

TEEKAY CORP  
Form 6-K  
April 07, 2009

**Table of Contents**

**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 June 30, 2008**

**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

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

If  Yes  is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):82-

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**TEEKAY CORPORATION AND SUBSIDIARIES**  
**REPORT ON FORM 6-K FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2008**  
**INDEX**

	PAGE
<b><u>PART I: FINANCIAL INFORMATION</u></b>	
<b><u>Item 1. Financial Statements (Unaudited)</u></b>	3
<b><u>Unaudited Consolidated Statements of Income</u></b> <b><u>for the three and six months ended June 30, 2008 and 2007</u></b>	3
<b><u>Unaudited Consolidated Balance Sheets</u></b> <b><u>as at June 30, 2008 and December 31, 2007</u></b>	4
<b><u>Unaudited Consolidated Statements of Cash Flows</u></b> <b><u>for the six months ended June 30, 2008 and 2007</u></b>	5
<b><u>Notes to the Unaudited Consolidated Financial Statements</u></b>	6
<b><u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u></b>	25
<b><u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u></b>	41
<b><u>PART II: OTHER INFORMATION</u></b>	44
<b><u>SIGNATURES</u></b>	46

Table of Contents

## ITEM 1 FINANCIAL STATEMENTS

**TEEKAY CORPORATION AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME**

(in thousands of U. S. dollars, except share amounts)

	Three Months Ended June 30		Six Months Ended June 30	
	2008	2007	2008	2007
	\$	\$	\$	\$
		(Restated - Note 19)		(Restated - Note 19)
<b>REVENUES</b> (note 16)	769,399	565,736	1,512,771	1,143,984
<b>OPERATING EXPENSES</b>				
Voyage expenses	189,515	122,508	358,976	239,987
Vessel operating expenses (note 16)	159,470	103,903	302,519	199,093
Time-charter hire expense (note 16)	142,682	100,958	287,166	199,315
Depreciation and amortization (note 21)	106,700	68,095	204,407	147,358
General and administrative expenses (note 16)	70,882	56,265	135,521	115,245
Gain on sale of vessels and equipment (note 13)	(2,925)	(11,613)	(3,421)	(11,613)
Restructuring charge (note 14)	4,617		6,117	
<b>Total operating expenses</b>	670,941	440,116	1,291,285	889,385
<b>Income from vessel operations</b>	98,458	125,620	221,486	254,599
<b>OTHER ITEMS</b>				
Interest gain (expense) (note 16)	113,962	68,956	(168,286)	13,051
Interest (loss) income (note 16)	(2,149)	422	58,460	15,376
Foreign exchange loss (note 8)	(1,807)	(8,635)	(33,799)	(10,311)
Minority interest expense	(38,822)	(24,076)	(12,262)	(31,831)
Other net (note 14)	13,777	5,330	12,691	11,716
<b>Total other items</b>	84,961	41,997	(143,196)	(1,999)
<b>Net income</b>	183,419	167,617	78,290	252,600
<b>Per common share amounts</b>				
Basic earnings (note 17)	2.53	2.27	1.08	3.44
Diluted earnings (note 17)	2.50	2.23	1.07	3.37
Cash dividends declared	0.2750	0.2375	0.5500	0.4750

**Weighted average number of common shares** (note 17)

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Basic	72,377,684	73,843,784	72,511,041	73,488,668
Diluted	73,279,213	75,310,567	73,357,190	74,929,991

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

**Table of Contents**

**TEEKAY CORPORATION AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED BALANCE SHEETS**  
(in thousands of U.S. dollars)

	As at June 30, 2008 \$	As at December 31, 2007 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents ( <i>note 8</i> )	498,933	442,673
Restricted cash – current ( <i>note 9</i> )	53,067	33,479
Accounts receivable	336,607	262,420
Vessels held for sale ( <i>note 13</i> )	18,203	79,689
Net investment in direct financing leases – current	21,727	22,268
Prepaid expenses	135,691	126,761
Other assets	67,481	57,609
<b>Total current assets</b>	<b>1,131,709</b>	<b>1,024,899</b>
Restricted cash – long-term ( <i>note 9</i> )	661,758	652,717
<b>Vessels and equipment (<i>note 8</i>)</b>		
At cost, less accumulated depreciation of \$1,185,062 (2007 – \$1,061,619)	5,738,013	5,295,751
Vessels under capital lease, at cost, less accumulated amortization of \$90,095 (2007 – \$74,442) ( <i>note 9</i> )	926,140	934,058
Advances on newbuilding contracts ( <i>note 11</i> )	693,292	617,066
<b>Total vessels and equipment</b>	<b>7,357,445</b>	<b>6,846,875</b>
Net investment in direct financing leases – non-current	68,181	78,908
Investment in joint ventures ( <i>note 11</i> )	135,941	135,515
Derivative instruments ( <i>note 16</i> )	41,493	39,381
Loans to joint ventures	912,597	729,429
Other non-current assets	200,157	219,923
Intangible assets – net ( <i>note 6</i> )	256,070	259,952
Goodwill ( <i>note 6</i> )	491,911	434,590
<b>Total assets</b>	<b>11,257,262</b>	<b>10,422,189</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable	94,082	89,691
Accrued liabilities	347,135	278,587
Current portion of long-term debt ( <i>note 8</i> )	289,717	331,594
Current obligation under capital leases ( <i>note 9</i> )	41,925	150,791
Current portion of in-process revenue contracts ( <i>note 6</i> )	76,784	82,704

<b>Total current liabilities</b>	849,643	933,367
Long-term debt ( <i>note 8</i> )	5,457,031	4,931,990
Long-term obligation under capital leases ( <i>note 9</i> )	830,639	706,489
Derivative instruments ( <i>note 16</i> )	158,048	164,769
Deferred income tax	74,715	78,623
Asset retirement obligation	25,506	24,549
In-process revenue contracts ( <i>note 6</i> )	285,989	205,429
Other long-term liabilities	174,813	176,680
<b>Total liabilities</b>	7,856,384	7,221,896
Commitments and contingencies ( <i>notes 9, 11 and 16</i> )		
<b>Minority interest</b>	670,193	544,339
<b>Stockholders equity</b>		
Common stock and additional paid-in capital (\$0.001 par value; 725,000,000 shares authorized; 72,458,908 shares outstanding (2007 72,772,529); 72,958,108 shares issued (2007 95,327,329)) ( <i>note 10</i> )	634,755	628,786
Retained earnings	2,096,949	2,022,601
Accumulated other comprehensive (loss) income ( <i>note 15</i> )	(1,019)	4,567
<b>Total stockholders equity</b>	2,730,685	2,655,954
<b>Total liabilities and stockholders equity</b>	11,257,262	10,422,189

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

**Table of Contents**

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

	<b>Six Months Ended June 30</b>	
	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
		<b>(Restated - Note 19)</b>
Cash and cash equivalents provided by (used for)		
<b>OPERATING ACTIVITIES</b>		
Net income	78,290	252,600
Non-cash items:		
Depreciation and amortization	204,407	147,358
Amortization of in-process revenue contracts	(34,870)	(30,547)
Gain on sale of marketable securities	(4,576)	(6,653)
Gain on sale of vessels and equipment	(3,421)	(11,613)
Loss on repurchase of bonds	1,310	
Equity income (net of dividends received: June 30, 2008 and 2007 \$nil)	5,672	3,687
Income taxes	(8,718)	(3,041)
Employee stock-based compensation	6,183	4,708
Foreign exchange loss and other net	34,412	49,805
Unrealized gains on derivative instruments	24,058	(136,597)
Change in non-cash working capital items related to operating activities	(75,554)	(60,028)
Expenditures for drydocking	(28,227)	(40,623)
Distribution from subsidiaries to minority owners	(34,546)	(16,354)
<b>Net operating cash flow</b>	<b>164,420</b>	<b>152,702</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of long-term debt	1,284,496	1,998,316
Debt issuance costs	(5,108)	(4,382)
Repayments of long-term debt	(837,641)	(737,938)
Repayments of capital lease obligations	(4,495)	(4,384)
Proceeds from loan from joint venture partner	1,041	22,093
Increase in restricted cash	(11,503)	(79,230)
Net proceeds from sale of Teekay LNG Partners L.P. units	148,345	84,186
Net proceeds from sale of Teekay Offshore Partners L.P. units	134,265	
Issuance of Common Stock upon exercise of stock options	4,009	27,326
Repurchase of Common Stock	(20,512)	(3,035)
Cash dividends paid	(40,028)	(34,897)
Other financing activities	(2,715)	(3,643)
<b>Net financing cash flow</b>	<b>650,154</b>	<b>1,264,412</b>

**INVESTING ACTIVITIES**

Expenditures for vessels and equipment	(410,495)	(356,104)
Proceeds from sale of vessels and equipment	79,224	118,975
Purchases of marketable securities	(542)	(28,636)
Proceeds from sale of marketable securities	11,058	49,059
Acquisition of 50% of OMI Corporation		(896,841)
Acquisition of additional 30.1% of Teekay Petrojarl ASA	(257,142)	
Loans to joint ventures	(211,491)	(354,341)
Investment in direct financing lease assets	(30)	(7,530)
Direct financing lease payments received	11,298	10,399
Other investing activities	19,806	(3,677)
<b>Net investing cash flow</b>	<b>(758,314)</b>	<b>(1,468,696)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>56,260</b>	<b>(51,582)</b>
Cash and cash equivalents, beginning of the period	442,673	343,914
<b>Cash and cash equivalents, end of the period</b>	<b>498,933</b>	<b>292,332</b>

Supplemental cash flow information (*note 7*)

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

Table of Contents

**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. 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 United States generally accepted accounting principles 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 restated audited financial statements for the year ended December 31, 2007, included on Form 20-F/A filed on April 6, 2009. In the opinion of management, these 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, and cash flows for the interim periods presented. The results of operations for the six months ended June 30, 2008 are not necessarily indicative of those for a full fiscal year.

Certain of the accompanying consolidated financial statements have been restated. The nature of the restatements and the effect on the consolidated financial statement line items is discussed in Note 19 of the Notes to the Unaudited Consolidated Financial Statements. In addition, certain disclosures in the following notes have been restated to be consistent with the consolidated financial statements.

**2. Segment Reporting**

The Company has four reportable segments: its offshore segment, its fixed-rate tanker segment, its liquefied gas segment, and its spot tanker segment. The Company's offshore segment consists of shuttle tankers, floating production storage and offloading (or *FPSO*) units and floating storage and offtake (or *FSO*) units. The Company's fixed-rate tanker segment consists of conventional crude oil and product tankers subject to long-term, fixed-rate time-charter contracts. The Company's liquefied gas segment consists of liquefied natural gas (or *LNG*) carriers and liquefied petroleum gas (or *LPG*) carriers. The Company's spot tanker segment consists of conventional crude oil tankers and product carriers operating in the spot tanker market or subject to time-charters or contracts of affreightment that are priced on a spot-market basis or are short-term, fixed-rate contracts. The Company considers contracts that have an original term of less than three years in duration to be short-term. Segment results are evaluated based on income from vessel operations. The accounting policies applied to the reportable segments are the same as those used in the preparation of the Company's consolidated financial statements.

The following tables present results for these segments for the three and six months ended June 30, 2008 and 2007:

<b>Three months ended June 30, 2008</b>	<b>Offshore Segment</b>	<b>Fixed-Rate Tanker Segment</b>	<b>Liquefied Gas Segment</b>	<b>Spot Tanker Segment</b>	<b>Total</b>
Revenues	273,961	66,218	53,496	375,724	769,399
Voyage expenses	46,024	948	452	142,091	189,515
Vessel operating expenses	101,596	16,387	13,125	28,362	159,470
Time-charter hire expense	32,242	11,445		98,995	142,682
Depreciation and amortization	53,772	11,289	14,209	27,430	106,700
General and administrative expenses <sup>(1)</sup>	26,957	7,263	6,070	30,592	70,882
Gain on sale of vessels and equipment	(3,150)			225	(2,925)
Restructuring charge	3,327	58	221	1,011	4,617
Income from vessel operations	13,193	18,828	19,419	47,018	98,458

<b>Three months ended June 30, 2007</b>	<b>Offshore Segment (restated)</b>	<b>Fixed-Rate Tanker Segment (restated)</b>	<b>Liquefied Gas Segment (restated)</b>	<b>Spot Tanker Segment (restated)</b>	<b>Total (restated)</b>
Revenues	236,233	45,787	38,496	245,220	565,736
Voyage expenses	26,064	592	8	95,844	122,508
Vessel operating expenses	69,325	11,822	7,881	14,875	103,903
Time-charter hire expense	39,260	3,981		57,717	100,958
Depreciation and amortization	35,627	8,260	11,571	12,637	68,095
General and administrative expenses <sup>(1)</sup>	23,164	4,473	5,163	23,465	56,265
Gain on sale of vessels and equipment	(11,613)				(11,613)
Income from vessel operations	54,406	16,659	13,873	40,682	125,620

**Table of Contents**

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

<b>Six months ended June 30, 2008</b>	<b>Offshore Segment</b>	<b>Fixed-Rate Tanker Segment</b>	<b>Liquefied Gas Segment</b>	<b>Spot Tanker Segment</b>	<b>Total</b>
Revenues	532,749	127,033	109,628	743,361	1,512,771
Voyage expenses	84,925	1,628	602	271,821	358,976
Vessel operating expenses	185,416	32,757	24,748	59,598	302,519
Time-charter hire expense	67,280	23,165		196,721	287,166
Depreciation and amortization	99,846	20,962	28,404	55,195	204,407
General and administrative expenses <sup>(1)</sup>	54,019	12,553	11,555	57,394	135,521
Gain on sale of vessels and equipment	(3,150)			(271)	(3,421)
Restructuring charge	3,327	1,558	221	1,011	6,117
Income from vessel operations	41,086	34,410	44,098	101,892	221,486
<b>Six months ended June 30, 2007</b>	<b>Offshore Segment (restated)</b>	<b>Fixed-Rate Tanker Segment (restated)</b>	<b>Liquefied Gas Segment (restated)</b>	<b>Spot Tanker Segment (restated)</b>	<b>Total (restated)</b>