GROUP of COMPANIES
Global Leaders in Dye Solar Cell Technology

28 February 2013

Company Announcements Office
Australian Stock Exchange
Level 4
20 Bridge Street
Sydney NSW 2000

Dear Sir

Please find attached the Company's announcement of its interim results for the 2012/13 year, for immediate release to the market.

Included in this announcement are ASX Appendix 4D and the Half Yearly Report for the period to 31 December 2012.

Yours faithfully

Mr Richard Caldwell
Executive Chairman

DYESOL GROUP of COMPANIES Global Leaders in Dye Solar Cell Technology

DYESOL LIMITED

Appendix 4D

Half Year Report Period Ended 31 December 2012

Results for announcement to the Market

	Percentage Change		$'000
Revenue from ordinary activities	53% decrease	to	518
Loss after income tax from continuing operations	48% decrease	to	(2,827)
Net loss for the period attributable to owners	48% decrease	to	(2,828)

Dividends

	Amount per security	Percentage Franked
Current period:		
Interim Dividend	Nil	N/A
Date the Dividend is Payable:		N/A
Record Date for determining entitlements to the Dividend:		N/A
Prior corresponding period:		
Interim Dividend	Nil	N/A

Net Tangible Assets per Security

As at 31 December 2012	$0.001
As at 31 December 2011	$0.019

The interim financial report of Dyesol Ltd for the half-year ended 31 December 2012 is subject to an emphasis of matter in the Independent Auditor's Review Report.

The emphasis of matter relates to the Group's ability to continue as a going concern and further progress the development of its technology and intellectual property, given the statement by directors in Note 2 in the Financial Report that additional capital will be required to do so.

The Group's independent auditor, Grant Thornton Audit Pty Ltd has stated that this requirement indicates the existence of a material uncertainty that may cast doubt on the Company's ability to continue as a going concern.

The Independent Auditor's Review Report is contained on page 20 of the interim financial report.

DYESOL™

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HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2012

DYESOL

DYESOL LIMITED

ABN 92 111 723 883

Interim Report - 31 December 2012

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Dyesol Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The directors present their report on the consolidated entity consisting of Dyesol Limited and its controlled entities for the half-year ended 31 December 2012 and the auditor's review report thereon:

1. DIRECTORS

The directors of the Company during the half-year and up to the date of this report are:

Name	Period of directorship
Mr Richard Caldwell *Chairman*	Director since 18 March 2005
Dr Gavin Tulloch *Executive Director*	Director since 27 March 2008, resigned 21 May 2010. Reappointed 27 October 2010, resigned 7 September 2012.
Mr Gordon Thompson *Executive Director*	Director since 9 November 2004
Mr Ian Neal *Non-Executive Director*	Director since 8 September 2006
Mrs.Sylvia Tulloch *Non-Executive Director*	Appointed 11 March 2005, resigned 7 July 2008. Reappointed 20 October 2009, resigned 30 November 2012.
Mr Gerry Grove-White Non-Executive Director	Director since 10 August 2011

2. RESULTS

The result of the consolidated entity for the half-year ended 31 December 2012 was a loss after income tax of $2,826,592 (2011: $5,397,281).

3. REVIEW OF ACTIVITIES

Net Zero Energy and Smart Buildings are the future of sustainable building construction and energy supply. Today, buildings account for a sizeable portion of greenhouse gas emissions and as electricity prices rise around the world, a greater and greater number of people will be seeking to construct zero energy office buildings, industrial parks, and residential apartments and detached homes. This is where the future for Dyesol's Dye Sensitized Solar Cell (DSC) enabled building products remains. DSC's ability to operate in low light conditions lends itself for use in smart buildings which require extensive sensor networks.

During the first half of FY 2013, Dyesol's international scientific and development teams in Australia, the United Kingdom, the United States, Japan, Singapore, Switzerland and Italy continued to advance their collective work on the technology package to power DSC enabled solar windows and glass façade and DSC enabled solar steel roofing products. Their coordinated global efforts against milestones in the Company's Technology Roadmap is producing measureable achievements which are closing the gap on the price, efficiency, and durability "golden triangle" needed for mass market commercialisation.

Operational Highlights for the First Half Fiscal Year 2013

- Dyesol's technology excelled in external testing conducted in California at the Newport Corporation Technology and Application's Centre Photovoltaic Laboratory. This external validation is important to our project partners and new potential partners and is part of the milestone based development plan of the Company's Technology Roadmap. The external test of Dyesol's larger size "strip cells" in 1/3 sunlight conditions typical of the real world achieved a 7.48% efficiency. This is a good result using conservative measurements which yields a more realistic "real-world" performance indication than tiny "spot cells" referenced in much DSC research publications.

- Collaboration plans with Nanyang Technological University in Singapore were finalised for joint R&D work on the next generation of DSC technology – solid state DSC – with signing of the formal agreement occurring in January. This collaboration will mean economical access to cutting edge research under the guidance of DSC inventor Michael Graetzel and positioning rights for future commercialisation plans resulting from discoveries made during the 2-year project.

- Evaluation and monitoring of performance and durability of the large scale DSC solar window installation in Korea via the Company's joint-venture Dyesol-Timo continued during the period.

- The highest ever shareholder participation in the AGM indicated the degree of interest in Dyesol and its activities. The company initiated structural changes which are anticipated to further lower costs, streamline operations, improve collaboration and unity, and put the business' operations and strategy on a more professional footing.

Financial Highlights for the Half-Year

The Company previously reported it was in advanced negotiation with a strategic investor and the structure of this investment would be concluded within the first quarter of 2013. An agreement was reached at the end of February 2013 with The National Industrialization Company of Saudi Arabia, also known as Tasnee, to invest an initial AUD $4 million with the possibility for an additional AUD $16 million investment as the year progresses. In addition, a bank facility to enable advance draw down of the Company's eligible R&D Tax rebate of up to AUD $2 million is in advanced negotiation and if obtained will provide the ability to access funds that would only otherwise be available after filing taxes and receipt of tax return. Furthermore and as promised at the recent AGM, the Company is planning to offer a Share Purchase Plan in the coming weeks to existing and eligible shareholders at the same share price offered to the strategic investor, Tasnee, (16.6 cents per share) to raise up to a further AUD $2 million. All of these initiatives will help stabilise the cash position of the Company and provide for the continuation of key activities essential to the long term prosperity of the Company. Additional financial notes:

- Revenue from sales of goods and services decreased by 53% compared to last year same period. The restructuring of the sales and marketing function and increased support to our sales agent network is to be accomplished by the next quarter which should increase our sales as we are expecting large volumes of material orders.

- The Company achieved positive half-year results compared to last year with a 30% reduction in the loss before income tax from continuing operations. All categories of expenditures showed significant savings, comprising of: technical expenses reduced 24%, corporate and administrative expenses reduced 28%, and marketing expenses reduced 72%. Contributing reasons for these savings include lower employee salaries (by $506K net), decrease in the Company's travel and accommodation costs (by $465k) and fewer new business development activities and marketing expenses (by $310k). In addition, the completion of the R&D projects for CSIRO and DyeTec Solar Inc–Ohio Third Frontier Fund towards the end of the last financial year had assisted in lower expenditures for this half-year. The other significant non-cash item saving was the $230k net loss on movement in fair value of derivative liability in last year results; the relevant Convertible Securities Agreements have been terminated during the previous financial year.

- Grant income was lower mainly due to the completion of the DyeTec Solar Inc–Ohio Third Frontier Fund project (by $176k). Other income was lower due to an adjustment made for a non-cash item relating to a fair value gain on derivatives ($320k) in the previous period.

- In October 2012, the Company received $2.95m cash rebate from the Federal Government for FY2012 R&D activities.

- An income tax receivable of $1.42m (Note 8) under the FY2013 R&D Tax Incentive program cash rebate (refundable tax credit) was provided based on the estimated R&D expenditures for the last six months.

- Net cash usage from operating and investing activities for the 6 months was in the range of $750k to $800k average per month in line with budget expectations, and represented a significant reduction from last year's average burn rate of $1.1m per month. The elimination of non-essential functions and wasteful activities, together with increasing the productivity of 'core' research projects and resources will ensure our cash utilization minimisation will continue with more vigour and focus as we step into the second half of the financial year.

- Although current assets were marginally lower than current liabilities, a significant proportion of the current liabilities were CSIRO convertible note ($1.2m) which may be redeemed at Dyesol Limited's option by issue of shares. The reduced cash reserves at the end of the period was the other significant contributing factor in the smaller current asset ratio.

4. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the independence declaration by the lead auditor under section 307C is included on page 5 to these half-year financial statements.

Dated at Queanbeyan, New South Wales, this 28th day of February 2013.

Signed in accordance with a resolution of the directors:

Richard Caldwell
Chairman

Grant Thornton Audit Pty Ltd
ACN 130 913 594

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Auditor's Independence Declaration
To The Directors of Dyesol Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Dyesol Limited for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L Worsley.

Louise Worsley
Partner - Audit & Assurance

Sydney, 28 February 2013

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	Half-year	
		31 December 2012 $	31 December 2011 $
Revenue from sale of goods and services		518,129	1,095,674
Cost of sales		(265,306)	(759,850)
Gross profit		**252,823**	**335,824**
Interest revenue		56,789	29,532
Other income	4	507,664	951,081
Technical expenses		(2,315,597)	(3,033,801)
Administrative and corporate expenses		(2,266,641)	(3,156,656)
Marketing expenses		(273,793)	(965,562)
Finance cost		(31,383)	(92,789)
Intellectual property expenses		(220,544)	(229,784)
Loss before income tax benefit	5	(4,290,682)	(6,162,155)
Income tax benefit		1,464,090	764,874
Net loss for the half-year		(2,826,592)	(5,397,281)
Other comprehensive loss			
Foreign currency translation differences		84,733	(12,856)
Total comprehensive loss for the half-year		(2,741,859)	(5,410,137)
Loss for the half-year is attributable to:			
Owners of Dyesol Limited		(2,827,746)	(5,398,941)
Non-controlling interest		1,154	1,660
		(2,826,592)	(5,397,281)
Total comprehensive loss for the half-year is attributable to:			
Owners of Dyesol Limited		(2,743,142)	(5,411,598)
Non-controlling interest		1,283	1,461
		(2,741,859)	(5,410,137)
Basic and diluted loss per share (cents)	10	(1.44)	(3.40)

The above Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

DYESOL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	31 December 2012 $	30 June 2012 $
ASSETS			
Current assets			
Cash and cash equivalents		1,128,866	2,510,305
Trade and other receivables	7	1,842,528	3,450,290
Inventories		1,484,418	1,399,869
Other current assets	6	394,501	309,468
Total current assets		4,850,313	7,669,932
Non-current assets			
Property, plant and equipment		1,541,506	2,022,958
Intangible assets	8	10,200,156	9,640,061
Total non-current assets		11,741,662	11,663,019
Total assets		16,591,975	19,332,951
LIABILITIES			
Current liabilities			
Trade and other payables		2,135,846	2,144,243
Borrowings	9	1,198,999	1,170,437
Provisions		225,481	224,771
Total current liabilities		3,560,326	3,539,451
Non-current liabilities			
Provisions		348,591	386,085
Deferred tax liability		554,020	590,954
Total non-current liabilities		902,611	977,039
Total liabilities		4,462,937	4,516,490
Net assets		**12,129,038**	**14,816,461**
EQUITY			
Contributed equity	10	76,127,923	76,127,923
Reserves		4,113,878	3,974,838
Accumulated losses		(68,117,816)	(65,290,070)
Capital and reserves attributable to owners of Dyesol		**12,123,985**	**14,812,691**
Non-controlling Interest		5,053	3,770
Total equity		**12,129,038**	**14,816,461**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

DYESOL

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	Half-year	
		31 December 2012 $	31 December 2011 $
Cash flows from operating activities			
Cash receipts from customers		691,848	605,542
Cash payments to suppliers and employees		(4,661,141)	(6,886,563)
R&D tax rebate received		2,956,726	-
Interest received		43,534	13,644
Interest paid		(2,821)	(40,000)
Grant received		142,214	502,313
Net cash outflow from operating activities		(829,640)	(5,805,064)
Cash flows from investing activities			
Payments for property, plant & equipment		(36,319)	(196,814)
Payments for product development cost		(630,350)	(654,680)
Net cash outflow from investing activities		(666,669)	(851,494)
Cash flows from financing activities			
Proceeds from the issue of shares		-	3,151,260
Proceeds from borrowings		500,000	366,372
Repayment of borrowings		(500,000)	(450,740)
Share issue costs		107,640	(21,662)
Net cash inflow / (outflow) from financing activities		107,640	3,045,230
Net decrease in cash held		(1,388,669)	(3,611,328)
Effects of exchange rate changes on the balances of cash held in foreign currencies		7,230	(10,748)
Net cash at beginning of period		2,510,305	6,293,440
Net cash at end of period		**1,128,866**	**2,671,364**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Contributed equity	Accumulated losses	Reserves: Equity- settled benefit	Reserves: Foreign currency translation reserve	Total	Non-controlling interest	Total equity
	$	$	$	$	$	$	$
At 1 July 2011	**66,848,603**	**(56,409,198)**	**4,380,884**	**(977,489)**	**13,842,800**	**1,141**	**13,843,941**
Total comprehensive income for the half-year							
Loss for the half-year	-	(5,398,941)	-	-	(5,398,941)	1,660	(5,397,281)
Other comprehensive income							
Foreign currency translation reserve differences	-	-	-	(12,657)	(12,657)	(199)	(12,856)
Total comprehensive income for the half-year	-	**(5,398,941)**	-	**(12,657)**	**(5,411,598)**	**1,461**	**(5,410,137)**
Transaction with owners, in their capacity as owners							
Contributions of equity, net of transaction costs	3,322,371	-	-	-	3,322,371	-	3,322,371
Share-based payment expense	-	-	393,530	-	393,530	-	393,530
Total transactions with owners	**3,322,371**	-	**393,530**	-	**3,715,901**	-	**3,715,901**
At 31 December 2011	**70,170,974**	**(61,808,139)**	**4,774,414**	**(990,146)**	**12,147,103**	**2,602**	**12,149,705**
Total comprehensive income for the half-year							
Loss for the half-year	-	(3,481,931)	-	-	(3,481,931)	1,208	(3,480,723)
Other comprehensive income							
Foreign currency translation reserve differences	-	-	-	(17,245)	(17,245)	(40)	(17,285)
Total comprehensive income for the half-year	-	**(3,481,931)**	-	**(17,245)**	**(3,499,176)**	**1,168**	**(3,498,008)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Contributed equity	Accumulated losses	Reserves: Equity- settled benefit	Reserves: Foreign currency translation reserve	Total	Non-controlling interest	Total equity
	$	$	$	$	$	$	$
Transaction with owners, in their capacity as owners							
Contributions of equity, net of transaction costs	5,956,949	-	-	-	5,956,949	-	5,956,949
Share base payment expenses	-	-	207,815	-	207,815	-	207,815
Total transactions with owners	**5,956,949**	**-**	**207,815**	**-**	**6,164,764**	**-**	**6,164,764**
At 30 June 2012	**76,127,923**	**(65,290,070)**	**4,982,229**	**(1,007,391)**	**14,812,691**	**3,770**	**14,816,461**
Total comprehensive income for the half-year							
Loss for the half-year	-	(2,827,746)	-	-	(2,827,746)	1,154	(2,826,592)
Other comprehensive income							
Foreign currency translation reserve differences	-	-	-	84,604	84,604	129	84,733
Total comprehensive income for the half-year	**-**	**(2,827,746)**	**-**	**84,604**	**(2,743,142)**	**1,283**	**(2,741,859)**
Transaction with owners, in their capacity as owners							
Contribution of equity, net of transaction costs	-	-	-	-	-	-	-
Share base payment expenses	-	-	54,436	-	54,436	-	54,436
Total transactions with owners	**-**	**-**	**54,436**	**-**	**54,436**	**-**	**54,436**
At 31 December 2012	**76,127,923**	**(68,117,816)**	**5,036,665**	**(922,787)**	**12,123,985**	**5,053**	**12,129,038**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

These general purpose financial statements for the half-year reporting period ended 31 December 2012 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. The historical cost basis has been used.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2012 and any public announcements made by Dyesol Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have generally been followed in these half-year financial statements as compared with the most recent annual financial statements except for:

New and revised accounting standards applicable for the first time to the current half-year reporting period.

The Group has adopted all new and revised Australian Accounting Standards and Interpretations that became effective for the first time and are relevant to the Group, including:

- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income which requires entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently, and changes the title of 'statement of comprehensive income' to 'statement of profit or loss and other comprehensive income'.

The adoption of the new and revised Australian Accounting Standards and Interpretations has had no significant impact on the Group's accounting policies or the amounts reported during the current half-year period. The adoption of AASB 2011-9 has resulted in the title of 'statement of comprehensive income' being changed to 'statement of profit or loss and other comprehensive income'.

These half-year financial statements were approved by the Board of Directors on 28 February 2013.

2. GOING CONCERN

The Group incurred an operating loss after income tax for the half-year of $2,826,592 (2011: $5,397,281) and an operating net cash outflow of $829,640 (2011: $5,805,064) for the half-year ended 31 December 2012. Cash held at bank as at 31 December 2012 was $1,128,866 (30 June 2012: $2,510,305) of which $103,264 relates to cash held in joint ventures.

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal activities and realisation of assets and settlement of liabilities in the normal course of business. Additional capital will be required in order for Dyesol to continue as a going concern and further progress the development and full commercialisation of its Dye Solar Cell technology applied on glass, metal and other substrate-based products. Dyesol has previously raised capital when required and the Directors expect the Group will be successful in raising the required additional capital in future.

The Directors have initiated the following strategies to secure the going concern status and have determined that these accounts should be prepared on a going concern basis as these strategies are expected to be successful:

(a) Loan facilities

The Group procured a bridging loan facility to draw down up to $250,000 with security over selected assets of the Company. The loan was fully drawn down on the 23 January 2013. Interest accrues daily at 9.65% per annum until the repayment date. The repayment date is the earlier of either 31 March 2013 or two business days after receipt by the Group of a cash injection through any third party investors, or as mutually agreed. The facility has been provided by an entity associated with Mr. Richard Caldwell, a director of the Company. A verbal agreement is in place to extend the facility and draw down an additional $500,000 if required.

Similarly a bank facility to enable draw downs of Dyesol's eligible R&D Tax rebate up to a maximum of AUD $2 million is in advanced negotiations and if obtained provides the ability to access funds that would be only otherwise available after lodgement of the Group's tax return.

(b) Strategic investment

An agreement has been reached with The National Industrialization Company of Saudi Arabia, also known as Tasnee, to invest AUD $4 million in Dyesol by way of a 15 month redeemable loan note, convertible into Dyesol shares at 16.6 cents per share. Furthermore, the agreement will provide Tasnee with a 6 month exclusivity period to perform due diligence with the potential of investing up to a total of $20m.

(c) Share Purchase Plan

In the coming weeks Dyesol intends to offer a Share Purchase Plan to existing and eligible shareholders at the same share price offered to Tasnee (16.6 cents per share) to raise up to AUD $2 million.

(d) Continued reduction of the cost base

The Group's cost saving measures to preserve cash position within limits without significantly affecting critical R&D activities and operations is continuing with sustained focus and vigour. This is exemplified by the reduction in the net cash burn from operating and investing activities for the half-year of $742k average per month after adjustment for the 2012 R&D tax rebate of $2.956m receipt during the period (2011: $1.1m per month).

In addition to the initiatives set out above, the Board of Directors continues to look at long term investment options to provide the working capital to implement its technology roadmap to full commercialisation. The Board believes that the Group any will be successful in transforming operations to achieve positive cash flow. Until this is achieved additional funding will continue to be required from investors.

Based on the factors outlined above the Directors have prepared this financial report on a going concern basis. Accordingly the financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

3. SEGMENT REPORTING

Operating segments have been determined on the basis of reports reviewed by the executive management committee. The executive management committee ("committee") is considered to be the chief operating decision maker of the group. The committee considers the business from both a product and geographic perspective and assesses performance and allocates resources on this basis.

Information provided to the executive management committee

Segment information provided to the board for the half-year ended 31 December 2012 is as follows:

Product information

	Glass & Equipment		**Metal Strip**		**Flexibles**		**R&D Materials**		**Total**	
	31 Dec 2012 $	**31 Dec 2011 $**	**31 Dec 2012 $**	**31 Dec 2011 $**	**31 Dec 2012 $**	**31 Dec 2011 $**	**31 Dec 2012 $**	**31 Dec 2011 $**	**31 Dec 2012 $**	**31 Dec 2011 $**
Segment revenue										
Total segment revenue	78,698	869,283	-	-	-	-	443,545	557,855	522,243	1,427,138
Inter-segment revenue	(9,452)	(280,327)	-	-	-	-	(40,607)	(77,533)	(50,059)	(357,860)
Segment revenue from external customers	69,246	588,956	-	-	-	-	402,938	480,322	472,184	1,069,278
Net Loss	(517,418)	(695,186)	(60,730)	(311,564)	(14,861)	(73,138)	(1,171,228)	(1,317,942)	(1,764,237)	(2,397,830)

The executive management committee monitors segment performance based on net loss before income tax.

Other segment information

Non-cash expenses other than depreciation and amortisation	12,200	47,562	-	98,653	-	8,013	13,848	55,224	26,048	209,452

Other segment information

Segment revenue

Product segment revenue reconciles to total revenue from sales of goods and services

	31 Dec 2012 $	31 Dec 2011 $
Total segment revenue	522,243	1,427,138
Inter segment revenue	(50,059)	(357,860)
Other segment revenue		
Licence fee	4,905	26,396
Technical services	41,040	-
Total revenue from sale of goods and services	**518,129**	1,095,674

Net Loss

Net loss reconciles to loss before income tax as follows:

Total segment net loss	(1,764,237)	(2,397,830)
Inter-segment eliminations	14,427	67,733
Unallocated corporate and other business units income and expenses		
Depreciation and amortisation	(627,319)	(590,963)
Loss on movement in fair value of derivative liability	-	(235,089)
Gain on movement in fair value of derivative liability	-	320,000
Employment cost	(839,760)	(1,103,055)
Share based payment	(28,388)	(184,078)
Marketing expenses	(122,678)	(595,203)
Foreign currency gain/(losses)	15,303	17,868
Unrealised foreign exchange gain/(losses)	(12,279)	(1,521)
Interest paid	(31,383)	(92,789)
Interest Income	56,789	29,532
Intellectual property expenses	(88,020)	(95,348)
Professional fees	(307,136)	(320,267)
Legal fees	(21,100)	-
Board, secretarial & other expenses	(380,433)	(188,936)
Provisions for doubtful debts/ write off	(13,151)	-
Other	(141,317)	(792,209)
Total unallocated corporate and other business units income and expenses	(2,526,445)	(3,764,325)
Loss before income tax from continuing operations	(4,290,682)	(6,162,155)

Segment assets

Segment assets are not required to be disclosed if they are not provided to the chief operating decision maker.

Segment liabilities

Segment liabilities are not required to be disclosed if they are not provided to the chief operating decision maker.

Geographical information

The Group operates in four major geographical segments, being Australia, Asia, Europe (including Switzerland, Italy, Germany and the UK) and North America, being where the customers are based. All of these entities are involved in the industrialisation and commercialisation of Dye Solar Cell (DSC) technology.

Segment information provided to the executive management committee for the half-year ended 31 December 2012 is as follows:

	Australia		**Europe**		**North America**		**Asia**		**Total**	
	31 Dec 2012	**31 Dec 2011**	**31 Dec 2012**	**31 Dec 2011**	**31 Dec 2012**	**31 Dec 2011**	**31 Dec 2012**	**31 Dec 2011**	**31 Dec 2012**	**31 Dec 2011**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Segment revenue										
Total segment revenue	19,139	36,746	269,666	422,770	117,946	515,862	353,878	649,267	760,629	1,624,645
Inter segment revenue	-	(917)	(181,706)	(200,243)	(45,593)	(272,021)	(15,201)	(55,790)	(242,500)	(528,971)
Segment revenue from external customers	19,139	35,829	87,960	222,527	72,353	243,841	338,677	593,477	518,129	1,095,674

Segment revenue

The segment revenue reconciles directly to total revenue from continuing operations and therefore no reconciliation is required.

Segment assets

Segment assets are allocated to countries based on where the assets are located.

	31 Dec 2012 $	31 Dec 2011 $
4. OTHER INCOME		
Government and other grants	394,805	586,272
Gain on movement in fair value of derivative liability	-	320,000
Other income	112,859	44,809
Total other income	507,664	951,081
5. EXPENSES		
Loss before income tax includes the following expenses:		
Borrowing costs		
Interest expenses	31,383	92,789
Fair value loss on derivative liability		
Loss on movement in fair value of derivative liability	-	235,089

6. OTHER CURRENT ASSETS

	31 Dec 2012 $	30 June 2012 $
Prepaid expenses	336,479	252,716
GST receivable and PAYG	58,022	56,752
Total other current assets	394,501	309,468
7. TRADE AND OTHER RECEIVABLES		
Trade receivables, gross	273,684	379,168
Allowance for doubtful debts	(98,079)	(98,079)
Trade receivables	175,605	281,089
Directors' loans, gross	-	329,734
Allowance for doubtful debts	-	(329,734)
Directors' loans	-	-
R & D tax rebate receivable*	1,420,000	2,951,443
Other receivables	246,923	217,758
	1,842,528	3,450,290

* An income tax receivable of $1.42m under the FY2013 R&D Tax Incentive program cash rebate (refundable tax credit) was provided based on the estimated R&D expenditures for the last six months.

8. INTANGIBLE ASSETS

	31 Dec 2012 $	30 June 2012 $
Intellectual property and patents, at cost	3,747,022	3,747,022
Less: Accumulated amortisation	(1,811,228)	(1,676,101)
	1,935,794	2,070,921
Product development costs	4,524,225	3,829,003
Goodwill at cost	3,740,137	3,740,137
	10,200,156	9,640,061

No impairment of the consolidated entity's intangible assets was required because the Directors continue to expect sufficient net cash flows to be generated by these assets and its property, plant and equipment to support their carrying values. The Directors' assessment of the impairment of intangible assets (including capitalised development costs of $4,524,225) and property, plant and equipment with the expected success and future net cash flows to be generated by the DSC PV project in collaboration with Tata Steel Europe remains unchanged, as previously reported for the year ended 30 June 2012 (refer to Annual Report 2012 Note 1y and Note 12).

9. BORROWINGS

	31 Dec 2012 $	30 June 2012 $
Convertible note-unsecured	1,198,999	1,170,437

A funding agreement was entered into with CSIRO to carry out a research and development project. CSIRO has provided funds to the value of $1,172,698 in three separate instalments and in return the company has issued convertible notes with a face value equal to the funds received of $1,172,698. The interest rate charged on the loan is lower than the market rate for similar financing, and therefore, the difference between the face value of $1,172,698 and the fair value of the instrument of $1,044,713 has been recognised as grant income over the term of the loan. The Funding Agreement between the Company and CSIRO governs the terms and circumstances of redemption, conversion or granting of a licence to satisfy the indebtedness of this note. The option to convert into ordinary shares equal to the face value of the note, redeem for cash or exchange the note for a licence is with the Company and is dependent on the outcome of the project.

10. EQUITY SECURITIES ISSUED

Issue of ordinary shares during the half-year:

	Number of Shares		$	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Issue of shares on exercise of rights and options	847,357	613,605	-	-
Issue of shares on conversion of SpringTree Special Opportunities Fund, LP convertible notes	-	6,997,458	-	3,322,371
Issue of shares as collateral for Bergen Global Opportunity Fund, LP	-	1,300,000	-	-
Total	847,357	8,911,063	-	3,322,371

EARNINGS PER SHARE

Reconciliation of earnings to profit or loss	31 Dec 2012	31 Dec 2011
Loss attributable to owners of Dyesol Limited used to calculate earnings per share	(2,827,746)	(5,398,941)

The calculation of basic loss per share at 31 December 2012 was based on the loss attributable to owners of Dyesol Limited $2,827,746 (2011: $5,398,941) and a weighted average number (W.A.N.) of ordinary shares outstanding at 31 December 2012 of 196,325,519 (2011: 159,008,809) shares calculated as follows:

	31 Dec 2012		31 Dec 2011	
	Actual No.	W.A.N.	Actual No.	W.A.N.
Issued ordinary shares at beginning of year	196,044,602	196,044,602	153,894,736	153,894,736
Effect of shares issued pursuant to placement	-	-	8,297,458	4,689,176
Effect of issue of shares as a share based payment	847,357	280,917	613,605	424,897
Issued ordinary shares at end of year	196,891,959	196,325,519	162,805,799	159,008,809

11. CONTINGENT LIABILITIES

The Company has received a claim from Dr Gavin Tulloch (through his entity, Tulloch Management Pty Ltd (in Liquidation)) alleging wrongful termination of his role as Director of Technology and seeking payment of a significant unsubstantiated amount. In the Directors' opinion this claim is without basis and the Company will strenuously defend this matter.

There has been no other change in material contingent liabilities, contingent assets and capital commitments since the end of the previous annual reporting period.

12. EVENTS SUBSEQUENT TO THE END OF REPORTING PERIOD

- The Company procured a bridging loan facility to draw down up to $250,000 with security over selected assets of the Company. The loan was fully drawn down on the 23 January 2013. Interest accrues daily at 9.65 % per annum until the repayment date. The repayment date is the earlier of either 31 March 2013 or two Business Days after receipt by the Company of a cash injection through any third party investors ,or as mutually agreed. The facility has been provided by an entity associated with Mr. Richard Caldwell, a director of the Company. A verbal agreement is in place to extend the facility and draw down an additional $500,000 if required.

- On 23 Jan 2013 the Company has signed a Research Collaboration Agreement with the Energy Research Institute at Nanyang Technological University (ER@N) in Singapore. The agreement is for a period of thirty (30) months which is highly beneficial for both parties and will see a sharing of resources to create scalable and commercially feasible solid state Dye Solar Cell technology (DSC), a low- cost renewable energy technology that operates efficiently in variable and low-light conditions. The parties shall provide respectively the funding and/or contributions to the Research Project; the total funding by the Company to carry out the Research Project under the agreement inclusive of prevailing GST is S$400,000.

- On 7 February 2013, the Company issued the following performance rights under the Dyesol Performance Right Plan to employees over unissued ordinary shares:

    - 250,000 performance rights for nil consideration, vesting on 1 July 2013, expiry period 1 August 2013.
    - 50,000 performance rights for nil consideration, vesting on 31 December 2013, expiry period 31 January 2014.

  Each performance right is entitled to convert into one share upon vesting.

- On 28 February 2013, an agreement has been reached with The National Industrialization Company of Saudi Arabia, also known as Tasnee, to invest AUD $4 million in Dyesol by way of a 15 month redeemable loan note, convertible into Dyesol shares at 16.6 cents per share. Furthermore, the agreement will provide Tasnee with a 6 month exclusivity period to perform due diligence with the potential of investing up to a total of $20m.

DECLARATION BY DIRECTORS

The directors of the company declare that:

1. the financial statements, comprising the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and accompanying notes, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

   (b) Give a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date.

2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with the resolution of the Board of Directors and is signed for and behalf of the directors by:

Richard Caldwell
Executive Chairman

Dated at Queanbeyan, New South Wales, this 28th day of February 2013.

Grant Thornton

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Independent Auditor's Review Report
To the Members of Dyesol Limited

We have reviewed the accompanying half-year financial report of Dyesol Limited ("the Company"), which comprises the consolidated financial statements being the consolidated statement of financial position as at 31 December 2012, the consolidated profit and loss and statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of Dyesol Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Dyesol Limited consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Dyesol Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Dyesol Limited is not in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of Matter: Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion, we draw attention to Note 2 in the half-year financial report which sets out the basis on which the Directors have determined that the consolidated entity is a going concern.

The consolidated entity incurred a net loss after income tax of $2,826,592 and an operating net cash outflow of $829,640 during the period ended 31 December 2012. Cash and cash equivalents amount to $1,128,866 at 31 December 2012.

The directors have stated in Note 2 that they have entered into a strategic investment agreement with The National Industralization Company of Saudi Arabia better known as Tasnee. The terms of the investment are such that an initial amount of $4m will be received through the issue of a redeemable loan with a 15 month term, convertible into Dyesol shares at 16.6 cents per share. Furthermore, the agreement will provide Tasnee with a 6 month exclusivity period to perform due diligence procedures with the potential of investing up to a total of $20m. Note 2 also states that the consolidated entity is also considering a capital raise and other loan facilities and that they also intend to continue with cost reduction measures.

These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the Company and the consolidated entity's ability to continue as a going concern and therefore, the Company and the consolidated entity may be unable to realise their assets and discharge their liabilities in the normal course of business, and at the amounts stated in the financial report.

Emphasis of Matter: Material Uncertainty regarding Impairment of Non-Current Assets

Without modifying our opinion, we draw attention to the statement of financial position which includes property, plant and equipment amounting to $1,541,506 and intangible assets amounting to $10,200,156, which relate substantially to the consolidated entity's project to develop Dye Sensitised Photovoltaic on coil coated steel (the DSC PV project) in collaboration with Tata Steel Europe.

A formal commitment to further progress the DSC PV project to commercialisation has not been received from Tata Steel Europe. Notwithstanding this uncertainty, based on information available to them, the Directors are of the opinion that it is most likely that such a commitment will be received either from Tata Steel Europe of another investor and that the DSC PV project will progress to commercialisation.

Accordingly the Directors continue to expect that sufficient net cash flows will be generated by these assets to support their carrying values and no impairment of these assets exists at 31 December 2012.

There is inherent uncertainty regarding the assumption that Tata Steel Europe or another investor will commit to further progressing the DSC PV project and should this assumption prove to be incorrect the consolidated entity's property, plant and equipment and intangible assets may be impaired.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

LWorsley.

Louise Worsley
Partner - Audit & Assurance

Sydney, 28 February 2013