

TEEKAY CORP
Form 6-K
December 09, 2010

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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 September 30, 2010
Commission file number 1- 12874
TEEKAY CORPORATION
(Exact name of Registrant as specified in its charter)
4th 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

TEEKAY CORPORATION AND SUBSIDIARIES
REPORT ON FORM 6-K FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2010
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Table of Contents**ITEM 1 FINANCIAL STATEMENTS****TEEKAY CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME (LOSS)****(in thousands of U. S. dollars, except share and per share amounts)**

	Three Months Ended		Nine Months Ended	
	September	September	September	September
	30,	30,	30,	30,
	2010	2009	2010	2009
	\$	\$	\$	\$
REVENUES	462,118	500,368	1,571,602	1,649,392
OPERATING EXPENSES				
Voyage expenses	53,719	71,659	192,636	225,253
Vessel operating expenses (<i>note 16</i>)	159,570	149,790	464,897	446,554
Time-charter hire expense	62,189	94,964	201,208	348,243
Depreciation and amortization	109,194	107,111	328,658	321,856
General and administrative (<i>note 16</i>)	46,910	49,890	145,257	146,818
Loss (gain) on sale of vessels and equipment net of write-downs of intangible assets and vessels and equipment (<i>notes 6 and 13</i>)	24,173	915	24,955	(9,210)
Restructuring charge (<i>note 19</i>)	3,240	1,456	11,218	12,017
Total operating expenses	458,995	475,785	1,368,829	1,491,531
Income from vessel operations	3,123	24,583	202,773	157,861
OTHER ITEMS				
Interest expense	(34,852)	(30,035)	(100,930)	(111,505)
Interest income	3,467	4,193	9,949	15,894
Realized and unrealized (loss) gain on non-designated derivative instruments (<i>note 16</i>)	(133,241)	(121,664)	(440,313)	83,066
Equity (loss) income from joint ventures (<i>note 11b</i>)	(16,010)	(8,945)	(40,503)	29,857
Foreign exchange (loss) gain (<i>notes 8 and 16</i>)	(28,717)	(26,047)	27,797	(39,900)
Loss on bond repurchase (<i>note 8</i>)			(12,645)	
Other income (<i>note 14</i>)	2,042	2,938	5,742	9,419
Net (loss) income before income taxes	(204,188)	(154,977)	(348,130)	144,692
Income tax (expense) recovery (<i>note 18</i>)	(8,572)	(10,904)	3,882	(12,174)
Net (loss) income	(212,760)	(165,881)	(344,248)	132,518
Less: Net loss (income) attributable to non-controlling interests	26,717	23,633	(8,945)	(33,902)
	(186,043)	(142,248)	(353,193)	98,616

**Net (loss) income attributable to stockholders of
Teekay Corporation**

Per common share of Teekay Corporation

(note 17)

Basic (loss) earnings attributable to stockholders of Teekay Corporation	(2.55)	(1.96)	(4.84)	1.36
Diluted (loss) earnings attributable to stockholders of Teekay Corporation	(2.55)	(1.96)	(4.84)	1.35
Cash dividends declared	0.3163	0.3163	0.9488	0.9488

Weighted average number of common shares

outstanding *(note 17)*

Basic	72,982,870	72,553,809	72,911,689	72,535,438
Diluted	72,982,870	72,553,809	72,911,689	72,876,558

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)

	As at September 30, 2010 \$	As at December 31, 2009 \$
ASSETS		
Current		
Cash and cash equivalents (<i>note 8</i>)	692,454	422,510
Restricted cash (<i>note 9</i>)	37,639	36,068
Accounts receivable, including non-trade of \$21,339 (2009 \$19,521) and related party balance \$6,103 (2009 \$2,672)	195,765	234,676
Vessels held for sale (<i>note 13</i>)		10,250
Net investment in direct financing leases (<i>note 4</i>)	27,043	27,210
Prepaid expenses	94,512	96,549
Current portion of derivative assets (<i>note 16</i>)	26,266	29,996
Advances to joint venture partner	6,900	
Other assets	9,804	7,119
Total current assets	1,090,383	864,378
Restricted cash – non-current (<i>note 9</i>)	646,580	579,243
Vessels and equipment (<i>note 8</i>)		
At cost, less accumulated depreciation of \$1,907,501 (2009 \$1,673,380)	5,669,069	5,793,864
Vessels under capital leases, at cost, less accumulated amortization of \$163,537 (2009 \$138,569) (<i>note 9</i>)	888,923	903,521
Advances on newbuilding contracts (<i>notes 11a and 11b</i>)	167,386	138,212
Total vessels and equipment	6,725,378	6,835,597
Net investment in direct financing leases – non-current (<i>note 4</i>)	468,603	485,202
Marketable securities	17,173	18,904
Loans to joint ventures, bearing interest between 4.4% to 8.0%	10,791	21,998
Derivative assets (<i>note 16</i>)	109,203	18,119
Deferred income tax asset (<i>note 18</i>)	11,959	6,516
Investment in joint ventures (<i>note 11b</i>)	125,674	139,790
Investment in term loans (<i>note 3</i>)	115,775	
Other non-current assets	116,604	130,624
Intangible assets – net (<i>note 6</i>)	181,007	213,870
Goodwill	203,191	203,191
Total assets	9,822,321	9,517,432

LIABILITIES AND EQUITY**Current**

Accounts payable	55,986	57,242
Accrued liabilities (<i>note 16</i>)	304,794	308,122
Current portion of derivative liabilities (<i>note 16</i>)	142,875	143,770
Current portion of long-term debt (<i>note 8</i>)	303,398	231,209
Current obligation under capital leases (<i>note 9</i>)	44,750	41,016
Current portion of in-process revenue contracts (<i>note 6</i>)	44,461	56,758
Loan from joint venture partners	44	1,294

Total current liabilities	896,308	839,411
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Long-term debt, including amounts due to joint venture partners of \$13,664 (2009 \$16,410) (<i>note 8</i>)	4,153,082	4,187,962
Long-term obligation under capital leases (<i>note 9</i>)	732,147	743,254
Derivative liabilities (<i>note 16</i>)	630,452	215,709
Deferred income tax liability (<i>note 18</i>)		11,628
Asset retirement obligation	22,752	22,092
In-process revenue contracts (<i>note 6</i>)	163,504	187,602
Other long-term liabilities	227,618	214,104

Total liabilities	6,825,863	6,421,762
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Commitments and contingencies (*notes 4, 9, 11 and 16*)

Redeemable non-controlling interest (<i>note 11d</i>)	43,330	
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Equity

Common stock and additional paid-in capital (\$0.001 par value; 725,000,000 shares authorized; 72,993,003 shares outstanding (2009 72,694,345); 73,492,203 shares issued (2009 73,193,545)) (<i>note 10</i>)	676,734	656,193
Retained earnings	1,227,690	1,585,431
Non-controlling interest	1,052,626	855,580
Accumulated other comprehensive loss (<i>note 15</i>)	(3,922)	(1,534)

Total equity	2,953,128	3,095,670
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Total liabilities and equity	9,822,321	9,517,432
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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)

	Nine Months Ended September	
	30,	
	2010	2009
	\$	\$
Cash and cash equivalents provided by (used for)		
OPERATING ACTIVITIES		
Net (loss) income	(344,248)	132,518
Non-cash items:		
Depreciation and amortization	328,658	321,856
Amortization of in-process revenue contracts	(36,395)	(56,719)
Loss (gain) on sale of vessels and equipment	2,664	(27,399)
Write-down of intangible assets and other	12,300	1,076
Write-down of vessels and equipment	9,991	17,113
Loss on repurchase of bonds	12,645	
Equity loss (income), net of dividends received	40,503	(26,914)
Income tax (recovery) expense	(3,882)	12,174
Employee stock option compensation	11,816	8,607
Foreign exchange (gain) loss	(19,111)	24,747
Other	10,955	12,302
Unrealized loss (gain) on derivative instruments	325,038	(195,048)
Change in operating assets and liabilities	36,192	132,802
Expenditures for drydocking	(40,223)	(58,815)
Net operating cash flow	346,903	298,300
FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt (note 8)	1,142,000	762,712
Debt issuance costs	(12,808)	(3,852)
Scheduled repayments of long-term debt	(143,361)	(113,534)
Prepayments of long-term debt	(954,133)	(1,104,204)
Repayments of capital lease obligations	(1,961)	(6,949)
Proceeds from loans from joint venture partner	1,182	591
Repayment of loans from joint venture partner	(1,250)	(23,390)
(Increase) decrease in restricted cash (note 9)	(75,246)	5,228
Net proceeds from issuance of Teekay LNG Partners L.P. units (note 5)	50,000	67,095
Net proceeds from issuance of Teekay Offshore Partners L.P. units (note 5)	221,492	102,098
Net proceeds from issuance of Teekay Tankers Ltd. shares (note 5)	103,036	65,556
Issuance of Common Stock upon exercise of stock options	2,627	352
Distribution from subsidiaries to non-controlling interests	(113,598)	(83,646)
Cash dividends paid	(69,615)	(68,800)

Net financing cash flow	148,365	(400,743)
INVESTING ACTIVITIES		
Expenditures for vessels and equipment	(176,238)	(431,607)
Proceeds from sale of vessels and equipment	49,402	198,837
Investment in term loans <i>(note 3)</i>	(115,575)	
Investment in joint ventures	(1,977)	(7,288)
Repayment (advances) to joint ventures and joint venture partner	1,510	(1,206)
Investment in direct financing lease assets	(4,199)	
Direct financing lease payments received	20,965	2,135
Other investing activities	788	22,809
Net investing cash flow	(225,324)	(216,320)
Increase (decrease) in cash and cash equivalents	269,944	(318,763)
Cash and cash equivalents, beginning of the period	422,510	814,165
Cash and cash equivalents, end of the period	692,454	495,402

Supplemental cash flow information *(note 7)*

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		TOTAL EQUITY				Total
	Shares of Common Stock Outstanding #	Common Stock and Additional Paid-in Capital \$	Retained Earnings \$	Accumulated Other - Comprehensive Income (Loss) \$	Non-controlling Interest \$	\$	
Balance as at December 31, 2009	72,694	656,193	1,585,431	(1,534)	855,580	3,095,670	
Net (loss) income			(353,193)		8,945	(344,248)	
Other comprehensive income (loss):							
Unrealized loss on marketable securities				(1,731)		(1,731)	
Pension adjustments, net of taxes				761		761	
Unrealized net loss on qualifying cash flow hedging instruments (<i>note 16</i>)				(3,817)	(1,022)	(4,839)	
Realized net loss on qualifying cash flow hedging instruments (<i>note 16</i>)				2,399	978	3,377	
Comprehensive income (loss)					8,901	(346,680)	
Dividends declared			(69,652)		(113,598)	(183,250)	
Reinvested dividends	2	37				37	
Exercise of stock options and other	297	2,627				2,627	
Employee stock option compensation and other (<i>note 10</i>)		17,877				17,877	
Dilution gain on equity offerings of Teekay Offshore and Teekay Tankers and direct equity placement of Teekay LNG (<i>note 5</i>)			70,280			70,280	
Dilution loss on initiation of majority owned subsidiary (<i>note 11d</i>)			(5,176)		(2,256)	(7,432)	
Addition of non-controlling interest from share and unit issuances and other					303,999	303,999	
Balance as at September 30, 2010	72,993	676,734	1,227,690	(3,922)	1,052,626	2,953,128	

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2010	2009	2010	2009
	\$	\$	\$	\$
Net (loss) income	(212,760)	(165,881)	(344,248)	132,518
Other comprehensive income (loss):				
Unrealized gain (loss) on marketable securities	3,341	3,963	(1,731)	5,053
Pension adjustments, net of taxes	349	437	761	1,308
Unrealized gain (loss) on qualifying cash flow hedging instruments	15,103	22,980	(4,839)	43,910
Realized loss on qualifying cash flow hedging instruments	1,480	4,628	3,377	23,315
Other comprehensive income (loss)	20,273	32,008	(2,432)	73,586
Comprehensive (loss) income	(192,487)	(133,873)	(346,680)	