

TEEKAY CORP  
Form 6-K  
November 06, 2015

**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**  
**Date of Report: November 6, 2015**  
**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, HM08 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 ☒

**Item 1 Information Contained in this Form 6-K Report**

Included in this Report is selected financial information as at and for the three months ended September 30, 2015 and 2014, the six months ended June 30, 2015 and 2014 and the 12 months ended June 30, 2015 relating to (a) Teekay Corporation on a consolidated basis and (b) Teekay Parent (representing Teekay Corporation and its subsidiaries other than its three publicly-traded subsidiaries Teekay LNG Partners L.P., Teekay Offshore Partners L.P. and Teekay Tankers Ltd). All amounts are in U.S. Dollars.

**Third Quarter 2015 and 2014 Summary Financial Results**

The following table reflects certain financial information of (a) Teekay Corporation on a consolidated basis and (b) Teekay Parent, in each case as of and for the three months ended September 30, 2015 and 2014. Our independent public accounting firm has not completed its review of the financial information and, therefore, it remains subject to revision as we prepare our financial statements as of and for the three month ended September 30, 2015. This information is not a comprehensive statement of our financial results for the three months ended September 30, 2015, and our actual results may differ materially from these estimates as a result of the completion of our financial closing procedures, final adjustments and other developments arising between now and the time that our financial results for the three months ended September 30, 2015 are finalized.

| <i>(in thousands of U.S. dollars)</i>  | <b>Three Months Ended<br/>or As Of<br/>Sept. 30, 2015</b> | <b>Three Months Ended<br/>or As Of<br/>Sept. 30, 2014</b> |
|----------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| <b>TEEKAY CORPORATION CONSOLIDATED</b> |                                                           |                                                           |
| Revenues                               | 611,617                                                   | 490,183                                                   |
| Income from Vessel Operations          | 161,177                                                   | 88,389                                                    |
| Net Income (Loss)                      | (16,616)                                                  | 87,824                                                    |
| Adjusted EBITDA (1)                    | 343,217                                                   | 245,604                                                   |
| Cash and Cash Equivalents              | 789,699                                                   | 705,896                                                   |
| Total Debt                             | 7,443,446                                                 | 7,260,040                                                 |
| Net Debt (2)                           | 6,653,747                                                 | 6,554,144                                                 |
| Adjusted Net Debt (2), (3)             | 6,670,164                                                 |                                                           |
| <b>TEEKAY PARENT</b>                   |                                                           |                                                           |
| Revenues (4)                           | 98,500                                                    | 105,902                                                   |
| Income from Vessel Operations (4)      | 1,251                                                     | (27,366)                                                  |
| Net Income (Loss) (4)                  | (16,844)                                                  | (44,978)                                                  |
| Adjusted EBITDA (1)                    | 63,435                                                    | 28,594                                                    |
| Pro Forma Adjusted EBITDA (5)          | 74,317                                                    |                                                           |
| Cash and Cash Equivalents (2)          | 303,889                                                   | 337,509                                                   |
| Total Debt (2)                         | 986,385                                                   | 1,746,983                                                 |
| Net Debt (2)                           | 682,496                                                   | 1,409,474                                                 |
| Adjusted Net Debt (2), (3)             | 698,913                                                   |                                                           |

\* Notes are included further below this table.

The increase in Teekay Corporation's consolidated Revenue, Income from Vessel Operations and Adjusted EBITDA for the quarter ended September 30, 2015 compared with the corresponding quarter of 2014 was primarily due to the commencement of operations of the *Knarr* FPSO unit during 2015 and higher average spot tanker TCE rates in the

third quarter of 2015 compared to the third quarter of 2014.

The decrease in Teekay Corporation's GAAP net income for the quarter ended September 30, 2015 compared with the corresponding quarter of 2014 was primarily due to larger unrealized, non-cash losses on derivative instruments and foreign exchange of \$85.9 million for the quarter ended September 30, 2015 compared with gains of \$46.2 million for the corresponding quarter of 2014, partially offset by the commencement of operations of the *Knarr* FPSO unit during 2015 and higher average spot tanker TCE rates in the third quarter of 2015 compared to the third quarter of 2014.

The increase in Teekay Parent's consolidated Revenue, Income from Vessel Operations and Adjusted EBITDA for the quarter ended September 30, 2015 compared with the corresponding quarter of 2014 was primarily due to (a) \$13.9 million of business development fees received from Teekay Offshore in connection with the *Knarr* FPSO, UMS and towage transactions for the three months ended September 30, 2015, (b) \$3.2 million of fees earned during the three months ended September 30, 2015 from managing vessel transactions for Tanker Investment Ltd.'s (*TIL*) and (c) the balance is a combination of the *Petrojarl Banff* FPSO unit recommencing operations during the third quarter of 2014, higher production on the *Petrojarl Foinaven* FPSO unit and higher average spot tanker TCE rates.

The decrease in Teekay Parent's GAAP net loss for the quarter ended September 30, 2015 compared with the corresponding quarter of 2014 was primarily due to \$13.9 million of business development fees received from Teekay Offshore in connection with the *Knarr* FPSO, UMS and towage transactions for the three months ended September 30, 2015, \$3.2 million of fees earned during the three months ended September 30, 2015 from managing vessel transactions for *TIL* and the balance is a combination of the *Petrojarl Banff* FPSO unit recommencing operations during the third quarter of 2014, higher production on the *Petrojarl Foinaven* FPSO unit and higher average spot tanker TCE rates.

- (1) Adjusted EBITDA is a non-GAAP measure. EBITDA represents earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA represents EBITDA before restructuring charges, unrealized foreign exchange gain (loss), loss on notes repurchased, asset impairments, loan loss provisions, net gain (loss) on sale of vessels and equipment, amortization of in-process revenue contracts, unrealized losses (gains) on derivative instruments, realized losses (gains) on interest rate swaps and interest rate swap amendments and terminations, write-down of equity-accounted-for investments and share of the above items in non-consolidated joint ventures. The following tables reconcile Adjusted EBITDA to net income (loss) for Teekay Corporation on a consolidated basis and for Teekay Parent:

*Teekay Consolidated Adjusted EBITDA reconciliation*

| (in thousands)                                                                               | Three months ended<br>September 30, |                   |
|----------------------------------------------------------------------------------------------|-------------------------------------|-------------------|
|                                                                                              | 2015                                | 2014              |
| <b>Income statement data:</b>                                                                |                                     |                   |
| <b>Reconciliation of EBITDA and Adjusted EBITDA to Net income (loss)</b>                     |                                     |                   |
| Net income (loss)                                                                            | \$ (16,616)                         | \$ 87,824         |
| Income tax (expense) recovery                                                                | 2,450                               | 3,111             |
| Depreciation and amortization                                                                | 130,812                             | 106,835           |
| Interest expense, net of interest income                                                     | 60,289                              | 49,420            |
| <b>EBITDA</b>                                                                                | <b>\$ 176,935</b>                   | <b>\$ 247,190</b> |
| Restructuring charges                                                                        | \$ 3,994                            | \$ 2,665          |
| Foreign exchange (gain) loss                                                                 | 20,218                              | (19,497)          |
| Loss on notes repurchased                                                                    |                                     |                   |
| Asset impairments, loan loss provisions and net loss (gain) on sale of vessels and equipment |                                     | 3,542             |
| Amortization of in-process revenue contracts                                                 | (6,456)                             | (10,410)          |
| Unrealized losses (gains) on derivative instruments                                          | 65,683                              | (26,748)          |
| Realized losses on interest rate swaps                                                       | 26,858                              | 32,107            |
| Realized losses (gains) on interest rate swap amendments and terminations                    | 10,876                              |                   |
| Write-down of equity-accounted for investments                                               |                                     |                   |
| Items related to non-consolidated joint ventures                                             | 45,109                              | 16,755            |
| <b>Adjusted EBITDA</b>                                                                       | <b>\$ 343,217</b>                   | <b>\$ 245,604</b> |
| <b>Reconciliation of Adjusted EBITDA to Net operating cash flow</b>                          |                                     |                   |
| Net operating cash flow                                                                      | \$ 277,666                          | \$ 89,635         |
| Expenditures for drydocking                                                                  | 19,859                              | 30,917            |
| Interest expense, net of interest income                                                     | 60,289                              | 49,420            |
| Change in non-cash working capital items related to operating activities                     | (77,125)                            | (27,513)          |
| Equity (loss) income, net of dividends received                                              | (29,152)                            | 32,543            |
| Other (loss) income                                                                          | 4,843                               | 19,075            |
| Restructuring charges                                                                        | 3,994                               | 2,665             |
| Realized losses on interest rate swaps                                                       | 26,858                              | 32,107            |
| Realized losses on interest rate swap resets and terminations                                | 10,876                              |                   |
| Items related to non-consolidated joint ventures                                             | 45,109                              | 16,755            |
| <b>Adjusted EBITDA</b>                                                                       | <b>\$ 343,217</b>                   | <b>\$ 245,604</b> |

*Teekay Parent Adjusted EBITDA reconciliation*

Three months ended September 30, 2015 (unaudited)

| Teekay<br>Consolidated | Public<br>Subsidiaries | Adjustments | Teekay<br>Parent |
|------------------------|------------------------|-------------|------------------|
|------------------------|------------------------|-------------|------------------|

**Income Statement Data:****Reconciliation of EBITDA and Adjusted EBITDA to Net****Income (Loss)**

|                                          |             |             |  |            |
|------------------------------------------|-------------|-------------|--|------------|
| Net income (loss)                        | \$ (16,616) | \$ (10,700) |  | \$ (5,916) |
| Interest expense, net of interest income | 60,289      | 47,689      |  | 12,600     |
| Income tax expense (recovery)            | 2,450       | (621)       |  | 3,071      |
| Depreciation and amortization            | 130,812     | 112,699     |  | 18,113     |

|               |                   |                   |           |                  |
|---------------|-------------------|-------------------|-----------|------------------|
| <b>EBITDA</b> | <b>\$ 176,935</b> | <b>\$ 149,067</b> | <b>\$</b> | <b>\$ 27,868</b> |
|---------------|-------------------|-------------------|-----------|------------------|

|                                                                   |         |         |             |           |
|-------------------------------------------------------------------|---------|---------|-------------|-----------|
| Cash distributions from public subsidiaries                       | \$      | \$      | \$ (45,294) | \$ 45,294 |
| Restructuring charges                                             | 3,994   | 3,994   |             |           |
| Foreign exchange (gain) loss                                      | 20,218  | 28,045  |             | (7,827)   |
| Amortization of in-process revenue contracts                      | (6,456) | (1,184) |             | (5,272)   |
| Unrealized losses (gains) on derivative instruments               | 65,683  | 65,940  |             | (257)     |
| Realized losses on interest rate swaps                            | 26,858  | 24,677  |             | 2,181     |
| Realized losses on interest rate swap amendments and terminations | 10,876  | 10,876  |             |           |
| Items related to non-consolidated joint ventures                  | 45,109  | 43,661  |             | 1,448     |

|                        |                   |                   |                    |                  |
|------------------------|-------------------|-------------------|--------------------|------------------|
| <b>Adjusted EBITDA</b> | <b>\$ 343,217</b> | <b>\$ 325,076</b> | <b>\$ (45,294)</b> | <b>\$ 63,435</b> |
|------------------------|-------------------|-------------------|--------------------|------------------|

**Reconciliation of Adjusted EBITDA to net operating cash flow**

|                                                                          |            |            |          |           |
|--------------------------------------------------------------------------|------------|------------|----------|-----------|
| Net operating cash flow                                                  | \$ 277,666 | \$ 251,671 |          | \$ 25,995 |
| Expenditures for drydocking                                              | 19,859     | 19,817     |          | 42        |
| Interest expense, net of interest income                                 | 60,289     | 47,689     |          | 12,600    |
| Change in non-cash working capital items related to operating activities | (77,125)   | (65,183)   |          | (11,942)  |
| Equity (loss) income, net of dividends received                          | (29,152)   | (34,808)   |          | 5,656     |
| Other income                                                             | 4,843      | 22,682     |          | (17,839)  |
| Restructuring charges                                                    | 3,994      | 3,994      |          |           |
| Realized losses on interest rate swaps                                   | 26,858     | 24,677     |          | 2,181     |
| Realized losses on interest rate swap resets and terminations            | 10,876     | 10,876     |          |           |
| Items related to non-consolidated joint ventures                         | 45,109     | 43,661     |          | 1,448     |
| Cash distributions from public subsidiaries                              |            |            | (45,294) | 45,294    |

|                        |                   |                   |                    |                  |
|------------------------|-------------------|-------------------|--------------------|------------------|
| <b>Adjusted EBITDA</b> | <b>\$ 343,217</b> | <b>\$ 325,076</b> | <b>\$ (45,294)</b> | <b>\$ 63,435</b> |
|------------------------|-------------------|-------------------|--------------------|------------------|

Three months ended September 30, 2014 (unaudited)

|  | Teekay<br>Consolidated | Public<br>Subsidiaries | Adjustments | Teekay<br>Parent |
|--|------------------------|------------------------|-------------|------------------|
|--|------------------------|------------------------|-------------|------------------|

**Income Statement Data:****Reconciliation of EBITDA and Adjusted EBITDA to Net****Income (Loss)**

|                                          |           |            |  |             |
|------------------------------------------|-----------|------------|--|-------------|
| Net income (loss)                        | \$ 87,824 | \$ 132,802 |  | \$ (44,978) |
| Interest expense, net of interest income | 49,420    | 37,944     |  | 11,476      |
| Income tax expense (recovery)            | 3,111     | 1,954      |  | 1,157       |
| Depreciation and amortization            | 106,835   | 85,519     |  | 21,316      |

|               |                   |                   |           |                    |
|---------------|-------------------|-------------------|-----------|--------------------|
| <b>EBITDA</b> | <b>\$ 247,190</b> | <b>\$ 258,219</b> | <b>\$</b> | <b>\$ (11,029)</b> |
|---------------|-------------------|-------------------|-----------|--------------------|

|                                                                                              |          |          |             |           |
|----------------------------------------------------------------------------------------------|----------|----------|-------------|-----------|
| Cash distributions from public subsidiaries                                                  | \$       | \$       | \$ (43,650) | \$ 43,650 |
| Restructuring charges                                                                        | 2,665    | 2,231    |             | 434       |
| Foreign exchange (gain) loss                                                                 | (19,497) | (22,258) |             | 2,761     |
| Asset impairments, loan loss provisions and net loss (gain) on sale of vessels and equipment | 3,542    | 4,759    |             | (1,217)   |
| Amortization of in-process revenue contracts                                                 | (10,410) | (3,490)  |             | (6,920)   |
| Unrealized losses (gains) on derivative instruments                                          | (26,748) | (19,997) |             | (6,751)   |
| Realized losses on interest rate swaps                                                       | 32,107   | 26,416   |             | 5,691     |
| Items related to non-consolidated joint ventures                                             | 16,755   | 14,780   |             | 1,975     |

|                        |                   |                   |                    |                  |
|------------------------|-------------------|-------------------|--------------------|------------------|
| <b>Adjusted EBITDA</b> | <b>\$ 245,604</b> | <b>\$ 260,660</b> | <b>\$ (43,650)</b> | <b>\$ 28,594</b> |
|------------------------|-------------------|-------------------|--------------------|------------------|

**Reconciliation of Adjusted EBITDA to net operating cash flow**

|                                                                          |           |           |          |            |
|--------------------------------------------------------------------------|-----------|-----------|----------|------------|
| Net operating cash flow                                                  | \$ 89,635 | \$ 91,426 |          | \$ (1,791) |
| Expenditures for drydocking                                              | 30,917    | 29,665    |          | 1,252      |
| Interest expense, net of interest income                                 | 49,420    | 37,944    |          | 11,476     |
| Change in non-cash working capital items related to operating activities | (27,513)  | 10,867    |          | (38,380)   |
| Equity (loss) income, net of dividends received                          | 32,543    | 35,425    |          | (2,882)    |
| Other income                                                             | 19,075    | 11,906    |          | 7,169      |
| Restructuring charges                                                    | 2,665     | 2,231     |          | 434        |
| Realized losses on interest rate swaps                                   | 32,107    | 26,416    |          | 5,691      |
| Items related to non-consolidated joint ventures                         | 16,755    | 14,780    |          | 1,975      |
| Cash distributions from public subsidiaries                              |           |           | (43,650) | 43,650     |

|                        |                   |                   |                    |                  |
|------------------------|-------------------|-------------------|--------------------|------------------|
| <b>Adjusted EBITDA</b> | <b>\$ 245,604</b> | <b>\$ 260,660</b> | <b>\$ (43,650)</b> | <b>\$ 28,594</b> |
|------------------------|-------------------|-------------------|--------------------|------------------|

- (2) Net Debt is a non-GAAP measure and represents current and long-term debt less cash and cash equivalents. The following table reconciles net debt and adjusted net debt to total debt of Teekay on a consolidated basis and of Teekay Parent, both individually and with respect to each other.



*(in thousands of U.S. Dollars)*

|                                 | As at September 30, 2015              |                        |                  | As at September 30, 2014              |                        |                  |
|---------------------------------|---------------------------------------|------------------------|------------------|---------------------------------------|------------------------|------------------|
|                                 | Teekay<br>Corporation<br>Consolidated | Public<br>Subsidiaries | Teekay<br>Parent | Teekay<br>Corporation<br>Consolidated | Public<br>Subsidiaries | Teekay<br>Parent |
| Total Debt                      | 7,443,446                             | 6,457,061              | 986,385          | 7,260,040                             | 5,513,057              | 1,746,983        |
| Less: Cash and Cash Equivalents | (789,699)                             | (485,810)              | (303,889)        | (705,896)                             | (368,387)              | (337,509)        |
| Net Debt                        | 6,653,747                             | 5,971,251              | 682,496          | 6,554,144                             | 5,144,670              | 1,409,474        |
| Add: Adjustments (3)            | 16,417                                |                        | 16,417           |                                       |                        |                  |
| Adjusted Net Debt               | 6,670,164                             | 5,971,251              | 698,913          | 6,554,144                             | 5,144,670              | 1,409,474        |

(3) Adjusted Net Debt is a non-GAAP measure and represents current and long-term debt less cash and cash equivalents. Adjusted Net Debt of Teekay Corporation on a consolidated basis and of Teekay Parent as at September 30, 2015 is presented on a pro forma basis after giving effect to (a) our \$122.8 million repayment at maturity of Teekay Corporation's Norwegian Kroner bonds due October 2015 and an associated cross currency rate swap, (b) the receipt of the estimated net proceeds of this offering of \$195.6 million and (c) the use of approximately \$96.5 million of such net proceeds to repay a portion of our outstanding debt under our \$500 million revolving credit facility.

(4) The following table sets forth revenue, income from vessel operations and net loss of Teekay on a consolidated basis, Teekay's publicly-traded subsidiaries (Teekay Offshore, Teekay LNG and Teekay Tankers) and Teekay Parent:

| <i>(in thousands of U.S. Dollars)</i> | Teekay<br>Consolidated | Public<br>Subsidiaries | Consolidation<br>Adjustments | Teekay<br>Parent |
|---------------------------------------|------------------------|------------------------|------------------------------|------------------|
| Three Months Ended September 30, 2015 |                        |                        |                              |                  |
| Revenue                               | 611,617                | 537,838                | (24,721)                     | 98,500           |
| Income from Vessel Operations         | 161,177                | 158,458                | 1,468                        | 1,251            |
| Net Income (Loss)                     | (16,616)               | 229                    | (1)                          | (16,844)         |
| Three Months Ended September 30, 2014 |                        |                        |                              |                  |
| Revenue                               | 490,183                | 412,688                | (28,407)                     | 105,902          |
| Income from Vessel Operations         | 88,389                 | 114,225                | 1,530                        | (27,366)         |
| Net Income (Loss)                     | 87,824                 | 132,775                | 27                           | (44,978)         |

(5) Teekay Parent's Pro Forma Adjusted EBITDA for the three months ended September 30, 2015 is presented on a pro forma basis after giving effect to its receipt of common unit distributions relating to that quarter declared on the \$300 million of common units issued by Teekay Offshore to Teekay Parent as part of Teekay Offshore's acquisition of the Knarr FPSO unit from Teekay Corporation on July 1, 2015.

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**Non-GAAP Reconciliations for Six Months Ended June 30, 2015 and 2014 and Twelve Months ended June 30, 2015**

|                                   | Six months<br>ended<br>June 30,<br>2014<br>(unaudited) | Six months<br>ended<br>June 30,<br>2015<br>(unaudited) | Twelve months<br>ended<br>June 30,<br>2015<br>(unaudited) |
|-----------------------------------|--------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------|
| (in thousands)                    |                                                        |                                                        |                                                           |
| Teekay Corporation (consolidated) |                                                        |                                                        |                                                           |
| EBITDA(1)                         | 342,910                                                | 610,753                                                | 1,026,624                                                 |
| Adjusted EBITDA(1)                | 487,401                                                | 664,208                                                | 1,214,091                                                 |
| Cash interest expense(2)          |                                                        |                                                        | 371,036                                                   |

|                          | Twelve months<br>ended<br>June 30, |
|--------------------------|------------------------------------|
| Teekay Parent            |                                    |
| EBITDA(1)                | \$ (24,208)                        |
| Adjusted EBITDA(1)       | 197,198                            |
| Cash interest expense(2) | 55,421                             |

- (1) The following table reconciles Teekay Corporation's historical consolidated EBITDA and Adjusted EBITDA to net income (loss), and Teekay Corporation's historical consolidated Adjusted EBITDA to net operating cash flow.

| (in thousands)                                                                               | Historical consolidated        |                                |                                   |
|----------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|-----------------------------------|
|                                                                                              | Six months ended June 30, 2014 | Six months ended June 30, 2015 | Twelve months ended June 30, 2015 |
| Income statement data:                                                                       |                                |                                |                                   |
| Reconciliation of EBITDA and Adjusted EBITDA to                                              |                                |                                |                                   |
| Net income (loss)                                                                            |                                |                                |                                   |
| Net income (loss)                                                                            | \$ 33,675                      | \$ 259,088                     | \$ 349,415                        |
| Income tax expense (recovery)                                                                | 5,991                          | (243)                          | 3,939                             |
| Depreciation and amortization                                                                | 206,831                        | 240,903                        | 456,976                           |
| Interest expense, net of interest income                                                     | 96,413                         | 111,005                        | 216,294                           |
| EBITDA                                                                                       | \$ 342,910                     | \$ 610,753                     | \$ 1,026,624                      |
| Restructuring charges                                                                        | \$ 395                         | \$ 8,384                       | \$ 17,815                         |
| Foreign exchange (gain) loss                                                                 | 2,940                          | (15,906)                       | (32,377)                          |
| Loss on notes repurchased                                                                    |                                |                                | 7,699                             |
| Asset impairments, loan loss provisions and net loss (gain) on sale of vessels and equipment | (11,974)                       | 14,353                         | 15,056                            |
| Amortization of in-process revenue contracts                                                 | (20,036)                       | (12,149)                       | (33,052)                          |
| Unrealized losses (gains) on derivative instruments                                          | 62,159                         | (45,120)                       | (6,783)                           |
| Realized losses on interest rate swaps                                                       | 60,245                         | 55,094                         | 120,273                           |
| Realized losses (gains) on interest rate swap amendments and terminations                    | (1,000)                        |                                | 2,319                             |
| Write-down of equity-accounted for investments                                               |                                |                                |                                   |
| Items related to non-consolidated joint ventures(a)                                          | 51,762                         | 48,799                         | 96,417                            |
| Adjusted EBITDA                                                                              | \$ 487,401                     | \$ 664,208                     | \$ 1,214,091                      |

|                                                                          |            |            |              |
|--------------------------------------------------------------------------|------------|------------|--------------|
| Reconciliation of Adjusted EBITDA to Net operating cash flow             |            |            |              |
| Net operating cash flow                                                  | \$ 201,529 | \$ 336,314 | \$ 581,102   |
| Expenditures for drydocking                                              | 24,217     | 11,102     | 61,264       |
| Interest expense, net of interest income                                 | 96,413     | 111,005    | 216,294      |
| Change in non-cash working capital items related to operating activities | (7,199)    | 54,303     | 871          |
| Equity (loss) income, net of dividends received                          | 54,577     | 14,667     | 54,816       |
| Other (loss) income                                                      | 6,462      | 24,540     | 62,919       |
| Restructuring charges                                                    | 395        | 8,384      | 17,815       |
| Realized losses on interest rate swaps                                   | 60,245     | 55,094     | 120,273      |
| Realized losses on interest rate swap amendments and terminations        | (1,000)    |            | 2,319        |
| Items related to non-consolidated joint ventures(a)                      | 51,762     | 48,799     | 96,417       |
| Adjusted EBITDA                                                          | \$ 487,401 | \$ 664,208 | \$ 1,214,091 |

- (a) Equity income from non-consolidated joint ventures is adjusted for income tax expense (recovery), depreciation and amortization, interest expense, net of interest income, foreign exchange loss (gain), amortization of in-process revenue contracts, and unrealized and realized (gains) losses on derivative instruments

The following table reconciles for (a) Teekay Corporation on a consolidated basis and (b) Teekay Parent, both individually and with respect to each other, (i) Teekay's consolidated and Teekay Parent's EBITDA and Adjusted EBITDA to net income (loss), each on an historical and as adjusted basis, and (ii) Teekay's consolidated and Teekay Parent's Adjusted EBITDA to net operating cash flow, each on an historical and as adjusted basis. Teekay Parent's numbers, which are not calculated or presented in accordance with GAAP, are reconciled to Teekay's consolidated numbers for the 12 months ended June 30, 2015, which are the financial measures most directly comparable to GAAP measures.

| (in thousands)                                                                                      | As adjusted<br>Twelve months ended June 30, 2015<br>(unaudited) |                        |                     |                    |
|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|------------------------|---------------------|--------------------|
|                                                                                                     | Teekay<br>consolidated                                          | Public<br>subsidiaries | Adjustments         | Teekay<br>Parent   |
| <b>Income statement data:</b>                                                                       |                                                                 |                        |                     |                    |
| <b>Reconciliation of EBITDA and Adjusted EBITDA to Net income (loss)</b>                            |                                                                 |                        |                     |                    |
| Net income (loss)                                                                                   | \$ 349,415                                                      | \$ 474,849             | \$ 33,838           | \$ (159,272)       |
| Interest expense, net of interest income                                                            | 216,294                                                         | 153,191                | 9,010               | 54,093             |
| Income tax expense (recovery)                                                                       | 3,939                                                           | 9,018                  | (7,851)             | 2,772              |
| Depreciation and amortization                                                                       | 456,976                                                         | 356,448                | 22,329              | 78,199             |
| <b>EBITDA</b>                                                                                       | <b>\$ 1,026,624</b>                                             | <b>\$ 993,506</b>      | <b>57,326</b>       | <b>\$ (24,208)</b> |
| <b>Cash distributions from public subsidiaries(11)</b>                                              |                                                                 |                        |                     |                    |
|                                                                                                     | \$                                                              | \$                     | \$ (185,702)        | \$ 185,702         |
| Restructuring charges                                                                               | 17,815                                                          | 8,720                  |                     | 9,095              |
| Foreign exchange (gain) loss                                                                        | (32,277)                                                        | (28,674)               | (36,651)            | 33,048             |
| Loss on notes repurchased                                                                           | 7,699                                                           | 7,699                  |                     |                    |
| <b>Asset impairments, loan loss provisions and net loss (gain) on sale of vessels and equipment</b> |                                                                 |                        |                     |                    |
|                                                                                                     | 15,056                                                          | 15,991                 |                     | (935)              |
| Amortization of in-process revenue contracts                                                        | (33,052)                                                        | (16,927)               |                     | (16,125)           |
| <b>Unrealized losses (gains) on derivative instruments</b>                                          |                                                                 |                        |                     |                    |
|                                                                                                     | (6,783)                                                         | (4,222)                | 2,039               | (4,600)            |
| Realized losses on interest rate swaps                                                              | 120,273                                                         | 96,235                 | 18,229              | 5,809              |
| <b>Realized losses (gains) on interest rate swap amendments and terminations</b>                    |                                                                 |                        |                     |                    |
|                                                                                                     | 2,319                                                           |                        |                     | 2,319              |
| <b>Items related to non-consolidated joint ventures</b>                                             |                                                                 |                        |                     |                    |
|                                                                                                     | 96,417                                                          | 89,324                 |                     | 7,093              |
| <b>Adjusted EBITDA</b>                                                                              | <b>\$ 1,214,091</b>                                             | <b>\$ 1,161,652</b>    | <b>\$ (144,759)</b> | <b>\$ 197,198</b>  |
| <b>Reconciliation of Adjusted EBITDA to Net operating cash flow</b>                                 |                                                                 |                        |                     |                    |
| Net operating cash flow                                                                             | \$ 581,102                                                      | \$ 602,126             | \$ 33,325           | \$ (54,349)        |
| Expenditures for drydocking                                                                         | 61,264                                                          | 54,169                 |                     | 7,095              |
| Interest expense, net of interest income                                                            | 216,294                                                         | 153,191                | 9,010               | 54,093             |

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|                                                                           |              |              |              |            |
|---------------------------------------------------------------------------|--------------|--------------|--------------|------------|
| Change in non-cash working capital items related to operating activities  | 871          | 46,863       | 10,307       | (56,299)   |
| Loss on notes repurchased                                                 | 7,699        | 7,699        |              |            |
| Equity income (loss), net of dividends received                           | 54,816       | 65,889       |              | (11,073)   |
| Other income                                                              | 55,221       | 37,437       | (29,928)     | 47,712     |
| Restructuring charges                                                     | 17,815       | 8,720        |              | 9,095      |
| Realized losses on interest rate swaps                                    | 120,273      | 96,235       | 18,229       | 5,809      |
| Realized losses (gains) on interest rate swap amendments and terminations | 2,319        |              |              | 2,319      |
| Items related to non-consolidated joint ventures                          | 96,417       | 89,324       |              | 7,093      |
| Cash distributions from public subsidiaries(11)                           |              |              | (185,702)    | 185,702    |
| Adjusted EBITDA                                                           | \$ 1,214,091 | \$ 1,161,652 | \$ (144,759) | \$ 197,198 |

(2) Cash interest expense represents total interest expense less interest income and amortization of capitalized loan costs plus capitalized interest and realized losses on interest rate swaps and cross currency rate swaps.

The following table reconciles cash interest expense, a non-GAAP financial measure, to interest expense, the most directly comparable GAAP financial measure, for Teekay Corporation on both a historical consolidated and as adjusted basis:

| Teekay consolidated<br>Twelve months ended June 30, 2015<br>(unaudited) |            |             |             |
|-------------------------------------------------------------------------|------------|-------------|-------------|
| (in thousands)                                                          | Historical | Adjustments | As adjusted |
| Interest expense                                                        | \$ 223,274 | \$ 570      | \$ 223,844  |
| Interest income                                                         | (6,980)    |             | (6,980)     |
| Capitalized interest                                                    | 42,418     |             | 42,418      |
| Realized losses on interest rate swaps                                  | 122,592    |             | 122,592     |
| Realized losses on cross currency rate swaps                            | 11,600     |             | 11,600      |
| Amortization of capitalized loan costs                                  | (22,438)   |             | (22,438)    |
| Cash interest expense                                                   | \$ 370,466 | \$ 570      | \$ 371,036  |

The following table reconciles cash interest expense to interest expense of Teekay on a consolidated basis and of Teekay Parent, both individually and with respect to each other, each on an as adjusted basis.

| Twelve months ended June 30, 2015<br>(unaudited) |                                     |                                     |                               |
|--------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------|
| (in thousands)                                   | Teekay consolidated,<br>as adjusted | Public subsidiaries,<br>as adjusted | Teekay Parent,<br>as adjusted |
| Interest expense                                 | \$ 223,844                          | \$ 166,654                          | \$ 57,190                     |
| Interest income                                  | (6,980)                             | (3,926)                             | (3,054)                       |
| Capitalized interest                             | 42,418                              | 42,418                              |                               |
| Realized losses on interest rate swaps           | 122,592                             | 116,880                             | 5,712                         |
| Realized losses on cross currency rate swaps     | 11,600                              | 11,600                              |                               |
| Amortization of capitalized loan costs           | (22,438)                            | (18,011)                            | (4,427)                       |
| Cash interest expense                            | \$ 371,036                          | \$ 315,615                          | \$ 55,421                     |

**Teekay Parent Non-GAAP Reconciliations**

| (\$ thousands)                                                                               | 3Q 15         | 3Q 14          | As Adjusted<br>LTM June 2015 | F2014          | F2013           | F2012          |
|----------------------------------------------------------------------------------------------|---------------|----------------|------------------------------|----------------|-----------------|----------------|
| Net income (loss)                                                                            | -5,916        | -44,978        | -159,272                     | -170,086       | -238,912        | -196,126       |
| Income tax (expense) recovery                                                                | 3,071         | 1,157          | 2,772                        | 419            | -5,105          | -4,554         |
| Depreciation and amortization                                                                | 18,113        | 21,316         | 78,199                       | 80,072         | 85,127          | 89,077         |
| Interest expense, net of interest income                                                     | 12,600        | 11,476         | 54,093                       | 48,256         | 48,689          | 43,485         |
| <b>EBITDA</b>                                                                                | <b>27,868</b> | <b>-11,029</b> | <b>-24,208</b>               | <b>-41,339</b> | <b>-110,201</b> | <b>-68,118</b> |
| Restructuring charges                                                                        |               | 434            | 9,095                        | 7,970          | 2,774           | 6,450          |
| Foreign exchange (gain) loss                                                                 | -7,827        | 2,761          | 33,048                       | -1,375         | -7,913          | 4,129          |
| Asset impairments, loan loss provisions and net loss (gain) on sale of vessels and equipment |               | -1217          | -935                         | -2,954         | 71,040          | 26,927         |
| Amortization of in-process revenue contracts                                                 | -5,272        | -6,920         | -16,125                      | -26,319        | -47,843         | -60,104        |
| Unrealized losses (gains) on derivative instruments                                          | -257          | -6,751         | -4,600                       | 20,478         | -17,309         | 8,100          |
| Realized losses on interest rate swaps                                                       | 2,181         | 5,691          | 5,809                        | 18,118         | 15,601          | 17,711         |
| Realized losses on interest rate swap amendments and terminations                            |               |                | 2,319                        | 1,319          |                 |                |
| Write down of equity accounted investments                                                   |               |                |                              |                |                 | 1,767          |
| Items related to non-consolidated joint ventures                                             | 1,448         | 1,975          | 7,093                        | 4,914          | 3,670           | 277            |
| Distributions from daughters                                                                 | 45,294        | 43,650         | 185,702                      | 174,070        | 157,038         | 151,297        |
| <b>Adjusted EBITDA</b>                                                                       | <b>63,435</b> | <b>28,594</b>  | <b>197,198</b>               | <b>154,882</b> | <b>66,857</b>   | <b>88,436</b>  |
| Interest expense, net of interest income                                                     | 12,600        | 11,476         | 54,136                       | 48,256         | 48,689          | 43,485         |
| Realized losses relating to interest rate swaps                                              | 2,181         | 5,691          | 5,809                        | 10,966         | 15,517          | 17,775         |
| <b>Net interest expense</b>                                                                  | <b>14,781</b> | <b>17,167</b>  | <b>59,945</b>                | <b>59,222</b>  | <b>64,206</b>   | <b>61,260</b>  |



**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TEEKAY CORPORATION

Date: November 6, 2015

By: /s/ Vincent Lok  
Vincent Lok  
Executive Vice President and Chief Financial  
Officer  
(Principal Financial and Accounting Officer)