

Teekay LNG Partners L.P.
Form 6-K
May 29, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934
For the quarterly period ended March 31, 2018
Commission file number 1- 32479

TEEKAY LNG PARTNERS L.P.
(Exact name of Registrant as specified in its charter)

4th Floor, Belvedere Building
69 Pitts Bay Road
Hamilton, HM 08 Bermuda
(Address of principal executive office)

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

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T
Rule 101(b)(1).

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T
Rule 101(b)(7).

Yes No

TEEKAY LNG PARTNERS L.P. AND SUBSIDIARIES
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ITEM 1 – FINANCIAL STATEMENTS

TEEKAY LNG PARTNERS L.P. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF (LOSS) INCOME (notes 1 and 2)

(in thousands of U.S. Dollars, except unit and per unit data)

	Three Months Ended	
	March 31,	
	2018	2017
	\$	\$
Voyage revenues (note 9a)	115,306	101,180
Voyage expenses	(5,801)	(1,437)
Vessel operating expenses (note 9a)	(28,467)	(23,388)
Depreciation and amortization	(29,267)	(26,120)
General and administrative expenses (notes 9a and 13)	(6,571)	(4,157)
Write-down of vessels (notes 14a, 14b and 14d)	(18,662)	—
Restructuring charges (note 14c)	(1,396)	—
Income from vessel operations	25,142	46,078
Equity income	26,724	5,887
Interest expense (notes 7 and 10)	(24,706)	(16,988)
Interest income	914	854
Realized and unrealized gain on non-designated derivative instruments (note 10)	8,001	1,187
Foreign currency exchange loss (notes 7 and 10)	(1,273)	(3,568)
Other (expense) income (note 11c)	(52,582)	391
Net (loss) income before income tax expense	(17,780)	33,841
Income tax expense (note 8)	(779)	(157)
Net (loss) income	(18,559)	33,684
Non-controlling interest in net (loss) income	(11,665)	4,627
Preferred unitholders' interest in net (loss) income	6,425	2,812
General Partner's interest in net (loss) income	(272)	525
Limited partners' interest in net (loss) income	(13,047)	25,720
Limited partners' interest in net (loss) income per unit: (note 12)		
• Basic	(0.16)	0.32
• Diluted	(0.16)	0.32
Weighted-average number of common units outstanding:		
• Basic	79,637,607	79,590,153
• Diluted	79,637,607	79,690,391
Cash distributions declared per common unit	0.14	0.14
Related party transactions (note 9)		
Commitments and contingencies (note 11)		
Subsequent events (note 16)		

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

TEEKAY LNG PARTNERS L.P. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME (notes 1 and 2)
(in thousands of U.S. Dollars)

	Three Months Ended March 31,	
	2018	2017
	\$	\$
Net (loss) income	(18,559)	33,684
Other comprehensive income (loss):		
Other comprehensive income (loss) before reclassifications		
Unrealized gain (loss) on qualifying cash flow hedging instruments, net of tax (note 10)	2,299	(796)
Amounts reclassified from accumulated other comprehensive income (loss)		
To equity income:		
Realized (gain) loss on qualifying cash flow hedging instruments	(91)	697
To interest expense:		
Realized loss on qualifying cash flow hedging instruments (note 10)	250	—
Other comprehensive income (loss)	2,458	(99)
Comprehensive (loss) income	(16,101)	33,585
Non-controlling interest in comprehensive (loss) income	(10,598)	4,617
Preferred unitholders' interest in comprehensive (loss) income	6,425	2,812
General and limited partners' interest in comprehensive (loss) income	(11,928)	26,156

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

TEEKAY LNG PARTNERS L.P. AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED BALANCE SHEETS (notes 1 and 2)
 (in thousands of U.S. Dollars)

	As at March 31, 2018 \$	As at December 31, 2017 \$
ASSETS		
Current		
Cash and cash equivalents	197,007	244,241
Restricted cash – current (notes 7 and 10)	19,256	22,326
Accounts receivable, including non-trade of \$13,366 (2017 – \$13,203)	22,561	24,054
Prepaid expenses	6,209	6,539
Vessels held for sale (notes 14a and 14b)	28,000	33,671
Current portion of derivative assets (note 10)	1,919	1,078
Current portion of net investments in direct financing leases (note 5b)	10,676	9,884
Advances to affiliates (notes 9b and 10)	5,621	7,300
Other current assets (note 2)	3,972	—
Total current assets	295,221	349,093
Restricted cash – long-term (notes 7 and 11c)	67,032	72,868
Vessels and equipment		
At cost, less accumulated depreciation of \$686,012 (2017 – \$681,991)	1,388,434	1,416,381
Vessels related to capital leases, at cost, less accumulated depreciation of \$33,855 (2017 – \$25,883) (note 5a)	1,213,748	1,044,838
Advances on newbuilding contracts (note 9d)		