

TRANSAMERICA INCOME SHARES INC
Form N-Q
August 29, 2006

As filed with the SEC on August 29, 2006.

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

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-02273

TRANSAMERICA INCOME SHARES, INC.
(Exact name of registrant as specified in charter)

570 Carillon Parkway, St. Petersburg, Florida
(Address of principal executive offices)

33716
(Zip code)

Dennis Gallagher, Esq. P.O. Box 9012, Clearwater, Florida 33758-9771
(Name and address of agent for service)

Registrant's telephone number, including area code: (727) 299-1800

Date of fiscal year end: March 31

Date of reporting period: April 1, 2006 June 30,
2006

Item 1. Schedule of Investments.

The unaudited Schedule of Investments of Registrant as of June 30, 2006 are attached.

Transamerica Income Shares, Inc.

SCHEDULE OF INVESTMENTS

At June 30, 2006

(all amounts except share amounts in thousands)

(unaudited)

	Principal	Value
U.S. GOVERNMENT OBLIGATIONS (0.7%)		
U.S. Treasury Note		
4.88%, due 05/15/2009	\$ 1,000	\$ 993
Total U.S. Government Obligations (cost: \$994)		993
CORPORATE DEBT SECURITIES (95.6%)		
<u>Aerospace (2.0%)</u>		
Boeing Co. (The)		
8.75%, due 08/15/2021	2,000	2,524
TransDigm, Inc., Senior Subordinated Note-144A		
7.75%, due 07/15/2014	250	249
<u>Agriculture (1.8%)</u>		
Dole Food Co., Inc.		
8.63%, due 05/01/2009	1,000	955
Michael Foods, Inc.		
8.00%, due 11/15/2013	1,500	1,474
<u>Air Transportation (0.9%)</u>		
FedEx Corp.		
9.65%, due 06/15/2012	1,000	1,177
<u>Amusement & Recreation Services (1.5%)</u>		
Harrah's Operating Co., Inc.		
5.50%, due 07/01/2010	1,000	976
Pokagon Gaming Authority, Senior Note-144A		
10.38%, due 06/15/2014	70	72
Speedway Motorsports, Inc.		
6.75%, due 06/01/2013	1,000	970
<u>Automotive (2.5%)</u>		
DaimlerChrysler NA Holding Corp.		
8.50%, due 01/18/2031	2,675	3,029
General Motors Corp.		
7.13%, due 07/15/2013	500	411
<u>Automotive Service Stations (0.3%)</u>		
Petro Stopping Centers, LP / Petro Financial Corp.		
9.00%, due 02/15/2012	400	397
<u>Beverages (0.5%)</u>		
Cia Brasileira de Bebidas		
8.75%, due 09/15/2013	660	727
<u>Business Credit Institutions (3.6%)</u>		
Pemex Finance, Ltd.		
9.03%, due 02/15/2011	4,655	4,936
<u>Business Services (2.0%)</u>		
Cardtronics, Inc.-144A		
9.25%, due 08/15/2013	800	788
Hertz Corp.-144A		
8.88%, due 01/01/2014	1,500	1,537

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iPayment, Inc., Senior Subordinated Note-144A		
9.75%, due 05/15/2014	350	348
<u>Chemicals & Allied Products (5.6%)</u>		
Cytec Industries, Inc.		
6.00%, due 10/01/2015	700	665
ICI Wilmington, Inc.		
4.38%, due 12/01/2008	3,400	3,281

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<u>IMC Global, Inc.</u>		
10.88%, due 06/01/2008	475	506
<u>Ineos Group Holdings PLC-144A</u>		
8.50%, due 02/15/2016	800	749
<u>Lubrizol Corp.</u>		
5.50%, due 10/01/2014	2,500	2,359
<u>Commercial Banks (10.9%)</u>		
<u>Bank of America Corp.</u>		
7.80%, due 02/15/2010	2,250	2,403
<u>Barclays Bank PLC</u>		
6.28%, due 12/15/2034	(a) (b) 1,500	1,310
<u>HBOS PLC-144A</u>		
5.92%, due 10/01/2015	(a) (b) 1,400	1,290
<u>HSBC Capital Funding LP-144A</u>		
10.18%, due 06/30/2030	(a) (b) 1,500	2,050
<u>HSBK Europe BV-144A</u>		
7.75%, due 05/13/2013	500	501
<u>Popular North America, Inc.</u>		
5.20%, due 12/12/2007	1,000	989
<u>Shinsei Finance Cayman, Ltd.-144A</u>		
6.42%, due 07/20/2016	(a) (b) 1,000	939
<u>Wachovia Capital Trust III</u>		
5.80%, due 03/15/2011	(a) (b) 2,101	2,039
<u>Wells Fargo & Co.</u>		
4.20%, due 01/15/2010	2,000	1,911
<u>ZFS Finance USA Trust I-144A</u>		
6.45%, due 12/15/2065	(b) 1,500	1,372
<u>Communication (7.5%)</u>		
<u>Comcast Corp.</u>		
7.05%, due 03/15/2033	2,050	2,080
<u>Echostar DBS Corp.-144A</u>		
7.13%, due 02/01/2016	1,250	1,203
<u>Intelsat Subsidiary Holding Co., Ltd.</u>		
8.25%, due 01/15/2013	800	794
<u>Kabel Deutschland GmbH-144A</u>		
10.63%, due 07/01/2014	1,000	1,055
<u>News America Holdings</u>		
9.25%, due 02/01/2013	3,985	4,614
<u>XM Satellite Radio, Inc., Senior Note-144A</u>		
9.75%, due 05/01/2014	450	412
<u>Department Stores (1.7%)</u>		
<u>Bon-Ton Stores (The), Inc.-144A</u>		
10.25%, due 03/15/2014	800	742
<u>Neiman-Marcus Group, Inc.-144A</u>		
9.00%, due 10/15/2015	1,500	1,567
<u>Electric Services (5.6%)</u>		
<u>AES Gener SA</u>		
7.50%, due 03/25/2014	1,500	1,505
<u>Dominion Resources, Inc.</u>		
5.69%, due 05/15/2008	1,900	1,894
<u>PSEG Funding Trust</u>		
5.38%, due 11/16/2007	4,250	4,219
<u>Electronic Components & Accessories (0.6%)</u>		
<u>Sensata Technologies BV, Senior Note-144A</u>		
8.00%, due 05/01/2014	850	820
<u>Finance (0.2%)</u>		
<u>American Real Estate Partners, LP/American Real Estate Finance Corp.</u>		

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7.13%, due 02/15/2013	350	336
<u>Food & Kindred Products (1.7%)</u>		
ConAgra Foods, Inc.		
9.75%, due 03/01/2021	1,375	1,698

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Tyson Foods, Inc.			
6.60%, due 04/01/2016		620	606
<u>Food Stores (0.9%)</u>			
Stater Brothers Holdings, Inc.			
8.13%, due 06/15/2012		1,200	1,185
<u>Gas Production & Distribution (2.6%)</u>			
El Paso Corp.-144A			
7.63%, due 09/01/2008		1,000	1,012
Kinder Morgan Energy Partners, LP			
7.75%, due 03/15/2032		1,500	1,614
Markwest Energy Part/Finance-144A			
8.50%, due 07/15/2016		275	273
Northwest Pipeline			
9.00%, due 08/01/2022		631	651
<u>Holding & Other Investment Offices (2.6%)</u>			
Hospitality Properties Trust REIT			
6.30%, due 06/15/2016		1,968	1,938
Hutchison Whampoa International, Ltd.-144A			
7.45%, due 11/24/2033		1,500	1,586
<u>Hotels & Other Lodging Places (3.8%)</u>			
Host Marriott, LP			
7.13%, due 11/01/2013		1,500	1,494
Intrawest Corp.			
7.50%, due 10/15/2013		1,000	995
Park Place Entertainment Corp.			
7.00%, due 04/15/2013		1,500	1,527
Station Casinos, Inc., Subordinated Note			
6.63%, due 03/15/2018		500	453
Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp.			
6.63%, due 12/01/2014		800	754
<u>Industrial Machinery & Equipment (1.1%)</u>			
Cummins Engine Co., Inc.			
5.65%, due 03/01/2098		2,000	1,488
<u>Insurance (2.0%)</u>			
Oil Insurance Ltd.			
7.56%, due 06/30/2011	(a) (b)	1,500	1,493
Reinsurance Group of America			
6.75%, due 12/15/2065	(b)	1,400	1,289
<u>Metal Mining (2.3%)</u>			
Barrick Gold Finance, Inc.			
7.50%, due 05/01/2007		2,000	2,028
Teck Cominco, Ltd.			
6.13%, due 10/01/2035		1,225	1,097
<u>Mortgage Bankers & Brokers (4.9%)</u>			
Galaxy Entertainment Finance Co., Ltd., Senior Note-144A			
9.88%, due 12/15/2012		500	520
Glencore Funding LLC-144A			
6.00%, due 04/15/2014		1,500	1,370
ILFC E-Capital Trust II-144A			
6.25%, due 12/21/2065	(b)	900	850
Innophos Investments Holdings, Inc.			
13.17%, due 02/15/2015	*	413	413
Kinder Morgan Finance Co., ULC			
6.40%, due 01/05/2036		2,050	1,677
MUFG Capital Finance 1, Ltd.			
6.35%, due 07/25/2016	(a) (b)	750	723
Stripes Acquisition LLC/Susser Finance Corp.-144A			

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10.63%, due 12/15/2013	1,000	1,055
<u>Motion Pictures (3.8%)</u>		
Time Warner, Inc.		
9.13%, due 01/15/2013	4,500	5,146

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Oil & Gas Extraction (2.9%)

Chesapeake Energy Corp.

6.88%, due 01/15/2016 1,500 1,418

Delta Petroleum Corp.

7.00%, due 04/01/2015 455 423

Gazprom International SA-144A

7.20%, due 02/01/2020 600 608

Occidental Petroleum Corp.

10.13%, due 09/15/2009 500 566

PetroHawk Energy Corp.-144A

9.13%, due 07/15/2013 1,000 995

Paper & Paper Products (1.6%)

Celulosa Arauco y Constitucion SA

8.63%, due 08/15/2010 2,000 2,177

Paperboard Containers & Boxes (0.5%)