commitments, plus heightened vulnerability to near term changes in financial and economic conditions.
- C Fitch rating indicating default is a real possibility.
- NR Indicates that the obligation is not rated by Standard & Poor's, Moody's or Fitch.

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Statement of assets and liabilities (unaudited)

November 30, 2011

Assets:

Investments, at value (Cost \$736,438,256)	\$781,114,343
Cash	64,781
Interest receivable	11,446,406
Receivable for securities sold	1,729,883
Receivable from broker variation margin on open futures contracts	569,750
Prepaid expenses	62,283
Total Assets	794,987,446

Liabilities:

Investment management fee payable	359,347
Directors fees payable	15,421
Distributions payable to Auction Rate Cumulative Preferred Stockholders	6,702
Accrued expenses	83,949
Total Liabilities	465,419

Series M, T, W, Th and F Auction Rate Cumulative Preferred Stock (2,000 shares for each series authorized and issued at \$25,000 for each share) (Note 5)	250,000,000
Total Net Assets	\$544,522,027

Net Assets:

Par value (\$0.001 par value; 42,420,163 common shares issued and outstanding; 500,000,000 common shares authorized)	\$ 42,420
Paid-in capital in excess of par value	514,177,941
Undistributed net investment income	16,757,925
Accumulated net realized loss on investments	(32,319,916)
Net unrealized appreciation on investments and futures contracts	45,863,657
Total Net Assets	\$544,522,027

Shares Outstanding	42,420,163
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Net Asset Value	\$12.84
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See Notes to Financial Statements.

Statement of operations (unaudited)

For the Six Months Ended November 30, 2011

Investment Income:

Interest