



# Tesla's cars make modest profits

SAN FRANCISCO - Tesla Motors said on Wednesday it posted its first-ever quarterly profit as the electric carmaker beat its own forecasts and surprised market analysts.



The California-based firm said it earned a profit of US\$11m in the first quarter as revenues rose 83% from the prior quarter to US\$562m.

"Tesla reached profitability in the first quarter of 2013 for the first time in its 10-year history," a company statement said.

"We exceeded our own targets for deliveries, significantly expanded gross margin and improved execution throughout the company," the statement said.

According to Tesla the company consistently produced 400 or more Model S vehicles a week, for a total of over 5,000 cars during the quarter.

Tesla cited "strong global demand for Model S" saying it is "currently receiving orders at a rate greater than 20,000 a year worldwide" and noted that it has seen a significant increase in orders and potential in Europe and Asia.

Tesla conducted an initial public offering in 2011, raising US\$226m.

The first model, the Tesla Roadster, costs more than US\$100,000 and can reach speeds of almost 400km/h on a single charge.

Tesla later launched the Model S, starting at US\$49,900, but with financing, tax incentives and resale guarantees it succeeded in gradually increasing the number of buyers of its cars.

Tesla also provides electric power-trains and other equipment to other manufacturers including Toyota and Mercedes-Benz.

Source: AFP via I-Net Bridge