



**Tesla Motors, Inc.**  
**Illustrative Table of Potential Dilutive Impact of Convertible Senior Notes and Call Spreads**  
**UNAUDITED**

In May 2013, we issued 1.5% convertible senior notes due 2018, and in March/April 2014, we issued 0.25% convertible senior notes due 2019 and 1.25% convertible senior notes due 2021 (collectively the Notes). These Notes have a dilutive effect on EPS while the Notes are outstanding, but once converted or settled, there is anticipated to be no actual dilution as we entered into bond hedges in May 2013 and March/April 2014 that are intended to offset the actual dilution related to these Notes. The bond hedges are not included in the calculation of diluted EPS as they are anti-dilutive.

<b>Convertible Senior Notes</b>	<b>2018 Notes</b>	<b>2019 Notes</b>	<b>2021 Notes</b>
Issuance Date	May 2013	Mar/Apr 2014	Mar/Apr 2014
Convertible notes principal	\$ 660,000,000	\$ 920,000,000	\$ 1,380,000,000
Conversion price	\$ 124.52	\$ 359.87	\$ 359.87
Conversion ratio	8.0306	2.7788	2.7788

In May 2013 and March/April 2014, we also sold warrants relating to the same underlying number of shares of our common stock. The May 2013 warrants had a strike price of \$184.48 and the March/April 2014 warrants had strike prices of \$512.66 and \$560.64. These warrants could separately have a dilutive effect on EPS to the extent that the market price per share of our common stock exceeds their strike prices and could cause actual dilution.

<b>Warrants</b>	<b>2018 Warrants</b>	<b>2019 Warrants</b>	<b>2021 Warrants</b>
Issuance Date	May 2013	Mar/Apr 2014	Mar/Apr 2014
Total shares underlying the warrants	5,300,196	2,556,496	3,834,744
Strike price	\$ 184.48	\$ 512.66	\$ 560.64

The following table illustrates the potential dilutive shares that would be included in the calculation of our future reported diluted earnings per share (EPS) assuming various hypothetical quarterly average market prices of our common stock (NASDAQ: TSLA). The potential dilutive shares are calculated using the treasury stock method. As mentioned above, total actual dilution at maturity is reduced by the effects of our bond hedges.

(shares in millions)							
Hypothetical Quarterly Average TSLA Stock Price <sup>3</sup>	Convertible senior notes (2018 Notes)	Convertible senior notes (2019 Notes)	Convertible senior notes (2021 Notes)	Warrants (2018, 2019 & 2021 Warrants)	TOTAL DILUTIVE POTENTIAL SHARES FOR EPS PURPOSES <sup>1</sup>	Offsetting bond hedges <sup>2</sup> (2018, 2019 & 2021 Hedges)	TOTAL EXPECTED DILUTION AT MATURITY OF NOTES
\$ 100.00	-	-	-	-	-	-	-
\$ 120.00	-	-	-	-	-	-	-
\$ 140.00	0.6	-	-	-	0.6	(0.6)	-
\$ 160.00	1.2	-	-	-	1.2	(1.2)	-
\$ 180.00	1.6	-	-	-	1.6	(1.6)	-
\$ 200.00	2.0	-	-	0.4	2.4	(2.0)	0.4
\$ 220.00	2.3	-	-	0.9	3.2	(2.3)	0.9
\$ 240.00	2.6	-	-	1.2	3.8	(2.6)	1.2
\$ 260.00	2.8	-	-	1.5	4.3	(2.8)	1.5
\$ 280.00	2.9	-	-	1.8	4.8	(2.9)	1.8
\$ 300.00	3.1	-	-	2.0	5.1	(3.1)	2.0
\$ 320.00	3.2	-	-	2.2	5.5	(3.2)	2.2
\$ 340.00	3.4	-	-	2.4	5.8	(3.4)	2.4
\$ 360.00	3.5	0.0	0.0	2.6	6.1	(3.5)	2.6
\$ 380.00	3.6	0.1	0.2	2.7	6.6	(3.9)	2.7
\$ 400.00	3.7	0.3	0.4	2.9	7.1	(4.3)	2.9
\$ 420.00	3.7	0.4	0.5	3.0	7.6	(4.6)	3.0
\$ 440.00	3.8	0.5	0.7	3.1	8.0	(5.0)	3.1
\$ 460.00	3.9	0.6	0.8	3.2	8.4	(5.3)	3.2
\$ 480.00	3.9	0.6	1.0	3.3	8.8	(5.5)	3.3
\$ 500.00	4.0	0.7	1.1	3.3	9.1	(5.8)	3.3
\$ 520.00	4.0	0.8	1.2	3.5	9.5	(6.0)	3.5
\$ 540.00	4.1	0.9	1.3	3.6	9.8	(6.2)	3.6
\$ 560.00	4.1	0.9	1.4	3.8	10.2	(6.4)	3.8
\$ 580.00	4.2	1.0	1.5	4.0	10.6	(6.6)	4.0
\$ 600.00	4.2	1.0	1.5	4.3	11.1	(6.8)	4.3

*The table above is for illustrative purposes and does not represent our forecast of future stock performance.*

**Note 1** - These are the number of shares to be used for calculating diluted EPS, pursuant to GAAP.

**Note 2** - The bond hedges only offset the actual dilution from the convertible senior notes at maturity.

**Note 3** - The prices listed in the table are for illustrative purposes only. Although dilution continues beyond \$600 per share, we have not presented further data.