TEEKAY CORP
Form 6-K
February 28, 2011

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 February 28, 2011
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 þ Form 40- F o
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Yes o No þ
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Yes o No þ

TEEKAY CORPORATION
4th Floor, Belvedere Building, 69 Pitts Bay Road
Hamilton, HM 08, Bermuda

EARNINGS RELEASE

TEEKAY CORPORATION REPORTS FOURTH QUARTER AND ANNUAL RESULTS

Highlights

Fourth quarter 2010 cash flow from vessel operations of $157.3 million, up 22 percent from the same period of the prior year.

Fourth quarter 2010 adjusted net loss attributable to stockholders of Teekay of $37.8 million, or $0.51 per share (excluding specific items which increased GAAP net income by $123.7 million, or $1.67 per share).

Completed $520 million of asset sales to Teekay Offshore and Teekay Tankers during the fourth quarter.

In January 2011, offered to sell remaining 49 percent interest in Teekay Offshore Operating L.P. (*OPCO*) to Teekay Offshore.

Further reduced Teekay Parent s net debt to $338 million as at December 31, 2010.

Total consolidated liquidity of $2.4 billion as at December 31, 2010.

As at February 23, 2011, 1.36 million ($44 million) of Teekay Corporation shares repurchased under existing $200 million authorization.

Hamilton, Bermuda, February 24, 2011 Teekay Corporation (*Teekay* or *the Company*) (NYSE: TK) today reported an adjusted net loss attributable to stockholders of Teekay(1) of $37.8 million, or $0.51 per share, for the quarter ended December 31, 2010, compared to an adjusted net loss of $33.3 million, or $0.45 per share, attributable to the stockholders of Teekay for the same period of the prior year. Adjusted net loss attributable to stockholders of Teekay excludes a number of specific items that had the net effect of increasing GAAP net income by $123.7 million (or $1.67 per share) for the three months ended December 31, 2010 and increasing GAAP net income by $63.1 million (or $0.85 per share) for the three months ended December 31, 2009, as detailed in *Appendix A* to this release. Including these items, the Company reported on a GAAP basis, net income attributable to the stockholders of Teekay of $85.9 million, or $1.16 per share, for the quarter ended December 31, 2010, compared to net income attributable to the stockholders of Teekay of $29.8 million, or $0.40 per share, for the same period of the prior year. Net revenues(2) for the fourth quarter of 2010 were $444.3 million, compared to $453.8 million for the same period of the prior year.

For the year ended December 31, 2010, the Company reported an adjusted net loss attributable to stockholders of Teekay(1) of $121.0 million, or $1.67 per share, compared to adjusted net loss attributable to the stockholders of Teekay of $87.5 million, or $1.20 per share, for the year ended December 31, 2009. Adjusted net loss attributable to stockholders of Teekay excludes a number of specific items that had the net effect of increasing GAAP net loss by $146.2 million (or $2.00 per share) for the year ended December 31, 2010 and increasing GAAP net income by $215.9 million (or $2.96 per share) for the year ended December 31, 2009, as detailed in *Appendix A* to this release. Including these items, the Company reported on a GAAP basis, net loss attributable to the stockholders of Teekay of $267.3 million, or $3.67 per share, for the year ended December 31, 2010, compared to net income attributable to the stockholders of Teekay of $128.4 million, or $1.76 per share, for the year ended December 31, 2009. Net revenues(2) for the year ended December 31, 2010 were $1,823.8 million, compared to $1,878.0 million for the prior year.

On January 5, 2011, the Company declared a cash dividend on its common stock of $0.31625 per share for the quarter ended December 31, 2010. The cash dividend was paid on January 28, 2011, to all shareholders of record on January 14, 2011.

(1) Adjusted net income (loss) attributable to stockholders of Teekay is a non-GAAP financial measure. Please refer to *Appendix A* to this release for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable financial measure under United States generally accepted accounting principles (*GAAP*).

(2) Net revenues represents revenues less voyage expenses, which comprise all expenses relating to certain voyages, including bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls, agency fees and commissions. Net revenues is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Company s web site at www.teekay.com for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable financial measure under GAAP.

Improved results in our offshore business more than offset the effect of the further weakening in spot tanker rates which characterized most of the fourth quarter, commented Bjorn Moller, Teekay Corporation s President and Chief Executive Officer. Following the completion of seasonal maintenance in our FPSO and shuttle tanker fleets late in the third quarter, we saw a strong performance in all of our fixed-rate businesses, producing increased cash flow from vessel operations . Mr. Moller continued, Despite strong tanker demand, excess global tanker supply has prevented the normal seasonal rally in spot rates this winter, and, based on the sizeable number of deliveries scheduled this year, we expect further volatility in the spot tanker market throughout 2011.

In the current tanker market, our diversified, predominantly fixed-rate business model has proved to be a significant advantage. Looking back at 2010, we are pleased with the performance of our fixed-rate businesses, with over $660 million of fixed-rate cash flow from vessel operations generated, an 18 percent increase over the previous year, said Mr. Moller. Teekay s strong operating reputation and project expertise continue to be a source of value creation. This is exemplified by the significant momentum we are seeing in our offshore business where the award of the Tiro Sidon FPSO contract in Brazil and the successful restructuring of certain major North Sea contracts are expected to drive continued growth in our base of fixed-rate cash flows. In addition, we have continued to manage our costs and reduce our exposure to the volatile spot tanker market through redelivery of in-charters, out-chartering of spot traded vessels and the sale of spot assets.

Mr. Moller added, Teekay enters 2011 financially strong, with net debt of only $338 million and liquidity of $1.2 billion at the parent company level. Our balance sheet strength and our generation of stable cash flows allow us to pursue selective growth opportunities through investments in offshore and other business areas that generate attractive returns. This ability is further enhanced by the proceeds we receive from the sale of assets to our daughter companies. As a result of our financial strength, we also found room to return capital to shareholders. Since November 2010, we have repurchased $44 million of our shares under our existing $200 million authorization.

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Operating Results

The following tables highlight certain financial information for each of Teekay s four publicly-listed entities: Teekay Offshore Partners L.P. (*Teekay Offshore*) (NYSE: TOO), Teekay LNG Partners L.P. (*Teekay LNG*) (NYSE: TGP), Teekay Tankers Ltd. (*Teekay Tankers*) (NYSE: TNK) and Teekay, excluding results attributed to Teekay Offshore, Teekay LNG and Teekay Tankers, referred to herein as *Teekay Parent*. A brief description of each entity and an analysis of its respective financial results follow the tables below. Please also refer to the Fleet List section below and *Appendix B* to this release for further details.

Three Months Ended December 31, 2010 (unaudited)

(in thousands of U.S. dollars)	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated
Net revenues	203,112	96,831	29,615	157,323	(42,603)	444,278
Vessel operating expense	77,344	20,545	11,383	56,378		165,650
Time-charter hire expense	20,981			79,531	(42,603)	57,909
Depreciation and amortization	50,230	22,658	11,222	27,937		112,047
Cash flow from vessel operations(1)(2)	94,401	68,345	16,262	(21,674)(3)		157,334
Net debt(4)	1,550,657	1,484,056	441,578	337,888		3,814,179

Three Months Ended December 31, 2009 (unaudited)

(in thousands of U.S. dollars)	Teekay Offshore Partners LP	Teekay LNG Partners LP	Teekay Tankers Ltd.	Teekay Parent	Consolidation Adjustments	Teekay Corporation Consolidated
Net revenues	190,895	95,278	34,457	177,326	(44,137)	453,819
Vessel operating expense	68,926	24,770	13,090	62,424		169,210
Time-charter hire expense	28,141			97,074	(44,137)	81,078
Depreciation and amortization	48,769	22,294	11,722	32,535		115,320
Cash flow from vessel operations(1)(2)	73,230	59,730	14,528	(18,678)(3)		128,810

Net debt[(4)]	1,573,867	1,419,252	294,796	877,705	4,165,620

(1) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, vessel write-downs, gains and losses on the sale of vessels and unrealized gains and losses relating to derivatives, but includes realized gains and losses on the settlement of foreign currency forward contracts. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Company s Web site at www.teekay.com for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

(2) Excludes the cash flow from vessel operations relating to assets acquired from Teekay Parent for the periods prior to their acquisition by Teekay Offshore, Teekay LNG and Teekay Tankers, respectively, as those results are included in the historical results for Teekay Parent.

(3) In addition to Teekay Parent s cash flow from vessel operations, Teekay Parent also receives cash dividends and distributions from its daughter public companies. For the three months ended December 31, 2010 and 2009, Teekay Parent received daughter company dividends and distributions totaling $45.9 million and $44.0 million, respectively. The dividends and distributions received by Teekay Parent also include those made with respect to its general partner interests in Teekay Offshore and Teekay LNG and its 49 percent interest in Teekay Offshore Operating L.P., which is controlled by Teekay Offshore. Please refer to *Appendix D* to this release for further details.

(4) Net debt represents current and long-term debt less cash and, if applicable, current and long-term restricted cash.

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Teekay Offshore Partners L.P.

Teekay Offshore is an international provider of marine transportation, oil production and storage services to the offshore oil industry. Through its 51 percent ownership interest in Teekay Offshore Operating L.P. (*OPCO*), Teekay Offshore operates a fleet of 34 shuttle tankers (including five chartered-in vessels and one newbuilding under construction), four floating storage and offtake (*FSO*) units and 11 conventional oil tankers. Teekay Offshore also has direct ownership interests in two shuttle tankers, two FSO units, and two floating, production, storage and offloading (*FPSO*) units, and has the right to participate in certain other FPSO and other vessel opportunities. As at December 31, 2010, Teekay Parent directly owned the remaining 49 percent interest in OPCO, as well as a 28.3 percent interest in Teekay Offshore (including the 2 percent sole general partner interest).

Cash flow from vessel operations from Teekay Offshore increased to $94.4 million in the fourth quarter of 2010, from $73.2 million in the same period of the prior year. This increase was primarily due to the acquisition from Teekay of the *Cidade de Rio das Ostras* FPSO unit and the acquisition of the *Amundsen Spirit* on October 1, 2010 (as described below), the acquisition of the *Falcon Spirit* FSO from Teekay Parent in April 2010, and higher voyage revenue from the commencement of the amended Statoil master agreement effective September 2010, partially offset by higher vessel operating expenses due to certain unscheduled repairs and the extension of seasonal repair activities from the previous quarter.

On October 1, 2010, Teekay Offshore completed the acquisition of the *Cidade de Rio das Ostras* FPSO unit from Teekay, which is on a long-term charter with Petroleo Brasileiro SA (*Petrobras*), for a purchase price of $157.8 million (excluding working capital). In addition, OPCO acquired on October 1, 2010 and December 10, 2010, respectively, the newbuilding shuttle tankers, the *Amundsen Spirit* and the *Nansen Spirit*, from Teekay for $129.0 million per vessel (excluding working capital). OPCO has also agreed to acquire the newbuilding shuttle tanker, the *Peary Spirit,* from Teekay for approximately $133 million upon the commencement of its time-charter contract in July 2011.

In November 2010, Teekay Offshore issued NOK 600 million in senior unsecured bonds that mature in November 2013 in the Norwegian bond market. The aggregate principal amount of the bonds have been swapped to U.S. dollars, to an equivalent amount of approximately $98.5 million, and all interest payments have been swapped into a U.S. dollar floating-rate coupon of LIBOR plus 5.04 percent. The proceeds from the bond issuance were used to repay a portion of Teekay Offshore s outstanding debt under its revolving credit facilities.

During December 2010, Teekay Offshore completed a follow-on equity offering of 6.44 million common units, which provided net proceeds to the Partnership of $175.2 million (including 840,000 units from the underwriters over-allotment option exercised in full and the general partner s contribution). The net proceeds from the offering were applied towards repaying a portion of outstanding debt under the Partnership s revolving credit facilities, which may be later redrawn for general partnership purposes, including funding acquisitions.

In January 2011, Teekay Offshore received an offer to acquire from Teekay the remaining 49 percent interest in OPCO for a combination of $175 million in cash and the remainder in the form of new Teekay Offshore limited partner and general partner units. The offer is currently being reviewed by the Board of Directors of Teekay Offshore s general partner and its Conflicts Committee. If concluded, the acquisition will increase Teekay Offshore s ownership of OPCO to 100 percent. Teekay Offshore does not expect to issue additional common units to the public to finance this transaction.

For the fourth quarter of 2010, Teekay Offshore s quarterly distribution was $0.475 per unit. As a result, the cash distribution received by Teekay Parent based on its common unit ownership and general partnership interest in Teekay Offshore totaled $8.5 million for the fourth quarter of 2010, as detailed in *Appendix D* to this release.

Teekay LNG Partners L.P.

Teekay LNG provides liquefied natural gas *(LNG)*, liquefied petroleum gas *(LPG)* and crude oil marine transportation services under long-term, fixed-rate charter contracts with major energy and utility companies through its current fleet of 17 LNG carriers, two LPG carriers and 11 conventional tankers. In addition, Teekay LNG has agreed to take delivery of one newbuilding LPG carrier from a subsidiary of IM Skaugen (*Skaugen*) and two newbuilding LPG/Multigas carriers from Teekay Parent in 2011. Teekay Parent currently owns a 46.8 percent interest in Teekay LNG (including the two percent sole general partner interest).

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Cash flow from vessel operations from Teekay LNG during the fourth quarter of 2010, increased to $68.3 million from $59.7 million in the same period of the prior year. This increase was primarily due to the acquisition of two Suezmax tankers and one Handymax Product tanker from Teekay Parent, higher profit sharing revenue of $1.7 million from certain of Teekay LNG s Suezmax vessels, and lower vessel operating expenses in the fourth quarter of 2010 due to the timing of certain maintenance expenditures.

In November 2010, Teekay LNG acquired a 50 percent interest in the 2005-built *Excelsior*, a specialized gas carrier which can both transport and regasify LNG onboard, and a 50 percent interest in the 2002-built *Excalibur*, a conventional LNG carrier, from Belgium-based shipping group Exmar NV for a total purchase price of approximately $72.5 million net of assumed debt. Both vessels are on long-term, fixed-rate charter contracts to Excelerate Energy L.P., a leading provider of LNG offshore solutions, for firm periods until 2022 and 2025, respectively.

In November 2010, Teekay LNG sold the 2000-built LPG carrier *Dania Spirit* to a third party for proceeds of $21.5 million, which resulted in a gain of approximately $4.3 million.

In February 2011, Teekay LNG received an offer from Teekay to acquire its one-third interest in four Angola LNG newbuildings, which will be chartered-out to a consortium which includes subsidiaries of Chevron, Sonangol, BP, Total and ENI for a period of 20 years upon their delivery in 2011 and 2012. The offer is currently being reviewed by the Board of Directors of Teekay LNG s general partner and its Conflicts Committee.

For the fourth quarter of 2010, Teekay LNG s quarterly distribution increased by five percent to $0.63 per unit. As a result, the cash distribution received by Teekay Parent based on its common unit ownership and general partnership interest in Teekay LNG totaled $18.8 million for the fourth quarter of 2010, as detailed in *Appendix D* to this release.

Teekay Tankers Ltd.

Teekay Tankers currently owns a fleet of nine Aframax tankers and six Suezmax tankers. In addition, Teekay Tankers owns a 50 percent interest in a VLCC newbuilding and has invested $115 million in 3-year first priority mortgage loans secured by two VLCC newbuildings which yield an average of 10 percent per annum. Nine of the 15 vessels are currently employed on fixed-rate time charters, generally ranging from one to three years in initial duration, with the remaining vessels trading in Teekay s spot tanker pools. Based on the existing fleet employment profile, Teekay Tankers has fixed-rate coverage of approximately 57 percent in 2011. Teekay Parent currently owns a 26.0 percent interest in Teekay Tankers (including 100 percent of the outstanding Class B common shares, which with its current ownership of Class A common shares, provides Teekay voting control of Teekay Tankers).

Cash flow from vessel operations from Teekay Tankers increased to $16.3 million in the fourth quarter of 2010, from $14.5 million in the same period of the prior year, primarily due to an increase in Teekay Tankers average fleet size and the interest income from its investment in the VLCC mortgage loans, partially offset by lower average realized tanker rates for its time-charter and spot fleets during the fourth quarter, compared to the same period of the prior year.

In October 2010, Teekay Tankers completed an equity offering of 8.6 million Class A common shares (including 395,000 Class A common shares issued upon the exercise of the underwriters over-allotment option), raising net proceeds of approximately $100 million.

In November 2010, Teekay Tankers acquired from Teekay Parent one Aframax tanker, the *Esther Spirit*, and one Suezmax tanker, the *Iskmati Spirit*, for a total price of $107.5 million.

In February 2011, Teekay Tankers completed an equity offering of 9.9 million Class A common shares (including 1.3 million shares issued upon the exercise of the underwriters over-allotment option in full), raising net proceeds of approximately $107 million. Proceeds were used to repay amounts drawn under Teekay Tankers revolving credit facility and may be redrawn to complete future vessel acquisitions.

On February 23, 2011, Teekay Tankers declared a fourth quarter 2010 dividend of $0.22 per share payable on March 15, 2011 to all shareholders of record on March 8, 2011. As a result, based on its ownership of Teekay Tankers Class A and Class B shares, the dividend amount payable to Teekay Parent will total $3.5 million for the fourth quarter of 2010.

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Teekay Parent

In addition to its equity ownership interests in Teekay Offshore, Teekay LNG and Teekay Tankers, Teekay Parent directly owns a substantial fleet of vessels. As at February 1, 2011, this included 17 conventional tankers and three FPSO units. In addition, Teekay Parent owns one FPSO, two Aframax shuttle tanker newbuildings, and a 33 percent interest in four newbuilding LNG carriers, all of which are currently under construction or conversion. In addition, as at February 1, 2011, Teekay Parent had 29 chartered-in conventional tankers (including nine vessels owned by its subsidiaries), two chartered-in LNG carriers owned by Teekay LNG and two chartered-in shuttle tankers owned by OPCO.

For the fourth quarter of 2010, Teekay Parent s negative cash flow from vessel operations was $21.7 million, compared to negative cash flow from vessel operations of $18.7 million in the same period of the prior year. The decrease in cash flow is primarily due to the sale of the *Cidade de Rio das Ostras* FPSO unit to Teekay Offshore in October 2010, two Suezmax tankers and one Handymax Product tanker to Teekay LNG in March 2010, two Suezmax tankers and one Aframax tanker to Teekay Tankers in April and May 2010, the sale of one Aframax tanker and one Suezmax tanker to Teekay Tankers in November 2010 and a decrease in average realized spot tanker rates for the fourth quarter of 2010 compared to the fourth quarter of 2009. These factors were partially offset by higher revenues relating to the *Petrojarl Foinaven* FPSO contract amendment in March 2010 and a $17.5 million decrease in time-charter hire expense in the fourth quarter of 2010 compared to the same period of the prior year.

During the fourth quarter of 2010, Teekay Parent sold the *Cidade de Rio das Ostras* FPSO unit to Teekay Offshore and the *Amundsen Spirit* and *Nansen Spirit* shuttle tanker newbuildings to OPCO for total proceeds of approximately $416 million. Teekay Offshore also agreed to acquire an additional newbuilding shuttle tanker, the *Peary Spirit*, for approximately $133 million upon the commencement of its time-charter contract in July 2011.

In October 2010, Teekay Parent announced that it had signed a long-term contract with Petrobras to provide a FPSO unit for the Tiro and Sidon fields located in the Santos Basin offshore Brazil. The contract with Petrobras will be serviced by a newly converted FPSO unit, named the *Petrojarl Cidade de Itajai*, which is currently under conversion from an existing Aframax tanker. The converted FPSO is scheduled to deliver in the second quarter of 2012, when it will commence operations under a nine-year, fixed-rate time-charter contract to Petrobras with six additional one-year extension options. Pursuant to the omnibus agreement, Teekay Parent is obligated to offer to Teekay Offshore its interest in this FPSO unit at Teekay Parent s fully built-up cost within 365 days after the commencement of its charter with Petrobras.

In November 2010, Teekay Parent sold one Aframax tanker, the *Esther Spirit*, and one Suezmax tanker, the *Iskmati Spirit*, to Teekay Tankers for a total price of $107.5 million.

On February 22, 2011, Teekay Parent agreed to invest $70 million in a 3-year first priority mortgage loan secured by a 2011-built Very Large Crude Carrier (*VLCC*) owned by an Asia-based shipping company. The loan will earn an interest rate of 9 percent per annum.

Tanker Market

Average crude tanker freight rates during the fourth quarter of 2010 remained weak, despite relatively strong tanker demand. This was primarily the result of an oversupply of vessels, caused by a net fleet growth during 2010 and compounded by the return of vessels previously used for temporary floating storage. This imbalance between tanker supply and demand prevented the typical winter rally in rates from occurring, although a short-lived strengthening of rates was experienced towards the end of the quarter when cold winter weather in Europe and North America led to an increase in both oil demand and weather related transit delays. In the first quarter of 2011 to date, tanker rates have remained at relatively weak levels. Rising bunker fuel prices during the fourth quarter of 2010 and continuing into 2011 have adversely impacted spot tanker earnings.

During 2010, the world tanker fleet grew by 19.7 million deadweight tones (*mdwt*), or approximately 4.6 percent, compared to 28.8 mdwt, or 7.1 percent, in 2009. A total of 41.2 mdwt of new vessel capacity was delivered into the fleet, offset by tanker removals which increased to 21.4 mdwt in 2010, the highest annual figure since 2003, primarily due to the regulatory phase-out of single hull tankers and the conversion of tankers for use in dry bulk or offshore projects. The tanker delivery schedule for 2011 is similar to 2010. However, with the phase-out of single hull tankers now largely complete, the scope for scrapping in 2011 is expected to focus on first generation double hull tankers, which face increasing age discrimination from customers.

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Global oil demand in 2010 grew by 2.8 million barrels per day (*mb/d*), or 3.3 percent, the highest figure since 2004. As a result, 2010 tanker demand is estimated to have grown by approximately 7 percent. In January 2011, the International Monetary Fund (*IMF*) raised its forecast for 2011 global economic growth to 4.4 percent, up from 4.2 percent previously, based on strength in developing and emerging economies. As a result, the International Energy Agency (*IEA*) has raised its global oil demand forecast for 2011 to 89.3 mb/d, an increase of 1.5 mb/d, or 1.7 percent, from 2010.

Teekay Parent Conventional Tanker Fleet Performance

The table below highlights the operating performance of Teekay Parent s owned and in-chartered conventional tankers participating in the Company s commercial tonnage pools and vessels on period out-charters with an initial term greater than one year, measured in net revenues per revenue day or time-charter equivalent (*TCE*) rates. Revenue days represent the total number of vessel calendar days less off-hire days associated with major repairs, drydockings, or mandated surveys.

	Three Months Ended		
	December 31, 2010	September 30, 2010	December 31, 2009
Suezmax			
Gemini Suezmax Pool average spot TCE rate (1)	$ 15,564	$ 18,676	$ 21,109
Spot revenue days (2)(3)	398	461	903
Average time-charter rate (4)(5)	$ 24,620	$ 29,145	$ 30,947
Time-charter revenue days (3)(4)	736	736	735
Aframax			
Teekay Aframax Pool average spot TCE rate (1)(6)(7)	$ 12,659	$ 13,770	$ 13,963
Spot revenue days (2)(3)	1,324	1,223	1,962
Average time-charter rate (5)	$ 22,944	$ 22,858	$ 26,282
Time-charter revenue days (3)	889	1,084	1,085
LR2			
Taurus LR2 Pool average spot TCE rate (1)	$ 13,867	$ 15,451	$ 15,448
Spot revenue days (2)(3)	394	368	368
MR			
MR product tanker average spot TCE rate (1)			$ 9,746
Spot revenue days (2)(3)			108
Average product tanker time-charter rate (5)	$ 25,632	$ 28,269	$ 26,287
Time-charter revenue days (3)	237	315	465

(1) Average spot rates include short-term time-charters and fixed-rate contracts of affreightment that are initially under a year in duration and third-party vessels trading in the pools

(2) Spot revenue days include total owned and in-chartered vessels in the Teekay Parent fleet, but exclude pool vessels commercially managed on behalf of third parties.

(3) Average time-charter days are adjusted to reflect the vessel-equivalent number of days in the respective period that any synthetic time-charters (*STCs*) or forward freight agreements (*FFAs*) were in effect. For vessel classes in which STCs and FFAs are in effect, a corresponding reduction in spot revenue days is made in each of the

respective periods.

(4) Includes one VLCC on time-charter prior to February 11, 2011 at a TCE rate of $47,000 per day.

(5) Average time-charter rates include realized gains and losses of STCs and FFAs, bunker hedges, short-term time-charters, and fixed-rate contracts of affreightment that are initially one year in duration or greater.

(6) Excludes vessels greater than 15 years-old.

(7) Including items outside of the pool (vessels greater than 15 years-old and realized results of bunker hedging, STCs and FFAs), the average Teekay Aframax spot TCE rate was $11,460 per day, $11,778 per day and $14,510 per day for the three months ended December 31, 2010, September 30, 2010 and December 31, 2009, respectively.

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Fleet List

As at February 1, 2011, Teekay s consolidated fleet consisted of 150 vessels, including chartered-in vessels and newbuildings under construction/conversion, but excluding vessels managed for third parties, as summarized in the following table:

	Number of Vessels[1]			
	Owned Vessels	Chartered-in Vessels	Newbuildings / Conversions	Total
Teekay Parent Fleet[2]				
Spot-rate:				
Aframax Tankers[3]		9		9
Suezmax Tankers	5	3		8
LR2 Product Tankers	3	1		4
Total Teekay Parent Spot Fleet	8	13		21
Fixed-rate:				
Aframax Tankers[3]	3	5		8
Suezmax Tankers	3	1		4
VLCC Tankers		1		1
MR Product Tankers	3			3
LNG Carriers[4]			4	4
Shuttle Tankers[5]			1	1
FPSO Units	3		1	4
Total Teekay Parent Fixed-rate Fleet	12	7	6	25
Total Teekay Parent Fleet	20	20	6	46
Teekay Offshore Fleet	49	5	1	55
Teekay LNG Fleet	30		3	33
Teekay Tankers Fleet	15		1	16
Total Teekay Consolidated Fleet	**114**	**25**	**11**	**150**

(1) Excludes vessels managed on behalf of third parties.

(2) Excludes the fleet of OPCO, which is owned 51 percent by Teekay Offshore and 49 percent by Teekay Parent. All of OPCO s 49 vessels are included within the Teekay Offshore fleet.

(3) Excludes nine vessels chartered-in from Teekay Offshore Partners.

(4) Excludes two LNG carriers chartered-in from Teekay LNG.

(5) Excludes two shuttle tankers chartered-in from OPCO.

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Liquidity and Capital Expenditures

As at December 31, 2010, Teekay had consolidated liquidity of $2.4 billion, consisting of $779.7 million cash and approximately $1.6 billion of undrawn revolving credit facilities, of which $1.2 billion, consisting of $519.7 million cash and $701.8 million of undrawn revolving credit facilities, is attributable to Teekay Parent. Including pre-arranged newbuilding financing, Teekay s total consolidated liquidity was approximately $2.9 billion.

The Company s remaining capital commitments relating to its portion of newbuildings and conversions were as follows as at December 31, 2010:

(in millions)	2011	2012	2013	2014	Total
Teekay Offshore	$ 92				$ 92
Teekay LNG	$ 34				$ 34
Teekay Tankers		$ 20	$ 20		$ 40
Teekay Parent	$ 493	$ 108			$ 601
Total Teekay Corporation Consolidated	$ 619	$ 128	$ 20		$ 767

As indicated above, the Company had total capital expenditure commitments pertaining to newbuildings and conversions of approximately $767 million remaining as at December 31, 2010, with pre-arranged financing for approximately $452 million of this amount. The Company expects to obtain debt financing for the *Petrojarl Cidade de Itajai* FPSO and the VLCC newbuilding through Teekay Tankers joint venture with Wah Kwong.

Share Repurchase Program

In October 2010, the Company announced its intention to commence repurchasing shares under the Company s $200 million share repurchase authorization. As of February 23, 2011, the Company had repurchased 1.36 million shares under the Company s existing authorization representing a total cost of $44 million. Shares will be repurchased in the open market at times and prices considered appropriate by the Company. The timing of any purchase and the exact number of shares to be purchased will be dependant on market conditions.

Conference Call

The Company plans to host a conference call on February 24, 2011 at 11:00 a.m. (ET) to discuss its results for the fourth quarter and fiscal 2011. An accompanying investor presentation will be available on Teekay s Web site at www.teekay.com prior to the start of the call. All shareholders and interested parties are invited to listen to the live conference call by choosing from the following options:

- By dialing (800) 322-2356 or (416) 640-5926, if outside North America, and quoting conference ID code 4073995.

- By accessing the webcast, which will be available on Teekay s Web site at www.teekay.com (the archive will remain on the Web site for a period of 30 days).

The conference call will be recorded and available until Friday, March 4, 2011. This recording can be accessed following the live call by dialing (888) 203-1112 or (647) 436-0148, if outside North America, and entering access code 4073995.

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About Teekay

Teekay Corporation transports more than 10 percent of the world s seaborne oil, has built a significant presence in the liquefied natural gas shipping sector through its publicly-listed subsidiary, Teekay LNG Partners L.P. (NYSE: TGP), is further growing its operations in the offshore oil production, storage and transportation sector through its publicly-listed subsidiary, Teekay Offshore Partners L.P. (NYSE: TOO), and continues to expand its conventional tanker business through its publicly-listed subsidiary, Teekay Tankers Ltd. (NYSE: TNK). With a fleet of approximately 150 vessels, offices in 16 countries and approximately 6,400 seagoing and shore-based employees, Teekay provides a comprehensive set of marine services to the world s leading oil and gas companies, helping them seamlessly link their upstream energy production to their downstream processing operations. Teekay s reputation for safety, quality and innovation has earned it a position with its customers as The Marine Midstream Company.

Teekay s common stock is listed on the New York Stock Exchange where it trades under the symbol TK .

For Investor Relations enquiries contact:
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Web site: www.teekay.com

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TEEKAY CORPORATION
SUMMARY CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(in thousands of U.S. dollars, except share and per share data)

	Three Months Ended			Year Ended	
	December 31, 2010 (unaudited)	September 30, 2010 (unaudited)	December 31, 2009 (unaudited)	December 31, 2010 (unaudited)	December 31, 2009 (unaudited)
REVENUES(1)	497,276	462,117	522,657	2,068,878	2,172,049
OPERATING EXPENSES					
Voyage expenses	52,998				