

TEEKAY CORP  
Form 424B5  
September 12, 2016  
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**Filed Pursuant to Rule 424(b)(5)  
Registration Number 333-213213**

**PROSPECTUS SUPPLEMENT**

(To Prospectus dated September 2, 2016)

# **Teekay Corporation**

## **Common Stock**

### **Having an Aggregate Offering Price of Up to \$50,000,000**

We have entered into an equity distribution agreement with Citigroup Global Markets Inc., or the Agent, relating to the shares of common stock of Teekay Corporation offered by this prospectus supplement and the accompanying prospectus. In accordance with the terms of the equity distribution agreement, we may offer and sell shares of common stock having an aggregate offering price of up to \$50,000,000 from time to time through the Agent, as our sales agent, or directly to the Agent acting as principal.

Sales of the common stock, if any, made by the Agent, as our sales agent, as contemplated by this prospectus supplement and the accompanying prospectus, may be made by means of ordinary brokers' transactions on the New York Stock Exchange at market prices, in block transactions, or as otherwise agreed between us and the Agent. We will pay the Agent a commission of up to 2.0% of the gross sales price per share of common stock sold through the Agent, as our sales agent, under the equity distribution agreement.

Under the terms of the equity distribution agreement, we also may sell shares of common stock to the Agent as principal at a price to be agreed upon at the time of sale. If we sell shares of common stock to the Agent as principal, we will enter into a separate terms agreement with the Agent, and we will describe the public offering price, underwriting discount (which may exceed 2.0% of the public offering price) and other terms of the offering of those shares of common stock in a separate prospectus supplement or pricing supplement.

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The Agent is not required to sell any specific number of shares or dollar amount of our common stock but will use its reasonable efforts, as our sales agent, and on the terms and subject to the conditions of the equity distribution agreement, to sell the common stock offered on terms agreed by the Agent and us. The offering of shares of our common stock pursuant to the equity distribution agreement will terminate upon the earlier of (1) the sale of all of the common stock subject to the equity distribution agreement and (2) the termination of the equity distribution agreement by either the Agent or us.

Our common stock trades on the New York Stock Exchange under the symbol TK. The last reported sale price of our common stock on the New York Stock Exchange on September 8, 2016 was \$8.12 per share.

**Investing in our common stock involves a high degree of risk. You should carefully consider each of the factors described or referred to under Risk Factors on page S-4 of this prospectus supplement, page 7 of the accompanying prospectus and in the documents incorporated by reference into this prospectus supplement and accompanying prospectus before you make an investment in our common stock.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

# Citigroup

The date of this prospectus supplement is September 9, 2016.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of shares of our common stock. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering of common stock. Generally, when we refer to the prospectus, we refer to both parts combined. If information varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Any statement made in this prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document that is also incorporated by reference into this prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You should rely only on the information contained or incorporated by reference in this prospectus or any free writing prospectus we may authorize to be delivered to you. We have not authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. You should not assume that the information contained in this prospectus or any free writing prospectus we may authorize to be delivered to you, as well as the information we previously filed with the Securities and Exchange Commission (or *SEC*) that is incorporated by reference into this prospectus, is accurate as of any date other than its respective date. Our business, financial condition, results of operations and prospects may have changed since such dates.

We are offering to sell shares of our common stock, and are seeking offers to buy shares of our common stock, only in jurisdictions where offers and sales are permitted. The distribution of this prospectus and the offering of shares of our common stock in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to the offering of the common stock and the distribution of this prospectus outside the United States. This prospectus does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Unless otherwise indicated, references in this prospectus to Teekay Corporation, we, us and our and similar terms refer to Teekay Corporation and/or one or more of its subsidiaries, except that those terms, when used in this prospectus in connection with the common stock described herein, shall mean specifically Teekay Corporation. Unless otherwise indicated, all references in this prospectus supplement to dollars and \$ are to, and amounts are presented in, U.S. Dollars, and financial information presented in this prospectus supplement is prepared in accordance with accounting principles generally accepted in the United States (or *GAAP*).

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**FORWARD-LOOKING STATEMENTS**

All statements, other than statements of historical fact, included in or incorporated by reference into this prospectus are forward-looking statements. In addition, we and our representatives may from time to time make other oral or written statements that are also forward-looking statements. Such statements include, in particular, statements about our future or anticipated operations, cash flows, financial position, plans, strategies, business prospects, changes and trends in our business, and the markets in which we operate. In some cases, you can identify the forward-looking statements by the use of words such as may, will, could, should, would, expect, plan, anticipate, intend, forecast, estimate, predict, propose, potential, continue or the negative of these terms or other comparable terminology.

These and other forward-looking statements reflect management's current plans, expectations, estimates, assumptions and beliefs concerning future events affecting us. Forward-looking statements involve known and unknown risks and are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond our control. We caution that forward-looking statements are not guarantees and that actual results may differ materially from those expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially include, but are not limited to, those factors discussed under the heading "Risk Factors" set forth in this prospectus and those factors discussed in our most recent Annual Report on Form 20-F, our reports on Form 6-K for the quarters ended March 31, 2016 and June 30, 2016 and other reports we file with or furnish to the SEC and that are incorporated into this prospectus by reference.

We undertake no obligation to update any forward-looking statement to reflect any change in our expectations or events or circumstances that may arise after the date on which such statement is made. New factors emerge from time to time, and it is not possible for us to predict all of these factors. In addition, we cannot assess the effect of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement.

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### SUMMARY

*This summary highlights selected information contained elsewhere in this prospectus and the documents incorporated by reference in this prospectus and does not contain all the information you will need in making an investment decision. You should carefully read this entire prospectus supplement, the accompanying prospectus, and the documents incorporated by reference into this prospectus.*

### Overview

We are a leading provider of international crude oil and gas marine transportation services and we also offer offshore oil production, storage and offloading services, primarily under long-term, fixed-rate contracts. Over the past decade, we have undergone a major transformation from being primarily an owner of ships in the cyclical spot tanker business to being a growth-oriented asset manager in the Marine Midstream sector. This transformation has included our expansion into the liquefied natural gas (or *LNG*) and liquefied petroleum gas (or *LPG*) shipping sectors through our publicly-listed subsidiary Teekay LNG Partners L.P. (NYSE: TGP) (or *Teekay LNG*), further growth of our operations in the offshore production, storage and transportation sector through our publicly-listed subsidiary Teekay Offshore Partners L.P. (NYSE: TOO) (or *Teekay Offshore*) and through our 100% ownership interest in Teekay Petrojarl AS, and the continuation of our conventional tanker business through our publicly-listed subsidiary Teekay Tankers Ltd. (NYSE: TNK) (or *Teekay Tankers*). Our organizational structure can be divided into (a) our controlling interests in our publicly-listed subsidiaries, Teekay Offshore, Teekay LNG and Teekay Tankers and (b) Teekay Corporation and its remaining subsidiaries.

Teekay Offshore includes our shuttle tanker operations, floating storage and off-take (or *FSO*) units, one HiLoad DP unit, a majority of our floating production, storage and offloading (or *FPSO*) units, and offshore support which includes a unit for maintenance and safety (or *UMS*), which primarily operate under long-term fixed-rate contracts, and long-distance towing and offshore installation vessels.

Teekay LNG includes all of our LNG and LPG carriers. LNG carriers are usually chartered to carry LNG pursuant to time-charter contracts, where a vessel is hired for a fixed period of time. LPG carriers are mainly chartered to carry LPG and ammonia on time charters, on contracts of affreightment or spot voyage charters.

Teekay Tankers, including Teekay Tankers' minority investment in Tanker Investments Ltd., includes a substantial majority of our conventional crude oil tankers and product carriers. Our conventional crude oil tankers and product tankers primarily operate in the spot-tanker market or are subject to time charters or contracts of affreightment that are priced on a spot-market basis or are short-term, fixed-rate contracts. We consider contracts that have an original term of less than one year in duration to be short-term. Certain of our conventional crude oil tankers and product tankers are on fixed-rate time-charter contracts with an initial duration of at least one year. Our conventional Aframax, Suezmax, and large and medium product tankers are among the vessels included in Teekay Tankers.

The Teekay organization was founded in 1973. We are a Republic of the Marshall Islands corporation and maintain our principal executive headquarters at 4<sup>th</sup> floor, Belvedere Building, 69 Pitts Bay Road, Hamilton, HM 08, Bermuda. Our telephone number at such address is (441) 298-2530. Our principal operating office is located at Suite 2000, Bentall 5, 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2K2. Our telephone number at such address is (604) 683-3529. Our website address is [www.teekay.com](http://www.teekay.com). The information contained in our website is not part of this prospectus.



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**The Offering**

Issuer	Teekay Corporation
Common stock offered by us	Shares of common stock having an aggregate offering price of up to \$50,000,000.
Use of proceeds	We intend to use the net proceeds from this offering, if any, after deducting the Agent's commission and our offering expenses, for general corporate purposes, which may include, among other things, repaying a portion of our outstanding indebtedness and funding working capital, capital expenditures or acquisitions. Please read Use of Proceeds.
New York Stock Exchange Symbol	TK
Risk factors	Investing in our common stock involves risks. You should carefully consider each of the factors described or referred to under Risk Factors beginning on page S-4 of this prospectus supplement, page 7 of the accompanying prospectus and in the documents incorporated by reference into this prospectus supplement and accompanying prospectus before you make an investment in our common stock.



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**RISK FACTORS**

An investment in our common stock involves risk. Before investing in our common stock, you should carefully consider all the information included or incorporated by reference in this prospectus, including the risks discussed under the heading "Risk Factors" in the accompanying prospectus, in our latest Annual Report on Form 20-F filed with the SEC and in our reports on Form 6-K for the quarters ended March 31, 2016 and June 30, 2016, each of which is incorporated by reference into this prospectus supplement. For more information, please read "Where You Can Find More Information" and "Incorporation of Documents by Reference" in this prospectus supplement. In addition, you should read "Material United States Federal Income Tax Considerations" in this prospectus supplement and in the accompanying prospectus for a more complete discussion of expected material U.S. federal income tax consequences of owning and disposing of our securities.

If any of these risks were to occur, our business, financial condition, operating results or cash flows could be materially adversely affected. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties that are not yet identified may also materially harm our business, financial condition, operating results and cash flows. In that case, the trading price of our common stock could decline, you could lose all or part of your investment and our ability to pay dividends on shares of our common stock may be reduced or restricted.

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**USE OF PROCEEDS**

We intend to use the net proceeds from this offering of shares of our common stock, if any, after deducting the Agent's commission and our offering expenses, for general corporate purposes, which may include, among other things, repaying a portion of our outstanding indebtedness and funding working capital, capital expenditures or acquisitions.

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**Table of Contents****CAPITALIZATION**

The following table sets forth our historical capitalization on a consolidated basis as of June 30, 2016.

The data in the table is derived from, and should be read in conjunction with, our historical financial statements, including accompanying notes, and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" from our Report on Form 6-K for the quarter ended June 30, 2016, which is incorporated by reference herein. The information in the table below supersedes in its entirety the information in the accompanying prospectus under the caption "Capitalization."

	<b>As of June 30, 2016</b> <b>(in thousands)</b>
Cash and cash equivalents(1)	\$ 789,708
Restricted cash	143,039
<b>Total cash and cash equivalents and restricted cash</b>	<b>\$ 932,747</b>
<b>Debt:</b>	
Total debt(1)	\$ 7,000,637
Redeemable non-controlling interest	248,317
<b>Equity:</b>	
Common stock and additional paid-in capital	\$ 875,275
Retained earnings	31,892
Non-controlling interest	2,866,027
Accumulated other comprehensive loss	(24,743)
Total equity	\$ 3,748,451
<b>Total capitalization</b>	<b>\$ 10,997,405</b>

- (1) The following table presents and reconciles Teekay Corporation's historical consolidated and Teekay Parent's historical cash and cash equivalents and total debt, respectively. Teekay Parent means, collectively, Teekay Corporation and its non-publicly traded subsidiaries. Teekay Parent's cash and cash equivalents and total debt are reconciled to Teekay Corporation's consolidated cash and cash equivalents and total debt, which are the most directly comparable financial measures calculated and presented in accordance with GAAP.

	<b>As of June 30, 2016</b> <b>(in thousands)</b>		
	<b>Teekay</b>		
	<b>Corporation</b>	<b>Public</b>	<b>Teekay</b>
	<b>consolidated</b>	<b>subsidiaries</b>	<b>Parent</b>
Cash and cash equivalents	\$ 789,708	\$ 566,234	\$ 223,474
Total debt	\$ 7,000,637	\$ 6,175,790	\$ 824,847

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Shares of our common stock are listed for trading on the New York Stock Exchange under the symbol TK.

The following table sets forth, for the periods indicated, the high and low sales price per share of our common stock, as reported on the New York Stock Exchange, and the amount of quarterly dividends declared per share. The closing sale price of our common stock on the New York Stock Exchange on September 8, 2016 was \$8.12 per share.

As of September 1, 2016, there were 84,832,919 shares of our common stock outstanding. Based on the Schedule 13D/A filed with the SEC on July 1, 2016, Resolute Investments, Ltd. and its affiliates hold 31,936,012 shares, representing 37.6%, of our outstanding common stock.

In connection with recently completed financing initiatives, we agreed that, until Teekay Offshore repays amounts outstanding under its Norwegian Kroner bonds due in 2018, Teekay Corporation will not pay any dividends in cash to any shareholder unless Teekay Corporation matches or exceeds the amount of cash paid by proceeds raised through the issuance of additional equity in advance of, or within six months following, the payment of such dividends.

<b>Years Ended</b>	<b>Price Ranges</b>		<b>Quarterly Cash Dividends(1)</b>
	<b>High</b>	<b>Low</b>	
December 31, 2015	\$ 51.39	\$ 6.65	
December 31, 2014	67.98	44.01	
December 31, 2013	48.13	32.49	
December 31, 2012	36.60	24.89	
December 31, 2011	37.93	20.67	
<b>Quarters Ended</b>			
September 30, 2016(2)	\$ 8.22	\$ 5.45	
June 30, 2016	11.85	6.69	\$ 0.055
March 31, 2016	10.23	4.37	0.055
December 31, 2015	35.93	6.65	0.055
September 30, 2015	44.58	28.36	0.550
June 30, 2015	51.39	42.22	0.550
March 31, 2015	51.20	41.12	0.31625
December 31, 2014	67.97	44.01	0.31625
September 30, 2014	67.98	49.63	0.31625
June 30, 2014	62.67	54.82	0.31625
March 31, 2014	60.42	46.59	0.31625
<b>Months Ended</b>			
September 30, 2016(3)	\$ 8.22	\$ 6.87	
August 31, 2016	7.59	5.45	
July 31, 2016	7.76	5.99	
June 30, 2016	10.56	6.69	
May 31, 2016	11.18	7.67	
April 30, 2016	11.85	7.76	
March 31, 2016	10.20	7.59	
February 29, 2016	8.58	5.34	
January 31, 2016	10.23	4.37	

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- (1) Dividends are shown for the quarter with respect to which they were declared.
- (2) Period beginning July 1, 2016 and ending September 8, 2016.
- (3) Period beginning September 1, 2016 and ending September 8, 2016.

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**MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

For a discussion of the material U.S. federal income tax considerations associated with our operations and the purchase, ownership and disposition of our common stock, please read Item 10 Additional Information Material U.S. Federal Income Tax Considerations in our most recent Annual Report on Form 20-F, and Material United States Federal Income Tax Considerations beginning on page 23 of the accompanying prospectus, both of which are incorporated by reference into this prospectus. These discussions should be read in conjunction with the risk factors included under the caption Tax Risks in the accompanying prospectus and those risk factors included in Item 3 Key Information Tax Risks in our most recent Annual Report on Form 20-F.

The tax consequences to you of an investment in our common stock will depend, in part, on your own tax circumstances. You are urged to consult with your own tax advisor about the federal, state, local and foreign tax consequences particular to your circumstances.

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**NON-UNITED STATES TAX CONSIDERATIONS**

The following discussion is based upon the opinion of Watson Farley & Williams LLP, our counsel as to matters of the laws of the Republic of The Marshall Islands, and the current laws of the Republic of The Marshall Islands and is applicable only to persons who are not citizens of and do not reside in, maintain offices in or engage in business in the Republic of The Marshall Islands.

Because we and our subsidiaries do not, and we do not expect that we or any of our subsidiaries will, reside in or conduct business, transactions or operations in the Republic of The Marshall Islands, and because we anticipate that all documentation related to any offerings pursuant to this prospectus will be executed outside of the Republic of The Marshall Islands, under current Marshall Islands law holders of our common stock will not be subject to Marshall Islands taxation or withholding on dividends. In addition, holders of our common stock will not be subject to Marshall Islands stamp, capital gains or other taxes on the purchase, ownership or disposition of shares of common stock, and you will not be required by the Republic of The Marshall Islands to file a tax return relating to the shares of common stock.

It is the responsibility of each shareholder to investigate the legal and tax consequences, under the laws of pertinent jurisdictions, including the Marshall Islands, of its investment in us. Accordingly, each shareholder is urged to consult its tax counsel or other advisor with regard to those matters. Further, it is the responsibility of each shareholder to file all state, local and non-U.S., as well as U.S. federal, tax returns which may be required of such shareholder.

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**PLAN OF DISTRIBUTION**

We have entered into an equity distribution agreement with Citigroup Global Markets Inc., or the Agent, under which we may offer and sell shares of common stock having an aggregate offering price of up to \$50,000,000 from time to time through the Agent, as our sales agent. We have filed the equity distribution agreement as an exhibit to a Report on Form 6-K, which is incorporated by reference in this prospectus supplement. The sales, if any, of shares of our common stock made under the equity distribution agreement will be made by means of ordinary brokers' transactions on the New York Stock Exchange at market prices, in block transactions, or as otherwise agreed upon by the Agent and us. As sales agent, the Agent will not engage in any transactions that stabilize the price of our common stock.

Under the terms of the equity distribution agreement, we also may sell shares of our common stock to the Agent as principal for its own account at a price agreed upon at the time of sale. If we sell shares of our common stock to the Agent as principal, we will enter into a separate agreement with the Agent, and we will describe this agreement in a separate prospectus supplement or pricing supplement.

We will designate the maximum amount of common stock to be sold through the Agent on a daily basis or otherwise as we and the Agent agree and the minimum price per share at which such common stock may be sold. Subject to the terms and conditions of the equity distribution agreement, the Agent will use its reasonable efforts to sell on our behalf all of the designated shares of common stock. We may instruct the Agent not to sell any common stock if the sales cannot be effected at or above the price designated by us in any such instruction. We or the Agent may suspend the offering of common stock at any time and from time to time by notifying the other party.

The Agent will provide to us written confirmation following the close of trading on the New York Stock Exchange each day on which common stock is sold under the equity distribution agreement. Each confirmation will include the number of shares sold on that day, the gross sales proceeds, the net proceeds to us (after regulatory transaction fees, if any, but before other expenses) and the compensation payable by us to the Agent. We will report at least quarterly the number of shares sold through the Agent under the equity distribution agreement, the net proceeds to us (before expenses) and the compensation paid by us to the Agent in connection with the sales of common stock.

We will pay the Agent a commission of up to 2% of the gross sales price per share sold through it as our agent under the equity distribution agreement. We have agreed to reimburse the Agent for certain of its expenses.

Settlement for sales of shares of our common stock will occur on the third business day following the date on which any sales were made in return for payment of the net proceeds to us. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

If we or the Agent have reason to believe that our common stock is no longer an actively-traded security as defined under Rule 101(c)(1) of Regulation M under the U.S. Securities Exchange Act of 1934, as amended, that party will promptly notify the other and sales of common stock pursuant to the equity distribution agreement or any terms agreement will be suspended until in our collective judgment Rule 101(c)(1) or another exemptive provision has been satisfied.

The offering of shares of our common stock pursuant to the equity distribution agreement will terminate upon the earlier of (1) the sale of all common stock subject to the equity distribution agreement and (2) the termination of the equity distribution agreement by us or by the Agent.



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In connection with the sale of the shares of our common stock on our behalf, the Agent may be deemed to be an underwriter within the meaning of the Securities Act of 1933, as amended (or the *Securities Act*), and the compensation paid to the Agent may be deemed to be underwriting commissions or discounts. We have agreed to provide indemnification and contribution to the Agent against certain liabilities, including liabilities under the Securities Act.

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Citigroup Global Markets Inc. and its affiliates have, from time to time, performed, and may in the future perform, various financial advisory and commercial and investment banking services for us and our affiliates, for which they have received and in the future will receive customary compensation and expense reimbursement. Affiliates of Citigroup Global Markets Inc. are lenders under certain of our and our affiliates' credit facilities, including the Margin Loan Agreement, dated December 21, 2012, as amended. To the extent we use proceeds from this offering to repay indebtedness under our credit facilities, affiliates of Citigroup Global Markets Inc. may receive a portion of the proceeds from this offering.

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**LEGAL MATTERS**

Certain legal matters will be passed upon for us by Perkins Coie LLP, Portland, Oregon. The validity of the shares of our common stock offered hereby and certain other legal matters with respect to the laws of the Republic of the Marshall Islands will be passed upon for us by Watson Farley & Williams LLP. Vinson & Elkins L.L.P., Washington, D.C., will pass upon certain legal matters in connection with the offering on behalf of the Agent.

**EXPERTS**

The consolidated financial statements of Teekay Corporation as of December 31, 2015 and 2014, and for each of the years in the three-year period ended December 31, 2015, and management's assessment of the effectiveness of internal control over financial reporting of Teekay Corporation as of December 31, 2015; the consolidated financial statements of Malt LNG Netherlands Holdings B.V. as of December 31, 2015 and 2014, and for each of the years in the three-year period ended December 31, 2015, filed as Exhibit 23.2 to our Annual Report on Form 20-F for the year ended December 31, 2015; and the consolidated financial statements of Exmar LPG BVA as of December 31, 2014 and 2013, and for the year ended December 31, 2014 and for the period from February 12, 2013 to December 31, 2013, filed as Exhibit 23.3 to our Annual Report on Form 20-F for the year ended December 31, 2015, have been incorporated by reference herein and in the registration statement in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing. The audit reports for Teekay Corporation and Malt LNG Netherlands Holdings B.V. covering the December 31, 2015 consolidated financial statements refer to a retrospective change in the method of accounting for debt issuance costs effective December 31, 2015 due to the adoption of Accounting Standards Update 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. To the extent that KPMG LLP audits and reports on financial statements of Teekay Corporation issued at future dates, and consents to the use of its report thereon, such financial statements also will be incorporated by reference in the registration statement in reliance upon its report and said authority.

**INCORPORATION OF DOCUMENTS BY REFERENCE**

The SEC allows us to incorporate by reference information that we file with the SEC. This means that we can disclose important information to you without actually including the specific information in this prospectus by referring you to other documents filed separately with the SEC. The information incorporated by reference is an important part of this prospectus. Information that we later provide to the SEC, and which is deemed to be filed with the SEC and incorporated into this prospectus, automatically will update information previously filed with the SEC and may replace information in this prospectus.

We incorporate by reference into this prospectus the documents listed below:

our Annual Report on Form 20-F for the fiscal year ended December 31, 2015;

all subsequent Annual Reports on Form 20-F filed with the SEC prior to the termination of this offering;

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our Reports on Form 6-K filed with the SEC on April 29, 2016, May 24, 2016, May 31, 2016, June 30, 2016, August 11, 2016, September 1, 2016 and September 9, 2016;

all annual reports on Form 20-F, and all reports on Form 6-K that we expressly identify in such reports as being incorporated by reference into the registration statement of which this prospectus is a part, that we file with or furnish to the SEC pursuant to Section 13(a), 13(c) or 15(d) of the Exchange Act subsequent to the date of this prospectus and prior to completion of this offering; and

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the description of our common stock contained in our Registration Statement on Form 8-A filed on February 11, 2003, and the description of our common share purchase rights contained in our Registration Statement on Form 8-A/A filed on July 2, 2010, including any subsequent amendments or reports filed for the purpose of updating such descriptions.

These reports contain important information about us, our financial condition and our results of operations.

You may obtain any of the documents incorporated by reference in this prospectus from the SEC through its public reference facilities or its website at the addresses provided in *Where You Can Find More Information* in the accompanying prospectus. You also may request a copy of any document incorporated by reference into this prospectus (excluding any exhibits to those documents, unless the exhibit is specifically incorporated by reference in this document), at no cost by visiting our internet website at *www.teekay.com*. The information contained in our website, or any other website, is not incorporated by reference into this prospectus and does not constitute a part of this prospectus. You may also make requests for such documents at no cost by writing or calling us at the following address:

Teekay Corporation

4th Floor, Belvedere Building,

69 Pitts Bay Road

Hamilton HM 08, Bermuda

Attn: Corporate Secretary

(441) 298-2530

You should rely only on the information incorporated by reference or provided in this prospectus. We have not authorized anyone else to provide you with any information. You should not assume that the information incorporated by reference or provided in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of each document.

In reviewing any agreements included as exhibits to the registration statement relating to the shares of common stock covered by this prospectus or to other SEC filings incorporated by reference into this prospectus, please be aware that these agreements are attached as exhibits to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about us or the other parties to the agreements. The agreements may contain representations and warranties by each of the parties to the applicable agreement, which representations and warranties may have been made solely for the benefit of the other parties to the applicable agreement and, as applicable:

should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;

have been qualified by disclosures that may have been made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;

may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and

were made only as of the date of the applicable agreement (or such other date or dates as may be specified in the agreement) and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time and should not be relied upon by investors in considering whether to invest in our securities.

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**EXPENSES**

The following table sets forth estimated costs and expenses, other than any discounts and commissions to the sales agent, we expect to incur in connection with the issuance and distribution of the shares of common stock covered by this prospectus.

Legal fees and expenses	\$ 200,000
Accounting fees and expenses	\$ 100,000
Printing costs	\$ 35,000
Transfer agent fees	\$ 15,000
Total	\$ 350,000

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PROSPECTUS

**\$50,000,000**

**Teekay Corporation**

**Common Stock**

We may offer from time to time shares of common stock by this prospectus with an aggregate offering price of up to \$50,000,000.

We may offer the shares of common stock through dealers, agents or underwriters. The names of any dealers, agents or underwriters will be set forth in a supplement to this prospectus.

This prospectus describes some of the general terms of our common stock and the general manner in which we may offer our common stock. Each time we sell our common stock, the information relating to a specific offering will be set forth in a supplement to this prospectus. The prospectus supplement may also add, update or change information contained in this prospectus. This prospectus may be used to offer common stock only if accompanied by a prospectus supplement.

You should read this prospectus and any prospectus supplement carefully before you invest in our common stock.

Our common stock trades on the New York Stock Exchange under the symbol TK. On September 2, 2016, the last reported sale price of our common stock on the New York Stock Exchange was \$7.42 per share.

**Investing in our common stock involves a high degree of risk. You should carefully consider the section entitled Forward-Looking Statements beginning on page 2 and each of the factors described under Risk Factors beginning on page 7 of this prospectus before you make an investment in our common stock.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is September 2, 2016**



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You should rely only on the information contained in this prospectus, any prospectus supplement, the documents incorporated by reference into this prospectus and any free writing prospectus. We have not authorized anyone else to give you different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. We are not offering to sell or seeking offers to buy these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information in this prospectus or any prospectus supplement or any free writing prospectus, as well as the information we previously filed or hereafter file with the U.S. Securities and Exchange Commission (or *SEC*) that is incorporated by reference into this prospectus or any prospectus supplement, is accurate as of any date other than its respective date. We will disclose material changes in our affairs in an amendment to this prospectus, a prospectus supplement or a future filing with the SEC incorporated by reference into this prospectus.

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement on Form F-3 that we have filed with the SEC using a shelf registration process. Under this shelf registration process, we may sell from time to time our common stock described in this prospectus in one or more offerings up to an aggregate offering price of \$50,000,000. This prospectus generally describes us and the shares of common stock we may offer. Each time we offer our common stock with this prospectus, we will provide this prospectus and a prospectus supplement that will describe, among other things, the specific amounts and the price of the common stock being offered and the terms of the offering. The prospectus supplement may also add to, update or change information in this prospectus. If information varies between this prospectus and any prospectus supplement, you should rely on the information in the prospectus supplement.

Unless otherwise indicated, references in this prospectus to Teekay Corporation, we, us and our and similar terms refer to Teekay Corporation and/or one or more of its subsidiaries, except that those terms, when used in this prospectus in connection with the common stock described herein, shall mean specifically Teekay Corporation.

Unless otherwise indicated, all references in this prospectus to dollars and \$ are to, and amounts are presented in, U.S. Dollars, and financial information presented in this prospectus is prepared in accordance with accounting principles generally accepted in the United States (or *GAAP*).

You should read carefully this prospectus, any prospectus supplement, and the additional information described below under the headings *Where You Can Find More Information* and *Incorporation of Documents by Reference*.

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**FORWARD-LOOKING STATEMENTS**

All statements, other than statements of historical fact, included in or incorporated by reference into this prospectus and any prospectus supplements are forward-looking statements. The Private Securities Litigation Reform Act of 1995, as amended, provides a safe harbor for forward-looking statements to encourage companies to provide prospective information about themselves so long as they identify these statements as forward-looking and provide meaningful cautionary statements identifying important factors that could cause actual results to differ from the projected results. In addition, we and our representatives may from time to time make other oral or written statements that are also forward-looking statements. Such statements include, in particular, statements about our plans, strategies, business prospects, changes and trends in our business, and the markets in which we operate. In some cases, you can identify the forward-looking statements by the use of words such as may, will, could, should, would, expect, anticipate, intend, forecast, believe, estimate, predict, propose, potential, continue or the negative of other comparable terminology.

Forward-looking statements are made based upon management's current plans, expectations, estimates, assumptions and beliefs concerning future events affecting us. Forward-looking statements are subject to risks, uncertainties and assumptions, including those risks discussed in Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations set forth in our most recent Annual Report on Form 20-F and other reports we file with the SEC and that are incorporated into this prospectus by reference. The risks, uncertainties and assumptions involve known and unknown risks and are inherently subject to significant uncertainties and contingencies, many of which are beyond our control. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements.

We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. In addition, we cannot assess the effect of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement, and accordingly, you should not place undue reliance on forward-looking statements.

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**TEEKAY CORPORATION**

We are a leading provider of international crude oil and gas marine transportation services and we also offer offshore oil production, storage and offloading services, primarily under long-term, fixed-rate contracts. Over the past decade, we have undergone a major transformation from being primarily an owner of ships in the cyclical spot tanker business to being a growth-oriented asset manager in the Marine Midstream sector. This transformation has included our expansion into the liquefied natural gas (or *LNG*) and liquefied petroleum gas (or *LPG*) shipping sectors through our publicly-listed subsidiary Teekay LNG Partners L.P. (NYSE: TGP) (or *Teekay LNG*), further growth of our operations in the offshore production, storage and transportation sector through our publicly-listed subsidiary Teekay Offshore Partners L.P. (NYSE: TOO) (or *Teekay Offshore*) and through our 100% ownership interest in Teekay Petrojarl AS, and the continuation of our conventional tanker business through our publicly-listed subsidiary Teekay Tankers Ltd. (NYSE: TNK) (or *Teekay Tankers*). Our organizational structure can be divided into (a) our controlling interests in our publicly-listed subsidiaries, Teekay Offshore, Teekay LNG and Teekay Tankers and (b) Teekay Corporation and its remaining subsidiaries.

Teekay Offshore includes our shuttle tanker operations, floating storage and off-take (or *FSO*) units, one HiLoad DP unit, a majority of our floating production, storage and offloading (or *FPSO*) units, and offshore support which includes a unit for maintenance and safety (or *UMS*), which primarily operate under long-term fixed-rate contracts, and long-distance towing and offshore installation vessels.

Teekay LNG includes all of our LNG and LPG carriers. LNG carriers are usually chartered to carry LNG pursuant to time-charter contracts, where a vessel is hired for a fixed period of time. LPG carriers are mainly chartered to carry LPG on time charters, on contracts of affreightment or spot voyage charters.

Teekay Tankers, including Teekay Tankers' minority investment in Tanker Investments Ltd., includes a substantial majority of our conventional crude oil tankers and product carriers. Our conventional crude oil tankers and product tankers primarily operate in the spot-tanker market or are subject to time charters or contracts of affreightment that are priced on a spot-market basis or are short-term, fixed-rate contracts. We consider contracts that have an original term of less than one year in duration to be short-term. Certain of our conventional crude oil tankers and product tankers are on fixed-rate time-charter contracts with an initial duration of at least one year. Our conventional Aframax, Suezmax, and large and medium product tankers are among the vessels included in Teekay Tankers.

The Teekay organization was founded in 1973. We are a Republic of the Marshall Islands corporation and maintain our principal executive headquarters at 4<sup>th</sup> floor, Belvedere Building, 69 Pitts Bay Road, Hamilton, HM 08, Bermuda. Our telephone number at such address is (441) 298-2530. Our principal operating office is located at Suite 2000, Bentall 5, 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2K2. Our telephone number at such address is (604) 683-3529. Our website address is [www.teekay.com](http://www.teekay.com). The information contained in our website is not part of this prospectus.

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**RECENT DEVELOPMENTS**

***Teekay Corporation***

In addition to a series of financing initiatives at Teekay Offshore (as described below), in May and June 2016, Teekay Corporation completed various initiatives to increase its financial strength and flexibility, including:

refinancing three existing debt facilities, including \$150 million relating to Teekay Corporation's equity margin revolving credit facility, \$150 million of an existing revolving credit facility relating to Teekay Corporation's three directly-owned FPSO units, and \$50 million of an existing debt facility relating to the *Shoshone Spirit* VLCC;

selling Teekay Corporation's 50% interest in three Infield Support Vessel Tugs for Royal Dutch Shell's Prelude floating liquefied natural gas (*FLNG*) unit; and

issuing \$100 million of common shares at a price of \$8.32 per share to a group of institutional investors and two entities established by Teekay Corporation's founder, including Resolute Investments, Inc., Teekay Corporation's largest shareholder.

Teekay's equity margin revolving credit facility is secured by common units of Teekay Offshore and Teekay LNG and shares of Class A common stock of Teekay Tankers that are owned by Teekay. In June 2016, Teekay amended the facility by further reducing its aggregate potential maximum borrowings from \$300 million to \$150 million, extending its maturity date from January 2018 to December 2018 and amending the loan-to-value ratio that determines the amount available to borrow based on the value of the common units of Teekay Offshore and Teekay LNG and the shares of Class A common stock of Teekay Tankers that are pledged as collateral. The amendment resulted in an increase in the loan-to-value ratio which increased the availability under the facility from approximately \$34 million to \$150 million as of June 30, 2016. As of June 30, 2016, Teekay Corporation had \$31.9 million drawn on this facility, and \$118.1 million undrawn.

As part of completing the financing initiatives both at Teekay Corporation and Teekay Offshore, in June 2016, Teekay Corporation entered into guarantee arrangements relating to Teekay Offshore up to a maximum of \$500 million. The guarantees cover amounts owing under certain existing interest rate swaps which have put option termination rights that were extended to February 2019; a new loan for Teekay Offshore's East Coast Canada shuttle tanker project during the construction period for three newbuilding shuttle tankers delivering in 2017 and 2018; and certain existing cross currency swaps related to two of Teekay Offshore's Norwegian Kroner bonds for which the maturity dates were extended out to the end of 2018 (as described below). In addition, Teekay Corporation extended the maturity date for obligations in the amount of \$200 million owed to Teekay Corporation by Teekay Offshore from July 2016 to January 2019 under the terms of a promissory note with an interest rate of 10.0% per annum and agreed with Teekay Offshore that, until Teekay Offshore's Norwegian Kroner bonds maturing 2018 have been repaid, all cash distributions to be paid to Teekay Corporation or its affiliates, including the general partner of Teekay Offshore, will instead be paid in common units of Teekay Offshore. In addition, Teekay Corporation agreed with its lenders that, until Teekay Offshore's Norwegian Kroner bonds maturing 2018 have been repaid, Teekay Corporation will raise equity capital in an amount equal to any dividends paid by Teekay Corporation during that period.

In June 2016, Teekay Corporation reached an agreement to sell the *Shoshone Spirit* VLCC, which is expected to be delivered to the third party between August and November 2016.

The charterer of the *Polar Spirit* LNG carrier, which Teekay Corporation has chartered-in from Teekay LNG under a time charter contract, did not pay hire for the vessel in December 2015 or January 2016. Teekay Corporation is formalizing a legal claim against the charter party. Teekay Corporation has secured a short-term charter for the *Polar Spirit* that is expected to commence in August 2016. The *Arctic Spirit* LNG carrier, which Teekay Corporation has also chartered-in from Teekay LNG under a time charter contract, is currently unchartered and is laid up.

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**Table of Contents*****Teekay LNG***

During February and March 2016, Centrofin Management Inc. (or *Centrofin*), the charterer for both the *Bermuda Spirit* and *Hamilton Spirit* Suezmax tankers, exercised its option under the charter contracts to purchase both the *Bermuda Spirit* and *Hamilton Spirit*. As a result of Centrofin's acquisition of the *Bermuda Spirit* and *Hamilton Spirit*, Teekay LNG recorded a \$27.4 million loss on the sale of these vessels and associated charter contracts in the first quarter of 2016. The *Bermuda Spirit* was sold in April 2016 and the *Hamilton Spirit* was sold in May 2016. The total proceeds of \$94.3 million from the sales were primarily used to repay existing term loans associated with these vessels, which loan balances totaled \$88.3 million as at March 31, 2016.

In February 2016, Teekay LNG took delivery of its first MEGI LNG carrier newbuilding on order, which commenced its five-year charter contract with a subsidiary of Cheniere Energy, Inc. in February 2016. Teekay LNG's second MEGI LNG carrier newbuilding delivered in July 2016 and is expected to commence its five-year charter contract with a subsidiary of Cheniere Energy, Inc. in August 2016. Also in February 2016, Teekay LNG secured a 10-year, \$360 million long-term lease facility, which was used to finance both vessels.

In February and June 2016, Teekay LNG's Exmar LPG joint venture took delivery of the sixth and seventh of its 12 LPG carrier newbuildings, which commenced charter contracts with an international energy company based in Norway in February and June 2016, respectively.

***Teekay Offshore***

Between April and June 2016, Teekay Offshore completed a series of financing initiatives to fund its unfunded capital expenditures and upcoming debt maturities, including:

obtaining additional bank financing, including a \$250 million debt facility for the three East Coast of Canada newbuilding shuttle tankers, a \$40 million debt facility for six un-mortgaged vessels, and a new \$35 million tranche added to an existing debt facility secured by two shuttle tankers;

refinancing \$75 million of an existing revolving credit facility relating to the *Petrojarl Varg* FPSO unit;

extending the majority of the principal maturity payments to late-2018 for two of Teekay Offshore's existing Norwegian Kroner senior unsecured bonds, previously due in January 2017 and January 2018;

extending to January 2019 the maturity date of \$200 million in obligations owing to Teekay Corporation under the terms of a promissory note pursuant to which Teekay Offshore will pay Teekay Corporation interest at a rate of 10.0% per annum, one half of which will be paid in cash, and the other half of which will be paid in common units or from the proceeds of the sale of equity securities;

issuing \$200 million of equity, including \$100 million of its 10.5% Series D Cumulative Convertible Perpetual Preferred Units (or *Series D Preferred Units*) with a two-year payment-in-kind option to be settled in common units plus 4.5 million warrants with an exercise price of \$4.55 per common unit and 2.25 million

warrants with an exercise price of \$6.05 per common unit to a group of investors, including \$26 million to Teekay Corporation, and \$100 million of common units at a price of \$4.55 per unit to a group of investors;

cancelling the delivery of the two remaining UMS newbuildings, which may cause Teekay Offshore to write off the value of the construction costs to date and potentially incur additional costs associated with the cancellation of the shipbuilding contracts; and

amending the terms of certain interest rate swaps to defer the counterparties' early termination options and extend the existing cross currency swaps related to two of Teekay Offshore's Norwegian Kroner bonds that have been extended.

As part of completing the financing initiatives, Teekay Offshore secured a payment-in-kind option by agreeing to convert \$46 million of face value of the \$250 million of the outstanding Series C Preferred Units (or *Series C Preferred Units*) for approximately 8.3 million common units, and the remaining \$204 million of



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outstanding Series C Preferred Units for approximately 8.5 million of the partnership's newly issued 8.60% Series C-1 Cumulative Convertible Preferred Units (or *Series C-1 Preferred Units*) that include a two year payment-in-kind option.

In April 2016, during the process to lift off the gangway connecting the *Arendal Spirit* to the P48 FPSO, the gangway of the *Arendal Spirit* suffered damage. The gangway has now been replaced and undergone extensive testing and the unit recommenced its charter contract in early-July 2016.

Teekay Offshore completed the sale of four conventional tankers for aggregate sales proceeds of approximately \$130 million. The first two conventional tankers, the *SPT Explorer* and *Navigator Spirit*, were sold to Teekay Tankers in mid-December 2015 and the two remaining conventional tankers, the *Kilimanjaro Spirit* and *Fuji Spirit*, were sold to a third party in March 2016.

***Teekay Tankers***

In January 2016, Teekay Tankers completed a new five-year \$900 million long-term debt facility. The new facility includes term loan and revolving credit facility components which were used to refinance 36 of Teekay Tankers existing vessels, including 17 vessels acquired during 2015 that were secured by Teekay Tankers' two bridge loan facilities that matured in early-2016, and Teekay Tankers' main corporate revolving credit facility which would have otherwise expired in 2017.

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**RISK FACTORS**

*Before investing in our common stock you should carefully consider the following risk factors together with all other information included in this prospectus, including those risks discussed under the caption "Risk Factors" in our latest Annual Report on Form 20-F filed with the SEC, which are incorporated by reference into this prospectus, and information included or incorporated by reference in any applicable prospectus supplement.*

*If any of these risks were to occur, our business, financial condition, operating results or cash flows could be materially adversely affected. Additional risks and uncertainties known or not known to us or that we deem immaterial may also impair our business, financial condition, operating results or cash flows. In that case, the trading price of our common stock may decline, we might be unable to pay dividends on shares of our common stock and you could lose all or part of your investment. In addition to the following risk factors, please read "Material United States Federal Income Tax Considerations" in this prospectus for a more complete discussion of expected material U.S. federal income tax consequences of owning and disposing of our securities.*

**Risks Inherent in an Investment in our Common Stock**

***The price of our common stock after any offering may be volatile, and you could lose a significant part of your investment.***

The price of our common stock may fluctuate due to factors such as:

actual or anticipated fluctuations in our quarterly and annual results and those of other public companies in our industry;

mergers and strategic alliances in our industry;

market conditions in our industry;

general economic or financial market conditions;

changes in government regulation;

the failure of securities analysts to publish research about us, securities analysts making changes in their financial estimates, or shortfalls in our operating results from levels forecast by securities analysts;

announcements concerning us or our competitors of, among other things, significant contracts, acquisitions or capital commitments;

future sales of our common stock or securities convertible into or exercisable for our common stock; and

the general state of the securities markets.

Our industry has been highly unpredictable and volatile. The market for our common stock may be equally volatile. Consequently, you may not be able to sell the common stock at prices equal to or greater than those paid by you in any offering.

***We may issue additional shares of our common stock or other securities without your approval, which would dilute your ownership interests and may depress the market price of our common stock.***

We may issue additional shares of our common stock or other equity securities of equal or senior rank to your securities, without shareholder approval, in a number of circumstances.

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The issuance by us of additional shares of common stock or other equity securities of equal or senior rank to your securities may have the following effects:

our existing shareholders' proportionate ownership interest in us may decrease;

the amount of cash available for dividends payable on our common stock may decrease;

the relative voting strength of previously outstanding securities may be diminished; and

the market price of our common stock may decline.

***Substantial future sales of shares of our common stock in the public market could cause the price of our common shares to fall.***

The market price of our common stock could decline due to sales of a large number of shares in the market, including sales of shares by our large shareholders, or the perception that these sales could occur. These sales could also make it more difficult or impossible for us to sell equity securities in the future at a time and price that we deem appropriate to raise funds through future offerings of common stock. We have granted registration rights to our largest shareholder, which has the right, subject to certain conditions, to require us to file registration statements covering the sale by it of shares of common stock. In addition, we recently granted registration rights to purchasers of shares of our common stock in a private placement and we are registering the sale by those purchasers of the shares purchased in the private placement. Following their sale under an applicable registration statement, any such shares of common stock would become freely tradable. By exercising their registration rights and selling a large number of shares of common stock, these shareholders could cause the price of our common stock to decline.

***Our cash flow depends substantially on the ability of our subsidiaries, primarily Teekay Offshore and Teekay LNG, to make distributions to us. The current cash distribution levels of Teekay Offshore and Teekay LNG may have a significant impact on our cash flow. The amount of cash that Teekay Offshore and Teekay LNG will be able to distribute to its unitholders, including Teekay Corporation, principally depends upon the amount of cash these entities can generate from their respective business and the amount of cash reserves established by the boards of directors of the general partners of Teekay Offshore and Teekay LNG, and Teekay Tankers' ability to pay dividends to its shareholders partially depends upon its continued generation of cash. In addition, in connection with recently completed financing initiatives, we agreed that until Teekay Offshore repays amounts outstanding under the Norwegian Kroner bonds, all cash distributions paid by Teekay Offshore to us or our affiliates, including the general partner of Teekay Offshore, will be paid in Teekay Offshore's common units.***

The source of our cash flow includes cash distributions from our subsidiaries, primarily Teekay Offshore and Teekay LNG. The amount of cash our subsidiaries can distribute to us principally depends upon the amount of distributions declared by their boards of directors and the amount of cash they generate from their operations.

We, Teekay Offshore and Teekay LNG believe there is currently a dislocation in the capital markets relative to the stability of our businesses. Based on upcoming equity capital requirements for committed growth project and debt refinancing and other obligations, coupled with the uncertainty regarding how long it will take for the energy and capital markets to normalize, we, Teekay Offshore and Teekay LNG believe that it is in the best interests of the

securityholders of Teekay Offshore and Teekay LNG to conserve more of their internally generated cash flows to fund future growth projects and to reduce debt levels. Consequently, effective for the quarterly distribution for the fourth quarter of 2015, Teekay Offshore temporarily reduced its quarterly cash distribution per common unit to \$0.11 from \$0.56, Teekay LNG temporarily reduced its quarterly cash distribution per common unit to \$0.14 from \$0.70 and, as a result, we temporarily reduced our quarterly cash dividend per share to \$0.055 from \$0.55. These distribution amounts were maintained for the first and second quarters of 2016. These distribution reductions by Teekay Offshore and Teekay LNG have substantially reduced our cash flows from them, including by currently eliminating any distributions on our incentive distribution rights in such companies.

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In addition, in June 2016, we agreed with Teekay Offshore that, until Teekay Offshore's Norwegian Kroner bonds maturing in 2018 have been repaid, all cash distributions to be paid to us or our affiliates, including the general partner of Teekay Offshore, will instead be paid in common units.

The actual amount of cash that each of Teekay Offshore, Teekay LNG or Teekay Tankers will have available for distribution or dividends, as applicable, will depend on many factors, some of which are beyond its control, including:

the level of capital expenditures it makes;

the cost of any acquisitions;

its debt service requirements;

fluctuations in its working capital needs;

restrictions on distributions contained in its debt agreements;

prevailing economic and market conditions;

the cost of capital;

limitations under Marshall Islands laws; and

the amount of cash reserves established by its general partner or board of directors, as applicable, in its sole

discretion for the proper conduct of its business.

Because of these factors, Teekay Offshore, Teekay LNG or Teekay Tankers may not have sufficient available cash each quarter to continue paying distributions or dividends to their respective partners or shareholders, including us, at their current or historical levels or at all. The amount of cash that Teekay Offshore, Teekay LNG and Teekay Tankers have available for distribution or dividends depends primarily upon their respective cash flow, including cash flow from financial reserves and working capital borrowings, and is not solely a function of profitability, which will be affected by non-cash items. As a result, Teekay Offshore, Teekay LNG or Teekay Tankers may not make cash distributions or pay cash dividends, as applicable, during periods when it records losses and may not make cash distributions or pay cash dividends, as applicable, during periods when it records profits. Furthermore, until Teekay Offshore repays its Norwegian Kroner bonds maturing in 2018, all distributions paid to us or our affiliates as holders of common units will be paid in common units.

***Our ability to pay dividends on our common stock, and the amount of dividends that we pay, partially depends upon the distributions that we receive from Teekay Offshore and Teekay LNG.***

In September 2014, we announced the adoption of a new dividend policy and our intention is to distribute to our shareholders a majority of the cash flows we receive from ownership of our publicly-traded subsidiaries. The new dividend policy commenced with the dividend for the quarter ended June 30, 2015. Our quarterly dividend payment is primarily based on the cash flow contributions from our general partnership and limited partnership interests in Teekay Offshore and Teekay LNG, together with other dividends received, after deductions for our corporate general and administrative expenses and any reserves determined to be required by our board of directors, including reserves to service our debt.

On December 16, 2015, we announced temporary reductions to our quarterly dividends, commencing with the dividend relating to the fourth quarter of 2015. The dividend reduction, which was maintained for the first and second quarters of 2016, was in response to announcements by Teekay Offshore and Teekay LNG that they were temporarily reducing their quarterly cash distributions and retaining a significant portion of the internally generated cash flows as reserves to fund the equity capital requirements of their future growth projects and reduce debt levels, with the intention for the foreseeable future to reduce the need to raise equity capital at prohibitively dilutive and

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costly rates given current depressed market conditions generally in the energy and master limited partnership capital markets. In June 2016, we agreed with Teekay Offshore that, until Teekay Offshore's Norwegian Kroner bonds maturing 2017 and 2018 have been repaid, all cash distributions to be paid to us or our affiliates, including the general partner of Teekay Offshore, will instead be paid in common units.

***We are not the only equity holders of Teekay Offshore and Teekay LNG, and the respective partnership agreements of Teekay Offshore and Teekay LNG require them to distribute all available cash to their respective equity holders, including public unitholders. In addition, in connection with recently completed financing initiatives, we agreed that until Teekay Offshore repays amounts outstanding under its Norwegian Kroner bonds, all cash distributions (other than with respect to incentive distribution rights) paid by Teekay Offshore to us or our affiliates, including the general partner of Teekay Offshore, will be paid in common units.***

Teekay Offshore and Teekay LNG are publicly-traded limited partnerships. As of March 31, 2016, we indirectly owned:

a 37.0% partnership interest in Teekay Offshore (including a 2% general partner interest) and all incentive distribution rights of Teekay Offshore; and

a 33.1% partnership interest in Teekay LNG (including a 2% general partner interest) and all incentive distribution rights of Teekay LNG).

The remainder of the outstanding limited partner interests in each of Teekay Offshore and Teekay LNG are owned by public unitholders. Although Teekay Offshore's and Teekay LNG's respective partnership agreements require them to distribute, on a quarterly basis, 100% of their available cash to their respective unitholders of record and their respective general partners, we are not the only limited partners of Teekay Offshore and Teekay LNG and, therefore, we receive only our proportionate share of cash distributions from each of Teekay Offshore and Teekay LNG based on our partner interests in each of them. The remainder of the quarterly cash distributions is distributed, pro rata, to the public unitholders.

For each of Teekay Offshore and Teekay LNG, available cash is generally all cash on hand at the end of each quarter, after payment of fees and expenses and the establishment of cash reserves by their respective general partners. Although we own the general partner of each of Teekay Offshore and Teekay LNG, Teekay Offshore's and Teekay LNG's respective general partners determine the amount and timing of cash distributions by Teekay Offshore and Teekay LNG, respectively, and have broad discretion to establish and make additions to the respective entity's reserves in amounts the respective general partner determines to be necessary or appropriate:

to provide for the proper conduct of partnership business and the businesses of its operating subsidiaries (including reserves for future capital expenditures and for anticipated future credit needs);

to provide funds for distributions to the respective unitholders and the respective general partner for any one or more of the next four calendar quarters; or



to comply with applicable law or any loan or other agreements.

Accordingly, distributions we receive on our ownership interests in Teekay Offshore and Teekay LNG may be reduced at any time, or we may not receive any distributions from these entities. In addition, until Teekay Offshore repays its Norwegian Kroner bonds maturing in 2018, all distributions paid to us or our affiliates as holders of common units will be paid in common units.

*Teekay Offshore has issued significant amounts of additional common units and other equity securities to finance vessel acquisitions and organic growth projects, to repay or refinance its debt obligations and to fund capital expenditures and estimated funding gaps, and Teekay Offshore expects to issue additional common units or other equity securities in the future. The issuance of additional common units and other*

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*equity securities is dilutive to unitholders, including Teekay Corporation, and increases the risk that Teekay Offshore will not have sufficient available cash to maintain or increase cash distribution levels to its unitholders, including Teekay Corporation. As a result, Teekay Offshore may not have sufficient cash from operations to enable it to pay the current level of distributions on its units or to maintain or increase distributions.*

In June 2016, Teekay Offshore issued the following equity securities in privately-negotiated transactions:

21,978,022 common units;

4,000,000 Series D Preferred Units and warrants exercisable for 6,750,000 common units;

8,323,809 common units in consideration for the exchange and cancellation of 1,920,668 Series C Preferred Units; and

8,517,745 Series C-1 Preferred Units in consideration for the exchange and cancellation of the remaining 8,517,745 Series C Preferred Units

Under the terms of the Series C-1 Preferred Units and the Series D Units, for the next eight quarters, Teekay Offshore may, at its discretion, make distributions on such preferred units in cash, common units, or a combination of cash and common units. In addition, in June 2016, we agreed with Teekay Offshore that, until Teekay Offshore's Norwegian Kroner bonds maturing in 2017 and 2018 have been repaid, all cash distributions (other than with respect to incentive distribution rights) to be paid to us or our affiliates, including the general partner of Teekay Offshore, will instead be paid in common units or from the proceeds of the sale of common units. In connection with extending to January 2019 the maturity date of \$200 million in obligations owing to Teekay Corporation, we modified the terms of the note to provide that one half of the 10.0% per annum interest will be paid in common units or from the proceeds of the sale of common units.

See "Recent Developments" for a further description of the transactions described above.

Teekay Offshore's recent issuances of additional equity securities have resulted in unitholder dilution and increased the aggregate amount of cash required to maintain Teekay Offshore's quarterly distributions to unitholders, including Teekay Corporation. Issuing additional equity securities in the future may result in further unitholder dilution and further increase the aggregate amount of cash required to maintain quarterly distributions on Teekay Offshore's common units.

***Anti-takeover provisions in our organizational documents could make it difficult for our shareholders to replace or remove our current board of directors or have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of our common stock.***

Provisions of our articles of incorporation and our bylaws could make it difficult for our shareholders to change the composition of our board of directors in any one year, preventing them from changing the composition of management. In addition, the same provisions may discourage, delay or prevent a merger or acquisition that shareholders may consider favorable.

These provisions include:

Authorizing our board of directors to issue blank check preferred shares without shareholder approval;

Providing for a classified board of directors with staggered, three-year terms;

Prohibiting cumulative voting in the election of directors;

Authorizing the removal of directors only for cause and only upon the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote for those directors;

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Prohibiting shareholder action by written consent unless the written consent is signed by all shareholders entitled to vote on the action;

Limiting the persons who may call special meetings of shareholders; and

Establishing advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted on by shareholders at shareholder meetings.

We have also adopted a shareholder rights plan pursuant to which our board of directors may cause the substantial dilution of the holdings of any person that attempts to acquire us without the board's prior approval.

These anti-takeover provisions, including the provisions of our shareholder rights plan, could substantially impede the ability of shareholders to benefit from a change in control and, as a result, may adversely affect the market price of our common stock and your ability to realize any potential change of control premium.

***We are a Marshall Islands corporation, and the Republic of The Marshall Islands does not have a well developed body of corporate law.***

Our corporate affairs are governed by our articles of incorporation and bylaws and by the Marshall Islands Business Corporations Act. The provisions of the Marshall Islands Business Corporations Act resemble provisions of the corporation laws of some states in the United States. However, there have been few judicial cases in the Republic of The Marshall Islands interpreting the Marshall Islands Business Corporations Act. The rights and fiduciary responsibilities of directors under the laws of the Republic of The Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain United States jurisdictions. Shareholder rights may differ as well. While the Marshall Islands Business Corporations Act does specifically incorporate non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, for non-resident corporations such as us, our public shareholders may have more difficulty in protecting their interests in the face of actions by management, directors or controlling shareholders than would shareholders of a corporation incorporated in a United States jurisdiction.

***Because we are a Marshall Islands corporation, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.***

We are a Marshall Islands corporation, and all of our assets are located outside of the United States. Our principal executive offices are located, and a majority of our directors and officers are residents outside of the United States. As a result, it may be difficult or impossible for you to bring an action against us or against our directors or our management in the United States if you believe that your rights have been infringed under securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Republic of The Marshall Islands and of other jurisdictions may prevent or restrict you from enforcing a judgment against our assets or our directors and officers. For more information regarding the relevant laws of the Republic of The Marshall Islands, please read Service of Process and Enforcement of Civil Liabilities.

***The prices of our common stock and other securities have been, and are likely to continue to be, volatile. Periods of market volatility may increase the risk of a securities litigation claim, regardless of merit. Teekay Corporation and certain of its officers are named as defendants in a pending securities class action suit relating to our common shares.***

Following our December 2015 announcement that our Board of Directors had approved a plan to reduce our quarterly dividend from \$0.55 per share in the third quarter of 2015 to \$0.055 per share commencing with the fourth quarter of 2015 dividend payable in February 2016, a purported class action complaint was filed on March 1, 2016 in the U.S. District Court for the District of Connecticut naming us and certain of our officers as defendants. The complaint includes claims that the defendants violated Section 10(b) of the Securities Exchange

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Act of 1934, as amended (or the *Exchange Act*), and Securities and Exchange Commission Rule 10b-5 promulgated thereunder. In general, the complaint alleges that the defendants made materially false and misleading statements regarding our dividend and the anticipated amount of our dividend to be paid in future periods, thereby artificially inflating the price of our common stock. The plaintiffs are seeking unspecified monetary damages, including reasonable costs and expenses incurred in this action. We are vigorously defending the action. The amount or range of reasonably possible losses, including defense costs and expenses, to which we are exposed cannot be estimated and the ultimate resolution of this matter and the associated financial impact to us is uncertain at this time. We maintain a Directors and Officers Insurance policy that provides coverage for claims such as those alleged in the complaint, subject to coverage defenses, policy limits and a self-insured retention. Regardless of the outcome of this action or similar future actions of this type, the defense of such claims may cause us to incur substantial costs, divert resources and the attention of management from our business, and adversely affect our business.

**Tax Risks**

***U.S. tax authorities could treat us as a passive foreign investment company, which could have adverse U.S. federal income tax consequences to U.S. shareholders.***

A non-U.S. entity treated as a corporation for U.S. federal income tax purposes will be treated as a passive foreign investment company (or *PFIC*) for such purposes in any taxable year for which either (a) at least 75% of its gross income consists of passive income, or (b) at least 50% of the average value of the entity's assets is attributable to assets that produce or are held for the production of passive income. For purposes of these tests, passive income includes dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business. By contrast, income derived from the performance of services does not constitute passive income.

There are legal uncertainties involved in determining whether the income derived from our time-chartering activities constitutes rental income or income derived from the performance of services, including the decision in *Tidewater Inc. v. United States*, 565 F.3d 299 (5th Cir. 2009), which held that income derived from certain time-chartering activities should be treated as rental income rather than services income for purposes of a foreign sales corporation provision of the U.S. Internal Revenue Code of 1986, as amended (or the *Code*). However, the Internal Revenue Service (or *IRS*) stated in an Action on Decision (AOD 2010-01) that it disagrees with, and will not acquiesce to, the way that the rental versus services framework was applied to the facts in the *Tidewater* decision, and in its discussion stated that the time charters at issue in *Tidewater* would be treated as producing services income for PFIC purposes. The IRS's statement with respect to *Tidewater* cannot be relied upon or otherwise cited as precedent by taxpayers. Consequently, in the absence of any binding legal authority specifically relating to the statutory provisions governing PFICs, there can be no assurance that the IRS or a court would not follow the *Tidewater* decision in interpreting the PFIC provisions of the Code. Nevertheless, based on the current composition of our assets and operations (and those of our subsidiaries), we intend to take the position that we are not now and have never been a PFIC, and our counsel, Perkins Coie LLP, is of the opinion that it is more likely than not we are not a PFIC based on representations we have made to them regarding the composition of our assets, the source of our income and the nature of our activities and operations. No assurance can be given, however, that the opinion of Perkins Coie LLP would be sustained by a court if contested by the IRS, or that we would not constitute a PFIC for any future taxable year if there were to be changes in our assets, income or operations.

If the IRS were to determine that we are or have been a PFIC for any taxable year during which a U.S. Holder (as defined below under *Material United States Federal Income Tax Considerations*) held stock, such U.S. Holder would face adverse U.S. federal income tax consequences. For a more comprehensive discussion regarding our status as a PFIC and the tax consequences to U.S. Holders if we are treated as a PFIC, please read *Material United States Federal*

Income Tax Considerations United States Federal Income Taxation of U.S. Holders Consequences of Possible PFIC Classification.

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*We may be subject to taxes, which reduces our cash available for distribution to our shareholders.*

We or some of our subsidiaries may be subject to tax in the jurisdictions in which we or our subsidiaries are organized or operate, reducing the amount of our cash available for distribution. In computing our tax obligation in these jurisdictions, we are required to take various tax accounting and reporting positions on matters that are not entirely free from doubt and for which we have not received rulings from the governing authorities. We cannot assure you that upon review of these positions the applicable authorities will agree with our positions. A successful challenge by a tax authority could result in additional tax imposed on us or our subsidiaries in jurisdictions in which operations are conducted. For example, if Teekay Corporation was not able to meet the criteria specified by Section 883 of the U.S. Internal Revenue Code, our U.S. source income may become subject to taxation.



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**USE OF PROCEEDS**

Unless we specify otherwise in any prospectus supplement, we will use the net proceeds from the sale of our common stock covered by this prospectus for general corporate purposes, which may include, among other things:

paying or refinancing all or a portion of our indebtedness outstanding at the time; and

funding working capital, capital expenditures or acquisitions.

The actual application of proceeds from the sale of any particular offering of shares of common stock covered by this prospectus will be described in the applicable prospectus supplement relating to the offering.

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**CAPITALIZATION**

The following table sets forth our capitalization on a consolidated basis as of March 31, 2016:

on an actual basis; and

on an as adjusted basis to give effect to the following, as if the following transactions (the Adjustments ) occurred on March 31, 2016:

- (a) use of \$88.4 million of proceeds to repay amounts outstanding under a credit facility concurrently with sale of the Suezmax tanker Bermuda Spirit in April 2016 and the Suezmax tanker Hamilton Spirit in May 2016;
- (b) use of \$18.0 million in cash to prepay a portion of the existing debt facility for the Shoshone Spirit VLCC and a six-month extension to November 2016 of repayment of the remaining \$50.0 million outstanding;
- (c) the completion and concurrent drawdown in April 2016 of a new \$35.0 million tranche on an existing debt facility secured by two shuttle tankers in Teekay Offshore;
- (d) the issuance of \$100 million of common shares of Teekay Corporation at a price of \$8.32 per common share in June 2016 resulting in the receipt of approximately \$96.2 million of proceeds net of offering costs;
- (e) the issuance of \$100 million of common units of Teekay Offshore at a price of \$4.55 per common unit in June 2016 and the concurrent receipt of \$2.0 million from Teekay Corporation to maintain its 2% general partner interest resulting in the receipt by Teekay Offshore of approximately \$97.3 million of proceeds net of offering costs;
- (f) the issuance by Teekay Offshore of 4.0 million 10.5% Series D Preferred Units, warrants to purchase 4.5 million common units with an exercise price of \$4.55 per common unit and warrants to purchase 2.25 million common units with an exercise price of \$6.05 per common unit, for net proceeds of \$71.3 million (excluding \$26 million from Teekay Corporation and net of offering costs), of which \$61.2 million is estimated to be allocable to the Series D Preferred Units and \$10.1 million to the warrants;
- (g) the refinancing of Teekay Offshore's existing debt facility for the Petrojarl Varg FPSO, whereby the facility size was reduced from \$100 million to \$75 million and a \$25 million repayment was

made;

- (h) the amendment of one of Teekay Corporation's revolving credit facilities secured by common units of Teekay Offshore and Teekay LNG and shares of Class A common stock of Teekay Tankers that are owned by Teekay Corporation which if completed on March 31, 2016 would have had the impact of increasing the amount available to borrow by \$114.1 million; and
- (i) the conversion in June 2016 of 1,920,668 Series C Preferred Units of Teekay Offshore, with a carrying value of \$46.4 million, to 8,323,809 Common Units of Teekay Offshore and the exchange of 8,517,745 Series C Preferred Units of Teekay Offshore for 8,517,745 Series C-1 Preferred Units of Teekay Offshore.

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The data in the table is derived from, and should be read in conjunction with, our historical financial statements, including accompanying notes, and the section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations from our Report on Form 6-K for the three months ended March 31, 2016, which is incorporated by reference herein.

<b>As of March 31, 2016</b>		
(in thousands)		
	Actual	As adjusted
Cash and cash equivalents <sup>(1)</sup>	\$ 658,158	\$ 915,490
Restricted cash	134,124	134,124
<b>Total cash and restricted cash</b>	<b>\$ 792,282</b>	<b>\$ 1,049,614</b>
<b>Debt:</b>		
8.5% Senior Notes due January 2020	\$ 592,657	\$ 592,657
Other debt <sup>(2)</sup>	6,712,933	6,617,063
Obligations under capital leases	231,881	231,881
Less unamortized discount and debt issuance costs	(100,043)	(100,043)
<b>Total Debt<sup>(1)</sup></b>	<b>\$ 7,437,428</b>	<b>\$ 7,341,558</b>
Redeemable non-controlling interest	254,631	269,344
<b>Equity</b>		
Common stock and additional paid-in capital	\$ 778,080	\$ 874,243
Retained earnings	106,215	106,215
Non-controlling interest	2,751,911	2,905,898
Accumulated other comprehensive loss	(22,760)	(22,760)
<b>Total Equity</b>	<b>\$ 3,613,536</b>	<b>\$ 3,863,686</b>
<b>Total Capitalization:</b>	<b>\$ 11,305,595</b>	<b>\$ 11,474,588</b>

(1) The amounts attributable to Teekay Corporation for cash and cash equivalents and total debt, respectively, would be \$190.0 million and \$820.5 million.

The following table reconciles Teekay's consolidated and Teekay Corporation's as adjusted cash and cash equivalents and total debt, respectively. Teekay Corporation's numbers are reconciled to Teekay consolidated numbers, which are the most directly comparable financial measures calculated and presented in accordance with GAAP.

<b>As of March 31, 2016</b>			
(in thousands)			
	Teekay consolidated	Public subsidiaries	Teekay Corporation
Cash and cash equivalents	915,490	724,480	190,010
Total debt	7,341,558	6,521,020	820,538

- (2) The portions of other debt (a) secured by assets of certain of our subsidiaries and (b) guaranteed by us or certain of our subsidiaries are \$5.8 billion on an actual basis and \$5.7 billion on an as adjusted basis, respectively. We would have had undrawn borrowing capacity under our secured credit facilities of \$193.2 million on an actual basis and \$307.3 million on an as adjusted basis.

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Shares of our common stock are listed for trading on the New York Stock Exchange under the symbol TK.

The following table sets forth, for the periods indicated, the high and low sales price per share of our common stock, as reported on the New York Stock Exchange, and the amount of quarterly dividends declared per share. The closing sale price of our common stock on the New York Stock Exchange on August 18, 2016 was \$7.50 per share.

<b>Years Ended</b>	<b>Price Ranges</b>		<b>Quarterly Cash Dividends<sup>(1)</sup></b>
	<b>High</b>	<b>Low</b>	
December 31, 2015	\$ 51.39	\$ 6.65	
December 31, 2014	67.98		