

4 May 2011

# Tesla Motors

Reuters: **TSLA.OQ** Bloomberg: **TSLA UN** Exchange: **NMS** Ticker: **TSLA**

## Good results, on-track for Model S launch

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Strong revenue (\$49.0MM vs DB est of \$41.9MM) and 74% margin on Development Svcs rev (i.e. prototype Toyota powertrains) led to an EBIT loss of \$41.4MM vs our \$48.9MM est. Current earnings aren't important to our long-term view, but are important in terms of near-term cash flow, and we continue to be impressed by the powertrain business and that Roadster vol's and gross margins remain stable. Current cash appears sufficient to bridge the company to cash flow positive, which we expect in early 2013. We maintain Hold rating based on valuation.

**On-time Model S launch in mid-2012 appears to be well on-track**

The Alpha prototype build was completed in April, approximately 15 months from launch. Based on our knowledge of traditional OEM product development timing, this is on, if not ahead of, schedule. We continue to view the significant amount of in-sourcing (interior plastics, paint, aluminum stamping) as the biggest potential risk to launch timing, but the company expresses confidence in these areas and we are comfortable that they have the personnel in place to garner success. And the order book is strong for the vehicle, as reservations (minimum \$5,000 deposit required) are 4,600 (up from 3,400 at 12/31/10) which is not far from the 6,500 units we expect to be produced in 2012.

**Some encouraging comments on key variables to long-term earnings**

**Warranty:** Management commented that Roadster warranty spending has remained stable as the vehicle has aged. Additionally, Roadster batteries have continued to perform well, even at 100k miles. **Leasing:** The luxury sedan segment can have 50%+ leasing penetration, so it is important for Tesla to have an externally-financed leasing program. Management commented that they are in discussions with several banks on this matter, although Tesla will likely have to share some level of vehicle residual risk (at least initially). **International Sales:** More than 50% of 1Q11 Roadster sales occurred outside the U.S. Our Model S forecast includes an assumption that 50% are sold outside the U.S., which could be particularly beneficial in a weak-dollar environment.

**Raising target to \$24 from \$21.50 on adj'd long-term USD / EUR assumption**

We adjusted to \$1.30 USD / EUR from \$1.20. Every \$0.10 change is a ~\$3.00 impact to our target price, which is based on a long-term DCF analysis. Key downside risks include execution on the scale up from niche to volume manufacturing and demand / avg trans price assumptions. Upside could be derived from higher-than-expected Model S volumes.

**Forecasts and ratios**

Year End Dec 31	2010A	2011E	2012E
FY EPS (USD)	-2.55	-2.02	-1.05
OLD FY EPS (USD)	-2.55	-2.08	-1.11
% Change	-0.0%	-2.4%	-5.0%
Revenue (USDm)	116.7	188.0	719.2

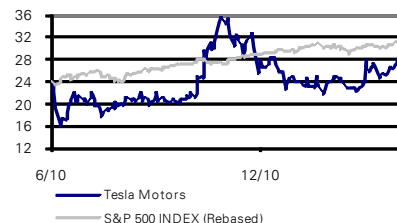
Source: Deutsche Bank estimates, company data

<sup>1</sup> Includes the impact of FAS123R requiring the expensing of stock options.**Forecast Change****Hold**

Price at 4 May 2011 (USD)	26.69
Price target	24.00
52-week range	35.47 - 15.80

**Key changes**

Price target	21.50 to 24.00	↑	11.6%
EPS (USD)	-2.08 to -2.02	↑	-2.4%
Revenue (USDm)	174.4 to 188.0	↑	7.8%

**Price/price relative**

Performance (%)	1m	3m	12m
Absolute	3.3	13.8	—
S&P 500 INDEX	1.1	2.8	14.8

**Stock & option liquidity data**

Market Cap (USDm)	2,550.8
Shares outstanding (m)	95.6
Free float (%)	100
Volume (4 May 2011)	1,030,800
Option volume (und. shrs., 1M avg.)	—

Deutsche Bank Securities Inc.

All prices are those current at the end of the previous trading session unless otherwise indicated. Prices are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies. Deutsche Bank does and seeks to do business with companies covered in its research reports. Thus, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. DISCLOSURES AND ANALYST CERTIFICATIONS ARE LOCATED IN APPENDIX 1. MICA(P) 007/05/2010

Model updated:05 May 2011

## Running the numbers

## North America

## United States

## Autos &amp; Auto Parts

## Tesla Motors

Reuters: TSLA.OQ

Bloomberg: TSLA UN

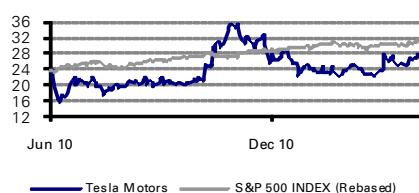
## Hold

Price (4 May 11)	USD 26.69
Target price	USD 24.00
52-week Range	USD 15.80 - 35.47
Market Cap (m)	USDm 2,551
	EURm 1,714

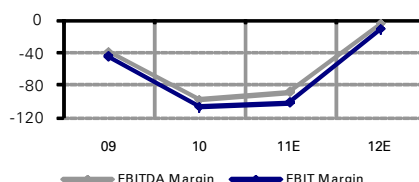
## Company Profile

Tesla Motors designs, manufactures, and sells electric vehicles and EV powertrain components. Founded in 2003, the company introduced the first widely available highway-capable electric vehicle in 2008. They plan to produce a higher-volume product (Model S) in 2012.

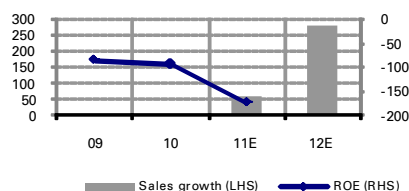
## Price Performance



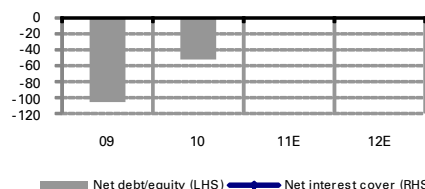
## Margin Trends



## Growth &amp; Profitability



## Solvency



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Fiscal year end 31-Dec

## Financial Summary

	2009	2010	2011E	2012E
DB EPS (USD)	na	-2.55	-2.02	-1.05
Reported EPS (USD)	-1.03	-2.38	-1.88	-0.98
DPS (USD)	0.00	0.00	0.00	0.00
BVPS (USD)	1.30	4.11	0.17	-0.89

## Valuation Metrics

Price/Sales (x)	nm	10.1	13.6	3.6
P/E (DB) (x)	na	nm	nm	nm
P/E (Reported) (x)	nm	nm	nm	nm
P/BV (x)	0.0	6.5	161.4	nm
FCF yield (%)	na	nm	nm	nm
Dividend yield (%)	na	0.0	0.0	0.0
EV/Sales	nm	9.2	14.8	4.2
EV/EBITDA	nm	nm	nm	nm
EV/EBIT	nm	nm	nm	nm

## Income Statement (USDm)

Sales	112	117	188	719
EBITDA	-45	-115	-167	-40
EBIT	-52	-126	-193	-92
Pre-tax profit	-56	-128	-194	-102
Net income	-56	-128	-193	-101

## Cash Flow (USDm)

Cash flow from operations	-81	-136	-131	-66
Net Capex	-12	-127	-196	-119
Free cash flow	-93	-263	-327	-185
Equity raised/(bought back)	158	270	0	0
Dividends paid	0	0	0	0
Net inc/(dec) in borrowings	0	0	0	0
Other investing/financing cash flows	-5	55	255	132
Net cash flow	60	62	-72	-53
Change in working capital	-38	-3	37	-17

## Balance Sheet (USDm)

Cash and cash equivalents	70	178	99	45
Property, plant & equipment	24	123	310	378
Goodwill	0	0	0	0
Other assets	37	85	79	346
Total assets	130	386	488	769
Debt	0	72	333	465
Other liabilities	65	107	140	389
Total liabilities	65	179	473	854
Total shareholders' equity	66	207	16	-86
Net debt	-70	-106	234	420

## Key Company Metrics

Sales growth (%)	nm	4.3	61.1	282.5
DB EPS growth (%)	na	na	20.5	48.1
Payout ratio (%)	nm	nm	nm	nm
EBITDA Margin (%)	-40.2	-98.6	-89.0	-5.6
EBIT Margin (%)	-46.4	-107.7	-102.4	-12.9
ROE (%)	-84.8	-94.0	-173.4	nm
Net debt/equity (%)	-106.0	-51.3	nm	nm
Net interest cover (x)	nm	nm	nm	nm

## DuPont Analysis

EBIT margin (%)	-46.4	-107.7	-102.4	-12.9
x Asset turnover (x)	0.9	0.5	0.4	1.1
x Financial cost ratio (x)	1.0	1.0	1.0	1.1
x Tax and other effects (x)	1.0	1.0	1.0	1.0
= ROA (post tax) (%)	-42.7	-49.7	-44.2	-16.1
x Financial leverage (x)	2.0	1.9	3.9	-18.0
= ROE (%)	-84.8	-94.0	-173.4	290.5
annual growth (%)	na	-10.9	-84.3	na
x NTA/share (avg) (x)	1.2	2.5	1.1	-0.3
= Reported EPS	-1.03	-2.38	-1.88	-0.98
annual growth (%)	na	-130.1	20.7	48.0

Source: Company data, Deutsche Bank estimates

Tesla reported adjusted EPS of -\$0.44 vs consensus and DB est of -\$0.52. EBIT of -\$41.4MM compared to our -\$48.9MM estimate, as powertrain revenue was better-than-expected and gross margin (37.1%, +550bp sequentially) benefited from a 74% margin on Development Services revenue (i.e. prototype batteries). Revenue guidance of \$170MM-\$185MM implies a sequential reduction from 1Q11 revenue of \$49MM, but this is to be expected as Daimler / Smart battery production winds down from current levels. Assuming Tesla gets a production contract for the 2012 Toyota RAV4 program, this should more than offset the loss of the Daimler programs, and there is certainly the possibility that Tesla receives additional Daimler business for 2012. All in all, Tesla continues to execute well on current revenue opportunities. We've been encouraged that Roadster volumes and gross margins have been stable, despite the Model S launch being just more than one year away. Total cash levels (including restricted cash) ended the quarter at \$148.5MM, down \$29.5MM. We continue to believe (and the company reiterated) that cash levels are sufficient to bridge the company to cash flow positive, which we expect in early 2013.

The company appears to be well on-track for an on-time Model S launch in mid-2012. The Alpha prototype build was completed in April, approximately 15 months from launch. Based on our knowledge of traditional OEM product development timing, this is on schedule, if not somewhat ahead of schedule. We continue to view the significant amount of in-sourcing (interior plastics, paint, aluminum stamping) as the biggest potential risk to launch timing, but the company expresses confidence in these areas and we are comfortable that they have the personnel in place to garner success. And the order book is strong for the vehicle, as reservations (minimum \$5,000 deposit required) are 4,600 as of today (up from 3,400 at 12/31/10) which is not far from the 6,500 units we expect to be produced in 2012.

We were also encouraged on certain other variables that we consider key to the long-term earnings power of Tesla:

- **Warranty:** The sufficiency of Tesla's warranty reserves will be difficult to determine, given lack of experience. However, management commented that Roadster warranty spending has remained stable as the vehicle has aged. Additionally, no Roadster batteries have reached "end of life", despite some vehicles being at 100k miles currently.
- **Leasing:** Tesla's ability to offer a leasing program for the Model S will be important, as the midsize premium sedan segment experiences heavy lease penetrations, particularly in the U.S. Tesla currently uses its own balance sheet to finance the Roadster leasing program. Given the higher volume on Model S, it will require external financing. Management commented that they are in discussions with several banks that are interested in providing lease financing. Tesla, however, may have to share the residual value risk (risk that vehicle is worth less than originally assumed when the customer's lease expires).
- **Average transaction prices:** Model S gross margins will likely be quite sensitive to the amount of vehicle options that are purchased. Our 23% gross margin projection for Model S units includes 12% on the base vehicle (approx \$62k per-unit global average, before customer subsidies) and 50% on projected option content, add'l battery range, and carbon reduction credits (approx \$25k per-unit global average). Tesla's recent announcement that initial production will be focused on highly-contented versions of the vehicle means that margins should be quite strong initially. And, although we don't consider it a direct read-through, we're encouraged that Roadster ATP's have remained high and very stable, despite the vehicle being on sale since late 2008.
- **International sales:** Roadster sales were 50%+ non-U.S. in 1Q11, a positive sign that brand equity is building outside of the U.S. Our model assumes that Model S sales are 50% non-U.S. In a weak-dollar environment, non-U.S. sales could significantly higher margins

than U.S. vehicles, as nearly all costs will be dollar-denominated. Our Tesla valuation is very sensitive to the EUR / USD assumption.

#### **Raising price target on change to long-term EUR / USD assumption**

We are raising our price target to \$24 from \$21.50 based on a Discounted Cash Flow analysis. The increase is completely related to a change to our long-term USD / EUR assumption to 1.30 from 1.20. Every \$0.10 weakening of the USD will add ~\$3.00 per share to our Tesla valuation. We are also fine-tuning our 2011 / 2012 / 2013 EPS estimates to -\$2.02 / -\$1.05 / +\$2.33 from -\$2.08 / -\$1.11 / +\$2.08.

#### **Valuation / Risks**

Our price target is based on a DCF analysis. Valuing Tesla presents a unique set of challenges, given the fact that company revenue won't accelerate until 2012 and beyond. We believe that DCF is the most appropriate valuation method in this case. We assume 7% terminal growth beginning in 2020 (given our projection that Tesla will still be building out its vehicle portfolio and that only 9.5% of global sales will be vehicles able to be fueled from the grid in 2020, we believe that a 7% growth rate is reasonable). We assume a terminal EBIT margin of 12.8% and a weighted average cost of capital of 13.6% (we calculate WACC by using 15% cost of equity and 3.3% cost of DOE debt and weight this over the expected capital structure from 2011 - 2015).

Key downside risks include execution on the scale up from niche to volume manufacturing, risks associated with demand and average transaction price assumptions, risks associated with costs projections, and unknowns associated with the future competitive landscape. In addition, we anticipate limited near term revenue/earnings to support the stock and, consequently, we anticipate that Tesla's shares can exhibit high levels of near term volatility. Upside could be derived from higher-than-expected Model S volumes or Powertrain sales contract wins. Given volumes of competitor vehicles in the 50k - 200k range, there is the potential for Tesla Model S volume to be significantly higher-than-expected. Additional customers / contracts for Powertrain sales could add significantly to our revenue / profitability targets (i.e. if current Toyota / Daimler development contracts turn into commercial production contracts). Finally, Tesla valuation is sensitive to changes in the EUR / USD exchange rate.

**Figure 1: Tesla Discounted Cash Flow Analysis (\$MM)**

	2010	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Revenues	116.7	188.0	719.2	2,022.2	2,263.1	2,763.9	3,391.8	3,886.0	4,665.0	5,416.6	6,074.4
Revenue Growth		61.1%	282.5%	181.2%	11.9%	22.1%	22.7%	14.6%	20.0%	16.1%	12.1%
Operating Expenses	242.4	380.6	811.6	1,761.4	1,940.7	2,349.2	2,846.1	3,257.1	4,091.7	4,729.6	5,294.6
Operating Income	(\$126)	(\$193)	(\$92)	\$261	\$322	\$415	\$546	\$629	\$573	\$687	\$780
Operating Margin	-107.7%	-102.4%	-12.9%	12.9%	14.2%	15.0%	16.1%	16.2%	12.3%	12.7%	12.8%
Depr and Amort	\$11	\$25	\$52	\$58	\$58	\$63	\$74	\$84	\$101	\$118	\$132
EBITDA	(\$115)	(\$167)	(\$40)	\$319	\$381	\$478	\$619	\$713	\$674	\$805	\$912
EBITDA Margin	-98.6%	-89.0%	-5.6%	15.8%	16.8%	17.3%	18.3%	18.4%	14.5%	14.9%	15.0%
Taxes	\$0	(\$1)	(\$1)	(\$1)	(\$4)	(\$65)	(\$130)	(\$151)	(\$138)	(\$165)	(\$187)
Change Working Capital		\$37	(\$17)	(\$96)	\$59	(\$34)	(\$45)	\$148	(\$124)	(\$35)	(\$40)
Capex to Sales %	108.6%	104.1%	16.6%	2.9%	4.2%	4.7%	4.0%	4.1%	4.1%	4.1%	4.1%
CAPEX	(\$127)	(\$196)	(\$119)	(\$59)	(\$94)	(\$131)	(\$137)	(\$159)	(\$191)	(\$222)	(\$249)
Incremental Investment	(\$127)	(\$159)	(\$136)	(\$155)	(\$35)	(\$164)	(\$182)	(\$12)	(\$316)	(\$257)	(\$289)
Free Cash Flow	(\$242)	(\$327)	(\$177)	\$163	\$342	\$249	\$308	\$551	\$221	\$383	\$435
Terminal Value											<u>\$6,614</u>
Present Value			(\$155)	\$126	\$233	\$149	\$163	\$257	\$91	\$107	\$1,737
Sum of PVs	\$2,708										
Enterprise value	\$2,708										
Cash (2011YE)	(\$99)										
Total Debt (2011YE)	\$334										
Shareholder Value	\$2,474										
Shares Outstanding	102.5										
Per Share Value	\$24										

Source: Deutsche Bank

**Normalized Assumptions**

Sales Growth	7.0%	Terminal Value	
Operating Margin	12.8%	WACC - g	6.6%
Tax Rate	24.0%	WACC	13.6%
W/C % Revenue	2.0%		
CAPEX % Rev.	3.7%		

**Figure 2: Tesla Earnings Model (\$MM)**

	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11E	3Q11E	4Q11E	F2009	F2010	F2011E	F2012E	F2013E
Auto & PWT Revenue	20.6	24.0	23.4	29.2	33.6	35.2	32.7	32.1	94.8	97.1	133.6	696.7	2,007.2
Development Services	0.2	4.4	7.9	7.1	15.4	13.0	13.0	13.0	17.2	19.7	54.4	22.5	15.0
<b>Total Revenue</b>	<b>20.8</b>	<b>28.4</b>	<b>31.2</b>	<b>36.3</b>	<b>49.0</b>	<b>48.2</b>	<b>45.7</b>	<b>45.1</b>	<b>111.9</b>	<b>116.7</b>	<b>188.0</b>	<b>719.2</b>	<b>2,022.2</b>
Auto COGS	16.8	20.2	19.4	23.3	26.8								
Development Service COGS	0.1	1.9	2.5	1.6	4.0								
COGS	16.9	22.1	21.9	24.9	30.8	34.2	32.2	31.7	102.4	85.8	129.0	592.7	1,549.5
Gross Profit	3.9	6.3	9.4	11.4	18.2	14.0	13.5	13.4	9.5	31.0	59.0	126.5	472.7
Gross Margin	18.7%	22.2%	30.0%	31.5%	37.1%	29.0%	29.5%	29.6%		26.5%	31.4%	17.6%	23.4%
Product Gross Margin	18.3%	15.6%	17.0%	20.1%	20.3%	21.3%	21.0%	20.6%					
R&D	13.0	14.9	25.4	35.6	38.9	42.0	42.0	42.0	19.3	88.9	165.0	116.0	83.0
SG&A	13.5	16.7	17.9	19.7	20.7	21.5	21.8	22.5	42.2	67.8	86.6	102.9	128.9
<b>Operating Profit</b>	<b>(22.6)</b>	<b>(25.2)</b>	<b>(34.0)</b>	<b>(43.8)</b>	<b>(41.4)</b>	<b>(49.5)</b>	<b>(50.4)</b>	<b>(51.2)</b>	<b>(51.9)</b>	<b>(125.7)</b>	<b>(192.6)</b>	<b>(92.4)</b>	<b>260.8</b>
Operating Margin	-108.6%	-88.9%	-108.9%	-120.7%	-84.5%	-102.6%	-110.3%	-113.7%		-107.7%	-102.4%	-12.9%	12.9%
Interest Inc / (Exp)	(0.2)	20.7%	(0.2)	0.1	0.0	(0.3)	(0.4)	(0.6)	(2.4)	(0.7)	(1.2)	(9.6)	(14.3)
Other gain / (loss)	(0.9)	(0.4)	-	(0.4)	(0.4)				(1.4)	(1.7)	-	-	-
<b>Pretax Income</b>	<b>(23.7)</b>	<b>(26.0)</b>	<b>(34.2)</b>	<b>(44.1)</b>	<b>(41.7)</b>	<b>(49.8)</b>	<b>(50.8)</b>	<b>(51.8)</b>	<b>(55.7)</b>	<b>(128.1)</b>	<b>(194.1)</b>	<b>(102.0)</b>	<b>246.5</b>
Taxes	(0.1)	(0.0)	(0.1)	0.0	0.2	0.2	0.2	0.2	(0.0)	(0.2)	0.6	0.6	0.6
Tax Rate					0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Net Income</b>	<b>(23.8)</b>	<b>(26.1)</b>	<b>(34.3)</b>	<b>(44.1)</b>	<b>(41.6)</b>	<b>(49.6)</b>	<b>(50.7)</b>	<b>(51.6)</b>	<b>(55.7)</b>	<b>(128.3)</b>	<b>(193.5)</b>	<b>(101.4)</b>	<b>247.1</b>
<b>EPS</b>	<b>(3.26)</b>	<b>(3.41)</b>	<b>(0.37)</b>	<b>(0.47)</b>	<b>(0.44)</b>	<b>(0.52)</b>	<b>(0.53)</b>	<b>(0.54)</b>	<b>(2.55)</b>	<b>(2.02)</b>	<b>(1.05)</b>	<b>2.33</b>	
Basic Shares	7.3	7.6	92.3	94.2	95.2	95.4	95.7	96.0	50.4	50.4	95.6	96.6	97.7
Diluted Shares	7.3	7.6	99.5	103.0	103.7	104.0	104.2	104.5	54.4	54.4	104.1	105.2	106.2
<b>EBITDA</b>	<b>(20.5)</b>	<b>(22.8)</b>	<b>(30.9)</b>	<b>(40.9)</b>	<b>(37.9)</b>	<b>(44.1)</b>	<b>(43.3)</b>	<b>(41.9)</b>	<b>(45.0)</b>	<b>(115.1)</b>	<b>(167.3)</b>	<b>(40.1)</b>	<b>319.0</b>
EBITDA Margin											-89%	-6%	16%
R&D as % of Revenue	62.4%	52.3%	81.4%	98.0%	79.3%	87.2%	92.0%	93.3%	17%	76%	88%	16.1%	4.1%
SG&A as % of Revenue	65.0%	58.7%	57.5%	54.2%	42.3%	44.5%	47.8%	50.0%	38%	58%	46%	14.3%	6.4%

Source: Company Filings, Deutsche Bank

**Figure 3: Tesla Cash Flow Model (\$MM)**

Cash Flow Statement	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	F2009	F2010	F2011E	F2012E	F2013E
Reported net income	(23.8)	(26.1)	(34.3)	(44.1)	(41.6)	(49.6)	(50.7)	(51.6)	(55.7)	(128.3)	(193.5)	(101.4)	247.1
Depreciation and amortization	2.1	2.5	3.1	2.9	3.5	5.4	7.1	9.3	6.9	10.6	25.3	52.4	58.2
Other operating	0.1	(4.1)	(7.2)	(4.7)	(12.4)				5.5	(15.8)			
Change in working capital	(5.8)	9.8	(15.9)	9.1	7.1	8.6	11.0	10.0	(37.5)	(2.8)	36.8	(16.8)	(96.1)
<b>Operating cash flow</b>	<b>(27.3)</b>	<b>(17.9)</b>	<b>(54.3)</b>	<b>(36.8)</b>	<b>(43.3)</b>	<b>(35.7)</b>	<b>(32.6)</b>	<b>(32.3)</b>	<b>(80.8)</b>	<b>(136.2)</b>	<b>(131.5)</b>	<b>(65.9)</b>	<b>209.2</b>
Capital expenditures	(5.5)	(9.2)	(67.1)	(23.6)	(20.5)	(50.2)	(59.5)	(65.7)	(11.9)	(126.8)	(195.7)	(119.1)	(59.2)
<b>Free cash flow</b>	<b>(32.8)</b>	<b>(27.1)</b>	<b>(121.4)</b>	<b>(60.4)</b>	<b>(63.8)</b>	<b>(85.8)</b>	<b>(92.0)</b>	<b>(98.0)</b>	<b>(92.7)</b>	<b>(263.0)</b>	<b>(327.2)</b>	<b>(185.0)</b>	<b>150.0</b>
Cash used in acquisitions													
Other investing	(3.9)	(0.9)	-		-				(2.4)	(4.8)	-	-	-
Dividends													
<b>Discretionary cash flow</b>	<b>(36.7)</b>	<b>(27.9)</b>	<b>(121.4)</b>	<b>(60.4)</b>	<b>(63.8)</b>	<b>(85.8)</b>	<b>(92.0)</b>	<b>(98.0)</b>	<b>(95.1)</b>	<b>(267.8)</b>	<b>(327.2)</b>	<b>(185.0)</b>	<b>150.0</b>
Increase (decrease) in borrowings									(0.3)	(0.1)	-	-	-
Increase (decrease) in cap lease	(0.1)												
Increase (decrease) in gov't bor	29.9	15.5	10.9	15.3	30.7	70.0	78.0	82.4		71.6	261.1	132.3	(52.8)
Change in vehicle lease investn	-	(1.9)	(4.1)	(2.5)	(1.6)	(1.6)	(1.5)	(1.2)		(8.4)	(5.9)	(0.7)	7.1
Governmental Grants													
Equity Issuances	0.4	-	239.2	30.6					157.8	270.2	-	-	-
Other	(1.6)	0.1	(2.17)	0.03	5.20				(2.0)	(3.7)			
<b>Net Financing flow</b>	<b>28.6</b>	<b>13.7</b>	<b>243.9</b>	<b>43.4</b>	<b>34.3</b>	<b>68.4</b>	<b>76.5</b>	<b>81.2</b>	<b>155.4</b>	<b>329.6</b>	<b>255.2</b>	<b>131.6</b>	<b>(45.7)</b>
Effect of foreign currency													
<b>Net change in cash position</b>	<b>(8.1)</b>	<b>(14.2)</b>	<b>122.5</b>	<b>(17.0)</b>	<b>(29.5)</b>	<b>(17.5)</b>	<b>(15.5)</b>	<b>(16.8)</b>	<b>60.4</b>	<b>61.9</b>	<b>(72.1)</b>	<b>(53.4)</b>	<b>104.3</b>

Source: Company Filings, Deutsche Bank

# Appendix 1

## Important Disclosures

Additional information available upon request

### Disclosure checklist

Company	Ticker	Recent price*	Disclosure
Tesla Motors	TSLA.OQ	26.69 (USD) 4 May 11	2,8

\*Prices are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies.

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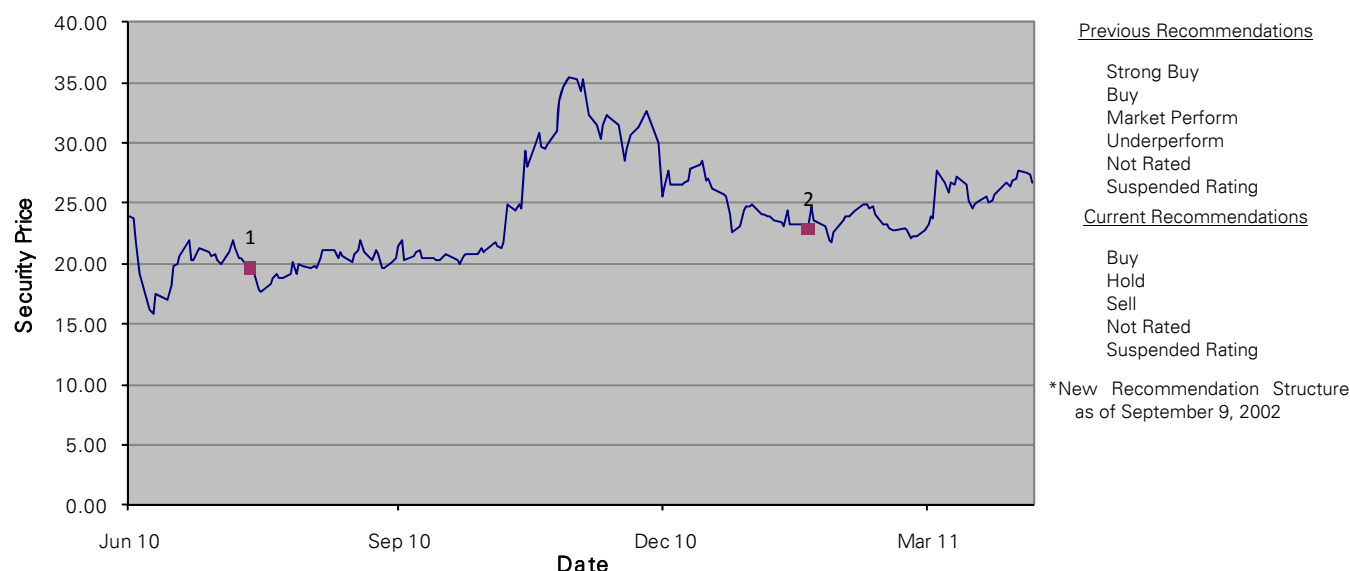
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**Historical recommendations and target price: Tesla Motors (TSLA.OQ)**

(as of 5/4/2011)

**Equity rating key****Equity rating dispersion and banking relationships**

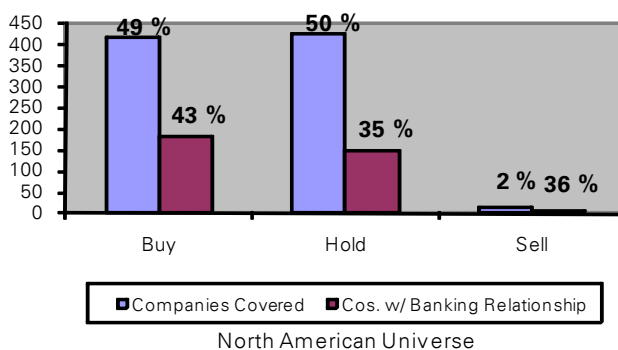
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