

San Carlos, Calif.

Tesla Motors Drives Off With Fresh \$82.5M In Equity In Unsolicited Round

By [Mara Lemos Stein](#)

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Tesla Motors Inc. is the envy of all venture-backed firms. Not only is the electric vehicle developer the recipient of robust government funding, it's also attracting new equity without having to solicit investors.

The San Carlos, Calif.-based maker of the luxury sports, all-electric Tesla Roadster vehicle last week closed on an \$82.5 million Series F round of equity financing that it wasn't even marketing, said company officials.

"This money was sort of an unanticipated round. We were approached by investors," said Diarmuid O'Connell, vice president of business development, in an interview with VentureWire.

News of the round was reported earlier by Bloomberg News.

The company previously raised nearly \$200 million in venture financing, according to VentureWire archives. Investors include Capricorn Management, Compass Venture Partners, Draper Fisher Jurvetson, J.P. Morgan Bay Area Equity Fund, Technology Partners, Valor Equity Partners, VantagePoint Venture Partners and Westly Group.

Investors in the new round include Daimler AG, Abu Dhabi's Aabar Investments PJSC, and new investor London-based Fjord Capital Partners. Tesla declined to disclose the lead investor in the round or the valuation, but O'Connell said it was an up round.

Daimler in May had invested \$50 million in Tesla for a 10% stake and it then sold 40% of its position in Tesla to Aabar Investments, which holds a 9% stake in Daimler. Daimler and Aabar will continue to hold a combined 10% stake in Tesla after the latest investment in the Series F round, said Rachel Konrad, a spokeswoman for Tesla, in an interview.

Fjord Capital is a private equity firm focused on clean energy investments and founded by Michael Obermayer, a former senior partner and director of McKinsey & Co., Arild Nerdrum and Xavier de La Rochefoucauld. According to its Web site, Tesla is the third company in its portfolio, which also include Norway's Carbon Limits AS and Portugal's Iberwind SA.

Tesla's Konrad said there were other investors in the round who requested their names not be disclosed. Elon Musk, Tesla's chief executive and major shareholder, didn't participate in the Series F round, she said.

The new cash will help the company accelerate its business plan and projects, including faster expansion of its retail stores, said O'Connell. "Right now we've raised the capital we need, plus some cushion to accelerate the projects," he said.

Tesla has recently opened retail stores in London, New York, Seattle and two locations in California. It has secured locations in Chicago, Daina Beach, Fla., Washington, D.C., Monaco and Toronto for the next locations.

The company, which reached profitability in July, was selected by the U.S. Department of Energy in late June to receive \$465 million in low-cost loans under its Advanced Technology Vehicle Manufacturing program.

The \$25 billion ATVM program, created under the 2007 Energy Security Act, is one of most desirable sources of funding for developers of clean vehicles. The program continues to receive one application per week on average, Carol Battershell, a senior advisor of the Energy Efficiency

and Renewable Energy office of the DOE, told VentureWire on the sidelines of the Cleantech Forum in Boston last week.

Tesla will use \$365 million of its DOE loans for the production, engineering and assembly of the all-electric family sedan Model S and \$100 million for a powertrain manufacturing plant. The powertrain facility will be built in Palo Alto, Calif., and the company will soon announce the site for its Model S plant. O'Connell said that the site selection for the new plant is down to two locations: Downey or Long Beach, both in Los Angeles County.

<http://www.teslamotors.com>

<http://www.daimler.com>

<http://www.fjordcap.com>