

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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FILER

PIONEER INTEREST SHARES INC /MA/

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Pioneer
Interest
Shares, Inc.

SEMIANNUAL REPORT
JUNE 30, 1996

PIONEER INTEREST SHARES, INC.

DEAR SHAREOWNER,

This semiannual report details the performance of Pioneer Interest Shares for the first six months of 1996. During the period, your Fund successfully pursued its objective of providing attractive current income by investing primarily in investment-grade bonds (those securities rated BBB or better by Standard & Poor's Corp. or Moody's Investors Service). The bond market, coming off a strong year in 1995, faltered as 1996 progressed. Interest rates rose and volatility increased as investors became less certain of the outlook for economic growth and inflation.

HOW YOUR FUND PERFORMED

The Fund's market price moved to \$13.00 per share on June 30, 1996, from \$13.50 on December 31, 1995, reflecting investors' unease about bond investments. Because your Fund is a "closed-end" fund, the actual value of the securities it owns -- its net asset value, or NAV -- may be more or less than is reflected in the market price of Fund shares on any given trading day. The Fund's NAV ranged from \$13.67 per share at the close of 1995 to \$13.18 at the end of the semiannual period. In other words, the market value of the Fund on June 30, 1996, reflected a 1.4% "discount" compared to the value of the securities in the Fund's portfolio.

Over the past six months, the Fund paid investors quarterly dividends totaling \$0.54 per share. As of June 30, the Fund provided a yield of 8.31% based on market price, and 8.19% based on net asset value.

As a closed-end fund, there are two key ways to measure your Fund's total return. Looking at change in market price, the Fund generated a total return of 0.33% for the half-year, assuming all dividends were reinvested. Based on net asset value, total return was 0.45%. In comparison, the unmanaged Lehman Brothers Government/Corporate Bond Index returned -1.88% over the same period.

MARKET OVERVIEW

The first six months of 1996 turned out to be quite different from 1995. The period began with the Federal Reserve (the Fed) carrying forward its tactics from 1995 -- cutting interest rates to avoid sputtering economic growth. After lowering short-term rates in January, the Fed soon shifted its focus to signs of a rapidly expanding economy and the potential for increasing inflation. In February, the reported increase in employment was the highest in 12 years, sparking speculation that the Fed would move to raise interest rates to prevent any economic overheating.

Bond investors did not receive this news well, and bond prices fell as interest rates rose. Although the Fed did not act again, the bond market remained unsettled through the end of June. The benchmark long-term U.S. Treasury bond provided a good example. As of December 31, 1995, the interest rate on the 30-year Treasury bond stood at 5.95%; by the end of June, the rate was 6.89%.

HOW PIONEER MANAGED YOUR INVESTMENT

The main strategy during the past six months was to keep a close eye on issue selection and maintaining the Fund's income stream. We continued to hold Treasury securities mostly to help maintain the Fund's liquidity. Generally, we preferred corporate bonds we believe have the potential to see their quality ratings upgraded. In fact, several portfolio holdings were upgraded, including NorAm Energy, M.A. Hanna, Bowater and Delta Air Lines. Bonds rated A and BBB accounted for 49% of the portfolio on June 30. Other issues in this group include Rexene, Stone Container, Kansas City Southern Industries and USX.

When possible, we added "non-callable" and "call protected" bonds to the portfolio that cannot be redeemed, or "called," early by their issuers. Non-callable bonds help us manage the Fund's income stream and lock in the potential for gains when interest rates are falling.

In terms of maturity, we continued to concentrate the portfolio in securities with an average life of five years or less, although holdings were diversified among all maturity ranges. Shorter-term issues help protect the Fund's NAV from price declines as interest rates rise, while longer-term securities generally provide higher yields and more price movement. The portfolio's average effective maturity was 8.8 years on June 30, down from 9.1 years on December 31.

[PIE CHART REFLECTING THE FOLLOWING INFORMATION]

PORTFOLIO MATURITY
(Effective Maturity as of June 30, 1996)

20+ YEARS	14%
10-20 YEARS	15%
7-10 YEARS	10%
5-7 YEARS	18%
2-5 YEARS	21%
0-2 YEARS	22%

LOOKING AHEAD

As we close the books on the first six months of 1996, investors are trying to evaluate a mixed bag of economic indicators. Some point to strong growth, bringing on worries about an overheating economy that could spur inflation higher. Other reports show weak consumer spending and slow wage growth, ingredients of low inflation. Until the picture clarifies, we think it's reasonable to expect interest rates and bond prices to move up and down as they have over recent months.

Ultimately, however, we believe inflation worries will abate, allowing interest rates to drop back down. Regardless, your Fund's holdings in carefully selected corporate bonds give you a way to benefit from economic progress. Your management will continue to look for opportunities that present themselves in this environment, while emphasizing current income and investment-grade quality issues.

Please refer to the following pages for the Fund's audited Schedule of Investments and financial statements as of June 30, 1996. If you have any questions about your investment in Pioneer Interest Shares, Inc., contact your investment representative, or call the Fund's sub-transfer agent, ChaseMellon Shareholder Services at 1-800-288-9541.

Respectfully,

/s/ John F. Cogan, Jr.
John F. Cogan, Jr.
Chairman and President,
Pioneer Interest Shares, Inc.

PIONEER INTEREST SHARES, INC.
<TABLE>
SCHEDULE OF INVESTMENTS
June 30, 1996

<CAPTION>

Principal Amount	S&P/Moody's Ratings (unaudited)		Value
<S>	<C>	<C>	<C>
		INVESTMENT IN SECURITIES -- 100.0%	
		INDUSTRIALS -- 69.4%	
\$2,000,000	BB+/Baa3	AMR Corp., 9.88%, 2020.....	\$ 2,324,580
2,000,000	BB+/Baa3	Boise Cascade Corp., 9.90%, 2000.....	2,126,960
2,000,000	BBB-/Baa1	Bowater, Inc., 9.375%, 2021.....	2,306,040
4,000,000	AA-/A1	BP America Inc., 10.0%, 2018.....	4,393,800
2,000,000	A/A2	Caterpillar Inc., 9.75%, 2019.....	2,235,260
2,000,000	A-/A3	Chrysler Corp., 10.95%, 2017.....	2,186,540
3,000,000	BB+/Baa2	Delta Air Lines, Inc., 9.20%, 2014.....	3,289,560
4,000,000	BB-/Ba1	Domtar Inc., 11.25%, 2017.....	4,240,000
2,000,000	BBB-/Baa3	Federal Paper Board Co., 10.0%, 2011.....	2,431,100
3,000,000	BBB-/Baa2	Georgia Pacific Corp., 9.875%, 2021.....	3,249,360
2,000,000	BBB/Ba1	Joy Technologies Inc., 10.25%, 2003.....	2,200,000
2,000,000	BBB+/Baa2	Kansas City Southern Industries, Inc., 8.8%, 2022.....	2,079,640
2,000,000	BBB-/Baa2	M.A. Hanna Co., 9.375%, 2003.....	2,179,800
3,000,000	BBB/Baa3	News America Holdings, Inc., 10.125%, 2012.....	3,373,500
2,000,000	BBB/Baa1	Phillips Petroleum Co., 9.18%, 2021.....	2,146,800
1,000,000	BB-/B1	Rexene Corp., 11.75%, 2004.....	1,035,000
2,000,000	BBB/Baa2	Shopko Stores Inc., 9.25%, 2022.....	2,095,000

2,000,000	BB-/B1	Stone Container Corp., 10.75%, 2002.....	2,020,000
1,000,000	BBB-/Ba1	Tele-Commun Inc., 8.75%, 2023.....	943,520
2,500,000	B+/Ba3	Tenet Healthcare Corp., 10.125%, 2005.....	2,637,500
4,000,000	BBB-/Ba1	Time Warner Inc., 9.15%, 2023.....	4,135,760
1,500,000	BB-/Ba3	Unisys Corp., 15.0%, 1997.....	1,586,250
4,000,000	BB+/Baa3	USX Corp., 9.375%, 2012.....	4,410,160
2,000,000	BB-/B1	Viacom International Inc., 10.25%, 2001.....	2,140,000
2,000,000	B/B2	Weirton Steel Corp., 10.75%, 2005.....	1,900,000
2,000,000	BBB-/Ba1	Westinghouse Electric Corp., 8.625%, 2012.....	1,930,340
		Total (Cost \$64,647,511).....	\$65,596,470
		UTILITIES -- ELECTRIC -- 15.1%	
4,000,000	NR/Aaa	Big Rivers Electric Cooperative, 10.7%, 2017.....	\$ 4,396,600
2,000,000	BBB/Baa2	Commonwealth Edison Co., 9.75%, 2020.....	2,260,720
5,000,000	AAA/Aaa	Rural Electric Cooperative (Deseret), 10.11%, 2017.....	5,468,850
2,000,000	A/A2	Virginia Electric Power, 8.75%, 2021.....	2,096,000
		Total (Cost \$13,953,600).....	\$14,222,170

</TABLE>

The accompanying notes are an integral part of these financial statements.

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PIONEER INTEREST SHARES, INC.

<TABLE>

SCHEDULE OF INVESTMENTS
June 30, 1996 (Continued)

<CAPTION>

Principal Amount	S&P/Moody's Ratings (unaudited)		Value
<S>	<C>	<C>	<C>
		UTILITIES -- NATURAL GAS -- 8.4%	
\$2,000,000	BB+/Baa3	Coastal Corp., 9.625%, 2012.....	\$ 2,278,380
2,000,000	BBB-/Baa2	Colorado Interstate Gas Co., 10.0%, 2005.....	2,332,320
3,000,000	BB+/Ba2	NorAm Energy Corp., 10.0%, 2019.....	3,281,820
		Total (Cost \$7,305,640).....	\$ 7,892,520
		BANKS -- 1.3%	
52,476	NR/NR	Bank of America National Trust & Savings Association, 10.5%, 2009...	\$ 53,899
1,156,000	A/A3	Citicorp, 10.75%, 2015.....	1,214,505
		Total (Cost \$1,294,042).....	\$ 1,268,404
		U.S. GOVERNMENT OBLIGATIONS -- 1.1%	
1,000,000		U.S. Treasury Notes, 8.75%, 2000.....	\$ 1,082,970
		Total (Cost \$1,071,563).....	\$ 1,082,970
		FOREIGN GOVERNMENT AND GOVERNMENT SPONSORED -- 4.7%	
4,000,000	A+/A2	Hydro-Quebec, 9.75%, 2018.....	\$ 4,434,440
		Total (Cost \$4,345,000).....	\$ 4,434,440
		TOTAL INVESTMENT IN SECURITIES (COST \$92,617,356) (a) (b).....	\$94,496,974

<FN>

NR Not rated.

(a) At June 30, 1996, the net unrealized gain on investments based on cost for federal income tax purposes of \$92,617,356 was as follows:

Aggregate gross unrealized gain for all investments in which there is an excess of value over tax cost.....	\$ 2,758,150
Aggregate gross unrealized loss for all investments in which there is an excess of tax cost over value.....	(878,532)

Net unrealized gain..... \$ 1,879,618
 =====

(b) At December 31, 1995, the Fund had a capital loss carryforward of \$9,843,604 which will expire between 1997 and 2003 if not utilized.

Purchases and sales of securities (excluding temporary cash investments) for the six months ended

June 30, 1996 were as follows:

	Purchases	Sales
	-----	-----
Long-term U.S. Government.....	\$ 2,048,906	\$ 7,104,672
Other Long-term Securities.....	15,224,484	9,877,907

</FN>
 </TABLE>

The accompanying notes are an integral part of these financial statements.

PIONEER INTEREST SHARES, INC.

<TABLE>

BALANCE SHEET

June 30, 1996

<S>	<C>
ASSETS:	
Investment in securities, at value (cost \$92,617,356; see Schedule of Investments and Note 1).....	\$ 94,496,974
Cash.....	9,913
Receivables --	
Investment securities sold.....	1,078,719
Interest.....	2,263,702
Other.....	11,481

Total assets.....	\$ 97,860,789

LIABILITIES:	
Payable for investment securities purchased.....	\$ 1,114,094
Due to affiliates (Notes 2 and 3).....	51,099
Accrued expenses.....	28,062

Total liabilities.....	\$ 1,193,255

NET ASSETS:	
Paid-in capital (Note 1).....	\$104,867,363
Distributions in excess of net investment income.....	(38,494)
Accumulated net realized loss on investments.....	(10,040,953)
Net unrealized gain on investments.....	1,879,618

Total net assets (equivalent to \$13.18 per share based on 7,332,922 fund shares outstanding - 50,000,000 shares authorized).....	\$ 96,667,534
	=====

</TABLE>

PIONEER INTEREST SHARES, INC.

<TABLE>

STATEMENT OF OPERATIONS

For the Six Months Ended June 30, 1996

<S>	<C>
INVESTMENT INCOME (NOTE 1):	
Interest.....	\$ 4,359,570

EXPENSES:	
Management fees (Note 2).....	\$ 276,022
Transfer agent fees (Note 3).....	64,321
Registration fees.....	13,610
Professional fees.....	26,510
Accounting (Note 2).....	30,918
Custodian fees.....	16,233
Printing.....	8,720
Fees and expenses of nonaffiliated directors.....	8,180
Miscellaneous.....	5,781

Total expenses.....	\$ 450,295
Less fees paid indirectly (Note 4).....	(6,677)

Net expenses.....	\$ 443,618
Net investment income.....	\$ 3,915,952
REALIZED AND UNREALIZED LOSS ON INVESTMENTS:	
Net realized loss on investments (Note 1).....	\$ (194,505)
Change in unrealized gain on investments.....	(3,349,549)
Net loss on investments.....	\$ (3,544,054)
Net increase in net assets resulting from operations.....	\$ 371,898

</TABLE>

The accompanying notes are an integral part of these financial statements.

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PIONEER INTEREST SHARES, INC.

<TABLE>

STATEMENTS OF CHANGES IN NET ASSETS

For the Six Months Ended June 30, 1996 and the Year Ended December 31, 1995

<CAPTION>

	Six Months Ended June 30, 1996	Year Ended December 31, 1995
	<C>	<C>
<S>		
FROM OPERATIONS:		
Net investment income.....	\$ 3,915,952	\$ 7,853,565
Net realized loss on investments.....	(194,505)	(2,239,237)
Change in net unrealized gain (loss) on investments.....	(3,349,549)	9,716,727
Net increase in net assets resulting from operations.....	\$ 371,898	\$15,331,055
DISTRIBUTIONS TO SHAREHOLDERS:		
From net investment income (\$0.53 and \$1.08 per share, respectively).....	\$ (3,915,952)	\$ (7,856,132)
From tax return of capital (\$0.00 and \$0.00 per share, respectively).....	--	(35,747)
In excess of net investment income (\$0.01 and \$0.00 per share, respectively).....	(38,494)	--
Decrease in net assets resulting from distributions to shareholders.....	\$ (3,954,446)	\$ (7,891,879)

</TABLE>

<TABLE>

<CAPTION>

	Shares			
	Six Months Ended June 30, 1996	Year Ended December 31, 1995		
	<C>	<C>	<C>	<C>
<S>				
FROM FUND SHARE TRANSACTIONS:				
Net asset value of shares issued to shareholders in reinvestment of distributions.....	19,749	22,993	\$ 260,686	\$ 297,731
Net increase (decrease) in net assets.....			\$ (3,321,862)	\$ 7,736,907
NET ASSETS:				
Beginning of period.....			99,989,396	92,252,489
End of period (including distributions in excess of net investment income of \$38,494 and \$0, respectively).....			\$96,667,534	\$99,989,396

</TABLE>

The accompanying notes are an integral part of these financial statements.

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PIONEER INTEREST SHARES, INC.

<TABLE>

FINANCIAL HIGHLIGHTS -- SELECTED DATA FOR A SHARE OUTSTANDING FOR THE PERIODS PRESENTED

<CAPTION>

Six

	Months Ended June 30, 1996	For the Years Ended December 31,						
		1995	1994	1993++	1992	1991	1990	1989
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value, beginning of period.....	\$ 13.67	\$ 12.65	\$ 14.29	\$ 14.09	\$ 14.15	\$ 13.34	\$ 13.73	\$ 13.53
Increase (decrease) from investment operations --								
Net investment income.....	\$ 0.53	\$ 1.07	\$ 1.12	\$ 1.11	\$ 1.15	\$ 1.17	\$ 1.22	\$ 1.27
Net realized and unrealized gain (loss) on investments...	(0.48)	1.03	(1.63)	0.22	(0.06)	0.81	(0.39)	0.19
Net increase (decrease) from investment operations.....	\$ 0.05	\$ 2.10	\$ (0.51)	\$ 1.33	\$ 1.09	\$ 1.98	\$ 0.83	\$ 1.46
Distributions to shareholders:								
From net investment income.....	(0.53)	(1.08)	(1.13)	(1.11)	(1.15)	(1.17)	(1.22)	(1.26)
In excess of net investment income.....	(0.01)	--	--	(0.02)	--	--	--	--
Net increase (decrease) in net asset value.....	\$ (0.49)	\$ 1.02	\$ (1.64)	\$ 0.20	\$ (0.06)	\$ 0.81	\$ (0.39)	\$ 0.20
Net asset value, end of period.....	\$ 13.18	\$ 13.67	\$ 12.65	\$ 14.29	\$ 14.09	\$ 14.15	\$ 13.34	\$ 13.73
Market value, end of period.....	\$13.000	\$13.500	\$11.750	\$ 13.875	\$ 14.750	\$14.250	\$12.825	\$13.750
Total return*.....	0.33%	24.77%	(7.54)%	1.57%	12.24%	22.81%	0.71%	11.64%
Ratio of net expenses to average net assets.....	0.92%***	0.98%+	1.03%	0.82%	0.82%	0.82%	0.84%	0.85%
Ratio of net investment income to average net assets.....	8.00%***	8.04%+	8.46%	7.60%	8.20%	8.63%	9.16%	9.30%
Portfolio turnover rate.....	36%**	49%	65%	61%	44%	40%	32%	62%
Net assets, end of period (in thousands).....	\$96,668	\$99,989	\$92,252	\$103,570	\$100,596	\$99,798	\$93,386	\$95,383
Ratios assuming reduction for fees paid indirectly:								
Net expenses.....	0.91%**	0.97%	--	--	--	--	--	--
Net investment income.....	8.01%**	8.05%	--	--	--	--	--	--

<FN>

* Assumes initial investment at market value at the beginning of each period, reinvestment of all distributions, the complete redemption of the investment at the market value at the end of each period and no sales charges. Total return would be reduced if sales charges were taken into account.

** Annualized.

+ Ratios assuming no reduction for fees paid indirectly.

++ Prior to the assumption of the management agreement on December 1, 1993 by Pioneering Management Corporation, the Fund was advised by Mutual of Omaha Fund Management Company.

</FN>

</TABLE>

The accompanying notes are an integral part of these financial statements.

PIONEER INTEREST SHARES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 1996

1. Pioneer Interest Shares, Inc. (the Fund), originally a Nebraska corporation, is registered under the Investment Company Act of 1940 as a diversified, closed-end management investment company. Effective August 1, 1996, the Fund was reorganized as a Delaware business trust. The reorganization has no effect on the Fund's operations. The investment objective of the Fund is to seek interest income by investing in a diversified portfolio of debt obligations which management considers to be of high quality.

The Fund's financial statements have been prepared in conformity with generally accepted accounting principles that require the management of the Fund to, among other things, make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Fund, which are in conformity with those generally accepted in the investment company industry.

A. Security Valuation -- Security transactions are recorded on trade date. Securities are valued based on valuations furnished by an independent pricing service that utilizes a matrix system. This matrix system reflects such factors as security prices, yields, maturities and ratings, and is supplemented by dealer and exchange quotations and fair market value information from other sources, as required. Principal amounts of mortgage-backed securities are adjusted for monthly paydowns. Premium and discount related to certain mortgage-backed securities are amortized or accreted in proportion to the underlying monthly paydowns. Market discount is accreted daily on a straight-line basis. Temporary cash investments are valued at amortized cost. Interest income is recorded on the accrual basis.

Gains and losses on sales of investments are calculated on the "identified cost" method for both financial reporting and federal income tax purposes. It is the Fund's practice to first select for sale those securities that have the highest cost and also qualify for long-term capital gain or loss treatment for tax purposes.

B. Federal Income Taxes -- It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income and net realized capital gains, if any, to its shareholders. Therefore, no federal income tax provision is required.

The characterization of distributions to shareholders for financial reporting purposes is determined in accordance with federal income tax rules. Therefore, the source of the Fund's distributions may be shown in the accompanying financial statements as either from or in excess of net investment income or net realized gain on investment transactions, or from paid-in capital, depending on the type of book/tax differences that may exist.

C. Dividend and Distributions -- All shareholders of the Fund are eligible to participate in the Dividend and Distribution Reinvestment Plan (the Plan). Under the Plan, participants will receive all dividends and distributions in full and fractional shares of the Fund in lieu of cash when shares are trading at or above net asset value. When shares are trading below net asset value, dividends and distributions will be paid in cash. When the Fund declares dividends or distributions, the number of shares to be credited to a participant's account or the cash to be distributed to a participant, determined as of the close of business of the New York Stock Exchange (Exchange) on the Dividend Valuation Date, is computed as follows: (a) If the

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PIONEER INTEREST SHARES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 1996 (Continued)

last sales price of shares of the capital stock of the Fund is at or above net asset value, the Fund will issue new full and fractional shares (computed to three decimals) of capital stock at the greater of net asset value or 95% of such last sales price, to be credited to the participant's account; or (b) if the last sales price of shares of the capital stock of the Fund is below the net asset value, the Agent will distribute the dividends or distributions to the participant in cash. There are no brokerage or service fees chargeable to participants in the Plan; however, this Plan may be amended in the future to impose a service charge. Participating in the Plan does not relieve shareholders from any federal, state or local taxes which may be due on dividends and distributions paid in any taxable year. Dividends and distributions to shareholders are recorded as of the Dividend Valuation Date.

2. Pioneering Management Corporation (PMC), the Fund's investment adviser, manages the Fund's portfolio and is a wholly owned subsidiary of The Pioneer Group, Inc. (PGI). Management fees are calculated daily at the annual rate of 0.625% of the Fund's average daily net assets up to \$50 million and 0.50% of excess over \$50 million.

In addition, under the management agreement, certain other services and costs, including accounting, regulatory reporting and insurance premiums, are paid by the Fund. Included in due to affiliates is \$41,632 and \$4,207 in management and accounting fees, respectively, payable to PMC at June 30, 1996.

3. Pioneering Services Corporation (PSC), a wholly owned subsidiary of PGI, through a sub-transfer agency agreement with Chemical Mellon Shareholder Services, provides substantially all transfer agent and shareholder services to the Fund at negotiated rates. Included in due to affiliates is \$5,260 in transfer agent fees payable to PSC at June 30, 1996.

4. The Fund has entered into certain expense offset arrangements resulting in a reduction in the Fund's total expenses. For the six months ended June 30, 1996, the Fund's expenses were reduced by \$6,677 under such arrangements.

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TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS OF PIONEER INTEREST SHARES, INC.:

We have audited the accompanying balance sheet of Pioneer Interest Shares, Inc., including the schedule of investments, as of June 30, 1996, and the related statement of operations for the period then ended, the statements of changes in net assets for the periods presented and financial highlights for the periods ended June 30, 1996, December 31, 1995 and December 31, 1994. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. The financial highlights for each of the five years ended December 31, 1993, were audited by other auditors whose report dated February 22, 1994 expressed an unqualified opinion.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of June 30, 1996 by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Pioneer Interest Shares, Inc. as of June 30, 1996, the results of its operations for the period then ended, the changes in its net assets for the periods presented, and financial highlights for the periods ended June 30, 1996, December 31, 1995 and December 31, 1994, in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Boston, Massachusetts
August 1, 1996

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PIONEER INTEREST SHARES, INC.
60 State Street
Boston, Massachusetts 02109

OFFICERS

JOHN F. COGAN, JR.
Chairman and President
DAVID D. TRIPPLE
Executive Vice President
SHERMAN B. RUSS
Vice President
WILLIAM H. KEOUGH
Treasurer
JOSEPH P. BARRI
Secretary

DIRECTORS

JOHN F. COGAN, JR.
RICHARD H. EGDahl, M.D.
MARGARET B. W. GRAHAM
JOHN W. KENDRICK
MARGUERITE A. PIRET
DAVID D. TRIPPLE
STEPHEN K. WEST
JOHN WINTHROP

INVESTMENT ADVISER

PIONEERING MANAGEMENT
CORPORATION

LEGAL COUNSEL

HALE AND DORR

PRINCIPAL UNDERWRITER

PIONEER FUNDS
DISTRIBUTOR, INC.

TRANSFER AGENT

PIONEERING SERVICES
CORPORATION

CUSTODIAN

BROWN BROTHERS
HARRIMAN & CO.

SHAREHOLDER
SERVICES AND
SUB-TRANSFER AGENT

INDEPENDENT PUBLIC
ACCOUNTANTS

CHASEMELLON
SHAREHOLDER SERVICES

ARTHUR ANDERSEN LLP

Please direct your questions about your account in
Pioneer Interest Shares to CHASEMELLON SHAREHOLDER
SERVICES at 1-800-288-9541. (Telecommunication Device
for the Deaf: 1-800-231-5469.)

Contact ChaseMellon Shareholder Services in writing as
follows:

FOR:	WRITE TO:
General inquiries, lost dividend checks, change of address, account consolidation	PO Box 590 Ridgefield Park, NJ 07660
Lost stock certificates	PO Box 467 Washington Bridge Station New York, NY 10033
Stock transfer	PO Box 469 Washington Bridge Station New York, NY 10033
Dividend reinvestment plan (DRIP)	PO Box 750 Pittsburgh, PA 15230

0896-3596
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