

Tesla, Daimler in deal

ELECTRIC CARMAKER COULD SUPPLY BATTERIES TO GERMAN AUTOMAKER

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Tesla Motors, aiming to be the first high-volume electric-car maker, has arranged a "small" deal to work with Germany's Daimler, Tesla Chairman Elon Musk said in a Fox Business News interview this week.

"We're in discussions with Daimler," Musk told Fox's Liz Claman. "We have a small deal that could potentially lead to a very big deal."

Tesla wants to capitalize on being the first company to sell a new class of pollution-free, all-electric cars, three months after starting production of the \$100,000 Roadsters at Group Lotus factory in Hethel, England. Musk didn't elaborate on Tesla's arrangement with Stuttgart, Germany-based Daimler, maker of Mercedes-Benz luxury autos and Smart minicars.

Musk is the largest investor of closely held Tesla and founder of PayPal. He didn't immediately reply to an e-mail message and phone call from Bloomberg.

Darryl Siry, vice president of sales, marketing and service for the San Carlos company, told Bloomberg he couldn't comment on Musk's remarks.

Han Tjan, Daimler's New York-based spokesman, told Bloomberg the company has had talks with Tesla. He couldn't confirm whether a contract had been signed or if Daimler intended to purchase battery packs from Tesla.

Tesla previously planned to supply lithium-ion battery packs to Think, a Norwegian electric carmaker, before canceling that project in August 2007.