

Tesla's IPO Opens At \$17, Now Known As 'TSLA'

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NEW YORK (AP) — Tesla Motors Inc. said Monday its shares were priced at \$17 each, above what it expected.

The electric car startup plans to launch its initial public offering of stock on Tuesday. The Palo Alto, Calif., company is offering 13.3 million shares, meaning it raised \$226.1 million at the \$17-a-share price. It had earlier estimated the shares would sell between \$14 and \$16 each.

The company plans to trade on the Nasdaq stock exchange under the ticker "TSLA."

Tesla currently sells a single car, the two-door \$109,000 Roadster, but has plans to launch a next-generation electric car called the Model S starting in 2012. That car is expected to cost less than \$50,000 after federal tax credits and get 300 miles on a charge.

But the company has lost \$290.2 million since it was founded in 2003 and has never had a profitable quarter. It doesn't expect the red ink to go away until it starts selling the four-door Model S in large volumes.

Tesla's eventual goal is to build 20,000 Model S sedans a year. That's roughly the number of vehicles Porsche sold in the U.S. last year.

Tesla has some high-profile backers. Last month, Toyota Motor Corp. agreed to sell Tesla its shuttered factory in Fremont, Calif., and invest \$50 million in the company once its IPO closes. Tesla plans to use the factory to eventually build the Model S.

Another key supporter is the U.S. government, which has kicked in a \$465 million loan through an Energy Department program designed to encourage electric car technologies. Ford Motor Co., Nissan Motor Co. and other automakers have also accepted loans through the program.

Tesla has attracted lots of publicity thanks to the Roadster. But it is likely to face stiff competition once the Model S arrives. Nissan is already taking orders on its electric car, the Leaf, which gets 100 miles per charge and is priced at about \$25,000 after tax credits. The Chevrolet Volt, an electric car with a gasoline range-extender, goes on sale by the end of this year with an expected \$35,000 price tag.

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