

TEEKAY SHIPPING CORP  
Form 6-K  
May 29, 2007

**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

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For the quarterly period ended March 31, 2007

Commission file number 1- 12874

**TEEKAY SHIPPING CORPORATION**  
(Exact name of Registrant as specified in its charter)

Bayside House  
Bayside Executive Park  
West Bay Street & Blake Road  
P.O. Box AP-59212, Nassau, Bahamas  
(Address of principal executive office)

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

Form X Form  
20-F    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 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)(7).

Yes    No X

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

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

Page 1 of 41

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**TEEKAY SHIPPING CORPORATION AND SUBSIDIARIES**

**REPORT ON FORM 6-K FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2007**

**INDEX**

<b>PART I: FINANCIAL INFORMATION</b>	<b><u>PAGE</u></b>
<b>Item 1. Financial Statements (Unaudited)</b>	
Report of Independent Registered Public Accounting Firm	3
Unaudited Consolidated Statements of Income for the three months ended March 31, 2007 and 2006	4
Unaudited Consolidated Balance Sheets as at March 31, 2007 and December 31, 2006	5
Unaudited Consolidated Statements of Cash Flows for the three months ended March 31, 2007 and 2006	6
Notes to the Unaudited Consolidated Financial Statements	7
<b>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</b>	<b>21</b>
<b>Item 3. Quantitative and Qualitative Disclosures about Market Risk</b>	<b>37</b>
<b>PART II: OTHER INFORMATION</b>	<b>39</b>
<b>SIGNATURES</b>	<b>40</b>

**ITEM 1 - FINANCIAL STATEMENTS**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders of  
**Teekay Shipping Corporation**

We have reviewed the consolidated balance sheet of Teekay Shipping Corporation and subsidiaries as of March 31, 2007, the related consolidated statements of income for the three months ended March 31, 2007 and 2006, and the related consolidated statements of cash flows for the three months ended March 31, 2007 and 2006. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Teekay Shipping Corporation and subsidiaries as of December 31, 2006, and the related consolidated statements of income, changes in stockholders' equity and cash flows for the year then ended (not presented herein), and in our report dated March 12, 2007, except for Note 22(c), as to which the date is April 17, 2007, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the consolidated balance sheet as of December 31, 2006, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Vancouver, Canada,  
May 25, 2007

/s/ ERNST & YOUNG LLP  
Chartered Accountants

## TEEKAY SHIPPING CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME  
(in thousands of U.S. dollars, except share and per share amounts)

	Three Months Ended March 31,	
	2007	2006
	\$	\$
<b>REVENUES</b>	583,016	525,996
<b>OPERATING EXPENSES</b>		
Voyage expenses	123,560	133,611
Vessel operating expenses	97,441	53,224
Time-charter hire expense	98,501	104,424
Depreciation and amortization	79,263	50,484
General and administrative	58,797	40,260
Gain on sale of vessels	-	(607)
Restructuring charge	-	1,887
<b>Total operating expenses</b>	457,562	383,283
<b>Income from vessel operations</b>	125,454	142,713
<b>OTHER ITEMS</b>		
Interest expense	(60,383)	(36,758)
Interest income	16,168	12,101
Foreign exchange loss	(5,888)	(11,464)
Minority interest expense	(5,640)	(1,264)
Other - net (note 12)	6,664	(3,624)
<b>Total other items</b>	(49,079)	(41,009)
<b>Net income (note 13)</b>	76,375	101,704
<b>Per common share amounts</b>		
- Basic earnings (note 15)	1.04	1.41
- Diluted earnings (note 15)	1.02	1.35
- Cash dividends declared	0.2375	0.2075
<b>Weighted average number of common shares (note 15)</b>		
- Basic	73,129,585	72,153,868
- Diluted	74,545,165	75,230,591

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

## TEEKAY SHIPPING CORPORATION AND SUBSIDIARIES

## UNAUDITED CONSOLIDATED BALANCE SHEETS

(in thousands of U.S. dollars)

	As at March 31, 2007 \$	As at December 31, 2006 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents ( <i>note 7</i> )	370,714	343,914
Restricted cash - current ( <i>note 8</i> )	99,509	64,243
Accounts receivable	194,788	191,963
Vessels held for sale ( <i>note 11</i> )	88,789	20,754
Net investment in direct financing leases - current	22,183	21,926
Prepaid expenses	66,082	78,495
Other assets	46,078	25,845
<b>Total current assets</b>	<b>888,143</b>	<b>747,140</b>
Restricted cash ( <i>note 8</i> )	666,687	615,749
<b>Vessels and equipment (<i>note 7</i>)</b>		
At cost, less accumulated depreciation of \$922,958 (December 31, 2006 - \$859,014)	4,349,666	4,271,387
Vessels under capital leases, at cost, less accumulated depreciation of \$50,042 (December 31, 2006 - \$42,609) ( <i>note 8</i> )	956,912	654,022
Advances on newbuilding contracts ( <i>note 10</i> )	366,092	382,659
<b>Total vessels and equipment</b>	<b>5,672,670</b>	<b>5,308,068</b>
Net investment in direct financing leases	83,472	86,470
Investment in joint ventures ( <i>note 10</i> )	124,727	124,295
Other assets	464,524	304,477
Intangible assets - net ( <i>note 5</i> )	274,035	280,559
Goodwill ( <i>note 5</i> )	266,718	