

Simpson Thacher Represents Underwriters in \$2 Billion Convertible Senior Notes Offering by Tesla Motors, Inc.

03.10.14



Simpson Thacher & Bartlett LLP recently represented Goldman, Sachs & Co., Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and Deutsche Bank Securities Inc. as underwriters in the offering by Tesla Motors, Inc. of \$800 million of 0.25% Convertible Senior Notes due 2019 and \$1.2 billion of 1.25% Convertible Senior Notes due 2021. Tesla intends to use the net proceeds from the offering to accelerate the growth of its business in the U.S. and internationally, for the development and production of its “Gen III” mass market vehicle, the development of the Tesla Gigafactory and other general corporate purposes.

In connection with the notes offering, the firm also represented counterparties in related convertible note hedge transactions and warrant transactions under which Tesla purchased call options and sold warrants covering the amount of common stock initially underlying the notes. Tesla used a portion of the proceeds from the offering to pay the net cost of such convertible note hedge transactions.

Tesla’s goal is to accelerate the world’s transition to electric mobility with a full range of increasingly affordable electric cars. California-based Tesla designs, develops, manufactures and sells high-performance fully electric vehicles and advanced electric vehicle powertrain components for partners such as Toyota and Daimler.

The Simpson Thacher team for this transaction included Kevin Kennedy, Roxane Reardon, Jean Park, Xavier Kowalski, Alex Coffin and David Ray (Capital Markets); Jonathan Lindabury, Phong Quan and Shanita Nicholas (Derivatives); Marcy Geller and Judy Yan (Tax) and Jennie Getsin (Blue Sky).

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