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**TESLA MOTORS INC. (TSLA)****BUY - \$25.14**

TECHNOLOGY - LOCATION, REMOTE SENSING &amp; APPLIED TECHNOLOGIES

PLEASE REFER TO DISCLOSURES ON PAGES 13 &amp; 14 FOR IMPORTANT INFORMATION

**Our Positive View Brightens After Tesla Factory Tour; Raising PT to \$40**

Changes: FY12 Revenue to \$507MM from \$135MM; EPS to (\$1.64) from (\$2.33)

FY13 EPS to \$1.33 from \$1.57, on share count change from secondary expected in 2H11

PT to \$40 from \$30

<b>Financial Summary*</b>					
<u>Adj. EPS</u>	<u>2010</u>	<u>2011E</u>	<u>2012E</u>	<u>2013E</u>	
Mar	-3.26A	-0.54	-0.47	0.18	Price \$25.14
Jun	-3.41A	-0.55	-0.47	0.50	12-Month Target \$40.00
Sep	-0.37A	-0.52	-0.41	0.48	52-Week Range \$14.98-\$36.00
Dec	-0.47A	-0.50	-0.29	0.17	Diluted Shares ('000) 94,240
FY	-2.53	-2.11	-1.64	1.33	Market Cap ('000) \$2,369,194
					Avg. Daily Vol 741,838
Revs (\$'000)					3-5 Yr. Revenue Growth 20%+
Mar	\$20,812A	\$39,059	\$40,373	\$344,570	3-5 Yr. EPS Growth 20%+
Jun	\$28,405A	\$42,855	\$40,176	\$512,630	Book Value \$2.20
Sep	\$31,241A	\$47,869	\$152,297	\$512,630	LT Debt / Total Capital 26%
Dec	\$36,286A	\$38,460	\$274,587	\$347,570	Insider Ownership 57%
FY	\$116,744	\$168,244	\$507,433	\$1,717,401	Est. Q1 Reporting Date May '11
Mkt Cap/Rev	20x	14x	5x	1x	

\*Column totals might not sum because of rounding and changes in share count, particularly given the recent IPO. Q110 and Q210 EPS estimates and cash estimates are pro-forma adjusted for post-IPO diluted shares outstanding.

**Investment Thesis:**

After touring Tesla's operations in the San Francisco Bay Area this week, we have come away more positive on the company's long-term future. We believe that Tesla is in the nascent stages of building a viable long-term company with a dedicated and growing fan-like customer base. We believe that Tesla's role in the auto industry could be similar to Apple Inc.'s position in the personal computer & electronics industry.

We better realized what a boon the Tesla Fremont factory represents to the company. We see a lot of hidden value in the Fremont purchase – it is more than 200 acres of prime real estate in the Bay Area that cost Tesla \$42MM. Beyond the raw value of the property, this asset will allow Tesla to expand with new models that build upon the Model-S platform, including the Model-X, and its third-generation vehicle.


We also came away more confident that Tesla will be able to achieve mid-2012 launch of the Model S.

We have updated several of our near-term and long-term assumptions, giving us a \$40 DCF-based price target. We note that this price target takes into account an incremental 8MM shares from an expected secondary offering in the second half of this year<sup>1</sup>.

Key assumption changes are:

<sup>1</sup> We believe that Tesla may want to raise \$100MM to \$200MM to jump start its Model X development. However, we do not think this will happen until the company has released the beta build of its Model S. We note that Tesla does not need to raise money to bring the Model S to market.

- Margin savings on Fremont plant efficiencies and on producing certain items in house, which saves on outsourcing costs and freight. For instance, the seats will now be made adjacent to the assembly line. This is a new development made possible by the space available at the Fremont factory. Tesla expects that battery improvements could lead to 8% cost savings on batteries annually, or lead to higher energy density per battery, which would also help to drive higher ASPs. We expect 25% gross margins in FY14, which is in line with Tesla's guidance. This adds about \$4 to our PT.

	2010 A	2011 E	2012 E	2013 E	2014 E
Roadster Revenue	71,487	79,570	35,852	-	-
Model S Revenue	-	-	380,969	1,626,208	2,032,760
ZEV Credit Revenue	2,740	4,000	4,000	4,000	4,000
Dest. Charges & Leasing	1,232	1,474	6,612	26,193	32,491
Powertrain Revenue	21,619	21,200	32,000	33,000	36,000
Development Revenue	19,666	62,000	48,000	28,000	28,000
<b>Total revenue</b>	<b>116,744</b>	<b>168,244</b>	<b>507,433</b>	<b>1,717,401</b>	<b>2,133,251</b>
<b>GM</b>	26%	28%	16%	23%	25%
<b>OM</b>	-126%	-140%	-40%	7%	12%
<b>EBITDA</b>	(136,216)	(210,627)	(161,599)	179,362	328,496
<b>EBITDA/Share</b>	(2.69)	(2.17)	(1.55)	1.50	2.22
<b>EPS</b>	(2.53)	(2.11)	(1.64)	1.33	2.01
<b>Assumptions</b>					
<b>Roadster Units</b>	567	620	276	-	-
<b>Model S Units</b>	-	-	4,800	20,000	25,000

- Our previous PT did not take into account Tesla's partnership with Toyota to supply power trains and battery packs for the RAV4. This \$60MM development contract plus initial production orders for 2,500 power trains add about \$2 to our PT.
- At least 4,800 Model S units sold in FY12, up from zero previously. (We assume a gradual ramp in cars produced per 8-hour work shift, with 1,600 units produced in Q312 and 3,200 produced in Q412. Eventual production will be 80 cars per shift, or 5,000 per quarter.) Internal manufacturing buffers give us confidence that Tesla can produce at least 4,800 units in FY12. We note that the company already has more than 4,000 Model S reservations and that each reservation holder has paid at least \$5,000 for a refundable deposit. This adds about \$1 to our PT.
- A terminal value growth rate of 0.5% after 20 years. This takes into account the next generation of cars beyond Model S and Model X, including a third generation vehicle. At more than 200 acres, the Fremont factory gives the company ample room to expand – Model S production only takes up about 15% of the space. This adds about \$1 to our PT.
- The company is now within eight quarters of profitability, which means positive cash flows are closer in time, which benefits the DCF calculation. Beyond the math, we think this PT boost makes sense because Tesla has produced a drivable alpha Model S since we set our \$30 PT. This adds \$2 to our PT.
- Some investors have suggested that Tesla is a binary story – either worth nothing, or a lot. We believe that the downside risk is not zero, particularly given the company's IP portfolio<sup>2</sup> and its property, plant and equipment<sup>3</sup>.

The following sections will address key takeaways from the Tesla factory tour, key takeaways from Tesla's retail store design concept and our assessment of end-market demand.

<sup>2</sup> Tesla has 35 patents awarded and 280 applications pending.

<sup>3</sup> Using nearby land sales for comparison from commercial real estate broker CB Richard Ellis, we estimate the Fremont factory land is worth \$91MM. Of course, this does not take into account the buildings on the site nor any of the equipment. Tesla paid \$42MM for the plant and \$17MM for additional equipment and plant emissions credits from Toyota. Some equipment was free and other machines were purchased at deep discounts because it was cheaper for Toyota to sell them to Tesla, or give them for free, than demo and haul the machines away.

**Tesla factory tour, takeaways:**

## Plant progress:

- We were impressed with the progress that Tesla has made on its Fremont factory in the past 3.5 months<sup>4</sup>. For example, installation of the Shuler press is almost complete (see photos, next page). Tesla is on track for automated manufacturing to begin in FY12.
- Second, Tesla has clearly outlined detailed plans for major and minor manufacturing milestones. After touring the stamping, plastic, paint and final assembly lines, it became clear to us that Tesla has built in buffer time to hit its mid-2012 Model S launch. Throughout the Fremont factory, Tesla has posted large charts with deadlines. Near the entrance of any part of the plant, one can see a large timeline with a string that hangs over the current date. For example, the paint shop has several near-term milestones posted with deadlines, such as a “facility deep clean,” by June 15.
- We believe that Tesla could achieve at least 4,800 Model S units sold in FY12, even if its internal timeline slips three months. Eventually, the plant will produce 80 Model S units per 8-hour shift, but we believe that will not be achieved until 2013.

## Plant potential:

- Tesla is only using 1/5 of its Fremont facility. The plant is big – very big – at 200 acres and 5MM square feet. A white board in the conference room at the entrance to the plant shows that more than half of the factory has its lights off and is being reserved for “future use.”
- Tesla set the date for the Model S launch and unit targets *before* it had acquired the factory. Previous factory designs were much smaller, and were to be located in Downey, Calif.
- Tesla’s Model S lines are set up with sufficient space between stations to allow for expansion to up to 40,000 vehicles per year. The Model S line can scale up to 40,000 just by adding more labor.

## Model S alpha builds:

- We observed a dozen alpha builds in testing. Some cars were painted orange for crash testing – orange shows up better on camera.
- On the day of our tour, Bosch had shipped back one Model S that had been cold-weather traction tested at Bosch’s Minnesota testing grounds. The Model S performed well on all fronts, according to Bosch.
- A central part of our initial thesis on Tesla was that the Model S had the potential to be not only a good electric vehicle, but an excellent car. We stick by that thesis after seeing the Model S alpha builds. Also, the flat panel display is a compelling part of the vehicle. The Model S seats seven passengers and has a roomy interior.

## Anecdotes:

- Gilbert Passin, vice president of manufacturing and alumnus of Renault and Toyota, joined Tesla in January 2010. Tesla CEO Elon Musk said to Passin upon his hiring: “Make the best car you’ve ever made in your life.”
- Other key quotes from Passin:

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<sup>4</sup> The first thing that Tesla VP of Manufacturing Gilbert Passin did after closing on the NUMMI plant in October was to compile a list of assets. That took two months. Also, Toyota was clearing out until Jan 1.

--“From a manufacturing perspective, I’m very comfortable with delivery.”

--“We are milestone driven. We are very focused, like an Army. We are very driven with deliverables and dates.”

--“Yes it’s a big place. Yes we have a lot to do. It’s happening. Are there going to be some bumps in the road? Sure. Are there going to be some late nights? Yes. But it’s going to happen.”

--“I have hired people from Toyota, Lexus, BMW and Aston Martin. These are people who know this stuff.”

- We spoke with the head of the plastics operations. He has worked at the factory for 22 years, and Tesla hired him to continue operating the plastic manufacturing. When we were there, he was re-configuring and testing machines that had produced bumpers. He was also preparing new ovens to be ready by this summer.

Photos:



VP Manufacturing Gilbert Passin walks through the future site of the final assembly facility, which should look more complete in July. The final assembly robots are being debugged and “trained” in Detroit before shipping. Installation on the first robots is to begin within days.





The Shuler press is nearly complete. It is the largest in the U.S. and is hydraulic, which has the necessary finesse to bend the aluminum without ripping it. Other presses, made by Komatsu, are mechanical and used for interior parts.





Some of the press lines at the Fremont factory. A new press line costs \$20MM to \$25MM; Tesla paid less than \$250,000. Different presses are used for different parts. Tesla paid \$42MM for the plant and \$17MM for additional equipment and plant emissions credits from Toyota – these machines were purchased at deep discounts because it was cheaper for Toyota to sell them to Tesla, or give them for free, than demo and haul the machines away.

#### Retail store design:

- The Tesla store is a welcome and overdue departure from the way that cars have been sold in the past. The Santana Row store, which opens to the public Saturday, is visually appealing and draws people in, engages people through a variety of interactive media and displays and creates a comfortable buying environment that is unlike any other retail car buying experience we've seen.
- The store is designed by George Blankenship, Tesla's head of retail store design and a former Apple executive who helped to pioneer Apple's mall store concept.
- Tesla's store concept is expandable because it unbundles retail operations from maintenance. By the end of 2013, Tesla should have about 50 stores of 2,000 square feet to 4,000 square feet (which hold two to four cars) in high-end retail locations, such as the one we saw in Santana Row in San Jose. Its maintenance centers will be in geographically central, lower rent locations. Tesla is signing five-year leases on its stores, which will allow the company to adapt its store strategy as it sells additional vehicle models.

Photos:





George Blankenship describes Tesla's store strategy. The stores include large touch screens to design one's own car, and platters to choose colors. Tesla will encourage browsing to generate desire and good will for the brand. For example, parents are encouraged to put their nine-month-old with sticky fingers in the \$130,000 Roadster and take a picture, without judgment. "Just try to do that at a Porsche dealer," Blankenship said. Tesla will keep another car clean for the serious buyers.



George Blankenship describes a platter of car options, including exterior paint, interior trim and wheel design. Customers can design their own platters and take them home, or give them as gifts. The Santana Row store in San Jose is emblematic Tesla's store strategy, located in a high-end shopping location across from a Lululemon and beside a BCBG Max Azria.



**Discussing demand:**

- We maintain our thesis that consumer demand for Tesla's vehicles will support the company's long-term ambitions.
- Tesla calculated that its 2010 North American market share on the Roadster is 2% for 2-seat sports cars that cost more than \$75,000.<sup>5</sup>
- We believe that Tesla's initial production targets on the Model S are likely below end-market demand for its vehicles<sup>6</sup>. Assuming 20,000 Model S units sold in the U.S., we estimate that Tesla's share of the high-end vehicle market would be 0.85% -- or less than 1%. We note that this represents lower captured market share than Tesla has already been able to achieve on the Roadster in the performance vehicle market. We also note that the 20,000 units sold in 2013 is likely to include international shipments, which would make the market share target even lower, and thus, even easier to achieve.
- We estimate that 200,000 to 300,000 plug-in electric vehicles will be produced for the U.S. market for 2013, based on sales and volume projections by the U.S. Department of Energy, Tesla, Fisker, Ford, GM and Nissan, among others. Thus, we estimate that in order for Tesla to achieve its sales goal of 20,000 Model S units that year, it would need to capture less than 10% of the electric vehicle market in 2013. (See table, next page.)
- We believe that Tesla's market share will increase over time as it introduces additional versions of EVs.
- We've also investigated recent media reports about the Nissan Leaf running out of juice and stranding customers. We believe that such incidents are fewer than the media hype would lead us to believe. However, perception matters and we note that the state of charge of a Tesla vehicle starts out three times higher than Leaf, which should help to alleviate range concerns. We've been conditioned, as drivers, to push our gas-powered cars well-past empty. We know that an "E" on a gas gauge really means we have 20-miles to go. To that end, both the Tesla and Nissan Leaf vehicles are built with "reserve" miles. Nissan derives its "distance to empty" by software formula, which takes into account previous energy used and energy remaining. The distance is constantly updated, according to our contacts at Nissan. Tesla relies on a similar formula, though Tesla has said that it has an advantage in its software and charge assessments.

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<sup>5</sup> While we do not have the data granular enough to verify Tesla's calculations, they are in line with what we'd expect. Based on our higher level data, we estimate that the Roadster has captured 0.04% to 0.07% of the combined high-end and premium vehicle markets in the U.S., which includes BMW, Mercedes, Jaguar, Lexus, Ferrari and Porsche. Even more broadly, we estimate that Roadster sales in 2010 represented 0.005% of total US light vehicle sales. Given these broader categories, Tesla's estimate of 2% market share of premium vehicles makes sense.

<sup>6</sup> Our estimates assume 18MM vehicles sold in the US in 2013. Our estimates are based on our research, Department of Energy data, National Highway Traffic Safety Administration Data, Motor Intelligence data, Ward's Auto data and data from Tesla, Nissan and GM. We also spoke with the Department of Energy's Advanced Technologies Vehicles Manufacturing Loan Program office, which did its own eight month analysis on end-market demand.

## Estimated U.S. Supply of Electric Vehicles from 2011 through 2015

Manufacturer	Model	Type	2011	2012	2013	2014	2015	Total
Coda	Sedan	EV		14,000	14,000	14,000	14,000	56,000
Fisker	Karma	PHEV	1,000	5,000	10,000	10,000	10,000	36,000
Fisker	Nina	PHEV	-	5,000	40,000	75,000	75,000	195,000
Ford	Focus	EV	-	10,000	20,000	20,000	20,000	70,000
Ford	Transit Connect	EV	400	800	1,000	1,000	1,000	4,200
GM	Chevrolet Volt	PHEV	10,000	15,000	60,000	60,000	60,000	205,000
Navistar	eStar	EV (truck)	200	800	1,000	1,000	1,000	4,000
Nissan	LEAF	EV	25,000	25,000	50,000	100,000	100,000	300,000
Newton	EV	(truck)	1,000	1,000	1,000	1,000	1,000	5,000
Tesla Motors	Model S	EV	-	5,000	20,000	25,000	30,000	80,000
Tesla Motors	Roadster	EV	1,000	-	-	-	-	1,000
Toyota	Rav4	EV	-	500	1,000	1,000	1,500	4,000
Think	City	EV	2,000	5,000	10,000	20,000	20,000	57,000
Other (unannounced)			-	-	20,000	30,000	45,000	95,000
<b>Total</b>			40,600	87,100	248,000	358,000	378,500	1,112,200
<b>Market share</b>								
Coda	Sedan	EV	0.0%	16.1%	5.6%	3.9%	3.7%	5%
Fisker	Karma	PHEV	2.5%	5.7%	4.0%	2.8%	2.6%	3%
Fisker	Nina	PHEV	0.0%	5.7%	16.1%	20.9%	19.8%	18%
Ford	Focus	EV	0.0%	11.5%	8.1%	5.6%	5.3%	6%
Ford	Transit Connect	EV	1.0%	0.9%	0.4%	0.3%	0.3%	0%
GM	Chevrolet Volt		24.6%	17.2%	24.2%	16.8%	15.9%	18%
Navistar	eStar	EV (truck)	0.5%	0.9%	0.4%	0.3%	0.3%	0%
Nissan	LEAF	EV	61.6%	28.7%	20.2%	27.9%	26.4%	27%
Newton	EV	(truck)	2.5%	1.1%	0.4%	0.3%	0.3%	0%
Tesla Motors	Model S	EV	0.0%	5.7%	8.1%	7.0%	7.9%	7%
Tesla Motors	Roadster	EV	2.5%	0.0%	0.0%	0.0%	0.0%	0%
Toyota	Rav4	EV	0.0%	0.6%	0.4%	0.3%	0.4%	0%
Think	City	EV	4.9%	5.7%	4.0%	5.6%	5.3%	5%
Other (unannounced)			0.0%	0.0%	8.1%	8.4%	11.9%	9%
<b>Total</b>			100%	100%	100%	100%	100%	100%

Sources: D&amp;Co. estimates, U.S. Department of Energy

**Investment Risks:**

Risks that could prevent Tesla (TSLA) shares from achieving our price target include:

- **Model S Progress Risks** – We believe that not achieving the anticipated roadmap for the Model S platform presents one of the largest risks to the stock. Supplier issues could be a source of delay. Tesla's Roadster, for example, relies on 150 suppliers for 2,000 parts. In the past, supplier delays have stalled progress on the Roadster. Tesla has indicated that it is on track to make first delivery of the Model S in 2012. However, our model assumes delays.
- **Profitability Targets** – Tesla's future profitability depends upon achieving 43% net cost reduction from the Roadster to the Model S. Failure to achieve cost reduction objectives would be detrimental to the company and the stock.
- **CEO Leadership Dependence** – We believe that Tesla has been able to secure a bevy of automotive engineering and design talent. Much of that can be attributed to the leadership and vision of CEO Elon Musk. We don't expect Musk, a serial entrepreneur, to remain at the helm of the company beyond 2014. Contractually, Musk should stay on until the Model S has performed successfully.



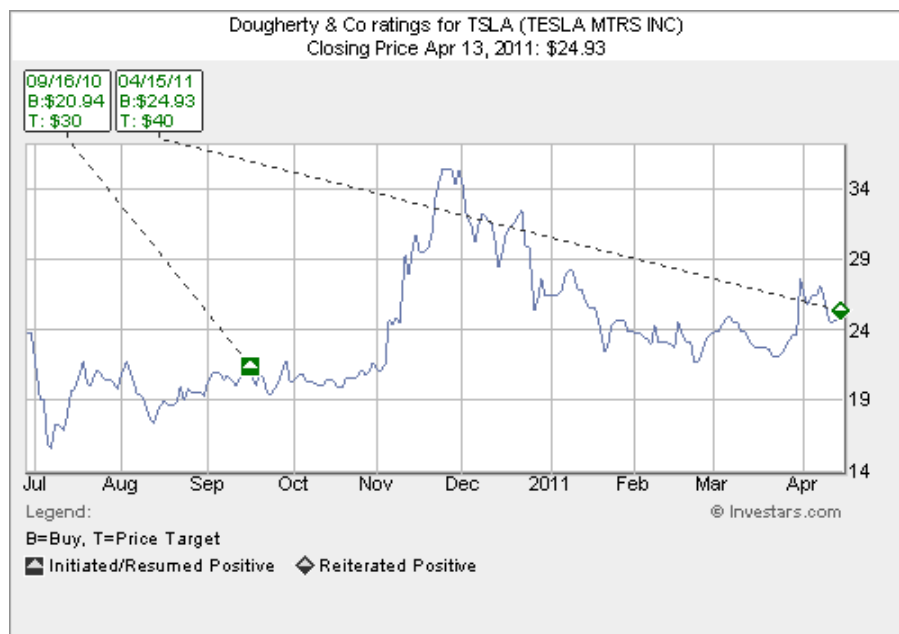
- Withdrawal of Government Support – Widespread electric vehicle adoption is encouraged by government buyer incentives, government emissions regulations and government grants that support technological advancement and build out of the charging infrastructure. A deleterious change to the subsidies or support surrounding electric vehicles could create an ethanol-like failure of the concept.
- Stock Dilution – Shareholders could see dilution should the company pursue a plan to raise additional capital in the form of stock or convertible debt.
- Failure of the Electric Vehicle Concept – Despite the hype, electric vehicles have not proven their success as a concept. Range anxiety is a real obstacle faced by consumers. Advertised ranges are generally overstated. Like internal combustion engines, ranges vary by usage pattern, including speed, acceleration and cabin climate control, and the temperature and climate of the operating environment. This issue is much bigger for electric vehicles than for internal combustion engines, given the existing limits to their ranges. Also, we note that ethanol failed for a variety of reasons, but a key reason was poor consumer adoption at the pump – vehicle range drops up to 20% when fueled by E85. (Tesla has floated the idea of swap pack batteries that can be rented for longer trips. We think that this model is unlikely to take off.)



## DOUGHERTY &amp; COMPANY LLC

TESLA	Actual												Estimated				Model S Begins					
	FY 2007	FY 2008	Q1 2009 MAR	Q2 2009 JUN	Q3 2009 SEP	Q4 2009 DEC	FY 2009	Q1 2010 MAR	Q2 2010 JUN	Q3 2010 SEP	Q4 2010 DEC	FY 2010	Q1 2011E MAR	Q2 2011E JUN	Q3 2011E SEP	Q4 2011E DEC	FY 2011E	Q1 2012E MAR	Q2 2012E JUN	Q3 2012E SEP	Q4 2012E DEC	FY 2012E
Income Statement																						
YOY		2009%					659%	-0.4%	5.4%	-31.4%	95.2%	4%	87.7%	50.9%	53.2%	6.0%	44%	3.4%	-6.3%	218.2%	613.9%	202%
QOQ				29.0%	69.0%	-59.2%		12.0%	36.5%	10.0%	16.1%			9.7%	11.7%	-19.7%		-0.5%	279.1%	80.3%		
Auto Sales	73	14,742	20,886	26,945	45,527	18,585	111,943	20,585	23,971	23,350	29,172	97,078	24,059	27,855	31,869	22,460	106,244	23,373	23,176	145,297	267,587	459,433
Development services sales	-	-	-	-	-	-	-	227	4,434	7,891	7,114	19,666	15,000	15,000	16,000	16,000	62,000	17,000	17,000	7,000	7,000	48,000
Total Revenue	73	14,742	20,886	26,945	45,527	18,585	111,943	20,812	28,405	31,241	36,286	116,744	39,059	42,855	47,869	38,460	168,244	40,373	40,176	152,297	274,587	507,433
Cost of Auto sales	9	15,883	22,932	24,844	37,828	16,804	102,408	16,858	20,266	19,457	23,401	79,982	21,653	25,069	27,089	20,214	94,026	18,699	18,541	128,646	238,886	404,771
Cost of development svcs	-	-	-	-	-	-	-	102	1,878	2,488	1,564	6,032	6,750	6,750	7,200	7,200	27,900	7,650	7,650	3,150	3,150	21,600
Total COGS	9	15,883	22,932	24,844	37,828	16,804	102,408	16,960	22,144	21,945	24,965	86,014	28,403	31,819	34,289	27,414	121,926	26,349	26,191	131,796	242,036	426,371
Gross profit (loss)	64	(1,141)	(2,046)	2,101	7,699	1,781	9,535	3,852	6,261	9,296	11,321	30,730	10,656	11,035	13,580	11,046	46,318	14,025	13,985	20,501	32,551	81,062
GM	88%	-8%	-10%	8%	17%	10%	9%	19%	22%	30%	31%	26%	27%	26%	28%	29%	28%	35%	35%	13%	12%	16%
R&D	62,753	53,714	7,941	1,941	1,257	8,143	19,282	13,265	15,416	26,698	37,617	92,996	43,500	43,500	43,800	44,300	175,100	43,600	43,600	43,900	44,400	175,500
SG&A	17,244	23,649	6,607	8,247	10,733	16,563	42,150	16,585	22,207	20,432	25,349	84,573	26,300	27,000	26,700	26,500	106,500	27,000	27,000	26,700	26,500	107,200
Total OpEx	79,997	77,363	14,548	10,188	11,990	24,706	61,432	29,850	37,623	47,130	62,966	177,569	69,800	70,500	70,500	70,800	281,600	70,600	70,600	70,600	70,900	282,700
Op profit (loss)	(79,933)	(78,504)	(16,594)	(8,087)	(4,291)	(22,925)	(51,897)	(25,998)	(31,362)	(37,834)	(51,645)	(146,839)	(59,144)	(59,465)	(56,920)	(59,754)	(235,282)	(56,575)	(56,615)	(50,099)	(38,349)	(201,638)
OM	-109497%	-533%	-79%	-30%	-9%	-123%	-46%	-125%	-110%	-121%	-142%	-126%	-151%	-139%	-119%	-155%	-140%	-140%	-141%	-33%	-14%	-40%
Interest income	1,749	529	16	29	52	62	159	48	47	100	63	258	63	13	10	0	87	0	7	0	0	7
Interest expense	-	(3,747)	(1,402)	(1,086)	(18)	(25)	(2,531)	(230)	(464)	(298)	-	(992)	-	-	-	-	-	-	-	-	-	-
Other income (expense)	137	(963)	1,972	(1,715)	(577)	(1,125)	(1,445)	(3,221)	(6,729)	3,180	187	(6,583)	-	-	-	-	-	-	-	-	-	-
Income (loss) before tax	(78,047)	(82,685)	(16,008)	(10,859)	(4,834)	(24,013)	(55,714)	(29,401)	(38,508)	(34,852)	(51,395)	(154,156)	(59,081)	(59,451)	(56,909)	(59,754)	(235,195)	(56,575)	(56,608)	(50,099)	(38,349)	(201,632)
Tax	110	97	8	8	(219)	229	26	118	9	83	(37)	173	133	134	128	135	530	127	128	113	86	454
Net Income (Loss)	(78,157)	(82,782)	(16,016)	(10,867)	(4,615)	(24,242)	(55,740)	(29,519)	(38,517)	(34,935)	(51,368)	(154,329)	(59,214)	(59,585)	(57,037)	(59,889)	(235,725)	(56,703)	(56,736)	(50,212)	(38,436)	(202,086)
Diluted shares	3,444	6,646	6,924	6,966	7,014	7,066	7,022	7,302	7,643													
QoQ Growth			4.2%	0.6%	0.7%	0.7%		3.3%	8.8%													
GAAP EPS	(22.69)	(12.46)	(2.31)	(1.56)	(0.66)	(3.43)	(7.94)	(4.04)	(5.04)													
Diluted (pro-forma)				71,828			77,694	77,974	91,208	92,271	94,240	50,718	94,334	94,429	95,373	103,480	96,904	103,790	104,101	104,414	104,727	104,258
QoQ Growth									17.0%	1.2%	2.1%		0.10%	0.10%	1.0%	8.5%		0.3%	0.30%	0.3%	0.3%	
EPS (calculated)				(0.15)			(0.72)	(0.38)	(0.42)	(0.38)	(0.54)	(3.04)	(0.63)	(0.63)	(0.60)	(0.58)	(2.43)	(0.55)	(0.55)	(0.48)	(0.37)	(1.94)
EPS (given pro-forma)							(0.70)	(0.35)	(0.28)													
Reconciliation GAAP to Non-GAAP																						
Net Income (Loss)			(16,016)	(10,867)	(4,615)	(24,242)	(55,740)	(29,519)	(38,517)	(34,935)	(51,368)	(154,329)	(59,214)	(59,585)	(57,037)	(59,889)	(235,725)	(56,703)	(56,736)	(50,212)	(38,436)	(202,086)
COGS stock-based comp			24	18				42	36	72	93	243										
R&D stock based comp			86	67				281	551	1,256	2,051	4,139										
SG&A stock-based comp			43	121				3,064	5,528	2,483	5,699	16,774										
Total stock-based comp			153	206				3,387	6,115	3,811	7,843	21,156	7,843	7,843	7,843	7,843	31,372	7,843	7,843	7,843	7,843	31,372
Change in fair value of warrant liab.			25	306				2,332	6,349	(3,071)	(587)	5,023	-	-	-	-	-	-	-	-	-	-
Adjusted Net Income (Loss)				(10,689)	(4,103)			(23,800)	(26,053)	(34,195)	(44,102)	(128,150)	(51,371)	(51,742)	(49,194)	(52,046)	(204,353)	(48,860)	(48,893)	(42,369)	(30,593)	(170,714)
Adjusted EPS				(1.53)	(0.58)			(3.26)	(3.41)	(0.37)	(0.47)	(2.53)	(0.54)	(0.55)	(0.52)	(0.50)	(2.11)	(0.47)	(0.47)	(0.41)	(0.29)	(1.64)





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