AS STEAMSHIP CO TORM
Form 6-K
November 09, 2006

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of November 2006

A/S STEAMSHIP COMPANY TORM
(Translation of registrant's name into English)

Tuborg Havnevej 18
DK-2900 Hellerup
Denmark
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F [X] Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes [_]   No [X]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ___

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)7: ___

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yes [ ] No [X]

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): ________.

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Set forth herein as Exhibit 1 is a copy of Announcement No. 11 - issued by A/S STEAMSHIP COMPANY TORM (the "Company") to the Copenhagen Stock Exchange on November 8, 2006.

THIRD QUARTER REPORT 2006

Profit before tax for the third quarter of 2006 was USD 73 million (DKK 428 million), an improvement on the third quarter 2005. Profit before tax for the first three quarters was USD 213 million (DKK 1,279 million).

The profit forecast range for 2006 is increased to USD 240-250 million before tax despite of a weaker than expected beginning to the fourth quarter.

Highlights

- Profit for the third quarter of 2006 was USD 67 million (DKK 392 million) after tax. Profit for the first three quarters of 2006 was USD 205 million (DKK 1,232 million) after tax.

- Earnings per share (EPS) were USD 5.9 (DKK 35.5) for the first three quarters of 2006 against USD 6.5 (DKK 38.4) for the same period last year. EPS for the third quarter were USD 1.9 (DKK 11.3) in 2006 and USD 1.9 (DKK 11.6) in 2005, respectively.

- Return on Invested Capital (RoIC) was 26.8% p.a., and Return on Equity (RoE) was 27.9% p.a. for the quarter and 23.1% (RoIC) and 28.1% (RoE) for the first three quarters of 2006, respectively.

- At 30 September 2006, equity amounted to USD 1,045 million (DKK 6,157 million), corresponding to USD 30.2 per share (DKK 177.8 per share) excluding treasury shares. During the third quarter of 2006, equity rose from USD 870 million to USD 1,045 million, mainly as a result of the earnings during the period and value adjustment of the Norden shareholding (DKK 3,350 per share at 30 September 2006). Equity is stated without value adjustment on vessels, which have increased by 13% in the third quarter. Equity is also prepared without reflecting the value adjustment of purchase options and time charter arrangements.

- In the third quarter, the product tanker market was positively affected by speculation that an adverse hurricane season in the USA could drive up freight rates. The period time charter market remained strong, which is an indication of the strong demand and optimism among customers. At 30 September, the Company had covered 44% of the remaining earning days for 2006 at an average of USD 26,806 per day. The spot market has in the beginning of the fourth quarter 2006 been weaker than expected.

- The bulk market improved in the third quarter as a result of increasing demand for transport of primarily iron ore and coal. At 30 September, the Company had covered 94% of the remaining earning days in 2006 at an average of USD 18,900 per day. The fourth quarter has begun more positively than expected. However due to the Company's high level of forward cover, this will not affect the profit for 2006.

- The profit forecast range for 2006 is increased to USD 240-250 million before tax.

Teleconference

TORM's Management will review the report on the third quarter of 2006 in a teleconference and webcast (www.torm.com) today, 8 November 2006, at 17.00 Copenhagen time (CET). To participate, please call 10 minutes before the call on tel.: +45 3271 4607 (from Europe) or +1 334 323 6201 (from the USA). A replay of the conference will be available from TORM's website.

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Klaus Kjaerulff, CEO

Million USD		Q3 2006	Q3 2005	Q1-Q3 2006
Income statement				
Net revenue		158.9	142.2	460.8
Time charter equivalent earnings (TCE)		115.8	109.4	348.2
Gross profit		66.8	72.1	212.6
EBITDA		97.8	81.3	252.2
Operating profit		83.4	68.8	207.9
Financial items		(10.3)	(2.3)	5.3
Profit before tax		73.1	66.5	213.2
Net profit		66.9	66.7	205.4
Balance sheet				
Total assets		1,892.4	1,697.3	1,892.4
Equity		1,045.3	861.6	1,045.3
Total liabilities		847.1	835.7	847.1
Invested capital		1,224.1	1,143.8	1,224.1
Net interest bearing debt		616.6	672.4	616.6
Cash flow				
From operating activities		62.7	56.8	203.0
From investing activities		43.8	(106.2)	(42.7)
Thereof investment in tangible fixed assets		(18.4)	(145.8)	(194.9)
From financing activities		(55.8)	35.9	(216.5)
Net cash flow		50.7	(13.5)	(56.2)
Key financial figures				
Margins:				
TCE		72.9%	76.9%	75.6%
Gross profit		42.0%	50.7%	46.1%
EBITDA		61.5%	57.2%	54.7%
Operating profit		52.5%	48.4%	45.1%
Return on Equity (RoE) (p.a.)		27.9%	32.3%	28.1%
Return on Invested Capital (RoIC) (p.a.)		26.8%	25.4%	23.1%
Equity ratio		55.2%	50.8%	55.2%
Exchange rate USD/DKK, end of period		5.89	6.20	5.89
Exchange rate USD/DKK, average		5.86	6.12	6.00
Share related key figures				
Earnings per share, EPS	USD	1.9	1.9	5.9

Cash flow per share, CFPS	USD	1.8	1.6	5.8
Share price, end of period (per share of DKK 10 each)	DKK	302.7	354.6	302.7
Number of shares, end of period	Mill.	36.4	36.4	36.4
Number of shares (excl. treasury shares), average	Mill.	34.6	34.8	34.7

Profit by division

Million USD	Q3 2006				Q1	
	Tanker Division	Bulk Division	Not allocated	Total	Tanker Division	Bu Divisi
Net revenue	135.0	23.9	0.0	158.9	377.3	8
Port expenses, bunkers and commissions	(42.1)	(1.0)	0.0	(43.1)	(108.7)	(3
Time charter equivalent earnings (TCE)*)	92.9	22.9	0.0	115.8	268.6	7
Charter hire	(17.6)	(10.9)	0.0	(28.5)	(41.0)	(33
Operating expenses	(17.2)	(3.3)	0.0	(20.5)	(49.8)	(11
Gross Profit	58.1	8.7	0.0	66.8	177.8	3
Profit from sale of vessels	0.0	34.8	0.0	34.8	2.9	5
Administrative expenses	(5.4)	(1.0)	0.0	(6.4)	(18.6)	(3
Other operating income	2.5	0.1	0.0	2.6	7.6	
Depreciation and impairment losses	(12.8)	(1.6)	0.0	(14.4)	(37.5)	(6
Operating profit	42.4	41.0	0.0	83.4	132.2	7
Financial items	-	-	(10.3)	(10.3)	-	
Profit/(Loss) before tax	-	-	(10.3)	73.1	-	
Tax	-	-	(6.2)	(6.2)	-	
Net profit	-	-	(16.5)	66.9	-	

*) TCE is gross freight income less bunker, commissions and port expenses (TCE = Time Charter Equivalent).

Tanker and Bulk

Tanker Division

The Tanker Division achieved a profit before financial items of USD 42.4 million in the third quarter of 2006 against USD 33.2 million in the second quarter of 2006.

In line with normal seasonal patterns, freight rates for product tankers were weak at the beginning of the third quarter, but were boosted during the quarter as several market players speculated in a rough hurricane season in the USA. Toward the end of the third and into the fourth quarter freight rates dropped as these fears subsided and the oil stocks - especially in the USA - were historically high. The MR segment was particularly weak toward the end of the third and at the beginning of the fourth quarter.

The tanker market was affected by the following factors in the third quarter of 2006:

Positive impact:

- Fears of a rough hurricane season in the USA.
- Closure of the Prudhoe Bay oilfield in Alaska.
- Good arbitrage opportunities at the beginning of the quarter.
- Geopolitical instability.
- Strong demand for petrol in the USA.

Negative impact:

- Large oil stocks.
- Reduced naphtha exports to the Far East and the Middle East as a result of the extraordinarily large number of inspections of refineries and petrochemical plants, particularly affecting the LR2 market.
- Declining oil prices.
- Poor arbitrage opportunities at the end of the quarter.
- Continued strong growth in the global product tanker fleet.

In the third quarter of 2006, TORM's Tanker Division obtained freight rates that were 6% lower for the LR2 segment, 10% higher for the LR1 segment and 11% higher for the MR segment compared with those of the third quarter of 2005.

Compared with the second quarter of 2006, the number of earning days was up by 8% for the tanker fleet as a whole. The number of earning days for the Tanker Division was 33% higher in the first nine months of 2006 than in the first nine months of 2005. The number of earning days in the LR2 segment was up by 17% compared with the third quarter of 2005. The number of earning days in the LR1 and MR segments increased by 54% and 6%, respectively.

Tanker Division	Q3 05	Q4 05	Q1 06	Q2 06
LR2 (Aframax, 90-110,000 DWT)				
Available earning days	548	550	529	527
Per earning day (USD):				
Earnings (TCE)*)	28,185	45,917	43,553	22,707
Operating expenses	(5,899)	(6,157)	(5,464)	(6,695)
Operating cash flow**)	14,172	30,316	33,526	13,258
LR1 (Panamax, 75-85,000 DWT)				
Available earning days	774	827	912	1,060
Per earning day (USD):				
Earnings (TCE)*)	26,509	41,726	35,356	21,275
Operating expenses	(6,074)	(5,680)	(5,730)	(5,254)
Operating cash flow**)	15,090	27,964	22,113	9,718
MR (45,000 DWT)				
Available earning days	1,547	1,638	1,599	1,632

Per earning day (USD):				
Earnings (TCE)*)	23,499	29,373	28,118	26,009
Operating expenses	(6,274)	(6,505)	(7,199)	(7,320)
Operating cash flow**)	17,738	23,598	21,730	19,506

*) TCE = Gross freight income less bunker, commissions and port expenses.
Operating expenses are on own vessels.
Fair value adjustment on freight and bunkers related derivatives of USD (2,5) million in the third quarter of 2006.
**) Operating cash flow = TCE less operating expenses and charter hire.

Bulk Division

The Bulk Division achieved a profit before financial items of USD 41.0 million in the third quarter of 2006 against USD 24.4 million in the second quarter of 2006. The profit from the sale of TORM's three Panamax vessels amounted to USD 34.8 million in the third quarter.

Rates rose sharply in the bulk market during the third quarter, primarily on the back of increased demand for iron ore. The rise in the demand for coal for the Chinese steel production and European and Japanese power plants also underpinned bulk rates in the third quarter. The increased import of grain to China and India further boosted the bulk market.

Despite the relatively large addition of newbuildings to the bulk market in 2006, the market was able to absorb the new tonnage in the third quarter.

The number of available earning days in the Panamax segment was unchanged in the third quarter of 2006 compared with the third quarter of 2005.

TORM sold its Handysize activities in the second quarter of 2006.

Bulk Division	Q3 05	Q4 05	Q1 06	Q2 06
Panamax (60-80,000 DWT)				
Available earning days	1,240	1,356	1,346	1,382
Per earning day (USD):				
Earnings (TCE)*)	27,523	22,585	20,324	18,343
Operating expenses	(4,294)	(5,017)	(4,572)	(4,576)
Operating cash flow**)	12,241	12,136	9,430	7,681
Handysize (20-35,000 DWT)				
Available earning days	215	197	179	124
Per earning day (USD):				
Earnings (TCE)*)	14,514	13,067	12,479	11,899
Operating expenses	(3,690)	(5,049)	(4,583)	(4,583)
Operating cash flow**)	9,150	7,745	7,987	9,700

*) TCE = Gross freight income less bunker, commissions and port expenses.
Operating expenses are on own vessels.
**) Operating cash flow = TCE less operating expenses and charter hire.

Other activities

Other (non-allocated) activities for the third quarter consisted of financial items of USD (10.3) million and tax of USD (6.2) million. Tax expenses primarily relate to the sale of vessels.

Fleet development

In the third quarter, TORM sold and delivered the Panamax vessels TORM Herdis, TORM Marina and TORM Tekla (cf. the announcement of 28 July 2006).

At the end of the third quarter of 2006, TORM's owned fleet consisted of 35 vessels: 30 product tankers and five bulk carriers.

	31 Dec 2005	Addition	Disposal	30 September 2006
LR2 / Aframax	3	TORM Gudrun TORM Kristina TORM Margrethe	-	6
LR1 / Panamax	6	DIFKO Lisbeth	DIFKO Lisbeth	6
MR	18	-	-	18
Tank	27	4	(1)	30
Panamax	8	-	TORM Herdis TORM Marina TORM Tekla	5
Handysize	2	-	TORM Pacific TORM Arawa	-
Bulk	10	-	(5)	5
Total	37	4	(6)	35

Planned fleet changes

The order book comprises a total of 14 vessels, with a remaining investment of USD 484 million.

	30 September 2006		2007				2008				2009		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q
LR2	6	1	1	1	-	0.5	-	1	-	1	1	-	
LR1	6	0.5	1	-	-	-	-	-	-	-	-	-	
MR	18	-	-	-	-	-	-	-	1	-	1	1	
Panamax	5	-	-	-	-	-	-	-	-	-	-	-	
Handysize	-	-	-	-	-	-	-	-	-	-	-	-	
Total	35	1.5	2	1	0	0.5	0	1	1	1	2	1	

TORM has chartered in 18 product tankers on long-term charters, of which 9 already form part of the fleet. TORM holds purchase options on 4 of the charters. The options can be exercised in 2009 and beyond.

TORM has chartered in 8 Panamax bulk carriers on long-term charters with purchase options, of which 4 already form part of the fleet. The options can be exercised in 2007 and beyond. TORM has chartered in 5 Panamax bulk carriers without purchase options.

Pools — At 30 September 2006, the three product tanker pools consisted of 79 vessels. By the end of 2006, the three pools are expected to comprise a total of 85 vessels.

Results

Third quarter 2006 — The third quarter of 2006 showed a gross profit of USD 67 million, against USD 72 million for the corresponding quarter of 2005.

Profit from sale of vessels was as previously mentioned USD 34.8 million.

Depreciation was USD 14 million during the third quarter of 2006, against USD 13 million in the third quarter of 2005. The higher depreciation amount was due to the Company's larger fleet.

Profit before financial items for the third quarter of 2006 was USD 83 million, against USD 69 million in the same quarter of 2005. Of this amount, the Tanker and Bulk Divisions contributed USD 42 million and USD 41 million, respectively.

Financial items were negative by USD 10 million, against USD 2 million in the same quarter of 2005.

Profit after tax was USD 67 million, which is unchanged compared to the same quarter of 2005.

Nine months 2006 — EBITDA was USD 252 million for the first nine months of 2006, against USD 260 million in the corresponding period of 2005.

Gross profit for the first nine months of 2006 was USD 213 million, against USD 218 million for the first nine months of 2005. The number of earning days for both the Tanker and the Bulk Divisions was 20% higher in the first nine months of 2006 than in the first nine months of 2005. This was countered by lower rates during the period.

Profit after tax for the first nine months of 2006 was USD 205 million, while profit after tax for the first nine months of 2005 amounted to USD 228 million. This result is considered highly satisfactory.

Assets — Total assets increased during the third quarter of 2006 from USD 1,753 million to USD 1,892 million, primarily as a result of earnings, value adjustment of the Norden shares and investments in the third quarter.

Liabilities	During the third quarter of 2006, the Company's net interest bearing debt dropped from USD 723 million to USD 617 million. The drop is primarily explained by the positive cash earnings during the period. The Company has considerable undrawn loan facilities at its disposal.
Equity	During the third quarter of 2006, equity rose from USD 870 million to USD 1,045 million, mainly as a result of the earnings during the period and value adjustment of the Norden shareholding. The equity ratio was 55% at 30 September 2006 compared to 50% at the end of the second quarter of 2006. At 30 September 2006, TORM held 1,778,182 treasury shares, corresponding to 4.9% of the Company's share capital, which is unchanged compared to 30 June 2006. The value adjustment of the Norden shares is a consequence of an increase in the share price - from DKK 2,483 at 30 June 2006 to DKK 3,350 at 30 September 2006. The value adjustment of the Norden shares as against end 2005 was USD 76 million (DKK 294 million). Equity is in accordance with normal accounting policy stated without value adjustment on vessels, which have increased by 13% in the third quarter. Equity is also prepared without reflecting the value adjustment of purchase options and time charter arrangements.
Subsequent events	No subsequent events have occurred that are significant to the Company's financial position.
Expectations	TORM increases the profit forecast range for 2006 to USD 240-250 million before tax. Rates in the Tanker Division for the first nine months of the year were better than originally assumed at 8 March 2006 (the release of the Annual Report for 2005), which improved the earnings of the division. The fourth quarter of 2006 has begun less well than expected due to heavy stockpiling in the USA following previously mentioned speculations in the third quarter of another rough hurricane season. TORM originally expected bulk rates to fall toward the end of the year. Instead, freight rates rose from the middle of the second quarter of 2006, although the increase has had limited effect on the rates obtained due to TORM's relatively large coverage of freight rates. It is positive, however, that TORM is expected to be able to renew the coverage at the higher rates if freight rates remain strong into the first quarter of 2007.
Sensitivity	At the beginning of the fourth quarter of 2006, 94% of the earning days remaining in the year for the Panamax bulk carriers were covered at an average of USD 18,900 per day. In the Tanker Division, 44% of the earning days were covered at an average of USD 26,806 per day. A change compared to the above of USD 1,000 per day of the rates not yet covered in the remaining quarter of the year

will, all other things being equal, lead to a change in net profit of USD 2.1 million.

Safe Harbor
Forward looking statements

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although TORM believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, TORM cannot assure you that it will achieve or accomplish these expectations, beliefs or projections.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, changes in charter hire rates and vessel values, changes in demand for "tonne miles" of oil carried by oil tankers, the effect of changes in OPEC's petroleum production levels and worldwide oil consumption and storage, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled dry-docking, changes in TORM's operating expenses, including bunker prices, dry-docking and insurance costs, changes in governmental rules and regulations including requirements for double hull tankers or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists. Risks and uncertainties are further described in reports filed by TORM with the US Securities and Exchange Commission, including the TORM Annual Report on Form 20-F and its reports on Form 6-K.

Forward looking statements are based on management's current evaluation, and TORM is only under obligation to update and change the listed expectations to the extent required by law.

The TORM share

The price of a TORM share was DKK 302.7 as of 30 September 2006, against DKK 271.7 at the beginning of the third quarter - an increase of DKK 31. The total return to shareholders for the third quarter was thus 11.4%.

Accounting policies

The accounts for the third quarter of 2006 have been prepared using the same accounting policies as for the Annual Report 2005.

Information

Teleconference

TORM will host a telephone conference for financial analysts and investors on 8 November 2006 at 17:00 Copenhagen time (CET), reviewing the report for the first three quarters of 2006. The conference call will be hosted by Klaus Kjaerulff, CEO, and will be conducted in English.

To participate, please call 10 minutes before the conference on tel.: +45 3271 4607 (from Europe) or +1 334 323 6201 (from the USA). The teleconference will also be webcast via TORM's website www.torm.com The presentation material can be downloaded from the website.

Next reporting

TORM's Annual Report for 2006 will be released on 5 March 2007.

Statement by the Board of Directors and Management on the Interim Report

The Board of Directors and Management have considered and approved the interim report for the period 1 January - 30 September 2006.

The interim report, which is unaudited, has been prepared in accordance with the general Danish financial reporting requirements governing listed companies, including the measurement and recognition provisions in IFRS.

We consider the accounting policies applied to be appropriate, and in our opinion the interim report gives a true and fair view of the Group's assets, liabilities, financial position and of the results of operations and consolidated cash flows.

Copenhagen, 8 November 2006

Management	Board of Directors
Klaus Kjaerulff, CEO	Niels Erik Nielsen, Chairman
	Christian Frigast, Deputy Chairman
	Lennart Arrias
	Ditlev Engel
	Peder Mouridsen
	Gabriel Panayotides
	Nicos Zouvelos

About TORM

TORM is one of the world's leading carriers of refined oil products as well as being a significant participant in the dry bulk market. The Company operates a combined fleet of close to 100 modern vessels, principally through a pooling cooperation with other respected shipping companies who share TORM's commitment to safety, environmental responsibility and customer service.

TORM was founded in 1889 and has consistently adapted itself to, and benefited from, the enormous changes which characterise the shipping industry in general. The Company conducts business worldwide and is headquartered in Copenhagen, Denmark. TORM's shares are listed on the Copenhagen Stock Exchange (ticker TORM) as well as on the NASDAQ (ticker TRMD). For further information, please visit www.torm.com.

Income Statement

Million USD	Q3 2006	Q3 2005	Q1-Q3 2006	Q1-Q3 2
Net revenue	158.9	142.2	460.8	4
Port expenses, bunkers and commissions	(43.1)	(32.8)	(112.6)	(8
Time Charter Equivalent Earnings (TCE)	115.8	109.4	348.2	3
Charter hire	(28.5)	(19.1)	(74.5)	(5
Operating expenses	(20.5)	(18.2)	(61.1)	(4
Gross profit	66.8	72.1	212.6	2
Profit from sale of vessels	34.8	14.4	54.2	
Administrative expenses	(6.4)	(7.8)	(22.3)	(2
Other operating income	2.6	2.6	7.7	
Depreciation and impairment losses	(14.4)	(12.5)	(44.3)	(3
Operating profit	83.4	68.8	207.9	2
Financial items	(10.3)	(2.3)	5.3	
Profit before tax	73.1	66.5	213.2	2
Tax	(6.2)	0.2	(7.8)	(
Net profit	66.9	66.7	205.4	2
Earnings per share, EPS (USD)	1.9	1.9	5.9	
Earnings per share, EPS (DKK)*)	11.3	11.6	35.5	

*) Calculated from USD to DKK at the average USD/DKK exchange rate for the relevant period.

Income statement by quarter

Million USD	Q3 05	Q4 05	Q1 06	Q2 06
Net revenue	142.2	180.3	161.8	140.1

Port expenses, bunkers and commissions	(32.8)	(35.2)	(32.3)	(37.2)
Time Charter Equivalent Earnings (TCE)	109.4	145.1	129.5	102.9
Charter hire	(19.1)	(29.2)	(23.4)	(22.6)
Operating expenses	(18.2)	(18.7)	(20.1)	(20.5)
Gross profit	72.1	97.2	86.0	59.8
Profit from sale of vessels	14.4	(0.1)	0.0	19.4
Administrative expenses	(7.8)	(10.1)	(7.1)	(8.8)
Other operating income	2.6	3.7	3.1	2.0
Depreciation and impairment losses	(12.5)	(13.8)	(15.1)	(14.8)
Operating profit	68.8	76.9	66.9	57.6
Financial items	(2.3)	(7.8)	(7.6)	23.2
Profit before tax	66.5	69.1	59.3	80.8
Tax	0.2	2.5	(1.6)	0.0
Net profit	66.7	71.6	57.7	80.8

Assets

Million USD	30 September 2006	30 September 2005	31 December 2005
NON-CURRENT ASSETS			
Tangible fixed assets			
Land and buildings	0.4	0.4	0.9
Vessels and capitalized dry-docking	1,108.1	1,077.4	1,066.5
Vessels under construction and prepayments for vessels	151.9	77.6	97.4
Other plant and operating equipment	2.9	2.4	2.3
Total tangible fixed assets	1,263.3	1,157.8	1,167.1
Financial fixed assets			
Other investments	437.8	390.2	361.0
TOTAL NON-CURRENT ASSETS	1,701.1	1,548.0	1,528.1
CURRENT ASSETS			

Inventories of bunkers	11.5	9.0	10.9
Freight receivables, etc.	48.9	43.9	53.9
Other receivables	24.6	14.9	14.1
Prepayments	5.8	7.2	2.9
Marketable securities	0.0	5.2	0.2
Cash and cash equivalents	100.5	25.9	156.7
	191.3	106.1	238.7
Non-current assets held for sale	0.0	43.2	43.3
TOTAL CURRENT ASSETS	191.3	149.3	282.0
TOTAL ASSETS	1,892.4	1,697.3	1,810.1

Liabilities and Equity

Million USD	30 September 2006	30 September 2005	31 December 2005
EQUITY			
Common shares	61.1	61.1	61.1
Treasury shares	(18.1)	(7.7)	(7.7)
Revaluation reserves	373.2	325.8	296.4
Retained profit	619.4	476.1	415.3
Proposed dividend	0.0	0.0	132.4
Hedging reserves	5.8	2.4	3.3
Translation reserves	3.9	3.9	3.9
TOTAL EQUITY	1,045.3	861.6	904.7
LIABILITIES			
Non-current liabilities			
Deferred tax	62.9	61.0	54.5
Mortgage debt and bank loans	663.2	646.7	729.1
TOTAL NON-CURRENT LIABILITIES	726.1	707.7	783.6
Current liabilities			
Mortgage debt and bank loans	53.9	56.8	59.9
Trade payables	18.6	18.8	22.9
Current tax liability	9.6	14.3	9.4
Other liabilities	37.6	32.0	23.6
Deferred income	1.3	6.1	6.0
TOTAL CURRENT LIABILITIES	121.0	128.0	121.8
TOTAL LIABILITIES	847.1	835.7	905.4

TOTAL EQUITY AND LIABILITIES	1,892.4	1,697.3	1,810.1

Equity at 1 January - 30 September 2006

Million USD	Com-mon shares	Treas-ury shares	Revalua-tion reserves	Re-tained profit	Pro pos div den
Equity at 1 January 2006	61.1	(7.7)	296.4	415.3	132
Changes in equity Q1-Q3 2006:					
Exchange rate adjustment arising on translation of entities using a measurement currency diff. from USD	-	-	-	-	-
Reversal of deferred gain/loss on cash flow hedges at the beginning of the year	-	-	-	-	-
Deferred gain/loss on cash flow hedges at the end of the period	-	-	-	-	-
Reversal of fair value adjustment on available for sale investments at the beginning of the year	-	-	(296.4)	-	-
Fair value adjustment on available for sale investments at the end of the period	-	-	373.2	-	-
Net income recognised directly in equity	-	-	76.8	-	-
Net profit for the period				205.4	
Total income for the period	-	-	76.8	205.4	-
Purchase of treasury shares, cost	-	(10.4)	-	-	-
Disposal of treasury shares, cost	-	0.0	-	-	-
Dividends paid	-	-	-	-	(140
Dividends paid on treasury shares	-	-	-	6.0	-
Exchange rate adjustment on dividends paid	-	-	-	(7.7)	7
Exercise of share options	-	-	-	0.4	
Total changes in equity Q1-Q3 2006:	-	(10.4)	76.8	204.1	(132
Equity at 30 September 2006	61.1	(18.1)	373.2	619.4	0

Equity at 1 January - 30 September 2005

Million USD	Com- mon shares	Treas- ury shares	Revalua- tion reserves	Re- tained profit	Pro pos div den
Equity at 1 January 2005	61.1	(7.7)	319.3	238.4	99.
Changes in equity Q1-Q3 2005:					
Exchange rate adjustment arising on translation of entities using a measurement currency diff. from USD	-	-	-	-	-
Reversal of deferred gain/loss on cash flow hedges at the beginning of the year	-	-	-	-	-
Deferred gain/loss on cash flow hedges at the end of the period	-	-	-	-	-
Reversal of fair value adjustment on available for sale investments at the beginning of the year	-	-	(319.3)	-	-
Fair value adjustment on available for sale investments at the end of the period	-	-	325.8	-	-
Net income recognised directly in equity	-	-	6.5	-	-
Net profit for the period				227.8	
Total income for the period	-	-	6.5	227.8	-
Purchase of treasury shares, cost	-	-	-	-	-
Disposal of treasury shares, cost	-	0.0	-	-	-
Dividends paid	-	-	-	-	(94.5)
Dividends paid on treasury shares	-	-	-	4.1	-
Exchange rate adjustment on dividends paid	-	-	-	5.4	(5.4)
Exercise of share options	-	-	-	0.4	-
Total changes in equity Q1-Q3 2005:	-	0.0	6.5	237.7	(99.9)
Equity at 30 September 2006	61.1	(7.7)	325.8	476.1	0.0

Cash flow statement

Million USD	Q3 2006	Q3 2005	Q1-Q3 2006	Q
Cash flow from operating activities				
Operating profit	83.4	68.8	207.9	
Adjustments:				
Reversal of profit from sale of vessels	(34.8)	(14.4)	(54.2)	(
Reversal of depreciation and impairment loss	14.4	12.5	44.3	
Reversal of other non-cash movements	(2.5)	3.0	5.2	

Dividends received	0.0	0.0	26.4	
Interest income and exchange rate gains	1.3	0.6	8.7	
Interest expenses	(10.2)	(6.7)	(31.2)	(
Income taxes paid	0.0	0.0	0.0	
Change in inventories, accounts receivables and payables	11.1	(7.0)	(4.1)	
Net cash inflow/(outflow) from operating activities	62.7	56.8	203.0	
Cash flow from investing activities				
Investment in tangible fixed assets	(18.4)	(145.8)	(194.9)	(6
Investment in equity interests and securities	0.0	3.2	0.2	
Sale of non-current assets	62.2	36.4	152.0	
Net cash inflow/(outflow) from investing activities	43.8	(106.2)	(42.7)	(4
Cash flow from financing activities				
Borrowing, mortgage debt and other financial liabilities	2.9	158.6	101.8	
Repayment/redemption, mortgage debt	(58.6)	(122.7)	(173.7)	(2
Dividends paid	(0.1)	0.0	(134.2)	(
Purchase/disposal of treasury shares	0.0	0.0	(10.4)	
Cash inflow/(outflow) from financing activities	(55.8)	35.9	(216.5)	
Increase/(decrease) in cash and cash equivalents	50.7	(13.5)	(56.2)	(
Cash and cash equivalents, beginning balance	49.8	39.4	156.7	
Cash and cash equivalents, ending balance	100.5	25.9	100.5	

Quarterly cash flow statement

Million USD	Q3 05	Q4 05	Q1 06
Cash flow from operating activities			
Operating profit	68.8	76.9	66.9
Adjustments:			
Reversal of profit from sale of vessels	(14.4)	0.1	0.0
Reversal of depreciation and impairment loss	12.5	13.9	15.1
Reversal of other non-cash movements	3.0	0.0	5.5
Dividends received	0.0	0.0	0.2
Interest income and exchange rate gains	0.6	5.1	1.1
Interest expenses	(6.7)	(8.7)	(10.3)
Income taxes paid	0.0	(7.5)	0.0
Change in inventories, accounts receivables and payables	(7.0)	(16.0)	(2.8)
Net cash inflow/(outflow) from operating activities	56.8	63.8	75.7
Cash flow from investing activities			

Investment in tangible fixed assets	(145.8)	(18.6)	(119.7)	
Investment in equity interests and securities	3.2	(52.9)	0.2	
Sale of non-current assets	36.4	53.0	0.0	
Net cash inflow/(outflow) from investing activities	(106.2)	(18.5)	(119.5)	
Cash flow from financing activities				
Borrowing, mortgage debt and other financial liabilities	158.6	119.0	11.2	
Repayment/redemption, mortgage debt	(122.7)	(33.5)	(3.8)	(
Dividends paid	0.0	0.0	0.0	(
Purchase/disposal of treasury shares	0.0	0.0	0.0	
Cash inflow/(outflow) from financing activities	35.9	85.5	7.4	(
Increase/(decrease) in cash and cash equivalents	(13.5)	130.8	(36.4)	
Cash and cash equivalents, beginning balance	39.4	25.9	156.7	
Cash and cash equivalents, ending balance	25.9	156.7	120.3	

Reconciliation to United States Generally Accepted Accounting Principles (US GAAP)

Million USD	Net income Q1-Q3 2006	Equity 30 September 2006
As reported under IFRS	205.4	1,045.3
Adjustments:		
Reversal of write-down of vessels	0.5	0.0
Deferred gain on a sale/lease back	3.2	(14.2)
Deferred tax	(0.9)	4.0
Total adjustments	2.8	(10.2)
According to US GAAP	208.2	1,035.1

For a review of principles and methods used in the reconciliation, please refer to the TORM Annual Report for 2005.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

A/S STEAMSHIP COMPANY TORM
(registrant)

Dated: November 9, 2006

By: /s/ Klaus Kjaerulff

Klaus Kjaerulff
CEO

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