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## REPORT

Fisker lays off employees, renegotiates with DOE [UPDATE]



By [Chris Shunk](#)

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This isn't good. The Associated Press is reporting that [Fisker Automotive](#) has stopped production of the [Fisker Karma](#) (UPDATE: Not true, says Fisker PR: "We are currently producing 20-25 Karmas a day and will continue to do so.") and laid off 26 Delaware employees and 40 contractors in California. The carmaker is reportedly looking to conserve cash while attempting to renegotiate loans granted by the Department of Energy. (UPDATE: We have gotten a statement from Fisker about the situation, which you can read [after the jump](#). The Karma is not mentioned, just work on the Delaware plant, which is supposed to build the Nina one day.

Fisker originally signed on for a \$529 million loan, of which only \$193 million has been received. Fisker reportedly cannot get at the remaining funds, which are earmarked for the delayed [Nina project](#), because the automaker failed to meet Karma sales targets that were a condition of the loan. A few days ago, Fisker [lowered its sales expectations](#) for the \$100,000 Karma to a still very lofty 10,000 units in 2012.

Fisker spokesman Roger Ormisher told the AP that the automaker is hoping for a speedy resolution to its cash crunch. We hope so too, or Fisker could be in a heap of trouble.

FISKER AUTOMOTIVE STATEMENT REGARDING DELAWARE ASSEMBLY AND PROJECT NINA  
ANAHEIM, CA – February 6, 2012

The following media information is being provided to address timing changes surrounding Project Nina, Fisker Automotive's line of premium Electric Vehicles with extended range (Ever) scheduled to be built in Wilmington, Delaware.

- Fisker Automotive's product strategy is to first and foremost establish strong Karma sales worldwide in 2012 and generate a strong business, and then to plan for the introduction of Nina at Delaware Assembly with the help of a loan from the DOE or other sources.
- With Karma we have made tremendous progress in a very short amount of time, developing and launching an all-new luxury plug-in hybrid Electric Vehicle with extended range (EVer) that is taking the auto industry in a new direction.
- With Project Nina, we have completed Phase One of the re-commissioning of a former General Motors plant in Wilmington, Delaware.
- We have temporarily delayed work at the plant based on ongoing discussions with the DOE regarding funding for the Project Nina program. As a result, we have laid-off 26 people.
- A flex model of expanding and contracting staffing for development of new cars is routine in the automotive industry. Project Nina is already well-advanced. Much of the engineering, design and development is near complete and we expect to ramp up operations again quickly.
- To date we have received \$193m of the \$529m DOE loan, mostly for the Karma (K) program, and received our last reimbursement in May 2011. We are renegotiating some terms of the DOE agreement for the \$336m balance of the loan related to the Project Nina program
- Fisker Automotive is in the middle of discussions with the DOE, however Fisker has been, and continues to pursue, alternative funding sources. We have successfully raised an additional \$260 million of equity in late 2011, bringing the total amount of private equity financing to more than \$850 million.

#### ABOUT FISKER AUTOMOTIVE, INC.

Fisker Automotive is an American car company, founded in 2007, committed to producing electric vehicles with extended range (EVer) that deliver uncompromised responsible luxury. The company is designing and developing the world's first line of premium electric plug-in hybrids representing the company's firm belief that environmentally conscious cars need not sacrifice passion, style, or performance. Fisker Automotive is a global company that is redefining luxury for the modern sports car buyer. For more information on the brand and the Fisker Karma Sedan, please go to <http://fiskerautomotive.com>.

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