

TESLA MOTORS INC  
 Form 424B5  
 August 14, 2015  
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Filed Pursuant to Rule 424(b)(5)  
 Registration No. 333-188625

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount To Be Registered(1)</b>	<b>Maximum Offering Price per Share</b>	<b>Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee(2)</b>
Common Stock, \$0.001 par value per share	3,099,173	\$242.00	\$749,999,866	\$87,150

- (1) Includes shares of Common Stock that may be purchased by the underwriters pursuant to their option to purchase additional shares of Common Stock.
- (2) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended. Represents deferred payment of the registration fees in connection with the registrant's Registration Statement on Form S-3 (Registration No. 333-188625) being paid herewith.

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**Prospectus Supplement to Prospectus dated May 15, 2013**

**2,694,934 Shares**

**Tesla Motors, Inc.**

**Common Stock**

This is a public offering of shares of common stock of Tesla Motors, Inc.

Tesla is offering all of the shares to be sold in the offering.

Our common stock is traded on the Nasdaq Global Select Market under the symbol TSLA. The last reported sale price of our common stock on August 13, 2015, as reported on Nasdaq, was \$242.51 per share.

Mr. Elon Musk, our Chief Executive Officer, Product Architect and Chairman of our Board of Directors, has indicated his preliminary interest in purchasing up to an aggregate of 82,645 shares of our common stock in this offering at the public offering price for an aggregate purchase price of approximately \$20 million.

*Investing in our common stock involves a high degree of risk. You should carefully consider the risks described under Risk Factors on page S-6 of this prospectus supplement before making a decision to invest in our common stock.*

**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

	Per Share	Total
Offering price	\$ 242.00	\$ 652,174,028
Underwriting discount (1)	\$ 3.5890	\$ 9,672,118
Proceeds, before offering expenses, to Tesla	\$ 238.4110	\$ 642,501,910

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(1) We have agreed to reimburse the underwriters for certain expenses in connection with this offering. See Underwriting . To the extent that the underwriters sell more than 2,694,934 shares of common stock, the underwriters have the option to purchase up to an additional 404,239 shares from us at the offering price less the underwriting discount.

The underwriters expect to deliver the shares of common stock against payment in New York, New York on or about August 19, 2015.

**Goldman, Sachs & Co.**

**Morgan Stanley**

**J.P. Morgan**

**Deutsche Bank Securities**

**BofA Merrill Lynch**

**Wells Fargo Securities**

Prospectus Supplement dated August 13, 2015

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**Prospectus**

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Unless we have indicated otherwise, references in this prospectus to Tesla, we, us, our and similar terms refer to Tesla Motors, Inc. and its subsidiaries.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

You should rely only on the information contained, or incorporated by reference, in this prospectus supplement and the accompanying prospectus. Neither we nor the underwriters have authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell the securities in any jurisdiction where the offer or sale is not permitted or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. You should not assume that the information in this prospectus supplement, the accompanying prospectus or any document incorporated by reference is accurate or complete as of any date other than the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date.

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. In this prospectus supplement, as permitted by law, we incorporate by reference information from other documents that we file with the Securities and Exchange Commission, or the SEC. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement and the accompanying prospectus and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC, the information included or incorporated by reference in this prospectus supplement is considered to be automatically updated and superseded. In other words, in case of a conflict or inconsistency between information contained in this prospectus supplement and information in the accompanying prospectus or incorporated by reference into this prospectus supplement, you should rely on the information contained in the document that was filed later.

You should not consider any information in this prospectus supplement or the accompanying prospectus to be investment, legal or tax advice. You should consult your own counsel, accountants and other advisers for legal, tax, business, financial and related advice regarding the purchase of the common stock offered by this prospectus supplement. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

**WHERE YOU CAN FIND MORE INFORMATION**

We have filed with the SEC a registration statement on Form S-3 under the Securities Act of 1933, as amended, or the Securities Act, with respect to the common stock offered by this prospectus supplement. This prospectus supplement, filed as part of the registration statement, does not contain all the information set forth in the registration statement and its exhibits and schedules, portions of which have been omitted as permitted by the rules and regulations of the SEC. For further information about us, we refer you to the registration statement and to its exhibits and schedules.

We file annual, quarterly and current reports and other information with the SEC. You may read and copy any materials we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the Public Reference

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Room. The SEC also maintains an internet website at [www.sec.gov](http://www.sec.gov) that contains periodic and current reports, proxy and information statements, and other information regarding registrants that are filed electronically with the SEC.

These documents are also available, free of charge, through the Investors section of our website, which is located at [www.teslamotors.com](http://www.teslamotors.com). Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus and you should not consider information on our website to be part of this prospectus supplement or the accompanying prospectus.

**SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS**

This prospectus supplement and the accompanying prospectus, including the documents incorporated or deemed to be incorporated by reference into this prospectus supplement and the accompanying prospectus, may include forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements other than statements of historical facts contained in this prospectus supplement and the accompanying prospectus, including statements relating to statements relating to the progress Tesla is making with respect to product development, including future Autopilot features and functionality and Model X development, supplier readiness, delivery and launch plans; statements regarding growth in the number of Tesla store, service center and Supercharger locations; statements relating to the production and delivery of Tesla Energy products, as well as future products such as Model 3; growth in demand and orders for Tesla vehicles and the catalysts for that growth; the ability to achieve vehicle demand, volume, production, delivery, revenue, leasing, average sales price, gross margin, spending, capital expenditure and profitability targets; productivity improvements and capacity expansion plans; and Tesla Gigafactory timing, plans and output expectations, including those related to battery module and pack production are forward-looking statements that are subject to risks and uncertainties. These forward-looking statements are based on management's current expectations, and as a result of certain risks and uncertainties actual results may differ materially from those projected. The following important factors, without limitation, could cause actual results to differ materially from those in the forward-looking statements: the risk of delays in the manufacture, production and delivery of Model S and Model X vehicles, and production and delivery of Model 3 vehicles; Tesla's future success depends on its ability to design and achieve market acceptance of Model S and its variants, as well as new vehicle models, specifically Model X and Model 3; the ability of suppliers to meet quality and part delivery expectations at increasing volumes; adverse foreign exchange movements; any failures by Tesla vehicles to perform as expected or if product recalls occur; Tesla's ability to continue to reduce or control manufacturing and other costs; consumers' willingness to adopt electric vehicles; competition in the automotive market generally and the alternative fuel vehicle market in particular; Tesla's ability to establish, maintain and strengthen the Tesla brand; Tesla's ability to manage future growth effectively as we rapidly grow, especially internationally; the unavailability, reduction or elimination of government and economic incentives for electric vehicles; Tesla's ability to establish, maintain and strengthen its relationships with strategic partners such as Panasonic; potential difficulties in finalizing, performing and realizing potential benefits under definitive agreements for the Tesla Gigafactory site, obtaining permits and incentives, negotiating terms with technology, materials and other partners for Gigafactory, and maintaining Gigafactory implementation schedules, output and costs estimates; and Tesla's ability to execute on its retail strategy and for new store, service center and Tesla Supercharger openings. We disclaim any obligation to update information contained in these forward-looking statements whether as a result of new information, or future events, except as required by law.

More information on potential factors that could affect our financial results is included from time to time in our SEC filings and reports, including the risks identified under the section titled "Risk Factors"

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in our periodic reports on Form 10-K and Form 10-Q that we file with the SEC. We disclaim any obligation to update information contained in these forward-looking statements whether as a result of new information, future events, or otherwise.

Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law, you are advised to consult any additional disclosures we make in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. See [Where You Can Find More Information](#).

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**SUMMARY**

*This summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. This summary sets forth the material terms of this offering, but does not contain all of the information you should consider before investing in our common stock. You should read carefully this entire prospectus supplement and the accompanying prospectus, including the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision to purchase our common stock, especially the risks of investing in our common stock discussed in the section titled "Risk Factors" in this prospectus supplement as well as the consolidated financial statements and notes to those consolidated financial statements incorporated by reference into this prospectus supplement and the accompanying prospectus.*

**TESLA MOTORS, INC.**

We design, develop, manufacture and sell high-performance fully electric vehicles, advanced electric vehicle powertrain components and energy storage products. We are currently producing and selling our second vehicle, the Model S sedan. Model S is a four door, five-passenger premium sedan that offers exceptional performance, functionality and attractive styling. We commenced deliveries of Model S in June 2012. Since then, we have broadened our Model S portfolio with the addition of our All-Wheel Drive Model S, a lower priced 70 kWh Model S, a higher range 90 kWh Model S and a performance version capable of accelerating 0 to 60 miles per hour in 2.8 seconds. We have delivered over 78,000 Model S vehicles through June 30, 2015.

We are preparing for the launch of our Model X crossover vehicle and intend to commence customer deliveries late in the third quarter of 2015. After Model X, our goal is to begin deliveries of Model 3, a lower priced sedan designed for the mass market, in late 2017. In addition, we recently announced the next generation of our energy storage products for residential as well as commercial and industrial applications and expect to ramp-up production and deliveries of these Tesla Energy products later this year.

In support of both our vehicles and Tesla Energy, we are building the Tesla Gigafactory, a facility where we intend to work together with our suppliers to integrate production of cells, battery modules and packs in one location. We plan to start battery module and pack production at the Gigafactory in the first quarter of 2016.

We were incorporated in 2003 in Delaware. As of December 31, 2014, we had 10,161 full-time employees worldwide. We are headquartered in Palo Alto, California. Our principal executive offices are located at 3500 Deer Creek Road, Palo Alto, California 94304, and our telephone number at this location is (650) 681-5000. We completed our initial public offering in July 2010 and our common stock is listed on the Nasdaq Global Select Market under the symbol TSLA. Our website address is [www.teslamotors.com](http://www.teslamotors.com). Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus and you should not consider information on our website to be part of this prospectus supplement or the accompanying prospectus.

The Tesla design logo, Tesla, Tesla Motors, Tesla Roadster, Model S, Model X, Model 3, Powerwall and other trademarks or service marks appearing in this prospectus supplement and the accompanying prospectus are the property of Tesla.



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**THE OFFERING**

<b>Common stock we are offering</b>	2,694,934 shares (or 3,099,173 shares if the underwriters exercise their option to purchase additional shares in full)
<b>Common stock to be outstanding after this offering</b>	129,795,881 shares (or 130,200,120 shares if the underwriters exercise their option to purchase additional shares in full)
<b>Use of proceeds</b>	<p>We expect to receive net proceeds from this offering of approximately \$641.9 million (or approximately \$738.3 million if the underwriters exercise their option to purchase additional shares in full) after deducting the underwriting discounts and commissions and our estimated offering expenses.</p> <p>We intend to use the net proceeds from this offering to accelerate the growth of our business in the U.S. and internationally, including the growth of our stores, service centers, Supercharger network and the Tesla Energy business, and for the development and production of Model 3, the development of the Tesla Gigafactory and other general corporate purposes. See Use of Proceeds.</p>
<b>Elon Musk share purchase</b>	Mr. Elon Musk, our Chief Executive Officer, Product Architect and Chairman of our Board of Directors, has indicated his preliminary interest in purchasing up to an aggregate of 82,645 shares of our common stock in this offering at the public offering price for an aggregate purchase price of approximately \$20 million.
<b>Risk factors</b>	See Risk Factors beginning on page S-6 and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should consider carefully before investing in our common stock.
<b>Nasdaq Global Select Market symbol</b>	TSLA
The number of shares of common stock that will be outstanding after this offering is based on the 127,100,947 shares outstanding as of June 30, 2015 and excludes:	

20,483,715 shares of common stock issuable upon the exercise of options outstanding at June 30, 2015 at a weighted average exercise price of \$41.16 per share;

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1,764,153 shares of common stock issuable upon the vesting of restricted stock units outstanding at June 30, 2015;

4,364,368 shares of common stock reserved for future issuance under our stock-based compensation plans, consisting of 2,134,184 shares of common stock reserved for issuance under our Amended and Restated 2010 Equity Incentive Plan and 2,230,184 shares of common stock reserved for issuance under our 2010 Employee Stock Purchase Plan and shares that become available under the 2010 Equity Incentive Plan and 2010 Employee Stock Purchase Plan pursuant to provisions thereof that automatically increase the share reserves under the plans each year; and

the shares of common stock reserved for issuance upon conversion of our 1.50% Convertible Senior Notes due 2018, our 0.25% Convertible Senior Notes due 2019 and our 1.25% Convertible Senior Notes due 2021 and the warrant transactions entered into in connection with the issuance of these convertible senior notes.

Unless otherwise indicated, all information in this prospectus supplement assumes no exercise by the underwriters of their right to purchase up to an additional 404,239 shares of common stock from us in this offering.

**Table of Contents****SUMMARY CONSOLIDATED FINANCIAL DATA**

The summary consolidated statements of operations data for the years ended December 31, 2012, 2013 and 2014, are derived from our audited consolidated financial statements that are incorporated by reference into this prospectus supplement. The summary unaudited consolidated statements of operations data for the six months ended June 30, 2014 and 2015 and the summary unaudited consolidated balance sheet data as of June 30, 2015 are derived from our unaudited consolidated financial statements that are incorporated by reference into this prospectus supplement. The unaudited consolidated financial statements were prepared on a basis consistent with our audited consolidated financial statements and include, in the opinion of management, all adjustments necessary for the fair statement of the financial information contained in those statements. The historical results presented below are not necessarily indicative of financial results to be achieved in future periods.

The following selected consolidated financial data should be read in conjunction with our consolidated financial statements and the related notes included in our annual and quarterly reports which are incorporated by reference into this prospectus supplement.

	Year Ended December 31,			Six Months Ended June 30,	
	2012	2013	2014	2014	2015
	(unaudited)				
	(in thousands, except share and per share data)				
<b>Consolidated Statement of Operations Data:</b>					
Total revenues	413,256	2,013,496	3,198,356	1,389,891	1,894,856
Total cost of revenues (1)	383,189	1,557,234	2,316,685	1,021,768	1,421,413
Gross profit	30,067	456,262	881,671	368,123	473,443
Operating expenses (1):					
Research and development	273,978	231,976	464,700	189,262	348,866
Selling, general and administrative	150,372	285,569	603,660	251,583	397,211
Total operating expenses	424,350	517,545	1,068,360	440,845	746,077
Loss from operations	(394,283)	(61,283)	(186,689)	(72,722)	(272,634)
Interest income	288	189	1,126	608	431
Interest expense	(254)	(32,934)	(100,886)	(43,122)	(50,926)
Other income (expense), net	(1,828)	22,602	1,813	5,492	(9,072)
Loss before income taxes	(396,077)	(71,426)	(284,636)	(109,744)	(332,201)
Provision for income taxes	136	2,588	9,404	1,958	6,207
Net loss	\$ (396,213)	\$ (74,014)	\$ (294,040)	\$ (111,702)	\$ (338,408)
Net loss per share of common stock, basic and diluted (2)	\$ (3.69)	\$ (0.62)	\$ (2.36)	\$ (0.90)	\$ (2.68)
Weighted average shares used in computing net loss per share of common stock, basic and diluted	107,349,188	119,421,414	124,539,343	123,863,753	126,319,756

(1) Includes stock-based compensation expense as follows:

	Year Ended December 31,			Six Months Ended June 30,	
	2012	2013	2014	2014	2015
	(unaudited)				
	(in thousands)				
Cost of sales	\$ 2,194	\$ 9,071	\$ 17,454	\$ 7,018	\$ 9,421
Research and development	26,580	35,494	62,601	28,367	39,704
Selling, general and administrative	21,371	39,090	76,441	37,436	37,236

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Total	\$ 50,145	\$ 83,655	\$ 156,496	\$ 72,821	\$ 86,361
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- (2) Our basic net income (loss) per share of common stock is calculated by dividing the net income (loss) by the weighted-average number of shares of common stock outstanding for the period. The diluted net income (loss) per share of common stock is computed by dividing the net income (loss) by the weighted-average number of shares of common stock, excluding common stock subject to repurchase, and, if dilutive, potential shares of common stock outstanding during the period. Potential shares of common stock consist of stock options and warrants to purchase shares of our common stock and the conversion of our 1.50% Convertible Senior Notes due 2018, our 0.25% Convertible Senior Notes due 2019 and our 1.25% Convertible Senior Notes due 2021 (using the treasury stock method). For purposes of these calculations, potential shares of common stock have been excluded from the calculation of diluted net loss per share of common stock, when antidilutive.

Our consolidated balance sheet data as of June 30, 2015 is presented:

on an actual basis; and

on an as-adjusted basis to give effect to the sale of the shares of common stock offered hereby, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

	<b>As of June 30, 2015</b>	
	<b>Actual</b>	<b>As Adjusted</b>
	<b>(unaudited)</b>	
	<b>(in thousands)</b>	
<b>Consolidated Balance Sheet Data:</b>		
Cash and cash equivalents	\$ 1,150,673	\$ 1,792,575
Restricted cash and marketable securities	20,591	20,591
Property, plant and equipment, net	2,646,017	2,646,017
Working capital	244,233	886,135
Total assets	6,468,185	7,110,087
Capital lease obligations, less current portion	11,254	11,254
Convertible senior notes and other debt, less current portion	1,988,089	1,988,089
Total stockholders' equity	715,934	1,357,836

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**RISK FACTORS**

*Investing in our common stock involves a high degree of risk. In addition to the other information contained in this prospectus supplement, the accompanying prospectus and in documents that we incorporate by reference, you should carefully consider the risks discussed below and in Part I, Item 1A, Risk Factors, in our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2015 before making a decision about investing in our securities. The risks and uncertainties discussed below and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2015 are not the only ones facing us. Additional risks and uncertainties not presently known to us, or that we currently see as immaterial, may also harm our business. If any of these risks occur, our business, financial condition and operating results could be harmed, the trading price of our common stock could decline and you could lose part or all of your investment.*

**Risks Related to the Offering and Our Common Stock**

*The trading price of our common stock is likely to continue to be volatile.*

The trading price of our common stock has been highly volatile and could continue to be subject to wide fluctuations in response to various factors, some of which are beyond our control. Our common stock has experienced an intra-day trading high of \$291.42 per share and a low of \$181.40 per share over the last 52 weeks. The stock market in general, and the market for technology companies in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may seriously affect the market price of companies' stock, including ours, regardless of actual operating performance. The volatility of our stock may be exacerbated by our history of losses. We have had net losses in each quarter since our inception, except for the first quarter of 2013, and as of June 30, 2015 our accumulated deficit was approximately \$1.8 billion. In addition, these fluctuations may be even more pronounced in the trading market for our stock during the period following a securities offering. In addition, in the past, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. For example, a shareholder litigation like this was filed against us in 2013. While the trial court dismissed the plaintiffs' complaint with prejudice, this litigation (if the trial court's order is successfully appealed) or others like it could result in substantial costs and a diversion of our management's attention and resources.

*Conversion of our outstanding convertible senior notes may dilute the ownership interest of existing stockholders, or may otherwise depress the price of our common stock.*

The conversion of some or all of our outstanding convertible senior notes, or the Notes, will dilute the ownership interests of existing stockholders to the extent we deliver shares upon conversion of any of the Notes. The Notes have been historically, and may become in the future, convertible at the option of their holders prior to their scheduled terms under certain circumstances. Any sales in the public market of the common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the existence of the Notes may encourage short selling by market participants because the conversion of the Notes could be used to satisfy short positions, or anticipated conversion of the Notes into shares of our common stock could depress the price of our common stock.

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*The convertible note hedge and warrant transactions we entered into in connection with the issuance of Notes may affect the value of our common stock.*

In connection with each issuance of the Notes, we entered into convertible note hedge transactions with the hedge counterparties. The convertible note hedge transactions cover, subject to customary anti-dilution adjustments, the number of shares of our common stock that initially underlay the applicable Notes. The convertible note hedge transactions are expected to reduce the potential dilution and/or offset potential cash payments we are required to make in excess of the principal amount upon conversion of the applicable Notes. We also entered into warrant transactions with the hedge counterparties relating to the same number of shares of our common stock, subject to customary anti-dilution adjustments. However, the warrant transactions could separately have a dilutive effect on our common stock to the extent that the market price per share of our common stock exceeds the applicable strike price of the warrants on the applicable expiration dates.

In addition, the hedge counterparties or their affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions prior to the maturity of the applicable Notes (and are likely to do so during any observation period related to a conversion of Notes). This activity could also cause or prevent an increase or a decrease in the market price of our common stock.

We do not make any representation or prediction as to the direction or magnitude of any potential effect that the transactions described above may have on the prices of the shares of our common stock. In addition, we do not make any representation that the hedge counterparties have engaged or will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

*Mr. Musk borrowed funds from affiliates of certain of our underwriters and has pledged shares of our common stock to secure these borrowings. The forced sale of these shares pursuant to a margin call could cause our stock price to decline and negatively impact our business.*

Beginning in June 2011, Goldman Sachs Bank USA, an affiliate of Goldman, Sachs & Co., has made extensions of credit in the aggregate amount of \$275 million to Elon Musk and the Elon Musk Revocable Trust dated July 22, 2003, or the Trust, a portion of which Mr. Musk used to purchase shares of our common stock in our public offering in May 2013 and private placements in June 2011 and June 2013. Mr. Musk will pay the purchase price for up to the 82,645 shares of our common stock he has indicated a preliminary interest in purchasing in this offering with a portion of the existing loan from Goldman Sachs Bank USA. Interest on the loan accrues at market rates. Goldman Sachs Bank USA received customary fees and expense reimbursements in connection with these loans. As a regulated entity, Goldman Sachs Bank USA makes decisions regarding making and managing its loans independent of Goldman, Sachs & Co. Mr. Musk and Goldman Sachs Bank USA have a long-standing relationship of almost a decade. In addition, Morgan Stanley Smith Barney LLC, an affiliate of Morgan Stanley & Co. LLC, has made a loan to Mr. Musk in the aggregate amount of \$200 million. Interest on this loan accrues at market rates. Morgan Stanley Smith Barney LLC received customary fees and expense reimbursements in connection with this loan.

We are not a party to these loans, which are full recourse against Mr. Musk and the Trust and are secured by pledges of a portion of the Tesla common stock currently owned by Mr. Musk and the Trust and other shares of capital stock of unrelated entities owned by Mr. Musk and the Trust.

If the price of our common stock declines, Mr. Musk may be forced by one or more of the banking institutions to provide additional collateral for the loans or to sell shares of Tesla common stock in order

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to remain within the margin limitations imposed under the terms of his loans. The loans between these banking institutions on the one hand, and Mr. Musk and the Trust on the other hand, prohibit the non-pledged shares currently owned by Mr. Musk and the Trust from being pledged to secure any other loans. These factors may limit Mr. Musk's ability to either pledge additional shares of Tesla common stock or sell shares of Tesla common stock as a means to avoid or satisfy a margin call with respect to his pledged Tesla common stock in the event of a decline in our stock price that is large enough to trigger a margin call. Any sales of common stock following a margin call that is not satisfied may cause the price of our common stock to decline further.

*Anti-takeover provisions contained in our certificate of incorporation and bylaws, the provisions of Delaware law, and the terms of our Notes could impair a takeover attempt.*

Our amended and restated certificate of incorporation, amended and restated bylaws, Delaware law and the terms of our Notes contain provisions which could have the effect of rendering more difficult, delaying or preventing an acquisition deemed undesirable by our board of directors. Our corporate governance documents include provisions:

creating a classified board of directors whose members serve staggered three-year terms;

authorizing blank check preferred stock, which could be issued by the board without stockholder approval and may contain voting, liquidation, dividend and other rights superior to our common stock;

limiting the liability of, and providing indemnification to, our directors and officers;

limiting the ability of our stockholders to call and bring business before special meetings;

requiring advance notice of stockholder proposals for business to be conducted at meetings of our stockholders and for nominations of candidates for election to our board of directors;

controlling the procedures for the conduct and scheduling of board and stockholder meetings; and

providing the board of directors with the express power to postpone previously scheduled annual meetings and to cancel previously scheduled special meetings.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management.

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation law, which prevents some stockholders holding more than 15% of our outstanding common stock from engaging in certain business combinations without approval of the holders of substantially all of our outstanding common stock.

Any provision of our amended and restated certificate of incorporation or amended and restated bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock.

In addition, the terms of the Notes require us to repurchase the Notes in the event of a fundamental change. A takeover of our company would trigger an option of the holders of the Notes to require us to repurchase the Notes. This may have the effect of delaying or preventing a takeover of our company that would otherwise be beneficial to our stockholders or investors in the Notes.





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*If securities or industry analysts publishing research or reports about us, our business or our market change their recommendations regarding our stock adversely or cease to publish research or reports about us, our stock price and trading volume could decline.*

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market or our competitors. If any of the analysts who may cover us change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our competitors, our stock price would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

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**USE OF PROCEEDS**

We estimate that our net proceeds from the sale of the shares of common stock in this offering will be approximately \$641.9 million, after deducting underwriting discounts and commissions and estimated offering expenses that we must pay. If the underwriters' option to purchase additional shares in this offering is exercised in full, we estimate that our net proceeds in this offering will be approximately \$738.3 million, after deducting underwriting discounts and commissions and estimated offering expenses that we must pay.

We intend to use the net proceeds from this offering to accelerate the growth of our business in the U.S. and internationally, including the growth of our stores, service centers, Supercharger network and the Tesla Energy business, and for the development and production of Model 3, the development of the Tesla Gigafactory and other general corporate purposes. Pending use of the proceeds as described above, we intend to invest the proceeds in highly liquid cash equivalents or United States government securities.

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### **DESCRIPTION OF COMMON STOCK**

The following is a summary of our common stock and certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws. This summary does not purport to be complete and is qualified in its entirety by the provisions of our amended and restated certificate of incorporation and amended and restated bylaws, copies of which have been previously filed with the SEC, and applicable provisions of Delaware law.

#### **General**

Our authorized capital stock consists of 2,100,000,000 shares, with a par value of \$0.001 per share, of which 2,000,000,000 shares are designated as common stock.

As of June 30, 2015, we had outstanding 127,100,947 shares of common stock, held of record by 790 stockholders. A substantially greater number of holders of our common stock are street name or beneficial holders, whose shares are held by banks, brokers and other financial institutions.

In addition, as of June 30, 2015, we had outstanding options to acquire 20,483,715 shares of common stock and 1,764,153 shares of common stock issuable upon the vesting of restricted stock units.

The holders of common stock are entitled to one vote per share on all matters submitted to a vote of our stockholders and do not have cumulative voting rights. Accordingly, holders of a majority of the shares of common stock entitled to vote in any election of directors may elect all of the directors standing for election. Subject to preferences that may be applicable to any preferred stock outstanding at the time, the holders of outstanding shares of common stock are entitled to receive ratably any dividends declared by our board of directors out of assets legally available. Upon our liquidation, dissolution or winding up, holders of our common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preference of any then outstanding shares of preferred stock. Holders of common stock have no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock.

#### **Registration Rights**

##### ***Stockholder Registration Rights Overview***

Certain holders of unregistered common stock purchased in private placements, or their permitted transferees (Registration Rights Holders), are entitled to rights with respect to the registration of such shares under the Securities Act. These rights are provided under the terms of an investors rights agreement between us and the holders of these shares, and include demand registration rights, short-form registration rights and piggyback registration rights. All fees, costs and expenses of underwritten registrations will be borne by us and all selling expenses, including underwriting discounts and selling commissions, will be borne by the holders of the shares being registered.

The registration rights terminate with respect to the registration rights of an individual holder after the date that is five years following such time when the holder can sell all of the holder's shares in any three month period under Rule 144 or another similar exemption under the Securities Act, unless such holder holds at least 2% of our voting stock.

##### ***Stockholder Registration Rights Demand Registration Rights***

The Registration Rights Holders are currently entitled to demand registration rights. Under the terms of the investors rights agreement, we will be required, at our expense, upon the written request

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of holders of a majority of these shares, to use our best efforts to register all or a portion of these shares for public resale. We are required to effect only two registrations pursuant to this provision of the investors' rights agreement.

### ***Stockholder Registration Rights Short-Form Registration Rights***

The Registration Rights Holders are also currently entitled to short-form registration rights. If we are eligible to file a registration statement on Form S-3, these holders have the right, upon written request from either the holders of at least 20% of these shares to us to have such shares registered by us at our expense if the proposed aggregate offering price of the shares to be registered by the holders requesting registration, net of underwriting discounts and commissions, is at least \$1,000,000, subject to certain exceptions.

### ***Stockholder Registration Rights Piggyback Registration Rights***

The Registration Rights Holders are currently entitled to piggyback registration rights. If we register any of our securities either for our own account or for the account of other security holders, the holders of these shares are entitled to include their shares in the registration at our expense. The underwriters of any underwritten offering have the right to limit the number of shares registered by these holders for marketing reasons, subject to certain limitations.

### ***Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws***

Our amended and restated certificate of incorporation and our amended and restated bylaws contain certain provisions that could have the effect of delaying, deterring or preventing another party from acquiring control of us. These provisions and certain provisions of Delaware law, which are summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate more favorable terms with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us.

### ***Limits on Ability of Stockholders to Act by Written Consent or Call a Special Meeting***

Our amended and restated certificate of incorporation provides that our stockholders may not act by written consent, which may lengthen the amount of time required to take stockholder actions. As a result, a holder controlling a majority of our capital stock would not be able to amend our amended and restated bylaws or remove directors without holding a meeting of our stockholders called in accordance with our amended and restated bylaws.

In addition, our amended and restated bylaws provide that special meetings of the stockholders may be called only by the chairperson of the board, the chief executive officer or our board of directors. Stockholders may not call a special meeting, which may delay the ability of our stockholders to force consideration of a proposal or for holders controlling a majority of our capital stock to take any action, including the removal of directors.

### ***Requirements for Advance Notification of Stockholder Nominations and Proposals***

Our amended and restated bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of our board of directors or a committee of our board of directors. These provisions may have the effect of precluding the conduct of certain business at a

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meeting if the proper procedures are not followed. These provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

### ***Board Classification***

Our board of directors is divided into three classes, one class of which is elected each year by our stockholders. The directors in each class will serve for a three-year term. A third party may be discouraged from making a tender offer or otherwise attempting to obtain control of us as it is more difficult and time-consuming for stockholders to replace a majority of the directors on a classified board.

### ***No Cumulative Voting***

Our amended and restated certificate of incorporation and amended and restated bylaws do not permit cumulative voting in the election of directors. Cumulative voting allows a stockholder to vote a portion or all of its shares for one or more candidates for seats on the board of directors. Without cumulative voting, a minority stockholder may not be able to gain as many seats on our board of directors as the stockholder would be able to gain if cumulative voting were permitted. The absence of cumulative voting makes it more difficult for a minority stockholder to gain a seat on our board of directors to influence our board's decision regarding a takeover.

### ***Amendment of Charter Provisions***

The amendment of the above provisions of our amended and restated certificate of incorporation requires approval by holders of at least two-thirds of our outstanding capital stock entitled to vote generally in the election of directors.

### ***Delaware Anti-Takeover Statute***

We are subject to the provisions of Section 203 of the Delaware General Corporation Law regulating corporate takeovers. In general, Section 203 prohibits a publicly held Delaware corporation from engaging, under certain circumstances, in a business combination with an interested stockholder for a period of three years following the date the person became an interested stockholder unless:

prior to the date of the transaction, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, calculated as provided under Section 203; or

at or subsequent to the date of the transaction, the business combination is approved by our board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

Generally, a business combination includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. An interested stockholder is a person who, together with affiliates and associates, owns or, within three years prior to the determination of interested stockholder status, did own 15% or more of a corporation's outstanding voting stock. We

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expect the existence of this provision to have an anti-takeover effect with respect to transactions our board of directors does not approve in advance. We also anticipate that Section 203 may also discourage attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

The provisions of Delaware law and the provisions of our amended and restated certificate of incorporation and amended and restated bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they might also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions might also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders might otherwise deem to be in their best interests.

**Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is ComputerShare Trust Company, N.A. The transfer agent's address is 250 Royall Street, Canton, Massachusetts 02021, and its telephone number is (800) 662-7232.

**Listing**

Our common stock is listed on the Nasdaq Global Select Market under the symbol TSLA.

**Table of Contents****PRICE RANGE OF COMMON STOCK**

Our common stock is traded on the Nasdaq Global Select Market under the symbol TSLA. The following table sets forth for the indicated periods the high and low intra-day sales prices per share for our common stock on the Nasdaq Global Select Market.

	<b>High</b>	<b>Low</b>
<b>Year Ended December 31, 2013:</b>		
First Quarter	\$ 40.00	\$ 32.11
Second Quarter	\$ 114.90	\$ 40.21
Third Quarter	\$ 194.50	\$ 104.50
Fourth Quarter	\$ 194.23	\$ 116.10
<b>Year Ended December 31, 2014:</b>		
First Quarter	\$ 265.00	\$ 136.67
Second Quarter	\$ 244.49	\$ 177.22
Third Quarter	\$ 291.42	\$ 213.60
Fourth Quarter	\$ 265.54	\$ 192.65
<b>Year Ending December 31, 2015:</b>		
First Quarter	\$ 225.48	\$ 181.40
Second Quarter	\$ 271.41	\$ 186.05
Third Quarter (through August 13, 2015)	\$ 286.65	\$ 232.74

The last reported sale price for our common stock on the Nasdaq Global Select Market was \$242.51 per share on August 13, 2015. We estimate that there were approximately 790 holders of record of our common stock as of June 30, 2015.

**DIVIDEND POLICY**

We have never declared or paid cash dividends on our common stock. We currently do not anticipate paying any cash dividends in the foreseeable future. Additionally, our ability to pay dividends on our common stock is limited by restrictions on our ability to pay dividends or make distributions under the terms of our senior secured asset-backed revolving credit agreement, or the Credit Agreement. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws and compliance with future credit agreements and other loan arrangements, which may restrict or limit our ability to pay dividends, and will depend on our financial condition, results of operations, capital requirements, general business conditions and other factors that our board of directors may deem relevant.



**Table of Contents****CAPITALIZATION**

The following table sets forth our unaudited cash and cash equivalents, restricted cash and marketable securities, the current portion of convertible senior notes and other debt, and capitalization as of June 30, 2015:

on an actual basis; and

on an as-adjusted basis to give effect to the sale of the shares of common stock offered hereby, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this table in conjunction with Use of Proceeds as well as our Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements, including the related notes, incorporated by reference into the accompanying prospectus and our annual report on Form 10-K for the fiscal year ended December 31, 2014 and our quarterly report on Form 10-Q for the fiscal quarter ended June 30, 2015, incorporated by reference herein.

	As of June 30, 2015	
	Actual (unaudited)	As Adjusted (unaudited)
	(in thousands, except share and per share data)	
Cash and cash equivalents	\$ 1,150,673	\$ 1,792,575
Restricted cash and marketable securities	\$ 20,591	\$ 20,591
Convertible senior notes and other debt, current portion(1)(2)	\$ 632,162	\$ 632,162
Capital lease obligations, less current portion	\$ 11,254	\$ 11,254
Deferred revenue, less current portion	334,628	334,628
Convertible senior notes and other debt, less current portion(3)(4)	1,988,089	1,988,089
Resale value guarantees, less current portion	725,477	725,477
Stockholders' equity:		
Preferred stock, par value \$0.001; 100,000,000 shares authorized, no shares issued and outstanding, actual; no shares issued and outstanding, as adjusted		
Common stock, par value \$0.001; 2,000,000,000 shares authorized; 127,100,947 shares issued and outstanding, actual; 129,795,881 shares issued and outstanding, as adjusted	127	130
Additional paid-in capital	2,502,679	3,144,578
Accumulated other comprehensive loss	(14,804)	(14,804)
Accumulated deficit	(1,772,068)	(1,772,068)
Total stockholders' equity	715,934	1,357,836
Total capitalization	\$ 6,468,185	\$ 7,110,087

(1) During the second quarter of 2015, the closing price of our common stock exceeded 130% of the applicable conversion price of our 1.50% Convertible Senior Notes due 2018 on at least 20 of the last 30 consecutive trading days of the quarter. Therefore, holders of 1.50% Convertible Senior Notes due 2018 may convert their notes during the third quarter of 2015. As such, we classified the \$609.5 million carrying value of our 1.50% Convertible Senior Notes due 2018 as current liabilities and classified \$50.3 million, representing the difference between the aggregate principal amount of our 1.50% Convertible Senior Notes due 2018 of \$659.8 million and the carrying value of the notes, as mezzanine equity on our condensed consolidated balance sheet as of June 30, 2015. Similarly, debt issuance costs were classified as other current assets as of June 30, 2015.

(2)

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In accordance with ASC 470-20, convertible debt that may be wholly or partially settled in cash is required to be separated into a liability and an equity component, such that interest expense reflects the issuer's nonconvertible debt interest rate.

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Upon issuance, a debt discount is recognized as a decrease in debt and an increase in equity. The debt component accretes up to the principal amount over the expected term of the debt. The amount shown in the table above for the 1.50% Convertible Senior Notes due 2018 reflects the debt discount as of June 30, 2015. ASC 470-20 does not affect the actual amount that we are required to repay. We had \$659.8 million in aggregate principal amount of our 1.50% Convertible Senior Notes due 2018 outstanding as of June 30, 2015.

- (3) As noted in footnote (2), in accordance with ASC 470-20, convertible debt that may be wholly or partially settled in cash is required to be separated into a liability and an equity component, such that interest expense reflects the issuer's nonconvertible debt interest rate. Upon issuance, a debt discount is recognized as a decrease in debt and an increase in equity. The debt component accretes up to the principal amount over the expected term of the debt. The amount shown in the table above for the 0.25% Convertible Senior Notes due 2019 and the 1.25% Convertible Senior Notes due 2021 reflects the debt discount as of June 30, 2015. ASC 470-20 does not affect the actual amount that we are required to repay. We had \$920.0 million in aggregate principal amount of our 0.25% Convertible Senior Notes due 2019 and \$1.38 billion in aggregate principal amount of our 1.25% Convertible Senior Notes due 2021 outstanding as of June 30, 2015.
- (4) As of June 30, 2015, we have borrowed \$114.3 million under our loan and security agreement for a secured asset based line of credit, or the Warehouse Facility. As of June 30, 2015, we have borrowed \$50.0 million under our Credit Agreement.

The number of shares of common stock that will be outstanding after this offering is based on the 127,100,947 shares outstanding as of June 30, 2015 and excludes:

20,483,715 shares of common stock issuable upon the exercise of options outstanding at June 30, 2015 at a weighted average exercise price of \$41.16 per share;

1,764,153 shares of common stock issuable upon the vesting of restricted stock units outstanding at June 30, 2015;

4,364,368 shares of common stock reserved for future issuance under our stock-based compensation plans, consisting of 2,134,184 shares of common stock reserved for issuance under our Amended and Restated 2010 Equity Incentive Plan and 2,230,184 shares of common stock reserved for issuance under our 2010 Employee Stock Purchase Plan and shares that become available under the 2010 Equity Incentive Plan and 2010 Employee Stock Purchase Plan pursuant to provisions thereof that automatically increase the share reserves under the plans each year; and

the shares of common stock reserved for issuance upon conversion of our 1.50% Convertible Senior Notes due 2018, our 0.25% Convertible Senior Notes due 2019 and our 1.25% Convertible Senior Notes due 2021 and the warrant transactions entered into in connection with the issuance of these convertible senior notes.

**Table of Contents****DILUTION**

As of June 30, 2015, we had a net tangible book value of approximately \$701.6 million or \$5.52 per share of common stock, based upon 127,100,947 shares of common stock outstanding on such date. Net tangible book value per share represents the amount of our total tangible assets reduced by the amount of our total liabilities and divided by the total number of shares of common stock outstanding.

Dilution in net tangible book value per share to new investors in this offering represents the difference between the amount per share paid by purchasers of 2,694,934 shares of common stock in this offering and the net tangible book value per share of common stock immediately after the completion of this offering. After giving effect to the sale of the shares of common stock offered by us in this offering, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, our net tangible book value as of June 30, 2015 would have been \$1,343.5 million, or \$10.35 per share of common stock. This represents an immediate increase in net tangible book value of \$4.83 per share to existing stockholders and an immediate dilution of \$231.65 per share to new investors in our common stock. The following table illustrates this dilution on a per share basis.

Public offering price per share	\$ 242.00
Net tangible book value per share as of June 30, 2015, before giving effect to this offering	\$ 5.52
Increase in net tangible book value per share attributed to new investors purchasing shares in this offering	4.83
Net tangible book value per share after giving effect to this offering	10.35
Dilution per share to new investors in this offering	\$ 231.65

If the underwriters' over-allotment option is exercised in full to purchase 404,239 additional shares of common stock in this offering, based upon an offering price of \$242.00, the net tangible book value per share after giving effect to the offering would be \$11.06 per share, the increase in the net tangible book value per share to existing stockholders would be \$0.71 per share and the dilution to the new investors would be \$230.94 per share.

The foregoing table does not take into effect further dilution to new investors that could occur upon the exercise of outstanding options having a per share exercise price less than the offering price per share in this offering or the release of restricted stock units. The foregoing table is based upon 127,100,947 shares outstanding as of June 30, 2015 and excludes the following:

20,483,715 shares of common stock issuable upon the exercise of options outstanding at June 30, 2015 at a weighted average exercise price of \$41.16 per share;

1,764,153 shares of common stock issuable upon the vesting of restricted stock units outstanding at June 30, 2015;

4,364,368 shares of common stock reserved for future issuance under our stock-based compensation plans, consisting of 2,134,184 shares of common stock reserved for issuance under our Amended and Restated 2010 Equity Incentive Plan and 2,230,184 shares of common stock reserved for issuance under our 2010 Employee Stock Purchase Plan and shares that become available under the 2010 Equity Incentive Plan and 2010 Employee Stock Purchase Plan pursuant to provisions thereof that automatically increase the share reserves under the plans each year; and

the shares of common stock reserved for issuance upon conversion of our 1.50% Convertible Senior Notes due 2018, our 0.25% Convertible Senior Notes due 2019 and our 1.25% Convertible Senior Notes due 2021 and the warrant transactions entered into in connection with the issuance of these convertible senior notes.



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**MATERIAL UNITED STATES TAX CONSIDERATIONS FOR NON-UNITED STATES HOLDERS**

The following is a summary of the material United States federal income tax and estate tax consequences of the ownership and disposition of our common stock to non-United States holders, but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended, or the Code, Treasury regulations promulgated thereunder, administrative rulings and judicial decisions, all as of the date hereof. These authorities may be changed, possibly retroactively, so as to result in United States federal income tax or estate tax consequences different from those set forth below. We have not sought any ruling from the Internal Revenue Service, or the IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions.

This summary also does not address the tax considerations arising under the laws of any United States state or local or any non-United States jurisdiction or under United States federal gift and estate tax laws, except to the limited extent below. In addition, this discussion does not address tax considerations applicable to an investor's particular circumstances or to investors that may be subject to special tax rules, including, without limitation:

banks, insurance companies or other financial institutions;

persons subject to the alternative minimum tax;

tax-exempt organizations;

dealers in securities or currencies;

traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;

persons that own, or are deemed to own, more than five percent of our capital stock (except to the extent specifically set forth below);

certain former citizens or long-term residents of the United States;

persons who hold our common stock as a position in a hedging transaction, straddle, conversion transaction or other risk reduction transaction;

persons who do not hold our common stock as a capital asset within the meaning of Section 1221 of the Code (generally, for investment purposes); or

persons deemed to sell our common stock under the constructive sale provisions of the Code.

In addition, if a partnership, including any entity or arrangement, domestic or foreign, classified as a partnership for United States federal income tax purposes, holds our common stock, the tax treatment of a partner generally will depend on the status of the partner and upon the activities of the partnership. Accordingly, partnerships that hold our common stock, and partners in such partnerships, should consult their tax advisors.

**You are urged to consult your tax advisor with respect to the application of the United States federal income tax laws to your particular situation, as well as any tax consequences of the purchase, ownership and disposition of our common stock arising under the United States federal estate or gift tax rules or under the laws of any United States state or local or any non-United States or other taxing jurisdiction or under any applicable tax treaty.**

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### **Non-United States Holder Defined**

For purposes of this discussion, you are a non-United States holder if you are any holder other than:

an individual who is a citizen or resident of the United States;

a corporation or other entity taxable as a corporation created or organized in the United States or under the laws of the United States, any State thereof or the District of Columbia;

an estate whose income is subject to United States federal income tax regardless of its source; or

a trust (x) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (y) which has made an election to be treated as a United States person.

### **Distributions**

If we make distributions on our common stock, those payments will constitute dividends for United States tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under United States federal income tax principles. To the extent those distributions exceed both our current and our accumulated earnings and profits, they will constitute a return of capital and will first reduce your basis in our common stock, but not below zero, and then will be treated as gain from the sale of stock.

Any dividend paid to you generally will be subject to United States withholding tax either at a rate of 30% of the gross amount of the dividend or such lower rate as may be specified by an applicable income tax treaty. In order to receive a reduced treaty rate, you must provide us with an IRS Form W-8BEN or IRS Form W-8BEN-E (generally including a U.S. taxpayer identification number) or other appropriate version of IRS Form W-8 certifying qualification for the reduced rate.

Dividends received by you that are effectively connected with your conduct of a United States trade or business (and, if an income tax treaty applies, are attributable to a permanent establishment maintained by you in the United States) generally are exempt from such withholding tax. In order to obtain this exemption, you must provide us with an IRS Form W-8ECI or other applicable IRS Form W-8 properly certifying such exemption. Such effectively connected dividends, although not subject to withholding tax, are taxed at the same graduated rates applicable to United States persons, net of certain deductions and credits, subject to an applicable income tax treaty providing otherwise. In addition, if you are a corporate non-United States holder, dividends you receive that are effectively connected with your conduct of a United States trade or business (and, if an income tax treaty applies, are attributable to a permanent establishment maintained by the you in the United States) may also be subject to a branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty.

If you are eligible for a reduced rate of withholding tax pursuant to a tax treaty, you may be able to obtain a refund of any excess amounts currently withheld if you file an appropriate claim for refund with the IRS.

### **Gain on Sale or Other Disposition of Common Stock**

You generally will not be required to pay United States federal income tax on any gain realized upon the sale or other disposition of our common stock unless:

the gain is effectively connected with your conduct of a United States trade or business (and, if an income tax treaty applies, the gain is attributable to a permanent establishment maintained





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by you in the United States), in which case you will be required to pay tax on the net gain derived from the sale under regular graduated United States federal income tax rates, and for a non-United States holder that is a corporation, such non-United States holder may be subject to the branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty;

you are an individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and certain other conditions are met, in which case you will be required to pay a flat 30% tax on the gain derived from the sale, which tax may be offset by United States source capital losses (even though you are not considered a resident of the United States) (subject to applicable income tax or other treaties); or

our common stock constitutes a United States real property interest by reason of our status as a United States real property holding corporation for United States federal income tax purposes, a USRPHC, at any time within the shorter of the five-year period preceding the disposition or your holding period for our common stock. We believe that we are not currently and will not become a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our United States real property relative to the fair market value of our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we become a USRPHC, however, as long as our common stock is regularly traded on an established securities market, such common stock will be treated as United States real property interests only if you actually or constructively hold more than five percent of such regularly traded common stock at any time during the applicable period that is specified in the Code.

### **United States Federal Estate Tax**

Our common stock held (or treated as held) by an individual non-United States holder at the time of death will be included in such holder's gross estate for United States federal estate tax purposes, unless an applicable estate tax treaty provides otherwise, and therefore may be subject to United States federal estate tax.

### **Backup Withholding and Information Reporting**

Generally, we must report annually to the IRS the amount of dividends paid to you, your name and address, and the amount of tax withheld, if any. A similar report will be sent to you. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in your country of residence.

Payments of dividends or of proceeds on the disposition of stock made to you may be subject to additional information reporting and backup withholding at a current rate of 28% unless you establish an exemption, for example by properly certifying your non-United States status on an IRS Form W-8BEN, IRS Form W-8BEN-E or another appropriate version of IRS Form W-8. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that you are a United States person.

Backup withholding is not an additional tax; rather, the United States income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

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**Legislation and Guidance Affecting Taxation of Our Common Stock Held By or Through Foreign Entities**

Legislation and administrative guidance (referred to as the Foreign Account Tax Compliance Act or FATCA ) generally will impose a United States federal withholding tax of 30% on any dividends paid and, after December 31, 2016, the proceeds of a sale of our common stock paid to (i) a foreign financial institution (as specially defined under these rules), whether such foreign financial institution is the beneficial owner or an intermediary, unless such institution enters into an agreement with the United States government to withhold on certain payments and to collect and provide to the United States tax authorities substantial information regarding United States account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with United States owners) or (ii) a non-financial foreign entity, whether such non-financial foreign entity is the beneficial owner or an intermediary, unless such entity provides a certification that the beneficial owner of the payment does not have any substantial United States owners or provides the withholding agent with a certification identifying the direct and indirect United States owners of the entity. Under certain circumstances, a non-United States holder might be eligible for refunds or credits of such taxes. In certain cases, the relevant foreign financial institution or non-financial foreign entity may qualify for an exemption from, or be deemed to be in compliance with, these rules. If the country in which the payee is resident has entered into an intergovernmental agreement with the United States regarding FATCA, the payee may be permitted to report to that country instead of the United States, and the intergovernmental agreement may otherwise modify the requirements described in this paragraph. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this legislation on their investment in our common stock.

**The preceding discussion of United States federal tax considerations is for general information only. It is not tax advice. Each prospective investor should consult its own tax advisor regarding the particular United States federal, state and local and non-United States tax consequences of purchasing, holding and disposing of our common stock, including the consequences of any proposed change in applicable laws.**

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We and Goldman, Sachs & Co., Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and Deutsche Bank Securities Inc., as representatives of the underwriters named below, have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, the underwriters have agreed to purchase the number of shares indicated in the following table.

<b>Underwriters</b>	<b>Number of Shares</b>
Goldman, Sachs & Co.	1,022,217
Morgan Stanley & Co. LLC	836,359
J.P. Morgan Securities LLC	278,786
Deutsche Bank Securities Inc.	278,786
Merrill Lynch, Pierce, Fenner & Smith	
Incorporated	139,393
Wells Fargo Securities, LLC	139,393
<b>Total</b>	