

Action Summary – 25 February 2013

Analyst Theodore R. O'Neill *is initiating coverage of TSLA with a Hold rating and a \$38 price target*

- Company preannounced to the upside for 1Q13 results and the stock rose 15% taking it past our price target
- Tesla aims to have a positive press about every week and while this may drive the stock higher, we would wait for a better entry point. Why?
- The risks have not gone away. 1Q13 sales were the result of pulling in 2Q13 sales; There won't be a "low cost" option and that may limit market growth; while the company is generating cash, it will likely have to pursue an equity raise if it intends to pay off the DOE loan before 2015; and to get to our \$38 target, we had to make some heroic assumptions.
- We forecast 440% revenue growth in 2013 and 19% in 2014 but it may take new markets in Asia and Europe and the Model X just to get to 19%

Current share price: \$41.10	Market cap: \$4 billion	Non-GAAP 2014 P/E: 19	2013 EV/Sales: 2.3
Shares outstanding: 114 million	Insider ownership: 42%	Avg. trading volume: 2 million	Dividend: NA

Macroeconomic context

- Slow growth in U.S. GDP unlikely to affect 2013 revenue estimates. Worldwide slowdown could affect EU/Asia rollout.
- High fuel prices over the summer months are likely to help shares trade higher

Estimates (non-GAAP EPS in dollars – GAAP Revenue in millions)

Period	EPS	Revenue	Net Margin
1Q12A	(\$0.76)	\$30.2	(298%)
2Q12A	(\$0.89)	\$26.7	(396%)
3Q12A	(\$0.92)	\$50.1	(221%)
4Q12A	<u>(\$0.65)</u>	<u>\$306.3</u>	<u>(29.4%)</u>
FY12A	<u>(\$3.20)</u>	<u>\$413.3</u>	<u>(96%)</u>
1Q13E	\$0.06	\$539.0	0.4%
2Q13E	\$0.04	\$526.0	0.0%
3Q13E	\$0.14	\$560.0	2.0%
4Q13E	<u>\$0.23</u>	<u>\$605.0</u>	<u>3.6%</u>
FY13E	<u>\$0.47</u>	<u>\$2,230</u>	<u>1.6%</u>
1Q14E	\$0.21	\$606.0	3.2%
2Q14E	\$0.47	\$657.5	7.5%
3Q14E	\$0.55	\$700.0	8.3%
4Q14E	<u>\$0.65</u>	<u>\$700.0</u>	<u>9.9%</u>
FY14E	<u>\$1.88</u>	<u>\$2,664</u>	<u>7.4%</u>

Note: Calculation of full year data may not add up due to rounding. See our full model in the back of this report. Excel versions available.

Cash balance (in millions)

• 2012A	• \$221.0
• 2013E	• \$116.6
• 2014E	• \$377.6

Debt (in millions)

• 2012A	• \$452
• 2013E	• \$452
• 2014E	• \$452

Debt is owed to the Department of Energy

EBITDA (in millions)

• 2012A	• (\$366.5)
• 2013E	• \$76.5
• 2014E	• \$237.3

Risks/Valuation

- Electric vehicle market is new and there is no consensus about the size of the market
- While it is now cash flow positive, it is net cash negative through 2014 according to our estimates
- Our \$38 target is derived using a modified dividend discount model, details of which can be found in this report

Company description

TSLA designs, develops, manufactures and sells high-performance fully electric vehicles and advanced electric vehicle powertrain components. Headquarters are in Palo Alto, CA.

Trading snapshot



Stock gapped up on positive preannouncement despite small fundamental impact

Source: BigCharts.marketwatch.com

ViewPoint

- 1) We are looking for a better entry point for investing in this stock and we think we will get it
- 2) Despite success with customers to this point, there is no consensus a large enough market will emerge to maintain double digit growth
- 3) It has not yet begun to tap markets in the EU or Asia which address a larger market than North America however the automobile market in the EU is showing declining volumes
- 4) If the company reaches GAAP profitability in 2Q13 and stays profitable, it will not require another capital raise except perhaps to pay off its debt to the DOE
- 5) Capital expenditures appear to have peaked in 2012
- 6) View post the 1Q13 conference call preannouncement is that the Sell-side is still largely skeptical of claims that Tesla will achieve its profit targets but the stock is trading as if it will never miss
- 7) The biggest risk to our neutral position on the stock, in our opinion is the plan by the company to have a positive press announcement every other week. This could delay our expected opportunity to be the shares cheaper.

We would wait for a better entry point

Financial Analysis

We forecast cash balances growing but not becoming net cash positive until 2015

The critical financial issue for investors is whether the company can reach profitability without diluting current investors. We run a comprehensive cash flow analysis that has an excellent track record of determining if a financing is needed; how much and in what time period. In our analysis, if the company reaches profitability in 2Q13, which is our call, it will be cash flow self-sufficient so long as it remains profitable. The only caveat to this forecast is if the company has to payoff the DOE loan before 2014, in that case it may have to substitute other debt or raise equity.

Forecasts

Growth will slow but volumes will be sufficient for margins to improve

We are forecasting higher growth for 2013 than 2014 but 2013 growth is compared to small numbers. We believe the company has supplier agreements in place that call for traditional cost savings to kick in as certain volume milestones are met and these savings contribute to improving gross profit margins. We also believe that 4Q12 included manufacturing costs associated with inefficient supply chain management and that these problems are resolved. While there may be future supply chain issues, we know that the power train supply is fine as is the body and the tires.

We assume that a single investor owns all the stock. What is the discounted value of the earnings stream?

Price Target

Our price target is derived using a modified dividend discount model. Intellectually we assume we just bought 100% of the outstanding stock and the earnings stream flows to a single investor. What is the value of that stream? We assume all the annual earnings are dividends, we grow them as shown in the model at the back of this report and then over the course of the next 10 years we scale the growth back until earnings growth matches GDP. We then discount those "dividends" at 14%. This model probably understates the tax benefits thus could be seen as understating the price target but offsetting this is that the model never shows a decline in earnings and thus we feel the two balance out.

Positive channel checks

Channel Checks

Our checks have been with first hand and second hand discussions of customers; their reservation number and how long it has been between the time Tesla asked them to firm up the order and the ultimate delivery date. We have also spoken to dealers about inventory levels and times for delivery for various configurations of cars. The channel checks are positive but we believe some business was pulled in from 2Q13.

Differentiated approach to batteries is a key to success and the auto industry may end up paying TSLA a lot of money for the IP

Field Work

We have made one visit to the Fremont factory in early 2012. We drove a Roadster at the time and a Model S in early July 2012. The analyst is a former tool-and-die maker and so was in a unique situation to evaluate the state of readiness of the Tesla factory in early 2012. At the time, we said the company was likely to meet its July 2012 target that it did.

Batteries

The media or investors have not appreciated it but the Tesla approach to batteries may turn out to be a better approach. All Tesla's competitors use a large format li-ion battery, while Tesla uses a modified 18650 (18 mm diameter and 65 mm long). The large format batteries are hard to make and have caused fires in the Chevy Volt and the Fisker Karma. The 18650s are easy to make and no fires have occurred in the Roadster or the Model S. Indeed, there is a large installed capacity to make 18650s by the millions, as they were once the mainstay of the now aging PC supply chain. As the years go by and the Tesla approach continues to be validated it will become increasingly difficult, if not impossible to catch up to Tesla because of the wall of patent protection it has built up around the 18650 format and the approach needed to optimize something as simple as how to wire them all together. Tesla has nearly 100 patents awarded and nearly 300 applications on many aspects of car including the design, construction and management of the batteries.

Company Overview

Tesla designs, develops, manufactures, and sells high-performance fully electric vehicles and advanced electric vehicle powertrain components. It has its own sales and service network and has structured its business in a manner that it believes will enable it to develop and launch advanced electric vehicles and technologies faster than traditional auto manufacturers. That concept was put to the test in 2012 with the new Model S.

Tesla is the first company to commercially produce a federally compliant electric vehicle, the Tesla Roadster, which achieves a market-leading range on a single charge combined with attractive design, driving performance, and zero tailpipe emissions. It used a Lotus Elise body and it is powered by a Tesla designed powertrain. The Tesla Roadster's proprietary electric vehicle powertrain system is the foundation of its business and, with design enhancements, forms the basis for the Model S sedan, the Model X crossover, and other future vehicles.

The Model S was launched in June 2012. The car performed as intended but the fit and finish of the interior were not up to standards compared to other high-end luxury cars. Production was slowed, changes were made and the Model S is now in major production mode producing 500 cars/week more or less. We expect the Model S will be the platform upon which other future



Tesla Motors, Inc.

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vehicles, including the Model X crossover, will be based. It currently plans to introduce the Model X into production in the fourth quarter of 2013 with orders now being taken for delivery in 2014. The Model X will incorporate the functionality of a minivan with the consumer appeal of a sports utility vehicle with 4-wheel drive.

In addition to developing its own vehicles, it provides services for the development of electric powertrain components and sells electric powertrain components to other automotive manufacturers. It has provided development services to Daimler AG and is currently selling battery packs and chargers to Daimler for its Smart fortwo and A-Class electric vehicles. It also has a development services agreement to produce an electric powertrain system for Toyota Motor Corporation (Toyota) for use in its RAV4 EV. These programs currently add minor amounts to revenue.

The commercial production of a highway capable, fully electric vehicle that meets consumers' range and performance expectations required substantial design, engineering, and integration work on almost every system of the Tesla Model S. The company believes that its location in Silicon Valley has enabled it to recruit engineers with strong skills in electrical engineering, power electronics, and software engineering and it complemented this talent base with automotive engineers with substantial expertise in vehicle engineering and manufacturing.

It sells and services the Tesla Model S through company-owned sales and a service network and has opened 32 Tesla stores in the United States, Europe, and Japan. By owning its own stores, Tesla hopes to maintain retail margins and offer a compelling customer experience while achieving operating efficiencies, better control costs of inventory, better management of warranty service and pricing, maintain and strengthen the Tesla brand, and obtain rapid customer feedback. The Tesla stores do not carry large vehicle inventories and, as a result, would not require corresponding large floor spaces or floor financing.

Tesla management believes the benefits it receives from distribution ownership, combined with product design based on modularity and common platforms, will enable it to improve the speed of product development and improve the capital efficiency of the automotive business. At this point, it is too soon to tell, but the signs are promising.

Tesla announced its second electric vehicle, the Model S, with the public exhibition of a drivable early prototype in March 2009. It began deliveries in June 2012 and last year delivered about 2,650 vehicles. The Model S is a four door, five-passenger sedan that has the storage space of a Mercedes E-Series wagon, the modular stiffness of a Bugatti Veyron, the performance of a Porsche and it uses no petrol. It has very few moving parts, far less than an internal combustion engine powered car meaning there is less to breakdown.

Addressable Markets

We estimate that the market for luxury cars in the U.S. exceeded 750,000 units in 2012. Tesla is on-track to take a 2% share of that market in 2012 (excluding reservations for deliveries outside the U.S.). We define the luxury market, as the market relevant for Tesla sales, to include sales of Audi, BMW, Daimler, Jaguar/Land Rover, and Porsche. We believe it is most likely taking share primarily from Audi and BMW. We do not have data for the addressable markets in the EU and Asia but believe it to be larger than the U.S. market. Tesla has not addressed these markets but 25% of the current order book is from customers outside the U.S.

Customers

Tesla customers appear to be those in the top 1% of income earners and those who can write-off

part of the value as a business expense.

Growth Drivers and Catalysts

- 1) Top line growth will come from opening up new markets in the EU and Asia as well as the introduction of new vehicles.
- 2) Gross margin improvements will come from standard supplier pricing agreements that decrement in cost as certain volume milestones are reached as well as spreading costs over a greater volume of vehicles.
- 3) Earnings drivers will come from a combination of the first two items.
- 4) Near-term catalysts would be press coverage of the Model S, the introduction of the Model X, pre-sales of the Model X this year, and getting to profitability on a GAAP basis which it expects to report for 1Q13.

Manufacturing

In October 2010, Tesla completed the purchase of the former New United Motor Manufacturing, Inc. (NUMMI) automotive plant in Fremont, CA. It is producing the Model S there as well as future vehicles. The Tesla designed battery pack and electric powertrain system has enabled it to deliver market-leading range capability on the Tesla Model S at what we believe is a compelling battery-cost-per kilowatt-hour. The battery pack of the Tesla Model S uses commercially available lithium-ion battery cells and contains 85 kilowatt-hours of usable energy, more than double the energy of any other commercially available electric vehicle battery pack, thereby significantly increasing its range capability. Designing an electric powertrain and a vehicle to exploit its energy efficiency has required extensive safety testing and innovation in battery packs, motors, powertrain systems and vehicle engineering.

Its proprietary technology includes cooling systems, safety systems, charge balancing systems, battery engineering for vibration and environmental durability, customized motor design and the software and electronics management systems necessary to manage battery and vehicle performance under demanding real-life driving conditions. These technology innovations have resulted in an extensive intellectual property portfolio—as of March 31, 2011, it had 35 issued patents and approximately 207 pending patent applications with the United States Patent and Trademark Office and internationally in a broad range of areas.

Tesla has attempted to make electric vehicles that are cost effective and use basic designs over and over in order to spread costs over a larger base and to generate volume discounts from suppliers, allowing each car design to use many of the same drivetrain components. First, its battery pack is based on commodity battery cells placed in modules that form the basis of later generations of battery packs, such as those it developed for the Model S.

Second, it uses upgradeable software extensively for managing vehicle performance and the driver experience. Finally, it designed common platform architecture for the Model S, which compactly positions the battery pack, motor, and other elements of the powertrain within the frame of the vehicle. This architecture will form the basis of several future vehicles, including the Model X crossover vehicle, and should enable Tesla to efficiently and cost effectively launch new vehicle models in the future.

Sales Channel

TSLA sells its products directly through its own stores and galleries in the U.S. and throughout the EU and Asia. At the end of 2012, it has 32 stores and galleries.

Employees

As of December 2012, Tesla employed nearly 3,000 employees.

Management



Tesla Motors, Inc.

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Elon Musk has served as chief executive officer since October 2008 and as chairman of the board of directors since April 2004. Mr. Musk has also served as chief executive officer, chief technology officer, and chairman of Space Exploration Technologies Corporation, a company which is developing and launching advanced rockets for satellite and, eventually, human transportation, since May 2002, and as chairman of SolarCity, a solar installation company, since July 2006. Prior to joining Space Exploration Corporation, Mr. Musk co-founded PayPal, an electronic payment system, which was acquired by eBay in October 2002, and Zip2 Corporation, a provider of Internet enterprise software and services, which was acquired by Compaq in March 1999. Mr. Musk holds a B.A. in physics from the University of Pennsylvania and a B.S. in business from the Wharton School of the University of Pennsylvania.

Deepak Ahuja has served as chief financial officer since July 2008. Prior to joining us, Mr. Ahuja served in various positions at Ford Motor Company from August 1993 to July 2008, most recently as the Vehicle Line Controller of Small Cars Product Development from July 2006 to July 2008, and as chief financial officer for Ford of Southern Africa from February 2003 to June 2006. Mr. Ahuja also served as the chief financial officer for Auto Alliance International, a joint venture between Ford and Mazda, from September 2000 to February 2003. Mr. Ahuja holds an M.S.I.A. (which was subsequently redesignated as an M.B.A.) from Carnegie Mellon University, a M.S. in materials engineering from Northwestern University, and a Bachelors degree in ceramic engineering from Banaras Hindu University in India.

Jeffrey B. Straubel has served as chief technical officer since May 2005 and previously served as principal engineer, Drive Systems, from March 2004 to May 2005. Prior to joining us, Mr. Straubel was the chief technical officer and co-founder of Volacom Inc., an aerospace firm that designed a specialized high-altitude electric aircraft platform, from 2002 to 2004. Mr. Straubel holds a B.S. in energy systems engineering from Stanford University and a M.S. in engineering, with an emphasis on power electronics, microprocessor control, and energy conversion, from Stanford University.

Gilbert Passin has served as vice president, Manufacturing, since January 2010. Prior to joining us, Mr. Passin served in various positions at Toyota Motor Engineering & Manufacturing North America, an automobile manufacturer, from 2005 to January 2010, and most recently as a general manager of Production Engineering for the West Coast and previously as a vice president of Manufacturing, running both large scale production of the Corolla and Matrix models as well as production of the Lexus RX350 at the Toyota Motor Manufacturing Canada Cambridge plant. Mr. Passin also served as a vice president and general manager of Volvo Trucks North America at the New River Valley Plant, an automobile manufacturer, from 2002 to 2005 as well as vice president and general manager of Mack Trucks Inc. at the Winnsboro Assembly Facility from 2000 to 2002. Mr. Passin holds a National Engineering Degree from Ecole Centrale de Paris.

George Blankenship has served as vice president, Sales & Ownership Experience, since July 2010. From March 2009 to June 2010, Mr. Blankenship served as a real estate consultant for Microsoft Corporation. From May 2000 to September 2006, he served as vice president, Real Estate, for Apple Computer. Between June 1980 and June 2000, Mr. Blankenship served in various positions with GAP, Inc., most recently as vice president, Retail Strategy. Mr. Blankenship attended the University of Delaware from 1971 until 1974.

Figure 1 - Tesla Motors, Inc. - Income Statement

(\$ in thousands except per share)

December ending year	2010	2011	2012				2012	2013E				2013E	2014E				2014E
	Year	Year	Q1	Q2	Q3	Q4	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year
Automotive sales	97,078	148,568	19,245	22,054	50,023	294,377	385,699	528,000	506,000	540,000	585,000	2,159,000	595,000	637,500	680,000	680,000	2,592,500
Development services	19,666	55,674	10,922	4,599	81	11,955	27,557	11,000	20,000	20,000	20,000	71,000	11,000	20,000	20,000	20,000	71,000
Total revenue	\$116,744	\$204,242	\$30,167	\$26,653	\$50,104	\$306,332	\$413,256	\$539,000	\$526,000	\$560,000	\$605,000	\$2,230,000	\$606,000	\$657,500	\$700,000	\$700,000	\$2,663,500
Growth	4%	75%	-38%	-54%	-13%	678%	102%	1687%	1874%	1018%	97%	440%	12%	25%	25%	16%	19%
Cost of auto sales	79,982	115,482	13,932	20,150	58,865	278,710	371,657	432,960	404,800	426,600	456,300	1,720,660	464,100	478,125	510,000	496,400	1,948,625
Cost of services	6,031	27,165	6,025	1,741	0	3,765	11,531	7,260	12,000	12,000	12,000	43,260	7,260	12,000	12,000	12,000	43,260
Cost of Goods	86,013	142,647	19,957	21,891	58,865	282,475	383,188	440,220	416,800	438,600	468,300	1,763,920	471,360	490,125	522,000	508,400	1,991,885
Gross Profit	30,731	61,595	10,210	4,762	(8,761)	23,857	30,068	98,780	109,200	121,400	136,700	466,080	134,640	167,375	178,000	191,600	671,615
Gross Margin	26.3%	30.2%	33.8%	17.9%	-17.5%	7.8%	7.3%	18.3%	20.8%	21.7%	22.6%	20.9%	22.2%	25.5%	25.4%	27.4%	25.2%
Research and development	\$92,996	\$208,982	\$68,391	\$74,854	\$61,901	\$68,832	\$273,978	\$58,507	\$59,000	\$59,000	\$60,000	\$236,507	\$61,000	\$62,000	\$63,000	\$64,000	\$250,000
% of total revenue	79.7%	102.3%	226.7%	280.8%	123.5%	22.5%	66.3%	10.9%	11.2%	10.5%	9.9%	10.6%	10.1%	9.4%	9.0%	9.1%	9.4%
SG&A	\$84,573	\$104,102	\$30,582	\$36,083	\$37,798	\$45,908	\$150,371	\$48,000	\$50,000	\$51,000	\$55,000	\$204,000	\$54,000	\$56,000	\$57,000	\$58,000	\$225,000
% of total revenue	72%	51%	101%	135%	75%	15%	36%	9%	10%	9%	9%	9%	9%	9%	8%	8%	8%
Total Operating Expenses	177,569	313,084	98,973	110,937	99,699	114,740	424,349	106,507	109,000	110,000	115,000	440,507	115,000	118,000	120,000	122,000	475,000
Operating Income	(146,838)	(251,489)	(88,763)	(106,175)	(108,460)	(90,883)	(394,281)	(7,727)	200	11,400	21,700	25,573	19,640	49,375	58,000	69,600	196,615
Operating Margin	-125.8%	-123.1%	-294.2%	-398.4%	-216.5%	-29.7%	-95.4%	-1.4%	0.0%	2.0%	3.6%	1.1%	3.2%	7.5%	8.3%	9.9%	7.4%
Total Other Items	(7,317)	(2,433)	(1,051)	681	(2,228)	804	(1,794)	10,000	0	0	0	10,000	0	0	0	0	0
Pre-Tax Income	(154,155)	(253,922)	(89,814)	(105,494)	(110,688)	(90,079)	(396,075)	2,273	200	11,400	21,700	35,573	19,640	49,375	58,000	69,600	196,615
Pre-Tax Margin	-132.0%	-124.3%	-297.7%	-395.8%	-220.9%	-29.4%	-95.8%	0.4%	0.0%	2.0%	3.6%	1.6%	3.2%	7.5%	8.3%	9.9%	7.4%
Taxes (benefit)	173	488	59	109	116	(147)	137	150	150	150	150	600	150	150	150	150	600
Tax Rate	-0.1%	-0.2%	-0.1%	-0.1%	-0.1%	0.2%	0.0%	6.6%	75.0%	1.3%	0.7%	1.7%	0.8%	0.3%	0.3%	0.2%	0.3%
Net Income (loss)	(154,328)	(254,410)	(89,873)	(105,603)	(110,804)	(89,932)	(396,212)	2,123	50	11,250	21,550	34,973	19,490	49,225	57,850	69,450	196,015
Net Margin	-132.2%	-124.6%	-297.9%	-396.2%	-221.1%	-29.4%	-95.9%	0.4%	0.0%	2.0%	3.6%	1.6%	3.2%	7.5%	8.3%	9.9%	7.4%
EPS, as reported	(3.04)	(2.53)	(0.86)	(1.00)	(1.05)	(0.79)	(3.69)	0.02	0.00	0.10	0.19	0.31	0.17	0.43	0.51	0.61	1.72
non-GAAP EPS	1.71	(2.17)	(0.76)	(0.89)	(0.92)	(0.65)	(3.20)	0.06	0.04	0.14	0.23	0.47	0.21	0.47	0.55	0.65	1.88
Diluted Shares Outstanding	50,718	100,389	104,784	105,242	105,556	113,763	107,349	114,000	114,010	114,020	114,030	114,015	114,040	114,050	114,060	114,070	114,055

Sources: Company reports and Litchfield Hills Research, LLC

Figure 2 - Tesla Motors, Inc. - Balance Sheet

(\$ in thousands except per share)

December ending year	FY2014E	FY2013E	FY2012	FY2011	FY2010	FY2009
Net cash per share	(\$0.71)	(\$2.95)	(\$2.16)	\$0.24		
Balance sheet						
Current Assets						
Cash and S.T.I.	\$377,568	\$116,553	\$220,984	\$303,803	\$173,155	\$69,627
Accounts receivable	100,000	75,000	26,842	9,539	6,710	3,488
Inventories	500,000	400,000	268,504	50,082	45,182	23,222
Other assets	<u>30,000</u>	<u>20,000</u>	<u>18,509</u>	<u>21,171</u>	<u>10,839</u>	<u>4,222</u>
Total Current Assets	1,007,568	611,553	534,839	384,595	235,886	100,559
Net PP&E	650,000	600,000	552,229	298,414	114,636	23,535
Other non-current assets	<u>50,000</u>	<u>50,000</u>	<u>27,122</u>	<u>30,439</u>	<u>35,560</u>	<u>6,330</u>
Total Assets	\$1,707,568	\$1,261,553	\$1,114,190	\$713,448	\$386,082	\$130,424
Current Liabilities						
Notes payable and CPLTD	\$600,000	\$400,000	\$343,180	\$88,250	\$49,896	\$15,086
Accounts payable + Acc. Exp.	100,000	100,000	138,817	91,761	30,755	40,580
Other current liabilities	<u>40,000</u>	<u>40,000</u>	<u>29,986</u>	<u>18,226</u>	<u>4,914</u>	<u>1,823</u>
Total current liabilities	740,000	540,000	511,983	198,237	85,565	57,489
Long Term Debt	452,000	452,000	452,337	276,251	71,828	0
Other non-current	<u>50,000</u>	<u>50,000</u>	<u>25,170</u>	<u>14,915</u>	<u>21,641</u>	<u>7,233</u>
Total Liabilities	1,242,000	1,042,000	989,490	489,403	179,034	64,722
Stockholders' Equity						
Preferred stock						
Total stockholders' equity	<u>465,568</u>	<u>219,553</u>	<u>124,700</u>	<u>224,045</u>	<u>207,048</u>	<u>65,702</u>
Total Liabilities and equity	\$1,707,568	\$1,261,553	\$1,114,190	\$713,448	\$386,082	\$130,424

Sources: Company reports and Litchfield Hills Research, LLC

Disclosures:

Analyst Certification

I Theodore R. O'Neill, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company and the underlying securities. I further certify that I have not and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this research report.

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