

Report says Tesla preparing IPO

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Could Tesla Motors take the pole position in the race to be the next Wall Street blockbuster?

Perhaps. But the Palo Alto-based electric carmaker Friday offered only a boilerplate nondenial in reaction to a report by Reuters, citing two unnamed sources, that it is preparing for an initial public stock offering, or IPO.

"We don't comment on rumors and speculation," said Tesla spokesman Ricardo Reyes.

Tesla, known for its flashy \$109,000 Roadster and a luxury sedan in the works, would make for one of the most closely watched IPOs in years — as would Facebook or Twitter, two other high-profile, buzz-making Silicon Valley startups. And there are indications that investors could be itching for splashy offerings.

Five IPOs this week — including that of Fortinet, the Sunnyvale Internet security firm — reinforced guarded optimism that Wall Street is stabilizing and the market for new offerings, sluggish for the past two years, could bounce back to normal in 2010. Fortinet soared more than 30 percent in its first day of trading.

"This week has been a preview of coming attractions next year," said John Fitzgibbon of IPO Scoop. "There is a demand for IPOs."

Bob McCooley, Nasdaq vice president of new listings, told the Mercury News this week his sources told him that 25 to 50 Silicon Valley tech companies in the past six weeks have been in talks with bankers to explore IPO possibilities.

The five debuts this week were the second-busiest flurry since the market began heating up in mid-September. There have been 22 new offerings so far this quarter, compared with just one in the final three months of 2008. The so-called "IPO pipeline" includes more than 90 companies — but companies that file documents to prepare for offerings sometimes don't follow through.

Speculation that Tesla, which recently raised \$82.5 million in new financing, could make a strong debut was enhanced by the strong debut of another clean-tech startup in September. A123 Systems, a Massachusetts-based maker of lithium-ion battery systems, closed with a first-day climb of 45 percent, encouraging clean-tech investors.

Venture capitalist Ira Ehrenpreis, a Tesla board member, said then that A123's debut was "the first clean-tech public offering in a while. It definitely won't be the last."