



# Fourth Quarter and Fiscal 2013 Earnings Presentation

February 20, 2013



TEEKAY CORPORATION

# Forward Looking Statements

This presentation contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflect management's current views with respect to certain future events and performance, including statements regarding: the increase in annualized cash flows to be received by Teekay Parent due to respective 2.5 percent fourth quarter of 2013 Teekay Offshore and Teekay LNG cash distribution increases; Teekay Parent's strategic objective of becoming a fixed asset-light company focused on creating value by increasing cash flows generated by its publicly-traded daughter entities, including completing Teekay Parent's sale of its last four directly owned conventional oil tankers to TIL; the estimated cost and timing of delivery of newbuildings and converted vessels and the commencement of associated time-charter contracts; the timing and certainty of the *Knarr* FPSO being eligible for sale to Teekay Offshore commencing in the fourth quarter of 2014 under the omnibus agreement; the *Voyageur Spirit* FPSO achieving the certificate of final acceptance from its charterer and commencing full operations under the charterer contract; securing long-term employment for the LNG carrier newbuilding ordered by Teekay LNG in November 2013; expected fuel-efficiency and emission levels associated with the MEGI engines to be built by DSME; the delayed delivery dates for the two LNG carrier newbuildings ordered by Teekay LNG from 2016 to 2017 to better coincide with the expected timing of new LNG shipping projects; TIL's acquisition of four Aframax vessels and the ability of TIL to secure additional future tanker acquisitions; TIL's listing of its shares on the Oslo Stock Exchange; Teekay Tankers completing the acquisition of the Teekay Operations; the Company realizing on its security in loans secured by three VLCCs; the timing of completion of repairs to the *Foinaven* FPSO's second compressor train and the FPSO unit achieving target production under its charter contract; and the timing of amount of future capital expenditure commitments for Teekay Parent, Teekay LNG and Teekay Offshore. The following factors are among those that could cause actual results to differ materially from the forward-looking statements, which involve risks and uncertainties, and that should be considered in evaluating any such statement: changes in production of or demand for oil, petroleum products, LNG and LPG, either generally or in particular regions; greater or less than anticipated levels of tanker newbuilding orders or greater or less than anticipated rates of tanker scrapping; changes in trading patterns significantly affecting overall vessel tonnage requirements; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations; changes in the typical seasonal variations in tanker charter rates; changes in the offshore production of oil or demand for shuttle tankers, FSOs and FPSOs; decreases in oil production by or increased operating expenses for FPSO units; trends in prevailing charter rates for shuttle tanker and FPSO contract renewals; the potential for early termination of long-term contracts and inability of the Company to renew or replace long-term contracts or complete existing contract negotiations; the inability to negotiate new contracts on the three LNG carrier newbuildings ordered in July and November 2013; shipyard production or vessel conversion delays and cost overruns; delays in commencement of operations of FPSO and FSO units at designated fields; changes in the Company's expenses; the Company's future capital expenditure requirements and the inability to secure financing for such requirements; the inability of the *Voyageur Spirit* FPSO to complete certain operational tests and receive its certificate of final acceptance from the charterer; the inability of the Company to repair the second gas compressor train on the *Foinaven* FPSO and achieve target production; the inability of the Company to realize on the security of its VLCC term loan investments; the inability of the Company to complete vessel sale transactions to its public-traded subsidiaries or to third parties; potential delays in the construction of the *Knarr* FPSO and/or commencement of operations under its charter contract; conditions in the capital markets; actual performance of the MEGI engines; failure of TIL to list its shares on the Oslo Stock Exchange or to complete its anticipated vessel acquisitions; and other factors discussed in Teekay's filings from time to time with the SEC, including its Report on Form 20-F for the fiscal year ended December 31, 2012. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.

# Recent Highlights



## TEEKAY CORPORATION (PARENT)

- Generated \$247m of total CFVO<sup>1</sup> in Q4-13, compared to \$218m in Q4-12
- Reported Q4-13 consolidated adjusted net income<sup>2</sup> of \$1.1m, or \$0.02 per share, compared to Q4-12 consolidated adjusted net income<sup>3</sup> of \$2.9m, or \$0.04 per share
- Both TGP and TOO increased their cash distributions by 2.5% in Q4-13
- Agreed to sell last four owned conventional tankers to Tanker Investments Ltd. (*TIL*), a new tanker company jointly created by Teekay Corporation and Teekay Tankers

### TEEKAY LNG PARTNERS

- Declared Q4-13 distribution of \$0.6918 per unit - **\$25.0m to Teekay Parent**
- Completed \$155m acquisition and charter back of second LNG newbuild with Awilco
- Ordered one additional MEGI LNG newbuild for 2017 delivery
- Secured new long-term LPG contracts

### TEEKAY OFFSHORE PARTNERS

- Declared Q4-13 distribution of \$0.5384 per unit - **\$17.7m to Teekay Parent**
- Took delivery of fourth shuttle tanker newbuild; commenced 10-year charter with BG Group in Jan-2014
- Secured contracts for existing shuttle fleet

### TEEKAY TANKERS LTD.

- Declared Q4-13 dividend of \$0.03 per share - **\$0.6m to Teekay Parent**
- Generated Q4-13 CAD<sup>4</sup> of \$0.12 per share
- Jointly created and co-invested with Teekay Corporation in TIL
- Crude tanker rates reached five year highs in Jan-2014

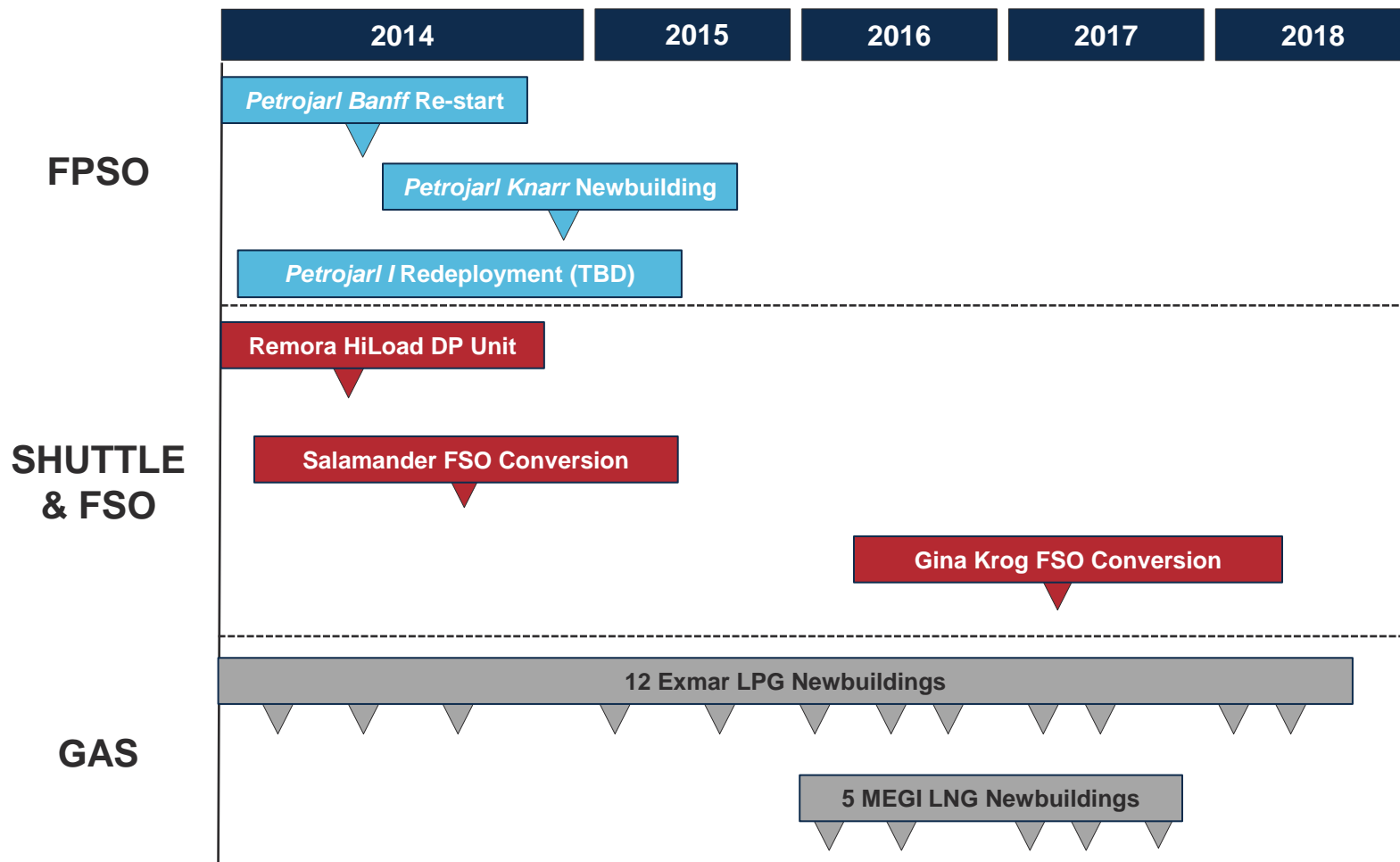
1) Total cash flow from vessel operations (*CFVO*) is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Includes both CFVO from vessels that are consolidated and CFVO from vessels that are equity-accounted for on the Company's financial statements. Please see appendices in the Q4-13 earnings release for a reconciliation of this non-GAAP measure as used in this presentation to the most directly comparable GAAP financial measure.

2) Adjusted net income attributable to stockholders of Teekay for Q4-13 excludes specific items which increased GAAP net loss by \$72.0m, or \$1.02 per share, as detailed in Appendix A of the Q4-13 earnings release.

3) Adjusted net income attributable to stockholders of Teekay for Q4-12 excludes specific items which increased GAAP net loss by \$96.7m, or \$1.39 per share, as detailed in Appendix A of the Q4-13 earnings release.

4) Cash Available for Distribution (*CAD*) represents net income (loss), plus depreciation and amortization, unrealized losses from derivatives, non-cash items and any write-offs of other non-recurring items, less unrealized gains from derivatives. Please see appendices in the Teekay Tankers Q4-13 earnings release for a reconciliation of this non-GAAP measure as used in this presentation to the most directly comparable GAAP financial measure.

# Continued Focus on Project Execution

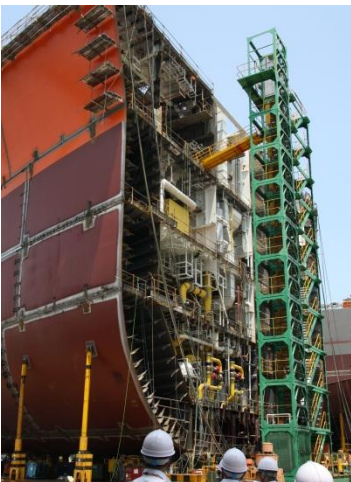




# Petrojarl Knarr FPSO Project

- In Feb-2014, completed \$815 million long-term debt financing
  - Combination of Export Credit Agency (ECA) and commercial debt financing at attractive terms
- Scheduled to sail away to North Sea field in early Q3-14
- Following installation and offshore testing in late Q4-14, the unit is expected to commence its 10-year charter with BG Group (BG)
- The unit is expected to be eligible for sale to Teekay Offshore upon commencement of charter
- In Dec-2013, Teekay Offshore also secured a six-year shuttle tanker contract, plus extension options, with BG to provide oil transportation services for the Knarr field

**Keel Laying**  
(May-2012)



**Ship Launch**  
(Sep-2012)



**Top Side Installation**  
(Jan-2014)



# Teekay Parent FPSO Update

FPSO	Commentary
<i>Foinaven</i> FPSO	First compressor repaired in late Aug-2013. Since that time, the unit has been producing between approximately 30,000 – 35,000 bbls per day. Repairs to second compressor expected to be completed in Mar-2014
<i>Hummingbird Spirit</i> FPSO	Centrica Energy extended contract up to March 2016. Centrica has an option, exercisable by the end of Feb-2014, to extend firm period out by a further 12 months
<i>Petrojarl Banff</i> FPSO	FPSO is expected to recommence charter contract with CNR in late Q2-2014; contract rate step-up in Jan-2015
<i>Petrojarl I</i> FPSO	Currently evaluating redeployment opportunities or sale to a third party

# Q4 2013 Consolidated Adjusted Statement of (Loss) Income

	Three Months Ended December 31, 2013			Three Months Ended September 30, 2013	
	As Reported	Appendix A Items (1)	Reclass for Realized Gains/ Losses on Derivatives (2)	As Adjusted	As Adjusted
(in thousands of US dollars, except per share amounts)					
<b>NET REVENUES</b>					
Revenues	493,546	-	-	493,546	454,795
Voyage expenses	31,727	-	-	31,727	28,022
Net revenues	461,819	-	-	461,819	426,773
<b>OPERATING EXPENSES</b>					
Vessel operating expenses	205,131	(1,961)	262	203,432	218,001
Time charter hire expense	24,164	-	-	24,164	25,486
Depreciation and amortization	109,709	-	-	109,709	109,114
General and administrative	34,360	-	432	34,792	32,419
Asset impairments and provisions	85,300	(85,300)	-	-	-
Loss on sale of vessels and equipment	40	(40)	-	-	-
Restructuring charges	2,617	(2,617)	-	-	-
Total operating expenses	461,321	(89,918)	694	372,097	385,020
Income from vessel operations	498	89,918	(694)	89,722	41,753
<b>OTHER ITEMS</b>					
Interest expense	(48,382)	-	(30,805)	(79,187)	(75,761)
Interest income	5,129	-	-	5,129	1,543
Realized and unrealized gain on derivative instruments	2,875	(34,536)	31,661	-	-
Equity income	35,098	(6,607)	-	28,491	29,146
Income tax recovery	839	4,859	-	5,698	662
Foreign exchange loss	(4,334)	4,496	(162)	-	-
Other - net	1,165	-	-	1,165	625
Total other items	(7,610)	(31,788)	694	(38,704)	(43,785)
<b>Net (loss) income</b>	<b>(7,112)</b>	<b>58,130</b>	<b>-</b>	<b>51,018</b>	<b>(2,032)</b>
Less: Net income attributable to non-controlling interest	(63,753)	13,870	-	(49,883)	(33,982)
<b>NET (LOSS) INCOME ATTRIBUTABLE TO STOCKHOLDERS OF TEEKAY CORP.</b>	<b>(70,865)</b>	<b>72,000</b>	<b>-</b>	<b>1,135</b>	<b>(36,014)</b>
<b>Fully diluted (loss) income per share</b>	<b>(1.00)</b>			<b>0.02</b>	<b>(0.51)</b>

1 See Appendix to this presentation for description of Appendix A items.

2 Please refer to footnotes (2) and (5) to the Summary Consolidated Statements of Loss (Income) in the Q4-13 earnings release.

# Q1 2014 Outlook – Teekay Consolidated

Income Statement Item	Q1-2014 Outlook
Net Revenues	<ul style="list-style-type: none"> <li>» <u>Fixed-Rate Fleet (expected changes from Q4-13):</u> <ul style="list-style-type: none"> <li>• \$20m decrease from the Foinaven FPSO due to annual recognition of operation and oil price tariff revenue in Q4-13</li> <li>• \$8m decrease from the remaining FPSO fleet primarily due to temporary declines in production</li> <li>• \$3m decrease from the recognition of interest income on the VLCC term loans in Q4-13</li> <li>• \$3m decrease from the shuttle tanker fleet from less project revenues, partially offset by full quarter of revenues on the last two BG shuttles</li> <li>• \$2m decrease from conventional tanker sales and redeliveries, net of fewer drydocking days and new out-charters</li> </ul> </li> <li>» <u>Spot-Rate Fleet (expected changes from Q4-13):</u> <ul style="list-style-type: none"> <li>• Net revenue days approximately 320 lower than Q4-13</li> <li>• Approximately 65% of Q1-14 spot revenue days for Aframax and Suezmaxes fixed at \$25,000/day and \$34,000/day, respectively, compared to \$14,700/day and \$15,600/day, respectively, in Q4-13</li> </ul> </li> </ul>
Vessel Operating Expenses (OPEX)	» Decrease of \$7m due to lower shuttle R&M and the sale of six conventional tankers, partially offset by a full quarter of OPEX for the last two BG shuttles
Time-charter Hire Expense	» Decrease of \$9m due to the re-delivery of two in-chartered shuttle tankers and three conventional tankers during Q4-13 and Q1-14
Depreciation & Amortization	» Decrease of \$5m due to the sale of six conventional tankers and Q4-13 impairment charges
General & Administrative	» Increase of \$5m due to certain long-term incentive compensation recognized annually in the first quarter of each year
Net Interest Expense	» Increase of approximately \$3m primarily from Q4-13 including interest income related to settlement of loans to JV partner
Equity Income	» Expected to be consistent with Q4-13 at approximately \$28m
Income Tax Expense	» Approximately \$1m
Non-controlling Interest Expense	» Expected range: \$56m to \$58m, increase primarily due to increased income expected in TNK from higher spot tanker rates



# Execution Plan

Increase Teekay Parent  
Free Cash Flow and NAV

Deleverage  
Teekay Parent  
Balance Sheet

Improve  
Profitability

Support Growth of  
Daughter Entities

# Appendix



# Q4 2013 Appendix A Item Descriptions

(in thousands of US dollars)	Q4 - 2013	
	<u>Appendix A Items</u>	<u>Explanation of Items</u>
<b>NET VOYAGE REVENUES</b>		
Revenues	-	
Voyage expenses	-	
Net revenues	<u>-</u>	
<b>OPERATING EXPENSES</b>		
Vessel operating expense	(1,961)	Pre-operational costs incurred in respect of Knarr FPSO unit.
Time charter hire expense	-	
Depreciation and amortization	-	
General and administrative	-	
Asset impairments and provisions	(85,300)	Impairment charge on four conventional tankers, two shuttle tankers, provision against a receivable, net of reversals of previous provisions against investments in term loans and loan to a joint venture partner
Loss on sale of vessels and equipment	(40)	
Restructuring charges	(2,617)	Restructuring of marine operations and certain administrative activities, termination of crew on sale of two conventional tankers, and reflagging of two shuttle tankers
Total operating expenses	<u>(89,918)</u>	
Income from vessel operations	89,918	
<b>OTHER ITEMS</b>		
Interest expense	-	
Interest income	-	
Realized and unrealized gain on derivative instruments	(34,536)	Unrealized gains on derivative instruments
Equity income	(6,607)	Unrealized gains on derivative instruments in joint ventures
Income tax expense	4,859	Valuation allowance and recovery of tax related to prior years
Foreign exchange loss	4,496	Unrealized foreign exchange losses
Other - net	-	
Total other items	<u>(31,788)</u>	
Net income	58,130	
Less: Amount attributable to non-controlling interest	13,870	Non-controlling interest on applicable items noted above
NET INCOME ATTRIBUTABLE TO STOCKHOLDERS OF TEEKAY CORP.	<u>72,000</u>	

# Q3 2013 Consolidated Adjusted Statement of (Loss) Income

Three Months Ended  
September 30, 2013

(in thousands of US dollars, except per share amounts)

	As Reported	Appendix A Items (1)	Reclass for Realized Gains/ Losses on Derivatives (2)	As Adjusted
<b>NET REVENUES</b>				
Revenues	454,795	-	-	454,795
Voyage expenses	28,022	-	-	28,022
Net revenues	426,773	-	-	426,773
<b>OPERATING EXPENSES</b>				
Vessel operating expenses	217,579	-	422	218,001
Time charter hire expense	25,486	-	-	25,486
Depreciation and amortization	109,114	-	-	109,114
General and administrative	31,932	(19)	506	32,419
Asset impairments and provisions	72,846	(72,846)	-	-
Gain on sale of vessels and equipment	(726)	726	-	-
Restructuring charges	461	(461)	-	-
Total operating expenses	456,692	(72,600)	928	385,020
(Loss) income from vessel operations	(29,919)	72,600	(928)	41,753
<b>OTHER ITEMS</b>				
Interest expense	(45,817)	-	(29,944)	(75,761)
Interest income	1,543	-	-	1,543
Realized and unrealized loss on derivative instruments	(26,707)	(4,527)	31,234	-
Equity income	26,753	2,393	-	29,146
Income tax recovery	662	-	-	662
Foreign exchange loss	(11,837)	12,199	(362)	-
Other - net	625	-	-	625
Total other items	(54,778)	10,065	928	(43,785)
<b>Net loss</b>	<b>(84,697)</b>	<b>82,665</b>	<b>-</b>	<b>(2,032)</b>
Less: Net loss (income) attributable to non- controlling interest	35,593	(69,575)	-	(33,982)
<b>NET LOSS ATTRIBUTABLE TO STOCKHOLDERS OF TEEKAY CORP.</b>	<b>(49,104)</b>	<b>13,090</b>	<b>-</b>	<b>(36,014)</b>
<b>Fully diluted loss per share</b>	<b>(0.69)</b>	<b>(0.69)</b>	<b>(0.69)</b>	<b>(0.51)</b>

1 See Appendix to this presentation for description of Appendix A items.

2 Please refer to footnotes (2) and (5) to the Summary Consolidated Statements of Loss (Income) in the Q3-13 earnings release.

# Teekay Group Capital Commitments

- Teekay Group's remaining capital commitments relating to its portion of acquisitions and newbuildings as at December 31, 2013:

(in Millions)	2014	2015	2016	2017	2018	Total
Teekay Offshore <sup>(1)</sup>	\$71	\$97	\$79	-	-	\$247
Teekay LNG <sup>(2)</sup>	\$104	\$115	\$403	\$438	\$35	\$1,095
Teekay Parent <sup>(3)</sup>	\$356	-	-	-	-	\$356
Total Teekay Consolidated	\$531	\$212	\$482	\$438	\$35	\$1,698

- (1) Includes capital expenditures related to the Remora HiLoad DP unit and two FSO unit conversions using existing shuttle tankers.
- (2) Includes capital expenditures related to five newbuilding LNG carriers and Teekay LNG's 50 percent interest in the 12 newbuilding LPG carriers being constructed for the Exmar LPG BVBA joint venture.
- (3) Includes remaining capital expenditures related to the *Petrojarl Knarr* FPSO newbuilding.



# 2013 and 2014 Drydock Schedule

Entity	Segment	Total 2013 (A)		March 31, 2014 (E)		June 30, 2014 (E)		September 30, 2014 (E)		December 31, 2014 (E)		Total 2014	
		Vessels Off-hire	Total Off-hire Days	Vessels Off-hire	Total Off-hire Days	Vessels Off-hire	Total Off-hire Days	Vessels Off-hire	Total Off-hire Days	Vessels Off-hire	Total Off-hire Days	Vessels Off-hire	Total Off-hire Days
Teekay Parent	Spot Tanker	1	44	-	-	-	-	-	-	-	-	-	-
		1	44	-	-	-	-	-	-	-	-	-	-
Teekay LNG	Fixed-Rate Tanker	3	74	-	-	1	21	1	21	1	26	3	68
	Liquefied Gas	2	62	1	22	-	-	1	22	1	4	3	48
	LNG Carrier - equity accounted	1	28	1	18	1	22	-	-	-	-	2	40
		6	164	2	40	2	43	2	43	2	30	8	156
Teekay Offshore	Spot Tanker	1	26	-	-	-	-	-	-	-	-	-	-
	Fixed-Rate Tanker	-	-	-	-	-	-	1	26	-	-	1	26
	Shuttle Tanker	6	215	1	37	1	32	3	104	2	72	7	245
		7	241	1	37	1	32	4	130	2	72	8	271
Teekay Tankers	Spot Tanker	4	103	1	25	-	-	-	-	1	23	2	48
	Fixed-Rate Tanker	5	133	-	-	2	47	1	23	1	23	4	93
		9	236	1	25	2	47	1	23	2	46	6	141
Tanker Investments	Spot Tanker - equity accounted	-	-	-	-	1	24	1	24	1	24	3	72
				-	-	1	24	1	24	1	24	3	72
Teekay Consolidated	Spot Tanker	6	173	1	25	-	-	-	-	1	23	2	48
	Spot Tanker - equity accounted	-	-	-	-	1	24	1	24	1	24	3	72
	Fixed-Rate Tanker	8	207	-	-	3	68	3	70	2	49	8	187
	Liquefied Gas	2	62	1	22	-	-	1	22	1	4	3	48
	Shuttle Tanker	6	215	1	37	1	32	3	104	2	72	7	245
	LNG Carrier - equity accounted	1	28	1	18	1	22	-	-	-	-	2	40
		23	686	4	102	6	146	8	220	7	172	25	640

Note: In the case that a vessel off-hire straddles between quarters, the off-hire has been allocated to the quarter in which the majority of off-hire days occur.

# Teekay Parent Conventional Tanker Fleet Performance

	Q4-13	Q3-13	Q4-12
<b>Suezmax</b>			
Gemini Suezmax Pool average spot TCE rate <sup>(1)</sup>	\$ 15,600	\$ 13,800	\$ 11,509
Spot revenue days <sup>(2)</sup>	326	368	364
Average time-charter rate <sup>(3)</sup>	\$ 20,100	\$ 21,600	\$ 20,453
Time-charter revenue days	176	134	184
<b>Aframax</b>			
Teekay Aframax Pool average spot TCE rate <sup>(1) (4) (5)</sup>	\$ 14,700	\$ 14,100	\$ 13,783
Spot revenue days <sup>(2)</sup>	492	489	638
Average time-charter rate <sup>(3)</sup>	\$ 15,000	\$ 13,700	\$ 18,792
Time-charter revenue days	92	92	318
<b>MR</b>			
Average time-charter rate <sup>(3)</sup>	\$ 39,400	\$ 41,200	\$ 46,528
Time-charter revenue days	92	92	92

(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 vessels commercially managed on behalf of third parties. Suezmax spot revenues days exclude vessels on back-to-back in-charters.

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

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

(5) The average Teekay Aframax spot TCE table (including vessels greater than 15 years old and realized results of bunker hedging and FFAs) was \$13,000 per day, \$12,800 per day, and \$13,159 per day during the three months ended December 31, 2013, September 30, 2013, and December 31, 2012, respectively.



TEEKAY CORPORATION