Tesla Planning IPO To Raise $100 Million

Dan Strumpf, AP Auto Writer

NEW YORK (AP) — Electric car manufacturer Tesla Motors Inc. said Friday it plans to sell stock to the public.

The company, based in Palo Alto, Calif., did not disclose in a filing with the Securities and Exchange Commission specifically how much it plans to raise though it listed $100 million as a placeholder figure. The actual amount it raises could be higher.

Tesla also did not give a date for when it plans to launch the IPO, nor did it say how many shares it would sell or at what price.

A Tesla IPO has been widely anticipated. The company has garnered attention for its high-end Roadster, an all-electric sports car that retails for $109,000.

The two-door Roadster is the only model Tesla currently sells, but the company plans to start selling a four-door sedan, the Model S, in 2012. The Model S is slated to go for $49,900 when including a federal tax credit. That car is designed to travel as far as 300 miles on a three- to five-hour charge.

The company has not been profitable. Since its founding in 2003, it has lost $236.4 million, according to its filing. During the first nine months of 2009, it lost $31.5 million. The company said it has $106.5 million in cash as of Sept. 30.

Tesla said it has sold 937 Roadsters as of Dec. 31. The company has 10 stores in U.S. and Europe and disclosed plans to double that by end of the year. The company said it hopes to have 50 stores "within the next several years.

Tesla disclosed some of its biggest stakeholders in its filing. CEO Elon Musk, 38, a co-founder of PayPal and chairman of spaceship developer Space Exploration Corp., is the biggest shareholder by far with more than 81 million shares in the company.

Venture capital and other investment firms make up the bulk of Tesla's other large investors. They include Blackstar Investco LLC, Al Wahada Capital Investment LLC and affiliates of VantagePoint Venture Partners and Valor Equity Partners.

To help it build the Model S, the Department of Energy agreed to extend Tesla a $465 million loan last June. That money came from a pool Congress set aside in 2007 to help automakers develop fuel-efficient technology. Ford Motor Co., Nissan Motor Co. and other carmakers have also received loans from the fund.

Tesla's loan could give the government a stake in the automaker when it goes public. According to the filing, the Energy Department received warrants to purchase more than 9 million shares of Tesla when the loan closed on Jan. 20.

David Minlow, president of the IPO research firm IPOfinancial.com, called Tesla's intent to go public a "warning shot across the bow" of the automotive industry. But he cautioned that the company is not yet making a profit and will have to show investors it can produce cars on a large scale.

"I don't believe that just the sex appeal of the product and the name that goes with it is going to automatically convert into blind optimism on the part of investors," Minlow said.

Several high profile investment banks are underwriting the offering, including Goldman Sachs & Co., Morgan Stanley, J.P. Morgan and Deutsche Bank Securities.

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