

Tesla Shares Up; New Model To Go On Sale In June

The Associated Press

PALO ALTO, Calif. (AP) — Shares of electric car maker Tesla Motors Inc. got a jolt Tuesday after the company announced that it would deliver its first lower-priced model in June.

THE CATALYST: Tesla Vice President of Sales George Blankenship said in a blog posting that the company would deliver the first Model S on June 22, and he wrote that it was ahead of schedule. The Model S gives Tesla its first car that's within reach of mainstream buyers. The four-door sedans start at \$49,000, less than half the price of Tesla's first car, the \$109,000 Roadster. But the Model S can run as high as \$97,900.

THE BIG PICTURE: In the first quarter, Tesla lost \$89.9 million, compared with a net loss of \$48.9 million a year earlier. But the company expects its revenue to rise for the year as the Model S makes its way onto the road.

Tesla expects to ship 5,000 of the sedans this year. The base model can go roughly 160 miles on a charge and can go from zero to 60 mph in 6.5 seconds. The top-line model can travel 300 miles per charge and hit 60 from a standing start in 4.4 seconds. Electric car sales have slowed from earlier this year as gas prices have fallen from around \$4 per gallon to a nationwide average of \$3.68.

THE STOCK: Shares of Palo Alto, Calif.-based Tesla rose \$1.77, or just over 6 percent, to \$30.54, in late-morning trading on Tuesday. On June 29, 2010, Tesla became the first automaker to go public since Ford Motor Co.'s initial public offering in 1956. Initially the stock sold for \$17 per share, raising \$226.1 million as 13.3 million shares were sold. It has never dropped anywhere near the IPO price, and has traded between \$21.50 and \$39.95 in the past year.

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