

TEEKAY CORP  
Form 6-K  
May 31, 2011

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

**FORM 6-K  
Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934**

**For the quarterly period ended March 31, 2011**

**Commission file number 1-12874**

**TEEKAY CORPORATION**

(Exact name of Registrant as specified in its charter)

4<sup>th</sup> Floor, Belvedere Building

69 Pitts Bay Road

Hamilton, HM 08 Bermuda

(Address of principal executive office)

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  Form 40-F

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).

Yes  No

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).

Yes  No

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**TEEKAY CORPORATION AND SUBSIDIARIES**  
**REPORT ON FORM 6-K FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2011**  
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UNAUDITED CONSOLIDATED STATEMENTS OF INCOME (LOSS)****(in thousands of U. S. dollars, except share and per share amounts)**

	<b>Three Months Ended March 31,</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUES</b>	488,024	572,875
<b>OPERATING EXPENSES</b>		
Voyage expenses	45,126	72,550
Vessel operating expenses ( <i>note 15</i> )	161,577	154,535
Time-charter hire expense	63,031	79,251
Depreciation and amortization	105,038	108,230
General and administrative ( <i>notes 9 and 15</i> )	70,218	48,091
Loss on sale of vessels and equipment net of write-downs of vessels and equipment ( <i>note 7</i> )	3,593	760
Restructuring charges ( <i>note 12</i> )	4,961	3,783
<b>Total operating expenses</b>	453,544	467,200
<b>Income from vessel operations</b>	34,480	105,675
<b>OTHER ITEMS</b>		
Interest expense	(32,794)	(32,152)
Interest income	2,465	4,274
Realized and unrealized gain (loss) on non-designated derivative instruments ( <i>note 15</i> )	23,257	(87,847)
Equity income (loss) from joint ventures	6,394	(2,666)
Foreign exchange (loss) gain ( <i>notes 8 and 15</i> )	(20,340)	29,026
Loss on notes repurchase ( <i>note 8</i> )		(12,108)
Other income ( <i>note 13</i> )	94	2,422
Net income before income taxes	13,556	6,624
Income tax (expense) recovery ( <i>note 16</i> )	(811)	7,307
<b>Net income</b>	12,745	13,931
Less: Net income attributable to non-controlling interests	(42,402)	(27,933)
<b>Net loss attributable to stockholders of Teekay Corporation</b>	(29,657)	(14,002)
<b>Per common share of Teekay Corporation (<i>note 17</i>)</b>		
Basic loss attributable to stockholders of Teekay Corporation	(0.41)	(0.19)

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Diluted loss attributable to stockholders of Teekay Corporation	(0.41)	(0.19)
Cash dividends declared	0.3163	0.3163
<b>Weighted average number of common shares outstanding (note 17)</b>		
Basic	71,946,997	72,788,591
Diluted	71,946,997	72,788,591

*The accompanying notes are an integral part of the unaudited consolidated financial statements.*

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**TEEKAY CORPORATION AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED BALANCE SHEETS**  
(in thousands of U.S. dollars, except share and per share amounts)

	<b>As at March 31, 2011 \$</b>	<b>As at December 31, 2010 \$</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents <i>(note 8)</i>	567,325	779,748
Restricted cash	92,733	86,559
Accounts receivable, including non-trade of \$30,972 (2010 \$35,960)	283,303	244,879
Net investment in direct financing leases <i>(note 5)</i>	26,126	26,791
Prepaid expenses	128,563	94,282
Current portion of derivative assets <i>(note 15)</i>	41,293	27,215
Other assets	2,538	2,616
<b>Total current assets</b>	<b>1,141,881</b>	<b>1,262,090</b>
Restricted cash non-current	493,633	489,712
<b>Vessels and equipment <i>(note 8)</i></b>		
At cost, less accumulated depreciation of \$2,070,325 (2010 \$1,997,411)	5,618,789	5,692,812
Vessels under capital leases, at cost, less accumulated amortization of \$177,866 (2010 \$172,113)	872,396	880,576
Advances on newbuilding contracts <i>(note 10a)</i>	261,335	197,987
<b>Total vessels and equipment</b>	<b>6,752,520</b>	<b>6,771,375</b>
Net investment in direct financing leases non-current <i>(note 5)</i>	454,122	460,725
Marketable securities	22,849	21,380
Loans to joint ventures and joint venture partners, bearing interest between 4.4% to 8.0%	33,500	32,750
Derivative assets <i>(note 15)</i>	46,301	55,983
Deferred income tax asset <i>(note 16)</i>	17,268	17,001
Investment in joint ventures <i>(note 10b)</i>	220,563	207,633
Investment in term loans <i>(note 4)</i>	186,184	116,014
Other non-current assets	109,142	117,351
Intangible assets net	151,306	155,893
Goodwill	203,191	203,191
<b>Total assets</b>	<b>9,832,460</b>	<b>9,911,098</b>

**LIABILITIES AND EQUITY**

**Current**

Accounts payable	52,709	44,990
Accrued liabilities	369,142	377,119
Current portion of derivative liabilities ( <i>note 15</i> )	130,913	144,111
Current portion of long-term debt ( <i>note 8</i> )	472,074	276,508
Current obligation under capital leases	270,945	267,382
Current portion of in-process revenue contracts	42,926	43,469
Loans from joint venture partners	14,500	59

<b>Total current liabilities</b>	<b>1,353,209</b>	<b>1,153,638</b>
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Long-term debt, including amounts due to joint venture partners of \$13,383 (2010 \$13,282) ( <i>note 8</i> )	3,979,815	4,155,556
Long-term obligation under capital leases	470,910	470,752
Derivative liabilities ( <i>note 15</i> )	245,504	387,124
Asset retirement obligation	24,092	23,018
In-process revenue contracts	142,313	152,637
Other long-term liabilities	192,343	194,640

<b>Total liabilities</b>	<b>6,408,186</b>	<b>6,537,365</b>
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Commitments and contingencies (*notes 5, 10 and 15*)

<b>Redeemable non-controlling interest</b> ( <i>note 10d</i> )	<b>40,614</b>	<b>41,725</b>
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**Equity**

Common stock and additional paid-in capital (\$0.001 par value; 725,000,000 shares authorized; 71,822,916 shares outstanding (2010 72,012,843); 74,142,366 shares issued (2010 73,749,793)) ( <i>note 9</i> )	685,430	672,684
Retained earnings	1,157,117	1,313,934
Non-controlling interest	1,544,239	1,353,561
Accumulated other comprehensive loss ( <i>note 14</i> )	(3,126)	(8,171)

<b>Total equity</b>	<b>3,383,660</b>	<b>3,332,008</b>
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<b>Total liabilities and equity</b>	<b>9,832,460</b>	<b>9,911,098</b>
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*The accompanying notes are an integral part of the unaudited consolidated financial statements.*

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**TEEKAY CORPORATION AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands of U.S. dollars)

	<b>Three Months Ended March 31,</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents provided by (used for)		
<b>OPERATING ACTIVITIES</b>		
Net income	12,745	13,931
Non-cash items:		
Depreciation and amortization	105,038	108,230
Amortization of in-process revenue contracts	(10,867)	(13,435)
Loss on sale of vessels and equipment	193	239
Write-down of vessels and equipment	3,400	521
Loss on repurchase of notes		12,108
Equity (income) loss	(6,394)	2,666
Income tax expense (recovery)	811	(7,307)
Share-based compensation	13,891	3,923
Unrealized foreign exchange loss (gain)	25,408	(22,556)
Unrealized (gain) loss on derivative instruments	(148,468)	49,763
Other	(1,813)	(1,328)
Change in operating assets and liabilities	(78,764)	(48,279)
Expenditures for drydocking	(7,854)	(3,695)
<b>Net operating cash flow</b>	<b>(92,674)</b>	<b>94,781</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of long-term debt <i>(note 8)</i>	227,005	771,249
Debt issuance costs	(1,320)	(9,565)
Scheduled repayments of long-term debt	(68,662)	(38,413)
Prepayments of long-term debt	(165,407)	(609,928)
Repayments of capital lease obligations	(1,172)	(727)
Proceeds from loans from joint venture partner	14,500	591
Repayment of loans from joint venture partner	(59)	(1,164)
Increase in restricted cash	(4,602)	(428)
Net proceeds from issuance of Teekay Offshore Partners L.P. units <i>(note 6)</i>		94,114
Net proceeds from issuance of Teekay Tankers Ltd. shares <i>(note 6)</i>	107,233	
Issuance of Common Stock upon exercise of stock options	3,862	1,974
Repurchase of Common Stock <i>(note 9)</i>	(19,888)	
Distribution from subsidiaries to non-controlling interests	(48,110)	(33,083)
Cash dividends paid	(23,172)	(22,999)
<b>Net financing cash flow</b>	<b>20,208</b>	<b>151,621</b>



**INVESTING ACTIVITIES**

Expenditures for vessels and equipment	(76,112)	(44,696)
Proceeds from sale of vessels and equipment	5,055	10,045
Investment in term loan ( <i>note 4</i> )	(70,170)	
Investment in joint ventures	(4,191)	(145)
Advances to joint ventures and joint venture partners	(1,830)	651
Investment in direct financing lease assets		(4,199)
Direct financing lease payments received	7,268	4,827
Other investing activities	23	(34)
<b>Net investing cash flow</b>	<b>(139,957)</b>	<b>(33,551)</b>
<b>(Decrease) increase in cash and cash equivalents</b>	<b>(212,423)</b>	<b>212,851</b>
Cash and cash equivalents, beginning of the period	779,748	422,510
<b>Cash and cash equivalents, end of the period</b>	<b>567,325</b>	<b>635,361</b>

Supplemental cash flow information (*note 18*)

*The accompanying notes are an integral part of the unaudited consolidated financial statements.*

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**TEEKAY CORPORATION AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY**  
(in thousands of U.S. dollars)

	Thousands of Shares of Common Stock Outstanding #	Common Stock and Additional Paid-in Capital \$	TOTAL EQUITY			Total \$
			Common Retained Earnings \$	Accumulated Other Comprehensive Income (Loss) \$	Non- controlling Interest \$	
<b>Balance as at December 31, 2010</b>	72,013	672,684	1,313,934	(8,171)	1,353,561	3,332,008
Net (loss) income			(29,657)		41,064	11,407
Other comprehensive income (loss):						
Unrealized gain on marketable securities				1,468		1,468
Pension adjustments, net of taxes				192		192
Unrealized loss on qualifying cash flow hedging instruments ( <i>note 15</i> )				4,042	1,456	5,498
Realized loss on qualifying cash flow hedging instruments ( <i>note 15</i> )				(657)	(328)	(985)
Comprehensive income					42,192	17,580
Dividends declared			(23,175)		(48,110)	(71,285)
Reinvested dividends	1	3				3
Exercise of stock options	393	3,862				3,862
Repurchase of Common Stock ( <i>note 9</i> )	(583)	(5,010)	(14,878)			(19,888)
Employee stock option compensation ( <i>note 9</i> )		13,891				13,891
Dilution gain on public offering of Teekay Tankers ( <i>note 6</i> )			5,736			5,736
Sale of 49% interest of OPCO to Teekay Offshore ( <i>note 6</i> )			(94,843)		94,843	
Increase to non-controlling interest from share and unit issuances of subsidiaries and other					101,753	101,753
<b>Balance as at March 31, 2011</b>	71,824	685,430	1,157,117	(3,126)	1,544,239	3,383,660

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**TEEKAY CORPORATION AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(in thousands of U.S. dollars)

	<b>Three Months Ended March</b>	
	<b>31,</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Net income</b>	12,745	13,931
<b>Other comprehensive income (loss):</b>		
Unrealized gain (loss) on marketable securities	1,468	(1,777)
Pension adjustments, net of taxes	192	349
Unrealized gain (loss) on qualifying cash flow hedging instruments	5,498	(3,940)
Realized (gain) loss on qualifying cash flow hedging instruments	(985)	1,013
<b>Other comprehensive income (loss)</b>	6,173	(4,355)
Comprehensive income	18,918	9,576
Less: Comprehensive income attributable to non-controlling interests	(43,530)	(27,476)
<b>Comprehensive loss attributable to stockholders of Teekay Corporation</b>	(24,612)	(17,900)

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**TEEKAY CORPORATION AND SUBSIDIARIES**  
**NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
(all tabular amounts stated in thousands of U.S. dollars, except share data)

**1. Basis of Presentation**

The unaudited interim consolidated financial statements have been prepared in conformity with United States generally accepted accounting principles (or *GAAP*). They include the accounts of Teekay Corporation (or *Teekay*), which is incorporated under the laws of the Republic of the Marshall Islands, and its wholly-owned or controlled subsidiaries (collectively, the *Company*). Certain information and footnote disclosures required by GAAP for complete annual financial statements have been omitted and, therefore, it is suggested that these interim financial statements be read in conjunction with the Company's audited financial statements for the year ended December 31, 2010, included in the Company's Annual Report on Form 20-F. In the opinion of management, these unaudited financial statements reflect all adjustments, of a normal recurring nature, necessary to present fairly, in all material respects, the Company's consolidated financial position, results of operations, cash flows and changes in total equity for the interim periods presented. The results of operations for the three months ended March 31, 2011, are not necessarily indicative of those for a full fiscal year. Significant intercompany balances and transactions have been eliminated upon consolidation.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Given the current credit markets, it is possible that the amounts recorded as derivative assets and liabilities could vary by material amounts.

Certain of the comparative figures have been reclassified to conform with the presentation adopted in the current period, relating to the reclassification of revenues of \$8.3 million for the three months ended March 31, 2010 from time-charter hire expense to revenues in the consolidated statements of income (loss).

**2. Adoption of New Accounting Policies**

In January 2011, the Company adopted an amendment to Financial Accounting Standards Board (or *FASB*) Accounting Standards Codification (or *ASC*) 605, *Revenue Recognition*, that provides for a new methodology for establishing the fair value for a deliverable in a multiple-element arrangement. When vendor specific objective or third-party evidence for deliverables in a multiple-element arrangement cannot be determined, the Company will be required to develop a best estimate of the selling price of separate deliverables and to allocate the arrangement consideration using the relative selling price method. This amendment became effective for the Company on January 1, 2011. The adoption of this standard did not have an impact on the Company's consolidated financial statements.

**3. Segment Reporting**

The following tables present results for the Company's four segments for the three months ended March 31, 2011 and 2010.

	<b>Shuttle Tanker and FSO Segment</b>	<b>FPSO Segment</b>	<b>Liquefied Gas Segment</b>	<b>Conventional Tanker Segment</b>	<b>Total</b>
	\$		\$	\$	
<b>Three Months ended March 31, 2011</b>					
Revenues	151,212	104,618	64,633	167,561	488,024
Voyage expenses	19,329		49	25,748	45,126
Vessel operating expenses	53,614	52,722	11,077	44,164	161,577
Time-charter hire expense	19,627			43,404	63,031
Depreciation and amortization	30,619	23,731	14,856	35,832	105,038
General and administrative <sup>(2)</sup>	18,306	14,723	6,605	30,584	70,218
	171			3,422	3,593

Loss on sale of vessels and equipment, net of write-downs of vessels and equipment					
Restructuring charges	3,920		129	912	4,961
Income (loss) from vessel operations	5,626	13,442	31,917	(16,505)	34,480